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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Monday, June 24, 1996*

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. FUNDERBURK].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 24, 1996.

I hereby designate the Honorable DAVID FUNDERBURK to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we come before You this day, O gracious God, to offer our prayers and supplications, we remember with affection the life of our colleague and friend, BILL EMERSON. We are grateful for his concern for the issues of great importance to our Nation and for his abiding service to the people of Missouri. We ask, O God, that Your blessings of mercy and peace, of remembrance and recollection, be with his family and with all who knew and loved him. We are grateful that he has now received the fullness of Your promises and he abides with You and all those who sought to serve You by serving people in their need. May Your peace, O God, that passes all human understanding, be with each person now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 153. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

GRANTING MOST-FAVORED-NATION STATUS TO CHINA

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, the House will soon vote on most-favored-nation status with China. That means should we have a trading relationship with this Communist dictatorship that violates the rights of its people, is belligerent against its neighbors, is helping in the proliferation of nuclear weapons, and a country that is now run by a group so hostile to the United States that it could well become our enemy in the future and possibly an enemy at war with the United States of America unless we do something?

Mr. Speaker, this is not the time to grant that type of trading status, that grants this dictatorial regime the same status as we grant England and France and other democratic countries. We should put our foot down and say until we see changes in human rights and in their aggressive policies toward their neighbors and the stealing of American technology, we will not grant them this right. And if we do that, we will be protecting the interests of the people of the United States of America and we will be securing our future, because tyrants understand action. They do not understand platitudes, and up to this point they have only heard platitudes about human rights from the United States of America.

MESSAGE CONCERNING THE DEATH OF CONGRESSMAN EMERSON

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, as Chaplain Ford mentioned this afternoon about the death of our colleague, the gentleman from Missouri, Congressman BILL EMERSON, was one of the most popular Members in the Congress. He even came as a page many, many years ago. He loved this House. He died at the age of 58 at Bethesda Naval Hospital. He served eight terms in the Congress. His funeral will be this Thursday out in his State of Missouri. So I bring this message to the House today.

Mr. Speaker, I am sure tomorrow the Missouri delegation will take more time to talk about this wonderful man, BILL EMERSON.

HOW NOT TO HANDLE A SEX DISCRIMINATION CASE IS DEMONSTRATED BY MITSUBISHI AUTO COMPANY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am positively amazed by the executives at Mitsubishi Auto Co. They seem

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

to be destined to go in the textbook as the classic textbook case on how not to handle a sex discrimination case. Over the weekend, they decided that they would now try and get out from under the EEOC charges that have been filed against them. This case has been one that has been documented in newspapers all over the place, and they constantly continue to spend all of their money trying to do legal maneuvers, find fancy high-priced people that they can hide behind to say that they are coming clean.

I guess the bottom line is "denial is not a river in Egypt." It seems to be something that is flowing right through the executive offices of Mitsubishi Auto Co., and it is a shame they do not just settle this case and get on with it. I think everybody would have a whole lot more respect for all of them.

THE FAMILY LEAVE ACT LAID A FOUNDATION FOR THE FAMILY INVOLVEMENT ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 60 minutes as the designee of the minority leader.

Mrs. SCHROEDER. Mr. Speaker, I thank you for recognizing me, and I first of all take the floor and say how very, very sad I am by the passing of our colleague, BILL EMERSON. This is a man who cared very much about hunger issues and nutrition issues, and he will be sadly missed because those are not great power issues. You can imagine, hungry people do not have political action committees and they are not really involved in the great power process. So they have lost a friend, and we have lost a friend, and my deepest sympathy goes to their family.

Now, I wanted to talk a bit today about what is going on in Tennessee, which I think is very exciting. Vice President GORE and his wife Tipper, and the President and Mrs. Clinton, are all in Tennessee doing a family reunion. They are doing a family reunion where they are calling families together and continuing the dialog of what can Government do to make family life a little less stressful. A lot of people say we do not have the values anymore for families. We have those values. We have those values. The problem is the whole society is pressing down on families so hard that it is very hard for a family to sustain itself. So the question is, Is there anything that can be done for a little relief?

Mr. Speaker, one of the things that I am doing with the gentleman from Connecticut, Senator DODD, and that they will be talking about today in Tennessee is to extend the family medical leave concept that we passed 2 years ago. The family medical leave that we passed 2 years ago gave families for the first time the right in the workplace to have unpaid leave upon the birth or adoption of a child or a critical chronic illness of a member of the family. Because the President and Vice President listened so well and many others have been listening so well to what families have said, they have said this family leave has really been a salvation for them in many cases.

So, Mr. Speaker, we are introducing a bill to lower the covered companies down to 25. If you have 25 or more employees, we think you should be covered by family leave. Right now, it is up at 50. We think that experiment worked so well, and we had a whole year of hearings all around America so that we are now ready to make the next step and lower it. That will be a very, very exciting thing and we hope that we can get that passed.

Now, the next part, now we are talking about parental involvement leave, because what so many parents tell us is that they want to be more involved in the child's education, but where they work they cannot take the time off. So this would give each parent a couple of days of unpaid leave a year where they could participate in the child's educational advancement. You know, all sorts of corporations give schools machinery, equipment, computers, and that is all wonderful. But they will tell you they are so understaffed that unless they have people who know how to use them and can help them, they do not do much good.

So we are saying let us work together with corporate America to find a way where we also allow employees who are in the work force to be able to take a couple unpaid days of leave and invest it in their child's education. We have study after study showing that any child does much better in school if the parents are interested, if the parents are involved, and if the parents are tracking along. We desperately need to allow people that option. One of the things that has troubled me, imagine, project yourself 100 years into the future and suppose we are going through some of the surveys we now see in this country. We see survey after survey showing that the average American will tell you if they get up in the morning and their child care has fallen apart or their spouse is chronically ill that they feel much safer calling their employer and lying about that. They feel much safer if they call their employer and tell them that the car broke down, rather than the truth. Now, 100 years from now, they are going to dig us up and say, "What did they do, worship these cars? I mean, they care more about their cars than children, spouses, family members." I do not think so.

But the same thing also goes with what we see these surveys talking about what a person says if they want to go to the child's school to participate. How many will tell their employer that? Very few. Most people will say they feel much more comfortable saying they are going to play golf. Now, going to play golf is more important than going to participate in your child's school? I do not think most Americans think it is more important, but they think that their employer will not be as apt to dock them if they say they are going to play golf or they are going to play tennis or they are going hunting, rather than they are going to the school.

Mr. Speaker, what kind of craziness has happened that the values that we all feel in our home, in our kitchen, around the kitchen table, the things that pull us into our family and pull us into the institutions they want us to participate in, that somehow we do not feel that we are able to talk about those out in the work world without being condemned, without being punished or without having our career on the line? Something is really wrong.

So family leave began to work on that and now we are going to have a parental involvement act that really is just like family leave. It is not paid, so you are taking a penalty to do it. Very few people can have very many unpaid days. But at least a couple times a year you could do this if you wanted to do this and not worry about having to use sick days and not having to make something up or whatever.

□ 1415

I think we need to continue this dialog with America's families to find everything we can find to see what other kinds of things like this we could do just to give them a few tools to lift some of the pressure they are feeling up off their shoulders.

When I talk to the average American family they tell me they feel like one of those hamsters in a wheel. My kids used to have hamsters when they were growing up, and in the cage there was a little wheel and the hamsters would run and run and run and run, and they never got out of the wheel, obviously. I think families feel that way. They run faster every year, they are more exhausted every year, and they are still at the bottom of the wheel. I think it is because families still have the same values their families had but they feel they are in a society where they will be penalized for expressing those values or trying to act on those values.

Well, if that is true, we are in real bad shape and the No. 1 goal of this Government should be to try and make sure that you will not be penalized for expressing and acting on those values. Anyone who thinks a car is more important than a child, I want to talk to them.

Now, the other thing that just came out, too, was the fact of child support enforcement. We are hearing all this stuff about welfare reform, welfare reform, welfare reform. Very important. But when we still only see about 18 percent of child support enforcement, as that report showed last week, we are still not making much of a commitment. For the parents that are supporting their children, obviously, they get very angry with the other parents who cast their children off like they are a used up can of pop and refuse to pay. Obviously, they do not want to have to pay for their kids and someone else's kids that they walked away from.

On the other hand, we have to be very concerned about those young people because they are our country's future. Are we afraid to talk about the common good anymore? And the common good is certainly that all young people get all the education their ability and desire drives them to want, because they are certainly going to be better citizens and then our country is going to be a better place.

So I think making parents more reponsible, and I think the parents that have taken responsibility ought to be very angry with the parents who will not take responsibility. Now, we cannot force them to live together but we can certainly force them to pay and make that family as economically whole as possible. It is startling to me that we force children to have that welfare stamp stamped on them because some adults do not want to take economic responsibility for children that they participated in bringing into this world.

One of the prime values that we should talk about here is the fact that we have not done a good job doing that because they do not want to make adults mad. The kids do not vote but the adults do vote, and they are afraid they will make the adults mad if they make those adults become responsible parents and pay their child support.

So I would hope that families would also be talking about that today at the family reunion, because I think an awful lot of us, again, are very concerned about what that survey will look like 100 years from now when somebody recognizes that 97 percent of the payments get made and only 18 percent of child support payments were made.

Again, do we care more about cars than our children? If we do, we really are lost souls, and if we really do, then we may as well forget it for the 21st century because those children are the primary stockholders in this next century, and if they are not ready and if they are not prepared and if we are not getting them ready and prepared, then we have really given up on the future.

So those are all the things going on down in Tennessee, and there is another little piece that I would like to talk about, the other little piece about what happens with Medicare, what happens with Medicaid, the raging debate that has been going on in this body about Medicare and Medicaid. What does it mean; where are we going; how come it is so partisan; can we not get some kind of consensus?

I have thought and thought and thought about what could I say, what could I say that would try to bring it down and then all of a sudden, voila, I came across Little Red Riding Hood. Little Red Riding Hood, I think, tells us more about what is going on in the Medicare-Medicaid debate than anything I can think of.

Let me go back and start so I can try to make some sense out of this. We all know that we have to make adjustments to Medicare and we have to make adjustments in Medicaid because no one ever guesses exactly what kind of premiums should be paid, how many people are going to be sick. Our best guess is sometimes off, so we tinker here and we tinker there. That has been going on since they created the system, that is what should go on, and that is what should continue to go on. But some people use those reports to say, OK, this is it, it is going off the cliff, kill it. Well, I do not think we should kill it. Other people say, oh, we did not mean kill it, we are just trying to fix it, trust us.

That is where Little Red Riding Hood comes in, because if you remember Little Red Riding Hood, the great pictures are of grandma dressing up like the wolf, or the wolf dressing up like grandma. I got that wrong, did I not? We have the wolf, who sneaks into grandma's bed clothes, climbs in the bed, and then what happens when Little Red Riding Hood comes in? Well, it is not too surprising; the wolf jumps out and she sees who it really is.

My question about Medicare and Medicaid is when the Republicans have voted against Medicare when it was started, said they did not like it, said they would like to have it wither on the vine, and I could give you hundreds of quotes, do you then trust them to fix it? Is that not the equivalent of the wolf putting on grandma's clothes and getting in bed? That is certainly how I see it. If for years they have railed against it, not thought it was a good idea, and now they say, trust us, we want to fix it, that is no different than the wolf putting on the little hat, crawling under the bed covers and getting ready to jump out at Little Red Riding Hood.

So we must make sure we do not become Little Red Riding Hood. This all sounds so esoteric, and I hope none of you ever have to go through what I have gone through to really feel it, but a couple of weeks ago my mother fell and broke her hip. Now, my mother has never used Medicare. She has been under Medicare, she is in her eighties, but she has never had to use it, she has been very healthy, nor has my father, but all of a sudden she broke her hip. When a woman in her eighties breaks her hip, we are talking about expensive procedures. We are talking about long-term rehabilitation. Never have I been so happy there has been something such as Medicare, because I think my very proud mother would be absolutely devastated if she had to go through the breaking of the hip and then also the asking of her children for money to help her recover. This is devastating enough to her to have to be on her back for a while, but this is going to cost a lot of money. I think since she has been paying in for tens of years or decades, probably she will just be gradually getting it all back, but, nevertheless, in prior times, before we had Medicare, the family would have been in crisis trying to figure out where to get the money so she could get the proper care, and that is just to something that we want to enter the equation at such a traumatic time.

Now, there is no question my brother and I would do everything we can to try and protect our parents, who have been so wonderful to us, but we are not rich, and the way medical bills run, I will tell you, luckily my mother is not in that bad a shape, but all of a sudden I can visualize how somebody could have something happen where very rapidly my brother and I could have been out of all of our resources within 6 months to a year. That is not at all impossible under the system and the costs of our wonderful medical care that we have.

So people need to think about that. And as we talk about Medicare and Medicaid, let me constantly stipulate, of course we have to constantly work to fix it, but we also have to make sure that it is still there, that fixing it does not mean killing it. That, I think, is very critical.

When we look at the other health care issues that we are talking about, this bill that we are hoping to get through that Senator KASSEBAUM had introduced, which is very important, it says that you and I, this is not Medicare, this is not Medicaid, you and I can transport our insurance with us; we can be guaranteed that we can get it no matter what our physical state is, and so forth. That is very important. But one of the things that they are trying to do to ruin that, the reason we have not been able to take it up, is another variable.

Imagine a pool of water. That is how we want health care to be, a pool that we are all in, just like my mother and father were in a Medicare pool for years and years and years and never drew a dime. It is a pool where everybody is paying in and, hopefully, no one gets sick. But if they do, you are sharing the cost in the pool and that is how you hope to keep the premiums down.

Well, what the Republicans want to do is lower a ladder into that pool so the healthiest people and the wealthiest people can climb out. Normally in a swimming pool if you are climbing out, the water goes down. But let me tell you in an insurance pool, if you let the healthiest people climb out of that pool and get a special deal and you let the wealthiest people climb out of that pool and get a special deal, then the water; that is, the insurance premiums, they are not going to go down, they are going to go up.

So if we allow the MSA's to go through, which is the equivalent of the ladder letting the healthy-wealthy people escape from the pool, we will have some guarantees that do not mean anything. If you have a guarantee that they have to sell you an insurance policy, that sounds wonderful until you find out that they can also charge you $3,000 a month and you do not have the money. You have a guarantee that does not mean anything.

I have a guarantee I can buy a Rolls Royce. The only problem is I do not have the money so it does not do me any good. So we do not want the pool to be decimated of the healthiest and wealthiest or we will end up with something that does not work. So think all of the health care issues have to be kept in that context or we get very lost.

There is another issue that a lot of us would like to talk about, too, and that is what will happen in this campaign year. I guess it is no secret, most people know that I will be leaving after 24 years at the end of this year, and I am very saddened about what I have seen happening in campaigns. I think they have gotten so much worse than when I first ran.

When I first ran they were so much more issue based. They were fun. They were not the big sleazy fights that we see. And the money, the money is unbelievable. When I first ran, my average campaign contribution was $7.50. Hello. Do you think anybody running for Congress has an average campaign contribution anywhere close to that? Of course, after my 24 years I am now up to about 50 bucks, PAC's and all, so I have not evolved very far. But let me say the big money that is swirling around out there, I think, tends to taint the whole thing. Anybody who believes someone gives you thousands of dollars because they believe in good government, it really does not pass the straight face test. I think they want access, and I think they probably want something more than good government, probably something that affects them very directly.

So when I see the big bucks going into it, that have really skewed it, when I see it has moved from an issue base to a very personal type of base when you try to destroy people one-on-one, and when I now see more and more people trying to do independent expenditures and the candidate says these independent expenditures are whirling around out there running TV ads and they can savage anybody, the candidate can always say, well, gee, I do not know, they are just spending hundreds of thousands of dollars in my name, but I have no control over them. Gosh, I am so sorry they are so savage and awful, but I have no control at all.

Now, are we in this democracy just going to surrender to that or are we going to do something about that? Is there anything we can do about it? I am so tired of Americans throwing up their hands and saying nothing we can do. It just gets worse and worse every year, and so more and more Americans say, well, I am not even going to vote.

□ 1430

First of all, this House hopefully is going to have reform week, and I do not think we can call it a reform week unless we do something about the big bucks in campaigns, about the soft money, about independent expenditures. If we do not deal with that, we may as well forget it. That is because I feel so strongly that money is tainting this process and makes it look more and more like it is nothing but a coin operated legislative machine. If you do not have the coins to put in, you do not get the legislation out. Period.

So the average American feels very sold out. I feel so strongly about that one day we went to the top of this dome and had a sold sign that we walked around with, because even I feel like we are getting sold out on our priorities and what we should be doing. Hopefully that reform week that is coming up will deal with that issue. That is the key issue, that is the core issue, and that absolutely must be dealt with.

There is something else that every American can do. I was in Minnesota this weekend and ran into a person campaigning for their statehouse who put out a very simple, fair campaign code. If people all over America did this, we could really change our democratic process to be something we are proud of again. Is it not kind of embarrassing, the whole world is now saying, we like your possess, we want to be a democratic process. We are saying that is fine, but do not come see ours because it kind of stinks. We do not like it anyone. It does not pass the smell test.

So this wonderful young woman out in Minnesota had come up with just simple four little points. Her first point was, I will take full responsibility for all brochures, advertisements, and press releases done by my campaign. That is fairly simple, is it not? The candidate takes responsibility for anything their campaign does. So they cannot stand there and say: My press secretary did it; my campaign manager did it; my counselor did it. No, no, no, no, no. You take responsibility. And if you take responsibility, this means that, if something goes out from your campaign, you bloody well better have seen it and, if you did not see it, you still take responsibility.

It is the captain of the ship principle, simple, easy, and very important. She also says that the second point should be people talking about they should tell the truth. They should not distort or misrepresent votes taken by either side. I think that is terribly critical and very simple, again, to enforce.

She also thinks that it is very important that each candidate do the following: No. 3, ask groups that support you to follow the same rules and take responsibility for what they say. For example, if I were a candidate and someone came to me and said, we really like you, PAT SCHROEDER, we are going to go out and spend $200,000 in advertising in your name, I would say to them, you can do that, that is wonderful, but you only do it on these rules. I must sign off on what you say. There will be no misrepresenting of votes. It must be truthful. And I am going to take responsibility for what you do. If you do something that is out of line, I am pulling the plug.

How simple is that? Imagine what could happen. This woman is amazing. She is handing it out all over Minnesota and asking people to sign it. I just picked it up. I thought, what a great idea. It is Yankee ingenuity at work. Everybody sits around bemoaning the fact that campaigns get worse and worse, and here is someone who has done something about it. Yankee ingenuity is back.

So I hope every American starts redefining Yankee ingenuity campaign by campaign by campaign across this great country. Because heaven only knows, I know very few people who will stand up anywhere and say, we are so proud of our democratic process and the level of civic debate going on among the candidates. Let me tell you, it is so helpful, you go to see civic debates, you go to these community debates and you come out and really understand the issues. They are great forums.

Do you know anybody like that? If you do, I want to know where they are. I travel around this country a lot, and I found people saddened, their heart is broken by what has happened, by the civil discourse, by the constant lowering down and dumbing down of the whole political process.

I think we have a change to take it back. It is only going to happen if we do it campaign by campaign individual by individual. The act of omission is as bad as the act of not doing it. So you really have to get out and do something. You cannot just sit back on the bench and be a backbencher.

I just wanted to share that, too. If there is anyone frustrated, and I know there are a lot because I hear from them all the time, this is a great chance to move out, start putting down those principles, saying to candidates, please, you should sign these agreements. You could even have some political science groups or whatever oversee them, police them or whatever. But if we do not reclaim this process, we are in trouble. I think everybody knows that.

Now, one of the other things that I wanted to talk a bit about today, too, is what has been happening with women. I was very excited to see what is happening in the Olympics. We are seeing young woman from America move out in astronomical numbers. They are really looking like they are going to do very well for this great country, that there are going to be a lot more medals not just by our young men, who have always been there, but the women are claiming more and more and more every single year. So we are very proud of them.

I am particularly in awe because, being 55 years old, when I grew up, there was no such thing as title 9, which comes from this great Federal Government. There was no such thing as title IX. So we had no gym, really. We had a few gym classes, yes, but I mean they were nothing. The biggest thing was you were afraid that they would have a fire drill in the middle of your gym class and somebody would see you in your stupid gym suit and you would die of embarrassment. As a consequence, I really have no sports at all.

When we played basketball, they thought women were so frail that we could only dribble twice and we could not cross the center line. You can imagine what exciting games those were. If you can only dribble twice and could not cross the center line, it was like boring. But that is where we were. It was always interesting they never thought women were too frail to scrub floors, but they thought we were too frail for sports. You could scrub floors somehow but, if we stood up and engaged in sports, I guest they thought we would faint.

So title IX said that all the educational institutions that receive any kind of public money had to provide the same sports and educational opportunity for women that they did for men. As a consequence, many of our young women in the schools participated in sports and found they had all sorts of talent. This country has gone on to develop that talent. We are going to see them showing those talents that we will all be cheering on in the Olympics.

So why am I saying this? What is the big deal?

Well, the big deal is we have an affirmative action bill in front of this Congress that can undo title IX, that could roll it all back, that could put the women back out of the gyms and the sports programs and push them back out of a lot of the educational programs they have been able to involve themselves in. That I think we want to think about a very long time. There are any number of other things that that affirmative action bill would do. It just kind of guts everything that was done from the 1960's on.

It is done in the name of things that we all want to agree with. It says, well, you know, we really should be a color-blind society. And they are right, we really should be a color-blind society. But let me ask you, Americans, when we have got this terrible rash of church burnings going on and black churches, how can we say we are there yet? How can we say we are a color-blind society? I do not think we can, when this awful act is going on that we are all trying to end.

I could give example after example after example. So people say what we want ourselves to be but we have all sorts of empirical evidence that we are not there yet. What these programs were about was to try and open doors for people and help get them over some of the barriers that have been artificially put up in front of different groups because of their gender, their religion, their race, their ethnic background, whatever it was.

If America is going to really allow everybody to develop to their full potential, then you cannot allow artificial barriers to be put up in front of people all over the place so that you prevent them from being able to develop. That is just about how simple it is.

So I am hoping very much that we do not see this bill come to the floor, but we are very apt do see it come to the floor and in the heat and passion of the moment, with all the current flowing the other way, I am afraid we will have all sorts of folks run to pass this bill. And once it gets implemented about 5 years from now we will suddenly realize we overreacted.

The problem with politics right now is to stand up and talk about reforming something is not an applause line. If you stand up and say, we are going to blow it up, hey, there is an applause line. You find that over and over and over again. We are tired of affirmative action, we do not like it, blow it up. Well, everybody would say, hey, the world has changed since it went into effect.

There should be some changes and modifications, let us talk about those. And let us bring it into the 1990's. But let us not blow it up because we are not there yet. We have moved from point zero to maybe 50 percent, maybe 60 percent. We could have a debate about where it is, so let us fine tune it and figure out where we go; but let us not blow it up, and see if we cannot go back to where we were when we began the whole process.

I think almost every single thing you think of that we have been dealing with in this last year and a half fits under that same category. You may think people have gone too far with environmental regulations. But if you say, then let us talk about that and let us figure out where they went too far and let us figure out what we do about that instead, nobody wants to hear that. They want to hear just blow it up. Let us do away with them. We do not want them. I think that goes way too far.

So I guess my plea is for how do we lower the level of the discourse and how do we roll up our shirt sleeves and get on with the hard work of trying to reform things, to fix things, and to put them back together again rather than to just continue this inflammatory rhetoric about how I hate government more than you hate government. No, you do not, I am going to go out there and blow it up even harder than you are going to blow it up.

When you get all done, what are you going to replace it with? I used to chair the Civil Service Subcommittee, and I would constantly find myself in that position where you knew what the applause line was but you knew it was wrong. You knew you could get great applause from audiences if you went out and said the Federal Government is fat, and it is lazy, and it is terrible, and blow it up. And everybody said yes, yes, yes, that is wonderful.

And then you would say to people, OK, now what do you want to blow up? Do you want to blow up the Park Service? No. We like the parks. What about the immigration service? No, we need the immigration service. What about drug enforcement? We need them. What about the FBI? No, we need them.

You go through the whole thing. The only thing they really wanted to blow up was the IRS. They hated the IRS. They did not want the IRS, but they wanted all those things that came out of it.

So I guess what all of us have to do as citizens, as we start talking, and I hope we do in this political year, start talking about what is our responsibility as citizens, is we have to stop wringing our hands and shouting loudly, instead of rolling our shirt sleeves, lower our voices and start figuring out how we come together around a table to fix things. That is what you do in a family.

There is nothing in my house that is ever perfect. My house is constant maintenance. My cars are constant maintenance. I am middle-aged. I am constant maintenance. I do not blow myself up or burn my house down or decide I am not going to drive my car because the wheel bearings fell out last week or whatever happened this week. No, we keep fixing it and moving on. Government is that way, too. So how that factors in, how we bring campaigns around, how we continue on with saying we cannot just promise people that this is the great American dream.

They have also got to see the reality that they can get there. It is not just a dream that can be translated into reality by having such things as affirmative action and title IX and many of the other programs that a lot of us have benefited from.

□ 1445

And how we fine-tune those, make them work better, make them fit better; all of that is terribly important. So those are all things that I think this body and this Nation needs to reflect upon.

When you see what I see, I see people becoming more and more cynical every single day, and I remind people of what the word "cynic" came from. It came from the Greek word for yapping dog, yap, yap, yap, yap, yap. If you go back and you look at Greece, the democracy that they were so proud of in Athens that we all talked about and learned about in school, it fell because of cynics. They just all were so angry with everything. No one fixed anything, and suddenly it all fell from within.

And it is very ironic, as you look at history, to see so many civilizations could come together and work so hard to make sure nobody overcame them from the outside, but suddenly, when they started to come apart on the inside, they could not handle it. Is that not interesting?

You read over and over in history books different variations of people coming together and saying, "Well, it's not that we don't know what is wrong. We know what's wrong. We can all give speeches on what's wrong." And I bet every one of us will give a very similar speech about what is wrong: about the pressures of families, the pressures on the workplace, the pressures on what is going on with children, all of those pressures. We all can state what is wrong. The problem is we are not willing to work together to fix it. We are not willing to work together to fix it, and we want to go out and attack in full force all of the institutions that are there to fix it, and nobody has got some kind of debate about what replaces those institutions.

If you truly believe this Government can run without a government or this country can run without a government, then OK, but if it does, it will be the first. No one has—you have got to have some kind of functioning government around which you are organized; something has to be there.

So should it not be something that we are proud of? Should it not be something that we all are invested in? And should it not be something that relates to us and we relate to it?

I constantly think about the excitement of the American revolution and how did we lost it. Think about revolutions. We were not the first country that had a revolution. Almost every country in the world has had a revolution at one time or another. But so often what happens in a revolution is the guys on the outside are yelling at the people who are in power, and they say they are autocratic, they are repressive, they are all those things, and they probably are, but then the minute they take over, they become more autocratic, more repressive, more, more, more, and so it really becomes a fight over power, who has power over the people, rather than a real revolution which changes.

But the American Revolution was different because the people who beat the king did not insist on having power over. Remember, remember, there were colonists who went to George Washington after the Revolution and said to him:

"Listen, George, Forget this democracy stuff. Why do you not just be king? We really just didn't want a king sitting on the other side of the Atlantic, but having a king here, that will be fine. Why don't you be king."

Is there a politician you would make that offer to in America today? I doubt it. But that offer was made to George, and he said, "You forgot why we fought this revolution. We fought this revolution about a democracy where everybody is going to have a chance to participate and have their voice heard." So he had an idea of what it was about, and somehow we have lost the feeling for what it is all about.

It is about civics, it is about community, it is about common good, and why we are so afraid to say those words anymore I do not know, and it is about trying to bring them around.

And so as I mention that, let me come to my final thing. I have been on the Committee on Armed Services for 24 years, and I have been very honored to sit there. The end of last week I was very troubled to realize that there were articles in the paper talking about the fact that there is a whole new tradition apparently being developed; I never heard of this before, and that is that the armed services are now putting four officers in the Speaker's office. I am not quite sure why we are putting people in uniform in congressional offices to help them with their work. Does that mean all of us are now to get four officers in our office or, because we are lower down, maybe we only get two. And what are they supposed to do? Drill the staff?

I mean I do not get this at all. If we have got all these extra people, maybe we should downsize and save some tax money.

I have written to Secretary Bill Perry asking about this and asking why these officers had been assigned to be workers in political offices. One of the great things about our military is it has not been politicized, and it has not been involved in partisan politics, and I find it very hard to put military officers in offices of congressmen and women and not have them get politicized in this body. Heaven forbid. It has been more politicized than anything I have ever seen. How you would put them in this body and have them be neutral and nonpartisan I do not know, but I just really cannot figure this out, and I wonder what it means in all of this discourse we have been having about civics and community and all of that.

The initial response we heard from the military is that they put these officers in the Speaker's office because many Members of Congress had not had experience in uniform and they thought that this would be helpful, and I mean I cannot figure that one out either. That one did not print with me. So I want a better excuse. We added up the salaries. It comes to about a quarter of a million dollars a year. That is a lot of money to be donating.

So what are they doing? Why are they doing it? How are they responsible to citizens in America? And is this something we want our tax money doing? I certainly do not think I do, but I will wait until we hear from the Defense Department and get a much more detailed response than anything we have gotten so far. But that is troubling.

So let me finish at this point to say I hope that this Nation really finds its passion and fire for democracy.

I think democracy is a faith. All of our Forefathers said it was a faith, and it is a faith. You have to really believe it is going to work because the only way it is going to work is if people really get involved, and it is not like consumerism where you can say I do not like those burgers so I will not buy those burgers. That works for being a consumer, but in civics if you say I do not like politics so I will not get involved in politics, the difference is the people who do get involved are going to pick the leaders and the leaders are going to make the decision for you, so you just gave up your place at the table.

So democracy is a faith because we hope all citizens will stay involved, they will stay at the table, they work hard to become informed with those rights. To elect and participate comes the responsibility to know something when you do it. But how exciting. How many people gave their lives for that great, great privilege? And how many people on this planet go to bed every night wishing they had that great privilege? And we have absolutely, as a nation, got to shake off this attitude that we are in because we have a terrible attitude right now out there about democracy and a terrible attitude about our process.

You may have a better idea than democracy; I do not know. If you have got one, bring it forward. But if you do not have one, get involved and make democracy work better. Do not just sit there and holler.

I really wish that we could give people a little card every time they voted, and you could only complain if you had the current little card because I cannot tell you how many people come at me at a hundred miles per hour with their mouth going and their finger going and you know their nostrils are getting wider and they are screaming and yelling and jumping up and down and you say:

"Well, now, did you vote?"

"No."

And you really wonder, do you not, how could they give up that phenomenal privilege? They want to be heard, but they do not want to take the time to vote.

So let us think about civics, let us think about inclusiveness, let us think about common good, let us think about families, let us think about all the people gathered today at the table in Tennessee talking about what could be done to help make the pressure a little less on their family. I hope all of you think about what could make the pressure a little less on your family, and let us all put those thoughts to work, stop shouting at each other and get on with making this great country what it should be and giving it the legacy it should have in the 21st century. We should be leading the world showing people how democracy works. We should be holding our head high.

TRIBUTE TO BILL EMERSON

The SPEAKER pro tempore (Mr. FUNDERBURK). Under the Speaker's announced policy of May 12, 1995, the gentleman from Virginia [Mr. WOLF] is recognized during morning business for 5 minutes.

Mr. WOLF. Mr. Speaker, it is with great sadness that I rise to make some personal comments about our colleague, BILL EMERSON, who died Saturday night. BILL was a very honest, very decent, very ethical, very moral individual. As everyone knows, he had friends on both sides of the aisle. Republican and Democratic Members were very close to BILL personally.

I was in a small group with BILL that met in the House chapel every week. In the group are Republicans and Democrats, both backgrounds. We would pray for each other in the group, we would pray with each other in the group. BILL was an inspiration all the years together and was an inspiration during the very difficult time when he found out about his illness.

BILL EMERSON had a very strong faith, a very strong Christian faith. He loved the Lord very deeply, and his faith was very, very strong. As the other people know and the Washington Post points out today, BILL and the gentleman from Ohio, Mr. HALL worked together on the issue of hunger. The fact is BILL EMERSON went to many places with Congressman HALL, from Sudan to Ethiopia, to Somalia and similar places. I can safely say there are many people, hundreds of thousands or even millions of people that are alive today on the continent of Africa and other places that would not be alive had it not been for the work of BILL EMERSON working with Congressman HALL. BILL was totally committed to dealing with the issue of hunger and working together with TONY they did so much good that saved so many lives.

The fact is the people whose lives were saved do not even know how they were saved or why they were saved, but I want the record to show there are millions who are alive today because of the work of BILL EMERSON working with TONY HALL.

BILL loved his wife and loved his family, his four daughters, his wife Jo Ann. He would often talk about them. They were the center of his life, and he loved his family very, very much. Many times that we would meet he would talk about his wife and about his family, and we would exchange those things, and I just want that to be on the record.

□ 1500

BILL loved this institution. That should be on the record. He was a page in this House. I believe he was a page in the House during the time that there was an assassination attempt in the House of Representatives. I remember seeing the picture of the gentleman from Missouri, Mr. BILL EMERSON, and the gentleman from Pennsylvania, Mr. KANJORSKI, who were both pages. That is how long BILL EMERSON goes back as being identified with this body.

He loved history. I think he read every book about Winston Churchill. He probably knew more about Winston Churchill than any person I knew. He knew more about Abraham Lincoln than anyone I knew. He loved this institution. He loved the Congress and he loved the House and he loved history.

Last, Mr. Speaker, I know he loved the Lord and he loved Christ. I know in his death he has gone to be with Jesus Christ. I include for the RECORD an obituary in the Washington Post.

The material referred to is as follows:

EIGHT-TERM REP. BILL EMERSON OF MISSOURI DIES

(By Martin Weil)

Rep. Bill Emerson (R-Mo.), who was found to have inoperable lung cancer last year while serving his eighth term in Congress, died June 22 at the Bethesda Naval Medical Center. He was 58.

Despite his illness, which sometimes led him to carry a portable oxygen canister to the floor of the House, Rep. Emerson was running for reelection. Agriculture dominated his district's economy, and he was in line to become chairman of the Agriculture Committee next year if he won and his party kept control of the House.

"He was a fighter," an aide said last night. Rep. Emerson believed "that he was going to beat this thing, and he fought it all the way."

Sometimes, in response to medical advice, he used a motorized scooter to help him get around Capitol Hill, aides said, but he was proud that he did not miss a vote this year until the week before he entered the hospital.

Rep. Emerson was admitted to Bethesda last Monday with a respiratory infection, and he issued a statement Thursday saying he was "resting comfortably and following doctors' orders."

Aides said he was a lifelong smoker who gave up cigarettes after his cancer was diagnosed last fall.

"All of Congress will feel the loss of Bill Emerson," said House Speaker Newt Gingrich (R-Ga.). "He was a leader on nutrition programs and a man who was admired on both sides of the aisle."

"Politics in America," a reference work on members of Congress, described Rep. Emerson as a man whose votes and speeches demonstrated "a streak of ideological conservatism" but whose legislative career bore the stamp of pragmatism.

He was named in another reference work as being one of two key Republicans on the Agriculture Committee who early last year persuaded Gingrich to drop from the Republican "Contract With America" a proposal to put food stamps into block grants to the states. The food stamp program is a major part of federal spending on agriculture.

Rep. Emerson, a member of the House Select Committee on Hunger, traveled to starvation-stricken Somalia in 1992 to spotlight conditions there. When the committee was abolished, its chairman, Rep. Tony P. Hall (D-Ohio), fasted 22 days; according to "Politics in America," Rep. Emerson fasted every Monday in sympathy.

Rep. Emerson, a native of Hillsboro, Mo., largely was raised by a grandfather who was a county judge, and he acquired early what was to be a lifelong interest in politics and government.

As a teenager eager to become a congressional page, he came to Washington in the 1950s without the promise of a job. But repeated knocking on the doors of members of his state's delegation won him admiration for his initiative and resulted soon in the post he sought.

Aides said he regarded the assignment as a dream come true. After receiving a bachelor's degree in political science from Westminster College in Fulton, Mo., he returned to Washington to work for Rep. Robert Ellsworth (R-Kan.). Subsequent jobs included stints as a lobbyist and as a staff member for Sen. Charles McC. Mathias (R-Md.). In the meantime, he received a law degree from the University of Baltimore.

In 1980, he went back to Missouri to defeat a Democratic incumbent and become the first Republican to win the 8th District seat in 52 years.

Aides said Rep. Emerson's mother, Marie Hahn, his wife, Jo Ann, and his daughters, Elizabeth, Abigail, Victoria and Katharine, were at his bedside when he died.

MOST-FAVORED-NATION STATUS WITH CHINA, AND INTRODUCING LEGISLATION TO PROTECT AMERICAN PATENTS

The SPEAKER pro tempore (Mr. FUNDERBURK). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. ROHRABACHER) is recognized for 60 minutes as the designee of the majority leader.

TRIBUTE TO THE LATE HONORABLE BILL EMERSON

Mr. ROHRABACHER. Mr. Speaker, I join my colleagues in remembering the gentleman from Missouri, BILL EMERSON, a decent, hardworking man who made great contributions not only to this body, not only to our country, but to the cause of a humane and decent world. We will remember him. He made major contributions to this legislative body.

Mr. Speaker, today I will be discussing something that goes to the heart and soul of a moral society, a decision that we will soon make about most-favored-nation status with China. Then, after a brief discussion on most-favored-nation status with China, in which the gentleman from Virginia [Mr. WOLF] will participate, I will give a longer presentation on a bill that will be introduced shortly on the floor of the House dealing with the American patent system and major changes that are being made in our patent system.

First, Mr. Speaker, let me say that as we move forward to the day when Congress will be considering most-favored-nation status for China, we must recall that this happens every year. Every year we are told that we must grant most-favored-nation status for the Communist Chinese because it will help them evolve.

The justification for not treating the Communist dictatorship like any other democratic nation, for example, like Canada, the evidence for not doing this is overwhelming. Unfortunately, it is not strong enough to overwhelm the dreams of prophets, the glimmer in the eyes of American capitalists and international corporate elites. Up until now they have been able to win the day by claiming that our economic interaction with this brutal, genocidal dictatorship on the mainland of China will help it evolve into a freer, less repressive society. But by now it should be clear to everyone that China is not becoming a freer, less repressive society.

We keep granting most-favored-nation status, we keep having more international and economic interaction. Yet the Red Chinese regime, the last major Communist regime in the world, is becoming more belligerent, more repressive, and more contrary. It is becoming more contrary to the economic and moral interests of our people to continue this trading relationship that we have developed that is, as I say, the same as a trading relationship we would have with Canada or a democratic country.

The gentleman from Texas, DICK ARMEY, said something that I have heard him say many times, and there really is some truth in it. I like to steal phrases from the gentleman from Texas [Mr. ARMEY], which he knows. Plagiarism in this case is a form of flattery. Mr. ARMEY said insanity is doing more of the same but expecting to get different results.

Mr. Speaker, if we use this as our guide to our relations to most-favored-nation status relations with China, our policy is insane, because we continue to have the same policy of granting favorable economic status, as favorable as any other country in the world, but yet the situation continues to get worse. Economically, just economically, if we just judge it on that basis alone, they are the most protectionist regime of any that we are trading with.

Yes, Mr. Speaker, they are permitted to flood our markets with their goods, putting millions upon millions of U.S. citizens out of work, while they protect their own domestic markets with huge tariffs, tariffs that can be 40 percent and 50 percent tariffs.

What does that do? That means that in traditional economic terms, and those of us who do believe in free trade, and I happen to believe in free trade between free people, but when we take the equation the way the Chinese are having trade, they fought flood our market, and when economics would mandate, then those people laid off in our country would go to work for those factories that are now producing goods to sell in China, and what do we find out? We cannot sell our goods in China because they will not let our people go over and sell the washing machines and appliances because they have a protective tariff. They are protecting their own domestic industry.

If America wants to invest in creating new factories over there so that our laid-off workers or unemployed citizens continue to be laid off and continue to be unemployed, that is okay with them. In other words, the Red Chinese are manupulating the system, and we have permitted them to do so, knowingly permitted them to do so, and that puts millions of our own people out of work, and benefits them to the tune of tens of billions of dollars of hard currency every year.

There are a few companies here that benefit from the trading relationship. Do not get me wrong. Aerospace, which is a very big industry in my own area, in my own congressional district, does benefit. So do those who are selling raw materials and food. It is just that everybody else except those in aerospace or those selling raw materials and food, not everybody else but large numbers of people in our society, are actually being hurt dramatically and losing jobs. I happen to believe there are more jobs being lost in our economic relationship with China than there are being created.

Who is losing? Regular working people. Who are really the main people who gain? A lot o people in the international financial community and the corporate elite. Basically, the Chinese continue economically in this relationship to basically serve themselves, but our government is not protecting the interests of our people while they potect the interests of theirs.

The Chinese blatantly steal American technology, and over and over again what do we do? We accept their word. They sign a little piece of paper with a bunch of scribbling on it, and then we accept their word, OK, we will not bring down sanctions on you this year because you have signed this piece of paper. Then we act surprised again as it becomes close to the time to debate most-favored-nation status to find that there has been a wholesale violation of all the agreements they have made.

We have had negotiating in the interests of the American people by people who are not committed to the welfare and best interests of the American people. Instead, we have had people who seem to be interested in a global concept of trade and commerce, and China has to be part of this. With that excuse we find Americans being thrown out of work, and our standard of living is slowly but surely edging down. At the same time, they steal our technology, they steal our intellectual property rights and use it against us.

Of course, what are they doing with these tens of billions of dollars in hard currency that we permit them to make every year? That is a conscious decision that we are making, to permit them to make every year? That is a conscious decision that we are making, to permit the rules of the game to be that they are going to have all of these extra tens of billions of dollars. What are they doing? They are building up a powerful military that is currently being used to threaten their neighbors. And someday, if the United States gets in the way, those weapons will kill American citizens, America's defenders. What will they be killed with? With technology they have stolen from us, and billions of dollars of hard currency that we have permitted them to make as profit in an unfair trading relationship between our two countires.

One last economic issue. Why do people want to have most-favored-nation status? Why do big businesses want to have most-favored-nation status? They could still officially sell their products over in China and other countries that do not have most-favored-nation status. The real reason behind this, the underlying reason, if you have most-favored-nation status with China, companies can get, how about it, government guarantees of their investments in this dictatorship. You can have the Export-Import Bank and OPIC and the World Bank and all of these financial institutions, which actually get their money from good old U.S. tazpayers, those taxpayers end up subsidizing, let us say guaranteeing, the loan for somebody who is going to do business in China.

I will give Members one big example. This is mind-boggling. There is a $30 billion public works program that they want to build in China to provide electricity, called the Three Gorges Dam project. We have people in here who said we have to support the Three Gorges Dam project because that means jobs in the United States. The Chinese want us, the Western bankers and American taxpayers, to guarantee these loans to provide the $30 billion to build this big dam project.

What are they going to do with their own $30 billion? The Chinese want to use their own $30 billion to build weapons so that someday, if the United States ever gets in their way, they can take care of our military. They want to spend their money on weapons to destroy people and to bully their neighbors, but they want us to provide the loans and the guarantees for those loans so they can build their great public works project. And what are we getting in return? Caterpillar is going to be able to sell their bulldozers, rather than having Japanese bulldozers down there.

Let me just say this, Mr. Speaker. For those people who think that is a good way to create jobs, would it not be better for us to spend $30 billion and rebuild our own infrastructure and use those bulldozers, those caterpillars, here across the United States to rebuild our drainage systems and our sewer systems that are going kaput, the bridges that are about to fall down? That makes a lot more sense than spending $30 billion to bolster a Communist regime in hopes that they may evolve into more liberal, wonderful, beautiful people, just like the elite that runs our country.

No, we should be thinking about the interests of the American people. That should be the basis of our negotiations. One of our problems is we have been sending the likes of Peewee Herman over to do our negotiations when we should be using Arnold Schwarzenegger.

One last area in terms of most-favored-nation status. That is the following. It is not just an economic decision. It is not just a strategic decision for the United States in terms of the military. It is also a moral decision that goes to the heart of the United States of America: What do we stand for?

Next week we will recess in order to celebrate the Fourth of July, when our Founding Fathers proclaimed that every individual has certain rights and those rights are granted by God. The Declaration of Independence was not just a declaration that we were no longer going to be under British tyranny, and it was not just a declaration that we would have democracy here. It was a declaration of the rights of the individual, and that no government has legitimate rights unless they receive them from the consent of the governed. It was a proclamation saying America will be a different kind of land, a different kind of country, and we would be a shining beacon of hope to the world and to the oppressed. Wherever they are, they can see there will be hope as long as the United States stands true to its principles.

In this case, that is what we will be discussing, most-favored-nation status, right after we celebrate the Fourth of July. But the human rights violations and the tyranny on mainland China would tell us our Founding Fathers would roll over in their grave if they thought that we would have the same type of relations with this type of vicious dictatorship as we do with other democracies in the world.

The gentleman from Virginia [Mr. WOLF], who has been stalwart in the battle for human rights, has cataloged many of the abuses that the people of China have had to endure. I yield to the gentleman from Virginia so he can share with us some of the things that are going in China today.

Mr. WOLF. I will, and I appreciate the gentleman taking out this special order, Mr. Speaker. I think he is absolutely right. This is, whether we like it or not, a fundamental moral issue, perhaps the overriding one internationally that this Congress will have to address.

As the gentleman said with regard to human rights, as we vote on this issue, we should think of several things: There are more slave labor camps in China today than there were in the Soviet Union, and we all remember Solzhenitzen's book, Gulag Archipelago. I was in one of those camps, Perm Camp 35, with the gentleman from New Jersey, CHRIS SMITH. They are very grim places. And yet Members should know, the world and the body should know, that there are more slave labor camps in China than there were in the Soviet Union during the heyday of the Soviet Union.

Second, there are more individuals in those gulags, slave labor camps, logi camps, than there were in the Soviet Union. Also, they make goods, they make supplies, they make socks; they make different items like that for export to the United States, in competition with American workers. As the gentleman from California [Mr. ROHRABACHER] has said many times, we lose more jobs than we gain.

The gentleman from New Jersey and I were in Beijing Prison No. 1, where we saw a number of Tiananmen Square demonstrators working on socks and plastic jelly shoes for export to the United States. They had little golfer insignias on the side of the socks. What the gentleman from California said is true. This is driving American jobs, and it is also, I think, fundamentally a major moral issue: Do we want to purchase the goods made with slave labor out of a gulag camp so we can get a better buy? I think the American people are saying no.

Second, I think there is major fundamental religious persecution going on in China, perhaps more than any other place in the world.

□ 1515

Everyone should know, no one should say I did not know, that is why I voted for MFN. Today, there are Catholic priests and Catholic bishops in jail for worshipping and practicing their religious faith. Some have been in jail for years, not 6 months, not 9 months, but for years. There are also evangelicals who are in jail.

Almost every week Protestant house churches are raided and many times the people are picked up, arrested and sent into the logais and the slave labor camps and the gulags or in prison. so we have numerous, both Catholic priests, Catholic bishops, and Protestant pastors arrested and sent to jail.

We also know, and the gentleman I think mentioned it and knows as well as anyone, Tibet has been plundered by the Communists in China. They have abused and imprisoned and tortured Buddhist monks. They have also done horrendous, horrible things to Buddhist nuns. They have plundered Tibet, so we know what they have done. They are also now in the process of persecuting those of the Moslem faith in certain provinces in China.

So they have gone after the Catholic priests and bishops, they have gone after the Protestant pastors, they have gone after the Buddhist nuns and priests, and now they are going after the Moslems. So from a religious persecution issue, this country is number one in persecuting people.

Third, we know that they sell body parts. When they kill people in their prisons, they line them up, and we have this on film if any Member wants to see it, they line them up, they invite crowds to come in to watch, they put pistols at the back of their heads, and they shoot them, they fall to the ground.

Trucks and ambulances come and take them away. They take them to hospitals and they take their kidneys out and their corneas out for transplantation, for sale to people in the West, $35,000 per kidney. So they have a major business of executing people, taking their corneas out, taking their kidneys out for transplantation.

Mr. ROHRABACHER. Mr. Speaker, I would ask the gentleman, are any of these people who are being shot, is there any evidence that they could be just people who are advocating democracy?

Mr. WOLF. Mr. Speaker, I do not know. I do not know if they are or not. We have pictures of them. It is hard to say why.

Mr. ROHRABACHER. But we do know that people have been executed in China only for opposing the regime?

Mr. WOLF. Yes, we do know that.

Mr. ROHRABACHER. So we know that the Chinese dictatorship is willing to execute someone simply for exercising what we consider to be our rights as citizens and the rights of free people; we know that, and we also know that they are engaged in a ghoulish enterprise of after executing some prisoners, or executing prisoners in general, taking from them their body parts and selling them on the world market?

Mr. WOLF. We know that for a fact, and we have pictures of it, taking place as late as February of this year.

Last, before I get to the last one I would mention, we also know that they were so barbaric that they were trying to sell AK–47's and shoulder missiles to street gangs in L.A., near your area, which would have been used to kill innocent people, and we also know that the People's Liberation Army was behind this and the top leadership of those companies are people who are connected to the leaders in Beijing. I mean they were selling AK–47 weapons, assault weapons and also shoulder missiles that could take a 747 aircraft down coming in at any airport.

Last, let me cover something with regard to human rights. In the 1980's, and I know the gentleman was in the Reagan White House in those days, writing speeches for President Reagan. In the 1980's, the gentleman knows that no Member of Congress would have ever come to the floor of the House, no person in the Reagan administration would have ever gotten up and said that we should have granted MFN to the Soviet Union when Sakharov was under house arrest in Gorky and Scharansky was in perm camp 35. No member of the administration, no Member of Congress on either side would have ever been in support of granting MFN for Russia, and now we see the granting of it for China.

My closing comment is, I would like to read to you a statement by Elena Bonner, who was the wife of Sakharov on the MFN status in China. Her marriage to Sakharov changed Elena's life. She took early retirement as a disabled war veteran to devote herself to Sakharov. She was Sakharov's ambassador to the world at large. She represented him at the 1975 Nobel Peace ceremony in Oslo. She reported on her visits into Italy and America, was exiled in January 1980. She served as a sole link with Moscow and the West until 1984, when she too was barred from leaving Gorky. In August of 1994 she was tried by a Gorky court, found guilty of anti-Soviet agitation and sentenced to exile. So I will submit her entire bio for the RECORD at this point.

ELENA BONNER—BIOGRAPHY

Elena Bonner was born on February 15, 1923, in Merv, Tadjikistan. She grew up in the restless, cosmopolitan atmosphere of the Hotel Luxe on Gorky Street, which lodged important foreign Communists working in Moscow. Her father, Gevork Alikhanov, was a prominent Armenian Communist and a secretary of the Comintern, the "general staff of the world revolution." Her mother, Ruth Bonner, was born in Siberia in 1900, joined the Communist Party in 1924, and was dedicated to bringing culture to the masses. Elena's childhood sweetheart, Vsevolod Bagritsky, lived only a couple of blocks away. (He was killed at the front in 1942, shortly before his twentieth birthday.)

Elena's life as a Moscow schoolgirl ended abruptly when her father was arrested in May 1937. Ruth moved with her two children to her mother's apartment in Leningrad but did not escape her fate. She was arrested later that year and sentenced to hard labor as the wife of a traitor.

Elena became a proficient survivor. She finished high school in Leningrad, volunteered as a nurse when war broke out, was wounded twice, and was honorably discharged in 1945 as a lieutenant and a disabled veteran. After two years of intensive treatment, the loss of vision caused by her wartime injury was brought under control, and she enrolled in the First Leningrad Medical Institute. After graduation, she worked as a pediatrician, a district doctor, and a freelance author and editor. She married Ivan Semyonov, a classmate from the medical school, and, ignoring warnings that childbearing could endanger her life, gave birth to a daughter, Tatiana, in 1950, and a son, Alexei, in 1956. (Elena and Ivan separated in 1965).

She succeeded in reestablishing contact with her mother as the war was drawing to a close. It was only in 1954, however, that Ruth was exonerated, granted a special pension, and informed that her husband died in confinement sometime in 1939. (It took another 52 years for the truth to be revealed—four years after Ruth passed away, Elena gained access to the KGB files and learned that her father was executed in 1938.) Ruth was also assigned an apartment on Chkalov Street, comfortable by Soviet standards. This apartment became Elena's home and in 1971 it was here that Andrei Sakharov moved in.

Elena paid her respect to the memory of Vsevolod Bagritsky by putting together a book of his diaries, letters, and poems, which was published in 1964. She mingled with the generation of writers and artists who has been inspired by the post-Stalin thaw, but she also helped prisoners and their families. Elena met Andrei Sakharov in October 1970 when both were attending the trial of human rights activities in Kaluga. They got to know each other better in December while defending Jews sentenced to death for attempting an escape from the USSR in a hijacked plane. By August 1971 friendship turned into love, and in January 1972 they formally registered their marriage. The unlikely match between a reserved Russian physicist and a scrappy, streetwise Armenian-Jewish physician endured.

Her marriage to Sakharov changed Elena's life. She took early retirement as a disabled war veteran and devoted herself to Sakharov, serving as his chief of staff and secretary as well as cook and bottle washer. She also became Sakharov's ambassador to the world at large. She represented him at the 1975 Nobel Peace Prize ceremony in Oslo; reported on her visits to Italy, France, and America; and after his January 1980 exile, served as his sole link with Moscow and the West until May 1984, when she too was barred from leaving Gorky. In August 1984, she was tried by a Gorky court, found guilty of "anti-soviet agitation" and sentenced to exile. By then she already had a serious heart condition and was in urgent need of surgery.

In 1981 Elena and Andrei went on a successful hungerstrike to secure the right for their daughter-in-law to join her husband, their son Alexei, in the United States. But it took three hungerstrikes by Sakharov, totalling almost 200 days, for Elena to gain permission to travel to US in December 1985 for open heart surgery. She returned to Gorky in June 1986 with six bypasses, to Andrei and to indefinite exile. But a love story deserves a happy ending—on December 15, 1986, a telephone was installed in their Gorky apartment. The next day it rang for the first time, and Mikhail Gorbachev personally asked the Sakharovs to return to Moscow. They arrived at the Chkalov Street apartment on December 23, 1986. The curtain was raised for the next act.

Since Andrei Sakharov's death in December 1989, Elena Bonner has continued the campaign for democracy and human rights in Russia. She joined the defenders of the Russian parliament during the attempted coup of August 1991, and lent her support to Yeltsin during the constitutional crisis of 1993. She writes frequently for the Russian and American press. She has campaigned tirelessly in defense of self-determination for the disputed region of Nagorno-Karabakh and for all the peoples of the former Soviet Union.

Dr. Bonner has published a number of books in the United States and in Russia.

Dr. Bonner has two children and five grandchildren, all of whom live in the United States and whom she comes to visit from Moscow.

But this is what Dr. Bonner said in a letter to me the other day. She said:

JUNE 17, 1996.

I believe it is dangerous to grant the most favored nation status to China, while mass-scale violations of human rights are taking place there, confirmed by many authoritative international human rights organizations.

The United States possesses only one real mechanism for protection of human rights in other countries—granting or not granting such status. There should be no double standards in this issue and there should be no double standards for protection of human rights no matter in which part of the world.

More than 20 years ago Andrei Sakharov has addressed the U.S. Congress with appeal to introduce the Jackson-Vanik amendment and by doing this to confirm commitment of your country to the human rights cause. Today, I dare to warn American legislators against hasty refusal from the Jackson-Vanik amendment. By giving up this amendment, the U.S. Congress, in my mind, is going to lose completely its influence on human rights situations in any part of the world and will practically admit that protection of human rights is no longer a matter of priority and a long-term goal of the Congress and the U.S. people.

ELENA BONNER.

So I think Doctor Elena Bonner has said it and said it well. I will tell the gentleman too, if he looks at the surveys, the American people are overwhelmingly against granting MFN to China. So while it may be a close issue in the Congress and certainly gone, lost in the administration, the American people agree with the position of the gentleman.

Mr. ROHRABACHER. When the American people see their Congressmen over the Fourth of July holiday, it would be actually a good moment to remind the Member of Congress that we should be standing up for what our forefathers believed in, these principles of freedom and individual rights, that this country was going to be better than just some conglomeration of people seeking profit and seeking monetary reward, that we do indeed stand for freedom.

Before the gentleman leaves, I would like to mention one last story on this particular issue. I agree with him wholeheartedly when he says that no one could ever have gotten away during the cold war with suggesting we will make Russia better, this dictatorship in Russia better, by granting most-favored-nation status and transferring all of our technology to Russia. No one would have ever dreamed of that.

Instead, we were strong and we were tough and when Ronald Reagan came in, his tough stand helped end the cold war and bring a greater potential for freedom and peace in the world than anyone had ever dreamed. Well, during that time period, there was a hero of freedom named Natan Scharansky. He was a Jewish man, a dissident in Russia who was a champion of liberty, and he was arrested and thrown into the gulag, and when we say the gulag, we are talking about the harshest of prison conditions that Americans cannot even imagine. There he was, struggling to survive in the gulag and his Communist captors said, all he needed to do is sign this document admitting that you were lying about the repression in the Soviet Union and admitting that you are some kind of a spy or something, and we will let you go, and he refused to do it. All he had to do was sign a piece of paper.

Eventually, his fame spread throughout the world. Here was indeed a man, a lone individual, a champion of freedom standing up against a totalitarian power, and all he had to do to end his suffering was to sign his signature.

Well, eventually we traded him for a Russian spy. We actually sent a Russian spy across a bridge and he went back another way, and when Natan Scharansky came to the United States, he made his way to Washington and to the White House where he met with President Reagan.

As a speech writer for President Reagan, I will never forget that day because when he left the Oval Office, he met with the press corps and the reporters asked him, "What did you tell President Reagan?" And Natan Scharansky, this heroic individual, said, "I told him not to tone down his speeches," not to tone down his speeches. He said, they were the only things. He said, I described for them in the gulag, and he was describing for these reporters how in the gulag, somebody smuggled in little pieces of paper that had Ronald Reagan's words of one of his speeches on it, and he said, as long as I knew that the President of the United States believed in these principles, there was hope, and it gave me the hope to struggle on.

Mr. WOLF. Mr. Speaker, if the gentleman would yield, this is such an important point. Congressman CHRIS SMITH and I visited the gulag that Natan Scharansky was in. The fact is we hollered out that we were Congressmen from the United States and we met with 21 of the men. In fact, we interviewed, on camera, an interview with Natan Scharansky's cell mate and that night, late into the night in the Ural Mountains in this gulag, the men said, and I had forgotten it, but you triggered it, the men said precisely what you said.

We gave the men Bibles and we started to ask them questions. All of the men said they knew of the statements that Ronald Reagan had made, and I do not understand how they got it in there, and it gave them hope and encouragement and by us speaking out, by Ronald Reagan speaking out, they were bold and solid.

The gentleman said to Natan Scharansky, when Natan Scharansky was exchanged, Natan Scharansky was to walk across the Glienicke Bridge in Berlin and the Communists told Natan Scharansky to walk straight. What Scharansky did is he walked zigzag. He walked this way on the bridge and that way on the bridge and that way on the bridge and that way on the bridge, and he denied the Communists for the very reason that you said, because we gave Scharansky and we gave his cell mate and we gave those people hope.

The gentleman is exactly right. If we had the same type of rhetoric coming out of the White House, the language that Ronald Reagan used, we would solve this problem. The Chinese would stop persecuting Christians, stop persecuting priests and ministers and Buddhist monks, and you are exactly right.

Mr. ROHRABACHER. The gentleman would probably be interested in knowing that the day after Scharansky met with Ronald Reagan, I was in the Israeli Embassy at a reception honoring Scharansky, and through the crowed, he was the honored guest, he walked straight toward me and he came up to me and he said, I understand that you write Ronald Reagan's speeches and I said yes, that is true, and he said, I have often wondered who you are.

Well, he knew that some people were behind Ronald Reagan and working with him to try to make sure that we took these bold stands and beat back the bureaucracy and the elitists in every country that would say, oh, do not make moral stands, do not make a stand of morality and a stand for freedom because it will rock the boat. But he knew, ever as a prisoner in the gulag, that I was there and other people were there.

Today it is the same thing. Although they do not know us by name, they know that there are American people everywhere throughout our country who believe in the cause that George Washington talked about on the 4th of July, believe in what Thomas Jefferson was talking about and James Madison and our Founding Fathers when they started a country on a Declaration of Independence and a declaration that talked about the individual rights that are a gift of God to all people.

Mr. WOLF. Can the gentleman imagine the feeling that would roll through China if they found out that the United States House of Representatives, the people's body, voted to deny them MFN? Can you imagine how the dissidents would feel? Can you imagine how the prisoners in the gulags in China would feel?

The gentleman is exactly right. I hope that we defeat MFN when it comes here. I know they are going to get MFN because President Clinton is going to give it to them, but if we defeat it, the gentleman is right, the message that we will send through China to the dissidents will be the same message of the 1980s.

Do you remember the rally that was held on the lawn from the Capitol down to the Washington Monument on that Sunday for those of the Jewish faith who had been persecuted? Do you remember the hundreds of thousands that came? If we could not that for those who are suffering in China, can you imagine the difference that it would make?

Mr. ROHRABACHER. If we had made that stand a few years ago instead of heeding those naysayers who said, do not let the moral stand, we are going to evolve China away, rather than making a tough stand, we would probably right now be voting to grant most-favored-nation status to a new and more democratic China.

Mr. WOLF. And I would be voting for it and the gentleman would be voting for it and we would be pushing trade.

Mr. ROHRABACHER. That is correct. I thank the gentleman very much, and I appreciate his jointing me.

The second issue that I would like to discuss today is also an issue that deals with trade, interestingly enough, and the well-being of the American people and the relationship with others, because I believe what is pushing our most-favored-nation status with China at the expense of the American people is the same thing that is motivating us to destroy the American patent system.

I would like to ask a question. What was one of the first things that Bill

Clinton did after becoming elected President? The answer is, he appointed Bruce Lehman as Commissioner of the Patent and Trademark Office.

☐ 1530

What was one of the first things that Bruce Lehman did when he became head of that office? He hightailed it to Japan and met and reached an agreement with—this is an agreement that almost nobody knows about outside a few people in Congress—Mr. Wataru Asou, the commissioner of the Japanese patent office. They had a meeting with Mr. Lehman.

That is right. These two unelected officials entered into an agreement which, if it holds, could change the face of the American economy as we know it. It could effectively remove America, and I predict will effectively remove America, from our economic predominance in the world.

What is the intent of this agreement that I am talking about? Who knows about this hushed-up agreement between the head of the patent office in Japan and the Patent Office in the United States?

The purpose of this agreement is to harmonize the American patent system to the Japanese system. Their intent is to take the best patent system in the world, that of the United States of America, the patent system that has offered the strongest patent protection of any country in the world, and in the name of global and Japanese harmonization of law, convert it into a mirror image of a system in Japan that has stifled innovation and creativity and kept the Japanese people under the heel of their economic elite.

The Japanese system benefits large conglomerates. They crush any creative attempts by individual inventors. The Japanese system, which they are now trying—and, remember this, they want our law to be exactly like the Japanese law, and they are moving to change it, to superimpose that law on us—the Japanese system is so slow that it takes many years to grant a patent at great expense of the applicant.

Turning abuse into injury, the Japanese publish every patent application in 18 months. By the time the patent is issued, years later, a phenomenon known as patent flooding has already occurred.

What is patent flooding? We are going to know all about that, because we are changing our law to be exactly like their law. That is when patents very similar to the original idea flood the patent office, slowing the whole process and rendering the original application almost valueless, unless of course it is a huge corporation or a fabulously wealthy inventor who can defend himself. Even then it makes the process much more expensive.

Where did the patent flooders get the information, in Japan to flood the patent office? The information, by the way, was just in the inventor's original patent application that had to be published after 18 months.

By the way, under our system traditionally when you file for a patent, until you are granted that patent, it is a secret. Nobody knows. Thus an inventor has the incentive to invent things and to make an application for a patent and it is protected.

Americans have always been the innovators of the world because we have had this system. Our patent system supports innovation. The Japanese, however, have been copiers and their patent system supports copying. The proof of this, and it is glaring, the United States has 175 of the world's Nobel laureates in science and technology. Japan has just five.

Why would we want to change our system to make it more like their system? Global harmonization is the answer. That is what we are being told, although there are other excuses, but that is the main one, that we need to globalize all the rules of the game so we can have a global economy, and gutting the American patent system is the first step towards globalizing us with the rest of the world.

Does it makes sense to everyone that we should just globalize our economy, even if it means gutting rights that have been inbred into our system for 200 years, that our Founding Fathers thought were sacrosanct? First let us recognize that the strongest advocates of a global market are not the advocates of free markets at home. Once the authority to regulate a global market is empowered, it will be too late.

We do not appreciate most of the important things in our lives until we are on the verge of losing them. Americans will find that freedom in the economic arena has everything to do with controlling one's own destiny and determining one's own life. But the regulators of this global market on a worldwide scale will have little or no regard for the desires of ordinary Americans.

The global market will be regulated by a new set of managers. It will be the arrogance of officialdom times 10. Huge multinational corporations may be able to thrive in such an environment, but individual citizens and small business will not. They will see what they have considered their rights as an American evaporate.

There are those who believe that globalizing is good for America, and we understand that participation in the world trading system is essential for our economic well-being. I certainly believe in trade. As I say, I believe in free trade between free people. But we cannot sacrifice the rights of our people or especially destroy our innovative process to achieve this goal.

What has been the factor that has given America the strength in the economic marketplace to maintain a high standard of living for our people even though many people overseas receive much less money in pay? It has been our technological genius and our innovation. That is what has permitted us to succeed and our people to prosper. What is being proposed is the sacrifice of the rights of Americans, the sacrifice of our future, of the standard of living of our people, all in the name of globalism and harmonization.

Megabusiness, however, has a different approach. The cartels have no loyalty to the American people, and that is us. We are talking about us here. Those huge multinational conglomerates are profitmotivated and that is it. They now have a dream that they can maximize profits throughout the world and help trade flow through a global economy. The first step, however, in achieving that is putting the American people in their place. That means a lower standard of living, that means fewer rights, that means the individual no longer has the protections that the individual has had in the past. Phase one of this assault on America is the assault on America's technological rights because that is what has given us as Americans our leverage, our ability to ensure our freedom and to build a high standard of living for our people. The first step in this organized strategy to destroy our patent system was snuck into the GATT implementation legislation we passed about a year and a half ago. We accepted a fast-track system to pass the GATT implementation legislation because we were promised that nothing would be put into this legislation except that which was mandated by the GATT agreement itself. However, dramatic changes in the patent term were snuck into that legislation even though the position on patents in GATT just simply suggested that the patent term should be no less than 20 years from date of filing, which means, if one reads that, that we need not change America's current patent system. But they put the massive change—that may seem hard to understand but it will have incredible results—into the GATT implementation legislation. What did it do? Basically it eliminated the 17-year guaranteed patent term.

A patent term, let me note, has been a right. A guaranteed number of years as a patent term has been the right of Americans since 1790, since the establishment of our Constitution. A patent office is actually in our Constitution. The implementing legislation created an uncertain patent term. We then took a guaranteed patent term and exchanged it in that implementation legislation for an uncertain patent term which dates 20 years from the date of application. That means, in the new system, and, by the way, the new system is nothing more than the Japanese system superimposed on us. It is much different than our past system and it is hard to understand but under the new code, the day the inventor files for a patent, 20 years later, his time is up. He has no more rights, he or she has no more rights to ownership of that patent. If it took 10 years for a patent to be issued in the past, the inventor still had a guaranteed term of 17 years. Under the new system, however, if it takes 10 years for a patent to issue, half of the inventor's patent term has been eaten up, it is gone, he or she will never get it back, and the clock continues to tick against the inventor, not against the bureaucracy. Every second that ticks is against the inventor. Anyone who has studied the process knows that it is not unusual for a breakthrough technology, and these are the innovations that changed the world, innovations like the airplane and the microprocessor and many others. I will explain a couple of those in a moment.

Polyurethane plastic, by the way, which has changed our life, it took 33 years for the inventor to receive his patent. It took 17 years for the microprocessor and 21 years for the laser to receive their patent. These patents will determine the flow of tens of billions, if not hundreds of billions of dollars' worth of wealth. By making sure that they now receive almost no protection, because the new system would offer them almost no protection, it has changed the flow of wealth in the world.

What does it mean when the clock is ticking against the inventor? It means the bureaucracy and special interests have leverage on the inventor, because he wants some reward for his creative invention.

During the negotiations which are part of the patent granting process, the inventor, just like in Japan, will end up being ground down because now he or she is vulnerable. If a patent can be delayed, what does it mean? If they can delay the patent or shorten the time when the patent is actually in effect because he now only has half of his patent term because the rest has been eaten away, it means that those royalties that were once going into the bank accounts of American inventors, royalties from basically technologies that were created by Americans, those royalties will now be in the bank accounts of huge domestic and multinational corporations. These people will not be able to control their technology. To claim stolen royalties or to reclaim control over one's technology after these huge corporate and multinational interests have taken the technology, the individual American will have to pay lawyers and legal specialists to go to court.

Have you got that? That is the little inventor in the United States versus Toshiba. Where do you think we are going to get on that? The little guy gets ground down, just like the Japanese people have been ground down over the years, now those same corporate interests will be here in our country grinding down our people. The Wright Brothers will be smashed by the Toshibas and the Sonys of the world and the aerospace workers that should be producing the aerospace technologies of the future may well not be American aerospace workers. Our people will be impoverished.

This system, which our Patent Commissioner Bruce Lehman wants American law to emulate, has ill-served the Japanese people. Little, if any, innovation is born in Japan and few, if any, inventions start there. The Japanese, as I say, are rightfully known as copiers and improvers, and that is fine, they do a good job at that, but they are not innovators and inventors. Their laws, which Bruce Lehman wants America to emulate, have permitted powerful business conglomerates to run roughshod over their people. Their people have been beaten down. Anyone who raises their head gets beaten down over there. Now those same interests will have that same kind of leverage over American inventors. After successfully beginning this harmonization through the legislative maneuver which, as I said, went through the GATT implementation legislation, basically they got step No. 1, which is eliminating the guaranteed patent term for American inventors.

But, now, we see step No. 2. Step No. 2 happens to be authored, it is H.R. 3460, the Moorhead-Schroeder Patent Act which I call the Steal American Technologies Act. What this legislation does is finish the job of harmonizing our law like that of Japan's. In our country, the rights of the individual are paramount and these patent laws were meant to protect individual property rights. Basically, these individual property rights would be respected by our Government just as other property rights, of small farmers and businessmen and others who own property in our country, and this system of private property for the individual has worked well. We believe it is through individual endeavor and personal responsibility that someone prospers and when individuals as a whole population act in that way, the whole society prospers. Lehman's approach treats individuals as secondary, sort of as ants in a collective hole who, if they insist on rights for themselves, will be crushed.

□ 1545

Of course, those trying to challenge our system will never admit this. The change is coming not as part of a major debate in our democratic process, but I believe these changes are coming, they are trying to sneak these changes through, hoping that none of us will never understand the complexities of patent law. Well, when one can force the advocates of these patent changes to engage, they claim their goal is not destroying the American traditional patent system, but instead they are going to solve a problem which they call, well, it is called the submarine patent problem. What is that? They believe some inventors, certainly a few self-serving inventors, may have been able to elongate the process in which their patent application was being considered; thus, if they put off the issuing date of their patent, they will have a guaranteed 17 years of patent. That means that some inventors will enjoy some royalty benefits in the outyears when, you know, if they had not gamed the system, they would have been receiving those royalties in the outyears. They would be receiving them in the in-years and perhaps after a length of time, certain technologies are more valuable.

Well, making things worse, according to the other side, let us say someone games the system for 10 years. Some other companies may have decided to use that technology, which they have discovered independently, in some of their own products and then when the submariner finally allows his patent to be issued, well, then those other companies have to pay that submarine patenter a certain royalty.

Now, this is all very confusing. But the fact is we are talking about less than 1 percent of all patents where people are actually able just to prevent their patent, through gaming the process, from being issued right away. And I agree, that is not something we should tolerate, but it is not something that will in any way justify, basically, the elimination of the guaranteed patent term and the obliteration of the patent system in the United States and replacing it with a Japanese system.

The vast majority of all patent applicants, more than 99 percent, are doing everything in their power to get their patent issued. They are not submariners. They beg, they plead, please issue my patent, because that is when they know they can start earning their rewards. And if they delay, what is going to happen? They know if they delay their patent being issued, new technologies might come up and make their patent worthless. But there are a few submarine patenters, and they are a minuscule part of the system, and this problem can and will be dealt with and should be dealt with by patent examiners and by using the patent system as it is today, rather than eliminating the patent system and eliminating the guaranteed rights of Americans.

My bill, in fact, includes a provision that we publish the application of any inventor who uses a continuance to intentionally delay the process. Over and over again in the year and a half that I have pushed this issue, I have offered to put many changes into law that will curb submarine patents as long as those changes did not eliminate the guaranteed patent term. But the other side never would come up with a suggestion except, oh, I am sorry, this is the problem, so we have to eliminate the guaranteed patent term. I was willing to compromise in any way just so long as you get those submarine patenters. There are a few of them out there.

You know, sometimes when someone is unwilling to compromise and make a change like that, you maybe get the feeling that perhaps his real target was eliminating the guaranteed patent term and not correcting some minor problem, the submarine patent. Well, interestingly enough, there is a system in place in the Patent Office called the patent application and monitoring system, the P-A-L-M, the PALM system, which can and does print out the status of all pending applications in the Patent Office monthly, and if a patent has an unusual term of waiting, if an application is judged to be special by the Commissioner, he has the right to publish the application at any time. And this is in existing law. Thus it is already possible to solve the submarine patent. It is already solved. But this is being used as an excuse to destroy the guaranteed patent term in the United States of America.

Well, history will judge their motives, but those claiming to end the submarine patent as their goal have refused every other method except eliminating the guaranteed patent term.

By the way, this move to harmonize our laws with Japan happened long before anyone had ever heard of the word "submarine" patent and this whole idea of eliminating the guaranteed patent was part of that harmonization process.

During the debate, Mr. Lehman has used the bogeyman of the submarine patents, and when we have checked his figures, we have found that many of the patents he claimed to be submarine patents, again, this is the excuse they are using to destroy our patent system, when we checked out the submarine patents, we found many of them had not been issued because the Defense Department had said this is a security risk, we have to keep these particular technologies secret.

You can imagine what secrets will be made available to America's enemies if we just publish all of our patent applications after 18 months.

My bill, H.R. 359, would restore the guaranteed patent term of 17 years and facilitate the action against those who are trying to manipulate the system and delay the issuance of their patent. I am offering this as a substitute to H.R. 3460, a bill which, as I say, is the next step in totally harmonizing our law with Japan. H.R. 3460, which I call the Steal American Technologies Act, better than anything else demonstrates what really is going on because it is understandable and its goals are easy for regular working people to understant what is happening.

One of the provisions was introduced last year under a bill entitled the "Patent Application Publication Act." This bill is now part of H.R. 3460 and is titled "Early Publication of Patent Applications." The title is self-explanatory. That provision in this bill—hold on to your hats—mandates that after 18 months every American patent application, just like in Japan, whether it has been issued or not, will be published for the entire world to see. Every thief, every brigand, every pirate, every multinational corporation, every Asian copycat will be handed the details of every patent application. Our newest and most creative ideas will be outlined for them, for the thieves of the world, even before the patent has been issued to the American citizen.

It is an invitation for every thief in the world to steal American technology. Lines will form at the copy machines and the fax machines to get this information out to America's worst enemies and our fiercest competitors.

H.R. 3460 is entitled as I say, the "Moorhead-Schroeder Patent Act." The author of the bill suggests that we need not worry about an abrupt early publication of patent applications if domestic or foreign or multinational corporations steal the ideas; the patent applicants, once he or she gets the patent issued, can sue the pirates. Like I say, it is Toshiba versus John Q. American citizen. The price tag on this simple infringement suit, by the way, is a quarter of a million dollars, a quarter of a million dollars for just an uncomplicated suit. Our citizens who will be up against Toshiba, Sony, and even the Chinese People's Liberation Army, which is engaged in stealing our technology.

As this bill was being passed through subcommittee, I was in my office with the president of a medium-sized solar energy corporation. When I asked what would happen if this provision became law, he clenched his fist and angrily predicted his Asian competitors would be manufacturing his new technology before his patent was issued, and they would use the profit from selling his new technology to defeat any court challenge that they had and destroy his company. On top of that, his overseas competitors would have a further advantage in the fact that they would never have had to invest in research and development to get the new technology they were benefiting from.

This is a nightmare that faces every small- and medium-sized company. Anyone who cannot afford a stable of expensive lawyers is at the mercy of the worst thieves of the world. The big guys have the contacts overseas and the money to divert and deter such thievery, but it is open season on the little guys, on the average Americans. Of course, we will do everything we can to prevent this bill, but what is their goal?

They say we have to do everything, we have to go, we have to destroy the American patent system, we have to make all of our technological secrets known to the world in order to protect us from submarine patents. Because a few people want to elongate the system on their patent and they will get 5 or 10 years more protection here, a few Americans, so we have to open up our system to this type of massive theft. I would suggest that maybe we should think about the arguments about the submarine patent argument.

What they are telling us, it is sort of like you are going in to your doctor and saying, doctor, I got a hang nail here on this toe and it is really hurting me. The doctor says, I really am opposed to hang nails. Those hang nails are terrible and we are going to solve your problem. We are going to cut your leg off, we are going to amputate your leg.

No, no, doctor, please. I just got this little hang nail down here. He says, I bleed for you, and he goes into a big lecture on hang nails, and at the end of it he says, well, we are going to cut your leg off. Well, if your doctor is telling you that to cure a hang nail, that he is going to amputate your leg, I think you better question your doctor's motives or maybe your doctor's sanity if he is trying to do that on you.

Another major provision in H.R. 3460, it is the abolition of the Patent Office. That is right, H.R. 3460, the Steal American Technologies Act, will abolish America's Patent Office. Now, it is in our Constitution. Ben Franklin saw to that. Thomas Jefferson saw to that. It has played a vital role in protecting our property rights ever since then, yet now H.R. 3460 will separate the Patent Office from our Government, limiting congressional oversight. That means those of us who have been elected to represent the interest of the people will not have the same oversight after the Moorhead-Schroeder Act passes. It will remake the Patent Office into sort of a corporate-like private corporation-government corporation, sort of like the post office.

Now, I am in favor of privatizing services when government does not have to do that, but this is a core function of our Federal Government. Protecting the rights of our people as we head into an era of technology, that is even more important. But we need the government to make sure of that. Who is there to determine and protect the intellectual property rights of our people? That is their core function all the way back since 1784.

Well, along with corporatizing and taking away our congressional oversight, the civil service protection for our patent examiners will be stripped from them. It is like stripping the judge's robes off of him, and basically the patent examiners make judicial decisions that will affect billions of dollars worth of ownership in our society.

It is the quasi-judicial decisions, and under this bill, they are not going to have any more civil service protection. It opens up our system to outside influences and to corruption that we have never had before. Taking away the civil service protection is a travesty, and these people who work at the Patent Office try their best, and even when they are protected, it is a hard job.

If our Patent Office is corporatized, the head of the Patent Office, Bruce Lehman, Mr. Harmonize Our Laws With Japan, can make the changes he and his board of directors want with limited congressional scrutiny and recourse. Thus, in the coming era of technology and creativity, we basically will be decoupling the protection of patent rights from our Government, cutting off this congressional oversight, and leaving it in the hands of an autonomous board of unelected officials.

Mr. Speaker, who is going to be on that board? Whose special interests will be represented on that board overseeing the decisions as to who owns what technology in the future? Maybe they won't even be people who have allegiance to the United States, who knows. But they will be making the decisions, and we do not know who they are.

H.R. 3460, the Steal American Technologies Act, must be defeated. My bill, H.R. 359, the Patent Rights Restoration Act, can be substituted in its place when it comes to the floor of Congress for a vote. The choice is our choice as the American people, as Members of Congress. It is H.R. 3460, the Moorhead-Schroeder Patent Act or the Rohrabacher substitute. One might ask why has a bill that is so obviously detrimental to America's interests, why has it gone this far? First and foremost, and this is a problem we talked about earlier, our big businesses have bought off on the idea of a world economy, and if harmonizing our patent rights is part of that deal with a global economy and even if our foreign competitors renege later, we must change our laws now as a sign of good faith to get everybody working together. This mindset is a great threat to the well-being of the American people.

Second, let me say these huge corporations have enormous influence on Members of Congress. Your biggest corporation in your district comes to see you, the president of that corporation, you listen to that head of that corporation. But these corporate leaders are not representing the interests of their own working people, much less the greater constituency of the people of the United States. These corporate leaders may have good hearts and may be well intended, but they are wrong headed when it comes to globalization. Their loyalty should be in the long term with the people of the United States. Instead, what we find here are people who basically bought into an idea, we are going to create a whole new world, and it is going to be a more perfect world where commerce is flowing.

Watch out, Mr. and Mrs. America, when you run into somebody who is going to change the whole world and make it so much better, even at the expense of the American people and our rights. That is the threat we face today, and right after the Fourth of July when this bill comes to the floor, H.R. 3460, the Steal American Technologies Act, has to be defeated and the Rohrabacher substitute should take its place.

□ 1600

ECO-SANITY

The SPEAKER pro tempore (Mr. FUNDERBURK). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized for 60 minutes.

Mr. STEARNS. Mr. Speaker, I come to the well of the House here to talk about the environment. I think as the election process starts this year, we are going to hear many elected officials talk about the environment and they will say one party is destroying the environment and the other party will say we are not destroying the environment. One party will talk about its record and the other party will talk about its record. So I thought it would be good to put in perspective some of the recent literature on eco-sanity, is what I call it, the ability to talk about the environment in terms of common sense.

Most of what I will be talking about today, Mr. Speaker, comes from a book by that exact title, "Eco-Sanity: A Common-Sense Guide to Environmentalism," published by the Heartland Institute. The authors are Joseph Bast, Peter Hill, and Richard Rue.

Now, one of the questions a lot of people ask, particularly back in the district, is can we not spend more Government money to solve this problem? Why can the Government not protect the environment and why can the Government not be the sole provider of this protection?

Well, as many of you know, in 1962 there was a book published called "The Silent Spring." That is roughly 34 years ago, and that started the environmental movement. Until that point we have always relied upon the Government to stop pollution, to safeguard human health, and to protect the wildlife, and we have always thought, well, why can we not just spend more money so that we can protect the environment?

Well, if we go about giving immunizations, as we generally do; if we look at the cost per deaths averted because of this, it might be for diphtheria, $87, cost per death avoided. But, when we start to move up the chain here, for example, improving traffic signs, that is roughly $21,000 cost per death averted. Let us move a little higher up and go to breast cancer screening. That is $160,000 cost per death averted. But then if we go to the hazardous waste land disposal ban, that is roughly $4.2 billion. Now, that is pretty expensive for the cost per one death.

Now, we can move even further up and we go to hazardous waste listing for wood preserving chemicals. Do you know what that cost, Mr. Speaker, to avert one death. That would cost $5.7 trillion. So you can see the Government cannot be expected to stop all environmental problems. So we must come up with a solution, and that is what Republicans try to do.

So heavy is this reliance that many environmentalists measure the movement's progress by the strictness of Government-enforced air and water pollution standards, the amount of land placed under Government control, and the number of plants and animals given protected status under the Government-enforced Endangered Species Act. Is that the criteria we want to use, particularly in light of some of these astronomical figures that we see now in this book to try to prevent one death and how much cost the Government will have to spend?

Remember, Mr. Speaker, when we do that we have to go out and tax the American public to do this. So is there another way? Is there another sound, commonsense approach here that we can get to solve this problem? I think there is and this is what brought me to the House floor today. I believe that there is a way to protect the environment and to do it without huge enormous litigation costs, without a huge amount of Government-run breaucracies.

In fact, I do not think we have to solve the problem by another bureaucratic Government agency. It is unlikely, for example, that reduction in air and water pollution would have occurred as quickly in the absence of Government regulations, and I think that is true, to a certain extent Government is required, or for landfill safety. But these victories often came at much too high a price.

As I mentioned earlier, billions were spent on litigation, footdragging, focusing on the wrong problem. Behind these victories, too, were conspicuous failures. Let us not forget this. Below-cost logging sales, farm and ranching subsidies, Superfund.

How many of us have not been on the House floor to talk about the huge amount of litigation involved with Superfund, and yet we have still so many sites around the United States that are still clogged with these toxic chemicals. I have one in my district.

We spent so much money and put up a huge trust fund and most of the money has gone for litigation.

Many feel that the Endangered Species Act has not worked to the benefit of all of us. In fact, when you lay off 30,000 people for one endangered species, you have to question is there some way to solve this problem without more Government bureaucracy. And that is what I am here to say; that we can offer a way. Through the markets, through incentives, through property owner rights enforcement, and by making choices, we can move forward through the channel of politics to results where environmental protection is provided for all our citizens.

This leads me to really the main reason I came on the House floor, is to talk about the rules for eco-sanity. The biggest barrier to further improvements in the environment quality is not a lack of money, even though you hear many people on this side of the aisle saying we need to spend more and more money. In fact, the President of the United States has said we need to spend vast amounts, more money to improve the environment.

Spending on environmental protection in the United States is greater both in dollar terms and as a percentage of gross domestic product than it has ever been before, also considerably higher than spending in many other countries. Our biggest problem is that it is in the politics. We think we have good men in the White House, both Republicans and Democrats. We have good people on the House floor. So we really cannot say that it is any one individual or perhaps any one type of committee or subcommittee or administration.

What then is the biggest barrier to improving environmental protection? Mr. Speaker, I think it is the environmental movement itself. More specifically, I believe that the lack of understanding and critical thinking on the part of most environmentalists has compromised the movement's ability to be an effective force for real true environmental protection.

Many environmentalists do not think clearly about the issues, relying instead on environmental organizations to do their thinking for them. This trust has been rewarded with campaigns against crises that do not exist and supporting policies that are clumsy, expensive, and sometimes counterproductive.

Similarly, environmentalists have said let the Government do it, and then they fail to pay attention to what the Government actually does. A closer look reveals the Government's record on the environment is a poor one, and that Government often suffers from perverse incentive structures and information blackouts that render it unreliably an ally of the movement.

So I wish to put into the RECORD some of these rules for eco-sanity, which I think is a little bit beyond the popular wisdom on some of the issues, and I think there has been a disconnect by the movement on some of these things that Republicans have done in Congress, and particularly when we try to relax some of the rules and regulations that cities and small towns have so that they can actually inspect for the toxic waste materials that are in their water instead of doing the entire EPA list. This list is so extensive that they have very little money left to really try to identify the toxic waste that is in that particular community, which is indigenous to that community.

So we need to look at some way to equip ourselves to understand if we have a problem here and rules of critical thinking. So with the help of this book I will put into the RECORD the first rule of critical thinking in the eco-sanity debate.

The first one, Mr. Speaker, is correlation is not causation. Now, this sounds a little complicated, but let us take it a little further. Correlation means that two things tend to happen at the same time. Causation means one thing is known to cause another thing. Just because two things happen at the same time does not mean one is causing the other. We need proof, including a reasonable theory, showing the path by which one thing causes another to occur.

Mr. Speaker, these are many environmental scares, including global warming. Remember now last winter we had the most severe winter we have had in Washington, DC, in many years. There has been so much talk about electromagnetic fields and dioxin. They resulted in the correlation of two things which are mistaken. To avoid future errors we need to challenge people who rely on correlations to prove that one thing is actually causing another thing to happen.

The second rule of critical thinking for eco-sanity is not everything can be explained. The truth is in 1994 that the causes of most specific cases of cancer, miscarriage, and child deformity in the United States are unexplained. We have no idea why it occurs. We simply do not know whether a specific case of brain cancer, for example, is due to a genetic condition, nutrition, alcohol, or drug abuse, and we can go round and round in circles and pointing the blame and asking for more Government regulations and more spending, but not everything can be explained. We have to recognize that fact.

While we should sympathize with the victims of these afflictions, we should not confuse them with experts on the cause of these illnesses. A victim's guess is no more reliable and maybe less reliable than the guesses of many other nonexperts. Someday the work of all these professionals and other scientists may produce the answers we seek, but, Mr. Speaker, I do not think that day has yet arrived. So the second rule of critical thinking is not everything can be explained.

No. 3, trends cannot predict the future. What I as an individual do today, lots of times the environmentalists will project that out and that might not be right. During the 1970's global temperatures fell several years in a row, and, remember, experts like Dr. Steven Schneider predicted a new ice age. Well, during the 1980's temperatures rose several years in a row and the experts, including Mr. Schneider, predicted catastrophic global warming.

So, first of all, we had the ice age that was predicted in the 1970's, and then we had this global warming where we are going to have the polar caps melt, and, of course, half of North America would be under the water. And they predicted this based upon predicting the future and certain trends. The cold winter of this year, and, of course, the cold winter of 1993–94 prompted Time Magazine, think about this, Time Magazine and some scientists warned of an approaching ice age.

These predictions, along with the prediction of a population explosion and eventual resource depletion, were wrong because they were based upon projection of past trends. And, in fact, the population in the United States has more or less normalized. It is not going up at the projection many people said. So at this point trends cannot necessarily predict the future.

The fourth rule of critical thinking and rules for eco-sanity are facts count for more than opinions. Now that might sound a little strange but it is the truth. A person with the loudest voice sometimes is heard above everybody else, or he or she might have the most controversial opinion. That person gets the attention on the 6 o'clock news. This is certainly true in the environmentalist movement where there are claims of impending environmental issues.

A few numbers tell us more than 1,000 pictures. For example, the destruction of the world's rain forests changed from a crisis to a manageable problem once we recognized that rain forests are being diminished at a rate of well under 1 percent a year. Similarly, plastic containers moved to the bottom of our agenda when we learned they constitute less than 1.5 percent of the solid waste in a typical landfill. Yes, we all have heard about the plastic containers.

No. 5 rule for eco-sanity is do not forget the past. All common sense things here, Mr. Speaker. During the 1970's many prominent environmentalists predicted an energy crisis, energy crisis in the 1980's and energy crisis in the 1990's and this huge population explosion. Well, some 25 years later oil reserves have grown and population growth is slowing.

Ronald Bailey, a scientist commenting on Paul Erlich and Lester Brown, the environmentalists, say quote,

> One reason such apocalyptic abuses thrive is that the public has no longer-term memory. People are unlikely to remember that a doomster made a dire prediction 20 years ago that has since proved absolutely false.

Bailey is right. We need to remember yesterday's false alarms and who sounded them if we are to respond correctly to future calls to action. Perhaps, Mr. Speaker, here in Congress we should start keeping track of all these doomsters and all these predictions from the people who say we will have an energy crisis or a population explosion, to all these different problems that they talk about.

No. 6 in the rule of eco-sanity: We can never avoid risk completely. And this is one of the things that Republicans are trying to say, is we have choices. There can never be an absolutely pure, theoretically, absolutely safe situation. Everything we do carriers with it a risk. When I came up to Washington on the airplane it carried a risk. When I drove over here or when I walk on the curb there is a risk; even common activities such as a bath, you can drown; crossing a street, being hit by a car. Seemingly harmless things like balloons and toothpicks sometimes can kill people.

□ 1615

Mr. Speaker, there is no such thing as a product, decision, or action that carries no risk whatsoever. So when someone tells us hold on, there may be a risk that a chemical, nuclear plant, or landfill will endanger our health, we should not be frightened. Instead we should calmly ask, how much risk is there? If the risk is unknown, we should wait until reliable evidence is available for us to estimate the risk. If the risk is 1 in a million, the level of risk often found for things like incinerator fumes and pesticides, it may not be worth attempting to reduce it or spending enormous amounts of government money or setting up another government bureaucracy to do so. It may be a case to study and maybe we can find other ways, but in the end it may not be worth the cost to attempt to stop it any further.

Keep in mind, that is one in a million risk. Keep in mind that the risk of drowning is 16 in a million. So you have a chance or, I would say, Mr. Speaker, that the risk of drowning is 16 in a million whereas the risk from pesticide is 1 in a million.

How about dying in an accident in the home; that is 90 in a million or dying in an automobile accident is 192 in a million, greatly exceeds the alleged environmental risk being decried by some organizations. So if you keep those statistics in mind, you realize that we do not have to set up another government bureaucracy just to handle some of these things because 1 in a million can be a very low risk.

The last rule for ecosanity is rule No. 7, we have to make choices. We cannot buy two items in the grocery store with the same amount of money. We have to choose one or the other. The same, Mr. Speaker, is true of how we clean the environment. We have to choose among many different ways to do it. We cannot do everything at once, because trying to do so would be extremely wasteful, unnecessarily injure many people, and probably produce unintended consequences that harm the environment.

Instead we must apply the same prudence that we apply to other parts of our lives, because the law of diminishing returns, a zero discharge policy would cost huge, huge sums of money and produce very little benefit. That, on this side of the aisle, we are trying to do, to understand the zero discharge, to understand what amount of moneys are required, what is at risk, and what benefit will be produced.

We must, and here is the key word, Mr. Speaker, we must prioritize threats to the environment and find efficient ways to address these threats. The more carefully we do these, the more threats we will be able to successfully address.

The importance of environmental issues does not somehow exempt them from this discipline. In fact, their importance makes careful planning and efficiency all the more necessary.

I would conclude by saying, we on this side of the aisle are trying to bring a new idea to the environmental movement. We have had 36 years of more Government spending, more Government bureaucracies and at this point we realize there is a way to solve this without taxing the American people. That way is, of course, to bring some semblance to this environmental debate with ecosanity. Ecosanity is basically going to help us understand how to attack these problems and what in the end would be the best thing, best way to solve the problem.

I would conclude by pointing out that if people own a property, that leads to better stewardship. We tend to take better care of things we own than things we rent or borrow. And if the Government and local community would enforce some of the already existing laws on the books, we should be able to bring the ownership and better stewardship and government compliance all together. Because in the end, incentives are better than commands. People are more apt to do things if you give them incentives rather than commands out of Washington. We think that through ownership and incentives, pollution problems can be reduced and we should clearly define the rights of property owners, clearly define what the Government is supposed to enforce and not have this vague set of books where the rules and enforcement are so vague that the actual citizen has no idea how to comply with the rules.

I think the rules to air, water, and wildlife can be defined and I think they can be enforced so when you bring in the clear definition of these rules, you bring in the idea of ownership being better stewardship; incentives are better than command, I think pollution can, in the end, be diminished.

Also we need to understand that when you set up government programs, they suffer in themselves. They are like a black hole. They require more money and sometimes the Government will act with improper knowledge. If we abide by a set of rules for ecosanity, I think we can prevent that.

Also I should point out, Mr. Speaker, that sometimes Government subsidies cause waste. When you have the Government involved spending this money, it sometimes creates less efficiency and leads to greater pollution because in the end if you do not have the efficiency, you cannot have less pollution. Of course, I would conclude by saying the media gives false alarms by extensive publicity, as I point out. A good example is in the area of the energy crisis as well as talking about overpopulation. So all of us need to be aware of stories that come out of the media when, in fact, if we obey these seven rules of ecosanity, we can have a better understanding how to cope. We need to understand and not react out of fear. Mr. Speaker here is a commonsense agenda for further protecting and improving the environment.

TERMINATION OF SUSPENSIONS UNDER FOREIGN RELATIONS AUTHORIZATION ACT WITH RESPECT TO ISSUANCE OF LICENSES TO PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–236)

The SPEAKER pro tempore (Mr. FUNDERBURK) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

Pursuant to the authority vested in me by Section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (P.L. 101–246) ("the Act"), and as President of the United States, I hereby report to Congress that it is in the national interest of the United States to terminate the suspensions under section 902(a) of the Act with respect to the issuance of licenses for defense article exports to the People's Republic of China and the export of U.S.-origin satellites, insofar as such restrictions pertain to the Hughes Asia Pacific Mobile Telecommunications project. License requirements remain in place for these exports and require review and approval on a case-by-case basis by the United States Government.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 23, 1996*.

REPORT ON REVISED DEFERRAL OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–237)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budgetary resources, totaling $7.4 million. The deferral affects the Social Security Administration.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 24, 1996*.

Contents of Special Message

[In thousands of dollars]

Deferral No. and Item	*Budgetary resources*
D96–2A—Social Security Administration: Limitation on administrative expenses	7,365
Total, deferral	7,365

SUPPLEMENTAL REPORT—REPORT PURSUANT TO SECTION 1014(c) OF PUBLIC LAW 93–344

This report updates Deferral No. D96–2, which was transmitted to Congress on October 19, 1995.

This revision increases by $44,285 the previous deferral of $7,320,543 in the Limitation on administrative expenses, Social Security Administration, resulting in a total deferral of $7,364,828. This increase results from the deferral of additional carryover of funds from FY 1995 that cannot be used in FY 1996.

DEFERRAL OF BUDGET AUTHORITY

REPORT PURSUANT TO SECTION 1013 OF P.L. 93–344

Agency: Department of Health and Human Services.

Bureau: Social Security Administration.

Appropriation title and symbol: Limitation on administrative expenses[1] 75X8704.

OMB identification code: 20–8007–0–7–651.

Grant program: No.

Type of account or fund: No-Year.

New budget authority	[2]167,000,000
Other budgetary resources	[2]261,623,563
Total budgetary resources	[2]428,623,563
Amount to be deferred: Entire year	[2]7,364,828

Legal authority (in addition to sec. 1013): Antideficiency Act.

Type of budget authority: Appropriation.

Justification: This account includes funding for construction, renovation, and expansion of Social Security Trust Fund-owned headquarters and field office buildings. In addition, funds remain available for costs associated with acquisition of land in Colonial Park Estates adjacent to the Social Security Administration complex in Baltimore, Maryland. The Social Security Administration has received an approved FY 1996 apportionment for $50,000 to cover potential upward adjustments of prior-year costs related to field office roof repair and replacement projects. The remaining funds will not be needed for obligation in FY 1996. This deferral reflects the actual amount available for construction in FY 1996, less than $50,000 apportioned for potential upward adjustments in FY 1996. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated program effect: None.

Outlay effect: None.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 21, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, June 21, 1996 at 10:30 a.m.: That the Senate passed without amendment H.R. 2803.

With warm regards,

ROBIN H. CARLE, *Clerk.*

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. MONTGOMERY) to revise and extend her remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. ROHRABACHER) to revise and extend their remarks and include extraneous material:)

Mr. HASTERT, for 5 minutes each day, on today and June 25, 26, 27, and 28.

Mr. BURTON of Indiana, for 5 minutes each day, on June 25, 26, and 27.

Mr. SCARBOROUGH, for 5 minutes each day, on June 25, 26, and 27.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous material:)

Mr. WARD.

Mr. FAZIO of California.

Mr. BARCIA.

Ms. NORTON.

Ms. FURSE in two instances.

(The following Member (at the request of Mr. ROHRABACHER) and to include extraneous material:)

Mr. FORBES in two instances.

(The following Members (at the request of Mr. STEARNS) and to include extraneous material:)

Mr. HAMILTON.

Mr. YOUNG of Alaska.

Mrs. SCHROEDER.

ADJOURNMENT

Mr. STEARNS. Mr. Speaker, I move that the House do now adjourn in memory of the late Honorable BILL EMERSON.

The motion was agreed to; accordingly (at 4 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 25, 1996, at 10:30 a.m., in memory of the late Honorable BILL EMERSON.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3762. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—1996 Amendment to Cotton Board Rules and Regulations Adjusting Supplemental Assessment on Imports—Final Rule [Docket No. CN–96–002] received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3763. A letter from the Secretary of Housing and Urban Development, transmitting the Department's report entitled "Expanding Housing Choices for HUD-Assisted Families," pursuant to Public Law 102–550, section 152(d)(1) (106 Stat. 3716); to the Committee on Banking and Financial Services.

3764. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Regulation of Fuels and Fuel Additives: Controls Applicable to Gasoline Retailers and Wholesale Purchaser-Consumers; 10 Gallons Per Minute Fuel Dispensing Limit Requirement Implementation (FRL–5522–3) (RIN: 2060–AG43) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3765. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans: State of Georgia; Approval of Revisions to the State Implementation Plan (FRL–5519–2) [GA–30–3–9615a] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3766. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of New Jersey; Revised Policy Regarding Applicability of Oxygenated Fuels Requirements (FRL–5524–4) [Region II Docket No. 146, NJ23–1–7243(c)] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3767. A letter from the Director, Office of Regulatory Management and Information,

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[1] This account was the subject of a similar deferral in FY 1995 (D95–6A).

[2] Revised from previous report.

Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Kentucky: Approval of Revisions to the Kentucky State Implementation Plan (FRL–5456–4) [KY–86–2–6933a] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3768. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Final Interim Approval of Operating Permits Program; the State of Texas (FRL–5526–4) (40 CFR Part 70) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3769. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Authorization of State Hazardous Waste Management Program: Nebraska (FRL–5524–9) (40 CFR Part 271) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3770. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Attainment Extension for the Municipality of Anchorage Area Carbon Monoxide Nonattainment Area: Alaska (FRL–5523–7) [AK–13–7101a] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3771. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Honor, Michigan) [MM Docket No. 95–135]; received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3772. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Denison-Sherman, Paris, Jacksboro, Texas, and Madill, Oklahoma) [MM Docket No. 95–126] received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3773. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Milton, West Virginia and Flemingsburg, Kentucky) [MM Docket No. 95–137] received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3774. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Ingalls, Kansas) [MM Docket No. 95–180] received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3775. A letter from the Clerk, U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period January 1, 1996, through March 31, 1996, as compiled by the Chief Administrative Officer, pursuant to 5 U.S.C. 104a (H. Doc. No. 104–235); to the Committee on House Oversight and ordered to be printed.

3776. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Priority Dates for Employment-Based Petitions Docket No. INS–1647–95] (RIN: 1115–AE24) received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3777. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Newport—Bermuda Regatta, Narragansett Bay, Newport, RI (U.S. Coast Guard) [CGD01–96–025] (RIN: 2115–AE46) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3778. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Fireworks Display within the First Coast Guard District (U.S. Coast Guard) [CGD01–96–011] (RIN: 2115–AE46) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3779. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Suncoast Kilo Run; Suncoast Offshore Challenge; Suncoast Grand Prix; Sarasota, FL (U.S. Coast Guard) [CGD07–96–008] (RIN: 2115–AE46) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3780. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revocation of Class E Airspace; Johnson City, TX—Docket No. 96–ASW–14 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0068) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3781. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Alice, TX—Docket No. 95–ASW–35 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0071) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3782. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Burns Flat, OK—Docket No. 95–ASW–36 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0069) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3783. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Zuni, NM—Docket No. 95–ASW–01 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0066) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3784. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Tucumcari, NM—Docket No. 95–ASW–33 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0065) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3785. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Portales, NM—Docket No. 95–ASW–02 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0064) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3786. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Truth or Consequences, NM—Docket No. 95–ASW–34 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0063) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3787. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Arkadelphia, AR—Docket No. 96–ASW–03 (Federal Aviation Administration) (RIN: 2120–AA66) (1966–0067) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3788. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Mitchellville, MD—Docket No. 96–AEA–04 (Federal Aviation Administration) (RIN: 2120–AA66) (1966–0075) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3789. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of Class E Airspace; Nome and Unalakleet, AK—Docket No. 95–AAL–3 (Federal Aviation Administration) (RIN: 2120–AA66) (1966–0057) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3790. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (22) [Amendment Number 1736] (Federal Aviation Administration) (RIN: 2120–AA65) (1966–0018) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3791. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (47) [Amendment Number 1735] (Federal Aviation Administration) (RIN: 2120–AA65) (1966–0019) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3792. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (19) [Amendment Number 1734] (Federal Aviation Administration) (RIN: 2120–AA65) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3793. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of V–268—Docket No. 95–ANE–22 (Federal Aviation Administration) RIN: 2120–AA66) (1996–0070) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3794. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Subdivision of Restricted Areas R–2104A and R–2104C, Huntsville, AL—Docket No. 96–ASO–4 (Federal Aviation Administration) RIN: 2120–AA66) (1996–0072) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3795. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Change in Using Agency for Restricted Area R-2905A and R-2905B, Tyndall AFB, FL—Docket No. 96-ASO-8 (Federal Aviation Administration) (RIN: 2120-AA66) 1996-0073) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3796. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Grade Crossing Signal System Safety (Federal Railroad Administration) [FRA Docket No. RSGC-5; Notice No. 81] (RIN: 2130-AA97) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3797. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Policy Regarding Airport Rates and Charges (Federal Aviation Administration) (RIN: 2120-AF90) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3798. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Series Airplanes (Excluding Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 95-NM-151-AD; Amendment 39-9674; AD 196-13-06] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3799. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Series Airplanes (Excluding Fokker Model F28 Mark 0100 Series Airplanes) (Federal Aviation Administration) [Docket No. 95-NM-170-AD; Amendment 39-9673; AD 96-13-05] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3800. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. (formerly Textron Lycoming) LTS 101 Series Turboshaft and LTP 101 Series Turboprop Engines (Federal Aviation Administration) [Docket No. 93-ANE-64; Amendment 39-9668; AD 96-12-27] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3801. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-9 and C-9 (Military) Series Airplanes (Federal Aviation Administration) [Docket No. 94-NM-195-AD; Amendment 39-9671; AD 96-13-03] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3802. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Jetstream Aircraft Limited (formerly British Aerospace, Regional Airlines Limited) Jetstream Model 3201 Airplanes (Federal Aviation Administration) [Docket No. 93-CE-34-AD; Amendment 39-9670; AD 96-13-02] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3803. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; MDB Flugtechnik AG Model MD3-160 Airplanes (Federal Aviation Administration) [Docket No. 96-CE-18-AD; Amendment 39-9669; AD 96-13-01] (RIN: 2120-AA64) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3804. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—The Municipality of Anchorage, AK—Notices for Rate Increase for Alaska Intermodal Motor/Water Traffic—Petition for Rulemaking (STB Ex Parte No. MC-220) received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BLILEY: Committee on Commerce. H.R. 3604. A bill to amend title XIV of the Public Health Service Act (the "Safe Drinking Water Act"), and for other purposes; with amendments; referred to the Committee on Science for a period ending not later than July 24, 1996, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(n), rule X (Rept. 104-632, Pt. 1). Ordered to be printed.

DISCHARGED FROM CORRECTIONS CALENDAR

Under clause 5 of Rule X, the following action was taken by the Speaker:

H.R. 2531. Discharged from the Corrections Calendar.

TIME LIMITATION OF REFERRED BILL

[The following action occurred on June 21, 1996]

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1734. Referral to the Committee on House Oversight extended for a period ending not later than June 28, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. NORTON:

H.R. 3702. A bill to prohibit discrimination on the basis of certain factors with respect to any aspect of a surety bond transaction; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 3703. A bill to amend the Internal Revenue Code of 1986 to provide the same insurance reserve treatment to financial guaranty insurance as applies to mortgage guaranty insurance, lease guaranty insurance, and tax-exempt bond insurance; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 3704. A bill to amend the Family and Medical Leave Act of 1993 to apply the act to a greater percentage of the U.S. workforce and to allow employees to take parental involvement leave to participate in or attend their children's educational and extracurricular activities, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committees on Government Reform and Oversight, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STEARNS:

H.R. 3705. A bill to provide for the liquidation or reliquidation of certain frozen concentrated orange juice entries to correct an error that was made in connection with the original liquidation; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 3706. A bill to designate the Mollie Beattie Alaska Wilderness Area in the Arctic National Wildlife Refuge; to the Committee on Resources.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 324: Mr. DEFAZIO.

H.R. 773: Mr. HORN and Ms. PRYCE.

H.R. 2209: Mr. WATTS of Oklahoma, Mr. BRYANT of Texas, Ms. FURSE, Mr. SABO, and Mr. JEFFERSON.

H.R. 2270: Mr. SAM JOHNSON.

H.R. 2727: Mr. WAMP and Mr. METCALF.

H.R. 3067: Mr. CALVERT.

H.R. 3119: Mr. FOGLIETTA.

H.R. 3195: Mr. FUNDERBURK.

H.R. 3213: Mr. LAZIO of New York and Mr. LIPINSKI.

H.R. 3328: Mr. JACKSON.

H.R. 3401: Ms. WOOLSEY, Mr. BROWN of Ohio, Mrs. MALONEY, Ms. ROYBAL-ALLARD, Mr. GANSKE, Mr. QUINN, Mr. ZIMMER, Ms. VELAZQUEZ, Mr. HORN, and Ms. SLAUGHTER.

H.R. 3604: Mr. COLLINS of Georgia, Mr. TAYLOR of North Carolina, Mr. FAWELL, Mr. FARR, Mr. LINDER, Mr. POSHARD, and Mr. HOBSON.

H.R. 3642: Mr. FALEOMAVAEGA and Mr. MILLER of California.

H. Con. Res. 173: Mr. BROWNBACK and Mr. FLANAGAN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3604

OFFERED BY: MR. BLILEY

AMENDMENT NO. 1: At the end of the bill, add the following new titles and conform the table of contents:

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

SEC. 501. GENERAL PROGRAM.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Administrator may provide technical and financial assistance in the form of grants to States (1) for the construction, rehabilitation, and improvement of water supply systems, and (2) consistent with nonpoint source management programs established under section 319 of the Federal Water Pollution Control Act, for source water quality protection programs to address pollutants in navigable waters for the purpose of making such waters usable by water supply systems.

(b) LIMITATION.—Not more than 30 percent of the amounts appropriated to carry out this section in a fiscal year may be used for source water quality protection programs described in subsection (a)(2).

(c) CONDITION.—As a condition to receiving assistance under this section, a State shall ensure that such assistance is carried out in the most cost-effective manner, as determined by the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 502. NEW YORK CITY WATERSHED, NEW YORK.

(a) IN GENERAL.—The administrator may provide technical and financial assistance in the form of grants for a source water quality protection program described in section 501 for the New York City Watershed in the State of New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 503. RURAL AND NATIVE VILLAGES, ALASKA.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants to the State of Alaska for the benefit of rural and Alaska Native villages for the development and construction of water systems to improve conditions in such villages and to provide technical assistance relating to construction and operation of such systems.

(b) CONSULTATION.—The Administrator shall consult the State of Alaska on methods of prioritizing the allocation of grants made to such State under this section.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use not to exceed 4 percent of the amount granted to such State under this section for administrative expenses necessary to carry out the activities for which the grant is made.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000. Such sums shall remain available until expended.

SEC. 504. ACQUISITION OF LANDS.

Assistance provided with funds made available under this title may be used for the acquisition of lands and other interests in lands; however, nothing in this title authorizes the acquisition of lands or other interests in lands from other than willing sellers.

SEC. 505. FEDERAL SHARE.

The Federal share of the cost of activities for which grants are made under this title be 50 percent.

SEC. 506. CONDITION ON AUTHORIZATIONS OF APPROPRIATIONS.

An authorization of appropriations under this title shall be in effect for a fiscal year only if at least 75 percent of the total amount of funds authorized to be appropriated for such fiscal year by section 308 are appropriated.

SEC. 507. DEFINITIONS.

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) WATER SUPPLY SYSTEM.—The term "water supply system" means a system for the provision to the public of piped water for human consumption if such system has at least 15 service connections or regularly serves at least 25 individuals and a draw and fill system for the provision to the public of water for human consumption. Such term does not include a for-profit system that has fewer than 15 service connections used by year-round residents of the area served by the system or a for-profit system that regularly serves fewer than 25 year-round residents and does not include a system owned by a Federal agency. Such term includes (A) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (B) any collection or pretreatment facilities not under such control that are used primarily in connection with such system.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

SEC. 601. DRINKING WATER RESEARCH AUTHORIZATION.

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, in addition to—

(1) amounts authorized for research under section 1412(b)(13) of the Safe Drinking Water Act (title XIV of the Public Health Service Act);

(2) amounts authorized for research under section 409 of the Safe Drinking Water Act Amendments of 1996; and

(3) $10,000,000 from funds appropriated pursuant to this section 1452(n) of the Safe Drinking Water Act (title XIV of the Public Health Service Act).

such sums as may be necessary for drinking water research for fiscal years 1997 through 2003. The annual total of the sums referred in this section not exceed $26,693,000.

SEC. 602. SCIENTIFIC RESEARCH REVIEW.

(a) IN GENERAL.—The Administrator shall assign to the Assistant Administrator for Research and Development (in this section referred to as the "Assistant Administrator") the duties of—

(1) developing a strategic plan for drinking water research activities throughout the Environmental Protection Agency (in this section referred to as the "Agency");

(2) integrating that strategic plan into ongoing Agency planning activities; and

(3) reviewing all Agency drinking water research to ensure the research—

(A) is of high quality; and

(B) does not duplicate any other research being conducted by the Agency.

(b) REPORT.—The Assistant Administrator shall transmit annually to the Administrator and to the Committees on Commerce and Science of the House of Representatives and the Committee on Environment and Public Works of the Senate a report detailing—

(1) all Agency drinking water research the Assistant Administrator finds is not of sufficiently high quality; and

(2) all Agency drinking water research the Assistant Administrator finds duplicates other Agency research.

In section 403 of the reported bill, relating to New York City watershed protection program, in paragraph (4), strike "$15,000,000" and insert "$8,000,000".

H.R. 3666

OFFERED BY: MR. FIELDS OF LOUISIANA

AMENDMENT NO. 61: Page 61, line 14, after each of the two dollar amounts, insert the following: ("increased by $3,500,000)".

Page 61, line 17, after the dollar amount, insert the following: "(increased by $178,500,000)".

Page 61, line 22, after the dollar amount, insert the following: "(increased by $89,000,000)".

Page 62, line 1, after the dollar amount, insert the following: "(increased by $60,000,000)".

Page 62, line 7, after the dollar amount, insert the following: "(increased by $1,000,000)".

Page 62, line 19, after the dollar amount, insert the following: "(increased by $4,500,000)".

Page 62, line 24, after the dollar amount, insert the following: "(increased by $11,500,000)".

Page 63, line 2, after the dollar amount, insert the following: "(increased by $7,000,000)".

Page 63, line 6, after the dollar amount, insert the following: "(increased by $2,000,000)".

Page 74, line 5, after the dollar amount, insert the following: "(increased by $178,500,000)".

H.R. 3666

OFFERED BY: MR. GEJDENSON

AMENDMENT NO. 62: Page 87, after line 17, insert the following:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $1,811,000, to be derived from amounts provided in this Act for "National Aeronautics And Space Administration—Human space flight": *Provided*, That notwithstanding any other provision of law, that Office may accept and deposit to this account, during fiscal year 1997, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials; may expend up to $1,110,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purposes to the extent authorized in subsequent appropriations Acts: *Provided further*, That none of the funds provided under this heading may be made available for any other activities within the Department of Health and Human Services.

H.R. 3666

OFFERED BY: MR. HEFNER

AMENDMENT NO. 63: Page 10, line 10, strike "; *Provided*, That" and all that follows through "Secretary" on line 15.

H.R. 3666

OFFERED BY MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 64: Page 66, line 8, after the dollar amount, insert the following: "(increased by $2,000,000)".

H.R. 3666

OFFERED BY MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 65: Page 66, line 8, after the dollar amount, insert the following: "(increased by $2,000,000)".

Page 82, line 7, after the dollar amount, insert the following: "(reduced by $2,000,000)".

H.R. 3666

OFFERED BY MR. KINGSTON

AMENDMENT NO. 66: Page 95, after line 21, insert the following new section:

SEC. 422. None of the funds made available in this Act may be used by any officer or employee of the Environmental Protection Agency to organize, plan, or disseminate information regarding any activity if it is made known to such officer or employee that such activity is not directly related to governmental functions that such officer or employee is authorized or directed to perform.

SENATE—*Monday, June 24, 1996*

The Senate met at 1 p.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

*Commit your way to the Lord, trust also in Him and He shall bring it to pass. * * * Rest in the Lord, wait patiently for him * * *.*—Psalm 37:5, 7.

Let us pray.

Lord, as we begin this new week, we take these four vital verbs of the psalmist as our strategy for living in the pressure of the busy days ahead. Before the problems pile up and the demands of the day hit us, we deliberately stop to commit our way to You, to trust in You, to rest in You, and wait patiently for You. Nothing is more important than being in an honest, open, receptive relationship with You. Everything we need to be competent leaders comes in fellowship with You. We are stunned by the fact that You know and care about us. We are amazed and humbled that You have chosen us to bless this Nation through our leadership. In response we want to be spiritually fit for the rigorous responsibilities. So, we turn over to Your control our personal lives, our relationships, and all the duties that You have entrusted to us. We trust You to guide us. We seek the source of our security and strength in You. We will not run ahead of You or lag behind but will walk with You in Your timing and pacing toward Your goals. You always are on time and in time for our needs. May the serenity and peace that we feel in this time of prayer sustain us throughout this day. We thank You in advance for a great day filled with incredible surprises of sheer joy. In Your all-powerful name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning, Mr. President.

SCHEDULE

Mr. LOTT. Today there will be a period of morning business until the hour of 2 p.m. with Senators permitted to speak for up to 5 minutes each. At the hour of 2, the Senate will begin consideration of S. 1219, the campaign finance reform bill. There will be no rollcall votes during today's session of the Senate, and under the consent agreement reached last week, a vote on the motion to invoke cloture on the bill, S. 1219, will occur at 2:15 tomorrow.

Senators are reminded that in accordance with rule XXII, first-degree amendments may be filed until 2 p.m. today and second-degree amendments may be filed until 12:30 on Tuesday.

This week the Senate will also resume consideration of the Department of Defense authorization bill. I hope the Senate will complete action on this bill as early as possible this week.

Also, we are continuing our efforts to reach some agreement with regard to the consideration of the small-business tax measure and the minimum wage legislation. I wish to emphasize that we hope to get an agreement on that and complete action on the DOD authorization bill and move to the DOD appropriations bill.

In order to achieve that, it is going to take a lot of cooperation from all the Members, all the Senators, between the two leaders, and those who have amendments to offer. So I emphasize once again that we have to move forward on the DOD authorization bill. The chairman will be working on that. Senator THURMOND, from South Carolina, and Senator NUNN, the ranking member, are intent on moving this legislation forward.

I have tried to be considerate of the Senate and the Members' desires to have an opportunity to have supper with their families, have reasonable hours, but from what I saw last week and what I experienced, I do not know if we can continue that. We are going to make progress on DOD authorization on Tuesday and Wednesday. If it means staying late, we are going to do that.

Again, I want to be sympathetic and cooperative with Members on their schedule demands and their desire to be with their families, but if they do not respond in kind, then I, like previous leaders, have no option but to force the Senate to stay late to do its work.

Senators should expect a busy week this week with votes throughout the day every day, including Friday, and there will be, as I said, rollcall votes maybe into the evening in order to get the work done as necessary.

I am pleased that we have been able to reach the unanimous-consent agreement with regard to the consideration of campaign finance reform legislation. I think it is legislation that deserves an opportunity to be debated. We will have that opportunity this afternoon and in the morning, and then we will go to a cloture vote at 2:15.

Mr. President, I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. ASHCROFT). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m., with the time equally divided between the two leaders.

Mr. LOTT. Mr. President, I observe the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is time allotted for speeches this morning?

The PRESIDING OFFICER. We are in morning business until 2 o'clock, the time to be equally divided between the leaders.

PRIVILEGE OF THE FLOOR

Mr. DOMENICI. Mr. President, first I ask unanimous consent that Dr. Randy Hyer, a fellow in my office, have floor privileges for the purpose of the introduction of a bill this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 1898 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent to take such time as I will require for a statement. It should not last more than 10 minutes.

The PRESIDING OFFICER. The Senator has that right. We are operating under an order that will carry us to other matters at 2 o'clock.

THE SENATE'S UNFINISHED BUSINESS

Mr. ROCKEFELLER. Mr. President, I thought this would be a good time to remind my colleagues of the unfinished business that is still waiting to get done.

As we head toward the Fourth of July and another recess, we also need

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

to remember that the days to take action in Congress are running out. It is not only late June, we also have very few days of legislative session left.

Will this be the Congress remembered only for what it did not get done? Will this be the Congress that spent all of its time and millions of taxpayers' dollars only on camera-filled hearing rooms to learn about the White House Travel Office and to turn every pebble over on Whitewater?

Instead, this should be a Congress capable of doing something about the day-to-day struggles of hard-working Americans. But to produce, we need some basic steps taken. The calendar needs to be pulled out, votes scheduled, final agreements reached, and work completed.

I think of three actions that will help millions of Americans, including West Virginians.

No. 1, it is time to wrap up the Kennedy-Kassebaum health insurance bill. Members from the other side of the aisle are determined to include something called medical savings accounts. I might add that I hear absolutely no clamor for MSA's from constituents, beyond employers that are thinking about using this device as a substitute for the health insurance they now subsidize for employees.

But the key point is that the heart of Kennedy-Kassebaum involves changes that will make sure insurance is there for people when they really need it. When they need coverage for the very illness or condition that is now labeled a pre-existing condition. When they need coverage, but have to change jobs and now find their insurance canceled.

These are the changes that affect millions of Americans, and many, many West Virginians. This is the work we need to get done before this session of Congress runs out.

No. 2, this Congress still has the time to enact welfare reform. This is an area begging for reason and common sense. No one is going to get exactly their way on something as complicated and contentious as changing the welfare system. But it is not hard to figure out what Americans expect from us. They want to know that welfare is not a haven for avoiding work, responsibility, and the rules that most hard-working citizens play by.

The Democratic leader has just laid out another detailed plan, known as Work First Two, that reflects exactly what we need to do on welfare reform. It is a tough, no-nonsense plan to require adults to work or prepare for work. It does not make a point of punishing innocent children, who have done nothing wrong.

It is time to move away from politics, rigid positions, and posturing on welfare reform. The President has proven he will not sign a bill just because of its label. We should not waste any more time on legislation that belongs to one faction or simply rubberstamps what some Governors have asked for. We need to work out our differences, and produce the bill that will turn welfare into a last-resort—for the sake of poor families and the hard-working taxpayers who want reform.

Finally, I find it shameful that this Congress has still not been able to enact an increase in the minimum wage. And I want to elaborate some on this subject, because it is so important to the people of my State.

A few weeks ago, the Washington Post ran an article telling us that the CEOs of major companies got a 23-percent raise in their compensation in 1995. According to the consulting firm of Pearl Myers & Partners, the average salary of a CEO was $991,300 with the remaining in stock options and bonuses. Twenty years ago, the top CEO earned about 40 times as much as the typical worker. Today, that same CEO earns 190 times as much.

We know from study after study, town meeting after town meeting back home, that wages for most other Americans are stagnant and that most workers have every reason to feel insecure about their income, their jobs, and their health insurance. The people who work 8 hours every day, making products and providing needed services, deserve a living wage. They should not be left behind. The gap between the rich and the poor continues to polarize the country into the haves and have-nots, and that is downright un-American.

As others have already said, whatever economic tide that is rising seems to be lifting a lot of yachts, and not much that carries the rest of Americans. Working families today are making less than they did 20 years ago. Look at what has happened to a single worker over those 20 years. He or she has watched the collapse of communism, voted in four Presidential elections, seen computers become a part of every day life, and watched the stock market rise over 5,000 points. For the worker relying on the minimum wage, his or her most recent paycheck is worth less than the first one in purchasing power.

And some wonder why hard-working American families feel left out of the American dream? The stagnation of wages over the past 20 years is obvious to parents struggling to pay their bills.

Mr. President, I ask my colleagues who still do not support a minimum wage increase to listen to this: When adjusted for inflation, the current Federal minimum wage of $4.25 an hour is worth 27 percent less to workers and their families than that amount in 1979. Measured in 1979 dollars, the minimum wage is only worth $3.10 an hour. A minimum wage worker earns $8,840 a year. This is not a living wage, in fact, it is barely a sustainable wage. Even with an expanded earned income tax credit, earning $4.25 an hour does not lift a family out of poverty.

No matter what the opponents say, minimum wage earners are not a collection of teen-age burger-flippers. Sixty-nine percent of all minimum wage earners are adults over the age of 21. Women make up 60 percent of all minimum wage workers and are usually a single parent trying to keep their families together. These workers are playing by the rules, paying rent, utility bills, health care premiums, food and clothing for their families. They are working long and hard hours, and they do not want to slip into welfare and dependency.

They deserve our admiration, our respect, and they deserve a raise.

In my home State of West Virginia, over 100,000 workers would get a raise if we pass the Democratic amendment to raise minimum wage to $5.15. Almost 24 percent of West Virginia's work force would benefit from an increase in the minimum wage—about one out of four workers.

Let me share the story of just one woman in West Virginia. When her husband was injured in the mines and denied disability coverage, she went to work to support her family. The only job she could find was a minimum wage job at a lumber yard located miles away from her home. The work was hard, and after 9 months she broke her ankle on the job. Her family income last year was only $8,500. While on workers compensation, the section where she worked at the lumber yard closed and her job was eliminated. Now, both of her teenage sons are working to help support the family. Imagine trying to support a family of four on such a small income. But this woman just wants another job as soon as her physician allows her to go back to work.

This West Virginian deserves a raise—and if we raise the minimum wage to $5.15, and her family gets their full earned income tax credit, they will be lifted out of poverty.

It is a sad day in America when we do not help a West Virginia family that works hard to raise their children above the poverty line.

We in Congress have the ability to bring badly needed relief to this family and about 12 million workers in America. We should come together in a spirit of decency and common sense, restore some glimmer of hope for these families, and raise the Federal minimum wage.

The minimum wage has not been raised for 4 years, but the prices of everything else, from rent to food has gone up each and every year. Raising the minimum wage is essential to help families and reinforce the fundamental American values of hard work and self-sufficiency.

And we all know that solely raising the minimum wage is not the silver bullet that will erase the gross inequity between the haves and have nots. Nor, will this act alone restore the economic vitality of working Americans that deserve so much more from the society they contribute to. But it is a simple, important, obvious step in the right direction to reward and encourage work. It tells hard-working American families that we value their right to a decent life.

Mr. President, it is long past the time when the U.S. Senate should get the chance to vote for an increase that is shamefully overdue.

I conclude by reminding everyone listening how little time there is left to get anything done that is relevant, meaningful, and helpful to hard-working Americans. But there is still the time to take three basic, important steps that deal directly with what weighs on the minds and shoulders of families in West Virginia, in Mississippi, from California to North Carolina.

The bipartisan Kennedy-Kassebaum bill—a bill with the most basic health insurance reforms should get settled and enacted, now, this week, immediately.

Welfare reform, drawing on plans from both sides of the aisle, should get worked out, put into final legislative form, and sent to the President in a form that he can sign in good conscience—in a form that will make welfare dependency something to avoid and work something expected.

An increase in the minimum wage, the most basic and decent step we can take for millions of Americans who are doing everything possible to work, avoid welfare, and be productive citizens.

If my colleagues want to continue endless hearings on what fascinates them about 1600 Pennsylvania Avenue, so be it. But just a little time, some modest leadership, and some amount of attention to the calendar must go into producing something for the people who are waiting for action that makes a difference in their lives.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

A TRIBUTE TO BOB DOLE

Mr. LEAHY. Mr. President, in my 22 years here in the Senate, I have had a chance to witness many historic events in this Chamber. When I leave the Senate, I hope to write a book about some of these.

One of the truly historic events was a speech given by our former majority leader, the senior Senator from Kansas, Senator Dole. I think, Mr. President, that there will be historians who read the RECORD of that event; but in reading the RECORD they will read only the words. They will not really see the event. I would like to add, for those historians who may read that, that at the time Senator Dole gave his speech, most of the Republicans and most of the Democrats were on the floor.

As the Presiding Officer knows, when Senators speak, even though we may all be on the floor, ofttimes we do not listen. This was an exception. Every single Senator on the floor listened, and listened carefully. They heard a speech that was vintage Bob Dole—plain, to the point, with flashes of the humor that we know so well. Even when he was corrected by the then distinguished Presiding Officer, the President pro tempore, when the President pro tempore spoke of his around-the-clock filibuster, Senator Dole ad libbed, "And that is why you are not often invited to be an after dinner speaker."

There is far more than just humor in that there is real affection from Senators of both parties—affection for a man who earned it. He earned it as one of the finest Senators I have had a chance to serve with. I have been here with great majority leaders, such as Senator Mansfield, Senator BYRD, Senator Baker, Senator Mitchell and, of course, Senator Dole. I was thinking how good it was to be in a Senate led by Senator Dole on the Republican side and Senator DASCHLE on the Democratic side. It is not just his leadership, but his role as a U.S. Senator that earned him respect and affection from both sides of the aisle.

I began serving on the same committee with Bob Dole when I came here as a junior member of the Agriculture Committee. I watched how he worked with Hubert Humphrey and George McGovern, as well as key members on the Republican side, on nutrition matters—school lunch, school breakfast, and food stamps. After Senator McGovern and Senator Humphrey were gone, it fell on me to pick up our side of the aisle on that.

Throughout the years, there were a number of Dole-Leahy and Leahy-Dole amendments on nutrition that passed. I have worked with him on major farm bills. This last one was the Dole-Leahy-Lugar farm bill in the Senate.

When Senator Dole was ready to leave the Senate, I went to see him, and I spoke to him and told him that it had been a privilege to work with him and that there were an awful lot of people who were fed—hungry Americans—because of legislation we were able to work on together.

It certainly was not just me, by any means. I think of another giant in the Senate, PAT MOYNIHAN, who stood in the well of the Senate, with Senators milling around, and had a conversation with Senator Dole. It was in the early 1980's when we thought the reform of Social Security was dead. Senator MOYNIHAN said to Senator Dole, "Let us try one more time." And because the two of them worked first on what was best for the country—not necessarily what was best for each other's political future or the future of the parties—and they worked in a nonpartisan fashion, they saved Social Security. It required two Senators of that stature, with respect on both sides of the aisle, to do it, and Senators who were willing to put everything else aside.

So much will be written during this year, and each of our parties will support our nominee for President. No matter which way the Presidential election comes out, the country should understand that it benefited by Senator Dole being in the Senate. I say this as a Member of the other party. I hope that all Senators, Republicans and Democrats, will realize that the Senate itself is bigger than any one of us. We owe a duty not just to our political fortunes, but to the U.S. Senate and to help be the conscience of this great Nation. We have to work together, first and foremost, for what is best for the Nation, not each other.

I salute the good Senator, my good friend, Senator Bob Dole, and I will miss him here in the Senate.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

CAMPAIGN FINANCE REFORM

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1219, which the clerk will report.

The legislative clerk read as follows:

> A bill (S. 1219) to reform the financing of Federal elections, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, the subject of today's debate is ostensibly campaign finance reform. It is currently fashionable to say that all of our ills as a nation are caused by incompetent officeholders—or worse, politicians who have been bought by special interests through the process of campaign contributions. So we are gathering to debate a bill that is supposed to fix that.

Who can possibly be in favor of a system like that? To some, this should be an easy vote. Destroy the status quo. Anything would be better. So I am in favor of destroying the status quo, Mr. President, but I reject the idea that anything will be better, and particularly the bill that is before us.

I believe there is at stake here an issue that is far more fundamental than campaign finance reform. Perhaps without realizing it, we are dealing with the most crucial political questions that any society can confront, issues that were confronted and resolved by those that we now refer to as the Founding Fathers.

Accordingly, Mr. President, I wish to deviate from the direct bill in front of us long enough to move this debate into a context that goes back to the Founding Fathers.

I begin with the writings of James Madison, commonly called "the father of the Constitution." His work, along with that of his fellow Virginian, Thomas Jefferson, is now on display in the National Archives, America's most hallowed document, our political scriptures, if you will: the Constitution, the Declaration of Independence, and the Bill of Rights.

However, today I am not going to be quoting either from the Constitution or the Bill of Rights, both of which were products of Madison's genius, but rather from what has come to be known as the Federalist Papers, a series of political tracts written during the time that the Nation was debating the ratification of the Constitution. At that time, there were many people who were afraid of the impact the Constitution would have on their existing Government, and to allay those fears, James Madison, along with John Jay and Alexander Hamilton, set forth the clear statement of the intellectual and philosophical underpinnings of American Government.

It has added relevance to the debate on campaign finance reform because in the 10th of this series of publications, that which has come to be known as the 10th Federalist, Madison addressed the fundamental question of what to do about what we now call special interests.

The 18th century word for "special interest" was "faction," so I will use the terms "faction" and "special interest" interchangeably.

Quoting now from the 10th Federalist, I give you Madison's definition of what a faction is. Faction:

> . . . a number of citizens . . . who are united and actuated by . . . common impulse of passion or . . . interest, adverse to the rights of other citizens.

I can think of no better description of a special interest than that one.

Madison then tells us, "There are two methods of curing the mischiefs of faction: * * * removing its causes" or "removing its effects."

He then tells us, "There are again two methods of removing the causes of faction: * * * by destroying * * * liberty" or "by giving to every citizen the same opinions, the same passions and the same interests."

Appropriately, Madison then describes the first remedy, that is, the destruction of liberty, as "* * * worse than the disease." I think all Americans would agree with this. Controlling the mischiefs that come from special interests by destroying the basic liberty that guarantees each American his or her own right of opinion would destroy the very basis of the Nation in which we live.

Now, referring to the second way of dealing with factions, that is, "* * * giving to every citizen the same opinions * * * passions * * * and interests," Madison says, "The second * * * is as impractical as the first would be unwise. As long as the reason of man continues fallible * * * different opinions will be formed." He summarizes, "The latent causes of faction are thus sown in the nature of man."

Again, Mr. President, no contemporary writer could place the situation more precisely than Madison has. Special interests arise among us because we are free, and, as long as we are free we will disagree to one extent or another.

Madison continues. He says, "The inference to which we are brought is, that the causes of faction cannot be removed * * * and that relief is only to be sought in the means of controlling its effects." He then tells us, "* * * relief is supplied by the republican principle."

Now, by using the word "republican," Madison is clearly not referring to the modern Republican Party. He is differentiating between a democracy and a republic as a governmental form. He says, "The two great points of difference between a democracy and a republic are, first, the delegation of the government in the latter, to a small group of citizens elected by the rest. Secondly, the greater number of citizens * * * over which the latter may be extended."

Referring to the greater number of citizens that are governed by a republic, he tells us why this will defeat the pressures of special interests. Quoting, "The influence of factious leaders may kindle a flame within their particular States, but will be unable to spread a general conflagration throughout the other States."

I will say more about this in a moment, but for now it is his point of the difference between the democracy and a republic which I wish to stress. In a pure democracy, every decision is made by the vote of every citizen; in a republic, as Madison says, "The delegation (goes) to a small number of citizens elected by the rest." It is this republican form of government that the Constitution gives us and under which we have lived for well over two centuries.

Now, since the representatives in our Republic are freely elected, as contrasted to those who were chosen by the Communists to serve in the Republics of the old Soviet Union of Republics, modern commentators use the term "democracy" to describe us, and if we interpret the word "democracy" to mean a system where everybody gets to vote, I have no objection to that term. However, as a description of governmental structure, applying the term "democracy" to the United States is a misstatement.

What does all this have to do with campaign finance reform? In my view, it has a great deal to do with it. Campaign finance reform is about the power of special interest groups—factions—and how to control that power, the very subject of the 10th Federalist paper.

Let us take modern tools of communication and insert them into the model that Madison gave us. For instance, is it now possible for a modern special interest or faction to create a conflagration simultaneously in several States? Given the wide reach of television, national publications, the Internet, the answer is clearly yes. A special interest group, be it a labor union, an environmentalist group, a business alliance or a religious association, now possesses the means, if it can raise the money, to reach every citizen in the country virtually simultaneously without regard to any political boundaries or geographical boundaries that might exist. Examples of this are all around us.

First, various religious organizations calling themselves the Christian Coalition have banded together, and by using the outlets of communication available to them in both churches and the media, in 1994 put out a common message to all of those who are adherents to those particular denominations. They greatly influenced the outcome of the election that year, and they have promised to repeat the process in 1996.

Second, the National Rifle Association sent broad mailings and purchased advertising time on the electronic media to make sure that everyone who agreed with their views with respect to gun legislation would be stimulated to go to the polls and support candidates of the same mind.

Third, the AFL–CIO has publicly announced that by increasing the compulsory dues levied on their members, they are going to raise at least $35 million, which will be spent in an effort to guarantee that candidates who support their political agenda will be elected to the House of Representatives in 1996.

And finally, on an issue perhaps closer to home for me as a Senator from Utah, recently groups of environmental supporters concerned about a bill relating to land use in Utah, which was introduced by members of the Utah delegation, purchased full-page ads in the major newspapers in major cities all across the country urging an outpouring of communication to Congress seeking defeat of this particular legislation. They were successful in creating a filibuster in the Senate that saw the bill go down.

Madison's statement that "the influence of factious leaders may kindle the flame within their particular States but will be unable to spread a general conflagration throughout the other States" is clearly no longer true. That means we must return to the other "great point of difference between a democracy and a republic" of which Madison speaks, namely, "the delegation of the government to a small number of citizens elected by the rest."

It is through this device primarily that we must now find hope for protection against the tyranny of a pure democracy where a faction able to temporarily gain a majority position can then ride roughshod over the interests and opinions of all the other citizens in society.

I realize that when he talks about the republican principle, Madison is talking about officials after they take office, but the same principle applies to campaigns. We do not vote in campaigns as a pure democracy, deciding every issue. Instead, we choose among Madison's phrase a "small number of citizens" who have offered themselves to serve in public office. Through a process of conventions or primaries or both we winnow this number down to the final choice. It is done through a democratic process, but it is an example of the republican representative principle nonetheless.

The rhetoric we are hearing about campaign reform flies in the face of this preference for a republican principle. The more we limit the amount of money that is available to candidates—those who will be representative once they are in office—the more we weaken the republican principle and strengthen the hand of special interests. This is particularly ironic in view of the calls for this kind of reform in the name of weakening the power of special interests.

Envision the following: Assume a congressional district with candidate A and candidate B, under strict spending limitations. This means that each has a limit on the amount he or she can tell the voters about his or her position on particular issues. The special interests, on the other hand—the labor unions, the environmentalists, the Christian Coalition or the NRA—have no such limits, which means that the voters can and presumably will be bombarded with information coming exclusively from those groups and aimed at influencing their vote.

Exercising their first amendment right of free speech, the special interests will never have limitations placed upon them, nor should they. The first amendment is too precious. But in the name of campaign finance reform, we will create a situation where the voters will receive proportionately less and less information from the candidates and more and more information from the special interests, so the voters will ultimately make their choices on the basis of which special interest message is the most persuasive. The candidate's intellect, training, character, and talent will all become secondary if not, in the end, lost altogether in the elective process. The Republican principle of representative government will be weakened and washed away. Officeholders will become more and more insignificant.

We have a clear example of how this can happen in the current workings of the electoral college. That is an institution that is so arcane that very few of our citizens even know that it exists. But the Founding Fathers intended to have the electoral college work this way: Voters in the individual States would pick outstanding citizens in their States to represent them in the process of choosing a President. If the electors were unable to produce a majority for any one individual, the choice would then move to the House of Representatives. It was anticipated in the time of the ratification of the Constitution that the election of a President by Members of the House of Representatives would be a frequent occurrence if not, indeed, the norm.

Today, even the names of the electors let alone their opinions or qualifications, are virtually unknown to the voters, most of whom think they are casting a vote directly for one Presidential candidate or the other. The power of the Presidential candidate to reach over the heads of the electors and appeal directly to the voters is so strong that the electoral college has become virtually a dead letter. Indeed, there are now laws on the books in a number of States that prohibit the electors from exercising their own judgment as the Founding Fathers had intended that they would. I am not here to call for reform of the electoral college. But I give this as an example of what can happen when the qualifications of the individuals become overwhelmed with advertising dollars that go to the point on which the individual is supposed to vote.

If, in the name of campaign reform, we set up a circumstance that limits the ability of a candidate to raise and spend his or her own money, therefore limiting that candidate's ability to put forth his or her own positions, we weaken the ability of the candidate to stand up to a special interest. When we say to a candidate, "If you disagree with the position taken by the AFL–CIO, or the Sierra Club, or the Christian Coalition, or the trial lawyers, or the NRA, or whatever, you have only a limited number of dollars available to make your case; while they, on the other hand, can say whatever they want, without limitation, about you and your position." That is not a fair fight. That puts the candidate who would be the constitutional representative at a serious disadvantage as opposed to the special interest. That is not the position that Madison laid out for the American people as he described the Constitution, and it is not the kind of fundamental change in our political life that we should be pursuing here.

I can hear the question now. "All right, Senator BENNETT, thanks for the civics lesson, the political science lecture. If you do not like this bill, what proposals do you have to try to clean up the influence of special interest money in America?"

I have a proposal. It is not in the form of legislation, but can be reduced to legislation as soon as I feel I have stirred up enough support for it. I believe in the power of full disclosure. I would support measures that would eliminate all limitations on candidates to raise and spend money, as long as those candidates were open and candid in disclosing to the voters where that money came from. I would extend those disclosure requirements to the special interests. At least with the AFL–CIO, we know where the money comes from. It comes from their increasing the levy on their members. That very fact has produced an issue in itself, as people have complained that their money is going to support candidates that they themselves do not support. That kind of debate is healthy.

The more people know where the money comes from, the better off we are going to be in our political discourse. We do not know where all of the money that supports Common Cause comes from. They are immune from the kind of disclosure that candidates have to meet. We do not know the exact nature of the contributions that keep open the doors of the Christian Coalition. They, too, are immune from the kind of disclosure requirements that candidates have to meet. We do not know the extent to which people on the payrolls of these organizations show up in campaigns to perform services on behalf of the campaign, either for or against the candidate involved. I do not condemn any of these activities. They are free, proper expressions of one's rights under the Constitution. But I say the way to limit the power of special interests in our political process is to open the door of disclosure upon those special interests, to maintain and increase, if necessary, the full disclosure requirements on candidates, but leave the candidates free to raise and spend whatever money they need to defend themselves against the money that is raised and spent against them, directly, by the special interests.

If we are to preserve the principles laid down by Madison and his contemporaries, we have the right to know more about the inner workings of factions than we do now. As long as modern communications have made them major players in the political game, they should be treated as such and brought under the appropriate kinds of sunshine requirements that we have decided as a Nation that we want our candidates to live under. They should not be given a free ride while the candidates, who need to protect themselves against the pressures from these special interests, are held back with artificial and, in my view, tremendously unwise limitations.

For these reasons, then, I would support an elimination of all limitations on candidates' fundraising and candidates' spending, with full and solid disclosure requirements, making sure that voters knew where that money came from, and then applying the same principle, no limitation on spending but full disclosure on those special interests that seek now to gain unfair advantage by virtue of the passage of this legislation.

I am sure in the course of this debate I will have plenty of opportunity to expound further on this theme, so I will leave it at that and yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I paid close attention to Senator BENNETT's remarks. I must say I agree with him on several of the issues that he raised concerning campaign finance reform. Really, what this issue is going to be all about, to start with, Mr. President, is not about whether we can improve and make better proposals for campaign finance reform; the question is, are we going to have it? That is going to be embodied in the cloture vote tomorrow. If we cannot cut off debate, we know that this issue will be shelved for the near term.

If we do invoke cloture, then Senator BENNETT will propose his amendment, which he said he could quickly transform into legislation. I will be glad to consider it; I will be glad to debate it, and I hope that Senator BENNETT, and others who think that this proposal is less than perfect, which indeed it is less than perfect, will seize the opportunity to vote in favor of cloture, and then we would have unlimited amendments to the bill.

If we do not invoke cloture, then clearly the Senate has to move on to other business.

Mr. President, I am not despondent, but I am not optimistic about our chances of getting 60 votes. I am not sure whether we will or will not. I continue to hope so. I hope Members and, more important, the American public will pay attention to this debate. I talked to several of my colleagues on this side of the aisle who are very aware of the political ramifications of filibustering campaign finance reform. But I also understand that the odds may be against it.

Let me point out that if the challengers were voting today instead of the incumbents, I think the outcome might be very different. Let me show you one of the reasons why. In 1995, this is what the FEC reported, and I am sure the numbers are the same for 1996: $59.2 million contributed by political action committees to incumbents; $3.9 million to challengers.

We can talk about the Federalist Papers, we can talk about Monroe and Madison, and, by the way, we will be talking about constitutional scholars, including the Congressional Research Service, who have stated unequivocally that this proposal is constitutional.

But, Mr. President, no one—no one, no one, no one—can allege that we have a level playing field today when these kind of contributions have been made in favor of incumbents. By the way, that is not for Democrat incumbents, it is not for Republican incumbents; it is for incumbents, and it is wrong and we know it is wrong. It needs to be fixed, and the American people want it fixed, and it should be fixed.

After being in a 10-year battle on the line-item veto, I know it is going to be fixed. It may not be this year, it may not be next year, it may not be the year after, but it is going to be fixed, because you have to believe the American people will be heard.

Mr. President, according to two pollsters, most widely respected pollsters in America:

When asked: "Which of the following do you think really controls the Federal Government in Washington?" registered voters responded:

The lobbyists and special interests, 49 percent; the Republicans in Congress, 25 percent; haven't thought much about this, 14 percent; the President, 6 percent; the Democrats in Congress, 6 percent.

When asked: "Those who make large campaign contributions get special favors from politicians * * *" respondents said that this is:

One of the things that worries you most, 34 percent; worries you a great deal, 34 percent; worries you some, 20 percent; worries you not too much, 5 percent; worries you not at all, 3 percent.

Sixty-eight percent of the American people, according to this poll, said in response to the question, "Those who make large campaign contributions get special favors from politicians * * *." Sixty-eight percent of the American people said that it is one of the things that worries them most or worries them a great deal.

When asked: "We need campaign finance reform to make politicians accountable to average voters rather than special interests . . .," voters stated this was:

Very convincing, 59 percent; somewhat convincing, 31 percent; not very convincing, 5 percent; not at all convincing, 4 percent; and don't know, 2 percent.

Later in this debate, I am going to show other polling data which shows that the approval rating of Congress is at a very impressive 19 percent approval, 71 percent disapproval, and I will show other polling data that show, despite what some of my colleagues may feel, that this is an important issue with the American people, it is something they believe needs to be changed, and they do believe that it is a corrupting influence in the Congress.

I am not alleging that it is, Mr. President, but I am alleging that the belief is out there and the lack of confidence in our political system over time can be devastating to democracy.

There are a lot of editorials that we will be submitting for the RECORD, 261 editorials from 161 newspapers and publications, urging support for campaign finance reform. These editorials have been published since January 1, 1995. Some of these are very good, and some of them not so good. Some of them, I think, are very illustrative.

Let me quote one from the East Oregonian. I do not want to talk too long in this particular round, because Senator FEINGOLD, Senator WELLSTONE, and others want to talk. This is from the East Oregonian, September 31, 1995:

> They're still out there, these folks the press keeps calling the Perot voters. This even though most PV's don't have much use anymore for the eccentric, unpredictable zillionaire who stabbed his followers in the back when he withdrew from the 1992 Presidential campaign and goofily reentered the race. Let's not call them Perot voters anymore, let's call them disgusted voters, DV's.
>
> Like some of the things Perot addressed, they are still waiting for another politician to pick up the ball, and if that means a third party movement, so be it. DV's are Democrats, Republicans, liberals, conservatives, all religious and ethnic groups. What is unique to them is not their views on Federal spending, foreign policy or social and environmental issues. What they all hate is the legal corruption corroding American politics, the corruption that comes from special interest money falling from corporations, unions, associations and coalitions into political action committees and then funneled into campaign coffers. The final results are committee and floor votes that don't have much to do with conscience or constituents' needs. That linkage of votes with money is what disgusts voters more than any single issue.

Mr. President, I intend to quote from a number of these editorials as this discussion and debate goes on this evening and tomorrow.

I first want to take a moment to thank my colleague from Wisconsin, which I should have done at the beginning of my remarks. My colleague from Wisconsin has been dedicated, he has been zealous, and he has been totally cooperative. I am proud to not only work with him on a professional basis but, as we have worked on other reform issues, I consider him a good and dear friend. More important, I am pleased that we have in the Senator from Wisconsin a person who is dedicated to true reform and one whose entire career has been hallmarked by a forthcoming and very honest attitude toward the people of his State and this country. I am pleased to be able to work with him on this and other issues as I have.

I repeat, Mr. President, if we had voting challengers today, if leading challengers who have won the primary would vote today, I know what the vote would be, because I hear too many of them, when they run for Congress, say, "As soon as I get there, we're going to clean this up, we're going to give the challengers a chance."

I know of no objective observer of the political process today who believes that there is a level playing field between incumbent and challenger, and this is ample evidence of it. As we go through the debate I will provide much more evidence.

As I said, we can quote from the Federalist Papers. We can quote from different ones of our Founding Fathers. I could quote from different amendments of the Constitution. There is one part of all these important documents that I would cite to my friend from Utah; and that is "We hold these truths to be self-evident, that all men are created equal," equal, equal. There is no equality in the political system today for people who are challenging.

Everybody talks about the great turnover in 1994, how so many incumbents were thrown out, and there were so many new faces. Do you know, Mr. President, 91 percent of the incumbents who sought reelection were elected in 1994? There is a wonderful editorial here from the Philadelphia Inquirer that talks about a tale of two incumbents and shows why the campaign finance system must be fixed and how it could be. Mr. President, I will go into that later on.

I am going to go into details of our proposal also later on. We will talk about the constitutionality of it. But I do not want us to lose focus in this debate about what this debate is all about. It is not whether several of the compromises that Senator FEINGOLD and I made in order to make this a bipartisan issue are the best or not. It is not about whether, frankly, we should limit the contributions to 60 percent of contributions or 60 percent of contributors in-State.

What this debate is all about—and we cannot lose the focus on it—is that a lot is at stake here, Mr. President. And what is at stake is the credibility, the credibility of the Congress of the United States that, one, the best qualified people are elected to office, and, two, once they are there, that they act in the interest of the American people. If you accept this polling number and polls I have heard all over the country, that is not the case, and we have a significant problem.

I will repeat again, when asked if those who make large campaign contributions get special favors from politicians, 34 percent of the respondents thinks it worries them most, 34 percent thinks it worries them a great deal. And 59 percent of the American people find it convincing that we need campaign finance reform to make politicians accountable to average voters rather than special interests.

Mr. President, the average voter in America thinks they are not listened to here in Washington, DC. I have to tell you, from my 14 years experience here, in some cases they are right.

So, Mr. President, I will yield the floor. I know my friend from Wisconsin, and others, including Senator WELLSTONE from Minnesota, want to talk. I appreciate the opportunity. I hope the American people will call upon their elected representatives to bring about this much-needed and fundamental change so we can restore confidence in our most important institutions and perhaps remove the cloud of cynicism that pervades America today. Mr. President, I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you very much, Mr. President.

It is very good to be here on the floor with the Senator from Arizona and to finally have a chance to debate S. 1219, the campaign finance reform bill.

I first want to return the compliments from the Senator from Arizona. I appreciate the kind words. I think everyone in the Senate and everyone in the country knows this would not be happening today, whether we win or not, this would not be happening today if there were not an independent-minded Senator from Arizona who feels so passionately about campaign and other reforms in this country that he is willing to take both the compliments and the lumps that go with leading a bipartisan effort, which he has done.

It has been a pleasure and will continue to be a pleasure because we intend to win this, hopefully tomorrow, but if not, as the Senator from Arizona said, the American people will win this issue when some control is finally exerted over the obscene amount of money that is now dominating the political process.

I also want to mention, Mr. President, the new Senator from Tennessee, one of our main coauthors, Senator THOMPSON, whose perspective and help has been very helpful and very useful throughout this process, and especially, of course, the Senator from Minnesota, Senator WELLSTONE, who, in my mind, is the most focused reformer in this entire body. You name the issue, I think he is most likely to be the first person in line to say, let us reconnect the political process between elected representatives and the people back home, rather than the special interests.

We also have had wonderful help from the Senator from Kansas, Senator KASSEBAUM, and Senator GRAHAM from Florida, Senator MURRAY from Washington, Senator KERRY from Massachusetts, and others.

We cannot talk about this bipartisan effort without reminding everybody it has been a bicameral effort. Even more uncommon in the Congress than a bipartisan effort is having the two Houses have cooperation. And there the Representative from Washington, LINDA SMITH, and others, have been very helpful in making this an effort that the American public has recognized. It did not hurt either that the President of the United States took the care in his State of the Union address to specifically endorse this effort, this bipartisan effort, as the way to go. And all of this has helped us move forward.

Mr. President, I also want to thank the new majority leader for letting this bill come up. It is not the way I wanted it to come up. We did not want to have to start off by having 60 votes just to get the ball rolling. But it is sure better than not having the chance to discuss it at all. I do appreciate that and look forward to the process of hopefully ending up with a successful vote tomorrow at about 2 o'clock.

But let us set the record straight, Mr. President, about what this bill is about. The first statement by the Senator from Utah certainly laid out one view of what this is about. But let us clear one thing up now. And I know we are going to have to clear it up over and over again. This bill has no mandatory spending limits that requires every candidate to only spend a certain amount. It has a voluntary incentive system.

You will hear this red herring over and over again because the opponents of this bill want you to think that this bill creates mandatory spending limits even though we all know that such limits would be unconstitutional under the decision in Buckley versus Valeo. So let us remember that. The bill does not have a mandatory limit on how much a candidate can spend. No matter how many times you are led to believe that is what it does, it is just not true. It is not in the bill. It is not the McCain-Feingold bill that we have before us.

Rather, Mr. President, what we are offering today in hopes of restoring the lost faith and confidence of the American people is something very different.

We are hopeful the Democrats and Republicans can come together and demonstrate to the American people our willingness to restore some element of integrity to the political process. So the proposal we have has different goals than that suggested by the Senator from Utah.

Our goals are as follows. We try to reduce the flow of money in the electoral process that has become dominated by dollars and cents rather than issues and ideas. We try to end the perpetual money chase on Capitol Hill by somehow allowing current office holders to spend less time raising the requisite campaign funds and more time fulfilling their legislative duties and obligations.

Mr. President, those are important things but they are not the core of our proposal. The core of our proposal, the very heart of this legislation, is, for the first time, to provide qualified candidates who are not millionaires, and who are not able to amass colossal war chests and do not have access to the extensive net worth of well-heeled contributors with an opportunity to run a fair and competitive campaign for the U.S. Senate. That is what this bill tries to do. It tries to give most Americans, which includes those who are not multimillionaires, most Americans, a fighting chance to be a part of this process, that they were born and taught to believe was their right. That is what this effort is about.

Our current campaign system is heavily tilted in favor of a privileged few. If you have access to large amounts of campaign funds, then our current system is great for you, it accommodates you. If you are a millionaire and are able to contribute your own personal wealth to your campaign without having to participate in the endless cycle of attending fund raisers and soliciting contributions, then our current system is good for you, too.

But, Mr. President, if you are not an incumbent and you are not worth several millions of dollars, and even if you have a wealth of experience and ideas, and even a large base of grassroots support, the sad truth is that such candidates are automatically labeled long shots under the standards set forth under the current election system.

Why is this, Mr. President? Why is someone who may have served as a city council member, who may have been a police officer or a schoolteacher, who believes in public service and holds an ambition to represent their particular community, why is such a person in America automatically labeled a "long shot," making it so very difficult to get credibility?

The answer is very simple, Mr. President. The answer, Mr. President, is money. Money has become the defining attribute of congressional candidates in this Nation. If you have money, you are considered a serious contender; if you do not have money, you get stamped on your head the phrase "automatic long shot."

I tell you what happens when someone declares their candidacy for the Senate in this country. They are not asked about the issues very much. They are not asked that much about what level of support they have in their home States. Maybe at some point they will be asked that. Those are not the questions that first greets either a real candidacy or a planned candidacy. The question that they are greeted with has become the determining question in American politics. The determining question in American politics, Mr. President, is, "Hey, where are you going to get the money? How are you going to raise all the money? How much time will it take? How much do you have to raise every week in order to be a viable candidate?" Most of us have had these questions thrown at us when we first ran.

If you have the money, you are welcomed into our system with open arms. You are considered a credible candidate, and your pursuit of elected office is considered, right away, to be a tenable goal. But if you do not have the money, it is an entirely different reaction. Such candidates are usually shunned by the political establishment, labeled long shots, and entered into an electoral arena where chances of upsetting high finance candidates parallel their odds maybe of being struck by a lightning bolt or winning the Powerball lottery.

Our campaign should be a discourse between candidates of differing perspectives. Instead, we have a system that is the equivalent of a high-stakes poker game, where only those players with the ability to ante up are truly invited to sit at the table and join the game. It does not matter what sort of experience you have or what your positions are or what ideas you can bring with you. It is all about your ability to put up big money on the table and ante up. That is really what this bill is about, Mr. President. It is not an effort to prevent people from participating in the process. It is just the opposite. There are no mandatory spending limits, as is suggested by the opponents of the bill.

But we have another problem. That is, Mr. President, that a lot of people think it just cannot happen. I had this experience in talking to editorial writers and constituents. They think this can never happen. We have seen this before, whether it is partisan or bipartisan. It does not matter whether it is after major electoral changes. It does not matter that people think they have heard this song before and it just cannot happen, that Washington can never clean itself up in this regard. I admit this issue has been very difficult to alter. What is different this time is that we have a bipartisan effort. Maybe the polls in the past have shown the people do not rank this real high on their list. However, as the Senator from Arizona says, that is changing.

Maybe the reason it was not so high on the list before was this sense that it could not happen. I remember the same attitude about the deficit issue. When I first started talking about the deficit in 1990 and 1991, the consultants would say nobody cares about that. The public gets bored, they get glassy eyed on that issue. After a while, people realized that was a central issue. The same thing happens here. Maybe it has been tough to get this issue going because it is not easy to understand. It is not as easy as the effort that Senator MCCAIN, Senator WELLSTONE, and I all made on the gift ban. That was so easy. All you had to show was that people could get free golf trips all over the country and there was not much more to explain. It is awful hard to vote for that. But this is worse. This is even worse than the gift-giving system that we finally cracked down. I think there is reason to believe that we can win tomorrow and reason to believe that we will win, whether tomorrow or in the near future.

There are many reasons, but I thought the vote we had in 1995 on the floor of the Senate was a little clue. That was when the former majority leader, Senator Dole, came to the floor to move to table an amendment I had brought up to simply say that campaign finance reform ought to be considered. I would have thought we would have lost that vote. The majority leader usually won, almost always won on those kind of votes. We had 13 or 14 Members from the other side who came over and joined us to make sure it got on the agenda. Unfortunately, of course, it took us almost a year to actually get out here and have a bill come up, but it has finally happened.

How do I know this issue is stronger than it was in the past? When I go to my counties around the State to town meetings for listening sessions, I usually make an introductory statement —keep it short, because people have been told I will listen to them; I only give myself 5 minutes like I give everyone else. I found this year when I merely said the words to my constituents, I have signed on to a bipartisan bill concerning campaign finance reform, even before people knew who I signed on with or what the bill did, there was tremendous applause in the room. Many times I just get blank stares after I speak. This got major applause and response every time, because people are fed up. We have reached the time when this bill and this issue will come to fruition.

I want to say—all of us have this same feeling who have cosponsored this bill—this is not our perfect bill. It is not the perfect bill for the Senator from Arizona or the Senator from Minnesota. I introduced S. 46 in the first day of the 104th Congress. That was a lot closer to what I would prefer, the Feingold bill. It included public financing, which I think is the best way to go. That is my preference. I think it is the preference of the Senator from Minnesota, who has long been an advocate of this issue.

One of our responsibilities here in this body is to know when it is time to work with the other side and to give up some of the things we really want so we can move forward. I remember that is exactly what the former majority leader said in his farewell talk. If you cannot get 100 percent, get 90 percent today and get 10 percent later. I was delighted when the Senator from Arizona came to me and initiated this process. The bill included some ideas the Democrats had proposed before, some the Republicans proposed before. What struck me overall, it was a genuine attempt to reach an accord between the parties. You have to do that on an issue like this. This is an issue where if either side feels the other side has somehow rigged the bill, it is all over. That is why I am so proud of the support we have received for this bill.

One of the problems with reaching a compromise is that you worry some how those who have been real strong advocates, especially out among the public, will say, "Wait a minute. This is not good enough." That could have happened. As the Senator from Arizona knows, just the opposite happened. We have received enormous support. We have 60 sponsors of the two bills in the House and the Senate. It is almost evenly divided on bipartisan lines in the House. The lead author of this in the Senate is a Republican, although we do have more on the Democratic side who have cosponsored it. It has been supported vigorously by Common Cause and Public Citizen, AARP, and the United We Stand group that has helped on this issue all across the country. These are not necessarily political bedfellows, but on this issue they came together.

As the Senator from Arizona indicated, we have had enormous editorial support all across the country—east, west, north, south—from major newspapers to minor newspapers. As I indicated, we have the support of both the President of the United States and Mr. Ross Perot. What I have been impressed by with regard to this support, Mr. President, is that even though it came out about a year ago, and this bill has been delayed and delayed, nonetheless, the support remains, and the people who have advocated this bill have kept the heat up.

Mr. President, why does the public sense we absolutely have to move on campaign finance reform at this point? I think it is because people have finally realized that the No. 1 issue that we have to deal with in this country is getting the big money out of policymaking that goes on in Washington.

For me, the No. 1 substantive issue is we have to balance the budget. If I had to pick the one reform issue, the one issue that is underlying all of this, it is the issue of campaign finance reform. Mr. President, why is it that people are finally sensing what is going on? Just a few of the statistics that are very troubling: In a U.S. Senate race now, the average winner spent in 1994, $4.5 million. That is what the average winner needs. It is not good enough anymore just to be a millionaire. You better have a lot more than that. You better have about $10 million if you want to finance it yourself.

What about personal wealth contributions? They have gone up dramatically in the last few elections. In 1990, only 4 percent of the money that was spent on elections was from personal wealth, from individuals putting in their own money. The same in 1992. Suddenly, in 1994, 18 percent of all the money spent on U.S. Senate elections came from a dramatic increase in personal spending.

Mr. President, what about overall spending? In 1990, it was a lot of money—$494 million. In 1992, the spending in House and Senate races grew to $702 million. Just 2 years later, it jumped again to $784 million. The same thing goes with the trend on out-of-State contributions. After staying at 16 percent in 1990, in 1992, the percentage of money in Senate elections that comes from out of the State for a Senator is now 23 percent, and growing. So these are not static concerns. These are not trends that have always been there or practices that have always been there. These are rapidly increasing trends in overall spending, out-of-State spending, and the huge infusion of personal money into campaigns.

I know this from my own campaign. Everyone of us has our own story. For me, all three of my opponents—both of the primary candidates and the final election candidate, the incumbent—had all spent over what this bill suggests as a limit by the time of the primary. That is about a $14 million or $15 million Senate race in Wisconsin, which is certainly not a small State, but it is not a real large State either. It was a staggering sight for the people in my State. Fortunately, for me, my primary opponents felt so confident that I was not a factor in the race, they decided to turn all that money on each other, causing the people to look for an alternative. But we know that type of thing is an exception to the rule. That was just in a primary, not the general election.

Mr. President, perhaps most disturbing, though, is not the issue of how can somebody finance their campaign, or even the issue of what happens when somebody is outgunned in a race, even though one person may be more qualified than the other. I think what the American public realizes more than anything else, and what really bothers them the most, is they know that this story does not end when the votes are counted. It is not just a question of who wins and who becomes a Senator. They know that the very policies enacted in this Congress are altered in some way or another by the presence of all of this money in the process.

How does this happen? Well, one way it happens is that in this town there are, apparently, 13,500 people who are lobbyists. They help with this process. They are not inactive in connecting the campaign process to the policy process. Let me give you one example of what happens around here. I will omit the names of those involved, but it is just a sample so that nobody is confused or puzzled about how sometimes what we decide to do out here is somehow connected to what happens during the campaigns.

Here is an invitation:

> During this year's congressional debate on dairy policy, representative "blank" has led the charge for dairy farmers and cooperatives by supporting efforts to maintain the milk marketing order program and expand export markets abroad.
>
> To honor his leadership, we are hosting a fundraising breakfast for "blank" on Wednesday, December 6, 1995. To show your appreciation to "blank," please join us at Le Mistral Restaurant for an enjoyable breakfast with your dairy colleagues.
>
> PAC's throughout the industry are asked to contribute $1,000. "Blank" would prefer that the checks be made to his leadership fund. If your PAC is unable to comply with this request, please make your PAC check to "'blank' for Congress."
>
> Thank you for your support of our industry's legislative campaign this year and your recognition of "blank's" important role toward achieving our objective.

Now, this is legal. I am not suggesting anyone here has done anything legally wrong. It is just what goes on in this town. A vote is taken, and a fundraiser is held. I am not suggesting the opposite, which would be wrong. But, boy, it is a tight connection. That is what is going on in this town, and that is what the American people have come to realize.

Earlier this year, a report was issued by the Center for Responsive Politics. It does show a relationship—at least an arguable relationship—between campaign contributions and the congressional agenda. The list includes cattle and sheep interests contributing over $600,000 during the last election cycle, while fighting to protect Federal grazing policies to give them access to Federal lands at below-market prices. Mining interests spent over $1 million in 1993 and 1994 on campaign contributions to Members of Congress while trying to prevent reform of the 1872 mining law. Oil and gas interests contributed over $6.1 million in the last election cycle pushing for the alternative minimum tax. That is a change that would cost the U.S. Treasury $15 billion.

So this problem affects everything, including our deficit problem. If special interest money can encourage us to spend more money, or create more tax loopholes, then it is part of the reason we cannot balance our budget.

Mr. President, there are many other issues that I wish to discuss, just as the Senator from Arizona does, and there will be time to do that. At some point, we will lay out some of the specific provisions of the bill. We will discuss in detail the constitutional issues that I know the Senator from Kentucky will tenaciously raise, and we will certainly point out that, although they are interesting arguments, they are not the arguments that the U.S. Supreme Court would ultimately follow. But I think it will be a spirited debate.

Finally, I hope to get a chance to stand again and talk about what this means. Let me conclude by saying what it means to me from the point of view of someone who grew up believing that everybody had a chance to run for Congress or the Senate if they really wanted to.

This summer, I will go to my 25th high school class reunion at Janesville Craig High School in Janesville. I am looking forward to it, and I am eager to see my former Democratic and Republican friends—there were more Republicans than Democrats in that town, which taught me the value of bipartisan cooperation. Recently, I had a chance, here in the Halls of the Capitol, to meet with the political science students from the another high school, our crosstown rival, Janesville Parker. They asked me what I was working on. As I looked at them, I realized something had changed from 1971 when I told people that maybe I would go into politics someday. You know, in 1971, nobody said, "First, Russ, you have to go out and raise about $5 million, or you better become so connected to the political structure in Washington, or you are never going to be a Senator or a Congressman." Nobody said that to me, and I have had the good fortune to be an exception to the rule here. But I could not tell those kids 25 years later that anyone of them had any reasonable expectation to ever be elected to this body, unless they become very, very wealthy, or very, very well connected.

To me, that is a little bit of a denial of the American dream. It is not the same thing as being able to buy a house. It is not the same thing as not having health care. I realize it has to be down the list as compared to basic necessities. But I still believe that the right of every American to fairly participate in this process is part of the American dream. That is all our bill is about, making sure, on a voluntary basis, that every qualified American has a fair chance to participate in the process. That is what we are trying to do.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I will not speak at length, having introduced the debate. I want to provide a counterpoint to the arguments that we have had now with two speakers in favor of the bill. I would like to make several comments, one with respect to the chart offered by my friend from Arizona.

I was in this town when Richard Nixon was President of the United States and the loud outcry went up that money was destroying politics; that we had to reform politics; that we had to find a way to take the corrosive support of money away from politics in the wake of the Watergate scandal. The solution that was crafted and debated on this floor and ultimately passed was the creation of the political action committees [PAC's]. PAC's were touted as the ultimate purifying process. What could be better than a PAC?

I remember the debate very well. It went this way. Instead of one individual being able to give Richard Nixon $250,000—or, as Clement Stone did at the time, $2.5 million—now you have a circumstance where ordinary citizens can get together and pool their money in a political action committee, and for efficiency purposes, the managers of that committee will issue individual single checks of no more than $5,000.

What could be better in cleaning up politics than the creation of the political action committees? Indeed, Mr. President, I once worked for the man who probably created the first political action committee. His name was Howard Hughes.

At the Hughes organizations in California, where people were constantly coming to Mr. Hughes for political contributions, he said, "Let's get all of the employees together, let them contribute $5, $10, whatever is their choice, into a single fund, and then let them determine how that money will be spent."

The original Hughes political action committee had every politician in California coming before it to speak to the employees because the candidate who did a great job in front of that PAC meeting would walk away with a check for $50,000, $60,000, or $100,000, depending upon how the employees voted that their PAC money was to be spent. I believe that was the model for the creation of the political action committee.

Now we see charts being given to us telling us of the corrosive damaging influence of PAC's.

It all comes down to a statement that was made in an editorial in the Wall Street Journal on the 4th of April. I quote:

> The bigger point here is that money and politics is like water running downhill. Dam up one avenue, and it will pool and meander until it finds another way to break through. Trying to regulate it is a fool's errand, as even some good government reformers are beginning to understand.

If I could go back to the theme of my opening statement, we are not talking about, in the words of the Senator from Wisconsin, reducing the flow of political action money. We are talking about redirecting the flow of political action money with the kind of legislation that is being offered here.

Back to the Wall Street Journal, another editorial. This one that appeared on the 2d of February 1996, which gives an example of the kind of thing I was talking about in my opening statement.

> What the reformers will not advertise is that there is nothing much they can do about the special interests who decide to spend money on their own, as they did to great effect in Oregon. The AFL–CIO says it devoted 35 full-time professionals and sent out 350,000 pieces of partisan mail for the cause. The Sierra Club and the League of Conservation Voters spent $200,000 on 30,000 postcards, 100,000 telephone calls, and very tough TV and radio spots accusing Republican Gordon Smith of voting against ground-water protection, clean air, pesticide limits, and recycling.

The editorial goes on:

> The toughest was a Teamster radio spot run on seven stations in five cities that in effect accused Mr. Smith of being an accomplice to murder because a 14-year-old boy died in an accident at one of his companies.

Quoting the spot:

> Gordon Smith owns companies where workers get hurt and killed. He has repeatedly violated the law. Those are the facts.

The Journal goes on:

> In fact, the young worker had died after a fall in a grain elevator while being supervised by his father, who still works for Mr. Smith and does not blame him. An analysis of the ad in the liberal Oregonian newspaper essentially concluded that the whole thing was false. The ad was the work of consultant Henry Sheinkopf, who is part of Bill Clinton's reelection team this year and likes to say he believes in the politics of terror.

The editorial goes on:

> Even Mr. Wyden felt compelled to criticize the rhetoric of the ad, but since it was not run by his campaign he couldn't be blamed for it even as it cut up his opponent. That is the beauty of these independent expenditures. They work for a candidate without showing his fingerprints. Mr. Wyden took the high road earlier this month and announced that both candidates should stop negative campaigning, while his allies kept dumping garbage on Mr. Smith through the mail and on the airwaves.

Mr. President, that is the point I made in my opening remark, and that is the point I will keep coming back to again and again until we recognize that special interest money is more damaging in the hands of special interests going directly to the voter than it is in the hands of a candidate who must be accountable to the voter. We will be missing the point in this whole debate. Setting limitations? Oh, we are told they are not mandatory, that they are only driven by a voluntary incentive system.

Ask Bob Dole about the voluntary incentive system he is laboring under. He cannot spend any more money now under this voluntary incentive system, and President Clinton has $27 million to spend because Bob Dole had to run against Steve Forbes and Pat Buchanan to win his nomination, and Bill Clinton did not have to run against anybody. So Bill Clinton has his $27 million raised for the primary that he can spend in any way he wants, and Bob Dole is forbidden by law. But, no, that is not mandatory. That is a voluntary incentive system.

Mr. McCAIN. Mr. President, will the Senator yield for a question?

Mr. BENNETT. Yes.

Mr. McCAIN. The Senator surely knows that has nothing to do with the legislation we are considering. That has to do campaign financing within campaigns, which is not in this legislation.

I sympathize with the frustration of the Senator from Utah. I was going to talk about it later on. I understand, according to some folks, that now you can sleep in the Lincoln bedroom for $130,000, but that has nothing to do with the legislation that is being proposed here, which those limitations impose because of candidates taking taxpayers' money.

Mr. BENNETT. I agree completely that the Senator from Arizona is correct, that this bill does not include public financing. But may I get clarification? The voluntary incentive system does, in fact, if entered into by a candidate for local office, produce a limitation.

Mr. McCAIN. Mr. President, I ask unanimous consent to engage in a colloquy with the Senator from Utah.

The PRESIDING OFFICER (Mr. STEVENS). Is there objection? Without objection, it is so ordered.

Mr. BENNETT. Is there, in fact, a limitation if someone enters into the voluntary incentive system?

Mr. McCAIN. There is no limitation. What happens is that then the challenger who is running, who is not in violation of the voluntary spending limits, then receives extra incentives.

That is all there is to it. There is no prohibition for anyone, and it allows them to spend however much money they want to spend. In the case of a millionaire or a multimillionaire, say from a small State, who wanted to spend millions of dollars of his or her own money, we would not allow that person, as is the habit of these millionaires, to raise all that money back. We only allow them to raise $250,000 back, and the rest of it he or she would have to write off.

But there is no limit on the spending that a person can make. They just lose the incentives that are in the bill, and the opponent who may not be nearly as well funded has some extra incentive to go along with it, the details of which I will be glad to explain to the Senator from Utah.

Mr. McCONNELL. Will the Senator yield?

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senator from Kentucky be allowed to enter the colloquy.

The PRESIDING OFFICER. Is there objection?

Mr. McCAIN. Mr. President, I do not believe that that is according to the rules of the Senate. I do not believe that three—I do not believe that more than two can engage in a colloquy. I ask the Parliamentarian.

The PRESIDING OFFICER. By unanimous consent, the Senate can engage in such colloquy, Senators may engage in such colloquy as they seek.

Mr. McCAIN. Then I ask unanimous consent that the Senator from Wisconsin be included in this colloquy.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. I ask unanimous consent that the Senator from Minnesota be in this colloquy.

The PRESIDING OFFICER. Is there objection? Very well, gentlemen. The Chair will still ask that Senators seek recognition through the Chair if there is a dispute.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I understand that my friend and colleague from Minnesota is supposed to be at an event. I will try to keep this short. But I would say to my friend from Utah, I think the answer to the question that was raised, the whole issue of whether there is spending in this bill, of course, there is. It is referred to, Mr. President, as "voluntary" when, in fact, it is voluntary such as the following situation: You are being held up and a fellow puts a gun to your temple, and he says, "You don't have to give me your billfold, but if you don't, I am going to shoot you."

So what happens to you in this situation, I say to my friend from Utah, is that if you do not agree to the Government-imposed speech limit on the campaign, the following things happen to you: You lose free broadcast time, 30 minutes; you lose the 50 percent broadcast discount; you lose a discounted postage rate; your opponent gets a higher contribution, individual contribution limit.

As you can see, this is not terribly voluntary. In fact, it is the part of the bill that makes it unconstitutional.

Now, I did not stand up here to make my major comments on this, but I did want to just follow up on this PAC discussion because I know my friend from Arizona had the PAC chart up. I used to advocate, as a part of an overall compromise back years ago when our side was trying to put together an alternative, going along with the PAC ban even though I knew it was unconstitutional. I think that it was a bad decision then and it would be a bad decision now to eliminate political action committees, because, in fact, the vast majority of them are organized just as my friend from Utah has suggested.

An awful lot of American citizens, Mr. President, are really offended by the likelihood that they would be pushed out of the political process altogether. Having been involved in this debate for some 10 years now and having watched the flow of this issue, I would say what is different about the debate this year is that an awful lot of people who are aggrieved by it are willing to say something.

For example, the National Education Association, with which I am very seldom allied, just wrote me a letter indicating they are opposed to this bill. I know that EMILY's List is opposed to this bill. I know that the National Taxpayers Union, the National Right to Life Committee, the National Rifle Association, the Christian Coalition, the National Association of Broadcasters, the National Association of Business PAC's are all against this bill.

Now, in the case of the broadcasters and the direct marketing people, you could argue that one of the reasons they do not like this bill is because they are going to be called upon to pay for it. I guess you could argue technically that there is not taxpayer funding in here, but spending limits are not free. So the question is, who picks up the tab? Under this proposal, the broadcasting industry and the direct marketing industry have the opportunity to pass these costs along to their customers. And that is, in effect, how it is paid for.

The NEA——

Mr. FEINGOLD addressed the Chair.

Mr. McCONNELL. Let me just say, Mr. President, I am going to yield the floor because I know my friend from Minnesota is anxious to get his remarks in and go to something else. But I mentioned the NEA in connection with the PAC discussion because I would say to my friend from Utah, in the letter they sent just today indicating their opposition to this bill, they said that the average contribution to the NEA PAC is $6.

Now, Republicans know they are a very big PAC because we rarely get any contribution from it, but I would say that it is a step forward for democracy to have that many people involved participating together on behalf of a cause in which they believe. So we should not be banning PAC's. I do not think the courts would let us do it, but we should not be doing it. Something as unconstitutional, as the ACLU candidly says, should not pass in the Senate.

But specifically in connection with the PAC discussion, most PAC's include an awful lot of Americans banding together to support the candidates of their choice. It is very, very hard for me to see how that is a bad thing for democracy.

Finally, before yielding the floor, let me say there is always a lot of discussion anytime we bring this issue up about leveling the playing field. Well, in order to level the playing field in Kentucky, you would have to get about half the Democrats to change their registration. You would have to sell about half the newspapers to different owners so they would occasionally support Republicans. And you would have to rewrite the political history of the State.

So if we are really going to be serious about leveling the playing field here, money is not the only factor in these elections—voting behavior, registration, newspaper endorsements, what kind of year it is. If the Government is really going to try to create a level playing field, let us really get into this thing now and figure out how to really do it.

In short, Mr. President, you cannot create a level playing field; it is impossible. It is impossible because every political year is different, every State is different, the strength of the parties is different. All you can do through this kind of proposal is, as my friend from Utah pointed out, redirect money in a different direction. Spending limits are, in short, like putting a rock on Jello. It sort of oozes out to the side in a different direction.

Several Senators addressed the Chair.

Mr. McCONNELL. I will be happy to yield the floor, and we will continue the debate later.

The PRESIDING OFFICER. Under the past unanimous consent, the Members who sought recognition as part of a colloquy may yield to one another until this colloquy is over.

Mr. McCAIN. Will the Senator from Kentucky yield?

Mr. McCONNELL. I yield the floor.

Mr. FEINGOLD and Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator yielded. The Chair will recognize the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, the Senator from Arizona and the Senator from Wisconsin want to respond.

Mr. McCAIN. I would like a very brief response.

Mr. WELLSTONE. Very well. And I would like to get the floor. Could I ask unanimous consent that after they respond I might have the floor?

The PRESIDING OFFICER. The Senator is part of the colloquy by unanimous consent.

Mr. WELLSTONE. I will defer to my two colleagues, and then I would like to follow.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Chair is just going to issue an edict that when the three speakers have spoken, there be no action under this colloquy; it is too hard to maintain.

The Senator has yielded. The Senator from Arizona.

Mr. McCAIN. Mr. President, that was the reason why I raised the concern to start with.

Mr. President, as far as PAC's are concerned, I just make two responses. I have heard the comment that a lot of people have felt that if political action committees were not allowed, they would somehow be deprived of their part in the political process. In fact, most constituents of mine feel that making campaign contributions directly to the candidate is the most effective and beneficial way. In fact, I do not know many of my constituents who come here to Washington to give me that PAC check. In fact, the person that gives out those $5,000 PAC checks is the lobbyist here in Washington. So that is a strange description of the political process.

Mr. President, I do not want to get too harsh, but let us talk what this is really all about. Let me give two examples of the Palm Beach Post editorial of last October:

> In his diaries, Mr. Packwood describes his relationship with a lobbyist. Shell Oil and many other clients hired him because they knew he had access to Senator Packwood. In return, this lobbyist raised money for the Senator so the lobbyist collected fees, the Senator collected campaign contributions and the company got legislative favors. As Senator Packwood told his diary: "That's a happy relationship for all of us."

I do not think that is exactly along the lines of the process that the Senator from Kentucky just described.

Let me just quote again from this editorial.

> The lawmaker's claim to be above board has collapsed lately. Wyche Fowler, a former Senator and Representative from Georgia, said, "On many occasions—I am not proud of it—I made the choice I needed this big corporate client, and therefore I voted for or sponsored this provision even though I did not think it was in the best interests of the country or the economy."

Mr. President, there are two examples from both sides of the aisle of what the problem is here. The problem is that this money exerts undue influence on the process.

Mr. President, there will be more. I yield.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota yielded.

Does the Senator now yield to the Senator from Wisconsin?

Mr. WELLSTONE. I now yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I know the Senator from Minnesota has been waiting for a long time. I will yield in a moment.

Mr. President, I thought this was a colloquy on the issue of whether there were spending limits in this bill. The Senator from Kentucky and the Senator from Utah have come out here today and said, time and again, that there are mandatory spending limits or that there are spending limits that force you to lose something that you have now. We have to clear this up. I am going to stay out here as long as this bill is up to clear it up.

The example the Senator from Kentucky used suggested that if somebody started to spend what they used to spend, they would lose something they used to have. It is not true. Our bill does not cause a person who wants to spend money to lose anything. If they want to go over the limit, they still get the lowest commercial rate. They never had the benefits of the bill in the first place. So let us be very clear about this, there is no gun to anyone's head. That is just false. In a State where the limit is $1 million, a person can spend $10 million, just as they can today, and they lose nothing. There is no gun to anyone's head in this bill. It only provides benefits to those who are willing to comply with it.

I challenge the Senator from Kentucky at any point in this process to suggest where anyone is forced to give up what they have now. People can spend themselves into oblivion on this bill still. But at least those who are opposing them will have a chance.

I think it is very important that the record show what this bill actually provides, not the parade of horribles that have been suggested that do not actually exist in the text of the bill.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, just following up on what my colleague from Wisconsin, Senator FEINGOLD, has had to say, I think what this bill will do, however, is it will set a higher standard. You do not have to comply with it. But once we, as a U.S. Senate, and then hopefully the House of Representatives, respond to what I think people are telling us in the country about what they yearn for in our political process, it sets a higher standard. I think the focus will be on how to make this political process more accountable and more open and more credible and more believable for people.

I want to get to my more formal remarks. But I want first to respond to a little bit of what I have heard said. My colleague from Kentucky—we have debated other issues on the floor of the Senate—talked about how in Kentucky a whole lot of other things would have to be done in order to have a level playing field: You would have to change part of the history, you would have to change who owns some of the newspapers, et cetera.

This is a bit of a strawperson argument. We are not making the argument that this piece of legislation will create a political heaven on Earth. We are just trying to talk about how to make this a little better, to improve people's confidence in it and in elected officials. We are talking about how to try to make this system work better for people.

I suppose the argument can be made that you can never have a 100 percent completely level playing field. But this piece of legislation is a significant step toward dealing with some of the disparity that now exists and toward making this system less wired for people who are incumbents, less wired for people who are wealthy, less wired for people who are connected to the well-connected.

Some of the arguments made by this bill's opponents this afternoon kind of miss the point. I do not want right now to get into a long discussion with my colleague from Utah. Maybe we will later on. I plan on staying on the floor for the duration of this debate, or for a good, long period of time. But if we want to go back to the Federalist Papers, let me also just suggest to my colleague that part of the intention of those who wrote Federalist Paper No. 10 was to figure out how, in fact, you could check majority rule. There was a big concern about the tempestuous masses.

I must say, I think part of what is going on here on the floor is trying to figure out how to check majority rule, because this system right now does not meet the standard of real representative democracy, because the standard of a representative democracy in our country, or any other country, is that each person counts as one and no more than one. I dare any of my colleagues to, in this debate, come out here on the floor and say, given the system we have right now and the reliance on huge contributions—whether it be soft money, PAC money or individual contributions—that, as a matter of fact, each and every citizen has the same influence over our political process. It is simply not true. And it is certainly not the perception that many have of our system.

This current system does very severe damage to the very essence of what representative democracy is supposed to be all about. I think this vote is going to be the reform vote of the 104th Congress. That is what this is all about. This is going to be the reform vote of the 104th Congress. I want people to understand exactly what is at stake here over the next day or so.

We will have a vote on this, to bring to a close the Senate filibuster. We have been able to bring this bill to the floor but we've been blocked from amending it or otherwise moving forward on it by this filibuster. We will have a vote to try to break the filibuster at 2:15 p.m. tomorrow. In the meantime, we do not have the opportunity to amend the bill. Senators do not have the opportunity to improve the bill. Senators should have that opportunity. And then we should have a chance to vote on it, up or down.

Last Congress we debated campaign finance reform—that is to say, ways in which we could begin to get some of the big money out of politics, ways in which we could bring the spending limits down, and make the system work better for people—for several weeks. What is going on here is an effort to filibuster this bill, motivated by a hope that tomorrow at 2:15 we will not get the required 60 votes to end the filibuster and then it will all go away. Then I suppose the sort of political cover position will be: Let us appoint a commission. But that's not going to fly, either here or with the American people. And if we are unable to break the filibuster tomorrow, we will be back again on this issue until we get it done.

I want to remind my colleagues one more time: this is the reform vote of the 104th Congress, and people will hold us accountable. Our constituents in our States, Democrats, Republicans, and Independents alike, will hold us accountable. Nobody should believe this is going to be an easy vote: Vote against cloture, block this legislation, and then duck for political cover by saying you want to appoint some commission.

I want to talk about this piece of legislation, not in a technical way—though we can have that debate as well—but, rather, just in terms of some simple human realities. First of all, I will start with Senators and Representatives. I do not know, my colleague from Wisconsin talked about this, but I think I am speaking for almost everybody here. I think most of us dislike the current system. Most of the people in Congress, on both sides of the political aisle, with whom I talk in private say it is a rotten system. People spend too much time fundraising and they do not spend enough time legislating. People hate to have to call and ask for money. We all know that what my colleague from Wisconsin said is true, which is that the very definition of why you are a viable candidate, unfortunately, has nothing to do with content of character, with leadership, with vision, with your sense of right or wrong for your country; it has to do with whether or not you are independently wealthy or you have raised or will raise millions of dollars.

I think all of us should want to change this system because I think, when we are involved in the fundraising, the perception—and I do not accuse one colleague here of any individual corruption—but the perception of people is often that we are out there raising money from this person or that person or this PAC or that PAC, and people just simply lose confidence in the political process. All of us who care fiercely about public service, all of us who care fiercely about good politics, all of us who are proud to serve in the U.S. Senate ought to be concerned about the fact that people have lost confidence in this process.

So I argue the human realities are this: We need to pass this reform bill to restore some trust in this political process. That is what this is all about. I would say there is an A and a B part to this. The A part is this. I am wearing a political science hat, I am wearing a U.S.-Senator-from-Minnesota hat, and I am also wearing a citizen hat. People are not going to believe in the outcomes of this process unless they believe in the process itself. And as long as people believe that too few people, with so much wealth, power and say, dominate the political process and the vast majority of people feel left out, ripped off, underrepresented, not listened to, then I would say to everybody here we are not going to do well with the public.

People want to believe in this political process. They do not like the fact that big money dominates too much of politics in America. Regular people do not feel well-represented within the current system.

Mr. President, I have worked with Senator McCAIN and Senator FEINGOLD, I worked with Senator SIMON on many, many, many issues. If it does not get him in trouble, I will say he is my best friend in the U.S. Senate. You can only have one best friend. I wish he would not leave. I think it is a huge loss for our country. We have worked on other things. We worked on the gift ban, and we worked on lobbying disclosure. Senator LEVIN from Michigan played a major role as a leader on lobbying disclosure.

In some ways, this has a sense of déjà vu to me. For many months, many of our colleagues said they were opposed to the gift ban and opposed to lobbying disclosure legislation. In fact, they were both filibustered and stopped at the end of the last Congress. But we came back in this Congress, and we won.

What were we saying there? We were saying, "Look, we're not bashing people here, we're proud to serve. But if you want the bashing to stop, if you want the denigration of public service to stop, if you want people in our country to be more engaged in public affairs, if you want citizens to be more active, then, for gosh sake, give up this practice of having this interest or these folks or those folks pay for you to go, take trips, wherever, give it up, let it go. We don't need it." And we passed that.

Then we came to the floor and we said, in the spirit of sunshine and full disclosure, if somebody lobbies here, Americans should know what they're up to. People lobby for different interests. That is not the problem, but there are two problems.

One problem is we wanted to deal with an outdated bill passed in the late 1940's and have full disclosure so we would have accountability, as to who was doing the lobbying, who was working for whom and what were the scope of their efforts. And the other problem, by the way, is lobbyists, by and large, those people who march on Washington every day, tend to represent a very narrow segment of the American population. That is the problem. Many other people are not well represented.

Now we come to the ethical issue of politics, I think, of our time, which is the way in which money has come to dominate politics: Who gets to run for office? Who is likely to win the election? Who is the best connected? Who are the heavy hitters? Which people have the most influence? What issues are on the agenda? What issues are off the agenda? How many people are out there in the anteroom, and whom do they represent? How do they secure access? what are their patterns of political giving? Political scientists and reformers have been asking these questions for years, and they've come up with some very telling answers.

And we see it here everyday. We don't need anybody to point out what's going on. When it is a telecommunications bill or it is a health insurance reform bill, that anteroom is packed wall to wall with people. They represent the most powerful in America.

But when it comes to children's issues—Head Start, title I, support for kids with disadvantaged backgrounds—I never see it wall to wall lobbyists.

This is the ethical issue of politics in our time. And, Mr. President, we are talking about a systemic problem, but not about the corruption of an individual officeholder. I do not believe that is the case. We are talking about systemic corruption when what happens is too few people have way too much power and say, and those are the people who can most affect our tenure in office and, unfortunately, in this system, those are the people who have the financial resources. We are trying to, through this legislation, take a significant step toward beginning to end that.

Mr. President, I want to say to my colleague from Wisconsin, if I can get his attention for one moment, that when he was talking, I was very moved by what he said when he was talking about meeting with students.

He said, "I just feel like this isn't the American dream. Money is so important in terms of who can run, who can get elected."

He said, "Maybe this isn't exactly as important as health care, or maybe it's not as important as whether people have a job, maybe it is not quite up there." I think it is; I think it is. As a matter of fact, this is the core issue, the one that's in a way prior to other political issues. The first chapter in one of the many books my colleague, the Senator from Illinois, has written dealt with the whole issue of campaign finance reform. That was not by mistake. This is the core issue, I say to my colleague from Wisconsin and my colleague from Illinois. This is, in many ways, the most fundamental issue, because you know what we are talking about? We are talking about something we all must hold dear that is fundamental: whether we are going to have a functioning democracy.

If you believe that each person should count as one and no more than one, if you believe there should be some political equality, if you believe that citizens should have real input and real say and have the same opportunities to participate and be listened to and to be involved in public affairs and to run for office and to be elected for office, it is simply true—I do not want it to be true—but most of the people in the country know it to be true, that this is not what is happening in our country today, and big money mixed with politics has severely undercut the very ideal of representative democracy.

That is why people are so disenchanted. That is why people are so disengaged. That is why this has become a cafe issue. That is why people are talking about this, I say to my colleague from Wisconsin, in the same way they are talking about a lot of other issues.

This is no longer just Common Cause. I honor Common Cause. They have done marvelous work as fierce advocates of political reform. But this is no longer being pushed just by good government, United We Stand, reform parties. More important, this is an issue people are talking about in their own homes, and people want change.

I will just take a couple of more minutes, Mr. President. I have said that this is a core issue, and that we must deal with it before we try to address other problems. I am going to get some colleagues angry at me when I say that, and we will have a good debate on it. I think many people have decided that we will never do deficit reduction on the basis of some standard of fairness. That is to say, yes, we will target a whole lot of deficit reduction on those citizens on the bottom economically who have the least political clout, but we do not do deficit reduction when it comes to the big military contractors or all those oil companies and coal companies, and tobacco companies and pharmaceutical companies that get all of their tax breaks.

I do not think people believe we will do deficit reduction with any standard of fairness. I do not think people believe that we are going to deal with the fundamental problem of making sure every child has a decent educational opportunity in our country; that we are going to resolve inner-city poverty; that we are going to make sure we have a clean environment, within our current system.

I do not think people believe that we are going to deal with the budget deficit or with the investment deficit, because I think people believe that this political process will not work, and the reason they think it will not work is because they think it is dominated by big money, because the citizens of the United States of America do not believe they exercise real power.

And guess what? In a democracy, the people ought to have the right to dominate their political process. They have the right to believe that the Capitol belongs to them. But it does not.

So we are at a critical juncture. Either we are going to go forward without a truly representative democracy, what some have called checkbook politics, or we are going to have a democratic renewal, and I mean democratic renewal not with a large "D," I mean with a small "d," where people have confidence in this process, where people feel like they are being listened to, where people feel like they can participate. That is what this is all about.

Mr. President, my colleague from Wisconsin already recited the statistics. And he noted the work of the Center for Responsive Politics. I ask unanimous consent that a letter and three short opinion pieces written by the director of the center, Ellen Miller, which have appeared in newspapers throughout the country, be printed in the RECORD following my statement, because they outline succinctly what I have been talking about in terms of the problems with our current system.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WELLSTONE. Mr. President, it has only gone from bad to worse during the decade of the 1980's and the 1990's. It is just absolutely out of control, absolutely out of control, with the new twist being soft money. Much of it is just shifting to soft money. I mean, you have the individual contributions. And by the way, the people who make the large individual contributions represent a tiny slice of the American population. You have PAC money.

In addition, you have soft money that is supposed to be for party building or for issue-oriented ads. I know all about those ads in Minnesota. The sky is the limit. The parties are awash in this money. The attack ads do not add one bit of information to one citizen anywhere in the United States of America.

They do not contribute toward representative democracy. I have to smile when I hear the argument made, well, we ought to actually be spending more money. There are some people here that want to do that. On the House side they are talking about actually raising the limits. That is an interesting argument.

The argument goes like this. "Well, Senators and Representatives wouldn't have to make as many calls and do as much fund raising if you could just raise it to larger chunks." That goes in exactly the opposite direction of having a representative democracy where there is some political equality and where citizens really count.

Or I heard my colleague from Utah make the argument about expanding disclosure. I'm all for more disclosure. But that's not enough. Even so, that could be an amendment. Give us the cloture vote and then let us have amendments. That is the way to deal with this. "If we make no changes, we will do better on disclosure." Every 2 years and every 4 years people will see clearly that even more money is being spent by special interests or by people who are wealthy. And people will become more disenchanted. And we will be stuck with all the problems we have right now. I do not see that as the answer.

So I will not summarize our bill. I think everybody here is aware of what we are doing. We are reducing the spending limits. We have some strict disclosure on soft money. We banned bundling. We banned PAC money for Federal candidates. If that is declared unconstitutional, then we have a fallback smaller limit on PAC's which would apply. We ask that people raise the majority of the money from within their States. And we have some incentives which I believe really help when people agree to these spending limits.

We set a standard. We do not have the public financing that I would like to have. But this sets a standard for the country. It is a significant step forward. I believe it is good for each and every one of us here. I certainly think it is good for challengers. I think it deals with some of the disparity. I think it gets us closer to a level playing field. I think that it is probably the most important step we can take in this Congress to pass this legislation.

So to my colleagues, if you want to debate this, let us debate it. But do not block it. Do not think it is going to go away. Give us the cloture vote. Bring out your amendments. Try to improve it. Let us have the debate that people in this country want us to have. And to each and every one of you, this is the reform vote of this Congress. The people back in our States will hold us accountable. I yield the floor.

EXHIBIT 1

CENTER FOR RESPONSIVE POLITICS,
June 14, 1996.

Senator PAUL WELLSTONE,
U.S. Senate, Washington, DC.

DEAR PAUL: I want to share with you the enclosed series of five op-ed ads that the Center has placed in The New York Times, The Washington Times, and the Atlanta Journal-Constitution. A version of the first ad will also run in the Boston Globe, The Advocate (Stamford, CT), the Seattle Post Intelligencer, the Milwaukee Journal Sentinel, the Arizona Republic, the Louisville Courier-Journal, The Nation, The New Republic, The Weekly Standard, Roll Call, The Washington Monthly, and Talkers Magazine. The op-ed ads will appear during a two-week period starting Monday, June 17, preceding the upcoming debate in Congress on various campaign finance reform bills.

The purpose of these ads is not to support or oppose any particular piece of legislation now before Congress, nor is it to put forward a reform proposal of our own. It is simply to help re-frame the debate. What are the real problems? What must real reform accomplish? We see these ads as providing "guideposts" for evaluating what is real reform and what is not. In short, we want to use the ads to push the debate onto higher ground by reminding people that democracy carries with it certain fundamental principles—principles that are now violated by our campaign finance system.

If you would like additional copies of the ads, or would like to talk about the ad series, please give me a call. You are welcome to insert them into the Congressional Record if you so desire.

With warm regards,

ELLEN S. MILLER,
Executive Director.

FINANCING ELECTIONS . . . AS IF DEMOCRACY MATTERED

Remember when democracy was something you believed in, not something for sale?

Those days have come . . . and gone.

Big money from big campaign contributors has put a price tag on our democracy. Our fundamental principles—like a government accountable to the people—are undermined as candidates collect millions of campaign dollars from rich people and organizations with specific and special interests. When the election's over, the donors collect. Fancy dinners. Private briefings. Special favors. Subsidies. Tax breaks.

No wonder average Americans are angry. Democracy is supposed to be about empowering all the people, not just the people with money. Political equality and government accountability are the values that inspire our faith in democracy. America's history is the history of our progress toward making these goals real for every citizen. These same values should inspire efforts to reform campaign financing.

Americans want real reform—not empty promises. But not all the proposed reforms in Congress and in state legislatures across the country will solve the problem.

How will we recognize real campaign finance reform?

In this series of essays, the Center for Responsive Politics presents four essential "guideposts" for reform. Keep these in mind when you hear lawmakers talk about campaign finance reform. Real campaign finance reform will:

ENHANCE COMPETITION

Allow qualified Americans of diverse backgrounds and perspectives to seek public office regardless of their personal wealth or their access to wealth.

RESTORE PUBLIC CONFIDENCE

Eliminate the inevitable conflicts of interest created when big money buys elections and the special interest replaces the public interest.

ENSURE EQUAL ACCESS

Provide all Americans access to their government and their elected representatives regardless of their ability to make campaign contributions.

STOP THE MONEY CHASE

Place the people's business first by freeing elected public servants from the money chase that distracts them from the responsibilities of governing.

Campaign finance reform . . . as if democracy mattered. Because it does.

GET ADOPTED BY STEVE FORBES

Get adopted by Steve Forbes or his friends in the multimillionaire club.

In today's "cash-ocracy", that's your only chance to get the cash you need to compete in a major election. Unless you're already a member of the club. Either you have deep pockets to fund your own campaign or you reach into someone else's deep pockets. No wonder Congress has the highest concentration of millionaires outside of Wall Street.

Of course, money isn't everything in politics—Steve Forbes proved that. But ask yourself; what kind of attention would Forbes have gotten if he didn't have money?

Consider who isn't running for President: Jack Kemp. Dick Cheney. Dan Quayle. All popular, potentially strong candidates who decided not to run. Money was a major reason. This year, you had to raise $20 million just to be "viable." And consider that in nine out of ten Congressional races, the candidate with the most money wins—even in the "revolutionary" elections of 1994.

Good people don't run for office because they can't raise the money they need to be taken seriously. Anyone you know able to quickly raise $5 million? $500,000? These are the average prices of a U.S. Senate or House campaign.

Democracy is cheated and weakened when the first test of a candidate's strength is the size of their bank account or the wealth of their friends. Elections should be decided on the power of ideas openly debated, the strength of character, a record of accomplishments and a vision for the future. Our elected representatives should be skilled listeners and thinkers—not mere fundraisers.

How will we recognize real campaign reform?

In this series of essays, the Center for Responsive Politics presents four essential "guideposts" every American should use to evaluate proposals for campaign finance reform.

GUIDEPOST #1: ENHANCE COMPETITION

Real campaign finance reform should enhance fair competition by allowing candidates of diverse backgrounds and perspectives to seek public office regardless of their personal wealth or access to wealth. You shouldn't need to be a millionaire to be a candidate.

Campaign finance reform . . . as if democracy mattered. Because it does.

HE WHO PAYS THE PIPER CALLS THE TUNE

This truism teaches us a lot about how we finance election campaigns and how our government works—a lesson known even to House Speaker Newt Gingrich and President Bill Clinton.

"Congress is increasingly a system of corruption in which money politics is defeating and driving out citizen politics," said Gingrich in 1990.

"Many special interests are trying to stop our every move. They try to stop reform, delay change, deny progress, simply because they profit from the status quo," said President Clinton in 1993.

It's ironic that two of the biggest fundraisers in American history confirm it—we have a checkbook democracy. He who pays the piper calls the tune.

Most Americans can't afford to "pay the piper." The biggest funders of Congressional campaigns are those who have a direct interest in the business of government. Decisions are skewed in their favor. Those who cannot afford to pay are left out.

Yet, all of us pick up the tab. Pork-barrel federal programs, subsidies, and tax breaks for corporations and industry groups are expensive: Hundreds of billions of dollars every year, according to research by organizations as diverse as the Progressive Policy Institute and the Cato Institute. Then there's the cost to our democracy in increased public cynicism, alienation and lower voter participation. Confidence in government plummets.

How will we recognize real campaign finance reform?

In this series of essays, the Center for Responsive Politics presents four essential "guideposts" every American should use to evaluate proposals for campaign finance reform.

GUIDEPOST NO. 2: RESTORE PUBLIC CONFIDENCE

Real campaign finance reform should restore public confidence in government by eliminating the inevitable conflicts of interest and skewed policymaking created when big money buys elections and the special interest replaces the public interest.

Campaign finance reform . . . as if democracy mattered. Because it does.

Mr. GORTON addressed the Chair.

[Disturbance in the gallery.]

The PRESIDING OFFICER. Any more outbreaks and we will empty the galleries.

The Senator from Washington.

Mr. GORTON. Mr. President, the arguments of each of the three sponsors and proponents of this bill who have spoken here this afternoon almost take the form of what we were taught in college was a syllogism.

Proposition No. 1. The people of the United States intensely dislike the present system of financing election campaigns. We see that in polls. We hear that in town meetings. We certainly read that in the editorials in the great majority of our daily newspapers.

Proposition No. 2. The title of this bill is the Senate Campaign Finance Reform Act of 1996.

Conclusion. We should pass this bill. People want campaign finance reform. This is campaign finance reform, therefore, it should become law.

Only, incidentally, to this point in the debate has the actual content of the bill been discussed, and almost not at all have the proponents discussed the similar debate that took place more than 20 years ago that resulted in our present campaign finance law, passed on the basis of precisely the syllogism that is presented to us today. In 1974 people did not like the way in which campaigns were being financed and run. A number of Members in both Houses proposed what they called campaign finance reform, and the Congress passed it.

Mr. President, one might ask Members of Congress to look at a little bit of history. I am convinced that if we were to open up the CONGRESSIONAL RECORD for those debates, somewhat more than 20 years ago, every one of the same propositions you have heard here this afternoon were presented: There is too much money in politics. We do not have enough people involved in it. We have to make a set of reforms in order to restore trust in the process.

Mr. President, is there more trust in the process today than there was in 1974? I think not. Are there fewer complaints about the process today than there were in 1974? I think not. Are there more self-financed millionaire candidates today than there were in 1974? I believe there are. Are there more independent expenditures, attempts to influence voting behavior by those who are not directly connected with the candidates themselves? The answer to that question, Mr. President, is there are infinitely more.

And so what is the proposal of the proponents of this bill? "Let's do more of what we did in 1974. Let's impose more restrictions on the process than we imposed then. Let's limit more significantly what can take place in an open and disorderly political world than we did in 1974." All we need is more of what has failed for more than 20 years.

I have looked through this proposal, and I do not think I am exaggerating to say that I believe that I find the heart of the philosophy of the proponents in section 201. I think I can quote it in its entirety. It is on page 31 of the bill, Mr. President.

> Notwithstanding any other provision of this act, no person other than an individual or a political committee may make a contribution to a candidate or candidate's authorized committee.

No person, other than an individual or political committee may make a contribution to the political process. And then, Mr. President, I get out my copy of the Constitution of the United States, and in amendment I, I read, "Congress shall make no law * * * abridging the freedom of speech." And I weigh those two propositions against one another.

I see a group of proponents who really, in the world of politics and the expression of political opinion, do not like the first amendment to the Constitution of the United States. So they say that any political campaign through a candidate, no person other than an individual or an authorized committee—authorized by law, passed by this Congress—can make any contribution to a candidate.

Now, Mr. President, we are all quite correctly frequently quoting or remembering the great French observer of more than a century and a half ago, Alexis de Tocqueville, who found the genius of the United States of America to consist of free association. De Tocqueville talked about this country as being a place in which people got together voluntarily in organizations to build a church or to found an antislavery society or to organize a group of immigrants to the new West or to do any of 1,000 or 10,000 other activities. Our genius was voluntary association. In fact, some of the most thoughtful and cogent criticisms of the Soviet Union in its heyday was that it prohibited voluntary association—prevented voluntary associations of people for charitable purposes, for religious purposes, but above all, Mr. President, for political purposes.

The heart of this bill makes it illegal for a group of persons to get together to make a contribution to a political campaign for the U.S. Senate. If the Senator from Kentucky and I want to get together and form an association to promote the election of a candidate for the U.S. Senate in his State or my State or any other State, we will be violating the law if this bill becomes law. We could do it as individuals, but only with this tiny amount of money that has, effectively, been cut by two-thirds since the 1974 law was passed. Of course, as much as the proponents of this legislation dislike the first amendment, they cannot repeal it. They absolutely cannot prevent the Senator from Kentucky and me from getting together and forming this organization and going out quite independently to educate the people of one of these States about the misdeeds of an incumbent, or the glories of some other candidate. Mr. President, if they could, they would. That is the philosophy of this bill. They think that any organization of individuals is a great evil that should be prevented from engaging in campaigns for the U.S. Senate.

Mr. McCONNELL. Will the Senator yield?

Mr. GORTON. I yield.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Kentucky.

Mr. McCONNELL. The Senator from Washington indicated it would be illegal under the bill for citizens to form together and form a political action committee and submit a candidate. But is it not true if an individual does it, they better do it early, because once the speech limit has been achieved, even the individual is shut out of the political process, is he not?

Mr. GORTON. The Senator from Kentucky is correct. He and I, under this hypothetical, would not be able in, say, the last 2 weeks before a general election to make any such contribution if the candidate whom we propose to support had already reached the limits provided in this law and agreed to come under its provisions.

As I say, we could not be prevented from our own independent action in that connection. But even the elaborate superstructure, which might to a certain extent lift the restrictions on the other candidate, would likely come too late if we ourselves were late.

I find it fascinating that this bill is being debated on this floor, considering the way in which we see politics has been practiced in the last 6 or 8 months in the United States. We have had literally tens of millions of dollars spent in the most thinly veiled attack on incumbents, mostly in the House of Representatives, who supported last year's balanced budget—tens of millions of dollars. I am particularly sensitive to those attacks because so many of the victims are freshmen Members of Congress from my own State.

Yet the definitions in this bill do not constitute those labor attacks on these incumbents as either contributions to their opponents or, for that matter, independent action, because they very carefully do not advocate their defeat in so many words or the election of their opponent. These incumbents' hands, should this apply to the House, are absolutely tied with respect to a response to those advertisements which they feel—I think even the newspapers feel—grossly misstate their positions on issues.

This leads me, of course, to the second point. When you have a proposal—and assume for the purposes of this action the proposal is entirely constitutional—that limits the ability of one individual, a candidate, or a group of individuals, the candidate and that candidate's supporters, from effectively communicating their ideas to a large group of potential constituents in a country of more than 250 million people, what is the impact? The impact is, if there is less political communication, the political communication that is still allowed has a greater impact.

Now, what kind of political communication is absolutely allowed and not remotely touched by this bill? Why, of course, the communication that comes from editorial writers of the newspapers who have endorsed the bill. It is a bonanza for the editors of the Los Angeles Times or the New York Times or the Milwaukee Journal or the Portland Oregonian. There are far fewer people to counter whatever it is they tell their readers they ought to do. Nothing is provided to the candidate disfavored by those newspapers in the way of being able to communicate countervailing ideas.

At least at the founding of our Republic we could be fairly sure that a town of 5,000 people had four newspapers to engage in that communication. Do we have that today? How does the disfavored candidate in the State of Kentucky deal with a series of editorials every day of the week, and columns every day of the week, in the Louisville Courier Journal in favor of his opponent, against him under this bill? How can that disfavored candidate possibly communicate under this bill?

Mr. McCONNELL. Will the Senator yield?

Mr. GORTON. Yes.

Mr. McCONNELL. The Senator, of course, is entirely correct. It is totally impossible to level the playing field—the argument that we always hear by the proponents of this bill. As the Senator indicated, the expression of newspapers, of course, is not impacted at all; as a matter of fact, specifically exempted from expenditure. I will just read this from the current law, which has not changed under the bill:

> The term "expenditure" does not include any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate.

In other words, that kind of speech, which is enormously significant in the political discourse that surrounds any particular campaign year is completely outside of the speech limits imposed by this bill. The Senator from Washington is entirely correct, to the extent that the speech of candidates is suppressed, the speech of others is enhanced.

Mr. GORTON. That enhancement applies not only to the newspapers, of course. Just to take an example of one of the great proponents of the bill, Common Cause. Its ability to communicate its ideas is not in any way restricted by this bill, nor, of course, could it be. But the ability of a candidate who disagrees with the views of Common Cause, or the Sierra Club, or the National Rifle Association, or the AFL–CIO, is severely restricted and, as a matter of fact, may be rendered totally and entirely ineffective.

Now, the proponents of this bill have said this is a very narrow bill. It only applies to the Senate, for example, and not even to the House of Representatives—as if we will ever end up getting a law of that nature. It does not apply to the Presidency. That was a statement made recently by, I think, the Senator from Arizona, which is entirely correct. It does not. But the philosophy behind the bill, that there is just too much free speech in politics today, is absolutely identical. So I think it not at all unfair, Mr. President, to say that we are faced today, right now, without any change in the present law at all, under present laws that stem exactly from the philosophy behind this bill, with the absolutely absurd situation in which there is only one person in the United States of America who may not raise money to communicate his ideas to the people of the United States, and that person is Robert Dole.

Mr. FEINGOLD. Will the Senator yield for a question?

Mr. GORTON. Not at this point.

The PRESIDING OFFICER. The Senator will not yield.

Mr. GORTON. Mr. President, under this bill, Robert Dole, at this point, is in exactly the position of one of the volunteer candidates for the U.S. Senate. A year ago, or a year and a half ago, whenever the key time was, he determined that he would operate under certain campaign restrictions in return, in his case, for a direct subsidy from the Federal Treasury. In the case of this bill, oh, no, not a direct subsidy, no taxpayer money here. We just take it away from private enterprise, people who own television stations, or from the public and postal fees. He made that determination. He did not realize at that time that he was going to end up with an opponent who would ignore these limitations and spend $40 million of his own money attacking him so that in order to survive through a group of primaries, he had to spend money he had not intended to spend. So he finds himself in a situation in which the other candidate for President of the United States, with all of the advantages that incumbency has, with $18 million, I think, left to spend directly on his campaign, is spending at least some of it harassing the opposing candidate for overspending on his allotment.

So we have campaign election reform. Boy, we have it coming out of our ears in the field of the Presidency of the United States, the net result of which is that one of the two major candidates cannot campaign effectively between now and August.

This is a triumph of election law reform? This is a triumph for the first amendment of the Constitution of the United States? I do not think so, Mr. President. But this is exactly what they want to do to the U.S. Senate in this bill.

Presumably, the great evil is that there is too much in the way of communication of ideas and the people of America are too stupid to be able to figure out who to vote for if we have a free exercise of our first amendment rights and the ability to communicate those ideas through groups, including the groups we have voluntarily chosen to join. Some of the most severe restrictions in this bill are on what political parties can do, Mr. President, for their own candidates.

Now, I do not think there is a single State in the United States of America in which the political party of a candidate for the U.S. Senate does not appear beside his or her name on the ballot. For the Senator from Wisconsin, it says Democrat, and for the Senator from Kentucky, it says Republican right on the ballot when you go in to vote. Yet, somehow or another, receiving more than a modest degree of financial support or direct expenditures from one's political party is deemed by the sponsors of this bill to be corrupting in nature.

Mr. President, I do not understand that. I absolutely fail to understand the theory behind that limitation.

Mr. McCONNELL. Will the Senator yield?

Mr. GORTON. Yes.

Mr. MCCONNELL. As the Senator from Washington knows, that very issue is currently before the Supreme Court, as to whether or not it is even constitutional to restrict what parties can do on behalf of their candidates, an absurd restriction on its face.

There has been much discussion out here on the floor about the advantages of incumbency. We know that political parties will support challengers. If we wanted to have the right kind of campaign finance reform, one of the first things we ought to do—and I am sure my friend from Washington would agree—is take the shackles off, if the Court does not do it for us, take the shackles off of the one institution of American politics that will support a challenger every time.

Mr. GORTON. That is the party to which the challenger belongs and which can certainly make the determination, which was so eloquently outlined by the Senator from Wisconsin, as to whether or not that challenger is a serious one and has a real opportunity for victory. So if we have no limits on the amount of money——

Mr. FEINGOLD. Will the Senator yield for a question?

Mr. GORTON. In a few minutes, I will.

If we have no limits on the amount of money the political party could contribute, we would certainly benefit the challengers. Of course, there might be a degree of loyalty on the part of the elected candidate to his or her own political party, the party with whom he or she identifies, from the beginning of his or her candidacy. No, Mr. President, I think it comes right back down to the way with which I began these remarks.

The heart of this bill—and of the other provisions that move in the same direction—is that no person, other than an individual or political candidate, may make a contribution to a candidate. That is the heart of this bill. You cannot make a contribution to a candidate unless you do it in strict accordance with this bill.

It is against the first amendment of the Constitution of the United States that says "Congress shall make no law * * * abridging the freedom of speech."

If that law does not abridge the freedom of speech, it is impossible for me to devise one that does.

If the Senator wishes to ask a question, I would be happy to answer.

Mr. FEINGOLD. This Senator is intrigued by the Senator's discussion of newspapers and the roles of the newspapers today in the context of this bill passing and becoming law. All I hear around the country is that the newspapers have lost their clout and that they do not compare with television, cable TV, and the like.

My question is: If it is the case that newspapers somehow have this power, why do not campaigns spend a lot of money on newspaper advertising to counteract?

I would suggest—and it would be an interesting response—that the influence of newspapers is absolutely minuscule. Regrettably the influence of these editorial writers is minuscule compared to the power of television. I would suggest that is the reason that 75 or 80 percent of almost every Senate campaign spends its money on television.

I would be interested in why suddenly newspapers have reached the power that they have lost over the years.

Mr. GORTON. I am convinced that the Senator from Wisconsin has made an excellent point, and I suspect that however we may disagree on some elements of campaigning that he probably did not spend an awful lot of money in his campaign on newspaper advertising. And I can assure him that I did not either for exactly the reasons that he outlined.

I guess to take the least important part of my answer first, my answer would be there is a difference between newspaper advertising and newspaper editorial support. All of us, even when we were not spending money in a particular newspaper, sought the editorial support of the newspapers in our States. The next level of my answer to his question is, of course, even though that influence has declined in recent year—I think clearly it has—this bill would clearly restore it.

The fundamental point that I was making is that, if you restrict the amount of information that people have about elections, those elements of information that they get will be proportionately more important. If the candidate is severely limited in the amount of communication that he can effectively engage in through newspapers, or through television, or through any other mass media, the impact of what the media themselves do either in their news columns or in their editorial columns will be increased.

But the most significant point that the Senator from Wisconsin causes me to make is that I really used newspapers as a shorthand for the way in which we communicate today. I suspect that the Senator from Wisconsin might not even have asked me the question if I had substituted for newspapers the NBC television outlet in his city, or for that matter NBC, or ABC, or a number of other television outlets in the country as a whole. While they have certain rules on blatant editorialization, there is not one of them who has not experienced what he or she considers to be an absolutely unfair or distorted news story on television which can have a devastating, or for that matter a tremendously affirmative, impact on the attitudes of people toward a campaign.

And what this bill does is to say that no matter how devastating that television news story is on a particular campaign, the victim, the disfavored candidate, is not going to be able to effectively respond to it. None of the benefits of this bill accrues under those circumstances. And the limitations are such that the attack is almost certain to go unanswered.

Mr. FEINGOLD. Mr. President, if I could ask one more question, is it a fair characterization for the Senator to say that the loss of the last 2 years or decades of relative influence of newspapers vis-a-vis television may be changed by this bill? Is it fairly characterizing his remarks as suggesting that newspapers may gain a greater influence than they have under the current system?

I believe that was the gist of the Senator's remarks.

Mr. GORTON. No. The gist of my remarks was that newspapers would gain vis-a-vis television. It will be that both will gain vis-a-vis the ability of the candidate to project his or her own idea.

Mr. FEINGOLD. Have newspapers regained some of the ground they have lost in terms of influence?

Mr. GORTON. I am not sure television has ever lost ground.

Mr. FEINGOLD. But newspapers will regain some of the ground they have lost in terms of the influence. I believe that was one of the Senator's points.

Mr. GORTON. I believe that is the case simply because there will be less in the way of alternate communication under this bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. GORTON. Mr. President, I will summarize. I know the Senator from Illinois has not had an opportunity to speak yet. He has waited almost as long as I did to get that opportunity. I will once again return to what I began with.

So far the arguments, as I have heard them on the floor here today, are that the polls, the newspapers, and the people do not like the present system, and they want campaign election reform. This proposition 2—this bill is entitled "Campaign Election Reform." Conclusion: We should pass this bill.

Mr. President, I do not believe that to be the case. This bill will not end up restoring confidence in the political system. It will force money into different channels, channels which neither this bill nor any other bill can control, one for which the candidates will be less responsible, and not more I think responsible in any respect whatsoever.

The Senator from Utah in beginning this debate said that the appropriate solution was not limitation but disclosure. I agree with him. That is the thrust of an opinion based by Larry Sabato, a political scientist at the University of Virginia which is frequently quoted on these subjects.

Mr. President, we should be willing to trust the American people, as he puts it, with sorting out their own ideas as long as they know the source of those ideas and the source of the money to communicate those ideas. That is appropriate election reform. The Senator from Arizona said, "Well, why don't you put it up as an amendment after voting for cloture on this bill?" Mr. President, I think I can announce to him that it would be a nongermane amendment if cloture were granted on this bill and on this amendment. It goes way beyond the scope of the bill—the bill and the amendment itself—because it goes to the current election as a whole.

Mr. McCAIN. Will the Senator yield?

Mr. GORTON. He will.

Mr. McCAIN. I assure the Senator right now that I will agree to a unanimous consent request, a motion, if cloture is invoked, that any amendment that the Senator from Washington wanted to impose I would agree to.

Second of all, if I could just comment, the Senator knows what section 324 means: Notwithstanding any other provisions of this act, no person, other than an individual or political candidate, may make a contribution. The Senator knows that unions cannot contribute directly right now. Corporations cannot contribute directly right now, and all it does is say political action committees cannot contribute right now, and the reason political action committees should not be allowed to contribute is because the system in America is so skewed and so unfair that no challenger has a chance.

As I said in my opening remarks, if the challengers were voting today, I say to the Senator from Washington that this bill would be passed in a New York minute.

So the fact is that what this does is it bans political action committees. It does not ban individuals. We have already placed restrictions on free speech by limiting the amount that an individual can contribute.

So I would say to the Senator from Washington that perhaps it is a great idea just to have total disclosure and complete freedom as far as any contribution is concerned. This bill does require disclosure. This bill does require soft money to become hard money, and it also places some reasonable restraints, and they are voluntary. They are voluntary.

We have the Congressional Research Service and other constitutional opinions stating that this is constitutional. I respect the Senator's opinion, but I certainly cannot allow him to get by with saying we are restricting anyone's freedom of speech when we ban political action committees where the common practice is that the Senator from Washington and I go to a lunch someplace, dinner here someplace in Washington, and are given a $1,000, $2,000, $3,000, $4,000, $5,000 check or groups of checks. That is not exactly what our Founding Fathers had in mind.

I thank the Senator for yielding to me.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we are at the heart of the matter now. The Senator from Arizona does not like the way in which first amendment rights are conducted or exercised at the present time. He therefore wants to limit them. The genius of America in voluntary associations is to him somehow so repulsive that no voluntary association, no unincorporated, voluntary association in America, none whatsoever, is going to be allowed to contribute to a candidate—none. You cannot get together in America in a voluntary association and contribute to a candidate because he does not like the distribution of money from political action committees.

Well, thank God for James Madison. Thank God for the prohibition on the part of this Congress or any other Congress to abridge the right of free speech just because this Senator does not like the way in which it is exercised at the present time.

The present law is bad, Mr. President. This law is worse.

Mr. McCONNELL. Will the Senator yield for just a brief question?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. Will the Senator yield?

Mr. GORTON. Yes.

The PRESIDING OFFICER. The Senator from Washington yields.

Mr. McCONNELL. I know the Senator from Washington is about to complete his remarks, and I missed part of the colloquy, but I gathered at the end, if I could ask the Senator from Washington, I guess his view of the bill is that certain kinds of speech are more worthy than others. For example, would the Senator from Washington share my view that this bill puts a premium on the following kinds of speech: going down to a phone bank and volunteering your time or maybe putting yard signs up or making a speech?

Mr. GORTON. As long as you do not pay for them.

Mr. McCONNELL. As long as you do not pay for them. So would the Senator from Washington agree that the bill attempts to set up certain kinds of preferred speech that would remain acceptable in the postlegislative environment but other kinds of speech are viewed as somehow nefarious and therefore should fall under Government restriction? Is that essentially the point?

Mr. GORTON. Well, it does, but in that case, in that situation, it does not differ from the general philosophy of the present law either applied to races for Congress or to the Presidency. The thrust of my criticism was that 20 years ago, we went into this restriction of free speech rights with all of the same criticisms of the then system that we have now, that that law was going to restore confidence on the part of the American people in the system, and it is worse now and so their cure is more of the hair of the dog that bit you.

Mr. McCONNELL. I thank the Senator.

Mr. GORTON. I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. McCAIN. Will the Senator from Illinois yield to me for 30 seconds to respond?

The PRESIDING OFFICER. Does the Senator from Illinois yield?

Mr. SIMON. I yield 2 minutes to my friend from Arizona.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. McCAIN. Mr. President, the Senator from Washington and the Senator from Kentucky and I can argue about constitutionality of certain actions, and since we are in disagreement, then obviously at that point we have to refer to people who have a dog in this fight, and I would like to submit for the RECORD at this time a Congressional Research Service opinion from the Library of Congress, from Mr. L. Paige Whitaker, legislative attorney of the American Law Division, that declares our proposals, which the Senator from Washington was so roundly critical of and so astute in fashioning himself as a constitutional scholar, are viewed to be constitutional.

Second, Mr. President, we do have also various opinions from people like Archibald Cox, Mr. Daniel Lowenstein, professor of law at the University of California, at Los Angeles, and others, all of which say that the provisions of this bill are, indeed, constitutional. The Senator from Washington can certainly be offended by them if he does not like them, but the view of most constitutional scholars on this issue is that it is constitutional.

The PRESIDING OFFICER. Does the Senator wish to enter those into the RECORD at this time?

Mr. McCAIN. I ask unanimous consent to enter into the RECORD the opinion from the Congressional Research Service. I will save the others as they are needed. I yield and thank my friend from Illinois.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, April 12, 1996.

To: Senator Russell Feingold; Attention, Andy Kutler.

From: L. Paige Whitaker, Legislative Attorney, American Law Division.

Subject: Constitutionality of Campaign Finance Reform Proposals.

This memorandum is furnished in response to your request for a constitutional analysis of three campaign finance reform proposals:

I. CONSTITUTIONALITY OF A VOLUNTARY SPENDING LIMIT SYSTEM LINKED WITH PUBLIC BENEFITS IN THE FORM OF FREE AND DISCOUNTED TELEVISION TIME AND DISCOUNTED POSTAGE RATES

In the 1976 landmark case of *Buckley* v. *Valeo*,[1] the Supreme Court held that spending limitations violate the First Amendment because they impose direct, substantial restraints on the quantity of political speech. The Court found that expenditure limitations fail to serve any substantial government interest in stemming the reality of corruption or the appearance thereof and that they heavily burden political expression.[2] As a result of *Buckley*, spending limits may only be imposed if they are voluntary.

It appears that the provision in question would pass constitutional muster for the same reasons that the public financing scheme for presidential elections was found to be constitutional in *Buckley*. The Court in *Buckley* concluded that presidential public financing was within the constitutional powers of Congress to reform the electoral process and that public financing provisions did not violate any First Amendment rights by abridging, restricting, or censoring speech, expression, and association, but rather encouraged public discussion and participation in the electoral process.[3] Indeed, the Court succinctly stated:

"Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding."[4]

Because the subject provision does not *require* a Senate candidate to comply with spending limits, the proposal appears to be voluntary. Although the incentives of public benefits are provided, in the form of reduced and free broadcast time and reduced postage rates to those candidates who comply with the spending limits, such incentives do not appear to jeopardize the voluntary nature of the limitation. That is, a candidate could legally choose not to comply with the limits by opting not to accept the public benefits. Therefore, it appears that the proposal would be found to be constitutional under *Buckley*.

II. CONSTITUTIONALITY OF REQUIRING CANDIDATES WHO ARE VOLUNTARILY COMPLYING WITH SPENDING LIMITS TO RAISE AT LEAST 60% OF THEIR INDIVIDUAL CONTRIBUTIONS FROM INDIVIDUALS WITHIN THEIR HOME STATE

A voluntary restriction on Senate candidates to raise at least 60% of their individual contributions from individuals within their home state, with incentives for candidates to comply with the ban, would also appear to be constitutional. In exchange for voluntarily complying with the restriction on instate contributions, a congressional candidate could receive such public benefits as free and reduced television time and reduced postage rates. This type of voluntary restriction would most likely be upheld for the same reasons that the Supreme Court in *Buckley* upheld a voluntary spending limits system linked with public financing.

Here, in the subject proposal, as limitations on out-of-state contributions are linked to public benefits as part of the eligibility requirement, they would seem to be constitutional for the same reasons that similar eligibility requirements of the receipt of public funds were held to be constitutional in *Buckley* v. *Valeo*.[5] In exchange for public benefits, participating Senate candidates would voluntarily choose to limit the sources of their contributions. In addition, an out-of-state contribution limit would not seen to violate the First Amendment rights of out-of-state contributors as they would have other outlets, such as through independent expenditures, to engage in political speech in support of such candidates who voluntarily restrict receipt of out-of-state contributions.

III. CONSTITUTIONALITY OF PROHIBITING ALL POLITICAL ACTION COMMITTEES (PACS) FROM MAKING CONTRIBUTIONS, SOLICITING OR RECEIVING CONTRIBUTIONS, OR MAKING EXPENDITURES FOR THE PURPOSE OF INFLUENCING A FEDERAL ELECTION

Generally, the term political action committee (PAC) is used to refer to two different types of committees: connected and nonconnected. A connected PAC, also known as a separate segregated fund, is established and administered by an organization such as corporation or labor union.[6] A nonconnected PAC, on the other hand, is one which is unaffiliated with any federal office candidate, party committee, labor organization, or corporation, although it can be established and administered by persons who are labor union members or corporate employees. Typically, nonconnected PACs may be established by individuals, persons, groups, including even labor union members, corporate employees, officers, and stockholders, their families, and by persons who collectively work to promote a certain ideology; provided, however, that they keep their political funds separate and apart from any corporate or labor union funds and accounts. They are required to register with the Federal Election Commission after receiving or expending in excess of $1,000 within a calendar year, they are subject to contribution limitations, and, unlike connected PACs, they are limited to using only those funds they solicit to cover establishment and administration costs.[7]

A complete ban on contributions and expenditures by connected *and nonconnected* PACs would appear to be unconstitutional in violation of the First Amendment. Although the courts have not had occasion to address specifically this issue, in *Buckley* v. *Valeo*, the Supreme Court made it clear that the right to associate is a "basic constitutional freedom"[8] and that any action which may have the effect of curtailing that freedom to associate would be subject to the strictest judicial scrutiny.[9] The Court further asserted that while the right of political association is not absolute,[10] it can only be limited by substantial governmental interests such as the prevention of corruption or the appearance thereof.[11]

Employing this analysis, the Court in *Buckley* determined that any limitations on expenditures of money in federal elections were generally unconstitutional because they substantially and directly restrict the ability of candidates, individuals, and associations to engage in political speech, expression, and association.[12] "A restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached," the Court noted.[13] Therefore, in view of *Buckley*, it appears that completely banning expenditures by nonconnected PACs would be found to be unconstitutional.

In *Buckley* the Court found that limitations on contributions can pass constitutional muster only if they are reasonable and only marginally infringe on First Amendment rights in order to stem actual or apparent corruption resulting from *quid pro quo* relationships between contributors and candidates.[14] The Court noted that a reasonable contribution limitation does "not undermine to any material degree the potential for robust and effective discussion of candidates and campaign issues by individual citizens, associations, the institutional press, candidates, and political parties."[15] Hence, *Buckley* seems to indicate that a *complete ban* on contributions by nonconnected PACs would be unconstitutional. Such an outright prohibition would arguably impose direct and substantial restraints on the quantity of political speech and political communication between nonconnected PACs and federal candidates.

In sum, it appears that prohibiting all expenditures by PACs would not pass strict judicial scrutiny as it would significantly restrict most PACs from effectively amplifying the voices of their adherents or members.[16] Moreover, an outright ban on contributions, although they are less protected by the First Amendment, would probably be found to substantially infringe on the First Amendment rights of the members of the PACs and therefore be found to be unconstitutional as well.

L. PAIGE WHITAKER,
Legislative Attorney.

FOOTNOTES

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[1] 424 U.S. 1 (1976).

[2] *Id*. at 39.

[3] *Id*. at 90–93.

[4] *Id*. at 57, fn. 65.

[5] *Id*. at 90–92, 94–96.

[6] 2 U.S.C. §441(b)(2)(C).

[7] 2 U.S.C. §431(4) (definition of political committee); 2 U.S.C. §433 (registration of political committees).

[8] Buckley, 424 U.S. at 25 (quoting Kusper v. Pontikes, 414 U.S. 51, 57 (173)).

[9] *Id*. (quoting NAACP v. Alabama, 357 U.S. 449, 460–61 (1958)).

[10] *Id*. (citing CSC v. Letter Carriers, 413 U.S. 548, 567 (1973)).

[11] *Id*. at 27–28.

[12] *Id*. at 39–59.

[13] *Id*. at 19.

[14] *Id*. at 20–38.

[15] *Id*. at 29.

[16] NAACP v. Alabama, 357 U.S. 449, 460–61 (1958). This case was cited in *Buckley* v. *Valeo*, 424 U.S. at 22 to support the conclusion that an expenditure limitation precluded most associations from effectively amplifying the voices of their adherents. *See also Sweezy* v. *New Hampshire*, 354 U.S. 234, 250 (1957).

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. SIMON. Mr. President, I yield 1 minute to my friend from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am just a little puzzled by the round condemnation of the PAC ban provision, especially given the fallback provisions that we have included in the bill, because in 1993, Senator PRESSLER offered an amendment 372, which is virtually identical to our provision, and it was supported and voted for by the Senator from Washington and the Senator from Kentucky. They voted for this PAC ban with the fallback provision. I am a little puzzled as to why this can be such a central problem in this bill when it was worthy enough for their support just 2 years ago.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. SIMON. I think the comments of my friend and esteemed colleague from Washington underscore something I have learned in 22 years here. I am a slow learner. I have not learned much, but one of the things I have learned is every reform ultimately needs a reform. That is one of the laws you can put down and it almost always is the case.

I commend my colleagues from Arizona and Wisconsin, Senator MCCAIN and Senator FEINGOLD, for their foresight and their courage in offering this legislation.

This is not an abridgement of free speech. The reality is we have restrictions. If someone in the gallery right now decides they want to make a speech here, the Presiding Officer, the Senator from Idaho, is going to say, "No, you cannot." That is not unconstitutional. So we have sensible restraints in our society.

The other day I saw a bumper sticker here in Washington that tells something of the public mood. It was a little bumper sticker that says, "Invest in America. Buy a Congressman." Kind of a sad commentary on where some people think we are.

I do not believe you can buy a Congressman, but I think we have a system that warps the results of this body.

I thought Senator WELLSTONE's speech was outstanding. I am sorry I did not hear the others. I hope political science teachers around the country will read it and give it to their classes.

Frequently people who visit here, Mr. President, are astounded at the few numbers of Senators who are on the floor. I think they would be more astounded and more outraged if they knew this fact—and I cannot prove it right now, but I am reasonably sure it is true—right now, this minute, there are more Senators raising money than are on the floor of the Senate. I believe that to be the truth. It is a usurpation of the time that we ought to be devoting to issues, to be going out raising money. It affects all of us. I have never promised anyone a thing for a campaign contribution. But if I end up at midnight in a hotel and there are 20 phone calls waiting for me, 19 of them from names I do not recognize, the 20th is someone who gave me a $1,000 campaign contribution—at midnight I am not going to make 20 phone calls. I might make one. Which one do you think I am going to make? The reality is you feel a sense of gratitude to people who are generous enough, and obviously wise enough, to contribute to your campaign. But it means that the financially articulate have inordinate access to policymakers.

I can remember before I ran for reelection in 1990, just before we formed the new Congress, that two key members of my staff came to me and said, "You ought to shift over to the Finance Committee." Why did they want me to shift over to the Finance Committee from Labor and Human Resources or the Judiciary Committee or the Foreign Relations Committee? So I could raise more money.

That is a practical reality around here. Even beyond that reality, when people come into my office or they are on the phone and they ask me to vote for or against something and they have been generous to me, I sometimes wonder, "Are they going away thinking I agree with them because of the contribution?" That distorts things. This whole distortion concerns me.

I can remember when I voted for NAFTA, a group of people who said they had been major contributors to me almost implied I had been bought and how could I possibly vote for NAFTA? The process just distorts everything.

I spoke here about 2 hours ago on the west Capitol steps to the PTA. They are here, interested in getting more money for education. My friends, what if the PTA and the other groups like that had as much money to contribute as the defense industry? Would we have a different budget today? You bet we would have a different budget today. We would have appreciably more spent on education, which is in the national interest.

This bill does not solve every problem. It does not go as far as I would like to see us go. But it certainly is a step forward. Why is this Nation the only one of the Western industrialized nations not to provide health care protection for all of our citizens? Mr. President, 41 million Americans do not have health care coverage. Those 41 million Americans are not big contributors. The insurance companies, the pharmaceutical companies, the people who profit from the present system are the big contributors, and we are letting this system just roll on.

Mr. President, 24 percent of our children are living in poverty. No other Western industrialized nation is anywhere close to that. This is not an act of God. This is not some divine intervention that says children in America have to live in poverty more than children in Italy or Denmark or France or other countries. It is a result of flawed policy. It is a result of policy that is disproportionately responsive to those who can finance campaigns. The 24 percent of our children who live in poverty, their parents are not contributing to our campaigns. That is the reality. So, we do not pay as much attention to them as we should.

One of the arguments I have heard against this is the least valid of all the arguments against it, and that is if we change this, that would be unfair to nonincumbents. Let me tell you, no system is better for incumbents than the system we have right now. We occasionally have people who win who spend less. I am looking at two of them, Senator FEINGOLD and Senator WELLSTONE. But they are the rare exception. I managed to do that in my first Senate campaign, too. But, generally, incumbents under the present system have a huge advantage, and incumbents tend to think whatever system got us elected has to be a pretty good system.

Let me, finally, say I announced right after the last election I was not going to run for reelection. I felt it was time for me to move on and do other things. Not the major consideration, but a consideration, was that in my last election I had raised $8.4 million. I enjoy policymaking. I even, unlike a lot of my colleagues, enjoy campaigning. I enjoy going down the streets of small towns as well as Chicago and elsewhere, campaigning. I do not enjoy fundraising because I think it is distasteful, and I think many, many people understand it is distorting our system.

So I am pleased to be a cosponsor of this legislation. I think it moves us in a direction we ought to be going. It is a step in the right direction. For my friend from Washington, who said the present bill, the reform adopted in 1974, is not working as it should, I would not like to see the present law repealed, weak as it is. My guess is my friend from Washington would not want to see it repealed either. This is a step forward. It is a step the Nation needs.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I rise today in strong support of S. 1219, the Senate Campaign Finance Reform Act of 1996. Let me first praise both the Senator from Arizona and the Senator from Wisconsin for being able to reconcile what I know are substantial differences and produce a piece of legislation that both of them support. I believe the exercise they went through is an exercise all of us need to go through if we are going to be able to change the law that underlies our campaign system. It seems to me it is very, very important for us to do so.

First, as to why, I know there are very strong feelings. I caught a piece of the debate thus far between the Senator from Kentucky and the Senator from Washington and the Senator from Arizona. I know there are very strong feelings about campaign finance reform. Very often, it is true, the facts do not bear up the conclusion people make about the system being corrupted and being bad and so forth. It is very often true the perceptions are far, far worse than the reality.

But as we all know, perceptions in politics can become reality in a big hurry. We all, I suspect, are aware that last summer, on the 11th of June, the two most powerful political leaders in the country, the President of the United States and the Speaker of the House, stood in Claremont, NH, in the runup to the Presidential primary, took a question from the audience about campaign finance reform, and agreed, shook hands and agreed that they were going to cooperate in the appointment of a commission that would make recommendations. We all know since that time nothing has happened.

Also last summer, I read—and I asked staff, and they dug it out for me—a poll that was presented to me that I had presented asking the American people the following question: Who they thought really controlled the Federal Government in Washington, DC. That was last summer, summer of 1995. Twenty-five percent said they thought the Republicans in Congress, since they are in control of both the House and Senate, the Republicans control the Congress; 6 percent said the Democrats controlled the Congress; interestingly, 6 percent thought the President controlled the Federal Government; and 49 percent, up from 38 percent in 1991, said special interests controlled Washington, DC.

Again, I appreciate that much of this is a perception, but it is a very serious perception for us. People have lost trust and confidence, and they are asking for us to level the playing field, give nonincumbents a greater opportunity to clean up our campaign finance system.

I actually heard very few people come to the floor and say the system does not need to be changed. The problem is that we always find ourselves coming up short, unable to finally reach agreement, which is why, again, I praise the hard work that the Senator from Arizona and the Senator from Wisconsin have done because they sat down and worked out their differences. I suspect they still have some things about the bill they are not wildly enthusiastic about, but they know it is long past the time that we are going to be excused by the American people for giving them some excuses.

Mr. President, Nebraska has a connection between campaign finance reform and the history of campaign finance reform. We are connected because we had a son of the State, William Jennings Bryan, running for President in 1896. He was leading his opponent, William McKinley, until a man by the name of Mark Hanna, the Cleveland industrialist who was the top adviser to Republican nominee William McKinley and who also chaired the Republican National Committee, raised and spent money, at that time, in unprecedented amounts.

He spent $100,000 of his own money, which would be well over a million dollars today, on preconvention expenses for McKinley.

He organized and funded the distribution of 100 million campaign documents to what was then a nation of 71 million Americans and 14 million voters.

He established for the first time a line of clear national authority over the State party committees, which carried out his orders.

More important, he augmented the old party fundraising system. The old system was to send your political appointees a note saying, "Two percent of your salary is the amount. Please remit promptly."

But Hanna also went to the wealthy industrialists who most feared the free-silver policy of William Jennings Bryan. In August 1896, he met with New York's financial barons and assessed them according to their capital.

J.P. Morgan gave $250,000; Standard Oil $250,000; Chicago's giant meatpackers gave $400,000.

In the end, Hanna raised almost $3.5 million for McKinley, although he never did say how much he raised, but it was enough for him to crush Bryan in the general election, outspending him nearly 20 to 1 and resulting in McKinley's victory.

Until the 1970's, Mr. President, our campaign finance laws were mostly futile efforts to stem the flood of money into politics.

Lest I be completely unbalanced and reference only Republicans doing it, it was a progressive Republican who followed McKinley into the White House, Theodore Roosevelt, who proposed the public funding of elections in his 1907 State of the Union Address, but his proposal went forgotten for 60 years.

Congress passed the Tillman Act of 1907, also backed by Theodore Roosevelt, which barred corporations and banks from contributing to campaigns. In 1925, it passed the Federal Corrupt Practices Act. But these laws did little to stem the tide of money in politics, which had become, at that time, very much a bipartisan problem.

In 1932, the chairman of the Democratic National Committee, John Raskob, the former finance chairman of General Motors, gave about $500,000 a year of his own money to fund the Democratic Party and gave nearly $150,000 alone to the campaign of Franklin Roosevelt.

The year 1940 saw the rise of a young Texas Congressman named Lyndon Johnson. He revitalized what at the time was a very moribund Democratic Congressional Campaign Committee, with money raised from the oil and construction barons who dominated the politics of his State.

Mr. President, I laid that down, and much more can be laid in this debate, to indicate that there is generally a sort of history of lawlessness about campaign finance reform that should be noted when this debate is going on.

The system of funding campaigns is dramatically different. The system itself is much, much cleaner than it was 100 years ago or even 30 years ago. But, again, the perception still dominates in the land that special interests control our legislative process, and that seems to me to be the most important argument for changing our law.

Laws which currently govern our system of campaign finance were passed in the 1970's.

There was the Revenue Act of 1971, which introduced public funding of Presidential campaigns, as well as voluntary limits on campaign spending.

The Federal Election Campaign Act of 1971 set up our system of disclosing contributors and of providing broadcast time to candidates at the lowest unit rate.

The scandal of Watergate later on caused Congress to pass the Federal Election Campaign Act Amendments of 1974. These amendments created the Federal Election Commission; they established individual and PAC contribution limits; they established public funding of Presidential primaries and political conventions; and they limited the amounts that individuals could spend on their own campaigns, a provision which would later be ruled unconstitutional as a violation of the first amendment by the U.S. Supreme Court.

In 1976 and again in 1979, Congress passed additional amendments to the Federal Election Campaign Act. These amendments addressed the constitutional problems of the 1971 and 1974 legislation and expanded the role of the political parties under the law.

But since then, efforts by Congress to pass laws that would reform the system failed.

Mr. President, I believe when more than 50 percent of the American people believe that special interests control the Federal Government and when the two most powerful politicians in America meet in New Hampshire before the first Presidential primary and promise with a handshake to do something to change the law, that we would expect to see some action. The lack of action reinforces the view that Americans have of their Government.

The American people are frustrated by our delay. They are frustrated with the political process that appears to respond to those with economic power and which, all too often, ignores the needs of working men and women.

They are frustrated with the rising cost of campaigns, with a political system which closes the door to people of average means who also want to serve their country in the U.S. Congress.

They are frustrated with a Congress which, in their minds, has been bought and paid for. I serve in the Senate, Mr. President, and I know my colleagues to be men and women of honor, but I can hardly blame the American people for believing that we are not.

They see millions of dollars that go into our campaigns. They read the newspapers and see pictures of lobbyists huddling outside our Chamber with cellular phones, and the citizens wonder whose voice is being heard. They think the men with the cellular phones have first priority.

The American people are frustrated with our tendency to talk instead of act. Eliza Doolittle, in the musical "My Fair Lady," sang a verse which captures how the American people feel about campaign finance reform. She sang:

> Words, words, words. All I hear is words. If you love me, show me.

Mr. President, it is time for us to show the American people, not with words but with action. With a single vote today or tomorrow, Senators can act to allow this issue to move front and center on the political stage. With this bipartisan bill, we can show the American people that we mean what we say when we talk about political reform.

S. 1219 amends the Federal Election Campaign Act of 1971 and it also amends the Communications Act of 1934. It has four simple titles, and I have chosen to go through these titles and allow those who are listening to make their own determination as to whether or not this will improve the system.

Title I of the bill sets up a system of voluntary spending limits for primary, general and runoff elections which are based upon State population. It also sets a voluntary limit on the amount of personal funds which a candidate spends.

For example, let us say you have a woman citizen of this country who challenges a male incumbent. The bill would provide benefits to this candidate who would meet a threshold contribution requirement, and it works within the bill's spending and fundraising limits. It would give her up to 30 minutes of free air time on television and allows her to buy television time and send bulk mail at special low rates.

When she runs against someone who will not accept the bill's limits, whether it is an incumbent or nonincumbent, it boosts her fundraising spending and maximum individual contribution limits so she can keep up with her opponents. If her opponent pledges to obey the limits, and then backs out, he is not only forced to pay back the benefits he received, but then has to start buying his television time at normal commercial rates instead of the lowest unit rate that all candidates enjoy.

The bill requires candidates to raise 60 percent of their funds from residents of their State, but allows candidates in our smaller States to meet that requirement by having 60 percent of their individual contributors be in-State residents. This is a very sensible provision, Mr. President, which prevents the small number of powerful economic interests from dominating the Senate campaign politics of a given State.

Title II of the bill bans contributions from political action committees and provides that if the courts rule the ban unconstitutional, that the maximum contribution limit for PAC's will drop from $5,000 to $1,000 per election. It bans national political parties from raising and spending soft money. It requires State and local parties to spend Federal money on activities that would affect Federal races. It prevents political parties from funding so-called 501(c) organizations.

It allows State parties to raise funds under the control of the Federal Election Campaign Act for grassroots activities such as get-out-the-vote and generic ballot efforts. It requires corporations and unions that spend more than $10,000 for internal communications efforts to report their activity to the Federal Election Commission within 48 hours.

It restricts the bundling of contributions by counting those contributions toward the bundler's individual contribution limit. It requires those who make independent expenditures to report those expenditures within a matter of hours.

Title III, Mr. President, codifies Federal Election Commission regulations which keep candidates from spending their campaign funds on themselves. It requires the FEC to allow a candidate to file their reports electronically. It allows the FEC to conduct random audits upon a vote of four of its members.

Further, it toughens the disclaimer requirements for television ads, something that almost every single Member has observed is very much in need. It bans Members of Congress from using the franking privilege for mass mailing during the calendar year in which they are up for reelection.

Title IV, Mr. President, the bill's final title, provides for expedited review of constitutional issues by the Supreme Court and authorizes the Federal Election Commission to implement the bill's provisions through regulations.

It is not a perfect bill, Mr. President. For example, my view is that PAC and bundling provisions do too much to limit the participation of average men and women in America and too little to rein in the big corporations which could stay beyond the reach of the law. But it is unquestionably a start, and a very important start. It should not be the target of a filibuster. It should not be an occasion for Senators to weep more crocodile tears and say, we support the concept of reform, but we just cannot live with this or that particular proposal. The voters have heard that before, Mr. President. They know what it means.

It means we want to do nothing. It means we are worried about protecting ourselves, when we ought to be worrying about protecting our democracy. The best test of this bill's success is whether it makes an incumbent Senator nervous. If it does, then it gets the job done.

We cannot afford to tell the voters one more time that we do not want to do anything. They are quickly losing their trust in us. They do not trust us to reform our entitlement programs and allow our children to retire in dignity. They do not trust us to improve the way we teach our children. And they do not trust us to send our troops overseas, to keep our Nation strong, and to lead in the world.

Mr. President, last week 70 percent of Russian voters went to the polls to choose a President. They went because they thought they could make a difference. Meanwhile, in this country it has been a long time since 70 percent of our citizens, who fought and won the cold war, would vote in the 70-percent range.

Mr. President, it is time for us to prove to the American people that we mean what we say when we talk about reforming our political system. Let us earn back their trust so we can go to work and build a better nation.

Mr. President, I again want to say, as I said at the start, I know there are significant disagreements about what should be in any change in the 1971 Campaign Finance Act. I respect those differences of opinion and respect different points of view on this. But, for gosh sakes, let us allow the voters and the citizens of the United States of America to hear a full and open debate. Let us rally the 60 votes necessary to allow this proposal to be considered. I hope sincerely that we will have enough votes tomorrow so that once and for all we can put some action behind our words. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I filed an amendment as a sense-of-the-Senate amendment on last Friday, believing at the time that you could not amend the Constitution by amending a simple bill, that it would not be in order. I have since learned differently. So I ask unanimous consent that that sense-of-the-Senate amendment be modified into the form of a regular amendment.

The PRESIDING OFFICER (Mr. BROWN). Is there objection?

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HOLLINGS. Mr. President, we see really where they all stand. Now I can give a good sense of history, 23 years ago, we passed the act that gave rise to the problems we're dealing with today—the 1974 act was passed. So if cloture is agreed upon tomorrow, we will be around with that same amendment—a constitutional amendment, because I have just learned for the first time today—you learn something new every day—that you can amend a simple bill with a joint resolution to amend the Constitution.

I have been told otherwise time and again for a good 10 years, ergo, back in the late 1980's, we were trying to get the joint resolution out of the Committee on the Judiciary for 2 or 3 years. We finally got it out. At that particular time we had the distinguished Senator from Oklahoma leading the charge for his particular campaign finance reform, Senator David Boren.

We were trying our best to have our amendment considered. I finally worked out with the then-majority leader, Senator George Mitchell, if I could get it out of the committee, he would give me an up-or-down vote. So after a 3-year struggle we did get it out of the committee.

Back in April 1988, we got 52 votes to amend the Constitution. We had four Republicans. Again, in 1993, in the form of a sense of the Senate we got 52 votes—a bipartisan effort including 6 Republican colleagues. At that time, I was told that one could not amend the Constitution by amending a bill.

I have been told time and time again that what we really needed to do was to correct the fundamental flaw in Buckley versus Valeo. Ironically, what happens is that Buckley versus Valeo amends the Constitution. That is what has occurred. By equating money in politics with speech, the decision essentially amends free speech, because it dictates that those with money can talk and those without money can shut up.

You know, the mother's milk of politics, as it has been said many times on the floor of the Senate, is money. And television, of course, has a great deal of control over elections. Anybody that has been elected—and I am proud to have been elected six times to this particular body—will agree.

I remember when billboards were a sufficient form of advertising. Today, any consultant will tell you, do not waste your money on billboards or on newspaper advertising or whatever else. You get a far greater return on television advertising. And television advertising is very, very costly. Therefore those with money, those that can bear the cost, have a better chance to prevail.

So I am not going to take a long time here because I am hoping we can get cloture, and then I will offer up my amendment, either as a simple amendment to the bill itself or a second degree. And we will stay here as long as we can because it is a simple Senate bill that we would have cloture upon.

It seems the distinguished Senator from Kentucky will not allow me an honest mistake, made because I have been instructed over the many years that one could not submit a constitutional amendment. Well, I harken the memory of everyone to when we voted last year on the flag burning legislation. At that time I was asked if I had any amendments. I said, "Yes, I have two," because I had been waiting all year long to bring up the joint resolution to amend the Constitution for a balanced budget. Senator Dole's amendment, S. 1 of this particular Congress provided for a balanced budget using Social Security trust funds, thereby abolishing the law that protects the fund. I thought we ought to retain that protection and not decimate Social Security trying to balance the budget. We never could get that up.

The leadership was very astute. They did not call any joint resolutions except to call up the flag burning amendment. When that arose, I said, "Oh, yes, I have two amendments: one to balance the budget and the other one that pertains to campaign finance reform." So, as everyone saw in the U.S. Senate, my amendments failed.

They talk about a New York minute: if there is a lesser time period to measure, it is political air. If my amendment passes, we will have this adopted here in a few months, in November, by all the several States. The States came to me, back some 10 years ago when I was working on this and said, "Please, please, put us in there, too." So the legislation will not dictate that just the Congress of the United States is hereby empowered to regulate or control expenditures in Federal elections, but that the States be permitted, also.

So that is my amendment, a very simple one. How it is implemented, what they do about bundling, what they do about separate committees and what they do about disclosure, it can be done constitutionally. That is the fundamental flaw in not only the Buckley versus Valeo decision, but in the pending amendment by my distinguished colleagues, the Senator from Arizona and the Senator from Wisconsin. They are trying to face up to a real problem, but the solution they propose does not control spending in Federal elections. That is the evil that we confronted back in the early 1970's.

You go back to the 1968 Presidential race. You had institutionalized campaign financing. The fundraisers came, for example, to the textile industry. The textile industry, predominant in my State, is almost like the United Fund or the Community Chest. They said, "Your fair share is $350,000." Mr. President, they got 10 textile industries together and they collected $35,000 apiece from each of them in order to comply. This got a lot of people in legal trouble.

I could go on, but that is not the point here. The distinguished Senator from Illinois, Senator SIMON, spoke about buying a Congressman—he told of a bumper sticker he saw, "Invest in America. Buy a Congressman." That was the problem 25 years ago. After the 1968 election when President Nixon took office, John Connally, the Secretary of the Treasury, stated to President Nixon: "There are a lot of people that have given you millions and thousands and thousands of dollars, and they have not even had a chance to shake your hand. Some you haven't met. I know you want to thank them."

President Nixon said, "Fine, I would love it. Give me the chance." Connally says, "Well, come down here in a couple of weeks to my ranch in Texas, and we will have a barbecue. I will invite them there. We can have a grand time. You could meet them and thank them." The famous prankster Dick Tuck, a Kennedy confidante, got himself a Brinks' truck, and he put the truck out there on the main road, by the Connally ranch. The press took a picture of the truck and blew it up. They said, "There it is, Washington is up for sale." Republicans and Democrats were hollering. They could not stand it. There was no complaining about disclosure.

We just went "ticker tape" on all the things we wanted. No. 1, cash was absolutely forbidden, against the law. Contributions were limited. To an individual, $1,000; a race, $2,000, the primary and general elections; and PAC's were limited to $5,000.

With regard to PAC's, we said representative groups like the teachers association or the doctors in the group or whatever, like labor unions, they ought to be able to band together. So we decided they should be limited to $5,000. So we set the limit there. We said, now we will have complete disclosure. You will have to file every dollar in and every dollar out, not just with the secretary of the Senate, but with the secretary of state in your own home State, so the people back home can see it and know.

Then we said we are going to limit spending overall. Based on a formula: so much per registered voter in each one of the States. My little State of South Carolina, then, would have been limited—we calculated it at around $670,000. This was back in the mid-1970's. Now, double it here from 20 years ago to a million and a half, which is, my gracious, plenty—not $3.5 million and $4 million that it costs for that statewide race.

Look at the reports and the amounts and everything else, and the Senator from Illinois is right. More Senators this minute are out collecting money than Senators that avail themselves of the opportunity to participate in this discussion on the floor of the Senate itself. That is a crime.

According to the FEC reports, during the 6-year period, a Senator must raise something like $12,000 or $14,000 a week, each week, in order to run for reelection. Then, if you get one of these high-fliers coming in that spends $12 million of their own money, then the ox is in the ditch. You are in real trouble there—people who have achieved financial success by way of family or otherwise, suddenly decide that running for the U.S. Senate would be a fun thing to do. Well, that has to stop.

First of all, we must eliminate the poisonous influence of large sums of money. Second, we must get rid of the poisonous influence of the amount time it takes to raise these sums.

The flaw in Buckley versus Valeo, and the flaw in all of these amendments, is that money is not controlled, which is ultimately what everybody wants to do.

Everybody wants that done: we who serve and have to collect the money, those who give it and participate—whether individual PAC's or otherwise—and it is easily done. If you go back to the last five or six constitutional amendments, they deal with elections. Do not give me this acrimony. I have had this before the Judiciary Committee. Oh, they have so many thousands of amendments, and everybody wants to change them. I have to agree that this is a bad atmosphere up here because the contract crowd wants to amend everything in the Constitution.

This is one amendment that has been dutifully considered and voted on by way of a majority at least twice in the last 10 years. I think we can get an even larger majority now that Senator Dole ran into Steve Forbes. He came in like a bolt out of the blue with $35 million and ran around hollering "Flat tax, flat tax, flat tax." Of course, some voters thought, "They are going to lower my taxes so I will vote for them." Come on, Senator Dole was the one calling on the President for a balanced budget. I want to tell Senator Dole, "Call your colleagues, get on Senator MCCONNELL from Kentucky and tell him now is the time to limit spending."

The Senator from Kentucky has been frank and straightforward. He says we spend more money on Kibbles and Bits and cat food and dog food than we spend on political campaigns, and we ought to spend more. The Senator from Utah started out the debate. He said: "If I had to solve it, I think it ought to be recorded, but collect all the money you want and spend it all the time, wherever you want."

That is exactly the opposite of the intent of campaign finance law. The way we passed that law—Republican and Democrat, overwhelmingly—was to control spending in Federal elections. Our friend, Senator Buckley of New York at that time, took issue. He sued the Senate, in the person of the Secretary Valeo. That is where we got the Buckley versus Valeo decision. I have the appropriate references here in the prepared remarks.

Mr. President, all I can say is here we go again with the same sing-song—a half-hearted attempt to fix the chronic problems surrounding campaign financing. Problems flowing from the Supreme Court's flawed decision of Buckley versus Valeo. We all know the score—we're hamstrung by that decision and the ever increasing cost of a competitive campaign. With the total cost of congressional campaigns skyrocketing from $446 million in 1990 to over $724 million in 1994, the need for limits on campaign expenditures is more urgent than ever. For nearly a quarter of a century, Congress has tried to tackle runaway campaign spending with bills aimed at getting around the disjointed Buckley decision. Again and again, Congress has failed.

Let us resolve not to repeat the mistakes of past campaign finance reform efforts, which have become bogged down in partisanship as Democrats and Republicans each tried to gore the other's sacred cows. During the 103d Congress there was a sign that we could move beyond this partisan bickering, when the Senate in a bipartisan fashion expressed its support for a constitutional amendment to limit campaign expenditures. In May 1993, a nonbinding sense-of-the-Senate-resolution was agreed to which advocated the adoption of a constitutional amendment empowering Congress and the States to limit campaign expenditures. Now we must take the next step and adopt such a constitutional amendment—a simple, straightforward, nonpartisan solution.

As Prof. Gerald G. Ashdown has written in the New England Law Review, amending the Constitution to allow Congress to regulate campaign expenditures is "the most theoretically attractive of the approaches-to-reform since, from a broad free speech perspective, the decision in Buckley is misguided and has worsened the campaign finance atmosphere." Adds Professor Ashdown: "If Congress could constitutionally limit the campaign expenditures of individuals, candidates, and committees, along with contributions, most of the troubles * * * would be eliminated."

Right to the point, in its landmark 1976 ruling in Buckley versus Valeo, the Supreme Court mistakenly equated a candidate's right to spend unlimited sums of money with his right to free speech. In the face of spirited dissents, the Court drew a bizarre distinction between campaign contributions on the grounds that "* * * the governmental interest in preventing corruption and the appearance of corruption outweighs considerations of free speech."

I have never been able to fathom why that same test—the governmental interest in preventing corruption and the appearance of corruption—does not overwhelmingly justify limits on campaign spending. However, it seems to me that the Court committed a far graver error by striking down spending limits as a threat to free speech. The fact is, spending limits in Federal campaigns would act to restore the free speech that has been eroded by the Buckley decision.

After all, as a practical reality, what Buckley says is: Yes, if you have personal wealth, then you have access to television, you have freedom of speech. But if you do not have personal wealth, then you are denied access to television. Instead of freedom of speech, you have only the freedom to shut up.

So let us be done with this phony charge that spending limits are somehow an attack on freedom of speech. As Justice Byron White points out, clear as a bell, in his dissent, both contribution limits and spending limits are neutral as to the content of speech and are not motivated by fear of the consequences of the political speech in general.

Mr. President, every Senator realizes that television advertising is the name of the game in modern American politics. In warfare, if you control the air, you control the battlefield. In politics, if you control the airwaves, you control the tenor and focus of a campaign.

Probably 80 percent of campaign communications take place through the medium of television. And most of that TV airtime comes at a dear price. In South Carolina, you're talking between $1000 and $2,000 for 30 seconds of primetime advertising. In New York City, it's anywhere from $30,000 to $40,000 for the same 30 seconds.

The hard fact of life for a candidate is that if you're not on TV, you're not truly in the race. Wealthy challengers as well as incumbents flushed with money go directly to the TV studio. Those without personal wealth are sidetracked to the time-consuming pursuit of cash.

The Buckley decision created a double bind. It upheld restrictions on campaign contributions, but struck down restrictions on how much candidates with deep pockets can spend. The Court ignored the practical reality that if my opponent has only $50,000 to spend in a race and I have $1 million, then I can effectively deprive him of his speech. By failing to respond to my advertising, my cash-poor opponent will appear unwilling to speak up in his own defense.

Justice Thurgood Marshall zeroed in on this disparity in his dissent to Buckley. By striking down the limit on what a candidate can spend, Justice Marshall said, "It would appear to follow that the candidate with a substantial personal fortune at his disposal is off to a significant head start."

Indeed, Justice Marshall went further: He argued that by upholding the limitations on contributions but striking down limits on overall spending, the Court put an additional premium on a candidate's personal wealth.

Justice Marshall was dead right and Ross Perot and Steve Forbes have proved it. Massive spending of their personal fortunes immediately made them contenders. Our urgent task is to right the injustice of Buckley versus Valeo by empowering Congress to place caps on Federal campaign spending. We are all painfully aware of the uncontrolled escalation of campaign spending. The average cost of a winning Senate race was $1.2 million in 1980, rising to $2.9 million in 1984, and skyrocketing to $3.1 million in 1986, $3.7 million in 1988, and up to $4.3 million this past year. To raise that kind of money, the average Senator must raise over $13,800 a week, every week of his or her 6-year term. Overall spending in congressional races increased from $446 million in 1990 to more than $724 million in 1994—almost a 70 percent increase in 4 short years.

This obsession with money distracts us from the people's business. At worst, it corrupts and degrades the entire political process. Fundraisers used to be arranged so they didn't conflict with the Senate schedule; nowadays, the Senate schedule is regularly shifted to accommodate fundraisers.

I have run for statewide office 16 times in South Carolina. You establish a certain campaign routine, say, shaking hands at a mill shift in Greer, visiting a big country store outside of Belton, and so on. Over the years, they look for you and expect you to come around. But in recent years, those mill visits and dropping by the country store have become a casualty of the system. There is very little time for them. We're out chasing dollars.

During my 1986 reelection campaign, I found myself raising money to get on TV to raise money to get on TV to raise money to get on TV. It's a vicious cycle.

After the election, I held a series of town meetings across the State. Friends asked, "Why are you doing these town meetings: You just got elected. You've got 6 years." To which I answered, "I'm doing it because it's my first chance to really get out and meet with the people who elected me. I didn't get much of a chance during the campaign. I was too busy chasing bucks." I had a similar experience in 1992.

I remember Senator Richard Russell saying: "They give you a 6-year term in this U.S. Senate: 2 years to be a statesman, the next 2 years to be a politician, and the last 2 years to be a demagogue." Regrettably, we are no longer afforded even 2 years as statesmen. We proceed straight to politics and demagoguery right after the election because of the imperatives of raising money.

My proposed constitutional amendment would change all this. Unfortunately, Senate procedure prevents me from offering my amendment to this bill, but, hopefully tomorrow when we see yet another attempt to reform our campaign spending laws fail, we will realize a constitutional amendment is the only viable solution. It would empower Congress to impose reasonable spending limits on Federal campaigns. For instance, we could impose a limit of, say, $800,000 per Senate candidate in a small State like South Carolina—a far cry from the millions spent by my opponent and me in 1992. And bear in mind that direct expenditures account for only a portion of total spending. For instance, my 1992 opponent's direct expenditures were supplemented by hundreds of thousands of dollars in expenditures by independent organizations and by the State and local Republican Party. When you total up spending from all sources, my challenger and I spent roughly the same amount in 1992.

And incidentally, Mr. President, let's be done with the canard that spending limits would be a boon to incumbents, who supposedly already have name recognition and standing with the public and therefore begin with a built-in advantage over challengers. Nonsense. I hardly need to remind my Senate colleagues of the high rate of mortality in upper Chamber elections. And as to the alleged invulnerability of incumbents in the House, I would simply note that well over 50 percent of the House membership has been replaced since the 1990 elections.

I can tell you from experience that any advantages of incumbency are more than counterbalanced by the obvious disadvantages of incumbency, specifically the disadvantage of defending hundreds of controversial votes in Congress.

I also agree with University of Virginia political scientist Larry Sabato, who has suggested a doctrine of sufficiency with regard to campaign spending. Professor Sabato puts it this way: "While challengers tend to be underfunded, they can compete effectively if they are capable and have sufficient money to present themselves and their messages."

Moreover, Mr. President, I submit that once we have overall spending limits, it will matter little whether a candidate gets money from industry groups, or from PAC's, or from individuals. It is still a reasonable—"sufficient," to use Professor Sabato's term—amount any way you cut it. Spending will be under control, and we will be able to account for every dollar going out.

On the issue of PAC's, Mr. President, let me say that I have never believed that PAC's per se are an evil in the current system. On the contrary, PAC's are a very healthy instrumentality of politics. PAC's have brought people into the political process: nurses, educators, small business people, senior citizens, unionists, you name it. They permit people of modest means and limited individual influence to band together with others of mutual interest so their message is heard and known.

For years we have encouraged these people to get involved, to participate. Yet now that they are participating, we turn around and say, "Oh, no, your influence is corrupting, your money is tainted." This is wrong. The evil to be corrected is not the abundance of participation but the superabundance of money. The culprit is runaway campaign spending.

To a distressing degree, elections are determined not in the political marketplace but in the financial marketplace. Our elections are supposed to be contests of ideas, but too often they degenerate into megadollar derbies, paper chases through the board rooms of corporations, and special interests.

Mr. President, I repeat, campaign spending must be brought under control. The constitutional amendment I have proposed would permit Congress to impose fair, responsible, workable limits on Federal campaign expenditures.

Such a reform would have four important impacts. First, it would end the mindless pursuits of ever-fatter campaign war chests. Second, it would free candidates from their current obsession with fundraising and allow them to focus more on issues and ideas; once elected to office, we wouldn't have to spend 20 percent of our time raising money to keep our seats. Third, it would curb the influence of special interests. And fourth, it would create a more level playing field for our Federal campaigns—a competitive environment where personal wealth does not give candidates an insurmountable advantage.

Finally, Mr. President, a word about the advantages of the amend-the-Constitution approach that I propose. Recent history amply demonstrates the practicality and viability of this constitutional route. Certainly, it is not coincidence that all five of the last six recent amendments to the Constitution have dealt with Federal election issues. In elections, the process drives and shapes the end result. Election laws can skew election results, whether you're talking about a poll tax depriving minorities of their right to vote, or the absence of campaign spending limits giving an unfair advantage to wealthy candidates. These are profound issues which go to the heart of our democracy, and it is entirely appropriate that they be addressed through a constitutional amendment.

And let's not be distracted by the argument that the amend-the-Constitution approach will take too long. Take too long? We have been dithering on this campaign finance issue since the early 1970's, and we haven't advanced the ball a single yard. It has been a quarter of a century, and no legislative solution has done the job.

Except for the 27th amendment, the last five constitutional amendments took an average of 17 months to be adopted. There is no reason why we cannot pass this joint resolution, submit it to the States for a vote, and ratify the amendment in time for it to govern the 1998 election. Indeed, the amend-the-Constitution approach could prove more expeditious than the alternative legislative approach. Bear in mind that the various public financing bills that have been proposed would all be vulnerable to a Presidential veto. In contrast, this joint resolution, once passed by the Congress, goes directly to the States for ratification. Once ratified, it becomes the law of the land, and it is not subject to veto or Supreme Court challenge.

And, by the way, I reject the argument that if we were to pass and ratify this amendment, Democrats and Republicans would be unable to hammer out a mutually acceptable formula of campaign expenditure limits. A Democratic Congress and Republican President did exactly that in 1974, and we can certainly do it again.

Mr. President, this amendment will address the campaign finance mess directly, decisively, and with finality. The Supreme Court has chosen to ignore the overwhelming importance of media advertising in today's campaigns. In the Buckley decision, it prescribed a bogus if-you-have-the-money-you-can-talk version of free speech. In its place, I urge the Congress to move beyond these acrobatic attempts at legislating around the Buckley decision. As we have all seen, no matter how sincere, these plans are doomed to fail. The solution rests in fixing the Buckley decision. Unfortunately, today we are barred procedurally from getting to take such a vote. It is my hope that before this Congress is out, the majority leader will provide us with an opportunity to vote on my amendment—it is the only solution.

Mr. President, this is a significant reference, and it has been prepared for me with respect to the substituting, or actually amending, a simple bill by a constitutional amendment. The Parliamentarian says:

> The most significant question addressed here is whether the form for proposing a constitutional amendment is prescribed. Article V of the Constitution provides that Congress may, upon a two-thirds vote in each House, propose amendments to the Constitution, subject to ratification by three-fourths of the States. In the alternative, Congress may, upon application of two-thirds of the States, call a convention to consider proposed amendments. Neither the Constitution nor the Standing Rules of the Senate specify the form that the proposal should take. The vast majority of measures proposing amendments to the Constitution introduced in either House of the Congress have been in the form of a joint resolution. A report prepared by the Congressional Research Service, or reference service of the Library of Congress, in 1985, which built upon two earlier compilations of this material states that 9,994 proposals to amend the Constitution had been introduced since 1789 through the 98th Congress (report number 8536, page 3). Of these, only the following 6 have been determined to be in a form other than a joint resolution: S. 2 (December 4, 1889); S. 3000 (January 5, 1916); S. Con. Res. 4 (January 9, 1924); H.R. 9468 (February 17, 1926); S. 199 (January 4, 1935); S. 1020 (April 20, 1981). This enormous weight of practice has, however, never resulted in a Senate precedent. To the contrary, in the only Senate precedent on this point, Vice President Barkley stated, in response to a related point of order: "On the question of whether an amendment to the Constitution must be submitted in the form of a joint resolution, or in the form of a bill, the only requirement of the Constitution is that the question shall be submitted by a two-thirds vote. It does not require that it be done by joint resolution. It may be done in the form of a bill (January 25, 1950, CONGRESSIONAL RECORD, page 872, 81st Congress, second session). On May 9, 1962, in response to an inquiry, the chair implied that a constitutional amendment could be proposed as a substitute for a House private relief bill. Therefore, no point of order would lie against a bill which proposed to amend the Constitution."

I thank the distinguished Chair and my colleagues for their indulgence.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 1899 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. STEVENS. Mr. President, I would like to say a few words about this campaign reform bill which is before us. It is with reluctance that I come to the floor to make these statements because I, also, along with Senator HOLLINGS, was a member of the conference committee that brought forth the Senate and the House bill, and sent to the President what I considered to be a real reform bill. We did that coming out of the days of the disclosures of the Watergate era. I believe we have come through several reform eras, and unfortunately those who have come in after the reform has taken place do not recognize that what they see has been reformed, when compared to the past.

When I first came to the Senate there were campaign chairmen who went from State to State with suitcases full of cash. There was no disclosure as to where it came from. We did a lot to reform politics in the United States with the acts that have already been passed. If those acts had only been really followed perhaps we would not be here today arguing over whether this is a reform bill. I come to the Senate because in recent weeks Alaskans who were worried about the impact of this bill have contacted my office. They came to me from the Alaska Broadcasters Association, they came to me as members of various church related organizations, and they came just as individuals who are concerned about the limits placed on their political freedom by this bill.

I agree with the statements earlier made by the Senator from Washington concerning the freedom of association. I view this bill as being directly contrary to one of the basic freedoms of our country. And it is not a bill that is a reform bill at all. It is a bill that people want to call reform because they want to have some symbol in this campaign to use against those of us who are candidates, and they think we will not have the guts to stand up and oppose this bill. They are wrong.

This bill is not a reform bill. I believe we must clean up the system even more than we have in the past and make it fair. But we cannot do that by limiting people's freedom, or by forcing upon the public the cost of financing campaigns.

To me this bill places unfair restrictions on advocacy groups and associations. People in this country ought to be free to associate together and pool their money as long as there is disclosure of where it has come from and there is a record of it. The bill restricts organizations that are the eyes and ears of people who are far distant from this place, and bans political action committees.

Mr. President, the political action committee itself was a reform. It required that people who band together disclose who contributes to their campaign fund, and it requires those to whom the funds are given disclose the receipt of it as well as the committee disclosing the contribution of it. This bill would discourage voter guides that are given to members of groups such as the Christian Coalition or individual churches, or fishermen's organizations in my State. They are records to guide their membership as to the actual voting that takes place here on the floor, and the positions taken by candidates.

I think that ought to be encouraged in a democracy, and not discouraged. This bill will discourage it.

This bill requires broadcasters—and in my view unconstitutionally—to provide free air time to participating candidates.

I happen to have in my State a series of very small broadcasters. I sometimes wonder how they survive. As a matter of fact, one of them, Al Bramstedt of a network affiliate in Anchorage, flew in and testified at our Rules Committee and set forth their objections to this bill. Mr. President, at this point I ask unanimous consent that Mr. Bramstedt's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

ORAL TESTIMONY OF AL BRAMSTEDT ON CAMPAIGN REFORM

Thank you, Mr. Chairman. My name is Al Bramstedt. I am general manager of the NBC affiliate in Anchorage, Alaska. I thank you and Senator Stevens for allowing me to speak to you this morning on the impact broadcast provisions of campaign reform proposals would have on small-market television. During the new few minutes I want to discuss the effects of the bill's free-time provisions. And you'll hear examples of how these provisions, with reductions in the lowest unit rate and revised classification of time, would bring about financial harm for many smaller stations.

Changing technologies will present us new challenges in the future, but with calm minds and stout hearts America's television broadcasters, even most of the small-market broadcasters, will meet these challenges and remain viable. Today, and in the years ahead, that viability depends on stable income.

A.C. Nielsen ranks Anchorage, Alaska number 156 in market size. Although that's considered small, there are dozens of other markets even smaller. In our market, with its low television station profit margins, every dollar makes a difference.

Political advertising revenue is no exception. In 1994, Anchorage market television cash revenue totaled over $19 million dollars. Political advertising represented more that 10 percent of that total—close to $2 million dollars.

In any business decision, I believe we must consider the impact of Isaac Newton's third law of physics. Newton taught us that for every action there is an equal and opposite reaction.

The action of the free-time provisions of S. 1219 would be to disrupt and reduce revenue from political advertising upon which we, as small-market television broadcasters, are dependent.

Our stations' regular advertisers in turn depend on television to deliver the vital fourth-quarter revenue that sustains them the other nine months of the year.

Local broadcasters also depend heavily on fourth quarter revenues to meet their overall profitability. S. 1219 and proposals like it would reduce television's effect as an advertising medium for commercial advertisers each political season and would directly impact our ability to operate profitably.

These free political ads would not really be free. Newton was right: there will also be a reaction.

To make up revenue lost by displacing regular advertisers, broadcasters would have to increase already challenging fourth-quarter rates for their year-round advertisers, or simply eat those costs themselves.

There is no such thing as "free" time. The cost of providing this time under S. 1219 would be paid by advertisers and broadcasters.

Mandated free time proposals are unnecessary. Broadcasters already are providing ever-increasing news and public affairs coverage of federal candidates' campaigns, without the force of federal law.

It is unfair that, while more coverage is taking place, broadcasters are being singled out by this proposed legislation—unlike our major advertising competitor, newspapers.

The current lowest-unit-rate law contains remarkable benefits for political candidates. Forty-five days prior to the primary and 60 days before the general election, legally qualified candidates receive the lowest unit rates the station provides to its most favored advertisers.

Even in small markets, to receive these substantial discounts—typically 25 percent or more—non-political advertisers must spend at least $100,000 each year.

Under the current lowest-unit-rate provisions, during the most important pre-election period candidates pay the lowest rates possible without a commitment of any kind.

Any greater discount formula, much less any free-time provisions, would be unfair not only to television broadcasters, but also to every fourth-quarter advertiser.

In conclusion, I urge you to reject S. 1219. The free-time provisions contained in this bill would harm television broadcasters financially and disrupt advertisers significantly. Further discounts and revising the classification of time simply would make the fourth quarter of every election year unmanageable for television broadcasters. Thank you.

Mr. STEVENS. Mr. President, these broadcasters are the people who deliver over-the-air free television and free radio to people who live in rural America. And if there is any place that is rural it is my State, one-fifth the size of the United States.

To have a bill that says these people must provide the candidates free time is a burden from which many of those broadcasters cannot survive. If they do survive, it will be by charging their advertisers, their customers, to pay higher rates to cover the cost of this free time mandated by the Congress, if this bill is enacted. I think that too is unconstitutional.

It also burdens the Postal Service. Mr. President, I now have served on the Post Office and Civil Service Subcommittee of this Senate longer than any Senator in history. I have really spent a lot of time trying to help the Postal Service survive. It is something I believe must continue. Today, there are many, many Members of Congress would like to just do away with it altogether. This bill would start the process because it would require that the Postal Service provide reduced postal rates to the participating candidates. It is other postal users, their customers again, that pay those costs, or else there will be a deficit for the Postal Service.

This bill is simply public financing of political campaigns again. It is masked. It is in disguise. It is not a reform bill. The broadcasters will pass along their costs to advertisers who try to support free over-the-air radio, or television, if they can. It will require the Postal Service to pass on their costs to the users of the Postal Service, if they can. In effect this bill may be raising the rates for everyone else in the country who uses the Postal Service. The Postal Service is not supported by the taxpayers. It is supported by the ratepayers.

I believe that reform of the system is possible. But it must be constitutional, and it must be fair. It cannot place the financial burden of reform on the public.

I support changing the system in many ways. I have discussed these before. All contributions and campaign expenditures I think should be held to the strictest standards of disclosure. I do not believe in soft money whether it is given to political parties or to candidates, or in bundling of contributions from many sources. I think sunlight is the best disinfectant for the political process, but there is no sunlight under this bill at all.

I support the concept that political action committees should be held to the same disclosure standards and the same contribution limits as individuals or as associations of individuals. In my judgment, business people, fishing groups, and even Alaska whaling captains ought to have the right to participate in the system as a group. But it is not a stronger right I think than individual citizens.

Cash contributions I think should be banned in any amount, whether it is called soft money, or whatever you want to call it. It ought to be banned. Cash is too difficult to track, too difficult to monitor, and it is ripe for abuse. I do not want to go back to the days when campaign chairmen traveled with suitcases full of cash.

They do not do it anymore, Mr. President. There has been reform. And not too many people remember the reforms.

Corporate contributions of any sort to candidates or to parties ought to be banned. We thought we had banned it before under the act that passed the Congress, and there have been ways found around it. But I do not think we should allow corporate contributions of any sort to candidates or parties. All contributions to parties or individuals who are candidates ought to be after-tax dollars. There should be no burden on the taxpayers as a result of the political process.

I would support an additional constitutional amendment to get around the problem of Buckley versus Valeo, the Supreme Court case that held that the bill we passed was unconstitutional as far as the spending of the money that belonged to an individual candidate or his family. I support a constitutional amendment that would limit a candidate's personal spending to a reasonable amount—a quarter of a million dollars, shall we say. That ought to be enough for anyone to spend of their own money to run for political office. Congress ought not to become a special preserve for the wealthy.

But it also ought not to be so structured that it denies an individual or a group of individuals to freely associate and freely conduct themselves in a political process.

Again, I say I was in the chair when one Member kept repeating that this is the reform bill of this Congress. If this is the reform bill of this Congress, if this is the best that we can do, we ought to go home now.

Thank you very much, Mr. President.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, perhaps this would be a good time to spend just a few minutes on distinguishing what is in this bill and what is not in the bill.

We have heard a number of concerns from the opponents that apparently relate to other pieces of legislation. What I would like to do just briefly is indicate what we do have in the bill, and then the Senator from Arizona, I think, will more plainly explain the basic structure of the bill.

The Senator from Alaska just made a few comments about the bill which, unfortunately, simply do not reflect what the bill does now. A concern was raised in the past about these voter guides that people want to be able to send out. The concern was heard. The Senator from Arizona and I specifically included a provision in this bill which reads as follows:

> The term "expressed advocacy" does not include the publication and distribution of a communication that is limited to providing information about votes by elected officials on legislative matters and that does not expressly advocate the election or defeat of a clearly identified candidate.

We heard the concern. It has been taken care of. This is another red herring.

Second, speaker after speaker in the opposition today has said that there are mandatory spending limits on this bill, that it is a return to the legislation in the early 1970's. That is just false. We read Buckley versus Valeo. We understand there is a concern in that decision, and that is why we have a voluntary structure. You only have to limit your campaign spending voluntarily. If you do not want to, you do not have to.

Third, the Senator from Alaska says that small TV stations in places like Alaska will have a problem with the free television time. We were aware of that problem from the beginning and specifically have included a hardship provision where a station can easily demonstrate—a smaller station, which is not very likely to be the station used for the free time anyway, can get out from under those provisions. Again, a red herring.

And finally, the concern about the postal service. Senator MCCAIN and I have included a sense-of-the-Senate provision suggesting that the money we save on not having franking done in an election year by people running for office be used to fund the postal reduction. So this is not some kind of new public financing or new burden on the post office if it is done right.

Mr. President, let us talk a little bit about what the bill really does. The proposal does not advocate taking money completely out of the process. Consistent with the Supreme Court's ruling in Buckley versus Valeo, we do not limit any single candidate's ability to spend as much money on their campaign as they want.

No matter how many times the opposite is said to try to confuse the issue, all we try to do here is set up a fair fight. That is all, just a fair fight. We want to ensure that all qualified candidates, not just those with access to big money, have the ability to adequately participate in the political process. All this talk about a gag rule or automatic limitations simply does not relate to our bill. What the overwhelming majority of Americans believe, Mr. President, and what I suspect most Members of this body believe is that our current campaign system which has as its foundation unlimited campaign spending has become about as dysfunctional as it can possibly get.

So what does our bill actually do? None of the things that have been said in the Chamber today by the opposition. What it does do is create a simple, voluntary system.

What are the things that one must volunteer to do in order to get the benefits of the bill? Three major things. First, you have to agree, in order to get the incentives that the Senator from Arizona says, if you want to get the incentives, you have to agree to limit how much you spend in total based on the size of your State—$1 million in a smaller State, something like $9 million in California and all the States in between. You do not have to. But if you want the benefits of the bill, that is what you need to agree to.

Second, you need to get 60 percent of your campaign contributions from individuals from your own home State. That means all the PAC money and all the out-of-State contributions have to be less than 40 percent. If you do not want to do it, you do not have to. If you want to spend $20 million in out-of-State money or PAC money, you can do it. But if you want the goodies, if you want the benefits, if you want the fairness of this system and not spend all of your time raising money from out of State or from PAC's, then you have to agree to this 60 percent limitation.

Third, you cannot spend any amount of your own personal money in order to get the benefits of the bill. In the largest State, you cannot spend more than $250,000. In my State, you could not spend more than $150,000. This is irrelevant to me and some of us in the body, but assuming you have that, that is what you have to do. But again, you can do whatever you want. Mr. Huffington could still spend $30 or $40 or $100 million in California. He just would not get the benefits of the bill. So it is all voluntary.

It is a major distortion to suggest that any of that is mandatory. It simply is not. We crafted it that way because, of course, we intended for this bill to be constitutional, and we strongly believe it is.

What does the person get if they abide by these rules? They sure do not get equality. That is not what the Senator from Arizona and I believe is the result of this bill. They just get a fighting chance.

One of the things a person gets who obeys and abides by the rule is half price on their television time. They get half of the lowest commercial rate—30 days before the primary and 60 days before the final. That is the biggest expenditure of most campaigns. That is what they would get.

Second, they get 30 minutes of free television time if they make it to the final election.

And third, they get the equivalent of two statewide postal mailings at the third class rate given to nonprofits. That is all they get.

They do not get public financing. They do not get equality with their opponent, and the opponent can still spend $5, $10, $15, $20 million. Again, the notion that these provisions are either unconstitutional or mandatory is simply false.

In addition—and this has not been brought out yet—this bill puts the toughest restrictions on soft money ever in a piece of legislation in this body. In other words, we are going to shut down on this practice of pretending that there are hard money limits of $1,000 or $5,000 for PAC's and then somehow allowing individuals and political action committees to come through the back door and end up spending anything they want. Currently, individuals can only give $1,000 to candidates per election, but, with soft money, individuals can give unlimited contributions to a national party's non-Federal account. PAC's are limited under the law today to $5,000 for hard money, but they may make unlimited contributions to a national party's non-Federal account. Corporations and unions today are prohibited from making direct contributions to Federal candidates or national parties, but they may make unlimited contributions to a national party's non-Federal account. The McCain-Feingold bill shuts this down.

So there is a voluntary scheme that candidates need to abide by to get the benefits, but, yes, there is a scheme of cracking down on soft money that would make the process much more fair and much more accountable.

Mr. President, I want to emphasize, because of the criticisms of the bill as being unconstitutional, the voluntary nature of the bill. If a particular candidate wants to spend more than the system allows or if the candidate is spending $1 million and wants to drop more money into the campaign, they can go ahead and do it. All the candidates can operate as under the present system.

Mr. President, in the time remaining, let me indicate specifically that the authors of this bill strongly reject the notion that this bill is not constitutional. Let me read from the opinion of L. Paige Whitaker, the legislative attorney for the Congressional Research Service, who was specifically asked the question about the constitutionality of our voluntary scheme. He said as follows:

> In the 1976 landmark case of Buckley v. Valeo, the Supreme Court held that spending limitations violate the first amendment because they impose direct substantial restraints on the quantity of political speech. The Court found that expenditure limitations failed to serve any substantial Government interest in stemming the reality of corruption or the appearance thereof and that they heavily burdened political expression. As a result of Buckley, spending limits may only be imposed if they are voluntary.

Mr. Whitaker continues:

> It appears that the provision in question would pass constitutional muster for the same reasons that the public financing scheme for Presidential elections was found to be constitutional in Buckley. The Court in Buckley concluded that Presidential public financing was within the constitutional powers of Congress to reform the electoral process and that the public financing provisions did not violate any first amendment rights by abridging, restricting or censoring speech, expression and association but, rather, encouraged public discussion and participation in the electoral process.

Indeed, as Mr. Whitaker quotes the Court, he says:

> The Court succinctly stated, "Congress may engage in public financing of election campaigns and may condition acceptance of public funds on agreement of the candidate to abide by specific expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forego private fundraising and accept public funding.

Finally, applying this principle to this bill, which does not involve public financing, he says:

> Because the subject provision does not require a Senate candidate to comply with spending limits, the proposal appears to be voluntary. Although the incentives of public benefits are provided in the form of reduced and free broadcast time and reduced postage rates to those candidates who comply with the spending limits, such incentives do not appear to jeopardize the voluntary nature of the limitation. That is, a candidate could legally choose not to comply with the limits by opting not to accept the public benefits. Therefore [he concludes] it appears the proposal would be found to be constitutional under Buckley.

The constitutional analysis that has been given to this closely reads Buckley versus Valeo and concludes what is inescapable, and that is, if it is a voluntary scheme, which this is, it will pass constitutional muster. All the claims that have been made today that this bill that is before us today is somehow the bill that was passed 20 years ago are simply false. This is a constitutional provision; we drafted it that way with that in mind, and this is, again, perhaps, the largest red herring that is being offered by the other side.

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, as one of the original cosponsors of the McCain-Feingold bill S. 1219, I rise in support of the bill and urge that it not be set aside by a cloture vote. It is by no means a perfect bill, but it does move us several steps closer to a better campaign finance system.

More than 35 years in the Senate I have joined in sponsoring and supporting virtually all major campaign reform legislation before the Senate. In my view, many of these reforms have worked quite well, notwithstanding the traditional laments about the evils of the system.

Just consider how far we have come in improving the system since the Watergate era. We have an effective reporting and disclosure system which works very well; it uses electronic technology and is light years beyond the previous system. We have a system for public funding of Presidential elections, which while compromised by recent practice, is still at core an effective counterforce to flagrant abuse. And we have the Federal Election Commission which fulfills the indispensable role of a neutral—or at least bipartisan—referee, notwithstanding the structural problems inherent in such a role.

To be sure, there are major flaws and problems crying out for resolution. They include the glaring problem of soft money, the disproportionate influence of PAC's and the exorbitant cost of media advertising. The McCain-Feingold bill addresses these problems in a straightforward way.

Indeed, one of the main reasons I joined as an original cosponsor of the bill is that it provides an entitlement of free broadcast time for candidates who voluntarily comply with the spending limits proposed by the bill.

The concept of free broadcast time for Federal candidates is an idea that I have embraced for many years. I believe that the provision of free media time to educate the electorate should be a basic condition of a grant of a license for commercial use of a segment of the broadcast spectrum.

I have sponsored legislation providing various schemes for free time grants for political campaigns for the past 10 years, and I remain hopeful that the concept will one day become law.

When I first introduced legislation providing for free media time in 1986, the idea was viewed as being quite far out of the mainstream—so much so that the bill was not taken very seriously. But by 1993, the concept had gained enough momentum to attract 32 votes in the Senate when I offered it as an amendment to Senator Boren's Election Reform Act. So while the amendment failed to carry the day, the idea had indeed come into its own. And now the McCain-Feingold bill takes it a step further.

I would point out that my own proposals for free broadcast time differ from those in the bill in two respects. First, I believe free broadcast time should be made available for all legitimate candidates, regardless of whether they agree to spending limits, because all should be sharing in an equal claim on a public resource, namely the broadcast spectrum. And my plan would actually distribute the free time through the political parties, to allow for the problem of overlapping claims on broadcasters, which might result from direct distribution to candidates.

Second, I would note that my 1993 amendment to the Boren bill contained a contingency provision of tax deductibility for broadcasters of the value of free time made available for political campaigns. Some such consideration seems necessary to overcome the objections of the broadcast industry.

Finally, Mr. President, I have a basically different view of political action committees than is reflected in this bill. In my view, PAC's play a useful and legitimate role in conveying valid political interests to the campaign process. I do fully agree that they have come to wield disproportionate influence and that their techniques have frequently created the appearance and often the reality of undue and improper influence.

But the solution, I believe, is not to ban PAC contributions altogether from the political process. Surely, there must be a middle ground that would permit PAC's to make their legitimate contribution to the political process without compromising the beneficiaries.

One approach that I find intriguing is the idea of an intermediary, or buffer, between the contribution PAC and the beneficiary candidate both for purpose of sanitizing the transaction and enforcing an overall limit of PAC expenditures per candidate.

This would entail the creation of a neutral entity which might be called the national political action fund, to be the central repository to which all PAC contributions must be sent, with a pubic listing of intended beneficiaries. The fund would be administered by a neutral authority, possibly the Federal Election Commission.

Part and parcel of this concept would be the provision of statutory limits on the aggregate amount of contributions a candidate could receive from all PAC's in an election cycle. A model for such a provision is the standby limitation proposed in S. 1219, which is 20 percent of the applicable spending limit per State.

Under the plan I am outlining, PAC's could designate intended recipients for payments up to the existing $5,000 limit, and the neutral administrator of the fund would make the payments accordingly, up to the statutory aggregate limit for a given candidate. Any surpluses remaining in the national political action fund at the end of each cycle could be transferred to the Presidential Election Campaign fund, or some similar appropriate source.

Mr. President, I offer the outline of this plan for further development. The process of political campaign reform is an evolutionary process, and I am pleased to have been part of it so far. It remains for those who follow to take up the cause and carry it to new levels of improvement. I urge them to be persistent and patient.

Mr. KOHL. Mr. President, I rise today to join with my colleagues in supporting S. 1219, the Senate Campaign Finance Reform Act. First, I wish to commend my colleague, Senator RUSS FEINGOLD, for his tireless work in bringing this issue to the floor. Senator FEINGOLD has done a tremendous job in keeping this issue before the Senate and ensuring that we have a full debate on this bill. I also wish to commend Senator JOHN MCCAIN, another stalwart advocate of campaign finance reform. Without his bipartisan leadership, we would not be debating this bill today.

Mr. President, we all know our campaign finance system is broken. We all know that the American public is losing trust in our government institutions and electoral system more and more each year. It seems that all members of Congress, Democrats and Republicans, agree that reform is absolutely necessary. Unfortunately, that is where the agreement ends. For a variety of reasons, it seems impossible for Congress to pass and for the President to sign meaningful campaign finance reform. This issue is consistently mired in partisan politics, tinged with the self interest of some individuals and groups who have a vested interest in maintaining the status quo.

That is why today's proposal is so unique. The Senate Campaign Finance Reform Act is the first, real bipartisan reform plan to reach the Senate floor in decades. In the House of Representatives, there is a companion measure which also has garnered bipartisan support. These two bills have widespread grassroots backing through the United States, from groups as diverse as United We Stand to the Gray Panthers to the Children's Defense Fund.

This legislation strikes at the heart at much of what is wrong with our campaign finance system: it eliminates PAC contributions; caps the amounts that can be spent in campaigns; curtails the practice of bundling contributions; and closes the loopholes allowing so-called soft money contributions. The legislation establishes many of these limits through a voluntary system, thereby conforming with Supreme Court rulings governing campaign financing.

Like many Senators, if I had drafted my own bill, I would have omitted some provisions of this legislation and included others. But any meaningful bipartisan reform must be a compromise between competing proposals. And campaign finance reform must be done in a bipartisan fashion—legislation crafted by one party and rammed through the Congress will not and should not get the support of the American people.

Mr. President, I recognize there are deep divisions among Members of Congress over the how to reform our campaign finance system. These divisions have led to stalemate after stalemate over 20 years. Without serious reform, the American public will continue to mistrust not only the way we elect candidates, but the very fundamental precipes of our government. This must not go on.

S. 1219 is the best option currently moving through the Congress to begin renewing America's faith in our elections and curtail the influence of special interest contributions. I am pleased to be a cosponsor of this bill, and urge my colleagues to vote in favor of cloture.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I understand we have a unanimous-consent agreement concerning tomorrow's activities on this particular measure, as well as the rest of today. In the meantime, I would like to make some additional remarks.

I am pleased today we have begun debate on the issue of campaign finance reform. It is a very important issue, one that affects every Member individually, perhaps more than any other issue that will come before this body. There are strong views on this subject. I appreciate the sincerity of those views, but I think we must recognize the public is rightfully demanding reform, and we have an obligation to act on that demand.

Today, as we begin debate on this legislation, the bipartisan Senate Campaign Reform Act of 1995, introduced by myself, Senators FEINGOLD, THOMPSON, WELLSTONE, KASSEBAUM, SIMPSON, GRAHAM of Florida, and others, we are taking a step in the right direction.

Tomorrow we will be faced with the next step. Tomorrow the Senate will vote on cloture on this measure. Make no mistake, that vote is a vote for or against campaign finance reform. A vote for cloture is a vote to move forward, a vote to reform the system. A no vote on cloture is a vote against reform, a vote to preserve the status quo.

This Congress has taken positive steps in the area of institutional reform. The Senate has passed both lobbying reform and gift ban reform legislation. The Senate deserves great praise for this action. The public is justifiably now demanding we take action on the most important sweep of reforms, campaign finance reform. Failure to do so will result in greater public disdain for the Congress.

I hope my colleagues recognize that the status quo has led to dismal approval ratings of the Congress. According to a recent poll conducted by CBS News and the New York Times, only 19 percent of the American people approve of the job that Congress is doing, while a staggering 71 percent disapprove.

We must do something to restore the public's confidence in the Congress as an institution. Our bill is not perfect, but we should not let "perfect be the enemy of the good." After cloture is invoked, my colleagues will have the opportunity to offer amendments and attempt to improve the bill. I hope we can move forward.

Mr. President, this bill is about restoring the public's faith in the Congress and the electoral system. It is about elections being won and lost on ideology, not fundraising. It is about leveling the playing field between challengers and incumbents, and it is a bipartisan effort to bring about a dramatic change to the status quo.

Again, I want to note, this bill is about placing ideas over dollars. Last year, the Republicans took control of the House and the Senate, not due to fundraising but due to ideas that the American people understood and related to. Campaigns are not run for free. This bill recognizes that fact. It does not end campaign spending, but it limits it in a manner that forces candidates to rely more on their message than on their fundraising prowess.

Mr. President, poll after poll demonstrates that the public has lost faith in the Congress. One of the reasons this has occurred is that the public believes, rightly or wrongly, that special interests control the political and electoral system.

In order to limit the ability of special interests to control the process, we must enact campaign finance reform. A recent USA-CNN-Gallup poll revealed that 83 percent of the American people want to see campaign finance reform passed.

According to the same poll, the only two issues that the public felt more important were balancing the Federal budget and reforming welfare. Other polls show how badly campaign finance reform is needed.

I made reference earlier to a poll conducted by Mr. McInturff of Public Opinion Strategies, which asks three questions: "Which of the following do you think really controls the Federal Government in Washington?"

Registered voters responded: the lobbyists and special interests, 49 percent; Republicans in Congress, 25 percent; have not thought much about it, 14 percent; the President, 6 percent; the Democrats in Congress, 6 percent.

When asked "those who make large campaign contributions get special favors from politicians," respondents said: this is one of the things that worries you most, 34 percent; worries you a great deal, 34 percent; worries you some, 20 percent; worries you not too much, 5 percent; and worries you not at all, 3 percent.

Finally, when asked "we need campaign finance reform to make politicians accountable to average voters rather than special interests," the voters stated: this was very convincing, 59 percent; somewhat convincing, 31 percent; not very convincing, 5 percent; not at all convincing, 4 percent; and don't know, 2 percent.

Mr. President, I think that pretty well describes the view of the American people on this issue. I would like to outline, again, because of a lot of the statements that have been made already on the floor on this issue, again, what the bill does, because there has been either a misunderstanding or misconstruing of what this legislation does. It contains voluntary spending limits and benefits. Spending limits would be based on each State's voting-age population, ranging from a high of over $8 million in a large State like California to a low of $1.5 million in a smaller State like Wyoming.

Candidates who voluntarily comply with spending limits would receive free broadcast time. Candidates would be entitled to 30 minutes of free broadcast time, broadcast discounts. Broadcasters would be required to sell advertising to a complying candidate at 50 percent of the lowest unit rate, reduced postage rate. A candidate would be able to send up to two pieces of mail to each voting-age resident at the lowest third-class nonprofit bulk rate.

As my colleague from Wisconsin pointed out earlier, by eliminating the franked mail, the free mail that Senators make use of during this time period, that would be the way that we would pay for the reduced postage rates.

I also point out this free broadcast time of up to 30 minutes in every 6-year cycle in a State I do not believe would be a debilitating experience for most broadcasters. However, if a small station can prove that that would have harmful—in fact, damaging—financial effects on them, then there is a way to get dispensation from this requirement.

There is a new variable contribution limit. If a candidate's opponent does not agree to the spending limits or exceeds the limits, the complying candidate's individual contribution limit is raised from $1,000 to $2,000 and the complying candidate's spending ceiling is raised by 20 percent.

The bill limits the use of personal funds. Complying candidates cannot spend more than $250,000 from their personal funds. Candidates who spend more than that amount are considered in violation of this act and thereby qualify for none of this act's benefits.

The legislation requires candidates to raise 60 percent of campaign funds from individuals residing in the candidate's home State. If a candidate is running from a small State, a candidate may still qualify for the benefits contained in this bill if 60 percent of the individuals contributing to the candidate's campaign committee legally reside in the candidate's State, as compared to the larger States where 60 percent of the dollars raised must come from within the candidate's State. All such individuals must be reported to the FEC.

There was a legitimate and, I think, sincere concern on the part of Members from small States, and I think this modification that we have made will be very helpful in that direction.

The legislation bans political action committee contributions. While the bill bans PAC's, in case a PAC ban is ruled unconstitutional by the Supreme Court, backup limits on PAC contributions are also included.

In such an instance, PAC contribution limits will be lowered from $5,000 to the individual contribution limit.

Additionally, candidates could receive no more than 20 percent of their contributions from political action committees.

Mr. President, I have heard the arguments today, and will hear them again tomorrow, about how political action committees are simply collections of individuals who want to see good Government. That is not the problem. I believe that individuals can contribute significantly, but the problem lies not in the political action committees being formed, the problem is that the political action committees cause a dramatic unlevel playing field.

I do not know how a challenger really thinks that they can compete when in 1995—and the numbers will be similar for 1996, Mr. President—$59.2 million went to incumbents and $3.9 million went to challengers.

That is what is wrong with the political action committee, Mr. President. It is where the money is going. You know, I said half facetiously earlier in the debate, if challengers were voting on this bill, it would go through in a New York minute. I understand how many incumbents have come to rely on political action committee funding. But what we have to do here is try to give challengers an opportunity.

This frustration with challengers not having an equal opportunity in the political playing field has been manifested in the term limits movement. Why is it that we have seen in recent years this tremendous increase in support for term limits? It is because incumbents stay too long, in the view of the voters.

I suggest to you a better solution than term limits—although I have supported term limits because that is the view of the majority of the people in my State—but if you really want to keep the good and great people, many of whom have graced this body and the other one, then you should make sure that there is an equal opportunity for all in the political arena, and thereby you keep the best people and you get rid of the worst.

There were a lot of comments made in the last election that there was this huge turnover in Congress, especially in the other body there was this huge turnover. There were some very spectacular defeats of some long-term incumbents.

Mr. President, I also remind you that 91 percent of the incumbents overall were reelected in the last election in this and the other body in the numbers of incumbents who sought reelection.

Mr. President, this is obviously a very, very emotional issue, this issue of political action committees. It is an emotional issue. There is a question about its constitutionality. That is why, if a complete ban is declared unconstitutional, then the limits on spending will be reduced to that of an individual contribution. Yet at the same time, Mr. President, this situation, in the view of the majority of the American people, I think very correctly, is that political action committees distort the political process. Looking at those numbers, I do not know how you reach any other conclusion except that they distort the political process rather dramatically.

Mr. President, the bill also bans all franked mass mailings in the calendar year of a campaign.

It increases disclosure and accountability for those who engage in political advertising. In order to discourage negative advertising and encourage accountability, any political ad must contain a disclosure where the individual running the ad states, "(the name of the individual) is responsible for the contents of this ad."

For example, if I was running against the Senator from Colorado, who is in the chair, for the U.S. Senate and I had something negative to say about him, then at the bottom of the television ad it would say—if my committee paid for it, if contributions to my campaign paid for it, down at the bottom of the television commercial it would say, "JOHN MCCAIN is responsible for this message."

Mr. President, it would not say, "Paid for by Joe Smith, treasurer, MCCAIN for Senate." It would not say a lot of the other things that you see which are a little confusing to voters.

It would say, "JOHN MCCAIN is responsible for the contents of this ad," so that there would be no doubt as to who was responsible for the message. I think it would do two things. I think it would dramatically contribute to truth in advertising, and I think it would also be discouraging to those who want to engage in negative advertising.

It limits bundling. The legislation also requires full disclosure of all soft money contributions. In other words, soft money is made hard so that it can be tracked.

The Scranton Times noted "the soft money racket is a national scandal that perpetuates special interest dominance of the congressional debates on innumerable issues. Both parties troll the soft money waters for contributions."

Finally, the bill bans the personal use of campaign funds. The bill codifies a recent FEC ruling that prohibits candidates from using campaign funds for personal purposes, such as mortgage maintenance or vacation trips.

Mr. President, I have been on the floor on this issue before. I have always been amazed at the creativity of some Members of Congress as to how they have been able to spend campaign funds. Clearly, it is an abuse that needs to be brought to a stop.

This bill will affect both parties equally. It does what other bills in the past did not. It does not benefit just one party. That is also why it has bipartisan support.

Is this a perfect bill? No. I do not know if it is even possible to write a perfect bill on this subject. But it is a good bill, and as the Washington Post said, "it would represent a large step forward."

That is why this bill has so much support. Groups ranging from United We Stand to Common Cause to Public Citizen, to the AARP support this bill.

Two hundred sixty-one editorials from 161 newspapers from around the country have opined in favor of campaign finance reform. Mr. President, I ask unanimous consent that a list of the 261 newspapers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Below are 261 editorials from 161 newspapers and publications, urging support for campaign finance reform. These editorials have been published since January 1, 1995:

Akron Beacon Journal, Akron, Ohio.

Alameda Times-Star, Alameda, California.

Times Union, Albany, New York.

Alexandria Daily Town Talk, Alexandria, Louisiana.

Altoona Mirror, Altoona, Pennsylvania.

Amarillo Daily News, Amarillo, Texas.

Anchorage Daily News, Anchorage, Alaska.

Asheville Citizen-Times, Asheville, North Carolina.

The Athens Messenger, Athens, Ohio.

The Daily Post-Athenian, Athens, Tennessee.

The Atlanta Constitution, Atlanta, Georgia (5).

The Atlanta Journal, Atlanta, Georgia (3).

Kennebec Journal, Augusta, Maine (3)

Bangor Daily News, Bangor, Maine (3).

The Times Argus, Barre, Vermont.

The Birmingham News, Birmingham, Alabama (4).

The Boston Globe, Boston, Massachusetts (4).

Boston Herald, Boston, Massachusetts.

The Brainerd Daily Dispatch, Brainerd, Minnesota.

Brattleboro Reformer, Brattleboro, Vermont (3).

Connecticut Post, Bridgeport, Connecticut (2).

The Courier-News, Bridgewater, New Jersey,

Brownwood Bulletin, Brownwood, Texas.

The Times Record, Brunswick, Maine (2).

The Buffalo News, Buffalo, New York.

Times-News, Burlington, North Carolina.

The Burlington Free Press, Burlington, Vermont.

Cadillac News, Cadillac, Michigan.

The Repository, Canton, Ohio (4).

Public Opinion, Chambersburg, Pennsylvania.

Chapel Hill Herald, Chapel Hill, North Carolina.

The Charleston Gazette, Charleston, West Virginia.

Chattanooga Free Press, Chattanooga, Tennessee.

Chicago Sun-Times, Chicago, Illinois.

Chicago Life, Chicago, Illinois.

The Leaf-Chronicle, Clarksville, Tennessee.

The Plain Dealer, Cleveland, Ohio.

Daily Editor, Cobleskill, New York.

Billerica Minute-Man, Concord, Massachusetts.

Concord Monitor, Concord, New Hampshire.

Corpus Christi Caller-Times, Corpus Christi, Texas.

The News-Times, Danbury, Connecticut.

Danvers Herald, Danvers, Massachusetts.

Danville Register & Bee, Danville, Virginia.

The Des Moines Register, Des Moines, Iowa (2).

Detroit Free Press, Detroit, Michigan.

The Dothan Progress, Dothan, Alabama.

Durango Herald, Durango, Colorado.

The Herald-Sun, Durham, North Carolina.

The Express-Times, Easton, Pennsylvania.

Imperial Valley Press, El Centro, California.

Times-Herald, Forrest City, Arkansas.

Sun-Sentinel, Ft. Lauderdale, Florida (2).

The Middlesex News, Framingham, Massachusetts.

The Gainesville Sun, Gainesville, Florida (11).

Georgetown Times, Georgetown, South Carolina.

Great Falls Tribune, Great Falls, Montana (2).

News & Record, Greensboro, North Carolina.

The Record, Hackensack, New Jersey.

The Times, Hammond, Indiana.

The Hartford Courant, Hartford, Connecticut (4).

The Daily Review, Hayward, California.

Standard-Speaker, Hazleton, Pennsylvania.

The Coastal Courier, Hinesville, Georgia.

Hobbs Daily News-Sun, Hobbs, New Mexico.

Houston Chronicle, Houston, Texas.

Independence Daily Reporter, Independence, Kansas.

Jacksonville Journal-Courier, Jacksonville, Illinois.

Johnson City Press, Johnson City, Tennessee.

The Joplin Globe, Joplin, Missouri.

The Kansas City Star, Kansas City, Missouri (3).

The Keene Sentinel, Keene, New Hampshire.

The Knoxville News-Sentinel, Knoxville, Tennessee.

La Crosse Tribune, La Crosse, Wisconsin.

The Ledger, Lakeland, Florida (3).

Las Cruces Sun-News, Las Cruces, New Mexico.

Bucks County Courier Times, Levittown-Bristol, Pennsylvania.

Lodi News-Sentinel, Lodi, California.

Newsday, Long Island, New York (3).

The Daily News, Longview, Washington (2).

Los Angeles Times, Los Angeles, California (2).

Lubbock Avalanche-Journal, Lubbock, Texas.

Wisconsin State Journal, Madison, Wisconsin.

Journal Inquirer, Manchester, Connecticut.

Herald Times Reporter, Manitowoc, Wisconsin.

The Times Leader, Martins Ferry, Ohio.

The Middletown Press, Middletown, Connecticut.

Times Herald-Record, Middletown, New York.

The Milwaukee Journal Sentinel, Milwaukee, Wisconsin (2).

Star Tribune, Minneapolis, Minnesota.

The Mobile Beacon-Alabama Citizen, Mobile, Alabama.

The Montgomery Advertiser, Montgomery, Alabama.

The Muskegon Chronicle, Muskegon, Michigan.

The Tennessean, Nashville, Tennessee (6).

New Braunfels Herald-Zeitung, New Braunfels, Texas.

The New York Times, New York, New York (6).

The Queens Jewish Week, New York, New York.

The Times Herald, Norristown, Pennsylvania.

The Oakland Tribune, Oakland, California.

Ocala Star-Banner, Ocala, Florida.

The Olympian, Olympia, Washington.

Messenger-Inquirer, Owensboro, Kentucky.

The Paris Post-Intelligencer, Paris, Tennessee.

The Parkersburg Sentinel, Parkersburg, West Virginia.

Star-News, Pasadena, California.

East Oregonian, Pendleton, Oregon.

The Philadelphia Inquirer, Philadelphia, Pennsylvania (8).

Pittsburgh Post-Gazette, Pittsburgh, Pennsylvania.

Port Arthur News, Port Arthur, Texas.

Portland Press Herald, Portland, Maine.

The Oregonian, Portland, Oregon (2).

The Daily Times, Primos, Pennsylania.

The Providence Sunday Journal, Providence, Rhode Island.

The News & Observer, Raleigh, North Carolina.

Record-Courier, Ravenna, Ohio.

Roanoke Times & World News, Roanoke, Virginia (5).

Rockford Register Star, Rockford, Illinois.

Rutland Herald, Rutland, Vermont (2).

The St. Augustine Record, St. Augustine, Florida.

St. Louis Post-Dispatch, St. Louis, Missouri (3).

St. Petersburg Times, St. Petersburg, Florida.

Statesman-Journal, Salem, Oregon.
Standard-Times, San Angelo, Texas.
San Antonio Express-News, San Antonio, Texas.
Examiner, San Francisco, California.
San Francisco Chronicle, San Francisco, California.
Telegram-Tribune, San Luis Obispo, California (2).
Santa Cruz County Sentinel, Santa Cruz, California (2).
Sarasota Herald-Tribune, Sarasota, Florida (2).
Savannah News-Press, Savannah, Georgia.
The Scranton Times, Scranton, Pennsylvania.
The Tribune, Scranton, Pennsylvania (2).
The Seattle Times, Seattle, Washington (2).
The Sheboygan Press, Sheboygan, Wisconsin.
Simi Valley Star & Enterprise, Simi Valley, California.
South Bend Tribune, South Bend, Indiana.
Statesboro Herald, Statesboro, Georgia (3).
Stevens Point Journal, Stevens Point, Wisconsin.
Pocono Record, Stroudsburg, Pennsylvania (2).
Syracuse Herald-Journal, Syracuse, New York.
The News Tribune, Tacoma, Washington.
Temple Daily Telegram, Temple, Texas (2).
Thousand Oaks Star & News Chronicle, Thousand Oaks, California.
The Blade, Toledo, Ohio.
The Times, Trenton, New Jersey.
Tyler Morning Telegraph, Tyler, Texas.
The Columbian, Vancouver, Washington.
Vero Beach Press-Journal, Vero Beach, Florida.
Vicksburg Evening Post, Vicksburg, Mississippi (2).
Waco Tribune-Herald, Waco, Texas (2).
The Washington Post, Washington, D.C. (10).
USA Today, Washington, D.C.
Watertown Daily Times, Watertown, Wisconsin (2).
Central Maine Morning Sentinel, Waterville, Maine (3).
San Gabriel Valley Tribune, West Covina, California.
The Palm Beach Post, West Palm Beach, Florida (4).
The Whittier Daily News, Whittier, California.
Morning Star, Wilmington, North Carolina.
The Potomac News, Woodbridge, Virginia.
Yakima Herald-Republic, Yakima, Washington.
Consumer Reports, Yonkers, New York.

Mr. McCAIN. Mr. President, I would like to just note some of the many papers that have editorialized on this subject. I also want to point out that a couple of the editorials have made note of the fact that opposition to this legislation has made interesting bedfellows.

Mr. President, I do not know of a piece of legislation that is opposed by the American Trial Lawyers Association, the major business organizations in America, and the Christian Coalition. Let me quote from the Atlanta Journal editorial of this year:

> Time was when lawyers in this country worked at making democracy work. Some still do. So it's discouraging to learn that among those creating a coalition against campaign finance reform is the American Trial Lawyers Association. Actually, it is discouraging that the nation's top business lobbying organization, which includes physicians as well as realtors and the AFL–CIO, which represents a whole lot of average folks, are also not giving up the money game. Our Washington reporter Andrew Mollison uncovered a plan for the probusiness National Association of Business Political Action Committees to form a coalition with the AFL–CIO and the trial lawyers to block a bill that the Senate will be considering next week cosponsored by Republican John McCain and Democrat Russell Feingold. The bill marks the first time ever the Republicans and Democrats have agreed on such reform and includes some honest changes.

Mr. President, as I say, I have never known of a piece of legislation that has been opposed by this conglomerate of individuals who have different interests. I can assume only that they feel threatened by this reform in order for them to join together in what must be and some would view as an unholy alliance.

Mr. President, the editorial writers from around the country of 261 newspapers support this bill because, first, it is the right thing to do. It recognizes the system needs fixing, and they also recognize that if any bill is to pass, it must affect both parties equally and fairly. This bill does that, and for that reason it has bipartisan support. My friend from Kentucky will contend that it is not bipartisan on that charge. I must disagree. This is a bipartisan, balanced bill. It favors neither party.

As the Philadelphia Inquirer stated:

> To get the big money and its corrupting influence out of campaigns for Congress, hundreds of incumbents must abandon the system that coddles and protects them. [S. 1219] isn't just another high-minded reform headed nowhere. It's a hard-headed, achievable plan to cleanse a system that delivers legislative influence to the bidders while stacking the deck against challengers. Citizens should tell their lawmakers to get with it.

Second, in a dramatic change from past campaign finance bills, it contains no public financing. This is not a reincarnation of past partisan bills. Those bills may have contained spending limits, but the comparison ends there.

Third, the bill is constitutional. The Senator from Kentucky and others do not agree with me on this point. But many legal experts from around the country do.

Mr. President, I will submit for the RECORD several letters making a compelling argument for the constitutionality of S. 1219. These letters are from the American Law Division of the Congressional Research Service; Prof. Frederick Schauer, professor of the first amendment, Harvard University Law School; Prof. Daniel Lowenstein, professor of law, University of California, Los Angeles; Prof. Cass Sunstein, distinguished service professor of jurisprudence, University of Chicago Law School; Prof. Marlene Arnold Nicholson, professor of law, DePaul University; and Prof. Jamin Raskin, associate dean, the American University College of Law.

Mr. President, I ask unanimous consent that those letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, April 12, 1996.

To: Senator Russell Feingold; Attention, Andy Kutler.
From: L. Paige Whitaker, Legislative Attorney, American Law Division.
Subject: Constitutionality of Campaign Finance Reform Proposals.

This memorandum is furnished in response to your request for a constitutional analysis of three campaign finance reform proposals:

I. CONSTITUTIONALITY OF A VOLUNTARY SPENDING LIMIT SYSTEM LINKED WITH PUBLIC BENEFITS IN THE FORM OF FREE AND DISCOUNTED TELEVISION TIME AND DISCOUNTED POSTAGE RATES

In the 1976 landmark case of *Buckley* v. *Valeo*,[1] the Supreme Court held that spending limitations violate the First Amendment because they impose direct, substantial restraints on the quantity of political speech. The Court found that expenditure limitations fail to serve any substantial government interest in stemming the reality of corruption or the appearance thereof and that they heavily burden political expression.[2] As a result of *Buckley*, spending limits may only be imposed if they are voluntary.

It appears that the provision in question would pass constitutional muster for the same reasons that the public financing scheme for presidential elections was found to be constitutional in *Buckley*. The Court in *Buckley* concluded that presidential public financing was within the constitutional powers of Congress to reform the electoral process and that public financing provisions did not violate any First Amendment rights by abridging, restricting, or censoring speech, expression, and association, but rather encouraged public discussion and participation in the electoral process.[3] Indeed, the Court succinctly stated:

"Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding."[4]

Because the subject provision does not *require* a Senate candidate to comply with spending limits, the proposal appears to be voluntary. Although the incentives of public benefits are provided, in the form of reduced and free broadcast time and reduced postage rates to those candidates who comply with the spending limits, such incentives do not appear to jeopardize the voluntary nature of the limitation. That is, a candidate could legally choose not to comply with the limits by opting not to accept the public benefits. Therefore, it appears that the proposal would be found to be constitutional under *Buckley*.

II. CONSTITUTIONALITY OF REQUIRING CANDIDATES WHO ARE VOLUNTARILY COMPLYING WITH SPENDING LIMITS TO RAISE AT LEAST 60% OF THEIR INDIVIDUAL CONTRIBUTIONS FROM INDIVIDUALS WITHIN THEIR HOME STATE

A voluntary restriction on Senate candidates to raise at least 60% of their individual contributions from individuals within their home state, with incentives for candidates to comply with the ban, would also appear to be constitutional. In exchange for voluntarily complying with the restriction on instate contributions, a congressional candidate could receive such public benefits as free and reduced television time and reduced postage rates. This type of voluntary restriction would most likely be upheld for the same reasons that the Supreme Court in *Buckley* upheld a voluntary spending limits system linked with public financing.

Here, in the subject proposal, as limitations on out-of-state contributions are linked to public benefits as part of the eligibility requirement, they would seem to be constitutional for the same reasons that similar eligibility requirements of the receipt of public funds were held to be constitutional in *Buckley* v. *Valeo*.[5] In exchange for public benefits, participating Senate candidates would voluntarily choose to limit the sources of their contributions. In addition, an out-of-state contribution limit would not seen to violate the First Amendment rights of out-of-state contributors as they would have other outlets, such as through independent expenditures, to engage in political speech in support of such candidates who voluntarily restrict receipt of out-of-state contributions.

III. CONSTITUTIONALITY OF PROHIBITING ALL POLITICAL ACTION COMMITTEES (PACS) FROM MAKING CONTRIBUTIONS, SOLICITING OR RECEIVING CONTRIBUTIONS, OR MAKING EXPENDITURES FOR THE PURPOSE OF INFLUENCING A FEDERAL ELECTION

Generally, the term political action committee (PAC) is used to refer to two different types of committees: connected and nonconnected. A connected PAC, also known as a separate segregated fund, is established and administered by an organization such as corporation or labor union.[6] A nonconnected PAC, on the other hand, is one which is unaffiliated with any federal office candidate, party committee, labor organization, or corporation, although it can be established and administered by persons who are labor union members or corporate employees. Typically, nonconnected PACs may be established by individuals, persons, groups, including even labor union members, corporate employees, officers, and stockholders, their families, and by persons who collectively work to promote a certain ideology; provided, however, that they keep their political funds separate and apart from any corporate or labor union funds and accounts. They are required to register with the Federal Election Commission after receiving or expending in excess of $1,000 within a calendar year, they are subject to contribution limitations, and, unlike connected PACs, they are limited to using only those funds they solicit to cover establishment and administration costs.[7]

A complete ban on contributions and expenditures by connected *and nonconnected* PACs would appear to be unconstitutional in violation of the First Amendment. Although the courts have not had occasion to address specifically this issue, in *Buckley* v. *Valeo*, the Supreme Court made it clear that the right to associate is a "basic constitutional freedom"[8] and that any action which may have the effect of curtailing that freedom to associate would be subject to the strictest judicial scrutiny.[9] The Court further asserted that while the right of political association is not absolute,[10] it can only be limited by substantial governmental interests such as the prevention of corruption or the appearance thereof.[11]

Employing this analysis, the Court in *Buckley* determined that any limitations on expenditures of money in federal elections were generally unconstitutional because they substantially and directly restrict the ability of candidates, individuals, and associations to engage in political speech, expression, and association.[12] "A restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached," the Court noted.[13] Therefore, in view of *Buckley*, it appears that completely banning expenditures by nonconnected PACs would be found to be unconstitutional.

In *Buckley* the Court found that limitations on contributions can pass constitutional muster only if they are reasonable and only marginally infringe on First Amendment rights in order to stem actual or apparent corruption resulting from *quid pro quo* relationships between contributors and candidates.[14] The Court noted that a reasonable contribution limitation does "not undermine to any material degree the potential for robust and effective discussion of candidates and campaign issues by individual citizens, associations, the institutional press, candidates, and political parties."[15] Hence, *Buckley* seems to indicate that a *complete ban* on contributions by nonconnected PACs would be unconstitutional. Such an outright prohibition would arguably impose direct and substantial restraints on the quantity of political speech and political communication between nonconnected PACs and federal candidates.

In sum, it appears that prohibiting all expenditures by PACs would not pass strict judicial scrutiny as it would significantly restrict most PACs from effectively amplifying the voices of their adherents or members.[16] Moreover, an outright ban on contributions, although they are less protected by the First Amendment, would probably be found to substantially infringe on the First Amendment rights of the members of the PACs and therefore be found to be unconstitutional as well.

L. PAIGE WHITAKER,
Legislative Attorney.

FOOTNOTES

[1] 424 U.S. 1 (1976).

[2] *Id.* at 39.

[3] *Id.* at 90–93.

[4] *Id.* at 57, fn. 65.

[5] *Id.* at 90–92, 94–96.

[6] 2 U.S.C. §441(b)(2)(C).

[7] 2 U.S.C. §431(4) (definition of political committee); 2 U.S.C. §433 (registration of political committees).

[8] Buckley, 424 U.S. at 25 (quoting Kusper v. Pontikes, 414 U.S. 51, 57 (173)).

[9] *Id.* (quoting NAACP v. Alabama, 357 U.S. 449, 460–61 (1958)).

[10] *Id.* (citing CSC v. Letter Carriers, 413 U.S. 548, 567 (1973)).

[11] *Id.* at 27–28.

[12] *Id.* at 39–59.

[13] *Id.* at 19.

[14] *Id.* at 20–38.

[15] *Id.* at 29.

[16] NAACP v. Alabama, 357 U.S. 449, 460–61 (1958). This case was cited in *Buckley* v. *Valeo*, 424 U.S. at 22 to support the conclusion that an expenditure limitation precluded most associations from effectively amplifying the voices of their adherents. *See also Sweezy* v. *New Hampshire*, 354 U.S. 234, 250 (1957).

HARVARD UNIVERSITY,
Cambridge, MA, March 17, 1996.

Re S. 1219—Senate Campaign Finance Reform Act of 1995.

Hon. RUSSELL D. FEINGOLD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: You have asked me to provide to the Senate my views about the constitutionality of the proposed S. 1219, the Senate Campaign Finance Reform Act of 1995. I am pleased to respond to your request, and I hope that my analysis is useful to you and your colleagues.

At the outset, I should note that my political affiliation is independent, and I have not registered as a member of a political party in over twenty years. Moreover, I have no political, financial, or fiduciary connections with anyone who might be helped or hurt were this legislation to be enacted. Indeed, consistent with my longstanding practice, and consistent with my views about academic independence, I do not represent clients, directly or indirectly, and I do not enter into consulting relationships. Finally, I should note not only that I have had no prior dealings with you or your office, but also that when Mr. Kutler called me to ask if I might undertake this analysis, he did not inquire about my views, tentative or otherwise, on the advisability or constitutionality of this or related legislation.

For constitutional purposes, the central features of S. 1219 are Section 101, which provides various incentives to Senate candidates who limit their total campaign expenditures, and Section 201, which prohibits political action committees from contributing to candidates for federal office. I will consider them in turn.

Section 101 would amend the Federal Election Campaign Act of 1971, the Communications Act of 1934, and several other laws by providing to Senate candidates who agree to limit their total campaign expenditures a package of incentives consisting primarily of discounted broadcast advertising rates, thirty minutes of free broadcast air time, and discounted postal rates for campaign mailings.

In evaluating the constitutionality of this proposal, two potential constitutional problems are presented. One is the indirect restriction, by way of incentives, on candidate expenditures of their own resources, expenditures that since *Buckley* v. *Valeo*, 424 U.S. 1 (1976), have been considered to be themselves protected by the First Amendment. Another is the potential restriction on the First Amendment rights of broadcasters to allocate their air time as they see fit. I will address these concerns in that order.

In *Buckley* v. *Valeo*, the Supreme Court held unconstitutional a restriction on the amount of a candidate's own funds (the major corollary of permitting contribution limitations) that he or she could spend in the context of an election. 424 U.S. at 39–59. The Court held that the First Amendment protected the right of a candidate to spend an unlimited amount of his or her own funds in the service of advocating his or her candidacy. The Court reasoned that since spending one's money to make a political speech or support a political cause was plainly protected by the First Amendment, it would be anomalous to create an exception where the political cause was the cause of one's own election to office. And although this dimension of *Buckley* was criticized then, and is still criticized today, there is little in subsequent developments to indicate that it is not "the law." In no subsequent campaign financing case, and there have been about a dozen, has the Court retreated in any way from its 1976 conclusion that personal expenditure limitations violate the First Amendment.

Although this bill does not directly restrict the right recognized in *Buckley*, it does provide an incentive for candidates to relinquish that right. In many other contexts, this form of indirect restriction would create the constitutional problems often discussed under the rubric of "unconstitutional conditions." See *Speiser* v. *Randall*, 357 U.S. 513 (1958). To take an obvious example, it would be plainly unconstitutional for the federal government to offer a tax credit to anyone who agreed not to criticize the President, and it would be equally unconstitutional to provide discounted postal rates for pro-American but not anti-American publications, or for Protestant but not Catholic magazines. The idea of the doctrine of unconstitutional conditions is that it is impermissible to allow the government to do indirectly what it cannot do directly, and that the potential for such indirect restrictions are enormous given the number of governmental programs on which people routinely depend. See also *Arkansas Writer's Project, Inc.* v. *Ragland*, 481 U.S. 221 (1987).

Yet the doctrine of unconstitutional conditions, even in First Amendment context is much narrower than the First Amendment itself. As the Supreme Court (controversially) held in *Rust* v. *Sullivan*, 500 U.S. 173 (1991), the doctrine does not require the government to be neutral in terms of the programs it wishes to create or the activities it wishes to subsidize. See also *Regan* v. *Taxation With Representation of Washington*, 461 U.S. 540 (1983). The government may support a Fund for Democracy without having to offer equal support for the Fund for Theocracy or the Fund for Aristocracy. Similarly, there is no doubt that a high level employee of the Department of Defense can be required as a condition of employment to relinquish his or her right to express public support for the present government of Iraq, even though that right is one protected by the First Amendment when exercised by ordinary citizens. Although there is some force to the doctrine of unconstitutional conditions, it is thus a mistaken oversimplification to maintain that citizens may not constitutionally be induced by government to give up what would otherwise be their constitutional rights. Especially when the restriction is not, as it is not here, one based on the viewpoint of the speech, it is a misstatement of the current law to say that it is unconstitutional for the government to provide incentives for citizens to forego their right under *Buckley* v. *Valeo* to spend unlimited funds in support of their own political candidacies.

Although reasonable minds might disagree with the foregoing analysis, it is clear that the Supreme Court in *Buckley* did not. In *Buckley* the Court explicitly concluded, even while it was protecting the First Amendment rights of expenditure, that Congress could, consistent with the First Amendment, provide incentives to encourage political candidates to accept voluntary limitations on their own campaign expenditures. "Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forego private fundraising and accept public funding." 424 U.S. at 57 n. 65. In *Buckley* the question arose in the context of Presidential campaigns, but the Court's just-quoted broad statement was not so limited, nor is there any reason to suppose that there could be a plausible distinction between the Senatorial campaigns that are the subject of S. 1219 and the Presidential election financing plan that prompted the Court's broad statement in *Buckley*. Moreover, when a three judge United States District Court in 1980 explicitly rejected an attack on voluntary expenditure limitations in exchange for public financing, and when the Supreme Court summarily affirmed that judgment, the argument that the exchange was not truly voluntary was rejected. *Republican National Committee* v. *Federal Election Commission*, 487 F. Supp. 280 (three-judge court, S.D.N.Y. 1980), affirmed without opinion, 455 U.S. 955 (1980).[1]

In examining the incentives in S. 1219, I cannot see any appreciable difference, on this issue, and from the perspective of the candidate, between public funding, as in *Buckley*, and the discounted advertising and postal rates that are offered in S. 1219. First of all, both have the effect of providing financial benefits for the candidate, and any difference between the two would be a difference, from the candidate's vantage point, of form and not of substance. In addition, the discounts available under S. 1219 are, if there is any difference at all, somewhat less direct. If a direct cash subsidy is not, in the Supreme Court's eyes, an unconstitutional inducement to relinquish a constitutional right, then it is hard to see how the indirect inducements in S. 1219 would be.

This is not to suggest that there is no merit in the argument that the inducements offered make the seemingly voluntary relinquishment not voluntary in fact. The line between an inducement whose acceptance is truly voluntary and one that begins to verge on the coercive is a wavering one, and the special circumstances of a political campaign, in which acceptance by a candidate's opponent would make the rejection of the inducement even more costly, accentuate this effect. Insofar as S. 1219, in section 105, offers increased benefits to candidates whose opponents reject the limitations, the coercive effect increases.[2] Yet the fundamentals of this phenomenon existed in *Buckley* itself, since even without an amount keyed to acceptance or rejection by a candidate's opponent, a candidate still is faced with a choice under circumstances in which the candidate's opponent will be subsidized by the government. Nor is there any suggestion in *Buckley* that the constitutionality of the conditional public funding should depend on case-specific determinations of the circumstances under which a candidate exercised the option. Thus, the grounds for current objections existed in large part in *Buckley* and existed in all of the subsequent court decisions,[3] all but one[4] of which have accepted the exchange that provides the linchpin of S. 1219. So although there are plausible objections to the voluntariness of the arrangement in S. 1219, these objections go back to *Buckley* itself, which concluded as a matter of law that such exchanges were voluntary rather than suggesting that a case-specific and factual voluntariness inquiry was a condition for constitutional acceptability. This leads me to conclude that the various objections now offered to S. 1219 and related proposals are not so much to the unconstitutionality of S. 1219 under current law, but rather to the state of the current law itself. The essence of the objection is far less that *Buckley* supports the objection than that *Buckley* was mistakenly decided.[5]

Much the same characterization applies to S. 1219 as a restriction on broadcasters. In giving candidates broadcast time, S. 1219 does to broadcasters what it plainly could not do to newspaper publishers were the time (or space) offered to be in newspapers, magazines, or even, in most contexts, cable television. Under *Miami Herald Publishing Co.* v. *Tornillo*, 418 U.S. 241 (1974), the First Amendment protects total editorial control over the contents of a newspaper, even in the face of a claim that granting space in a newspaper would broaden rather than narrow the range of public debate. There is no doubt, therefore, that the First Amendment would not allow Congress to provide free or discounted newspaper space (without the consent of the newspaper, of course) as part of the inducement for candidates to accept voluntary expenditure limitations.

Broadcasters are not newspapers, of course, not only as a matter of fact, but also as a matter of law. The Supreme Court rejected the broadcaster-newspaper analogy in *Red Lion Broadcasting Company* v. *Federal Communications Commission*, 395 U.S. 367 (1969), agreeing with the congressional judgment in 1934 that the airwaves were public property, to be assigned in the public interest, and subject to limitations designed to ensure that the public retained part of their use. This has been embodied in the personal attack, equal time, and (now obsolete) fairness doctrines, all of which has the effect of "giving" some of the time encompassed by a broadcast license to the public.

In rejecting the claim that broadcasters have an unlimited First Amendment right to unfettered editorial control over the time encompassed by their license, the Supreme Court in *Red Lion* relied in part on the controversial notion that the airwaves "belonged" to the government and could thus be licensed subject to otherwise impermissible content-based restrictions, and in part on the even more controversial, and potentially technologically obsolete, argument that because there were a limited number of broadcast bands (what is known as the scarcity argument), those bands could be allocated under content-based conditions that would never be permitted for newspapers. Again, however, it is very important to distinguish complaints about the existing law from the argument that the existing law prohibits this legislation. As long as *Red Lion* remains the law, Congress may within limits consider broadcast time to belong to the public, and to be subject to allocation in the public interest. In this respect, therefore, price restrictions on advertising, and direct grants of broadcast time, will not violate the First Amendment as it is presently interpreted.

Finally, let me add a few words about the Political Action Committee (PAC) contribution limitation in Section 201. As I am sure you know, this restriction, in light of *Federal Election Commission* v. *National Conservative Political Action Committee*, 470 U.S. 480 (1985), is likely unconstitutional under current law, although the narrow majority opinion in *Austin* v. *Michigan Chamber of Commerce*, 494 U.S. 652 (1990), might provide some basis for suggesting reconsideration of the earlier case. Given the state of the law, however, the issues now are much different, involving questions about the responsibility of Congress in the face of contrary Supreme Court precedent. There is a line of academic and political opinion that maintains that Congress should engage in its own direct consideration of what the Constitution requires, without regard for, or at least not subject to, the authority of contrary Supreme Court options. I do not subscribe to this view, and I do not urge it on you, although the reasons for my belief encompass the full domain of constitutional jurisprudence. Since this is not the place to engage that issue, I will simply assume that you believe that Congress

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Footnotes at end of letter.

should respect the role of the Supreme Court as authoritative interpreter of the Constitution.

Yet even within this view, it is of course possible in good faith to believe that times change, that Justices change, and that constitutional law changes. And it is possible, therefore, to believe that Congress can act responsibly in giving the courts the opportunity to reconsider their earlier views in light of changed circumstances or in light of the possibility that their earlier views may have been mistaken. The rapidly escalating cost of elections make this a plausible circumstance to give the Supreme Court this opportunity, and just as it is "legitimate" for opponents of section 101 to believe in good faith that the Court should reconsider its judgment in *Buckley* that public inducements for voluntary expenditure limitations do not violate the First Amendment, so too is it legitimate for proponents of section 201 to believe in good faith that changing circumstances, or the bipartisan nature of this initiative, are sufficient to invite the Court to reconsider its judgment in *Federal Election Commission* v. *National Conservative Political Action Committee*. Still, as a matter of existing case law, section 201 is far more problematic, as I am sure you know, than section 101.

To conclude, I believe that existing caselaw strongly supports the constitutionality of sections 101 and 241, and casts considerable doubt on section 201.[6] In both cases, there are arguments that could be made against the caselaw, but it remains important to distinguish arguments against the caselaw from arguments from the caselaw.

I hope you find this useful. Please feel free to contact me at any time if I may be of further assistance.

Yours sincerely,
FREDERICK SCHAUER,
Frank Stanton Professor of the
First, Amendment, Harward University.[7]

FOOTNOTES

[1] The summary affirmance is technically a decision by the Supreme Court, but increasingly since 1980 the Court has made it clear that summary affirmances are at best of limited precedential value.

[2] This is the argument in a Student Note, *The Pitfalls of Contingent Public Financing in Congressional Campaign Spending Reform*, 44 Emory Law Journal 735 (1995).

[3] See, in addition to the previously noted *Republican National Committee* v. *Federal Election Committee*, cases such as *Vote Choice, Inc.* v. *DiStifano*, 4 F.3d 26 (1st Cir. 1993); *Weber* v. *Heaney*, 793 F. Supp. 1438 (D. Minn. 1992).

[4] See the dicta in *Weber* v. *Heaney*, 995 F.2d 872 (8th Cir. 1993).

[5] In light of the distinction that the *Buckley* court drew between expenditure limitations and contribution limitations, the source restrictions in section 241, especially when seen as part of a voluntary choice by the candidate, seem especially non-problematic.

[6] Although not on section 201's "fallback" provision.

[7] From an abundance of caution, I emphasize that my views are not to be taken as the views of the John F. Kennedy School of Government, the Harvard Law School, or Harvard University.

UNIVERSITY OF CALIFORNIA,
LOS ANGELES, SCHOOL OF LAW,
March 26, 1996.

Senator RUSSELL D. FEINGOLD,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINGOLD: Thank you for your letter of February 14, 1996, in which you asked for my assessment of the constitutionality of three provisions in S. 1219, the currently pending campaign finance bill authored by you, Senator McCain, and others.

In summary, I believe the provision of discounted television time and postage rates, conditional upon the candidate's compliance with voluntary spending limits, is constitutional.

It is more difficult to form a confident opinion with respect to the other two provisions, because there is very little from the Supreme Court on which to rely. The first of these is a requirement that candidates who accept the discounted television time and postage rates must agree that at least sixty percent of contributions received come from individuals residing in the candidate's state. I believe this probably is constitutional, at least in part. The second is a ban on PAC contributions to federal candidates. This may be unconstitutional, but in light of the "back-up" provision in S. 1219, the chance may be worth taking for those who wish to eliminate PACs, since a declaration that the provision is unconstitutional will not jeopardize the legislation as a whole.

1. Voluntary spending limits. The Supreme Court held, in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), that as a general rule, limits on the amount that a candidate's campaign can spend are unconstitutional. However, the Court also opened a loophole in this general ban on campaign spending limits, in footnote 65 of the Buckley opinion:

". . . Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding."

Although footnote 65 may raise many more questions that it answers, it does seem to answer the question whether it is constitutional to condition discounted television time and postage rates on the acceptance of spending limits. The only difference between this case and the case considered in footnote 65 is that in the former, the government is offering in-kind benefits to the candidate, while in the latter it is offering money. The money gives the candidate more flexibility in the management of his or her campaign, and therefore is presumably of greater value than an equivalent amount of in-kind benefits. But there is no apparent reasons why this should make a difference for constitutional purposes. In each case, the government is providing a real benefit. If the in-kind benefit is less valuable to candidates than cash, then it may be less likely that candidates will accept the in-kind benefits than that they will accept the cash. But candidates who do accept the benefits/spending limits packages do so equally voluntarily in each case. Therefore, I conclude that these provisions of S. 1219 are constitutional.

2. Limit on organizational and out-of-state contributions. Part of the benefits/spending limits package that is offered to candidates under S. 1219 is that at least 60 percent of the contributions accepted by the candidate must be from individuals who reside within the candidate's state.

I have argued above that for purposes of footnote 65 of *Buckley* v. *Valeo*, the fact that in-kind benefits are being offered to candidates instead of cash should make no difference. In footnote 65, the provision of benefits was conditioned on the candidate's acceptance of spending limits. Here, the benefits are conditioned on accepting two combined aggregate contribution limits—on contributions from non-individuals, and on contributions from out-of-state individuals. Does this make a constitutional difference?

There is an obvious basis for answering this question in the negative. Buckley and subsequent decisions of the Supreme Court have generally treated restrictions on contributions as less constitutionally offensive than restrictions on expenditures. If voluntary expenditure restrictions tied to benefits to the candidate are permissible, why not voluntary contribution restrictions?

Insofar as the restriction is on the amount that can be accepted in contributions from non-individuals, the voluntary restriction should be constitutional. The government may prefer contributions from individuals on at least two grounds that seem plausible. First, organizations typically are formed for a limited set of purposes. A contribution by an organization is likely to be made in furtherance of the limited purposes of the organization. Accordingly, it may be more likely than a contribution from an individual to create the sort of conflict of interest that the Court refers to as "corruption or the appearance of corruption." Of course, contributions from individuals may create the same conflict of interest, but because the purposes of individuals are not artificially limited, individuals are more likely to contribute for a variety of reasons unrelated to influencing legislation on particular issues. Second, it is widely accepted that the principle of freedom of speech protects both instrumental interests such as the airing of public issues, and individual interests such as the need of humans to express themselves. The second category of First Amendment interests applies to individuals, and this may provide some basis for the government preferring contributions from individuals over contributions from organizations.

It is much more difficult to justify the restriction on contributions from out-of-state individuals. I have occasionally made small contributions to Senator Joseph Lieberman, because he was a college classmate of mine. Under S. 1219, if Senator Lieberman had already received forty percent of his contributions from non-individuals or out-of-state residents, he would be required to reject my contribution. Yet, I can see no danger whatever to the public interest from my contribution, arising from the fact that I live in California rather than Connecticut. If anything, this restriction would enhance the likelihood of conflict of interest, by heightening the pressure on Senator Lieberman to raise money from individuals who reside in Connecticut. There is no apparent reason for assuming that in-state contributions are more or less corrupting than out-of-state contributions, but anything that reduces the flow of money from one source heightens the candidate's need for money from the remaining sources and thus may increase the likelihood of pressure.

Campaign spending limits can reduce conflict of interest by reducing the pressure on candidates to raise funds. Limits on contributions from organizations can be justified for the reasons stated above. Limits on contributions from out-of-state individuals serve no good purpose. Nevertheless, the emphasis in Buckley's footnote 65 is on the voluntariness of the candidate's acceptance of a restriction, not on the utility of the restriction. It is difficult to say whether the lack of utility of a restriction would enter into the Court's constitutional equation.

For the reasons, I conclude that the restriction on the proportion of contributions a candidate may accept from organizations is constitutional. The restriction on the proportion of contributions a candidate may accept from out-of-state contributions presents a close question, but there is a substantial possibility that it would be upheld.

3. Ban on PAC contributions. S. 1219 prohibits all contributions and expenditures in federal elections except from individuals and from committees controlled by candidates and political parties. The practical consequence is that PACs are banned from making contributions and expenditures in federal elections.

In *Austin* v. *Michigan Chamber of Commerce*, 494 U.S. 652 (1990), the Supreme Court upheld a state ban on independent expenditures by corporations. In *Austin*, the Court pointed out that there was no absolute ban on corporate political spending because corporations were permitted "to make independent political expenditures through separate segregated funds" (i.e., through PACs). Although *Austin* does not hold that a ban on corporate independent spending that extended to PACs would be unconstitutional, it suggests that a ban on independent spending by PACs would be highly suspect under the First Amendment.

Thus, the S. 1219 ban on expenditures by PACs is probably, though not certainly, unconstitutional. Whether the ban on PAC contributions is constitutional is much harder to say. As was stated above, the Supreme Court has been more tolerant of restrictions on contributions than on expenditures. In *Citizens Against Rent Control* v. *City of Berkeley*, 454 U.S. 290 (1981), the Court devoted some rhetoric to the value of "the practice of persons sharing common views banding together to achieve a common end," and the "tradition of volunteer committees for collective action." But that was in the context of a limit on contributions to a campaign committee, not to a PAC that would be making contributions in turn to other committees. A ban on PACs is a more severe restriction on association for campaign fundraising purposes than anything the Court has upheld, and it would have a severe practical effect on the ability of many small contributors to participate in the campaign finance system. Union members and contributors to ideological PACs are examples of people who traditionally have depended on such organizations to pool their individually insignificant contributions. I know of nothing in the Supreme Court's precedents that gives much guidance as to how this question would be resolved.

I conclude that the ban on PAC expenditures is probably unconstitutional. The constitutionality of the ban on PAC contributions is uncertain.

S. 1219 has a "fallback" provision that, in the event that the PAC ban is struck down, candidates must limit the aggregate amount they receive from PACs to an amount equal to 20 percent of the spending limit. The constitutionality of such aggregate contribution limits has not been considered by the Supreme Court. I believe they are not unconstitutional in general, though they may be if they are overly restrictive. The S. 1219 fallback provisions are certainly restrictive, but whether they are so restrictive that the Supreme Court would declare them unconstitutional is a matter for speculation.

I have given extensive attention to the constitutionality of aggregate contribution limits in a law review article, and rather than report the analysis here, I simply refer you to Daniel Hays Lowenstein, "A Patternless Mosaic: Campaign Finance and the First Amendment After *Austin*," 21 Capital University Law Review 381, 413–424 (1992). More generally, the remainder of that article and the articles in the same symposium by Professors Roy A. Schotland and Marlene Arnold Nicholson may be of interest to you, your colleagues and your staff on this difficult issue.

The foregoing is my response to your questions. Let me add the obvious point that I have confined this letter to the questions of constitutionality that you posed, and have not attempted to state my policy views on S. 1219 or the subjects with which it deals.

Thank you for extending me the opportunity to participate in the Senate's deliberations. If I can be of any further assistance, please contact me.

Sincerely,

DANIEL H. LOWENSTEIN,
Professor of Law.

UNIVERSITY OF CHICAGO LAW SCHOOL,
Chicago, IL, April 4, 1996.

Senator RUSSELL D. FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: This will respond to your request for my views on the constitutional issues raised by S. 1219. I am writing under unusual time pressure, and I hope you will forgive me for offering a brief and somewhat preliminary analysis.

S. 1219 raises many difficult and complex questions, and my most general thought is that to sort out those questions, it would be best to hold hearings with some extended discussion of the underlying factual issues and the caselaw law. For the moment, I will devote my attention to three provisions about which you express most concern. The first of these provisions is probably constitutional; the second raises new issues and any judgment must be tentative; the third is probably unconstitutional.

1. Section 101 provides certain financial incentives to candidates to limit their spending. In exchange for agreeing to limit overall spending, a candidate will receive free and discounted television time, and also discounted postal rates.

I believe that this provision should and would be upheld. With respect to candidates, it is not direct coercion. It does not discriminate on the basis of point of view. It is also supported by the legitimate interests in promoting attention to electoral issues and in using public money to enlarge public discussion and participation. The best authority here is *Buckley* v. *Valeo*, 424 U.S. 1 (1976), where the Supreme Court upheld a provision making major party candidates eligible for public financing if and only if they agreed to forego private contributions and to limit their expenditures to the amount of the major party subsidy. This basic principle strongly supports section 101.

Some complex questions might be raised by requirements of free television time for specified candidates. Such requirements have no clear precedent. But a general requirement of free television time violates no one's first amendment rights so long as it is viewpoint-neutral, cf. Turner Broadcasting System v. FCC, 114 S. Ct. 2445 (1994), and the forms of selectivity in section 101 are consistent with Buckley. Most generally, a system that promotes more coverage of candidates through free media could enhance free speech purposes by counteracting the "soundbite" phenomenon and enhancing democratic processes. See Sunstein, Democracy and the Problem of Free Speech 85 (1993). The legal issues are not entirely settled, but my preliminary judgment is that section 101 should and probably would be upheld.

2. Section 241 would require candidates voluntarily complying with section 101 to raise at least 60% of their individual contributions from people within their own state. This provision is a bit more problematic and it raises novel issues. The major question is: What is Congress' legitimate justification here, and what factual evidence supports that justification? Apparently the proposal is a response to the perceived problem of out-of-state money affecting state elections, so that candidates receive support not because the real voters want them, but because out-of-state financial interests have allowed for a great deal of advertising. Perhaps Congress could find that the interest in in-state control of state elections justifies a measure of this kind, at least when the relevant law is tied to a voluntary restriction.

It is possible that this justification can be made legitimate and sufficiently weighty. But under existing law, the answer is not clear. The Court has not dealt with this particular justification. Moreover, it is possible that in a national system, out-of-state money legitimately affects state elections, and it is possible that the Court would find it unacceptably paternalistic to ban out-of-state money to "protect" in-state voters. See First National Bank v. Bellotti, 434 US 765 (1978) (questioning efforts to protect voters from "excessive" speech). Distinctive issues involving federalism are obviously raised by section 241. A set of hearings would be helpful in sorting out this important issue.

3. Section 201 would prohibit political action committees (PACs) from contributing to federal candidates. This provision appears to be unconstitutional under FEC v. NCPAC, 470 US 480 (1985), where the Court invalidated a provision prohibited any PAC from spending more than $1,000 to further the election of a presidential candidate receiving federal funding. Any regulation of PACs will have the best chance of success if it builds on CMA v. FEC, 453 US 182 (1981), where the Court upheld a system banning any individual from contributing more than $5,000 per year to PACs.

If Congress wants to put the Court's decision in the NCPAC case in question, it would do best to hold extensive hearings uncovering problems that the Court did not see in 1985, or proposing alternative mechanisms to allow organizations to give financial aid to candidates, or perhaps attaching "strings" to the receipt of money by PACs. This is a matter that could require a high degree of creativity.

My basic conclusions, then, are that section 101 is probably constitutional; that section 201 is almost certainly unconstitutional; and that under existing law, the constitutionality of section 241 is unsettled, and that is validity would turn on the underlying evidence and on a careful identification of a legitimate legislative interest. My more general suggestion is that because of the difficulty of these issues, and associated issues in these and other provisions on which I have not touched, it would be highly desirable to hold hearings to get a range of views about the underlying issues of fact, policy, and law.

I hope that these brief comments are helpful.

Sincerely,

CASS R. SUNSTEIN,
Professor of Law.

DEPAUL UNIVERSITY,
COLLEGE OF LAW,
Chicago, IL, April 30, 1996.

Senator RUSSEL D. FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: Thank you for your letter of April 12, 1996, asking for my assessment of the constitutionality of provisions of S. 1219. I believe that the prospects for a finding of constitutionality are mixed. There is a high likelihood that the aspect of the bill which seems to be the central focus—voluntary expenditure limitations in return for in-kind benefits—would be found constitutional. Conversely, I believe the PAC ban would almost certainly be found unconstitutional. Predictions with respect to other aspects of the bill are less clear. I will discuss these conclusions below. I should note that some of the provisions present novel constitutional issues and that the analyses necessary to resolve some of the issues would be quite intricate and lengthy. Therefore my remarks below will be rather general and I will not attempt to explore the issues in depth in this letter. However, if you would like a more complex analysis in the future I would be happy to assist you further.

1. The spending limit condition attached to receipt of in-kind benefits.

In the well known *Buckley* footnote 65 the Supreme Court clearly stated that despite the fact that expenditure limitations are otherwise unconstitutional, when made a condition to the voluntary acceptance of public subsidies they are valid. Although this footnote must be considered dicta, as the constitutionality of the provision was not being challenged, it should be noted that the Supreme Court later summarily affirmed a case which rejected a direct constitutional challenge to the condition. *Republican National Committee* v. *Federal Election Commission (RNC)* 487 F. Supp. 280 (S.D.N.Y.) aff'd, 445 U.S. 955 (1980). A summary affirmance is a decision on the merits, and is therefore binding precedent; however, the Supreme court may feel less compunction about overturning such a decision that one supported by a written opinion.

In *RNC* the district court asserted that there was no real burden on First Amendment expression because a candidate would only choose the public subsidy if it would enhance his or her expression. Alternatively, the court determined that even if there was a burden on expression the restrictions would satisfy strict scrutiny because they were necessary to compelling government interests in preventing undue influence and saving time and energy for expression other than fundraising. (See my enclosed article from the Hastings Constitutional Law Quarterly for a more thorough discussion of this case and the unconstitutional condition doctrine generally.)

The reasoning of the district court in *RNC* has been reinforced by practical experience in the years since it was decided. The public's growing perception that campaign contributions cause undue influence cannot be controverted. The degree of validity of that perception can probably never be definitively determined. But regardless whether that perception is correct, it has added to the rampant disillusion with our political system which we are currently experiencing. In *Buckley* the Court made clear that preventing the appearance of impropriety as well as the reality is a compelling government interest. Furthermore, the extraordinary amount of time spent by candidates on fundraising—time taken away from other kinds of campaigning that reaches more people—from attending to official duties. The latter concern alone might today be considered a compelling government interest. The in-kind benefits combined with expenditure limitations will advance the interests asserted in *RNC* and *Buckley* because they will substitute for a substantial number of contributions which would otherwise be raised by those candidates who choose to comply. To the extent that candidates fail to comply the interests will not be forwarded; however, this will merely maintain the status quo with respect to the campaign activities of noncomplying candidates without burdens to their first amendment expression. It is very clear that without expenditure limitations subsidies or in-kind benefits would merely be used to augment rather than substitute for fundraising and would therefore not serve the aims of S. 1219.

Expenditure limitations will no doubt be challenged as aiding incumbents to the disadvantage of challengers. However, the fact that the limitations are voluntary greatly weakens that argument. In addition, if one looks at the combined effect of the various provisions of S. 1219 the extent to which they would cut into major funding sources of incumbents is quite remarkable. I am referring to the restrictions on PACs, bundling, soft money, out-of-state contributions and leadership committees. The restrictions on the use of the frank further diminishes the advantages of incumbency.

2. The condition of limitations on contributions from organizations and out-of-state individuals.

I presume that the rationale for this condition on in-kind benefits is that in-state individuals are likely to contribute for reasons having to do with a generalized interest in representation, while organizations, and to a lesser extent, out-of-state individuals are likely to contribute to pursue a limited purpose that would be more likely to involve undue influence. It is difficult to reach a conclusion as to whether the Court would consider this distinction strong enough to uphold the restriction. The fact that the Court has generally been more accepting of contribution limitations than expenditure limitations will be a help, as will the fact that it is a voluntary restriction applicable only to candidates who accept the in-kind benefits. Although the aggregate limitation may be viewed as rather severe because it in effect bans contributions from some sources after the threshold has been reached, it is a particularly effective means of preventing undue influence. As Professor Daniel Lowenstein has persuasively argued, such restrictions vitiate the undue influence producing effects of even those contributions that are accepted below the threshold amount. This is because the supply of such contributions will ordinarily be greater than the legal demand, thereby lessening the importance of any one contribution.

3. The requirement that the media time be used in intervals of 30 seconds or more or less than 5 minutes.

I assume that the purpose for this limitation is two-fold. The 5 minute provision probably is an attempt to avoid onerous burdens on the media which will be required to cede time to candidates. This interest is certainly permissible and should not pose First Amendment problems. The minimum of 30 seconds does create what I consider to be a technical First Amendment problem. I use the term "technical" because it arises as the logical consequence of holdings in some Supreme Court opinions. I would argue that were the Court to invalidate this requirement it would be an example of carrying logic to an absurd conclusion.

The constitutional issue arises because the provision seems to be an attempt to cause candidates to formulate their message in a particular way. This runs into case law that has held that individuals can express themselves using whatever words or symbols they choose, with the possible exception of certain speech which is imposed on a captive audience. Compare *Cohen* v. *California*, 403 U.S. 15 (1971), and *Texas* v. *Johnson*, 491 U.S. 397 (1989), with *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978). Also, somewhat relevant are cases holding that the government cannot force individuals to speak. See *Wooley* v. *Maynard*, 430 U.S. 705 (1977). The minimum 30 second commercial requirement in the bill, unlike the cases cited, does not directly target content. No one is forced to use particular words or avoid others, or to convey a particular message. The issue of content regulation comes into play because it appears that the purpose of the regulation is to cause candidates to express themselves using a format that is more likely to have serious content than the typical 10 second spot, thus encouraging a thoughtful exploration of real issues. The Supreme Court has never dealt with a case involving a simple time regulation of speech which is aimed at affecting content. Therefore, the cases presenting constitutional obstacles would not be directly on point—rather, general statements taken out of context would be used to challenge the regulation.

I believe that a credible response to such challenges would stress the following arguments: Even if the aim is to affect the content of the speech, the concern with content is quite general. There does not appear to be an intent to regulate viewpoint, which is the most serious of content regulation problems. Indeed, the concern is not even with the somewhat less serious matter of regulation of subject matter, as the candidate can use the time to discuss any subject he or she wishes. Rather the regulation is an attempt to encourage the candidate to actually say something meaningful. But the candidate can thwart the government and still use his or her time for totally vacuous expression without suffering any detriment other than the possibility that the vacuousness will be more obvious to the audience than it might be if the commercial was shorter. Such a detriment hardly seems to rise to the level of a serious First Amendment concern.

The fact that the restrictions only apply to candidates who voluntarily accept the in-kind benefits should be an important factor in favor of a finding of constitutionality. Although a more definitive content regulation attached as a condition of a benefit would be unconstitutional, the regulation in question should not meet the same fate because, for the reasons discussed above, it has little in common with the kind of content regulations which the Court has shown serious concern for in past cases. Furthermore, I find it hard to believe that the fact that the purpose of the regulation is to encourage an intelligent discussion of election issues will not influence the Court positively, even though that concern can be described as generally content based.

4. The increased spending limit in Section 502 and the increased contribution limit in Section 105 applicable to complying candidates opposed by non-complying candidates.

These two sections of S. 1219 present potentially serious constitutional problems, and it is very difficult to predict how they would be resolved by the Supreme Court. There is no Supreme Court case law dealing with an analogous provision. Although there are two federal circuit court cases addressing somewhat similar statutes—one upholding and one invalidating the provisions—the cases involved statutes that are distinguishable from S. 1219 and from each other.

In *Vote Choice* v. *DiStefano*, 4 F.3d 26 (1st Cir. 1993) the federal circuit court upheld a Rhode Island law which provided subsidies conditioned on spending limits and also increased the $1,000 contribution limit to $2,000 for candidates agreeing to the expenditure limitation. However, in *Day* v. *Holahan*, 34 F.3d 1356 (8th Cir. 1994), cert. denied 115 S. Ct. 936 (1995), the court invalidated a Minnesota statute which provided that when independent expenditures where made opposing a candidate complying with the spending limits (which were conditions of state subsidies), or supporting his or her opponent, the state subsidy would be increased in an amount equal to one half the independent expenditure. In addition, the overall campaign expenditure limitation of the complying candidate would be increased in an amount equal to the independent expenditure.

A third case, relied upon by Professor Joel Gora in his testimony, is somewhat analogous, but easily distinguishable. *Shrink Missouri Government PAC* v. *Maupin*, 71 F.3d 1422 (8th Cir. 1995) involved a statute which banned contributions from organizations to candidates not complying with expenditure limitations. The court stressed that this statute was not analogous to *Buckley* because the restrictions were not a condition of the receipt of any return benefit and because the ban on organization contributions could not have been constitutionally imposed independently of an agreement to the expenditure limitation. The Court concluded that "No candidate would voluntarily agree to comply with the expenditure limits in exchange for access to sources of funding to which he or she already has a constitutional right of access." Id. at 1425.

Rather than engage in the very intricate and lengthy constitutional analysis which would be required to attempt to determine the significance of *DiStefano* and *Day* to the somewhat similar provisions in S. 1219, I will make a few general comments. In my view the provisions in S. 1219 fall somewhere between the provisions reviewed in the two cases, both with respect to the burdens on expression and the importance and legitimacy of the government interests being pursued. For this reason it is particularly difficult to determine whether either of the two circuit courts would have upheld the provisions in S. 1219. My guess is that the results in the two cases reflect an approach sufficiently different from each other that one circuit would uphold the provisions in S. 1219, while the other would find them unconstitutional. However, the two cases could be distinguished from each other in manner which would reflect negatively on the provisions in S. 1219. This is because a somewhat stronger case can be made for a chill on expression when a complying candidate obtains a comparative benefit based on the expressive actions of the other candidate or his supporters than when it is the action of the complying candidate which results in his or her comparative benefit.

5. the PAC BANS and the "fallback" provision

I consider the PAC bans to clearly unconstitutional. Although there is a weak argument in favor of the constitutionality of the bans on contributions, there is no argument consistent with the Supreme Court's campaign finance jurisprudence which would lead to affirmance of a ban on expenditures. The "fallback" provision, however, is consistent with the Supreme Court's jurisprudence on campaign finance regulation. I am generally in agreement with the analysis submitted by Professor Lowenstein on these provisions, so I will not repeat that discussion here.

Thank you inviting me to comment upon the proposed legislation. If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

MARLENE ARNOLD NICHOLSON,
Professor of Law.

AMERICAN UNIVERSITY,
OFFICE OF THE DEAN,
Washington, DC, May 2, 1996.

Senator RUSSELL FEINGOLD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR FEINGOLD: Thank you for inviting me to provide comments on the constitutionality of S. 1219. It is an honor to give you my thoughts on this important legislation. It would probably be most useful for you to have a constitutional analysis based on existing case law, and so I have given you my best interpretive efforts based on the state of constitutional doctrine as it exists today.

Section 101: There is no general problem with conditioning the receipt of public funding or benefits by candidates on an agreement to abide by limits on overall campaign spending. This exact regime for financing presidential campaigns was upheld in *Buckley* v. *Valeo*, 424 U.S. 1 (1976). The Court stated in no uncertain terms: "Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specific expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding." Id. at 58, n.65. The Supreme Court has maintained this general posture towards the conditioning of public benefits since *Buckley* was decided. See, e.g., *Rust* v. *Sullivan*, 500 U.S. 173 (1991) (holding that the government could restrict speech within a publicly funded family-planning program so long as it was on a viewpoint-neutral basis).

It makes no difference to the analysis here that the campaign benefits awarded to participating candidates will be in the form of free and discounted television time and discounted postage rates. These goods have an easily ascertained monetary value and have no more coercive effect than money. Nor does it make any difference that participating candidates must abide by limits on what they spend of their own personal funds (Section 502) since the element of voluntary choice to participate in the public benefits regime remains effective and meaningful.

One problem that I see potentially arising with Section 101 relates to Section 502, which increases an eligible candidate's spending limit by 20% if a non-participating candidate collects contributions or spends personal funds over the spending limit by 10% or more. It may be argued—although I think with little force—that such a rule in effect punishes the non-complying candidate spending beyond the desired ceiling by giving the complying candidate for an extra benefit beyond the original bargain. There is actually an Eighth Circuit Court decision that stands for something like this proposition. See *Day* v. *Hollohan*, 34 F.3d 1356 (8th Cir. 1994), cert. denied, 115 S. Ct. 936 (1995). (striking down a provision that increased a complying candidate's spending ceiling by the amount of money he or she is overspent by a non-complying opponent and providing half of the difference in public money).

Whatever the merits of this strange decision, however, it does not apply here because of a key difference in the way the Minnesota plan and this one work. S. 1219 would not directly provide additional public funds to compensate for the difference in what complying and non-complying candidates spend. Rather, this provision simply increases the ceiling on what the complying candidate is authorized to raise on his or her own. Even if the *Day* v. *Hollohan* decision is right that we cannot directly, albeit partially, subsidize political speech to meet political speech—a shocking and novel concept if true—nothing like that is going on here. Congress is simply allowing for eligible candidates to achieve a rougher parity of resources and quantity of expression without altering the necessity for them to raise their own money. It should also be noted that under this regime it would still be perfectly possible for a candidate running outside of the public regime to outspend his or her opponent by huge amounts of money and margins of 2 or 3 or 4-to-1 or indeed more.

A similar conceptual problem is raised by Section 105, which would raise the limit on individual contributions to an eligible candidate if he or she is running against a non-participating opponent who has either received contributions or spent personal funds in excess of 10% of the general election limit. According to this provision, individuals contributing to eligible candidates could give $2,000 as opposed to the $1,000 limit that individuals giving to their opponents would have to observe. There may be a strong argument that this provision does not conform to the logic of *Buckley*. Recall that the $1,000 individual contribution limit was upheld as a narrowly tailored means of implementing the compelling interest in combatting the reality and appearance of corruption. See *Buckley*, 424 U.S. at 30. As soon as you raise—indeed double—the $1,000 limit in some cases, you may have undermined the argument for the necessity of the basic limit itself, especially when you have doubled it for contributors to those candidates who will, almost by definition, end up with a smaller overall pool of contributors than their rivals. If it is not inherently corrupting for candidate X to receive a $2,000 contribution from one of 500 contributors, why is it inherently corrupting for candidate Y to receive a $2,000 contribution from one of 1,000 contributors? This provision is potentially vulnerable to the objection that it is not narrowly tailored to advance *Buckley's* anti-corruption rationale and creates major disparities in the legal rights of third parties—citizen contributors—based simply on decisions that candidates make.

However, a strong argument can also be made in favor of the disparate contribution limits. In *Vote Choice, Inc.* v. *DiStefano*, 4 F.3d 26 (1993), the United States Court of Appeals for the First Circuit upheld a very similar state campaign financing provision which provided different contribution limits for publicly-financed and privately-financed candidates. In that case, the court considered Rhode Island Gen. Law sec. 17-25-10.1 and 17-25-30(3). These provisions generally capped contributions for political candidates at $1,000. However, if a candidate qualified for and accepted public financing, then his or her contribution limit from individual citizens was raised to $2,000.

The First Circuit held that this disparity was a permissible and narrowly tailored incentive encouraging candidates to accept public regulation and financing. The court dismissed the argument that a disparate cap was unconstitutional punishment for not accepting public-funding. *Vote Choice*, 4 F.3d at 37. Contrary to the analysis I suggested above, the court held that this provision was narrowly tailored to the ultimate goal of preventing corruption and the appearance of corruption. Id. at 41. Thus, there is some strong support for the proposition that even a special $2,000 limit for participating candidates could be seen as narrowly tailored to the anti-corruption goals promulgated in *Buckley*.

Section 241: This Section requires participating candidates to raise at least 60% of their total sum of individual contributions from individuals residing within their states. It is, in my estimation, perfectly constitutional. Indeed, it is my conclusion that the provision would be equally constitutional if it required that 100% of the complying candidate's contributions come from within state. The decisive point, of course, is that no candidate is forced to accept public financing, and so those who accept it can be asked to abide by the government's reasonable and viewpoint-neutral regulations. See, e.g., *Rust* v. *Sullivan*, supra. But even if it were an outright rule applying uniformly to all candidates—participating and non-participating alike—Section 241 would be lawful since it is safely rooted in three different constitutional principles: the Seventeenth Amendment guarantee of popular election of Senators, the equal protection principle of one person-one vote, and constitutional federalism, including Article V's command that "no State, without its consent, shall be deprived of it's equal Suffrage in the Senate."

The Seventeenth Amendment to the Constitution, passed in 1913, replaced the system of election of United States Senators by the state legislatures with election "by the people [of] each State." This language, on its face, establishes a presumption in favor of the constitutional validity of federal and state laws that confine political participation in a state to the "people" or citizens of the state itself. Moreover, the legislative history of the Seventeenth Amendment reflects that it was added to the Constitution in order to break the political stranglehold that out-of-state money interests had over Congress. New York Senator Joseph Bristow, the author of the amendment, declared that the "great financial and industrial institutions" were using their power "in almost reprehensible and scandalous manner," spending "enormous amounts of money in corrupting legislatures to elect to the Senate men of their own choosing." Standing on the Senate floor in 1911, he asked: "Shall the people of this country be given an opportunity to elect their own senators, or have them chosen by legislatures that are controlled by influences that do not many times reside within the State that those senators are to represent?"

Thus, if we take seriously the language, history, structure and spirit of the Seventeenth Amendment, it seems clear that Congress has the authority under Article I, Section 4, to enforce the boundaries of popular election of United States Senators.

The second Constitutional principle reinforcing the Seventeenth Amendment basis for Section 241 is that of one person-one vote under the Equal Protection clause. In *Reynolds* v. *Sims*, 377 U.S. 533 (1964), the case which constitutionalized the principle of one person-one vote, the Supreme Court connected resident citizenship in a state to participation in its political processes:

". . . representative government is in essence self-government through the medium of elected representatives of the people, and each and every citizen has an inalienable right to full and effective participation in the political processes of his State. . . ." Id. at 565.

If one person-one vote guarantees every citizen's right to participate in the "political processes" of his or her own state and political community, it is equally clear that non-citizens of a state have no such right. If non-residents were allowed to participate, their votes would, in both a mathematical and constitutional sense, "dilute" the equal representation of members of the community. Thus, we might usefully think of *Reynold's* one person-one vote principle as establishing a rule of one resident-one vote.

The Supreme Court has accepted as a premise of American federalism that states may confine formal political rights to their own citizens and prevent citizens of other states from participating in their political processes. The Court has continually ruled that states have the power to categorically exclude both from the franchise and from political candidacy American citizens who are not citizens of the state or residents of the given election district. See *Pope* v. *Williams*, 193 U.S. 621 (1904); *Kramer* v. *Union-Free School District*, 395 U.S. 621, 626–28 (1969); *Evans* v. *Cornman*, 398 U.S. 419, 422 (1970); *Dunn* v. *Blumstein* 405 U.S. 330, 344 (1972); *Holt Civic Club* v. *Tuscaloosa*, 439 U.S. 60, 68 (1978).

By linking a person's membership in a state or local political community to the person's physical residence within the state or community's legal borders, the Supreme Court has tapped the deepest roots of American constitutional and political philosophy. The Declaration of Independence began with the principle that governments "deriv[e] their just powers from the consent of the governed." The Declaration of Independence para. 2 (U.S. 1776). This principle means not only that all those who are governed have a presumptive right to participate in politics but that all those who are not governed have no such right. This principle is closely related to the founding American maxim of "no taxation without representation," whose obverse corollary is "no representation without taxation"—that is, no right of political participation for those not subject to the government's taxing power.

The Supreme Court has repeatedly upheld the power of states to confine political process rights to their own citizens and to the members of specific sub-state political jurisdictions. In *Holt Civic Club*, the Court rejected the voting rights claims of Alabama citizens who were partially governed by a municipality but not permitted to vote in it. Chief Justice Rehnquist stated: "No decision of this Court has extended the 'one man, one vote' principle to individuals residing beyond the geographic confines of the governmental entity concerned, be it the State or its political subdivisions. On the contrary, *our cases have uniformly recognized that a government unit may legitimately restrict the right to participate in its political processes to those who reside within its borders.*" Id at 68. (emphasis supplied)

In *Dunn* v. *Blumstein*, the Supreme Court struck down an illegitimate one-year durational residence voting requirement in Tennessee but carefully distinguished it from a legitimate *bona fide* residence requirement. See 405 U.S. at 343. The Court found that, unlike an arbitrary requirement that residents spend a year in-state before gaining the right to vote, a basic threshold requirement that all voters be *bona fide* state residents is presumptively legitimate. For, as the Court put it, an "appropriately defined and uniformly applied requirement of bona fide residence" may be "necessary to *preserve the basic conception of a political community*, and therefore could withstand close constitutional scrutiny." Id. (emphasis supplied)

In *Evans* v. *Corman*, 398 U.S. 419 (1970), the Court stated that it assumed that any state had a compelling interest in "insurin[ing' that only those citizens who are primarily or substantially interested in or affected by electoral decisions have a voice in making them." 398 U.S. at 422.

All of the Court's relevant decisions thus establish the government's compelling interest in confining participation in a state's formal "political process" to the state's own citizens. This interest can be defined as a political sovereignty interest, and may be vindicated also by Congress using its powers under Section 5 of the Fourteenth Amendment. See *Katzenback* v. *Morgan*, 384 U.S. 641 (1966) (holding that Congress has power under the Fourteenth Amendment to elaborate and define the meaning of equal protection beyond minimal constitutional requirements, especially in the voting field).

The remaining question is whether making campaign contributions can be treated by Congress as part of the formal political process. The teaching of *Buckley*, of course, is that political contributions are a formal and irreducible part of the political process. But, because we have no precedent directly on-point governing Section 241, we can shed light on this question by examining federal and state, statutory and judicial treatment of campaign contributions, and specifically contributions offered by outsiders to candidates in a political community.

Like voting and candidacy, the process of making campaign contributions is closely regulated by federal and state statute. This regulatory structuring is radically opposed to the laissez faire treatment of informal political activities like volunteering to help a campaign, endorsing a candidate, or speaking to the press or the public, all of which are not regulated by state or federal legislatures. The Federal Election Campaign Act, which was mostly upheld in *Buckley*, closely regulates federal campaign contributions, and similar statutes exist in every state. This vast and expansive regulatory treatment reflects the fact that campaign contributions have become a formal and integral part of the political process.

It is instructive to consider how federal law treats the desire of foreign nationals to participate in political campaigns by making money contributions. The United States Congress has categorically banned all campaign contributions in federal, state and local elections by foreign nationals—that is, persons who are not members of any of the relevant political communities. 2 U.S.C. sect. 441e(a) (1995) ("It shall be unlawful for a foreign national directly or through any person to make any contribution of money or other thing of value, or to promise expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or for any person to solicit, accept, or receive any such contribution from a foreign national.") When Senator Lloyd Bentsen introduced the original 1974 legislation banning campaign contributions by non-citizens, he made the following apposite statement: "I do not think foreign nationals have any business in our political campaigns. They cannot vote in our elections so why should we allow them to finance our elections? Their loyalties lie elsewhere . . . " 120 CONG. REC. 8783 (1974).

The categorical prohibition adopted by Congress on "money speech" by non-U.S. citizens in American campaigns reflects the American political system's understanding that the right to finance campaigns belongs to members of the electoral community itself. From a constitutional perspective, a citizen of Florida or Puerto Rico or Vermont or the District of Columbia has no more of a cognizable interest in making campaign contributions in Wisconsin than he or she does voting there. Viewed through the proper lens of American federalism, all persons who are not legal residents of Wisconsin are not citizens of Wisconsin and should have no formal political rights to participate in state or federal elections there. Put in the starkest of terms, if a resident of New York has no constitutional right or interest in voting or running for office in Wisconsin's elections, he or she should have no such right or interest in making campaign contributions there that could have a far more decisive or sweeping effect on the outcome of an election.

In another closely analogous case from a statutory context, the United States Supreme Court upheld a blanket union rule forbidding candidates for union office to accept campaign contributions from persons who are not members of the union. *United Steelworkers of America* v. *Sadlowski*, 457 U.S. 102 (1982). The Court found that the Steelworkers' rule banning "outsider" contributions did not violate the Labor-Management Relations Act or the First Amendment. The Court emphasized the legitimacy of the Steelworkers' desire to see that "nonmembers do not unduly influence union affairs." Id. at 115. The union justly "feared that officers who received campaign contributions from nonmembers might be beholden to those individuals and might allow their decisions to be influenced by considerations other than the best interests of the union. The union wanted to ensure that union leadership remained responsive to the membership." Id.

Thus, it seems inescapable that Congress has a compelling political equality interest in preventing a situation to develop in which a majority of the money raised by U.S. Senate candidates comes from non-citizens.

Third, Congress has a compelling constitutional interest in protecting federalism and the states' "basic conception" of their political communities. Intervention in Senate races by non-citizen contributors changes the definition of the state's political community, distorts the character of the campaign process and the nature of campaign appeals, potentially changes the outcome of elections and damages the relationship of loyalty that ought to exist between residents and their officials. In sum, out-of-state and out-of-district money contributions are as distorting a political intervention by non-citizens as would be out-of-state and out-of-district votes and candidacies. If, as the Supreme Court has held, the principal constitutional protections for federalism lie in the political structure of state representation in Congress, then there is clearly a compelling governmental interest in preserving the integrity of each state's political autonomy. Congress has constitutional authority to preserve the "equal Suffrage" of each state's representation in the Senate as provided for in Article V.

Beyond the Seventeenth Amendment, one person-one vote and federalism justifications for Section 241, Congress can spell out compelling anti-corruption interests in enacting this provision. Thus, even if one were to apply First Amendment strict scrutiny to Section 241, I believe that the compelling state interests and correspondingly narrowly tailored means exist here.

There are two anti-corruption interests that the Supreme Court has found sufficiently compelling to uphold public regulations of campaign contributions and expenditures. First, in *Buckley*, the Court found sufficient justification for Federal Election Campaign Act caps on campaign contributions in Congress' "primary purpose" of "limit[ing] the actuality and appearance of corruption . . ."

This interest is present here as well, but in an even more striking way. There is a great risk of corruption when non-citizens participate in the financing of a state's federal candidates' campaigns since non-citizens are far more likely to be motivated by a material or economic interest. The Center for Responsive Politics has consistently found that special interests and PACs give overwhelmingly to members who sit on the congressional committees that legislate over them regardless of their state affiliations. *Open Secrets*, the Center's "Encyclopedia of Congressional Money and Politics," reveals further that a majority of Senate and House committee chairs receive a majority of their money from out-of-state contributors. Out-of-state and out-of-district contributors are more likely to have a narrow material interest in legislation, to exercise a corrupting effect on legislation and legislators, and to promote the appearance of *quid pro quo* corruption and trades.

The second anti-corruption interest upheld by the Supreme Court is in guaranteeing that the levels of money spent on behalf of a candidate authentically reflect popular support rather than extrinsic and antidemocratic factors. This interest was identified in *Austin* v. *Michigan Chamber of Commerce*, 494 U.S. 652 (1990). In Austin, the Court upheld a Michigan law preventing corporations from using corporate treasury funds to support or oppose candidates for state office. The Court reasoned that a corporation amassed profits on the basis of its economic prowess and the state's valuable conferral of benefits to all corporations—not on the basis of the public's support for the political ideology of the corporate directors or management. Thus, Michigan was perfectly justified in refusing to allow corporations to convert their profits into political advocacy for particular candidates. In allowing regulation of political money beyond *quid pro quo* arrangements, the Court validated regulation of "a different type of corruption in the political arena: the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and that have little or no correlation to the public's support for the corporation's political ideas." Id. at 660.

Austin established that money contributions from sources other than the individual citizens who make up the community are inherently corrupting of democratic norms. The Court stated that "the political advantage of corporations is unfair because '[t]he resources in the treasury of a business corporation are not an indication of popular support for the corporation's political ideas. They reflect instead the economically motivated decisions of investors and customers.'" Id. at 660 (quoting *FEC* v. *Massachusetts Citizens for Life, Inc.*, 479 U.S. 238, 257 (1986).

Just as contributions drawn from a corporate treasury have "little or no correlation" to the public's support for the corporation's political ideas, contributions sent from non-citizens who live out-of-state and out-of-district have "little or no correlation" to the public's support for the political ideas of such outsiders. These contributions instead mostly reflect the economically motivated contributions of outside interests and political investors. Thus, corporate treasury funds and funds from out-of-state sources inhabit the same vulnerable constitutional position of antidemocratic political money that does not reflect the popular preferences of the actual voting public.

If it advances compelling interests, Section 241's partial ban on out-of-state contributions is also narrowly tailored. First of all, it allows non-citizens to give campaign contributions up until the point that they would become almost half of the candidate's total receipts. Moreover, like the contributions caps upheld in *Buckely*, this provision leaves in place the unhampered ability of the regulated parties—here, the out-of-state contributors—to spend unlimited amounts of money on direct campaign expenditures expressing their own political views in support of, or against, a particular candidate. Thus, while a ban on expenditures by non-citizens would presumably violate the Court's *Buckley* ruling, "a limitation upon the amount that any one person or group may contribute to a candidate or political committee entails only a marginal restriction upon the contributor's ability to engage in free communication . . ." *Buckley*, 424 U.S. at 20. Such a ban "does not in any way infringe the contributor's freedom to discuss candidates and issues." Id. at 21.

Section 241 mirrors the regulation upheld in *Buckley*. It works effectively to ban the political dominance created by an overwhelming cash nexus between out-of-state contributors and U.S. Senators. If non-citizens seek to promote a meaningful political or ideological point as opposed to a relationship of political debt with public officials, they can still spend untold millions of dollars speaking and making their views known. What they cannot do under this provision is threaten the systemic corruption of Congress. Although I would prefer to see it ban all out-of-state contributions categorically, Section 241 is still shaped to isolate the corrupting and antidemocratic effects of involvement by out-of-state interests while allowing them every opportunity to get a valid, non-corrupting message across.

To conclude, voting and running for office are fundamental rights of U.S. citizenship protected by the Constitution, but the Constitution allows states to deny the right to vote and run for office to persons who are not citizens of the relevant state. The confinement of formal political rights to voting citizens is always presumptively based on compelling state interests in sovereignty, loyalty and honest government. The making of campaign contributions to candidates for public office constitutes just such an exercise of a formal political right. Congress may declare the existence of compelling interests in preserving the constitutional sovereignty of the people and in combatting the corruption of their political and governmental processes by non-citizens. Section 241 advances these interests with considerable effect while still leaving unlimited room for campaign expenditures by outside interests.

Section 201: This Section prevents political action committees (PACs) from making independent expenditures or giving to federal candidates. It seems clear that the ban on expenditures runs counter to the Court's holding in *FEC* v. *NCPAC*, 470 U.S. 480 (1985), that independent PAC expenditures have the full measure of First Amendment protection since they do not threaten *quid pro quo* corruption. However, I read that case as relating only to independent expenditures and not direct contributions to candidates, which pose a far more serious risk of the kinds of corruption identified in *Buckley*. Indeed, Congress can fairly invoke the last 20-odd years of experience with disproportionate and systematically corrupting PAC influence on federal campaigns and national public policy to demonstrate a compelling interest in passing a ban on direct PAC contributions to federal candidates.

It is important to remember that a ban on PAC contributions to candidates still leaves in place the right of every voter to give directly to a candidate and the right of every PAC, or group of voters, to spend whatever it wants independently advocating or disparaging a particular candidate. Thus, all of the voters' legitimate constitutional interests—the right to associate with a candidate's campaign with a direct contribution and the right to associate with other voters and promote a particular candidate—are still vindicated by a ban on PAC contributions.

I hope that these thoughts are useful to you and that you will feel free to call on me for assistance in the days ahead.

Very truly yours,

JAMIN B. RASKIN,
Professor of Law,
Associate Dean.

Mr. MCCAIN. For those who question the constitutionality of this bill, I hope they will take the time to read the opinions of these legal experts.

Fourth, and the most important, this bill makes message, and not money, the most important part of any election. And as such, challengers will have a more fair and equal footing when running against an incumbent.

Spending limits will do more to level the playing field in an election than any other contemplated reform. Analysis of past races shows incumbents raised and spent considerably more money than the challengers and that the candidates who spent the most money usually won the election—this is especially the case in races where multimillionaires outspent their rivals. It is especially interesting to note that in competitive open seats, the candidate who raises the most money tends to win the election. Spending limits would change that dynamic.

This perverse system under which the richest takes all has resulted in entrenched incumbents. The nonpartisan Congressional Research Service has compiled an analysis of congressional races in recent years and the conclusion of that study is that the candidate who raises and spends the most money, even if that money is his or her own, usually wins the election. Elections should be about message, not money.

The flow of PAC money is especially enlightening about how the system favors incumbents. I pointed out earlier how much that disparity is. Challengers basically receive $1 in PAC contributions for every $20 given to an incumbent. Which is why entrenched incumbency is such a problem, and why we must do something to fix this situation.

Mr. President, the Supreme Court has ruled we cannot stop someone who is willing to spend an unlimited amount of money for a Federal office from doing so. That is the law of the land. Our bill conforms to it. But the bill does provide strong incentives for candidates to voluntarily comply with spending limits, regardless of personal wealth. Candidates who choose to spend unlimited amounts of their own money receive none of the bill's benefits. Further, the bill raises the individual contribution limit for candidates who comply with the bill's provisions when they run against someone who either refuses to comply with the spending limits or exceeds the personal contribution limit.

Some have said that the simple solution of raising the individual contributor limit is the answer to the problem. That solution just is not true. Raising the individual contribution limit does nothing to control or limit the amount of money spent in a race. It may actually have the perverse effect of discouraging candidates of modest means from seeking office when confronted with an incumbent with unlimited resources. Under the current system, an incumbent's access to PAC contributions and an incumbent's appeal to well represented interests in Washington who like to bet safely on election favorites will almost always allow the incumbent to outspend his or her challenger.

Increasing contribution limits would do nothing to level the playing field and may, in fact, only further entrench incumbents who will always have superior advantages when it comes to attracting big money. It has been said several times that the public spends more on yogurt than is spent on campaigns. That is almost a catchphrase around here. My friends use the example to demonstrate that spending limits are not needed. Mr. President, I must respectfully disagree. This comparison is amusing but completely irrelevant. There is not a crisis of confidence in the yogurt industry. Confidence, trust, and faith in the yogurt industry is not important for the well-being of future generations. This country is not the great Nation it is today due to the yogurt industry.

We live in the greatest democracy in the history of the world because of the foresight of our Founding Fathers to create a government that represented and had the trust of the people. It is that trust that we must seek to restore.

Poll after poll reveals the public's urgent demands for genuine finance campaign reform. These polls mark the progress of public sentiment on this question. The people's cynicism over the way we seek office has grown into contempt for the way we retain office. The foundations of self-government rest on the public's faith in the basic integrity of our legal system. That faith is shaken today.

This bill will not cure public cynicism for politics. But we believe it will prevent cynicism from becoming contempt, and contempt from becoming utter alienation.

Our bill represents substantial, necessary change to the status quo—a status quo that has generated a reelection rate of over 90 percent for Members of the House and Senate. We know the current system has served incumbents well, and we know what a daunting task it will be to convince the Congress to reform this system.

Our appreciation for the political realities and institutional impediments arrayed against reform will not extinguish our determination for reform because we know the consequences of failing to act are far more frightening than the personal prospect of involuntary retirement.

We must move forward. We must pass meaningful campaign finance reform. The American people expect us to do at least that much.

Today's Washington Post stated: "Give them a vote, and perhaps for another Congress the issue will go away: That's the leadership position. It's the way both parties deal with the issue; they spend half their time endorsing reform and the other half making sure it won't occur."

Mr. President, I challenge my colleagues to prove the Washington Post wrong. I urge my colleagues to vote for cloture and make reform more than an unkept promise.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate now resume consideration of S. 1745, the Department of Defense authorization bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kyl/Reid Amendment No. 4049, to authorize underground nuclear testing under limited conditions.

Kempthorne Amendment No. 4089, to waive any time limitation that is applicable to awards of the Distinguished Flying Cross to certain persons.

Warner/Hutchison Amendment No. 4090 (to Amendment No. 4089), to amend title 18, United States Code, with respect to the stalking of members of the Armed Forces of the United States and their immediate families.

CLOTURE MOTION

Mr. McCAIN. Mr. President, I send a cloture motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 433, S. 1745, the Department of Defense authorization bill.

Trent Lott, Don Nickles, Dirk Kempthorne, Rod Grams, Jim Jeffords, Craig Thomas, Kay Bailey Hutchison, Judd Gregg, Bill Frist, Fred Thompson, Mike DeWine, Rick Santorum, John Ashcroft, Sheila Frahm, Ben Nighthorse Campbell, Hank Brown.

MORNING BUSINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, 4 years ago when I commenced these daily reports to the Senate it was my purpose to make a matter of daily record the exact Federal debt as of the close of business the previous day.

In my very first report on February 27, 1992, the Federal debt the previous day stood at $3,825,891,293,066.80, at the close of business. The Federal debt has, of course, shot further into the stratosphere since then.

Mr. President, at the close of business this past Friday, June 21, a total of $1,283,809,880,199.26 had been added to the Federal debt since February 26, 1992, meaning that the exact Federal debt stood at $5,109,701,173,266.06. On a per capita basis, every man, woman, and child in America owes $19,271.14 as his or her share of the Federal debt.

REPORT ON THE PEOPLE'S REPUBLIC OF CHINA AND THE EXPORT OF UNITED STATES-ORIGIN SATELLITES—MESSAGE FROM THE PRESIDENT—PM 154

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by Section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (P.L. 101–246) ("the Act"), and as President of the United States, I hereby report to Congress that it is in the national interest of the United States to terminate the suspensions under section 902(a) of the Act with respect to the issuance of licenses for defense article exports to the People's Republic of China and the export of U.S.-origin satellites, insofar as such restrictions pertain to the Hughes Asia Pacific Mobile Telecommunications project. License requirements remain in place for these exports and require review and approval on a case-by-case basis by the United States Government.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 23, 1996.*

REPORT OF REVISED DEFERRAL OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT—PM 155

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, and to the Committee on Finance.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budgetary resources, totaling $7.4 million. The deferral affects the Social Security Administration.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 24, 1996.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3108. A communication from the White House, President of the United States, transmitting, pursuant to law, a report concerning the presence of personnel from states of the former Soviet Union at the Juragua nuclear facility near Cienfuegos, Cuba; to the Committee on Foreign Relations.

EC–3109. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to nectarines and peaches grown in California, received on June 20, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3110. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to Irish potatoes grown in Washington, received on June 19, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3111. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to limes and avacados grown in Florida, received on June 19, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3112. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a final rule relative to grapes being grown in a designated area of Southeastern California, received on June 19 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3113. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a final rule relative to specialty crops, received on June 19, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3114. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to Japanese Beetles, received on June 20, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3115. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92–84; to the Committee on Appropriations.

EC–3116. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93–03; to the Committee on Appropriations.

EC–3117. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a notice of intent to obligate funds, following the transfer, for the purpose of upgrading existing non-government television stations in Bosnia and Herzegovina; to the Committee on Appropriations.

EC–3118. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the description of property to be transferred to the Republic of Panama in 1996 and 1997; to the Committee on Armed Services.

EC–3119. A communication from the Secretary of Defense, transmitting, relative to the retirement of Lieutenant General Harold W. Blot, United States Marine Corps; to the Committee on Armed Services.

EC–3120. A communication from the Secretary of Defense, transmitting, relative to the retirement of Lieutenant General George R. Christmas, United States Marine Corps; to the Committee on Armed Services.

EC–3121. A communication from the Secretary of Defense, transmitting, relative to the retirement of Lieutenant General James A. Brabham, Jr., United States Marine Corps; to the Committee on Armed Services.

EC–3122. A communication from the Secretary of Defense, transmitting, relative to the retirement of Lieutenant General Arthur C. Blades, United States Marine Corps; to the Committee on Armed Services.

EC–3123. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report relative to the Defense Environmental Restoration Program; to the Committee on Armed Services.

EC–3124. A communication from the Under Secretary of Defense Acquisition and Technology, transmitting, pursuant to law, a report relative to the Amphibious Transport Dock Ship; to the Committee on Armed Services.

EC–3125. A communication from the Director of Financial Management and Deputy Chief Financial Officer, Department of the Interior, transmitting, pursuant to law, the Secretary's Report on Audit Followup; to the Committee on Energy and Natural Resources.

EC–3126. A communication from the Assistant Secretary, Lands and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of a final rule entitled "Effective Dates of Permit Decisions" (RIN1004–AB51), received on June 19, 1996; to the Committee on Energy and Natural Resources.

EC–3127. A communication from the Office of the Chairman, Surface Transportation Board, transmitting, pursuant to law, the report of a rule relative to being exempted from regulation of the construction and operation of connecting railroad track, received on June 14, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3128. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a final rule concerning energy consumption and water use, received on June 14, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3129. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule relative to Magnuson Act Provisions (RIN0648–AI17), received on June 19, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3130. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Regulatory Actions Affecting Tourist Railroads"; to the Committee on Commerce, Science, and Transportation.

EC–3131. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of four final rules concerning special local regulations (RIN2115–AE46, 2130–AA97), received on June 20, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3132. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty-one final rules concerning airspace (RIN2120–AA66, AA64, A64, AF90, AA65), received on June 20, 1996; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI:

S. 1898. A bill to protect the genetic privacy of individuals, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. STEVENS (for himself, Mr. JEFFORDS, Mr. LEAHY, and Mr. MURKOWSKI):

S. 1899. A bill entitled the Mollie Beattie Alaska Wilderness Area Act; to the Committee on Energy and Natural Resources.

By Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HARKIN, and Mr. ROCKEFELLER):

S. 1900. A bill to amend titles XVIII and XIX of the Social Security Act to permit a waiver of the prohibition of offering nurse aide training and competency evaluation programs in certain nursing facilities; to the Committee on Finance.

By Mr. DORGAN (for himself and Mr. GRASSLEY):

S. 1901. A bill to amend title XIX of the Social Security Act to repeal the requirement for annual resident review for nursing facilities under the Medicaid program and to require resident reviews for mentally ill or mentally retarded residents when there is a significant change in physical or mental condition; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 1898. A bill to protect the genetic privacy of individuals, and for other purposes; to the Committee on Labor and Human Resources.

THE GENETIC CONFIDENTIALITY AND NONDISCRIMINATION ACT OF 1996

Mr. DOMENICI. Mr. President, I rise today to return a momentous issue to the forefront. This issue is genetics confidentiality and nondiscrimination. I am pleased to report that the human genome project is proceeding rapidly to map and sequence the entire complement of human genes. These genes are coded in over 3 billion molecular building blocks of DNA.

Now, most people—and I must say most Members of the Congress—are not necessarily aware of the fact that since 1986, our Government has been involved in an annual program which has reached the size of about $138 to $140 million a year, which is divided one-third in the Department of Energy and two-thirds in the National Institutes of Health. That program spends that money by permitting various major American institutions to proceed to map certain chromosomes which are yielding fantastic information regarding diseases of the human species.

One might quickly recognize that if that is going on, it probably is also going on in the area of animals and in the area of agricultural products. And, yes, although the genome project is human, because of its tremendous success it is going on in the other areas also. So, in a very real sense, believe it or not, while all the discussion of late is about conventional health care proposals, it is entirely possible, in fact I believe probable, that within 25 to 40 years the entire delivery of health care will be built around genetics rather than what we are doing today. In fact, at certain conferences we have sat around and thought about what a hospital will probably look like when we have finally mapped and sequenced the entire chromosome system. It will not be anything like we have today.

So, in these 3 million molecular building blocks, we are busy locating the situs within that molecular system of most of the diseases that impede human progress and have this enormous impact on our well-being, our health, and thus our prosperity and the joy of living. Determining this entire code is going to provide scientists and doctors with a road map. This map will lead them to great discoveries and breakthroughs, as I have indicated, to prevent suffering and pain of diseases.

The human genome project stands to be one of humanity's greatest scientific achievements. Nonetheless, when the human genome was first brought to my attention in 1986, I recognized that it could catalyze revolutions, not just in science and medicine, but also in ethics and in law and society. That is why one will find, as part of the human genome funding, that there is money set aside specifically to address the ethical, legal, and social implications of this project.

There is literally a revolution occurring in genomic information, special information, information about our species, about our bodies, and, most important, about ourselves. Who should know this information? Should it be public? Should our doctors, our friends and our families, our insurers, our employers or even our very selves know every detail of our genetic blueprint? These are penetrating and provocative questions, and they are proactive, and they deeply concern many who know about them. I guarantee the Senate that there will be, with the passage of each year, more and more people concerned about them as the ramifications begin to unfold.

I am not one who says that, because of these serious ramifications, we should stop the progress of knowledge about human disease. But, obviously, if we do not do this carefully, the abuse could stop this progress. About that, there can be no doubt, for, if this kind of information is abused in a country like ours, there may be an enormous backlash. Frankly, I think that would be a pathetic response to one of the approaches to wellness with most potential that humankind has ever seen.

So, this genetic confidentiality and nondiscrimination is a monstrous issue, and I raise it today not as the first to raise it, for it is around. Certain Senators—led over time by Senator HATFIELD and, of late, a few others—are rising to the occasion and worrying about it.

The right for each individual to have some control over his or her most personal and most identifying information is what we are talking about. Indeed, I could change my name again and again and maybe some people would no longer be able to identify me, maybe some would, maybe some wish they could not. However, I can never, never change my genetic information. It will always be me, and yours will be you. People will always be able to identify this genetic information that is peculiar to each of us. Whether it comes from a drop of blood, the back of a postage stamp where saliva remains, or a pathology specimen, it is the person from whence the blood, the saliva, or whatever other piece of our anatomy is put to the pathology test.

So, along with my colleague, Senator SIMON, I am today introducing the Genetic Confidentiality and Non-discrimination Act of 1996. This is a comprehensive and defining legislative vehicle. It is, indeed, needed to bolster the efforts of 19 States that have enacted some kind of information privacy statutes, as well as five of my colleagues who have introduced similar legislation, although substantially different. This bill in no way infringes on those efforts. Genetics privacy is a big issue, and many groups will have concern about specific provisions. There is much work to be done. There needs to be much more debate. I am certain the Chair is aware of that from this discussion thus far. My staff, as well as others, have worked very hard to craft the very best bill that we could.

I think from this point on we should not let time lapse. We should work together and get something done to make sure we do not punish and penalize the progress of this rather fantastic health research. Again, this bill is a comprehensive legislative vehicle that will be subject to exhaustive legislative review processes, with hearings and input from all sources and all points of view.

So let me briefly describe our bill. First, I send forward a summary to the desk and ask unanimous consent it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. The act itself will be known as the Genetic Confidentiality and Nondiscrimination Act of 1996. First, the bill defines genetic information as uniquely private and distinct from other personal information such as medical records. As I mentioned before, it is impossible to separate one's identity from one's genes. One's DNA also provides information about one's family. Genetic information carries significance and has great potential for misuse. Let me repeat. This information is of special significance and has great potential for misuse. Genetics transcends medicine and can penetrate many aspects of life, including employment, insurance, education, forensics, finance, and even one's self-perception.

Let me also make it perfectly clear that this bill does not make it illegal for a third party to collect, store, analyze, or even disclose an individual's genetic information. This bill requires that third parties obtain the individual's informed and written consent.

This legislation puts individuals in control of his or her genetic information. Some will object to that, but ultimately the question is going to be asked: If not the individual, who? Exceptions are provided in the bill for legitimate medical research, law enforcement activities, court-ordered analysis and purposes of identification of dead bodies or active duty military remains and, on the latter, we have already been hearing something about that.

Specifically, the purposes of this legislation are:

First, to define the circumstances under which genetic information may be created, stored, analyzed, or disclosed;

Second, to define the rights of individuals with respect to genetic information;

Third, to identify the responsibilities of third parties with respect to genetic information;

Fourth, to protect individuals from genetic discrimination with respect to insurance and employment. Just think of that one, the opportunity to discriminate because of genetic information if randomly delivered to people such as insurance carriers, employers, and many other institutions and individuals that could act based on it.

Fifth, to establish uniform rules to protect genetic privacy and allow the advancement of research.

Today, there is clear and pressing need for Federal legislation on this issue. This Senator, along with Senator SIMON—and I am sure there will be others who will join us, but I have just not had enough time to get this circulated and get it out to other Senators; that will start today—but we are introducing this bill to motivate, consolidate, and strengthen the process of getting something done in this very, very important area. I look forward to working with my House and Senate colleagues in bringing this issue, with broad bipartisan support, to an anxiously awaiting American public.

Mr. President, the call is now. Once again, the human genome project stands to be one of the greatest scientific and medical achievements of all time. And incidentally, I think one might wonder why we did not do this a long time ago. We constantly talk about the computer and what it permits us to do that we could not have done. It is patent and obvious that we could never ever have begun the process of mapping the 3 billion human genomes within the chromosome system of a human being without the computer system that has evolved in our country.

Without that, we would still be having researchers take on and study for their whole lifetime where the gene for multiple sclerosis might be. This is not to say many of those great research teams struggled mightily, and they did, and they found the situs for many of them and cures and drugs have resulted that ameliorate and sometimes cures.

But this offers science ultimately a map of all of the chromosomes, and then they will begin to sequence them in some kind of order. They will have a road map and then start to sequence them.

What they will have done, once they have finished, is give the great scientists an opportunity to focus in on the work to find where the mutation is that is causing breast cancer. Work is being done with families on just that subject, and the mutation is being isolated and people are being, in some instances, told whether they are going to get this cancer or not. It is rather amazing.

Where will all this end up? Let us hope, with an appropriate reservation of rights on disclosure, that it will end up in the right hands doing the right kind of things, making the right kind of progress that our great society is taking the lead in. I will say, though, so nobody thinks this is totally and singularly an American project. It is not. The French are doing great work. In some cases, they have a lead on America. Japan is doing some, and almost all of the industrialized nations are doing some. But our great genome project has moved ahead in a dramatic manner. It is ahead of schedule, it has cost much less than we expected and, consequently, it is time for us to do something now about this aspect of it.

Its wonderful promise may never be fully realized if the public is afraid of what someone else will do with their information. That is the reason that this becomes very important.

Mr. President, in addition to the matter for which I asked unanimous consent earlier, I ask unanimous consent that a number of news articles be printed in the RECORD, and I send the bill to the desk and ask for its appropriate referral.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

GENETIC PROPHECY AND GENETIC PRIVACY—CAN WE PREVENT THE DREAM FROM BECOMING A NIGHTMARE?

(By George J. Annas)

Would you want to know if you're likely to develop Alzheimer's disease later in life? Would you want your employer, your health insurer, your colleagues, or your family to know? Who should decide who should know, and how can public health practitioners use genetic information on predisposition to diseases like dementias and cancer for the public good without stigmatizing individuals?

In this issue's Health Law and Ethics, Mayeux and Schupf pose all of these questions and more in the context of apolipoprotein-E screening for Alzheimer's disease. Although the presence of the 4-type apolipoprotein E allele is not a test for Alzheimer's disease, Mayeux and Schupf's analysis suggests many of the issues we will face when tests for the genes that cause various types of Alzheimer's disease, such as early onset Alzheimer's, become available. They argue, persuasively I think, that population screening now "would not only be impractical, but would be of no obvious benefit" and "without a clear-cut therapeutic option, early detection (by testing) at this point does not seem beneficial." They also properly stress the dangers of creating disease in the absence of symptoms, and the necessity for pre- and post-test counseling for any such probabilistic, presymptomatic genetic testing.

The central question presented by genetic screening and testing is whether genetic information is different in kind from other medical information (such as family history and cholesterol levels), and if so, whether this means that it should receive special legal protection. Stated another way, are Mayeux and Schupf correct in concluding that "the genetic code of an individual should be protected and considered confidential information in all circumstances"? I think they are, but their conclusion with respect to genetic privacy deserves more analysis.

Genetic information can be considered uniquely private or personal information, even more personal than other medical information such as human immunodeficiency virus (HIV) status or mental health, for at least three reasons: it can predict an individual's likely medical future; it divulges personal information about one's parents, siblings, and children; and it has a history of being used to stigmatize and victimize individuals.

The highly personal nature of the information contained in one's deoxyribonucleic acid (DNA) can be illustrated by thinking of DNA as containing an individual's coded "future diary." A diary is perhaps the most personal and private document a person can create. It contains a person's innermost thoughts and perceptions and is usually hidden and locked to assure its secrecy. Diaries describe the past. The information in one's genetic code can be thought of as a coded probabilistic future diary because it describes an important part of a person's unique future and, as such, can affect and undermine one's view of himself or herself and his or her life's possibilities. Unlike ordinary diaries that are created by the writer, the information contained in one's DNA, which is stable and can be stored for long periods of time, is largely unknown to the person. Most of the code cannot now be broken, but parts are being deciphered almost daily. As decoding techniques get better, and if one's DNA is deciphered without permission, another person could learn intimate details of the individuals likely future life that even the individual does not know.

Deciphering an individual's genetic code also provides the reader of that code with probabilistic health information about that individual's family, especially parents, siblings, and children. Finally, genetic information (and misinformation) has been used by governments (US) immigration and sterilization policies and Nazi racial hygiene policies, for example) to discriminate viciously against those perceived as genetically unfit and to restrict their reproductive decisions.

Mayeux and Schupf note my prior recommendations regarding regulating DNA banks. Although regulating such "gene banks" is necessary to protect genetic privacy, it is not sufficient. My colleagues Leonard Glantz and Patricia Roche and I now believe that we need federal legislation to protect individual privacy by protecting not only DNA samples, but also the genetic information obtained from analyzing DNA samples. To be effective, such legislation must govern activities at at least four points: collection of DNA, analysis of DNA, storage of DNA and information derived from it, and distribution of DNA samples and information derived from DNA samples. As a general rule, no collection or analysis of an individual's DNA should be permitted without an informed and voluntary authorization by the individual or his or her legal representative. Research on nonindentifiable DNA samples need not be inhibited; but research on DNA from identifiable individuals should proceed only with informed consent.

To codify these rules and make them uniform throughout the United States, we have drafted the "Genetic Privacy Act of 1995," the core of which prohibits individuals from analyzing DNA samples unless they have verified that written authorization for the analysis has been given by the individual or his or her representative. The individual has the right to do the following:

Determine who may collect and analyze DNA;

Determine the purpose for which a DNA sample can be analyzed;

Know what information can reasonably be expected to be derived from the genetic analysis;

Order the destruction of DNA samples;

Delegate authority to another party to order the destruction of the DNA sample after death;

Refuse to permit the use of the DNA sample for research or commercial activities; and

Inspect and obtain copies of records containing information derived from genetic analysis of the DNA sample.

A written summary of these principles (and other requirements under the act) must be supplied to the individual by the person who collects the DNA sample. The act requires that the person who holds private genetic information in the ordinary course of business keep such information confidential and prohibits the disclosure of private genetic information unless the individual has authorized the disclosure in writing, or unless the disclosure is limited to access by specified researchers for compiling data. Although the act itself does not prohibit the use of genetic information by employers and insurance companies (because this is a separate problem from privacy), it would be reasonable public policy to prohibit both employers and health insurance companies from using genetic information in making hiring and coverage decisions. Congress should act now to protect genetic privacy. While we wait for congressional action, states can act, and private companies and practitioners can voluntarily adopt these privacy rules as their own.

The new genetics raises virtually every major health care policy question, as well as unique legal and ethical problems. How should screening for BRCA 1 and BRCA 2 (two "breast cancer genes") be introduced into medical and public health practice? Should we prohibit parents from authorizing the testing of minors or fetuses for breast cancer genes, or any other gene predisposing to a nonpreventable, late-onset disease? The Human Genome Project has devoted approximately $3 million a year for the past 5 years to exploring the legal, ethical, and social policy issues raised by the project. The Genetic Privacy Act is one of the products of this funding. In addition, the Institute of Medicine's Committee on Assessing Genetic Risks has made more than 225 specific recommendations dealing with genetic screening and testing, virtually all of which are reasonable. We know the privacy and policy issues that come with the new genetics. The challenge is to act now to try to maximize the good and minimize the harm that will come to all of us from our new genetic knowledge.

[From the Washington Post, May 12, 1996]

THIS MAP WON'T SHOW US THE WAY

(By Jessica Mathews)

The job of deciphering the 60,000 to 100,000 genes the human genome will be finished in less than 10 years. That may sound like a long time, but it isn't. Long before then, but it isn't. Long before then, at an accelerating pace, we will begin to be flooded with genetic information that can be as treacherous and unwelcome as it sometimes is lifesaving. We will need every minute to prepare for a revolution in medicine that will invade our privacy in unprecedented ways and challenge legal protections, social values, personal ethics and religious beliefs.

If the past is any measure, we won't be ready. With no societal consensus about how to approach the issues, most of the decisions will get bumped, as a last resort, to the courts where judges with no particular qualification nor preparation will have to decide, struggling to find some constitutional basis for resolving novel, moral dilemmas.

Think for a moment about a world in which genetic screening of people and fetuses is routine.

Suppose you knew you had a high risk of dying in 10 years? Should it be legal to keep that information to yourself when buying life insurance?

How would a managed-care provider treat a couple who refused preventive treatment. (an abortion) for a fetus that would require lifetime medical care?

What if screening revealed children's individual endowments of traits were now call intelligence. Would society demand educational tracking beginning in preschool?

How will prospective parents deal with the information in a fetal screen? Suppose it reveals a high risk of heart disease, or mental disorders, or obesity or undesirable temperament? Will pregnancy in this brave new world necessarily be a time of achingly difficult decisions? What will it mean for society when every child enters the world with hundreds of "preexisting conditions"? What will it mean for religion when innate characteristics become a matter of choice?

Will the rich, who can afford repeated fetal screening and genetic interventions, begin to produce children who differ more and more from those of the poor?

Should prospective employers and insurers have access to an individual's genetic profile? What about prospective spouses? What about us—would we have a "right" not to know about ourselves?

Will we want all this information we can do very little about? Will we ever be able to meaningfully apply statistical risks to our own, individual cases? How will we cope with decades of enormous uncertainty as scientists sort out the interactions of tens of thousands of genes and the interactions of the resulting genetic propensities with the environment?

Where will we find enough genetic counselors who combine scientific knowledge, therapeutic insight, clerical compassion and the wisdom of Solomon? Should they just give the facts? If they do more, whose values will they be transmitting?

What about genetic alteration of germ cells, those that pass on traits to future generations? So have said that a line can be clearly drawn making these cells off limits. But suppose it becomes possible to alter the genes that give rise to familial predispositions to cancer and other diseases. Wouldn't we want to do that? Then aren't we facing an era of human eugenics?

The widespread unhappiness with having judges rule on the moral question of physician-assisted suicide offers a faint preview of what it would be like to leave such questions to the courts. In one of those cases, Andrew Kleinfeld, a dissenting judge on the 9th Circuit, made his own discomfort plain. "The Founding Fathers did not establish the U.S. as a democratic republic," he wrote, "so that elected officials could decide trivia, while all great questions would be decided by the judiciary."

The alternative is to develop sufficient public understanding to address these choices through referendums and legislatively and, if possible, to do so in a way that avoids making genetic ethics into a political football like abortion. A small beginning has been made. The government-funded Human Genome Project wisely set aside a small fraction of its budget to study moral and ethical questions, so there are expert groups and advisory committees and a stream of scholarly papers. But that is not enough.

Nor is it enough to vaguely call—as I have in the past—for a "broad public conversation" on the subject. Without some sort of crisis it just won't happen. What is needed is a national commission of a new and different kind.

The usual mission for such a body is to serve either government or interested groups through fact-finding, research and expert advice. This one's client would be the public. Its job would be to find innovative ways to inform and stimulate public debate; to frame choices, to offer balanced pros and cons; to confront as many Americans as it can with the facts and the uncertainties and scientists' best guesses about where their work is leading. It should be nonpartisan and operate for as long as we need it.

The mapping of the human genome will be an enormous scientific achievement, at least on a par with nuclear fission, but much more personal. If it is, on balance, to improve our lives in the next few decades, we'll have to collectively think it through—in advance.

[From the Washington Post National Weekly Edition, June 3-9, 1996]

ALL IN THE GENES—THE NEW AVAILABILITY OF TESTS RAISES A HOST OF ETHICAL QUESTIONS

(By Rick Weiss)

When Ebenezer Scrooge got a sneak preview of his own demise, including views of his funeral that no one cared to attend, he had only to change his evil ways to revise the future. If only genetic testing offered such simple solutions.

New genetic tests are moving rapidly from research laboratories into doctors' offices, where they are being marketed as a way to predict people's chances of getting common diseases such as colon cancer, breast cancer and Alzheimer's disease.

But instead of offering clear views of the future and strategies for altering it, genetic tests have raised the specters of DNA-based discrimination and loss of health insurance, and the prospect of people learning just enough to scare them but not enough to cure them.

Now, as companies begin to market their new tests, scientists, patients' groups, health insurers and legislators are rushing to stake out positions on what restrictions, if any, should be placed on the commercialization and use of genetic tests. The strained positions some are taking reveal the extent to which science today is intermingled with politics and business.

Congress, for example, is preparing legislation that would prohibit genetic discrimination against some people—but not against others. The Food and Drug Administration, already on the defensive amid corporate claims of over-regulation, has declared it has the authority to regulate genetic tests but hastens to add that it has no plans to do so. And in perhaps the most unusual twist, many advocates of patients' rights who usually clamor for access to the latest cancer breakthroughs are asking that some genetic tests be kept from patients.

The National Breast Cancer Coalition, for example, a patients' rights group, opposes open marketing of a test for the so-called breast cancer gene, BRCA1. At the risk of sounding as paternalistic as the doctors they often fight against, members say the test's generally ambiguous results may trigger unnecessary panic in many women while reassuring others who should remain vigilant.

"There's a real dilemma among feminist scholars on this," says June Peters, a genetic counselor at the National Institutes of Health. "You need to build in safeguards," she says, since profit-driven companies do not necessarily share the same interests as patients. "At the same time, there is the feeling, 'I am an adult and I can take care of these decisions myself.' "

Genetic tests differ from many medical tests because they often provide very vague answers, such as, "You have a gene that gives you a 70 percent chance of getting breast cancer in the next 20 years." That uncertainty can be all the more frsutrating because in most cases there is nothing a person can do to prevent the predicted disease from occurring.

Moreover, people can reduce their risk of getting heart disease or cancer by changing unhealthful habits such as overeating or smoking, but they are stuck with their genes. And with legal protections still not fully established, the information gleaned from genetic tests today is as easily used against people as for them.

"You can't choose your genes," says Francis Collins, director of the National Center for Human Genome Research. "So you shouldn't be discriminated against on the basis of those genes."

The stakes are high on both sides of the issue. The fledging genetic testing industry, which foresees soaring profits in the next few years, is pushing hard to get its tests to market, arguing that patients have the right to learn about their own genes even if the information is incomplete or inconclusive. Similarly, health insurers desperately want the right to peek at their clients' genes to help predict their medical fates—and to set their insurance rates accordingly—in part because they are afraid that people who discover they have faulty genes may try to take out large policies.

On the other hand, many scientists, doctors and patients' groups argue that, at least for now, most gene testing should be limited to research studies designed to gather more information about how to make the most of this new resource. Studies could keep track of how people with various "bad" genes fare over the years, settling the question of which genetic glitches really matter and which are less important.

Studies also could compare different preventive treatments to see whether it is worthwhile, for example, to remove a person's colon just because a genetic test reveals a very high risk of colon cancer, or whether that individual can safely put off surgery until a cancer is actually found. Extra time also would allow Congress and other institutions to devise safeguards against the misuse of genetic information.

With these concerns in mind, several prestigious scientific organizations—including the American Society for Human Genetics, the National Advisory Council for Human Genome Research and the National Action Plan on Breast Cancer, which is coordinated by the U.S. Public Health Service—have come out against commercialization of the BRCA1 test, the first crude predictor of cancer risk to come on the market.

Scores of genetic tests have been developed for dozens of diseases. Some are used to diagnose existing conditions and others are used in healthy people to predict the odds that a disease will occur. The tests, usually done with a drop of blood, look for "misspellings" in a person's DNA—the strands of genetic material that spell out in biological code the instructions for making products the body needs.

Many genetic tests—especially those for rare diseases—can predict with certainty a person's fate. Everyone who tests positive for the genetic defect associated with Huntingdon's disease, for example, will get the fatal neurodegenerative disease, probably in midlife.

But many other genetic tests—especially those for more common diseases such as cancer and Alzheimer's disease—offer far less definite predictions. The breast cancer test, which looks for a spelling error in the BRCA1 gene, is one such test. It is now making its way onto the market in three different formats, ranging from "research only" to open marketing.

Increasing numbers of women are asking for the test because they are under the impression that those who have a mutation in the BRCA1 gene have an 85 percent chance of getting breast cancer, as well as an elevated risk of ovarian cancer.

But what should a woman do if she tests positive? No preventive strategies have been shown to help—not even preemptive removal of both breasts, since tumors may still develop in nearby chest tissues. More frequent mammograms to watch for the first sign of cancer may be useless or even dangerous, since there is evidence that some women with this mutation may be especially prone to DNA damage and cancer from X-rays.

To further complicate the issue, more than 130 mutations have been found in the breast cancer gene. Some are probably meaningless, and others deadly, but most have not been studied yet. Standard gene tests available today detect only one or a few of the more common mutations, so a negative test doesn't guarantee safety.

Most important, many women seem not to realize that it is only if a woman has a clear family history of breast cancer—usually defined as two or more close relatives with the disease—that the BRCA1 mutation confers 85 percent odds of getting breast cancer.

The vast majority of women do not come from cancer-prone families, and for them the risk of having a BRCA1 mutation remains completely unknown.

That is not to say the test is useless. For some carefully selected women already diagnosed with breast cancer, a positive test can indicate the need for more aggressive therapy.

And for a woman whose mother or sister had breast cancer from a BRCA1 mutation, a negative test can provide some reassurance. What remains unproved, however, is that the test has any value for the more than 95 percent of women who do not fit into those categories.

A federally funded study of thousands of women, ongoing in the Washington, D.C.-Baltimore area, will begin to answer the question of what a positive BRCA1 test really means. But because it is research, and the results of the study will take time to interpret, the women will not be told whether they have the mutation.

Meanwhile, the Genetics & IVF Institute, of Fairfax, Va., recently started offering the BRCA1 test to women willing to pay about $300. The clinic has been criticized by some doctors and ethicists for making the test available to women who might have little or nothing to gain from it. Its medical director, Joseph Schulman, declined to be interviewed for this story.

A third option, praised by several doctors as a good compromise, is underway at OncorMed, of Gaithersburg, Md. The company offers BRCA1 testing and results to women who are willing to follow certain rules prepared by an independent research review board. Women must be referred for counseling before and after the test is performed. Results must be given by the doctor in person, and the doctor must follow up with patient about three months later. The company also must compile data from its experience to determine which aspects of the gene-testing process need improvement.

At a recent meeting in Baltimore of a federal task force on gene testing, some participants questioned whether the companies marketing genetic tests should be the ones to decide who gets tested and what information they receive or whether some sort of regulatory oversight should be imposed.

The question of oversight is made more difficult because laboratory testing already is regulated in a patchwork manner, and none of the patches quite applies to genetic tests.

Medical testing is regulated in part by an act of Congress, the Clinical Laboratory Improvement Amendments of 1988. But CLIA stipulates only that laboratory tests must be scientifically accurate—that is, a test for a BRCA1 mutation must be good at finding BRCA1 mutations. It does not require that a test have any proven usefulness for patients. The FDA reviews and approves the relatively simple test "kits" that are sold for use in commercial laboratories or at home. At times it has even required that counseling be given with test results, as it did with the approval of a home AIDS test early last month.

But genetic tests are too new and complicated to be sold as kits. Most genetic tests are "home brew" tests, developed inhouse by the companies that do the testing. The FDA has the authority to regulate such tests, says Deputy Commissioner Mary K. Pendergast, but it has never done so. "We would not be able to take it on," she says, "without stopping other things we are doing now."

Congress could help protect test recipients by making it illegal for insurers and employers to discriminate on the basis of genetic information. Both the House and Senate versions of the health care bill that is soon to be considered by a conference committee contain language that would prohibit some forms of genetic discrimination.

The bills would preclude companies from using genetic information to deny an insured person continued insurance when that person changes health plans. But they offer little or no protection to people who do not yet have insurance and are trying to get it. And other safeguards are far from complete.

"These bills would require that insurers offer a policy, but they don't cover pricing, so we can expect to see discriminatory pricing," says Wendy McGoodwin, executive director of the Council for Responsible Genetics, an advocacy group in Cambridge, Mass. "And it has no impact whatsoever on life insurance or disability insurance."

According to many experts, the last hope for intelligent guidance on the gene-testing issue may be a federal task force convened last year by the National Institutes of Health and the Department of Energy.

The task force, with representatives from the medical profession, the testing and insurance industries and patients' rights groups, is preparing a wide-ranging report on the ethical, legal and social implications of genetic testing, due to be completed by the end of the year. But consensus has been difficult to achieve.

At a task force meeting in April, representatives of the biotechnology industry said it is the doctor's job to make sure that patients understand the risks and benefits of being tested. Doctors said they were still getting up to speed in genetics and would be unable to stem the tide of patient demand if testing were not subject to regulatory restrictions. And insurers said they would go out of business if they were restricted from having access to genetic information.

Given the lack of agreement, some suspect the field will simply grow like any other "buyer beware" market as more and more tests become available.

"Physicians are soon likely to confront extremely awkward situations," Harvard scientists Ruth Hubbard and Richard Lewontin wrote recently in the New England Journal of Medicine. "Physicians need to recognize the limitations of the new information * * * and the commercial pressures behind the speed with which preliminary scientific data are being turned into tests."

Mr. DOMENICI. I yield the floor.

EXHIBIT 1

THE GENETICS CONFIDENTIALITY AND NONDISCRIMINATION ACT—SUMMARY

Sec. 1.—Short title: The "Genetics Confidentiality and Nondiscrimination Act of 1996"

Sec. 2.—Findings: The DNA molecule contains an individual's genetic information that is uniquely private and inseparable from one's identity. Genetic information is being rapidly sequenced and understood. Genetic information carries special significance. It provides information about one's family, and, more importantly, provides information about one's self and one's self perception. Genetic information has been misused, harming individuals through stigmatization and discrimination. The potential for misuse is tremendous as genetics transcends medicine and has the potential to penetrate many aspects of life including employment, insurance, finance, and education. Genetic information should not be collected. stored, analyzed, nor disclosed without the individual's authorization. Current legal protections for genetic information are inadequate. Uniform rules for collection, storage and use of DNA samples and genetic information are needed to protect individual privacy and prevent discrimination, such as in employment and insurance, while permitting legitimate medical research.

Purposes: This legislation will: (1) define circumstances under which genetic information may be created, stored, analyzed, or disclosed: (2) define rights of individuals and persons with respect to genetic information; (3) define responsibilities of others with respect to genetic information; (4) protect individuals from genetic discrimination; (5) establish uniform rules that protect individual genetic privacy and allow the advancement of genetic research; and (6) establish effective mechanisms to enforce the rights and responsibilities defined in this Act.

Sec. 3.—Definitions: Genetic information—means any the information that may derive from an individual or a family member about genes, gene products, inherited characteristics. Such term includes DNA sequence information including that which is derived from the alteration, mutation, or polymorphism of DNA or the presence or absence of a specific DNA marker or markers. Individual—means the source of the DNA sample including body, body parts, or bodily fluids from whom the DNA sample originated. Research—means systematic scientific (including social science) investigation that includes development, testing, and evaluation, designed or developed to contribute to original generalizable knowledge.

TITLE I.—COLLECTION, STORAGE, AND ANALYSIS OF DNA SAMPLES

Secs. 101–105 prohibit collection, storage, or analysis of genetic information, unless written, informed consent has been obtained from the individual (exceptions in the bill are provided for identification of dead bodies or active-duty remains, law enforcement purposes, purposes pursuant to court-ordered analysis, and some research purposes).

TITLE II—DISCLOSURE OF GENETIC INFORMATION

Secs. 201–205 describe the written authorization necessary to disclose genetic information. It also describes the protection, inspection, amendment, and disclosure of records containing genetic information. This part also provides exceptions for compulsory disclosure in any judicial, legislative, administrative proceeding, as well as court-order purposes. (The bill also provides some exceptions for research purposes under Title V.)

TITLE III.—DISCRIMINATION PROHIBITED

Secs. 301–302 prohibit genetic discrimination by employers and insurers.

TITLE IV.—EXCEPTIONS FOR IDENTIFICATION AND COURT-ORDERED ANALYSIS

Secs. 401–404 provide exceptions for identification of dead bodies and active-duty military remains, law enforcement purposes, and activities pursuant to court-ordered analysis.

TITLE V.—RESEARCH ACTIVITIES

Secs. 501–503 restate the need for researchers to obtain informed consent from individuals who participate in research. It provides exceptions for obtaining, storing, and analyzing genetic information for research purposes. It specifies: conditions for genetic analysis, safeguards against disclosures, limitations on minors (requires parental consent), destruction of DNA samples upon completion of the project (unless permission is given to maintain them), protections regarding pedigree analysis and family linkage studies, and the research subjects' right to obtain information. This part also specifies conditions for disclosure of genetic information for research purposes, allows limited access to genetic information for epidemiologic uses, and provides exceptions for DNA samples collected from individuals prior to the effective date of this Act.

TITLE VI.—MINORS

Sec. 601 provides conditions for collection and analysis of genetic information from minors. Essentially, the bill requires a parent, guardian to consent to the individual's participation in research and that the analysis benefits the individual.

TITLE VII.—MISCELLANEOUS

Secs. 701–702 require employers to annually notify employees who maintain DNA samples or genetic information of their responsibilities under this Act. It also provides for continuity of privacy of genetic information upon transfer of ownership or discontinuation of services.

TITLE VIII.—ENFORCEMENT

Secs. 801–802 provide civil penalties of $50,000 for negligent violation or $100,000 for willful violation; both per incident. No criminal penalties are specified. Injunctive relief and private right of action are also provided. There is a six year statute of limitations.

TITLE IX.—EFFECTIVE DATES, APPLICABILITY AND RELATIONSHIPS TO OTHER LAWS

Proposed effective date is January 1, 1997. Nineteen States have enacted genetics privacy or nondiscrimination legislation; this Act would only serve to strengthen existing State laws.

By Mr. STEVENS (for himself, Mr. JEFFORDS, Mr. LEAHY, and Mr. MURKOWSKI):

S. 1899. A bill entitled the "Mollie Beattie Alaska Wilderness Area Act"; to the Committee on Energy and Natural Resources.

THE MOLLIE BEATTIE ALASKA WILDERNESS AREA ACT

Mr. STEVENS. Mr. President, I am here today with a heavy heart to introduce a bill that I would like to have called the Mollie Beattie Alaska Wilderness Area Act. My colleague from Alaska, Mr. MURKOWSKI joins me in my remarks and as an original sponsor of this legislation.

I want to make a few remarks about Mollie, who has served well as the Director of Fish and Wildlife Service for this administration. I believe my colleague in the House, DON YOUNG, will introduce similar legislation. As the Senate knows, Mollie Beattie is gravely ill—so ill that she decided to step down from her position as Director of the Fish and Wildlife Service. We are now informed that Mollie's situation is worsening.

It may seem strange for me to be here talking about Mollie Beattie. She opposed many of the things that I believe in, as far as Alaska public lands are concerned. But I am introducing this bill to designate the 8 million acres of wilderness within the 19 million acre Arctic National Wildlife Refuge as the "Mollie Beattie Alaska Wilderness Area."

Under my legislation, the Secretary of the Interior would be directed to place a monument on a portion of the wilderness, so that people entering the wilderness might remember and honor Mollie Beattie's contribution to the conservation of fish and wildlife.

Now, Mollie Beattie opposed us on some things, and she worked with us on some things. But the reason I like her is she was always honest with us. We knew where she stood. And she listened. As a matter of fact, as days went on, we thought maybe she was listening to us more and we might be able to find some middle ground between the position she had taken and our own.

And so I was saddened, and I came to the floor and said so, when Mollie stepped down from her position as the Director of the Fish and Wildlife Service. In Mollie's departure from the Service, the American people are losing a leader of depth of knowledge and life experience.

Mollie, by the way, was the first woman to serve as the Director of the Fish and Wildlife Service. During the Eisenhower administration, I served in the Interior Department for almost 5 years, and I know of the mission of that service and its continuing benefit to the American public.

Mollie was and is a champion of resource conservation. I do not think we really had any disagreement as to the end result that we sought, but perhaps some of the means to get there.

She came to the Fish and Wildlife Service from the Richard A. Snelling Center for Government in Vermont, where she was the executive director. Prior to that, she served in several Vermont State land management agencies. I am happy that the senior Senator from Vermont, Mr. LEAHY, and the junior Senator, Mr. JEFFORDS, have asked to cosponsor the bill that I will send to the desk in a few moments.

In her last major speech as Director of the Fish and Wildlife Service, Mollie recalled releasing Hope, a rehabilitated bald eagle, as a highlight of her career. Her career has had many high moments. She has focussed on reconnecting the American people to the wildlife around them. Those of us who have worked with Mollie really are saddened to learn about her condition. We send her and her husband, Rick, our sincerest sentiments and really want him to know that, from a professional point of view, his wife has enjoyed the greatest of friendships in the Congress regardless of party.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.—This Act may be cited as the "Mollie Beattie Alaska Wilderness Area Act."

SEC. 2. MOLLIE BEATTIE ALASKA WILDERNESS AREA.—Amend P.L. 96-487 by striking Section 702(3) and inserting in lieu thereof the following:

"(3) Arctic National Wildlife Refuge Wilderness of approximately eight million acres as generally depicted on a map entitled "Arctic National Wildlife Refuge" dated August 1980. That portion of the Arctic National Wildlife Refuge Wilderness located in the Brooks Range on a map to be prepared by the Secretary of the Interior shall be named and appropriately identified as the "Mollie Beattie Alaska Wilderness Area";"

SEC. 3. PLACEMENT OF MONUMENT.—The Secretary of the Interior shall place a monument in honor of Mollie Beattie's contributions to fish, wildlife, and waterfowl conservation and management at the entrance to the Mollie Beattie Alaska Wilderness Area or another suitable location he designates. Such sums as may be necessary are authorized for the placement of such monument.

Mr. JEFFORDS. Mr. President, today we dedicate a beautiful area of Alaska as the Mollie Beattie Fish and Wildlife Refuge. More than any person this century, Mollie has led the fight to protect our Nation's natural heritage. Her dedication to preserving wildlife and wildlife habitat and her spirit and enthusiasm in accomplishing this important goal will be appreciated by generations to come.

Mollie and I share much in common. We both love the wild, appreciate its complexity and beauty and value that it contributes to our lives. We also recognize the importance of protecting fragile ecosystems, from wetlands to forests. Finally, we both love Vermont and have worked together to preserve its distinctive character.

I have followed Mollie's career throughout her time in Vermont and here in Washington. A resident of Vermont since 1968, Mollie used her calm and determined manner and her knowledge of animals, plants, and natural resources to institute policies which today are a model of environmental protection. As a reporter, a University of Vermont professor and the developer of an experimental game bird habitat, Mollie strove to integrate her values into each position and left behind a legacy of success.

As Commissioner of the Vermont Department of Forests, Parks, and Recreation in the late 1980's, Mollie oversaw all of Vermont's public lands, including wildlife habitat areas and 48 State parks. In 1989, she became Deputy Secretary for Vermont's Agency of Natural Resources, caring for forests, public lands, water quality, air quality, and wildlife. After a stop over as Executive Director of the Richard A. Snelling Center for Government in Burlington, Mollie was nominated by President Clinton to serve as Director of the U.S. Fish and Wildlife Service. I have never known, in my 22 years representing Vermont, a person with greater dedication to preserving our Nation's wildlife.

I remember soon after her appointment, Mollie came to visit me here in the Senate. We spent time discussing the future of the refuge system and prospects for Endangered Species Act reform. We also reviewed our Nation's ability to curb the unnecessary slaughter of tigers, rhinos, elephants, and species rapidly disappearing from other countries. Her commitment to ending the rapid loss of species was remarkable. Since her arrival here in Washington, she recognized the importance of our Nation's wildlife refuge system and has been successful in protecting these vital resources. She did so effectively and I assure you that our children and their children will forever cherish this determined woman's work.

During her tenure at the Fish and Wildlife Service, Mollie visited Alaska several times and shared with me some of her special memories of the State. These visits made a remarkable impression on Mollie, especially her trip to the Arctic Refuge two summers ago. I can think of no better tribute than to name the 8 million acres of wilderness in the Arctic Refuge after Mollie. This area captures the ideals and beauty that Mollie strove to protect while at the Fish and Wildlife Service.

Mr. President, I want to thank Mollie Beattie on behalf of all my colleagues in the U.S. Senate and all Americans for all that she has done to make America a more beautiful Nation.

By Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HARKIN, and Mr. ROCKEFELLER):

S. 1900. A bill to amend title XVIII and XIX of the Social Security Act to permit a waiver of the prohibition of offering nurse aide training and competency evaluation programs in certain nursing facilities; to the Committee on Finance.

By Mr. DORGAN (for himself and Mr. GRASSLEY):

S. 1901. A bill to amend title XIX of the Social Security Act to repeal the requirement for annual resident review for nursing facilities under the Medicaid program and to require resident reviews for mentally ill or mentally retarded residents when there is a significant change in physical or mental condition; to the Committee on Finance.

LONG-TERM-CARE LEGISLATION

Mr. DORGAN. Mr. President, today I am introducing legislation that will relieve nursing homes of unnecessary regulation without jeopardizing the high quality of care nursing home residents receive. These two bills, which enjoy bipartisan support, will improve long-term care in this country by giving nursing homes the flexibility they need to focus scarce resources on providing quality care.

I have long believed that the Federal Government has an important role to play in ensuring against the kinds of abuses that occurred in some areas of the country prior to enactment of Federal nursing home standards. I do not believe that those abuses were the norm in nursing homes. In fact, nursing homes in my State of North Dakota have a strong record of providing quality care, and I believe that this was the case in most nursing homes.

But it is clear that some nursing homes did not meet that high standard, and many States were far too slow to respond. To address that critical problem, I supported and continue to support minimum Federal quality standards. Our first priority in nursing home legislation must be the quality of care provided to residents, and we should not pass any laws that would compromise that goal.

However, I believe that some of our efforts to regulate nursing homes have not resulted in greater quality of care for residents. In some cases, by imposing unnecessary burdens and diverting scarce resources in nursing facilities, these laws and regulations can hinder the delivery of quality care. The legislation I am offering today will address two such instances.

NURSE-AIDE TRAINING PROGRAM

The first bill I am introducing has enjoyed broad bipartisan support during the 104th Congress. I am joined in offering this bill by Senator GRASSLEY and Senator HARKIN. This bill would exempt rural nursing facilities from the possibility of termination of their nurse-aide training programs for reasons unrelated to the quality of the training program

Simply put, this is a commonsense amendment. In rural areas all over the country, nursing facilities offer people an opportunity to learn the basic nursing and personal care skills needed to become a certified nurse aide. In return, those who participate in a nurse-aide training program help nursing facilities meet their staffing needs and allow the nursing staff to focus more on administering quality nursing care.

Nurse-aide training programs are especially important in rural areas like my State of North Dakota, where potential nurse aides might have to travel hundreds of miles for training if it is not available at the nursing facility in their community. These nurse-aide training programs comply with strict guidelines related to the amount of training necessary and determination of competency for certification.

Despite these safeguards, current law allows programs to be terminated for up to 2 years if a facility has been cited for a deficiency or assessed a civil money penalty for reasons completely unrelated to the quality of the nurse-aide training program. In North Dakota, this could result in real hardship not just for the nursing facility and potential nurse aides, but for the nursing home residents who rely on nurse aides for their day-to-day care.

Under my bill, rural areas would be exempt from termination of nurse-aide training programs in these specific instances only if: first, no other program is offered within a reasonable distance of the facility; second, the State assures that an adequate environment exists for operating the program; and third, the State provides notice of the determination and assurances to the State long-term care ombudsman.

Congress included this exception for rural nurse-aide training programs in the Balanced Budget Act passed last December, and the President included it in his 1997 budget proposal.

ANNUAL RESIDENT REVIEWS

The second bill I am introducing today relates to the pre-admission screening and annual resident review [PASARR] requirements enacted as part of OBRA '87. Senator GRASSLEY joins me in introducing this bill, which also has bipartisan support and was included in the President's balanced budget proposal.

PASARR was enacted to prevent inappropriate placements of residents with mental health or developmental disabilities. The need for assessments to determine whether a mental health or developmental disability exists is critical, and we still have some way to go in ensuring that residents with these problems receive appropriate placement and treatment in all cases.

However, the annual resident review process duplicates other mandatory assessments and has not resulted in identifying inappropriate placements or improving the quality of care for nursing home residents. The current law adds an average of $700,000 to State costs for long-term care and diverts valuable nursing facility resources. We must continue to work to ensure that nursing home residents receive the quality care they need, but we should not do so by placing unnecessary or ineffective burdens on nursing facilities and their staffs.

My bill would retain the pre-admission screening for each resident, but would repeal the annual resident review requirement for each patient. This would go a long way toward streamlining the regulatory process and allowing nursing homes to focus more time on providing quality care.

I hope my colleagues will join me in supporting these sound policy proposals.

ADDITIONAL COSPONSORS

S. 814

At the request of Mr. MCCAIN, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 814, a bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes.

S. 1607

At the request of Mrs. FEINSTEIN, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 1607, a bill to control access to precursor chemicals used to manufacture methamphetamine and other illicit narcotics, and for other purposes.

S. 1799

At the request of Ms. SNOWE, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1799, a bill to promote greater equity in the delivery of health care services to American women through expanded research on women's health issues and through improved access to health care services, including preventive health services.

S. 1806

At the request of Mr. D'AMATO, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1806, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify that any dietary supplement that claims to produce euphoria, heightened awareness or similar mental or psychological effects shall be treated as a drug under the act, and for other purposes.

SENATE RESOLUTION 270

At the request of Mr. LIEBERMAN, the names of the Senator from Utah [Mr. HATCH], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Resolution 270, a resolution urging continued and increased United States support for the efforts of the International Criminal Tribunal for the former Yugoslavia to bring to justice the perpetrators of gross violations of international law in the former Yugoslavia.

AMENDMENTS SUBMITTED

THE SENATE CAMPAIGN FINANCE REFORM ACT OF 1996

HOLLINGS AMENDMENT NO. 4093

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill (S. 1219) to reform the financing of Federal elections, and for other purposes; as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE THAT CONGRESS SHOULD ADOPT A JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION THAT WOULD EMPOWER CONGRESS AND THE STATES TO SET REASONABLE LIMITS ON CAMPAIGN EXPENDITURES

It is the sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would—

(1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and

(2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office,

(3) empower local governments of general jurisdiction to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general or other election for office in that government.

BUMPERS AMENDMENT NO. 4094

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill, S. 1219, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Senate Campaign Financing and Spending Reform Act".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Campaign Act; table of contents.
Sec. 2. Findings and declarations of the Senate.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

Sec. 101. Senate spending limits and benefits.
Sec. 102. Ban on activities of political action committees in Federal elections.
Sec. 103. Reporting requirements.
Sec. 104. Disclosure by noneligible candidates.

Subtitle B—General Provisions

Sec. 131. Broadcast rates and preemption.
Sec. 132. Extension of reduced third-class mailing rates to eligible Senate candidates.
Sec. 133. Reporting requirements for certain independent expenditures.
Sec. 134. Campaign advertising amendments.
Sec. 135. Definitions.
Sec. 136. Provisions relating to franked mass mailings.

TITLE II—INDEPENDENT EXPENDITURES

Sec. 201. Clarification of definitions relating to independent expenditures.

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

Sec. 301. Personal contributions and loans.
Sec. 302. Extensions of credit.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 311. Reporting requirements.

TITLE IV—CONTRIBUTIONS

Sec. 401. Contributions through intermediaries and conduits; prohibition on certain contributions by lobbyists.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 404. Limited exclusion of advances by campaign workers from the definition of the term "contribution".

TITLE V—REPORTING REQUIREMENTS

Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Personal and consulting services.
Sec. 503. Reduction in threshold for reporting of certain information by persons other than political committees.
Sec. 504. Computerized indices of contributions.

TITLE VI—FEDERAL ELECTION COMMISSION

Sec. 601. Use of candidates' names.
Sec. 602. Reporting requirements.
Sec. 603. Provisions relating to the general counsel of the Commission.
Sec. 604. Enforcement.
Sec. 605. Penalties.
Sec. 606. Random audits.
Sec. 607. Prohibition of false representation to solicit contributions.
Sec. 608. Regulations relating to use of non-Federal money.

TITLE VII—MISCELLANEOUS

Sec. 701. Prohibition of leadership committees.
Sec. 702. Polling data contributed to candidates.
Sec. 703. Sense of the Senate that Congress should consider adoption of a joint resolution proposing an amendment to the Constitution that would empower Congress and the States to set reasonable limits on campaign expenditures.
Sec. 704. Personal use of campaign funds.

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

Sec. 801. Effective date.
Sec. 802. Severability.
Sec. 803. Expedited review of constitutional issues.

SEC. 2. FINDINGS AND DECLARATIONS OF THE SENATE.

(a) NECESSITY FOR SPENDING LIMITS.—The Senate finds and declares that—

(1) the current system of campaign finance has led to public perceptions that political contributions and their solicitation have unduly influenced the official conduct of elected officials;

(2) permitting candidates for Federal office to raise and spend unlimited amounts of money constitutes a fundamental flaw in the current system of campaign finance, and has undermined public respect for the Senate as an institution;

(3) the failure to limit campaign expenditures has caused individuals elected to the Senate to spend an increasing proportion of their time in office as elected officials raising funds, interfering with the ability of the Senate to carry out its constitutional responsibilities;

(4) the failure to limit campaign expenditures has damaged the Senate as an institution, due to the time lost to raising funds for campaigns; and

(5) to prevent the appearance of undue influence and to restore public trust in the Senate as an institution, it is necessary to limit campaign expenditures, through a system which provides public benefits to candidates who agree to limit campaign expenditures.

(b) NECESSITY FOR BAN ON POLITICAL ACTION COMMITTEES.—The Senate finds and declares that—

(1) contributions by political action committees to individual candidates have created the perception that candidates are beholden to special interests, and leave candidates open to charges of undue influence;

(2) contributions by political action committees to individual candidates have undermined public confidence in the Senate as an institution; and

(3) to restore public trust in the Senate as an institution, responsive to individuals residing within the respective States, it is necessary to encourage candidates to raise most of their campaign funds from individuals residing within those States.

(c) NECESSITY FOR ATTRIBUTING COOPERATIVE EXPENDITURES TO CANDIDATES.—The Senate finds and declares that—

(1) public confidence and trust in the system of campaign finance would be undermined should any candidate be able to circumvent a system of caps on expenditures

through cooperative expenditures with outside individuals, groups, or organizations;

(2) cooperative expenditures by candidates with outside individuals, groups, or organizations would severely undermine the effectiveness of caps on campaign expenditures, unless they are included within such caps; and

(3) to maintain the integrity of the system of campaign finance, expenditures by any individual, group, or organization that have been made in cooperation with any candidate, authorized committee, or agent of any candidate must be attributed to that candidate's cap on campaign expenditures.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

SEC. 101. SENATE SPENDING LIMITS AND BENEFITS.

(a) AMENDMENT OF FECA.—

(1) IN GENERAL.—FECA is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Secretary of the Senate a declaration that—

"(A) the candidate and the candidate's authorized committees—

"(i)(I) will meet the primary and runoff election expenditure limits of subsection (d); and

"(II) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(ii)(I) will meet the primary and runoff election multicandidate political committee contribution limits of subsection (f); and

"(II) will only accept contributions for the primary and runoff elections from multicandidate political committees which do not exceed such limits; and

"(iii) will limit acceptance of contributions during an election cycle from individuals residing outside the candidate's State and multicandidate political committees, combined, to less than 50 percent of the aggregate amount of contributions accepted from all contributors;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b); and

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a).

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files a certification with the Secretary of the Senate under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i)(I) met the primary and runoff election expenditure limits under subsection (d); and

"(II) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle; and

"(ii)(I) met the multicandidate political committee contribution limits under subsection (f);

"(II) did not accept contributions for the primary or runoff election in excess of the multicandidate political committee contribution limits under subsection (f); and

"(iii) will limit acceptance of contributions during an election cycle from individuals residing outside the candidate's State and multicandidate political committees, combined, to less than 50 percent of the aggregate amount of contributions accepted from all contributors;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b) and the amount described in section 502(c), reduced by any amounts transferred to the current election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission; and

"(vi) will cooperate in the case of any audit and examination by the Commission under section 506; and

"(E) the candidate intends to make use of the benefits provided under section 503.

"(2) The declaration under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) For purposes of this section and section 503(b)—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State to the extent such contributions exceed 50 percent of the aggregate allowable contributions (without regard to this clause) received by the candidate during the applicable period.

Clauses (ii) and (iii) shall not apply for purposes of section 503(b).

"(3) For purposes of this subsection and section 503(b), the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of section 503(b), the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) MULTICANDIDATE POLITICAL COMMITTEE CONTRIBUTION LIMITS.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have accepted from multicandidate political committees contributions that do not exceed—

"(1) during any period in which the limitation under section 323 is in effect, zero dollars; and

"(2) during any other period—

"(A) during the primary election period, an amount equal to 20 percent of the primary election spending limit under subsection (d)(1)(A); and

"(B) during the runoff election period, an amount equal to 20 percent of the runoff election spending limit under subsection (d)(1)(B).

"(g) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year beginning with calendar year 1998, based on the increase in the price index determined under section 315(c), except that, for purposes of subsection (d)(1), the base period shall be calendar year 1992.

"SEC. 502. LIMITATIONS ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—(1) The aggregate amount of expenditures which may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed $25,000.

"(2) A source is described in this paragraph if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal debt incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(f) (relating to indexing).

"(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to a candidate's authorized committees.

"(d) EXPENDITURES.—For purposes of this title, the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or a candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) or (vi) thereof.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

"(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the mailing rates provided in section 3626(e) of title 39, United States Code; and

"(3) payments in the amounts determined under subsection (b).

"(b) AMOUNT OF PAYMENTS.—(1) For purposes of subsection (a)(3), the amounts determined under this subsection are—

"(A) the public financing amount;

"(B) the independent expenditure amount; and

"(C) in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the public financing amount is—

"(A) in the case of an eligible candidate who is a major party candidate and who has met the threshold requirement of section 501(e)—

"(i) during the primary election period, an amount equal to 100 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $100 or less plus an amount equal to 50 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of more than $100 but less than $251, up to 50 percent of the primary election spending limit under section 501(d)(1)(A), reduced by the threshold requirement under section 501(e);

(ii) during the runoff election period, an amount equal to 100 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $100 or less plus an amount equal to 50 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of more than $100 but less than $251, up to 10 percent of the general election spending limit under section 501(d)(1)(B); and

"(iii) during the general election period, an amount equal to the general election expenditure limit applicable to the candidate under section 502(b) (without regard to paragraph (4) thereof); and

"(B) in the case of an eligible candidate who is not a major party candidate and who has met the threshold requirement of section 501(e)—

"(i) during the primary election period, an amount equal to 100 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $100 or less plus an amount equal to 50 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of more than $100 but less than $251, up to 50 percent of the primary election spending limit under section 501(d)(1)(A), reduced by the threshold requirement under section 501(e);

(ii) during the runoff election period, an amount equal to 100 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $100 or less plus an amount equal to 50 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of more than $100 but less than $251, up to 10 percent of the general election spending limit under section 501(d)(1)(B); and

(iii) during the runoff election period, an amount equal to 100 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $100 or less plus an amount equal to 50 percent of the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of more than $100 but less than $251, up to 50 percent of the general election spending limit under section 502(b).

"(3) For purposes of paragraph (1), the independent expenditure amount is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(4) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1)(C) is not greater than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the least of the following:

"(i) The allowable contributions of the eligible Senate candidate during the applicable period in excess of the threshold contribution requirement under section 501(e).

"(ii) 50 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(iii) The excess described in paragraph (1).

"(c) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1) An eligible Senate candidate who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (3) and (4) of subsection (b) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(d) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(k), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 501, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title and the amount of such payments to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 percent of all candidates for the office of United States Senator to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a candidate, the Commission shall examine and audit the campaign accounts of all other candidates in the general election for the office the selected candidate is seeking.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES FOR EXCESS EXPENDITURES AND CONTRIBUTIONS.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to three times the amount of the excess expenditures plus a civil penalty in an amount determined by the Commission.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"(h) DEPOSITS.—The Secretary shall deposit all payments received under this section into the Senate Election Campaign Fund.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to the Secretary.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund, and the balance in any account maintained by the Fund.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe such rules and regulations, in accordance with the provisions of subsection (c), to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rules or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. PAYMENTS RELATING TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is established on the books of the Treasury of the United States a special fund to be known as the 'Senate Election Campaign Fund'.

"(2)(A) There are appropriated to the Fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, amounts equal to—

"(i) any contributions by persons which are specifically designated as being made to the Fund;

"(ii) amounts collected under section 505(h); and

"(iii) any other amounts that may be appropriated to or deposited into the Fund under this title.

"(B) The Secretary of the Treasury shall, from time to time, transfer to the Fund an amount not in excess of the amounts described in subparagraph (A).

"(C) Amounts in the Fund shall remain available without fiscal year limitation.

"(3) Amounts in the Fund shall be available only for the purposes of—

"(A) making payments required under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(4) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary shall promptly pay the amount certified by the Commission to the candidate out of the Senate Election Campaign Fund.

"(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment to an eligible candidate, the Secretary determines that the monies in the Senate Election Campaign Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts withheld under subparagraph (A) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of payments which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the fund to make the payments required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(2) EFFECTIVE DATES.—(A) Except as provided in this paragraph, the amendment made by paragraph (1) shall apply to elections occurring after December 31, 1995.

(B) For purposes of any expenditure or contribution limit imposed by the amendment made by paragraph (1)—

(i) no expenditure made before January 1, 1996, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(ii) all cash, cash items, and Government securities on hand as of January 1, 1996, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1996, to pay for expenditures which were incurred (but unpaid) before such date.

(3) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

(b) PROVISIONS TO FACILITATE VOLUNTARY CONTRIBUTIONS TO SENATE ELECTION CAMPAIGN FUND.—

(1) GENERAL RULE.—Part VIII of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following:

"Subpart B—Designation of Additional Amounts to Senate Election Campaign Fund

"Sec. 6097. Designation of additional amounts.

"SEC. 6097. DESIGNATION OF ADDITIONAL AMOUNTS.

"(a) GENERAL RULE.—Every individual (other than a nonresident alien) who files an income tax return for any taxable year may designate an additional amount equal to $5 ($10 in the case of a joint return) to be paid over to the Senate Election Campaign Fund.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made for any taxable year only at the time of filing the income tax return for the taxable year. Such designation shall be made on the page bearing the taxpayer's signature.

"(c) TREATMENT OF ADDITIONAL AMOUNTS.—Any additional amount designated under subsection (a) for any taxable year shall, for all purposes of law, be treated as an additional income tax imposed by chapter 1 for such taxable year.

"(d) INCOME TAX RETURN.—For purposes of this section, the term 'income tax return' means the return of the tax imposed by chapter 1.".

(2) CONFORMING AMENDMENTS.—(A) Part VIII of subchapter A of chapter 61 of such Code is amended by striking the heading and inserting:

"PART VIII—DESIGNATION OF AMOUNTS TO ELECTION CAMPAIGN FUNDS

"Subpart A. Presidential Election Campaign Fund.

"Subpart B. Designation of additional amounts to Senate Election Campaign Fund.

"Subpart A—Presidential Election Campaign Fund".

(B) The table of parts for subchapter A of chapter 61 of such Code is amended by striking the item relating to part VIII and inserting:

"Part VIII. Designation of amounts to election campaign funds."

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 431 et seq.), is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 323. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for nomination for election, or election, to Federal office or the candidate's authorized committees, unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year;

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; or

"(D) any committee described in section 315(a)(8)(D)(i)(III).".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder. Nothing in this paragraph shall be construed to permit the establishment, financing, maintenance, or control of any committee which is prohibited by paragraph (3) or (6) of section 302(e).".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 323 of such Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(2) in the case of a candidate for election, or nomination for election, to Federal office (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle.

The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the amendments made by this section, then the amendments made by subsections (a), (b), and (c) of this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(C) and (2)(C) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)) are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1996.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1996; or

(B) contributions made to, or received by, a candidate on or after January 1, 1996, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1996, over

(ii) such contributions received by the candidate before January 1, 1996.

SEC. 103. REPORTING REQUIREMENTS.

Title III of FECA is amended by inserting after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 501(c) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b). Such declaration shall be filed at the time provided in section 501(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible Senate candidate under section 501; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 75 percent of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b),

shall file a report with the Secretary of the Senate within 24 hours after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 24 hours after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 24 hours after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 133⅓, 166⅔, and 200 percent of such limit.

"(3) The Commission—

"(A) shall, within 24 hours of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 502(b), shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 503(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 24 hours after making each such determination, notify each eligible Senate candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 502(b), certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 503(a).

"(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 24 hours after such expenditures have been made or loans incurred.

"(2) The Commission within 24 hours after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 24 hours after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

"(c) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Secretary of the Senate the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal, State, or local election which has been held before the individual becomes a candidate for the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(d) CERTIFICATIONS.—Notwithstanding section 505(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of such Commission's own investigation or determination.

"(e) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or of title V (whenever a 24-hour response is required of the Commission) as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

"(f) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.".

SEC. 104. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Section 318 of FECA (2 U.S.C. 441d), as amended by section 133, is amended by adding at the end thereof the following:

"(e) If a broadcast, cablecast, or other communication is paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible Senate candidate, or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to voluntary campaign spending limits.'.".

Subtitle B—General Provisions

SEC. 131. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) in paragraph (1)—

(A) by striking "forty-five" and inserting "30";

(B) by striking "sixty" and inserting "45"; and

(C) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(2) by adding at the end the following new sentence:

"In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges during the general election period (as defined in section 301(21) of such Act) shall not exceed 50 percent of the lowest charge described in paragraph (1).".

(b) PREEMPTION; ACCESS.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (e) and (f), respectively, and by inserting immediately after subsection (b) the following new subsection:

"(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1), of a broadcasting station by a legally qualified candidate for public office who has purchased and paid for such use pursuant to the provisions of subsection (b)(1).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.

"(d) In the case of a legally qualified candidate for the United States Senate, a licensee shall provide broadcast time without regard to the rates charged for the time.".

SEC. 132. EXTENSION OF REDUCED THIRD-CLASS MAILING RATES TO ELIGIBLE SENATE CANDIDATES.

Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking "and the National" and inserting "the National"; and

(B) by striking "Committee;" and inserting "Committee, and, subject to paragraph (3), the principal campaign committee of an eligible House of Representatives or Senate candidate;";

(2) in paragraph (2)(B), by striking "and" after the semicolon;

(3) in paragraph (2)(C), by striking the period and inserting "; and";

(4) by adding after paragraph (2)(C) the following new subparagraph:

"(D) The terms 'eligible Senate candidate' and 'principal campaign committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971."; and

(5) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to—

"(A) the general election period (as defined in section 301 of the Federal Election Campaign Act of 1971); and

"(B) that number of pieces of mail equal to the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the congressional district or State, whichever is applicable.".

SEC. 133. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of FECA (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking out the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following new paragraphs:

"(3)(A) Any independent expenditure (including those described in subsection (b)(6)(B)(iii) of this section) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made.

"(B) Any independent expenditure aggregating $10,000 or more made at any time up to and including the 20th day before any election shall be reported within 48 hours after such independent expenditure is made. An additional statement shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same election as the initial statement filed under this section.

"(C) Such statement shall be filed with the Secretary of the Senate and the Secretary of State of the State involved and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(D) For purposes of this section, the term 'made' includes any action taken to incur an obligation for payment.

"(4)(A) If any person intends to make independent expenditures totaling $5,000 during the 20 days before an election, such person shall file a statement no later than the 20th day before the election.

"(B) Such statement shall be filed with the Secretary of the Senate and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure will support or oppose. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a statement under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(5) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (3) or (4). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(6) At the same time as a candidate is notified under paragraph (3), (4), or (5) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 504(a) or section 604(b).

"(7) The Secretary of the Senate shall make any statement received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5)."

SEC. 134. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement";

(2) in the matter before paragraph (1) of subsection (a), by striking "direct";

(3) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

(4) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the statement required by paragraph (1) shall—

"(A) appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(B) be accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

'   is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor; and, if broadcast or cablecast by means of television, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 135. DEFINITIONS.

(a) IN GENERAL.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'eligible Senate candidate' means a candidate who is eligible under section 502 to receive benefits under title V.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office, but does not include an open primary election.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified under State law for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of title V.

"(24) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(25) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(26) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(27) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(28) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(29) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.

"(30) The terms 'Senate Election Campaign Fund' and 'Fund' mean the Senate Election Campaign Fund established under section 509.

"(31) The term 'lobbyist' means—

"(A) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.); and

"(B) a person who receives compensation in return for having contact with Congress on any legislative matter.".

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 136. PROVISIONS RELATING TO FRANKED MASS MAILINGS.

(a) MASS MAILINGS OF SENATORS.—Section 3210(a)(6) of title 39, United States Code, is amended—

(1) in subparagraph (A), by striking "It is the intent of Congress that a Member of, or a Member-elect to, Congress" and inserting "A Member of, or Member-elect to, the House"; and

(2) in subparagraph (C)—

(A) by striking "if such mass mailing is postmarked fewer than 60 days immediately before the date" and inserting "if such mass mailing is postmarked during the calendar year"; and

(B) by inserting "or reelection" immediately before the period.

(b) MASS MAILINGS OF HOUSE MEMBERS.—Section 3210 of title 39, United States Code, is amended—

(1) in subsection (a)(7) by striking ", except that—" and all that follows through the end of subparagraph (B) and inserting a period; and

(2) in subsection (d)(1) by striking "delivery—" and all that follows through the end of subparagraph (B) and inserting "delivery within that area constituting the congressional district or State from which the Member was elected.".

(c) PROHIBITION ON USE OF OFFICIAL FUNDS.—The Committee on House Administration of the House of Representatives may not approve any payment, nor may a Member of the House of Representatives make any expenditure from, any allowance of the House of Representatives or any other official funds if any portion of the payment or expenditure is for any cost related to a mass mailing by a Member of the House of Representatives outside the congressional district of the Member.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of a candidate or a candidate's representative.

"(B) The following shall not be considered an independent expenditure:

"(i) An expenditure made by a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(iii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iv) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(v) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(vi) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing those services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office.

"(vii) An expenditure if the person making the expenditure has consulted at any time during the same election cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

"(18) The term 'express advocacy' means, when a communication is taken as a whole, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that does not qualify as an independent expenditure under paragraph (17)(A)(ii).".

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

SEC. 301. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(i) LIMITATIONS ON PAYMENTS TO CANDIDATES.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle, no contributions after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors.".

SEC. 302. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)), as amended by section 201(b), is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; or"; and

(3) by inserting at the end the following new clause:

"(iv) with respect to a candidate and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mailings, or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period, not in excess of 60 days, for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished or the date of the mailing in the case of advertising by a mailing.".

Subtitle B—Provisions Relating to Soft Money of Political Parties

SEC. 311. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434), as amended by section 133(a), is amended by adding at the end thereof the following new subsection:

"(e) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) Any political committee to which paragraph (1) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

"(3) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as under subsection (b) (3)(A), (5), or (6).

"(4) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by inserting at the end thereof the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of FECA (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

TITLE IV—CONTRIBUTIONS

SEC. 401. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS; PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.

(a) CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.—Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions made or arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is—

"(I) a political committee;

"(II) an officer, employee, or agent of such a political committee;

"(III) a political party;

"(IV) a partnership or sole proprietorship;

"(V) a person who is required to register or to report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(VI) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C)(i) The term 'intermediary or conduit' does not include—

"(I) a candidate or representative of a candidate receiving contributions to the candidate's principal campaign committee or authorized committee;

"(II) a professional fundraiser compensated for fundraising services at the usual and customary rate, but only if the individual is not described in subparagraph (B)(ii);

"(III) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(B), but only if the individual is not described in subparagraph (B)(ii); or

"(IV) an individual who transmits a contribution from the individual's spouse.

"(ii) The term 'representative' means an individual who is expressly authorized by the candidate to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not described in subparagraph (B)(ii).

"(iii) The term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting.

Such term does not include contributions made, or arranged to be made, by reason of an oral or written communication by a Federal candidate or officeholder expressly advocating the nomination for election, or election, of any other Federal candidate and encouraging the making of a contribution to such other candidate.

"(iv) The term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(VI):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

"(III) Soliciting contributions for a particular candidate by substantially directing the solicitations to other officers, employees, or agents of such a person.

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient.".

(b) PROHIBITION OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 301, is amended by adding at the end the following new subsection:

"(j)(1) A lobbyist, or a political committee controlled by a lobbyist, shall not make contributions to, or solicit contributions for or on behalf of—

"(A) any member of Congress with whom the lobbyist has, during the preceding 12 months, made a lobbying contact; or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, the lobbyist has made a lobbying contact with a covered executive branch official.

"(2) A lobbyist who, or a lobbyist whose political committee, has made any contribution to, or solicited contributions for or on behalf of, any member of Congress or candidate for Congress (or any authorized committee of the President) shall not, during the 12 months following such contribution or solicitation, make a lobbying contact with such member or candidate who becomes a member of Congress (or a covered executive branch official).

"(3) If a lobbyist advises or otherwise suggests to a client of the lobbyist (including a client that is the lobbyist's regular employer), or to a political committee that is funded or administered by such a client, that the client or political committee should make a contribution to or solicit a contribution for or on behalf of—

"(A) a member of Congress or candidate for Congress, the making or soliciting of such a contribution is prohibited if the lobbyist has made a lobbying contact with the member of Congress within the preceding 12 months; or

"(B) an authorized committee of the President, the making or soliciting of such a contribution shall be unlawful if the lobbyist has made a lobbying contact with a covered executive branch official within the preceding 12 months.

"(4) For purposes of this subsection—

"(A) the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0–7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist' means—

"(i) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with or appearance before a member of Congress or covered executive branch official made by a lobbyist representing an interest of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

"(5) For purposes of this subsection, a lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.".

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 401(b), is amended by adding at the end the following new subsection:

"(k) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 403. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) A candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.”.

SEC. 404. LIMITED EXCLUSION OF ADVANCES BY CAMPAIGN WORKERS FROM THE DEFINITION OF THE TERM “CONTRIBUTION”.

Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended—

(1) in clause (xiii), by striking “and” after the semicolon at the end;

(2) in clause (xiv), by striking the period at the end and inserting: “; and”; and

(3) by adding at the end the following new clause:

“(xv) any advance voluntarily made on behalf of an authorized committee of a candidate by an individual in the normal course of such individual's responsibilities as a volunteer for, or employee of, the committee, if the advance is reimbursed by the committee within 10 days after the date on which the advance is made, and the value of advances on behalf of a committee does not exceed $500 with respect to an election.”.

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) through (7) of section 304(b) of FECA (2 U.S.C. 434(b)(2)–(7)) are amended by inserting after “calendar year” each place it appears the following: “(election cycle, in the case of an authorized committee of a candidate for Federal office)”.

SEC. 502. PERSONAL AND CONSULTING SERVICES.

Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following: “, except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to the candidate or his or her authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed”.

SEC. 503. REDUCTION IN THRESHOLD FOR REPORTING OF CERTAIN INFORMATION BY PERSONS OTHER THAN POLITICAL COMMITTEES.

Section 304(b)(3)(A) of FECA (2 U.S.C. 434(b)(3)(A)) is amended by striking “$200” and inserting “$50”.

SEC. 504. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of FECA (2 U.S.C. 438(a)) is amended—

(1) by striking “and” at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(11) maintain computerized indices of contributions of $50 or more.”.

TITLE VI—FEDERAL ELECTION COMMISSION

SEC. 601. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

“(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

“(B) A political committee that is not an authorized committee shall not include the name of any candidate in its name or use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.”.

SEC. 602. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking “and” at the end;

(2) in subparagraph (B) by striking the period at the end and inserting “; and”; and

(3) by inserting the following new subparagraph at the end:

“(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.”.

(b) FILING DATE.—Section 304(a)(4)(B) of FECA (2 U.S.C. 434(a)(4)(B)) is amended by striking “20th” and inserting “15th”.

SEC. 603. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

“(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed.”.

(b) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting “and the general counsel” after “staff director” in the second sentence; and

(2) by striking the third sentence.

SEC. 604. ENFORCEMENT.

(a) BASIS FOR ENFORCEMENT PROCEEDING.—Section 309(a)(2) of FECA (2 U.S.C. 437g(a)(2)) is amended by striking “it has reason to believe that a person has committed, or is about to commit” and inserting “facts have been alleged or ascertained that, if true, give reason to believe that a person may have committed, or may be about to commit”.

(b) AUTHORITY TO SEEK INJUNCTION.—(1) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

“(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

“(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

“(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

“(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

“(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

“(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found.”.

(2) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(A) in paragraph (7) by striking “(5) or (6)” and inserting “(5), (6), or (13)”; and

(B) in paragraph (11) by striking “(6)” and inserting “(6) or (13)”.

SEC. 605. PENALTIES.

(a) PENALTIES PRESCRIBED IN CONCILIATION AGREEMENTS.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking “which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation” and inserting “which is—

“(i) not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

“(ii) not greater than all contributions and expenditures involved in the violation”.

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking “which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation” and inserting “which is—

“(i) not less than all contributions and expenditures involved in the violation; and

“(ii) not greater than 150 percent of all contributions and expenditures involved in the violation”.

(b) PENALTIES WHEN VIOLATIONS ARE ADJUDICATED IN COURT.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows “appropriate order” and inserting “, including an order for a civil penalty in the amount determined under subparagraph (A) or (B) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found.”.

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows “other order” and inserting “, including an order for a civil penalty which is—

“(i) not less than all contributions and expenditures involved in the violation; and

“(ii) not greater than 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 of chapter 96 of the Internal Revenue Code of 1986.”.

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking “a civil penalty” and all that follows and inserting “a civil penalty which is—

“(i) not less than 200 percent of all contributions and expenditures involved in the violation; and

“(ii) not greater than 250 percent of all contributions and expenditures involved in the violation.”.

SEC. 606. RANDOM AUDITS.

Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting “(1)” before “The Commission”; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of an eligible Senate candidate subject to audit under section 505(a) or an authorized committee of an eligible House of Representatives candidate subject to audit under section 605(a).".

SEC. 607. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 608. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY.

Section 306 of FECA (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate rules to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections.".

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of FECA (2 U.S.C. 432(e)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

(2) by adding at the end the following new paragraph:

"(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, maintain, or control any political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office.

"(B) For one year after the effective date of this paragraph, any such political committee may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.".

SEC. 702. POLLING DATA CONTRIBUTED TO CANDIDATES.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 314(b), is amended by inserting at the end the following new subparagraph:

"(D) A contribution of polling data to a candidate shall be valued at the fair market value of the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.".

SEC. 703. SENSE OF THE SENATE THAT CONGRESS SHOULD CONSIDER ADOPTION OF A JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION THAT WOULD EMPOWER CONGRESS AND THE STATES TO SET REASONABLE LIMITS ON CAMPAIGN EXPENDITURES.

It is the sense of the Senate that Congress should consider adoption of a joint resolution proposing an amendment to the Constitution that would—

(1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and

(2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office.

SEC. 704. PERSONAL USE OF CAMPAIGN FUNDS.

Section 313 of FECA (2 U.S.C. 439a) is amended—

(1) by inserting "(a)" before "Amounts"; and

(2) by adding at the end the following new subsection:

"(b) For the purposes of this section, the term 'personal use' means the use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation, or expense of any person that would exist irrespective of the candidate's campaign or duties as a holder of Federal office.".

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1996.

SEC. 802. SEVERABILITY.

Except as provided in sections 101(c) and 121(b), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 803. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

GRAHAM AMENDMENT NO. 4095

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill, S. 1219, supra; as follows:

On page 18, strike lines 2 through 25 and insert the following:

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended to read as follows:

"(b) BROADCAST RATES.—

"(1) DEFINITIONS.—In this subsection, the term 'eligible candidate' means—

"(A) an eligible Senate candidate (within the meaning of section 501 of the Federal Election Campaign Act of 1971); and

"(B) a candidate for State or local office who undertakes to abide by reasonable spending limits established under State law.

"(2) MAXIMUM CHARGES.—The charge made for the use of a broadcasting station by an eligible candidate in connection with the candidate's campaign for nomination for election, or election, to public office shall not exceed—

"(A) during the 30 days preceding the date of a primary or primary runoff election and during the 60 days preceding the date of a general or special election in which the candidate is a candidate, a charge equal to 50 percent of the lowest charge of the station for the same amount of time for the same period on the same date; and

"(B) at any other time, the charge made for comparable use of such station by other users of the station.".

BINGAMAN AMENDMENTS NOS. 4096–4097

(Ordered to lie on the table.)

Mr. BINGAMAN submitted two amendments intended to be proposed by him to the bill, S. 1219, supra; as follows:

AMENDMENT NO. 4096

At the appropriate place in title III, insert the following:

SEC. 3___. BROADCAST REFERENCES TO OTHER CANDIDATES.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) (as amended by section 103) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A), by inserting "subject to paragraph (2)," before "during the forty-five days"; and

(B) by adding at the end the following:

"(3) REFERENCE BY A CANDIDATE TO ANOTHER CANDIDATE.—

"(A) REQUIREMENT.—To be eligible to receive the broadcast media rates under paragraph (1)(A), if a legally qualified candidate for an office (or the authorized committee of such a candidate), using the rights and conditions of access under this Act, refers, directly or indirectly, to another legally qualified candidate for that office, the reference shall be made in person by the legally qualified candidate.

"(B) FAILURE TO COMPLY.—If a legally qualified candidate fails to comply with subparagraph (A), the legally qualified candidate shall be ineligible for the media rates under paragraph (1)(A) for the remainder of the 45-day period (for a primary or primary runoff election) or the 60-day period (for a general or special election) described in paragraph (1)(A)."; and

(2) in subsection (f)—

(A) by redesignating paragraphs (1), (2), (3), (4), and (5) as paragraphs (2), (3), (4), (5), and (7), respectively;

(B) by inserting before paragraph (2) (as redesignated) the following:

"(1) the term 'authorized committee' means, with respect to a candidate for nomination for election, or election, to a Federal elective office, a committee, club, association, or other group of persons that receives contributions or makes expenditure during a calendar year in an aggregate amount exceeding $1,000 and that is authorized by the candidate to accept contributions or make expenditures on behalf of the candidate to further the nomination or election of the candidate";

(C) in paragraph (5) (as redesignated) by striking "and" at the end; and

(D) by inserting after paragraph (5) (as redesignated) the following:

"(6) the term 'person'—

"(A) includes an individual, partnership, committee, association, corporation, or other organization or group of persons; but

"(B) does not include a legally qualified candidate for any Federal elective office of an authorized committee of any such candidate; and".

AMENDMENT NO. 4097

At the appropriate place in title III, insert the following:

SEC. 3___. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended—

(1) by striking "(a) If any licensee shall permit any person who is a legally qualified candidate" and inserting the following:

"(a) EQUAL OPPORTUNITIES TO RESPOND.—

"(1) RESPONSES TO OPPOSING CANDIDATES.—If a licensee permits a legally qualified candidate";

(2) by redesignating paragraphs (1) through (4) as clauses (i) through (iv), respectively;

(3) by striking "station:" and inserting "station.";

(4) by inserting after "station." the following:

"(2) RESPONSE TO OTHER PERSONS.—If a licensee permits any person to use a broadcasting station to broadcast material that endorses a legally qualified candidate for any Federal office or opposes a legally qualified candidate for that office, the licensee shall, within a reasonable period of time, provide at no charge to any legally qualified candidate opposing the candidate endorsed (or to an authorized committee of the candidate), or any legally qualified candidate who was so opposed (or to an authorized committee of the candidate), the same amount of time on the broadcasting station, during the same period of the day.";

(5) by striking "*Provided*, That such licensee" and inserting the following:

"(3) NO CENSORSHIP.—A licensee";

(6) by striking "No obligation" and inserting the following:

"(4) NO OBLIGATION.—No obligation";

(7) by striking "Appearance" and inserting the following:

"(5) NEWS BROADCASTS.—

"(A) IN GENERAL.—Appearance"; and

(8) by striking "Nothing in the foregoing sentence" and inserting the following:

"(B) PUBLIC INTEREST.—Subparagraph (A)".

MURKOWSKI AMENDMENT NO. 4098

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill, S. 1219, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. BAN ON ACCEPTANCE OF TRANSPORTATION AND LODGING IN CONNECTION WITH POLITICAL FUNDRAISERS IN THE SENATE.

For purposes of the Senate rule limiting Members and employees of the Senate from receiving gifts (including transportation and lodging), the acceptance of transportation and lodging paid for by a sponsor in connection with a political event raising funds for candidates for elective office shall be considered a gift prohibited by such rule.

SNOWE AMENDMENT NO. 4099

(Ordered to lie on the table.)

Ms. SNOWE submitted an amendment intended to be proposed by her to the bill, S. 1219, supra; as follows:

At the end of title III, insert:

SEC. ___. SENSE OF SENATE REGARDING TAX CREDIT FOR LOCAL CAMPAIGN CONTRIBUTIONS.

(a) FINDINGS.—The Senate finds that—

(1) the Tax Reform Act of 1986 repealed an existing tax provision providing for a $50 credit ($100 for joint returns) for individual contributions to political campaigns and certain political campaign organizations;

(2) in the intervening ten years, public confidence in the integrity of funding congressional campaigns in the United States has eroded;

(3) the American public perceives that there is a substantial reliance on political action committees (PACs) in Federal campaigns and that special interest funding of campaigns is undermining the democratic process;

(4) the American public is concerned that fundraising pressures may lead candidates to tailor their appeals to the most affluent and narrowly interested sectors of society, raising questions about the resulting quality of representation of other elements of society;

(5) the growth in PAC importance relative to other funding sources—including individuals giving directly to candidates—is clear, given that 27 percent of House and Senate candidates' receipts came from PACs in 1994 (up from 15.7 percent in 1974) and that in 1994, House candidates got 35 percent of their funds from PACs, and House incumbents received 46 percent;

(6) while citizens with common interests should be able to pool their resources in exercising their rights of free speech and association, and interest groups have an appropriate role to play, they should not be allowed to play a greater role relative to other sectors, particularly small individual contributors to local candidates, and therefore, the role of PACs should be reduced, and the role of small individual contributors to local candidates should be increased; and

(7) faith in our electoral system must be restored, and all individuals must feel that they have a voice in the process, and this can best be accomplished by encouraging small, individual contributors to become a more important part of the process through support of candidates seeking to represent them in Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress and the President should include, as part of any campaign finance reform legislation, provisions which would allow individuals a credit against Federal taxes for contributions during the taxable year to Senate and House of Representatives candidates within the political jurisdiction in which the individual's principal residence is located; and

(2) the maximum credit should not exceed $100 for an individual for a taxable year ($200 in the case of a joint return).

WELLSTONE AMENDMENTS NOS. 4100–4101

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed by him to the bill, S. 1219, supra; as follows:

AMENDMENT NO. 4100

On page 12, beginning on line 1, strike "the lesser" and all that follows through line 5 and insert "$25,000".

AMENDMENT NO. 4101

Beginning on page 14, strike line 14 and all that follows through page 30, line 14, and insert the following:

"(d) EXCEPTIONS FOR COMPLYING CANDIDATES RUNNING AGAINST NONCOMPLYING CANDIDATES.—

"(1) RESPONSE TO FUNDRAISING AND SPENDING BY NONELIGIBLE SENATE CANDIDATES.—

"(A) 75 PERCENT OF SPENDING LIMIT.—

"(i) IN GENERAL.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 75 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the eligible Senate candidate shall be entitled to the benefits described in clause (ii).

"(ii) BENEFIT.—An eligible Senate candidate shall be entitled under clause (i) to—

"(I) mail an additional number of pieces of mail under section 3626(e) of title 39, United States Code, equal to the number of individuals in the voting age population (as certified under section 315(e)) of the candidate's State; and

"(II) receive an additional 10 minutes of free broadcast time under section 315(c) of the Communications Act of 1934.

"(B) 100 PERCENT OF SPENDING LIMIT.—

"(i) IN GENERAL.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 100 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the eligible Senate candidate shall be entitled to the benefits described in clause (ii).

"(ii) BENEFITS.—An eligible Senate candidate shall be entitled under clause (i) to—

"(I) mail an additional number of pieces of mail under section 3626(e) of title 39, United States Code, equal to the number of individuals in the voting age population (as certified under section 315(e)) of the candidate's State; and

"(II) receive an additional 10 minutes of free broadcast time under section 315(c) of the Communications Act of 1934.

"(C) 133 PERCENT OF SPENDING LIMIT.—

"(i) IN GENERAL.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 133 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the eligible Senate candidate shall be entitled to the benefit described in clause (ii).

"(ii) BENEFIT.—An eligible Senate candidate shall be entitled under clause (i) to receive an additional 10 minutes of free broadcast time under section 315(c) of the Communications Act of 1934.

"(2) REVOCATION OF ELIGIBILITY OF OPPONENT.—If the status of eligible Senate candidate of any opponent of an eligible Senate candidate is revoked under section 505(a), the general election expenditure limit applicable to the eligible Senate candidate shall be increased by 20 percent.

"(e) EXPENDITURES IN RESPONSE TO INDEPENDENT EXPENDITURES.—If an eligible Senate candidate is notified by the Commission under section 304(c)(4) that independent expenditures totaling $10,000 or more have been made in the same election in favor of another candidate or against the eligible candidate, the eligible candidate shall be permitted to spend an amount equal to the amount of the independent expenditures, and any such expenditures shall not be subject to any limit applicable under this title to the eligible candidate for the election.

"SEC. 503. BENEFITS THAT ELIGIBLE CANDIDATES ARE ENTITLED TO RECEIVE.

"An eligible Senate candidate shall be entitled to receive—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of the Communications Act of 1934; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—Not later than 48 hours after an eligible candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(c) of the Communications Act of 1934. The Commission shall revoke the certification if the Commission determines that a candidate fails to continue to meet the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—A determination (including a certification under subsection (a)) made by the Commission under this title shall be final, except to the extent that the determination is subject to examination and audit by the Commission under section 505.

"SEC. 505. REVOCATION; MISUSE OF BENEFITS.

"(a) REVOCATION OF STATUS.—

"(1) IN GENERAL.—If the Commission determines that any eligible Senate candidate—

"(A) has received contributions in excess of 110 percent of—

"(i) the applicable primary election limit under this title;

"(ii) the applicable general election limit under this title; or

"(iii) the limitation on contributions from out-of-State residents under section 501(f); or

"(B) has expended personal funds in excess of 110 percent of the limit under section 502(a),

the Commission shall revoke the certification of the candidate as an eligible Senate candidate and notify the candidate of the revocation.

"(2) PAYMENT OF VALUE OF BENEFITS.—On receipt of notification of revocation of eligibility under paragraph (1), a candidate—

"(A) shall pay an amount equal to the value of the benefits received under this title; and

"(B) shall be ineligible for benefits available under section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) for the duration of the election cycle.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title or that a candidate has violated any of the spending limits contained in this Act, the Commission shall so notify the candidate, and the candidate shall pay an amount equal to the value of the benefit.".

(b) TRANSITION PERIOD.—Expenditures made before January 1, 1997, shall not be counted as expenditures for purposes of the limitations contained in the amendment made by subsection (a).

SEC. 102. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in the third sentence of subsection (a) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(3) by inserting after subsection (b) the following:

"(c) FREE BROADCAST TIME.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each eligible Senate candidate who has qualified for the general election ballot as a candidate of a major or minor party shall be entitled to receive from broadcasting stations within the candidate's State or an adjacent State a total of—

"(A) 30 minutes of free broadcast time; plus

"(B) such additional free broadcast time as the eligible Senate candidate may be entitled to under section 502(d) of the Federal Election Campaign Act of 1971.

"(2) TIME.—

"(A) PRIME TIME.—Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(B) LENGTH OF BROADCAST.—Except as otherwise provided in this Act, a candidate may use such time as the candidate elects, but time may not be used in lengths of less than 30 seconds or more than 5 minutes.

"(C) MAXIMUM REQUIRED OF ANY ONE STATION.—A candidate may not request that more than 15 minutes of free broadcast time be aired by any one broadcasting station.

"(3) MORE THAN 2 CANDIDATES.—In the case of an election among more than 2 candidates described in paragraph (1), only 60 minutes of broadcast time shall be available for all such candidates, and broadcast time shall be allocated as follows:

"(A) MINOR PARTY CANDIDATES.—The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to 60 minutes multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (e)(4)(B) applies, the percentage determined under that subsection).

"(B) MAJOR PARTY CANDIDATES.—The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(4) ONLY 1 CANDIDATE.—In the case of an election in which only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a broadcasting station under this subsection.

"(5) EXEMPTION.—The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

"(A) a licensee the signal of which is broadcast substantially nationwide; and

"(B) a licensee that establishes that the requirements of this subsection would impose a significant economic hardship on the licensee."; and

(4) in subsection (d) (as redesignated by paragraph (2))—

(A) by striking "and" at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) the term 'eligible Senate candidate' means an eligible Senate candidate (within the meaning of section 501(a) of the Federal Election Campaign Act of 1971)";

(D) by striking the period at the end of paragraph (3) (as redesignated by subparagraph (B)) and inserting a semicolon; and

(E) by adding at the end the following:

"(4) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(5) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(6) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 6-year period ending on the date of the general election for that seat.".

(b) JURISDICTION OVER CHALLENGES TO BROADCAST MEDIA RATES AND FREE BROADCAST TIME.—

(1) IN GENERAL.—The United States Court of Federal Claims shall have exclusive jurisdiction over any action challenging the constitutionality of the broadcast media rates and free broadcast time required to be offered to political candidates under section 503 of the Federal Election Campaign Act of 1971 and section 315 of the Communications Act of 1934.

(2) REMEDY.—Money damages shall be the sole and exclusive remedy in an action under paragraph (1), and only an individual or entity that suffers actual financial injury shall have standing to maintain such an action.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 103. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by striking subsection (b) and inserting the following:

"(b) BROADCAST MEDIA RATES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the charges made for the use of a broadcasting station by a person who is a legally qualified candidate for public office in connection with the person's campaign for nomination for election, or election, to public office shall not exceed the charges made for comparable use of the station by other users of the station.

"(2) ELIGIBLE SENATE CANDIDATES.—In the case of an eligible Senate candidate (within the meaning of section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).".

(b) PREEMPTION; ACCESS.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) (as redesignated by section 102(a)(2)), as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following:

"(d) PREEMPTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.—If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of the candidate, under the same terms, conditions, and business practices as apply to the most favored advertiser of the licensee".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 104. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding at the end the following:

"(D) the term 'principal campaign committee' has the meaning stated in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' means an eligible Senate candidate (within the meaning of section 501(a) of the Federal Election Campaign Act of 1971)."; and

(2) by adding after paragraph (2) the following:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to the number of pieces of mail that is equal to—

"(A) 2 times the number of individuals in the voting age population (as certified under section 315(e) of the Federal Election Campaign Act of 1971) of the candidate's State; plus

"(B) such additional number as the eligible Senate candidate may be entitled to mail under section 502(d) of the Federal Election Campaign Act of 1971.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

FEINSTEIN AMENDMENTS NOS. 4102–4103

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 1219, supra; as follows:

AMENDMENT NO. 4102

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Senate Campaign Spending Limit and Election Reform Act of 1995".

SEC. 2. AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Amendment of Campaign Act; table of contents.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.
Sec. 102. Transition provisions.
Sec. 103. Free broadcast time.
Sec. 104. Broadcast rates and preemption.
Sec. 105. Reduced postage rates.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

Sec. 201. Ban on activities of political action committees in Federal elections.

Subtitle B—Contributions

Sec. 211. Contributions through intermediaries and conduits.

Subtitle C—Additional Prohibitions on Contributions

Sec. 221. Allowable contributions for complying candidates.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Candidate expenditures from personal funds.
Sec. 302. Restrictions on use of campaign funds for personal purposes.
Sec. 303. Campaign advertising amendments.
Sec. 304. Filing of reports using computers and facsimile machines.
Sec. 305. Audits.
Sec. 306. Limit on congressional use of the franking privilege.
Sec. 307. Authority to seek injunction.
Sec. 308. Severability.
Sec. 309. Expedited review of constitutional issues.
Sec. 310. Reporting requirements.
Sec. 311. Regulations.
Sec. 312. Effective date.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENEFITS.

FECA is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (c) and (d);

"(2) meets the primary and runoff election expenditure limits of subsection (b);

"(3) meets the threshold contribution requirements of subsection (e); and

"(4) does not exceed the limitation on expenditures from personal funds under section 502(a).

"(b) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—

"(1) IN GENERAL.—The requirements of this subsection are met if—

"(A) the candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000; and

"(B) the candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) INDEXING.—The $2,750,000 amount under paragraph (1)(A)(ii) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1995.

"(3) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

"(c) PRIMARY FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files with the Secretary of the Senate a certification that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (b); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(C) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b).

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(d) GENERAL ELECTION FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files a certification with the Secretary of the Senate under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (b); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (b), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(C) the candidate and the authorized committees of the candidate—

"(i) except as otherwise provided by this title, will not make expenditures that exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b), reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission; and

"(v) will cooperate in the case of any audit and examination by the Commission; and

"(D) the candidate intends to make use of the benefits provided under section 503.

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'allowable contributions' means contributions that are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor; and

"(B) the term 'applicable period' means—

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification under subsection (c)(2) is filed by the candidate; or

"(ii) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election.

"SEC. 502. LIMITATION ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) SOURCES.—A source is described in this subsection if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal loans incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) INDEXING.—The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(b)(2).

"(4) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

"(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO RECEIVE.

"An eligible Senate candidate shall be entitled to receive—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of such Act; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—Not later than 48 hours after a candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(b)(2) of the Communications Act of 1934. The Commission shall revoke such certification if it determines a candidate fails to continue to meet the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final, except to the extent that they are subject to examination and audit by the Commission under section 505.

"SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.

"(a) EXCESS PAYMENTS; REVOCATION OF STATUS.—If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the value of the benefits received under this title.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify the candidate and the candidate shall pay an amount equal to the value of such benefit.".

SEC. 102. TRANSITION PROVISIONS.

(a) EXPENDITURES MADE PRIOR TO DATE OF ENACTMENT.—(1) Expenditures made by an eligible Senate candidate on or prior to the date of enactment of this title shall not be counted against the limits specified in section 502 of FECA, as amended by section 101.

(2) For purposes of this section, the term "expenditure" includes any direct or indirect payment or distribution or obligation to make payment or distribution of money.

(b) RELATIONSHIP TO OTHER TITLES.—The provisions of titles I through IV of the Federal Election Campaign Act of 1971 shall remain in effect with respect to Senate election campaigns affected by this title or the amendments made by this title except to the extent that those provisions are inconsistent with this title or the amendments made by this title.

SEC. 103. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in subsection (a)—

(A) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(C) by inserting immediately after subsection (b) the following new subsection:

"(c)(1) An eligible Senate candidate who has qualified for the general election ballot shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the State.

"(2) Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(3) If—

"(A) a licensee's audience with respect to any broadcasting station is measured or rated by a recognized media rating service in more than 1 State; and

"(B) during the period beginning on the first day following the date of the last general election and ending on the date of the next general election there is an election to the United States Senate in more than 1 of such States,

the 30 minutes of broadcast time under this subsection shall be allocated equally among the States described in subparagraph (B).

"(4)(A) In the case of an election among more than 2 candidates, the broadcast time provided under paragraph (1) shall be allocated as follows:

"(i) The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to the number of minutes allocable to the State multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (d)(4)(B) applies, the percentage determined under such subsection).

"(ii) The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(B) In the case of an election where only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a licensee under this subsection.

"(5) The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

"(A) a licensee whose signal is broadcast substantially nationwide; and

"(B) a licensee that establishes that such requirements would impose a significant economic hardship on the licensee."; and

(2) in subsection (d), as redesignated—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 2-year period ending on the date of the general election for that seat.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 104. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "(b) The changes" and inserting "(b)(1) The changes";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraph (1)(A), as redesignated—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(4) by adding at the end the following new paragraph:

"(2) In the case of an eligible Senate candidate (as described in section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) as redesignated, as subsections (e) and (f), respectively; and

(2) by inserting immediately after subsection (c) the following subsection:

"(d)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of such person, under the same terms, conditions, and business practices as apply to its most favored advertiser".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 105. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding after subparagraph (C) the following new subparagraphs:

"(D) the term 'principal campaign committee' has the meaning given such term in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' has the meaning given such term in section 501(a) of the Federal Election Campaign Act of 1971."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—(1) For purposes of FECA, during any period beginning after the effective date in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(A) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(B) it shall be unlawful for a multicandidate political committee, intermediary, or conduit (as that term is defined in section 315(a)(8) of FECA, as amended by section 231 of this Act), to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle; and

(C) it shall be unlawful for a political committee, intermediary, or conduit, as that term is defined in section 315(a)(8) of FECA (as amended by section 231 of this Act), to make a contribution to a candidate for election, or a nomination for an election, to Federal office (or an authorized committee of such candidate) in excess of the amount an individual is allowed to give directly to a candidate or a candidate's authorized committee.

(2) A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (1)(B) shall return the amount of such excess contribution to the contributor.

Subtitle B—Contributions

SEC. 211. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate. If a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and the intended recipient.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is—

"(I) a political committee with a connected organization, a political party, or an officer, employee, or agent of either;

"(II) a person whose activities are required to be reported under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to report the activities of such person;

"(III) a person who is prohibited from making contributions under section 316 or a partnership; or

"(IV) an officer, employee, or agent of a person described in subclause (II) or (III) acting on behalf of such person.

"(C) The term 'contributions arranged to be made' includes—

"(i)(I) contributions delivered directly or indirectly to a particular candidate or the candidate's authorized committee or agent by the person who facilitated the contribution; and

"(II) contributions made directly or indirectly to a particular candidate or the candidate's authorized committee or agent that are provided at a fundraising event sponsored by an intermediary or conduit described in subparagraph (B);

(D) This paragraph shall not prohibit—

"(i) fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

"(ii) the solicitation by an individual using the individual's resources and acting in the individual's own name of contributions from other persons in a manner not described in paragraphs (B) and (C).".

Subtitle C—Additional Prohibitions on Contributions

SEC. 221. ALLOWABLE CONTRIBUTIONS FOR COMPLYING CANDIDATES.

For the purposes of this Act, in order for a candidate to be considered to be in compliance with the spending limits contained in this Act, not less than 60 percent of the total dollar amount of all contributions from individuals to a candidate or a candidate's authorized committee, not including any expenditures, contributions or loans made by the candidate, shall come from individuals legally residing in the candidate's State.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. CANDIDATE EXPENDITURES FROM PERSONAL FUNDS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(i)(1)(A) Not later than 15 days after a candidate qualifies for a primary election ballot under State law, the candidate shall file with the Commission, and each other candidate who has qualified for that ballot, a declaration stating whether the candidate intends to expend during the election cycle an amount exceeding $250,000 from—

"(i) the candidate's personal funds;

"(ii) the funds of the candidate's immediate family; and

"(iii) personal loans incurred by the candidate and the candidate's immediate family in connection with the candidate's election campaign.

"(B) The declaration required by subparagraph (A) shall be in such form and contain such information as the Commission may require by regulation.

"(2) Notwithstanding subsection (a), the limitations on contributions under subsection (a) shall be modified as provided under paragraph (3) with respect to other candidates for the same office who are not described in subparagraph (A), (B), or (C), if the candidate—

"(A) declares under paragraph (1) that the candidate intends to expend for the primary and general election funds described in such paragraph in an amount exceeding $250,000;

"(B) expends such funds in the primary and general election in an amount exceeding $250,000; or

"(C) fails to file the declaration required by paragraph (1).

"(3) For purposes of paragraph (2)—

"(A) if a candidate described in paragraph (2)(B) expends funds in an amount exceeding $250,000, the limitation under subsection (a)(1)(A) shall be increased to $2,000; and

"(B) if a candidate described in paragraph (2)(B) expends funds in an amount exceeding $250,000, the limitation under subsection (a)(1)(A) shall be increased to $5,000.

"(4) If—

"(A) the modifications under paragraph (3) apply for a convention or a primary election by reason of 1 or more candidates taking (or failing to take) any action described in subparagraph (A), (B), or (C) of paragraph (2); and

"(B) such candidates are not candidates in any subsequent election in the same election campaign, including the general election,

paragraph (3) shall cease to apply to the other candidates in such campaign.

"(5) No increase described in paragraph (3) shall apply under paragraph (2) to noneligible Senate candidates in any election if eligible Senate candidates are participating in the same election campaign.

"(6) A candidate who—

"(A) declares, pursuant to paragraph (1), that the candidate does not intend to expend funds described in paragraph (1) in excess of $250,000; and

"(B) subsequently changes such declaration or expends such funds in excess of that amount,

shall file an amended declaration with the Commission and notify all other candidates for the same office not later than 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending a notice by certified mail, return receipt requested.".

SEC. 302. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of FECA (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES

"SEC. 324. (a) An individual who receives contributions as a candidate for Federal office—

"(1) shall use such contributions only for legitimate and verifiable campaign expenses; and

"(2) shall not use such contributions for any inherently personal purpose.

"(b) As used in this subsection—

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, including a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 302(b) of the Senate Campaign Spending Limit and Election Reform Act of 1995.".

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Federal Election Commission shall promulgate regulations to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section.

SEC. 303. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting "a disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) states: 'I (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: '______________ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 304. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file them in that manner if not required to do so under regulations prescribed under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Secretary of the Senate and the Clerk of the House of Representatives shall ensure that any computer or other system that they may develop and maintain to receive designations, statements, and reports in the forms required or permitted under this paragraph is compatible with any such system that the Commission may develop and maintain.".

SEC. 305. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may after all elections are completed conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under title VI or to an authorized committee of an eligible Senate candidate or an eligible House candidate subject to audit under section 522(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 306. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.".

SEC. 307. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

SEC. 308 SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 309. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 310. REPORTING REQUIREMENTS.

(a) CONTRIBUTORS.—Section 302(c)(3) of FECA (2 U.S.C. 432(c)(3)) is amended by striking "$200" and inserting "$50".

(b) DISBURSEMENTS.—Section 302(c)(5) of FECA (2 U.S.C. 432(c)(5)) is amended by striking "$200" and inserting "$50".

SEC. 311. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act not later than 9 months after the effective date of this Act.

SEC. 312. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act.

AMENDMENT NO. 4103

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Senate Campaign Spending Limit and Election Reform Act of 1995".

SEC. 2. AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Amendment of Campaign Act; table of contents.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.
Sec. 102. Transition provisions.
Sec. 103. Free broadcast time.
Sec. 104. Broadcast rates and preemption.
Sec. 105. Reduced postage rates.
Sec. 106. Contribution limit for eligible Senate candidates.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

Sec. 201. Ban on activities of political action committees in Federal elections.

Subtitle B—Contributions

Sec. 211. Contributions through intermediaries and conduits.

Subtitle C—Additional Prohibitions on Contributions

Sec. 221. Allowable contributions for complying candidates.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Restrictions on use of campaign funds for personal purposes.
Sec. 302. Campaign advertising amendments.
Sec. 303. Filing of reports using computers and facsimile machines.
Sec. 304. Audits.
Sec. 305. Limit on congressional use of the franking privilege.
Sec. 306. Authority to seek injunction.
Sec. 307. Severability.
Sec. 308. Expedited review of constitutional issues.
Sec. 309. Reporting requirements.
Sec. 310. Regulations.
Sec. 311. Effective date.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENEFITS.

FECA is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (c) and (d);

"(2) meets the primary and runoff election expenditure limits of subsection (b);

"(3) meets the threshold contribution requirements of subsection (e); and

"(4) does not exceed the limitation on expenditures from personal funds under section 502(a).

"(b) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—

"(1) IN GENERAL.—The requirements of this subsection are met if—

"(A) the candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000; and

"(B) the candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) INDEXING.—The $2,750,000 amount under paragraph (1)(A)(ii) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1995.

"(3) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

"(c) PRIMARY FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files with the Secretary of the Senate a certification that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (b); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(C) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b).

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(d) GENERAL ELECTION FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files a certification with the Secretary of the Senate under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (b); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (b), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(C) the candidate and the authorized committees of the candidate—

"(i) except as otherwise provided by this title, will not make expenditures that exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b), reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission; and

"(v) will cooperate in the case of any audit and examination by the Commission; and

"(D) the candidate intends to make use of the benefits provided under section 503.

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'allowable contributions' means contributions that are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor; and

"(B) the term 'applicable period' means—

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification under subsection (c)(2) is filed by the candidate; or

"(ii) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election.

"SEC. 502. LIMITATION ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) SOURCES.—A source is described in this subsection if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal loans incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) INDEXING.—The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(b)(2).

"(4) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

"(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO RECEIVE.

"An eligible Senate candidate shall be entitled to receive—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of such Act; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—Not later than 48 hours after a candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(b)(2) of the Communications Act of 1934. The Commission shall revoke such certification if it determines a candidate fails to continue to meet the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final, except to the extent that they are subject to examination and audit by the Commission under section 505.

"SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.

"(a) EXCESS PAYMENTS; REVOCATION OF STATUS.—If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the value of the benefits received under this title.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify the candidate and the candidate shall pay an amount equal to the value of such benefit.".

SEC. 102. TRANSITION PROVISIONS.

(a) EXPENDITURES MADE PRIOR TO DATE OF ENACTMENT.—(1) Expenditures made by an eligible Senate candidate on or prior to the date of enactment of this title shall not be counted against the limits specified in section 502 of FECA, as amended by section 101.

(2) For purposes of this section, the term "expenditure" includes any direct or indirect payment or distribution or obligation to make payment or distribution of money.

(b) RELATIONSHIP TO OTHER TITLES.—The provisions of titles I through IV of the Federal Election Campaign Act of 1971 shall remain in effect with respect to Senate election campaigns affected by this title or the amendments made by this title except to the extent that those provisions are inconsistent with this title or the amendments made by this title.

SEC. 103. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in subsection (a)—

(A) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(C) by inserting immediately after subsection (b) the following new subsection:

"(c)(1) An eligible Senate candidate who has qualified for the general election ballot shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the State.

"(2) Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(3) If—

"(A) a licensee's audience with respect to any broadcasting station is measured or rated by a recognized media rating service in more than 1 State; and

"(B) during the period beginning on the first day following the date of the last general election and ending on the date of the next general election there is an election to the United States Senate in more than 1 of such States,

the 30 minutes of broadcast time under this subsection shall be allocated equally among the States described in subparagraph (B).

"(4)(A) In the case of an election among more than 2 candidates, the broadcast time provided under paragraph (1) shall be allocated as follows:

"(i) The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to the number of minutes allocable to the State multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (d)(4)(B) applies, the percentage determined under such subsection).

"(ii) The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(B) In the case of an election where only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a licensee under this subsection.

"(5) The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

"(A) a licensee whose signal is broadcast substantially nationwide; and

"(B) a licensee that establishes that such requirements would impose a significant economic hardship on the licensee."; and

(2) in subsection (d), as redesignated—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 2-year period ending on the date of the general election for that seat.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 104. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "(b) The changes" and inserting "(b)(1) The changes";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraph (1)(A), as redesignated—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(4) by adding at the end the following new paragraph:

"(2) In the case of an eligible Senate candidate (as described in section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) as redesignated, as subsections (e) and (f), respectively; and

(2) by inserting immediately after subsection (c) the following subsection:

"(d)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of such person, under the same terms, conditions, and business practices as apply to its most favored advertiser".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 105. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding after subparagraph (C) the following new subparagraphs:

"(D) the term 'principal campaign committee' has the meaning given such term in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' has the meaning given such term in section 501(a) of the Federal Election Campaign Act of 1971."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 106. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE CANDIDATES.

Section 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (A) by inserting "except as provided in subparagraph (B)," before "to";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following:

"(B) if the general election expenditure, primary election expenditure limit, or runoff election expenditure limit applicable to an eligible Senate candidate has been increased under section 502(d), to the eligible Senate candidate and the authorized political committees of the canidate with respect to any election for the office of United States Senator, which, in the aggregate, exceed $2,000;".

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—(1) For purposes of FECA, during any period beginning after the effective date in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(A) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(B) it shall be unlawful for a multicandidate political committee, intermediary, or conduit (as that term is defined in section 315(a)(8) of FECA, as amended by section 231 of this Act), to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle; and

(C) it shall be unlawful for a political committee, intermediary, or conduit, as that term is defined in section 315(a)(8) of FECA (as amended by section 231 of this Act), to make a contribution to a candidate for election, or a nomination for an election, to Federal office (or an authorized committee of such candidate) in excess of the amount an individual is allowed to give directly to a candidate or a candidate's authorized committee.

(2) A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (1)(B) shall return the amount of such excess contribution to the contributor.

Subtitle B—Contributions

SEC. 211. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate. If a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and the intended recipient.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is—

"(I) a political committee with a connected organization, a political party, or an officer, employee, or agent of either;

"(II) a person whose activities are required to be reported under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to report the activities of such person;

"(III) a person who is prohibited from making contributions under section 316 or a partnership; or

"(IV) an officer, employee, or agent of a person described in subclause (II) or (III) acting on behalf of such person.

"(C) The term 'contributions arranged to be made' includes—

"(i)(I) contributions delivered directly or indirectly to a particular candidate or the candidate's authorized committee or agent by the person who facilitated the contribution; and

"(II) contributions made directly or indirectly to a particular candidate or the candidate's authorized committee or agent that are provided at a fundraising event sponsored by an intermediary or conduit described in subparagraph (B);

"(D) This paragraph shall not prohibit—

"(i) fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

"(ii) the solicitation by an individual using the individual's resources and acting in the individual's own name of contributions from other persons in a manner not described in paragraphs (B) and (C).".

Subtitle C—Additional Prohibitions on Contributions

SEC. 221. ALLOWABLE CONTRIBUTIONS FOR COMPLYING CANDIDATES.

For the purposes of this Act, in order for a candidate to be considered to be in compliance with the spending limits contained in this Act, not less than 60 percent of the total dollar amount of all contributions from individuals to a candidate or a candidate's authorized committee, not including any expenditures, contributions or loans made by the candidate, shall come from individuals legally residing in the candidate's State.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of FECA (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES

"SEC. 324. (a) An individual who receives contributions as a candidate for Federal office—

"(1) shall use such contributions only for legitimate and verifiable campaign expenses; and

"(2) shall not use such contributions for any inherently personal purpose.

"(b) As used in this subsection—

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, including a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 302(b) of the Senate Campaign Spending Limit and Election Reform Act of 1995.".

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Federal Election Commission shall promulgate regulations to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section.

SEC. 302. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting "a disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) states: 'I (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: '____________ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 303. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file them in that manner if not required to do so under regulations prescribed under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Secretary of the Senate and the Clerk of the House of Representatives shall ensure that any computer or other system that they may develop and maintain to receive designations, statements, and reports in the forms required or permitted under this paragraph is compatible with any such system that the Commission may develop and maintain.".

SEC. 304. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may after all elections are completed conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under title VI or to an authorized committee of an eligible Senate candidate or an eligible House candidate subject to audit under section 522(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 305. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.".

SEC. 306. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

SEC. 307 SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 308. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 309. REPORTING REQUIREMENTS.

(a) CONTRIBUTORS.—Section 302(c)(3) of FECA (2 U.S.C. 432(c)(3)) is amended by striking "$200" and inserting "$50".

(b) DISBURSEMENTS.—Section 302(c)(5) of FECA (2 U.S.C. 432(c)(5)) is amended by striking "$200" and inserting "$50".

SEC. 310. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act not later than 9 months after the effective date of this Act.

SEC. 311. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act.

KERREY AMENDMENTS NOS. 4104–4105

(Ordered to lie on the table.)

Mr. KERREY submitted two amendments intended to be proposed by him to the bill, S. 1219, supra; as follows:

AMENDMENT NO. 4104

Beginning on page 20, strike line 10 and all that follows through page 21, line 2, and insert the following:

"(2) PAYMENT OF VALUE OF BENEFITS.—On receipt of notification of revocation of eligibility under paragraph (1), a candidate—

"(A) shall pay an amount equal to 5 times the value of the benefits received under this title; and

"(B) shall be ineligible for benefits available under section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) for the duration of the election cycle.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title or that a candidate has violated any of the spending limits contained in this Act, the Commission shall so notify the candidate, and, on receipt of notification, the candidate shall pay an amount equal to 5 times the value of the benefit.".

AMENDMENT NO. 4105

On page 28, between lines 14 and 15, insert the following:

SEC. 104. RESPONSES TO INDEPENDENT EXPENDITURES.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) (as amended by section 103) is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following:

"(d) RESPONSES TO INDEPENDENT EXPENDITURES.—An eligible Senate candidate who has been notified by the Federal Election Commission under section 304(c)(4) of the Federal Campaign Act of 1971 that independent expenditures totaling $10,000 or more have been made in the same election in favor of another candidate or against the eligible Senate candidate shall be entitled to receive free broadcast time from the broadcasting stations to whom the expenditures were made, in an amount of time equal to that purchased by the person making the expenditures.".

CONRAD AMENDMENTS NOS. 4106–4107

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to the bill, S. 1219, supra; as follows:

AMENDMENT NO. 4106

Beginning on page 31, strike line 3 and all that follows through page 35, line 10, and insert the following:

SUBTITLE A—LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES

SEC. 201. LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 324. LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES.

"Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make a contribution to a candidate or candidate's authorized committee.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301 of FECA (2 U.S.C. 431) (as amended by section 212(d)(2)) is amended—

(A) by striking paragraph (4) and inserting the following:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year;

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities; and

"(E) a small donor multicandidate political committee."; and

(B) by adding at the end the following:

"(22) The term 'small donor multicandidate political committee' means a committee, club, association, or other group of persons, or a separate segregated fund established under section 316(b), that—

"(A) limits to $200 the amount of contributions that the committee will accept from any individual in a calendar year; and

"(B) makes contributions to more than 1 candidate in a calendar year.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

AMENDMENT NO. 4107

Beginning on page 31, strike line 3 and all that follows through page 35, line 10, and insert the following:

SUBTITLE A—LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES

SEC. 201. LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 324. LIMITATION ON CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES.

"Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make a contribution to a candidate or candidate's authorized committee.".

(b) Definition of Political Committee.—(1) Section 301 of FECA (2 U.S.C. 431) (as amended by section 212(d)(2)) is amended—

(A) by striking paragraph (4) and inserting the following:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year;

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities; and

"(E) a small donor multicandidate political committee."; and

(B) by adding at the end the following:

"(22) The term 'small donor multicandidate political committee' means a committee, club, association, or other group of persons, or a separate segregated fund established under section 316(b), that—

"(A) limits to $100 the amount of contributions that the committee will accept from any individual in a calendar year; and

"(B) makes contributions to more than 1 candidate in a calendar year.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) Candidate's Committees.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

BROWN AMENDMENTS NOS. 4108–4109

(Ordered to lie on the table.)

Mr. BROWN submitted two amendments intended to be proposed by him to the bill, S. 1219, supra; as follows:

Amendment No. 4108

At the appropriate place in the bill, insert the following:

"At 2 U.S.C. §441b(b)(2) after 'in connection with any election to any of the offices referred to in this section,', insert: 'including activities and communications advocating or opposing any issues clearly identified with a candidate or party'."

Amendment No. 4109

Insert the following new paragraph in Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(b));

(8)(A) It is unlawful for any labor organization as defined in Section 441b(b)(1) of title 2 to use union dues or anything of value required for membership in such organization, for activities described in subparagraphs (A) and (B) of paragraph (b)(2), without each member's express written consent. Such labor organization shall retain records of such permission for a period of at least ten years.

(B) Activities include, but are not limited to, any communication supporting or opposing any clearly identified candidate for public elective office or supporting or opposing any issues clearly identified with or closely connected to a candidate or political party.

(C) Any person who knowingly and wilfully violates subsection (A) shall be fined in an amount of $5,000 per violation not to exceed a total of $100,000.

MOSELEY-BRAUN AMENDMENT NO. 4110

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to the bill, S. 1219, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . LIMITATION ON THE AMOUNT OF PERSONAL FUNDS THAT A CANDIDATE FOR FEDERAL OFFICE MAY EXPEND DURING AN ELECTION CYCLE.

Title III of FECA (2 U.S.C. 431 et seq.) (as amended by section 212(d) is amended by adding at the end the following:

"SEC. 326. LIMITATION ON THE AMOUNT OF PERSONAL FUNDS THAT A CANDIDATE FOR FEDERAL OFFICE MAY EXPEND DURING AN ELECTION CYCLE.

"(A) In General.—The aggregate amount of expenditures that may be made during an election cycle by a candidate or the candidate's authorized committees from sources described in subsection (a) shall not exceed $1,000,000.

"(b) Sources.—A source is described in this subsection if the source is—

"(1) personal funds of the candidate and members of the candidate's immediate family; or

"(2) personal loans incurred by the candidate and members of the candidate's immediate family.".

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

MOSELEY-BRAUN (AND LOTT) AMENDMENT NO. 4111

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN (for herself and Mr. Lott) submitted an amendment intended to be proposed by them to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. COMPUTER-ASSISTED EDUCATION AND TRAINING.

Of the amount authorized to be appropriated under section 201(4), $10,000,000 shall be available under program element 0601103D for computer-assisted education and training at the Defense Advanced Research Projects Agency.

FORD (AND OTHERS) AMENDMENT NO. 4112

(Ordered to lie on the table.)

Mr. FORD (for himself, Mrs. Boxer, Mr. Conrad, Mr. Craig, Mr. Daschle, Mr. Dorgan, Mr. Exon, Mr. Gorton, Mr. Hatch, Mr. Inhofe, Mr. Levin, Mr. Lott, Mrs. Murray, Mr. Pressler, Mr. Robb, and Mr. Warner) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, insert the following:

SEC. . TECHNICAL AMENDMENT.

Paragraph (3) of section 8003(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)) is amended by striking "2000 and such number equals or exceeds 15" and inserting "1000 or such number equals or exceeds 10".

FORD (AND BROWN) AMENDMENT NO. 4113

(Ordered to lie on the table.)

Mr. FORD (for himself and Mr. Brown) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) Pilot Program.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) Program Requirements.—(1) The Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) ANNUAL REPORT.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) EVALUATION AND REPORT.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is as safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) LIMITATION ON LONG LEAD CONTRACTING.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), the Secretary may not enter into any contract for the purchase of long lead materials for the construction of an incinerator at any site in Kentucky or Colorado until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky, or the law of the State of Colorado, as the case may be, for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(2) The Secretary may enter into a contract described in paragraph (1) beginning 60 days after the date on which the Secretary submits to Congress the certification of the executive agent that there exists no alternative technology as safe and cost efficient as incineration for demilitarizing chemical munitions at non-bulk sites.

(f) ASSEMBLED CHEMICAL MUNITION DEFINED.—For the purpose of this section, the term "assembled chemical munition" means an entire chemical munition, including component parts, chemical agent, propellant, and explosive.

(g) FUNDING.—(1) Of the amount authorized to be appropriated under section 107, $50,000,000 shall be available for the pilot program under this section. Such funds may not be derived from funds to be made available under the chemical demilitarization program for the alternative technologies research and development program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

(3) No funds authorized to be appropriated by section 107 may be obligated until funds are made available to the executive agent under paragraph (2).

FORD AMENDMENT NO. 4114

(Ordered to lie on the table.)

Mr. FORD submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In the table in section 2101(a), strike out the item relating to Fort Campbell, Kentucky, and insert in lieu thereof the following:

Kentucky	Fort Campbell.	$67,600,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a), and insert in lieu thereof "$363,050,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,900,897,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$363,050,000".

In section 2502, strike out "$197,000,000" and insert in lieu thereof "$179,600,000".

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$90,428,000".

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. STEVENS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings regarding security in cyberspace.

This hearing will take place on Tuesday, June 25, 1996, in room 342 of the Dirksen Senate Office Building. For further information, please contact Daniel S. Gelber of the subcommittee staff at 224-9157.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Wednesday, July 10, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1877, the Environmental Improvement Timber Contract Extension Act, a bill to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple-use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224–6170.

ADDITIONAL STATEMENTS

CBO'S ESTIMATED BUDGETARY EFFECTS OF H.R. 3286

• Mr. ROTH. Mr. President, I ask that the letter submitted to me by June E. O'Neill, Director of the Congressional Budget Office, regarding CBO's estimate of H.R. 3286, the Adoption Promoting and Stability Act of 1996, be printed in the RECORD.

The letter follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 21, 1996.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has estimated the budgetary effects of Titles, I, II, and IV of H.R. 3286, the Adoption Promotion and Stability Act of 1996, as reported by the Committee on Finance on June 13, 1996. Because H.R. 3286 would affect revenues, the bill would be subject to the pay-as-you go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

The attached table displays the estimated federal budgetary effects of Titles I, II, and IV of H.R. 3286. Title I would establish a new tax credit for adoption expenses that would reduce tax payments beginning in 1997. Title IV would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of determining depreciation deductions, effective beginning with the 1996 tax year. The revenue estimates for Titles I and IV of the bill have been provided by the Joint Committee on Taxation. The bill would result in net revenue increases of $79 million in 1996, $147 million in 1997, and $171 million in 2002, which would be partially offset by net revenue losses in the intervening years. Over the 1996-2002 period, the net revenue increase would total $117 million.

CBO estimates that the provisions of Title II that would remove barriers to interethnic adoptions would have a negligible effect on federal outlays in the foster care and adoption assistance programs. Although state governments or other entities that receive federal funds for adoption or foster care placement could pay penalties for failing to follow the provisions of Title II, the penalties are sufficiently large that states would comply with the new provisions, and the penalties collected would be negligible.

Titles I and IV contain no intergovernmental mandates, as defined in Public Law 104-4, and would impose no direct costs on state, local, or tribal governments. These titles do, however, contain private-sector mandates, as described in the attached private sector mandate statement. Section 4 of the Unfunded Mandates Reform Act of 1995 excludes from the application of that act legislative provisions that establish or enforce statutory rights that prohibit discrimination on the basis of race, color, or national origin. CBO has determined that the provisions in Title II fit within that exclusion.

Should you require additional information on this estimate, we will be pleased to provide it. The staff contacts for H.R. 3286 are Justin Latus (for federal costs), Stephanie Weiner (for federal revenues), and Karen McVey (for state, local, and tribal issues).

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Attachments.

ESTIMATED BUDGETARY EFFECTS OF H.R. 3286

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Direct Spending							
Title II—Interethnic adoptions:							
Estimated budget authority	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Revenues							
Title I—Credit for adoption assistance	—	−33	−329	−351	−375	−342	−108
Title IV—Revenue offsets	79	180	245	293	291	288	279
Net increase or decrease (−) in revenues	79	147	−84	−58	−84	−54	171
Deficit							
Net increase or decrease (−) in the deficit	−79	−147	84	58	84	54	−171

Note: Revenue estimates provided by the Joint Committee on Taxation.

[1] Indicates less than $500,000.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal year, in millions of dollars]

	1996	1997	1998
Change in outlays	0	0	0
Change in revenues	79	147	−84

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS OF PRIVATE SECTOR MANDATES

1. Bill number: H.R. 3286.

2. Bill title: Adoption Promotion and Stability Act of 1996.

3. Bill status: As reported by the Senate Committee on Finance, on June 13, 1996.

4. Bill purpose: The purpose of the bill is to defray adoption costs and promote the adoption of minority children. In addition, the bill would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of accounting.

5. Private sector mandates contained in the bill: H.R. 3286 contains mandates as defined in Public Law 104–4 that would affect taxes paid by private sector entities. In particular, the bill would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of accounting. In addition to these mandates, the bill includes a new credit for adoption expenses that would reduce tax payments.

6. Estimated direct cost to the private sector: The Joint Committee on Taxation (JCT) estimates that the direct private sector costs of the tax increases in H.R. 3286 would be no less than the amounts that appear in the following table.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Repeal the deduction for bad debt reserves for thrift institutions	47	111	216	280	277
Reform income forecast method of accounting	32	69	29	13	14

In addition to these mandates, the bill also provides for a reduction in taxes. At this point, it is unclear to CBO whether under Public Law 104–4 this tax reduction should be viewed as an offset to the direct costs of the mandates in the bill. JCT estimates that the savings associated with the tax reduction in H.R. 3286 would be as displayed in the following table.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Credit for adoption expenses	....	−33	−329	−351	−375

7. Appropriations or other Federal financial assistance: None.

8. Previous CBO estimates: On May 2, 1996, CBO estimates the private sector impact of H.R. 3286 as ordered reported by the House Committee on Ways and Means on May 1, 1996. The estimates differ because both the revenue increases and the specific parameters of the credit for adoption expenses in the Finance Committee's bill are different from those in the Ways and Means Committee's bill.

9. Estimate prepared by: Daniel Mont (nontax items) and Stephanie Weiner.

10. Estimate approved by: Joseph R. Antos, Assistant Director for Health and Human Resources.•

RENOMINATION OF ALAN GREENSPAN

• Mr. KOHL. Mr. President, I supported Alan Greenspan's renomination to Chair the Federal Reserve Board for a third term.

Any decision of such importance to the American people deserves careful consideration. But now that we have had a constructive debate, I am pleased that the Senate moved forward with this long-delayed process.

As some of you know, Dr. Greenspan's impressive career includes three decades of work with a private sector economic consulting firm, during which time he held the positions of both chairman and president of the company. Other distinguished achievements include chairmanship of President Ford's Council of Economic Advisers, membership on President Reagan's Economic Policy Advisory Board and consulting work for the Congressional Budget Office.

And as Chairman of the Federal Reserve Board for the past 8 years, Dr. Greenspan has won the respect and confidence of Republican and Democrats alike and consistently steered American monetary policy on a prudent and responsible course.

Mr. President, the economy is strong and growing. Inflation is under control, and mortgage rates have averaged 7.8 percent, the lowest since Lyndon Johnson was in the White House. Much of this success is due to the constancy and apolitical management of our country's monetary policy. And while I will support reforms of Fed management to ensure that taxpayer funds are used responsibly, I will not support efforts to subject the Federal Reserve to political influence.

Considering his past record and looking to the future, Alan Greenspan deserves reappointment. He is the best candidate for the job, and I am confident that he will continue providing vital leadership toward our common goal of keeping the economy robust.

I supported his renomination and am pleased that the majority of my colleagues opted to do the same.•

ANNIVERSARY OF THE FULBRIGHT PROGRAM

• Mr. ROCKEFELLER. Mr. President, a very special advisor brought to my attention an article that I ask to place in the RECORD. My counsellor on matters of foreign policy is not only the highly distinguished former chairman of the Senate Foreign Relations Committee and Senator from Illinois, Senator Charles Percy, he also is my one and only father-in-law. I continue to be indebted to him for both his sage advice and the familial bond we share.

Recently, former Senator Percy shared the following article that appeared on June 14, 1996 in The Christian Science Monitor. Authored by former Vice-President Walter Mondale, who serves as the current U.S. Ambassador to Japan, it commemorates the 50th anniversary of the Fulbright Program.

I want to draw the attention of my colleagues and other readers to this fine essay on the value of this unique international exchange program. With the Fulbright Program's emphasis on excellence in scholarship and studies, this effort creates and nurtures relations between America's bright, curious, and energetic citizens and their counterparts in other countries. It breaks through the barriers that otherwise cause ignorance, prejudice, misunderstandings, and the dangers of war and other violence. There is simply no substitute for the opportunity of individuals around the world to learn from one another.

The Fulbright Program is not a luxury for America. It is a necessary part of an effective foreign policy for the world's economic leader and superpower. As we celebrate its anniversary, this article reminds us that its future will be the course for Americans to continue promoting peace and the ties that benefit our own country along with the rest of the world.

The article follows:

[From the Christian Science Monitor]

THE GRAND VISION OF THE FULBRIGHT PROGRAM

(By Walter Mondale)

Since becoming ambassador to Japan three years ago, I have directly experienced the enormous benefits of people-to-people exchange. It is a process I now consider one of the vital tools of American international policy. My experience in Japan has elevated me from just a believer in international exchange to a true believer.

The Fulbright Program, which turns 50 this year, is the flagship of scholarly exchange programs. Its universal renown attests to its extraordinary long-term impact on international relations.

Congress established the program in 1946 "to increase mutual understanding between the people of the United States and the people of other countries." My friend J. William Fulbright (D) of Arkansas, a strong-willed senator of rare vision, introduced the legislation two weeks after the nuclear age blasted its imprint on history at Hiroshima. At the time he called it "a modest program with an immodest aim."

Over the past several years, we have taken special note of many 50th anniversaries, often in a spirit of somber commemoration: the attack on Pearl Harbor, the Battle of Iwo Jima, the Battle of Okinawa, and the atomic bombings of Hiroshima and Nagasaki. The first half of the 20th century was battered by two world wars, and as the curtain rose on the second half, a war-weary US went to battle once again in Asia while the world drew itself into two armed camps.

Appalled by war's tragic human cost, Bill Fulbright's "immodest aim" was no less than "the humanizing of international relations . . . to the point that men can learn to live in peace—eventually even to cooperate in constructive activities rather than compete in a mindless contest of mutual destruction. . . ." During this 50th-anniversary year of Fulbright's program, as we celebrate the global reach of his vision, we properly hail his "immodest" achievement.

In its early years in Japan, the program focuses on bringing outstanding students of the postwar generation of young Japanese to experience US social institutions and democracy. The results are found everywhere: United Nations Undersecretary-General Yasushi Akashi was a Fulbrighter. So were seven current members of the Diet, the presidents of two of Japan's largest banks, and more than 5,000 others who have carried their experience of American life back to Japanese colleges, government offices, businesses, and civic organizations.

The US and Japan reap great benefits from our harmonious bilateral relations, and we share a common stake in global security and stability. Our relationship is solid. But our societies are so profoundly different in so many basic areas that it requires great effort for us to understand each other.

As in so many endeavors, those who acquire the tools early achieve the most success. The history professor from Kysuhu University who as a young scholar spent a year in Columbus, Ohio, teaches his students with deeper insights than one who has not had that experience. The recent New York University graduate living for a year with a family near Osaka will return to New York to pursue a law career that will take a much different direction than had she never experienced Japan. Such seemingly commonplace events, multiplied many times over, bring extraordinary benefits to our relations.

The Fulbright Program is enormously popular in Japan. When Senator Fulbright died last year, hundreds of former Fulbrighters gathered for an elegant memorial service, and virtually every newspaper ran an appreciative story lauding the educational and cultural benefits bestowed on so many Japanese.

In recent years, the proportion of American Fulbrighters relative to that of Japanese has grown considerably; so has the Japanese financial contribution. The Japanese government now funds the bi-national program at approximately twice the level of the US. And Japanese alumni continue to make a generous annual donation, which is devoted to bringing recent US college graduates to Japan.

There are many ways to study abroad but the Fulbright Program stands alone. Practically everyone in Japan knows about it, and what it has meant to this country. Its marvelous reputation has been earned not simply by the scholastic achievements of its outstanding participants, but also because Fulbrighters see themselves as students, lecturers, or researchers abroad who are part of a noble, larger purpose.

Fulbright once said, "Man's struggle to be rational about himself, about his relationship to his own society and the other peoples and nations involves a constant search for understanding among all peoples and cultures—a search that can only be effective when learning is pursued on a worldwide basis."

Some say that the cold war's end has drained the urgency from international exchanges. It's simply not so. The need to educate citizens who have international experience and who can communicate and establish relationships across borders is more compelling than ever.

In the US, we have entered what US Information Agency director Joseph Duffey calls "an era of frugal diplomacy." Our government must consider with care the cost-effectiveness of what it does. Judged by that standard, there are few programs that serve our long-term international-relations goals as fully and effectively—yet as inexpensively—as the Fulbright Program.

As Americans with a stake in our relations with the rest of the world, and particularly with Japan, we will be well served if our political leaders continue their support of Bill Fulbright's vision.

(Former Vice President Walter Mondale is the US ambassador to Japan.)•

CLYDE M. DANGERFIELD, A TRIBUTE

• Mr. HOLLINGS. Mr. President, I would like to say a few words about a man from my home State who, in his work and his life, set an example for us all. Clyde M. Dangerfield died on June 19 at the age of 81. He served 35 years in the South Carolina House of Representatives, and was responsible for improving the lives of citizens all over Charleston County. His concern, persistence, and integrity made him one of the finest public servants South Carolina has known. He was a good friend, a credit to his county, and I can say, without exaggeration, that the State is a better place because of him. Mr. President, I ask to have printed in the RECORD two articles from Clyde Dangerfield's local paper, the Post and Courier.

The articles follow:

[From the Post and Courier, June 22, 1996]

CLYDE M. DANGERFIELD

When Clyde M. Dangerfield retired from the House of Representatives in 1988, he was number one in seniority. It had been 35 years since he first was appointed to fill a vacancy in the Charleston County Legislative Delegation and had gone on to win election 17 times. While his 24-year chairmanship of the House Labor, Commerce and Industry Committee set a longevity record, his chief interest was the area's transportation system. Before his death this week, he lived to see his major dreams realized.

Relatively early in his public career, he was named chairman of the Charleston County Legislative Delegation's Roads and Bridges Committee. It became his prime focus and highway improvements his chief cause. The scope of his work was expanded when highway funding became keyed to long-range regional transportation planning. Mr. Dangerfield was named chairman of the Charleston Area Transportation Study (CHATS) Policy Committee from its inception in the late 1960s until he retired.

His career spanned major changes in the South Carolina political landscape, from the days when lawmakers were elected countywide and Democrats were the only elected officials, to the advent of the two-party system and single-member election districts. A long-time resident of the Isle of Palms, his East Cooper area had become a Republican stronghold before he stepped aside. Unlike many of his colleagues who switched parties, he remained a Democrat and withstood a strong Republican Challenge before he retired.

Herbert U. Fielding credits Mr. Dangerfield with being part of a coalition that helped him become, in 1970, the first black legislator from Charleston since Reconstruction. After that victory he remembers learning the legislative ropes from Mr. Dangerfield in the rides back and forth to Columbia. "He taught most of us—all of us—me in particular."

Mr. Fielding also noted that Mr. Dangerfield never sought the political center stage. In fact, Mr. Fielding remembered that Mr. Dangerfield "very seldom took the podium in the House—he'd push me up." But few knew better than Mr. Dangerfield how to get things done.

Every member of the delegation who served with Mr. Dangerfield can tell stories of being taken from one end of the county to the other to check on requests for road repavings, particularly in the days when county lawmakers had the last word on such local requests. But he never lost sight of the larger projects, particularly the James Island Bridge and the Isle of Palms Connector, which were the source of much delay and frustration. The ribbons were cut on both, and the latter named in his honor several years before his death.

It was Clyde Dangerfield's ability to work behind the scenes and his persistence that were key to his success, according to Robert B. Scarborough, the former highway commissioner and legislator who was his closest ally. He can recall more than one project now in place because Clyde Dangerfield refused to give up.

None is more notable than the $38 million, state-of-the-art, fixed-span bridge that bears his name and links the East Cooper island communities to the mainland. It took Hurricane Hugo to convince some island residents of the danger of relying solely on one means of exit off the islands. When the Clyde M. Dangerfield Bridge was dedicated, Isle of Palms Mayor Carmen Bunch was quoted as saying, "This opens a new avenue to us all. We will never be kept from our homes again." That is only one of many debts of gratitude this community owes to Clyde M. Dangerfield's determined leadership.

[From the Post and Courier, June 23, 1996]

DANGERFIELD: A LIFE OF QUIET INTEGRITY

(By Elsa McDowell)

Somewhere on the bridge that bears his name, Clyde Dangerfield's heart beat its last on Wednesday.

The connector that he had envisioned as a lifeline to the mainland for the Isle of Palms and Sullivan's Island wasn't short enough to get his 81-year-old heart to the hospital before full cardiac arrest.

Minutes before, he had finished his daily swim in the pool behind his Isle of Palms house. He was climbing out of the shallow end when he called to his wife Betty.

He couldn't breathe.

It was a scene Rep. Clyde Dangerfield might have described in his years campaigning for the connector.

He'd have said it plainly, an honest reflection of his concern: Without a connector, someone on the Isle of Palms suffering from severe heart failure wouldn't stand a chance. With it, he might.

Clyde Dangerfield Jr.'s voice catches at the image. His father worked hard for the connector—much the same way he worked for poor people in rural Charleston County.

"I remember when I was 8 or 9. On Sundays, he would say, 'Come on, son, Let's go check on some roads.'"

ROADS AND ROADS

Clyde Jr., pad and pen in hand, would climb on a pillow in the front seat of the big green 1954 Chrysler and they would head to the boonies. In 1953, Dangerfield was first elected to serve the whole county and that's what he did.

"Daddy would give me odometer readings and I'd write them down. Each county was given so many miles of roads and Daddy wanted to make sure it was divided fairly."

When he came upon roads that needed paving, they made their first stop: A country store.

"He'd walk in not knowing one of the 10 people sitting there. He'd leave knowing all 10," Clyde says.

He'd also leave with the name and address of the street's unofficial ringleader—their next stop.

"Would you like this road paved?" "Of course."

Then he'd pull out some forms. Get signatures from everyone on the street. He'd take care of it.

Oh, one more thing. Include voter registration numbers.

Clyde smiles. They didn't have to be registered; but Dangerfield knew politics. He'd have new supporters and citizens would have a voice in their government,

Sure enough, rural voters helped send Dangerfield to the House for 35 years. And since his death Wednesday, the stream of mourners has included simple people who sign with an "x" and government leaders who live in the headlines.

Clyde Dangerfield Jr.'s immense pride in his father isn't because of politics. It's not because he established and ran Suburban Gas and Appliance Co.

THE MAN

Clyde says his father "provided the definition for the word 'integrity.' Every night, his six children saw him get on his knees and pray. I never heard him say a cuss word and I never heard him raise his voice to my mother."

His son can't think of anyone who didn't like his father.

It wouldn't be someone who was jealous. Clyde Dangerfield didn't enjoy the limelight. He didn't seek headlines.

It wouldn't be a political enemy. Clyde Dangerfield was a Democrat, but embraced issues Republicans appreciate as well.

"He believed in negotiating," Clyde says. To him, there was no such thing as a win-lose situation. It had to be win-win.

It wouldn't be constituents. They'd have to know he was trying to serve them.

Dangerfield grew up hard. One of 10 children of a dirt farmer in Oakley, he finished Berkeley County schools when he was 21. He needed time off to tend crops.

He was blind in his left eye because of a childhood baseball accident. The horse-and-buggy ride to Charleston took a day and a half. Too late.

Dangerfield was moving slowly through Clemson—hog farming for money—when the war started and he joined the Army.

Afterward he moved to the Isle of Palms and got involved right away. He was a founder of the First United Methodist Church there.

When his house caught fire, he had to rely on Sullivan's Island firefighters for help. So in the 1950s, Dangerfield helped establish a department for the Isle of Palms.

And then there's his family. A wife, six children and 10 grandchildren who don't just think—they know—that Clyde Dangerfield was all they love and respect.●

ORDERS FOR TUESDAY, JUNE 25, 1996

Mr. McCAIN. I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Tuesday, June 25; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of S. 1219, the campaign finance reform bill, with the time between 9:30 a.m. and 12:30 p.m. on Tuesday equally divided between the two leaders or their designees for debate only.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I further ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. in order to accommodate respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. McCAIN. For the information of all Senators, under the previous order there will be a rollcall vote on Tuesday at 2:15 p.m. on the motion to invoke cloture on the campaign finance reform bill. If cloture is invoked, the Senate would be expected to continue consideration of S. 1219. If cloture is not invoked, the Senate will resume consideration of the Defense authorization bill, or possibly any other items cleared for action. Additional rollcall votes will therefore occur during Tuesday's session. A cloture motion was filed this evening on the defense bill, with that vote to occur on Wednesday. Under the provisions of rule XXII, first-degree amendments to the DOD bill must be filed by 12:30 on Tuesday.

ORDER FOR ADJOURNMENT

Mr. McCAIN. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order, following the remarks of Senator KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

TRIBUTE TO GABRIEL LEWIS OF PANAMA

Mr. KENNEDY. Mr. President, I was distressed to learn recently that a serious illness has required a valiant champion of human rights and democracy and a great friend of the United States to withdraw from his high position as Foreign Minister of the Republic of Panama. Foreign Minister Gabriel Lewis is well known to many of us in Congress and he is especially warmly remembered for his determined, persuasive, and eloquent opposition to the dictatorship of Manuel Noriega in Panama.

Few, if any, individuals were more responsible for the return of democracy and respect for human rights in Panama than Mr. Lewis. He championed the cause of his fellow Panamanians in a way that makes him a profile in courage for our time.

The President of Panama has recently appointed Mr. Lewis to be his senior counsel with cabinet rank. I know that all friends of Mr. Lewis in the United States and many other countries wish him a speedy recovery. We need his continuing leadership to advance the close ties between our two countries, and to enhance the cause of democracy throughout the Americas.

MINIMUM WAGE

Mr. KENNEDY. Mr. President, 58 years ago today, on the eve of his signing into law the first Federal minimum wage, President Franklin Roosevelt gave a fireside chat. He warned the American people that they would hear "Calamity howling business executives with incomes of $1,000 a day, claim that the new minimum wage of $11 a week will have a disastrous effect on all American industry." It was not true then and it is not true today.

The minimum wage will not hurt business, cause job loss, or cause inflation. It will, however, provide a pay raise for 112 million hard-working Americans who deserve a living wage. Tomorrow, Senator DASCHLE, I, and others will seek to add the minimum wage as an amendment to the DOD authorization bill. This is not the course we would prefer to take, but the Republican leadership of the Senate leaves us no choice.

More than a year ago, I joined Senator DASCHLE in introducing S. 413, a bill that would have raised the minimum wage by 45 cents in July 1995 and again this July for a total raise of 90 cents, bringing the minimum wage up to $5.15 an hour. We could not get a hearing on S. 413 in the Labor Committee, so on July 31, I offered a sense-of-the-Senate resolution calling on the Senate to consider the minimum wage increase before the end of the year. The resolution was defeated 48 to 49.

In October, unable to have so much as a hearing on the minimum wage, we tried again. Senator KERRY, my colleague, offered a sense-of-the-Senate resolution again, which was blocked by a Republican procedural maneuver. But we got a majority in favor, 51 to 48. We finally got a hearing in December, but no markup was scheduled. Finally, with the real value of the minimum wage continuing to fall and no relief for low-wage workers in sight, we offered an amendment to raise the minimum wage on the parks bill this past April and filed cloture; 55 Senators voted for cloture and 45 against.

It is clear from that vote, and the one last October, that a majority of Senators want to see the minimum wage increased, but they have been frustrated by the Republican leadership. Time after time, we have tried to bring up this critical legislation, but the Republican leadership has been willing to tie up the Senate for 10 days at a time to prevent it. Then on May 23, the House passed a minimum wage increase by a huge margin, 266 to 162. That bill came over from the House, and the majority leader—then Bob Dole, and now Senator LOTT—has refused to allow its consideration as a clean bill.

This is now our last opportunity to have the minimum wage increase considered before the day it is supposed to take effect, July 4. If the Senate does not act now, it will be turning its back on 12 million Americans, who are counting on the Congress to do the right thing for them and their families.

Tomorrow, June 25, marks the 58th anniversary of Franklin Roosevelt's signing of the first minimum wage bill. The minimum wage in the bill President Roosevelt signed established the wage at 25 cents an hour. In 1938, as today, Republicans were opposed to the minimum wage. But, ultimately, the good sense of the Congress prevailed.

It is entirely fitting that, tomorrow, Senator DASCHLE, our Democratic leader, will seek, once again, to bring the minimum wage increase to the floor, and I hope the Republican leadership will not block that effort. If it does, we will not give up. We will seek to offer the minimum wage to every bill on the Senate floor and, ultimately, I believe we will prevail, as Franklin Roosevelt did 58 years ago.

HEALTH CARE REFORM

Mr. KENNEDY. Mr. President, I will address the Senate for a few moments this evening on an issue that is before the Senate, and really before the country, and that is a question of where we are in our health care debate and discussion.

I thought this evening I would just make some brief comments to follow those of last Friday about what some of the dangers are with medical savings accounts and, in particular, what has been the record of the Golden Rule Insurance Co., which is the principal insurance company that sells medical savings accounts at the present time. I will review, briefly, what the record of that company has been over the period of the last couple of years because there have been those who have questioned whether we have been giving a fair and accurate reflection of this insurance company.

I will include in the RECORD, Mr. President, the Indianapolis Star article of June 22, just a few days ago. This is the Indianapolis Star, the home newspaper for the Golden Rule Insurance Co. I think for those that are familiar with the Indianapolis Star, there is no one here that would suggest that that was considered to be a liberal newspaper, or even a moderate newspaper. It has been one of the newspapers that have been part of the Pullian family and has prided itself in supporting very conservative candidates, with a very conservative editorial policy. This is the hometown newspaper. This is not the Democrats, who are opposed, or Republicans who are opposed to medical savings accounts. This is their hometown newspaper, blowing the whistle, so to speak, on the Golden Rule Insurance Co.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Indianapolis Star, June 22, 1996]

GOLDEN RULE HAS A KEEN INTEREST IN INSURANCE BILL

INCLUSION OF TAX-FREE MEDICAL SAVINGS ACCOUNTS WOULD BE A SIGNIFICANT AID TO THE FIRM'S PROFITABILITY

(By Larry MacIntyre)

If you ran an insurance business and discovered that fewer and fewer people were buying your policies, you'd probably welcome a federal law that would have the effect of paying some families a $2,000 or more bonus to buy them.

A law like that could turn sinking sales into skyrocketing sales almost overnight.

In a sense, that is what's at stake for the Indianapolis-based Golden Rule Insurance Co. as it watches the White House and Congressional Republicans haggle over putting tax-free medical savings accounts—known as MSAs—into a health-insurance reform bill jointly sponsored by Sens. Ted Kennedy, D-Mass., and Nancy Kassebaum, R-Kan.

The bill is aimed at making it easier for employees to keep health insurance when they change jobs. Until this month, President Clinton had vowed to veto it if it included MSAs, a concept that Golden Rule's former chairman, Pat Rooney, has been lobbying for tirelessly for years.

Congressional Republicans, who received more than $1 million in campaign contributions from Golden Rule and its executives before the last election, are touting MSAs as a way to bring free-market forces to bear on rising health-care costs.

Opponents of MSAs predict the device will shrink the amount of money needed for health insurance pools by instead giving it to people who stay healthy—or at least don't visit the doctor. Kennedy says MSAs will drive insurance premiums "through the roof," and he singled out Golden Rule as being the "worst abuser" of the current system.

The prospect of MSAs appeared to be at a stalemate until two weeks ago, when the White House signaled it would be willing to include a trial program for small businesses. Now, Clinton's aides and Congressional staffers are trying to agree on how big a population would be served by the trial program.

FUTURE IN QUESTION

The answers they come up with will determine the future of Golden Rule, which is seeing steadily declining sales of individual health-insurance policies in the face of mounting competition from managed-care plans.

The company's profitability is also being squeezed as it shifts into the highly competitive group health-insurance market, which is now dominated by managed-care plans.

In its required annual report to the state, Golden Rule cited reduced revenue from health policies as the reason its net gain after taxes fell to $25.8 million in 1995—down 29 percent from the previous year.

Company officials did not return phone calls from The Indianapolis Star and The Indianapolis News seeking comment.

One reason managed-care plans are growing in popularity is that, unlike holders of Golden Rule's traditional fee-for-service policies, users of managed-care plans don't have to pay a $500 or $1,000 deductible out of pocket before the policy kicks in. Most managed-care policies provide what is known as first-dollar coverage.

The attraction of medical savings accounts is that they go one step better. People who stay healthy would get money back.

The plan pushed by Congressional Republicans calls for a three-year test. It would allow self-employed individuals and employers with 100 or fewer workers to establish tax-exempt MSAs of up to $2,000 per individual or $4,000 per family.

The catch is that money in the MSA would be tax exempt only if a companion health-insurance policy for catastrophic illness is also purchased. Deductibles for these policies could be as high as $5,000 for individuals and $7,500 for families. Choose own doctors

MSA holders could choose their own doctors and spend as much or as little as necessary from the account. At the end of the year, any money left in the MSA could be either rolled over or paid to the employee as taxable income.

At the end of the three-year test, Congress would vote on whether to expand MSAs to the rest of the nation's workers.

A RAND Corp. study published in the Journal of the American Medical Association last month estimated that 57 percent of the nation's families would choose MSAs over traditional fee-for-service policies or managed care.

If that estimate were to hold true, it would translate into a potential market of more than 50 million new customers for Golden Rule and other insurers offering catastrophic-care policies.

Last year, Blue Cross & Blue Shield of Ohio analyzed a year's worth of health claims for 38,729 family policyholders and determined that 68 percent would have qualified for money back if they had MSAs.

Assuming they had all started with $3,000 in their MSAs, their average payback would have been $2,039.

But the Ohio insurer isn't a supporter of MSAs. In fact, John Burry Jr., its chairman and chief executive officer, is one of the most outspoken and active opponents of MSAs.

Burry says the Ohio study—which he presented to the House Ways and Means Committee last year—show that MSAs have the potential to bankrupt the nation's health-care system.

"They are tailor-made for identifying healthy persons who may be profitably insured. It makes no sense for a sick person to utilize an MSA," Burry said in testimony to the committee.

The reason is that all the money that healthy people would get back from their MSAs—more than $50 million in the Ohio group—represents money that under current health plans is being paid into the insurance pool for their group coverage.

$50 MILLION SHORTFALL

If that money were taken out of their pool, it would create a shortfall of $50 million needed to cover the health expenses of the 32 percent of families that didn't stay healthy.

Some of those families spent in excess of $300,000 each for treatment of cancer, preterm infants or coronary problems.

While the unhealthy families represented less than a third of the study group, they accounted for 84 percent of the $159.3 million health-care costs. But under an MSA plan, the study calculated there would have been only $109 million available to cover those health costs.

Thus, the study concluded, employers would ultimately have to pay higher premiums, or sick people would have to pay more of their own costs to make up that $50 million shortfall.

Extend that economic model across the entire nation, says Burris, and the shortfall could reach $80 billion a year.

Burris' arguments have not dampened the enthusiasm among Congressional Republicans.

"MSAs deserve to become the law of the land because they represent a common-sensical, sound policy for health care," says Sen. Dan Coats, R-Ind. Coats is a Republican conferee pushing to keep MSAs in the health-care bill.

Supporters of MSAs range from the American Medical Association to Rush Limbaugh.

The most ardent opponent of MSAs in the Senate has been Ted Kennedy, who recently singled out Golden Rule for criticism in his written response explaining why he would not support the MSA amendment to his bill.

"It is no accident that the leading proponents of medical savings accounts are insurance companies like Golden Rule, which have been the worst abusers of the current system," he wrote, "They have given millions of dollars to political candidates to try to get this business opportunity into law."

Last fall, the nonpartisan American Academy of Actuaries, which studies insurance policy issues, also chimed in with a call for caution on MSAs.

Its report concluded: "The greatest savings will be for the employees who have little or no health care expenditures. The greatest losses will be for the employees with substantial health care expenses. Those with high expenditures are primarily older employees and pregnant women."

Mr. President, in the last Congress, health care reform became a highly partisan issue—and no progress was made. In this Congress, we have an opportunity to avoid the failures of the past by moving to address some of these problems on a bipartisan basis, even in this election year. The Kassebaum-Kennedy bill passed the Senate by a vote of 100 to 0. It had 66 cosponsors—with almost equal numbers from both parties. If we could send it to the President today, it would be signed by him tomorrow.

But the House Republican leadership is insisting that any health reform must be their way or no way. This nonnegotiable approach is an insult to millions of Americans who want insurance reform. It is time for the Republican leadership to stopped trying to turn a bipartisan bill that the American people need into a partisan proposal that will never be signed into law.

The Kassebaum-Kennedy insurance reform bill eliminates many of the worst abuses of the current system. It will benefit an estimated 25 million Americans a year. Today, millions of Americans are forced to pass up jobs that would improve their standard of living or offer them greater opportunities, because they are afraid they will lose their health insurance or face unacceptable exclusions for preexisting conditions. Many other Americans abandon the goal of starting their own business, because health insurance would be unavailable to them or members of their families. Still other Americans lose their health insurance because they become sick or lose their job or change their job, even when they have paid their insurance premiums for many years.

The Kassebaum-Kennedy bill addresses each of these problems. Insurance companies are limited in their power to impose exclusions for preexisting conditions. No exclusion can last for more than 12 months. Once persons have been covered for 12 months, no new exclusion can be imposed as long as there is no gap in coverage, even if they change their job, lose their job, or change insurance companies.

No workers wishing to participate in an insurance plan offered by their employer can be turned down or made to pay higher premiums because they are in poor health. If someone no longer has access to on-the-job insurance because they have lost their job or gone to work for an employer who does not offer coverage, they cannot be denied individual insurance coverage or face exclusions for preexisting conditions when they buy a policy. The same protection is provided for children who exceed the maximum age when they can still be covered under their parents' plan.

The Kassebaum-Kennedy bill will not solve all the problems of the current system. But it will make a significant difference in increased health security for millions of Americans.

The only opposition to the Kassebaum-Kennedy bill came from those who profit from the abuses in the current system. That is why it passed the Senate unanimously. An amendment by Senators Dole and Roth that added assistance for small business, strengthened antifraud provisions—and included other useful proposals was also adopted with overwhelming bipartisan support.

But now the bill is stalled, because some Republicans insist on adding a partisan poison bill—medical savings accounts. Such accounts are a bad idea that will make our insurance system worse instead of better. They are too controversial to be included in any consensus bill.

A compromise is possible if our Republican friends are willing to have a legitimate test of the idea first, without imposing it full-blown on the country. But the so-called compromise now being offered on medical savings accounts is nothing of this kind. It is a capitulation to House Republicans, who are more interested in creating an issue and serving a special interest constituency than in passing a needed health reform bill.

Discussions are ongoing to see whether a genuine compromise can be reached. If not, we should simply pass the bipartisan bill already unanimously approved by the Senate, and consider medical savings accounts on separate legislation.

Most people do not understand what a medical savings account is, or why special interest groups are so anxious to see them included in this bill. Medical savings accounts have two parts. The first is a catastrophic, high-deductible insurance policy that requires people to incur substantial medical costs out of their own pocket before insurance kicks in. Supporters of medical savings accounts usually mean policies with deductibles of about $1,500 to $2,000 per person. There is nothing that keeps businesses and individuals from buying such policies today.

The second part of a medical savings account is a tax-free savings account that is established by an individual or an employer to pay for part of the costs that the insurance does not cover. In theory, the lower premium cost for such a policy will make savings available to put in these accounts. Proponents of medical savings accounts often present this part of the plan as if the premium savings will cover almost the whole cost of the deductible. But that's not necessarily the case.

Medical savings accounts sound too good to be true—and they are. The American Academy of Actuaries and the Urban Institute estimate that the savings will be only a fraction of the deductible—leaving families exposed to high costs they simply cannot pay.

Last week, I challenged the supporters of medical savings accounts to answer some simple questions, so that the American people can understand what the flawed Republican proposal really means. Those questions have still not been answered, because the Republicans know that their medical savings account plan cannot stand the truth in advertising test. Here's what their plan provides.

First, the Republican plan allows deductibles as high as $5,000 per individual and $7,500 per family. A family needing medical care must spend $7,500 out of their own pocket before their insurance pays a dime. I ask my Republican friends how many families can afford to pay this much for medical care, and why in the world would you give a special tax break for a policy providing such minimal protection?

Medical savings accounts are described by the advocates as providing catastrophic protection. Once you hit the cap, they say you have complete protection. Actually, almost all conventional insurance policies already have a feature like this, called a stop-loss, which caps the policyholder's out-of-pocket spending for covered services. Even among policies offered by small businesses, which are typically less generous than those provided by large companies, 90 percent have a stop-loss. And for virtually all of these plans, the stop-loss is less than $2,000.

Contrast that to the Republican plan. Protection does not even start until you have spent $5,000, and there is no stop-loss. None whatsoever. The plan allows the insurer to charge a 30-percent copayment for charges in excess of the deductible. A $40,000 doctor and hospital bill is not unusual for a significant illness or surgery. A person needing such care would owe $15,500 for bills the policy would not pay. Under the conventional plan, their costs would be limited to $2,000 or less.

Can the Republicans explain to the American people why their plan has no stop-loss provision? Can they describe the logic that says it is all right to make a family pay $7,500 before their insurance covers them at all—and then leave them exposed to unlimited additional expenses even after they have paid the first $7,500? When you ask these questions, the Republicans have no answer.

The Republicans claim that people can cover these huge gaps in their insurance protection out of their medical savings accounts. Perhaps the wealthy, who get the bulk of the tax breaks under this plan, will be able to afford high medical costs—but how are working families to set aside the $5,000, $10,000, $20,000, or more that they would need for protection in the event of a serious illness?

There is nothing in the Republican plan that requires employers to contribute even one thin dime to a medical savings account for their employees. I've asked the Republican sponsors of this provision if their plan requires employers to make any contribution to the medical savings accounts of their employees, but there has been no answer—because a truthful answer is too embarrassing.

The Republican plan has other basic flaws. Today, most insurance companies have fee schedules limiting the amount that doctors and hospitals can charge for covered services. These fee schedules generally pay less—sometimes only half as much—as the actual charges. But providers generally accept these reduced fees as payment in full.

Under a medical savings account there is no such protection. In fact, patients could find themselves in the situation of having spent $9,000 on physician and hospital care and still not have met their $5,000 deductible, because the charges the patient has to pay are higher than the insurance company's fee schedule. No wonder some doctors and hospitals love the idea of medical savings accounts.

The driving force behind medical savings accounts is the Golden Rule Insurance Co. It made more than $1 million in campaign contributions before the last election alone. In October 1994, Golden Rule delivered $416,000 in soft money to the GOP. Only two other companies gave more to Republicans during the last election cycle. Golden Rule has contributed lavishly to NEWT GINGRICH's GOPAC political action fund. No one should be under any illusions. If it were not for Golden Rule, its chairman, Patrick Rooney, and its lavish contributions, medical savings accounts would not be an issue before this Congress—and it would not be the poison pill that threatens to sink health reform legislation again.

Why does the Golden Rule Insurance Co. want this legislation? The answer is simple. Golden Rule profits by abusing the current system. They make their money by insuring the healthy and avoiding those who need coverage the most. The company is notorious for offering policies with inadequate coverage, for dropping people when they get sick, for excluding parts of the body most likely to result in an illness, and for invoking exclusions for preexisting conditions when costly claims are filed.

Insurance reform that forces companies like Golden Rule to compete fairly by providing good services at a reasonable price would put them out of business. As the Indianapolis Star said on Saturday, "[MSAs] will determine the future of Golden Rule, which is seeing steadily declining sales of individual health insurance policies * * * In its required annual report to the State, Golden Rule cited reduced revenue from health policies as the reason its net gain after taxes fell to $25.8 million in 1995—down 29% from the previous year."

Golden Rule knows that its future depends on a multibillion dollar tax giveaway in the form of medical savings accounts. That is why their Republican friends in Congress are trying to force this partisan special interest proposal into the health reform bill—even at the risk of sinking the bill.

Let's look at the dishonor roll of Golden Rule policies. Like the Republican plan, MSA policies sound good until you read the fine print. Here is a policy offered by Golden Rule in Massachusetts through Americans for Tax Reform. It has no coverage for prenatal care or postnatal care. It has no coverage for most preventive services. It does not cover an emergency room visit unless you are admitted to the hospital. It does not even cover outpatient physician services, except for outpatient surgery. It does not cover outpatient prescription drugs. It does not even cover diagnostic tests unless the patient is hospitalized within 3 days.

Here is another Golden Rule policy, from Virginia. It has all the exclusions in the Massachusetts policy and adds even more gaps. There is no coverage for mental health. There is no coverage for substance abuse. There is no coverage for pregnancy and delivery—none at all. All routine and preventive care is excluded.

But even worse than the things Golden Rule explicitly does not cover is the things that it will not cover for you if they think you might get sick—or if you actually do. Here is what the policy says on page 6 of the Massachusetts policy under the heading "pre-existing conditions." It says "Pre-existing conditions will not be covered during the first 12 months after an individual becomes a covered person." This sounds reasonable. But listen to the fine print. "This exclusion will not apply to conditions which are both: (a) fully disclosed to Golden Rule in the individual's application; and (b) not excluded or limited by our underwriters."

What does this mean? It means that if, in the judgment of Golden Rule, you have not disclosed a pre-existing condition, they are not obligated to cover it after 12 months, and they reserve the option to exclude a condition from coverage forever—not just for 12 months. What does that mean in practice? It means that the protection Golden Rule promises is often a sham.

Let me read some of the cases of consumers who bought Golden Rule policies, faithfully paid their premiums, and then were told their insurance did not cover them, just when they needed it the most.

Daniel Brokaw of Roanoke, VA, was covered under a Golden Rule policy, although the policy excluded any coverage for care related to Mr. Brokaw's Tourette's disorder. Golden Rule also refused to cover Mr. Brokaw's 4-year-old son, even with a similar exclusion, because he occasionally shook his fist. Golden Rule canceled even this limited coverage when Mr. Brokaw submitted a claim for a broken arm.

Louise Mampe of suburban Chicago was diagnosed with breast cancer after having been covered by Golden Rule for 11 months. Golden Rule denied payment for $60,000 of bills and canceled her policy, saying that the breast cancer was a pre-existing condition. Mrs. Mampe had felt a "bump" but did not get treatment for years because she did not think it was anything serious—she had been getting similar bumps for years. Golden Rule wrote to Mrs. Mampe's widowed husband, Howard, that "Obviously, Mrs. Mampe was the author of her own misfortune." Pat Rooney, head of Golden Rule, himself stated that, "If my sister applied for her own insurance and she knew that she had felt a lump in her breast, she is not an insurable risk."

Gwendolyn Hughes of Utah had claims relating to injuries suffered in an automobile accident denied because she had failed to list a digestive problem on her Golden Rule insurance application.

James Clark of Keithville, LA, was forced to pay for his heart by-pass surgery after Golden Rule denied his claim, saying he had not disclosed cholesterol and triglyceride levels on his insurance application.

Linda Shafer of Ramsey, IN, had her Golden Rule policy canceled after she was diagnosed with Parkinson's. The Golden Rule underwriter said Ms. Shafer failed to disclose on her application that her hands sometimes shook. Ms. Shafer said she thought this was due to the stress of going through a divorce, not "a disorder of the nervous system such as epilepsy, convulsion, frequent headaches or mental or nervous disorders" as listed on the application. "Since I am not in the medical profession and could not diagnose my symptoms, I didn't even consider that I had any type of nervous disorder," she wrote.

Sharon Tate of Kansas City, MO, had her claim for removal of a sinus cyst denied because Golden Rule said she had to have known about the problem before taking out her policy. A court ruled against Golden Rule when it found that the company's doctor had not even looked at Ms. Tate's x-ray, although that was supposedly the justification for the claim denial.

Ana Painter of Chesterfield, IL, had her hospital bill relating to stem-cell infusion treatment for malignant ovarian cancer rejected on grounds that the treatment was "experimental." Golden Rule filed a suit against Ms. Painter 5 days later—without even waiting for her to appeal the decision—asking for a legal ruling that the company did not have to pay the bill. Ms. Painter had to retain a lawyer.

James Anderle of Milwaukee, WI, had his claim for medical bills resulting from a stroke denied by Golden Rule. Golden Rule claimed Mr. Anderle had a pre-existing condition—the flu.

Carol Schreul of Aurora, IL, suffered a brain tumor, resulting in medical bills of $39,000. Golden Rule refused to pay, claiming that Ms. Schreul misrepresented her health status by listing her weight as 190 pounds when it was actually 210.

Harry Baglayan had his claim for the $49,000 in costs for heart by-pass rejected. Golden Rule argued that Mr. Baglayan had failed to disclose that he had nausea four months earlier, a pre-existing condition.

Golden Rule has adamantly opposed insurance reforms, because they know they cannot compete on a level playing field where these abusive practices are outlawed. In Vermont, they vigorously and tenaciously opposed insurance reform—and then pulled out of the State when reform was finally enacted. Golden Rule refuses to give information on their experience with MSA's that they currently offer—and it's no wonder, given what turned up in Vermont.

Here is how the State insurance commissioner described what they found when Golden Rule turned over its policies to the Blue Cross plan, which assumed responsibility for Golden Rule policyholders when it pulled out of the State.

What are the tools of an aggressive underwriter [like Golden Rule]? The first is the initial application form filled out by the consumer. Let me briefly review its scope. Item 15 of the application asks for information about health status over a 10 year period. The questions asked are very broad and refer to any disorder that the applicant may have had. How many of us have not had a headache or diarrhea or a bad stomach ache over the past ten years?

Another tool used more aggressively by Golden Rule than by other insurers is the exclusion. This is a limitation placed on the policy to exclude coverage for a particular individual, condition, disease, etc. When Golden Rule withdrew from Vermont, most of its insured elected to become members of Blue Cross and Blue Shield of Vermont under the safety net program I discussed earlier. As a result, the safety-net program allows unique access to information about the Golden Rule Policies.

Of the approximately 5,000 Vermont Golden Rule policyholders who joined the safety-net, approximately 25 percent had some type of exclusion under their Golden Rule policies. In the initial study done by Blue Cross and Blue Shield, 1,024 Golden Rule policies have 1,245 separate exclusions added to their policies.

Blue Cross and Blue Shield also compiled a list of more than 81 exclusions used by Golden Rule. These include the exclusion of whole body parts, such as arms, backs, breasts, knees, legs, hands, skin.

A particularly disturbing practice of Golden Rule was to selectively underwrite newborn children of individuals holding individual rather than family policies. After providing the 30 day coverage of newborn children mandated by Vermont law, Golden Rule would only extend coverage if the newborn was healthy.

Mr. President, I ask that the full text of this letter be entered in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF VERMONT,
DEPARTMENT OF BANKING,
INSURANCE AND SECURITIES.

[Memorandum]

To: John D. Dingell, Chairman, Subcommittee on Oversight and Investigations.

From: Thomas R. Van Cooper, Director of Insurance Regulation.

Date: June 27, 1994.

Subject: Vermont Health Care Reform Initiatives.

INTRODUCTION

Good morning. My name is Thomas Van Cooper. I am the Director of Insurance Regulation for the state of Vermont. I want to thank you, Mr. Chairman and members of the subcommittee, for the opportunity to discuss Vermont's health insurance reforms. In particular, the requirements that health insurers use community rating and that they guarantee acceptance of all applicants, in the small group (1–49 employees) market as of July 1, 1992, and in the individual market as of July 1, 1993. I understand that the committee is interested in Golden Rule Insurance Company. Many of the issues surrounding Golden Rule, regarding both its conduct and its positions on health insurance, can probably be best addressed by reviewing more generally the issues Vermont faced in its individual and small group markets.

An important finance issue that Vermont confronted in its effort to obtain health care reform involved the impact of insurers employing aggressive underwriting techniques that either explicitly excluded some Vermonters from the marketplace or effectively did so by pricing such individuals out of the marketplace. The cost of care for individuals forced out of the marketplace is borne by other taxpayers and insureds, whether through tax based social programs or by less easily identified shifts of uninsured and underinsured costs to the private insurance marketplace. Since Vermont had a social contract to provide health care to all citizens regardless of their ability to pay, it needed a fair insurance mechanism for financing health care.

* * * * *

Did insurers leave the state as a result of the reforms? Sure, some chose to leave, including Golden Rule. However, other insurers took their place, recognizing the opportunity to do business and make a fair profit in Vermont. Today Vermont has 17 carriers competing in the small group market and 9 carriers in the individual market. Now that may not sound like a lot, but Vermont only has 560,000 citizens and in fact, we now have more carriers actively competing for business than before the reform measures. More significantly, we now have much more capacity, since every one of these carriers will take all comers. I have attached a list of the companies doing business and some of the prices for products they are selling. See Attachment D.

In sum, the reforms in Vermont have been a success. The consumer can have confidence in a stable and rationale marketplace in which coverage is guaranteed and available at a fair price. In fact, prices are low, and competition among insurers for business is high. During the legislative debate, the HIAA and Golden Rule rolled out their actuaries and experts to explain why the reforms would not work. But rather than fall prey to the numbers game in which one actuary battles another, we relied on common sense and looked to the definition of insurance for guidance. Insurance is not about risk avoidance. It is about the pooling of risk.

GOLDEN RULE

Before discussing Golden Rule and its behavior in Vermont, I want to state that the company did not violate any Vermont laws by its conduct. I believe that its underwriting practices, however, were instrumental in creating the support that led to the passage of reform legislation in Vermont that rendered its type of underwriting illegal.

What are the tools of an aggressive underwriter? The first is the initial application form filled out by a consumer. I have attached a copy of a Golden Rule form. See Attachment E. Let me briefly review its scope. Item 15 of the application asks for information about health status over a ten-year period. The questions asked are very broad and refer to any disorder that the applicant may have had. How many of us have not had a headache or diarrhea or a bad stomach ache over the past ten years?

Another tool used more extensively by Golden Rule than by other insurers is the exclusion. This is a limitation placed on the policy to exclude coverage for a particular individual, condition, disease, etc. When Golden Rule withdrew from Vermont, most of its insureds elected to become members of Blue Cross and Blue Shield of Vermont under the safety-net program I discussed earlier. As a result, the safety-net program allows unique access to information about Golden Rule policies.

Of the approximately 5,000 Vermont Golden Rule coverage policyholders who joined the safety-net, approximately 25 percent of them had some type of exclusion under their Golden Rule policies. In an initial study done by Blue Cross and Blue Shield, 1,024 Golden Rule policyholders had 1,245 separate exclusions added to their policies. I have attached some examples of these policy exclusions. See Attachment F. I will review a few of them.

Subscriber B applied for health insurance from Golden Rule on September 18, 1991. The subscriber had been treated by a physician in June of 1991 for bumps on the skin that were determined to be fatty deposits of no concern. Golden Rule excluded any loss incurred resulting from any form of tumor or tumorous growth, including complications therefrom or operation therefor. The exclusion was in force at the time Golden Rule terminated coverage on November 1, 1992.

Subscriber C also treated with aspiration of fluid in benign cysts located in breasts. Golden Rule excluded any loss incurred resulting from any disease or disorder of the breasts, including complications therefor. This included any reconstructive surgery or complications of reconstruction surgery. The exclusion was in force at the time Golden Rule terminated coverage on July 19, 1993.

Subscriber F applied for health insurance from Golden Rule on January 15, 1992. The subscriber, a self-employed commercial painting contractor, indicated no experience with back problems. Golden Rule excluded any loss incurred resulting from any injury to, disease or disorder of the spinal column, including vertebrae, intervertebral discs, spinal cord, nerves, surrounding ligaments and muscles, including complications therefrom or operation therefor. The exclusion was in force at the time Golden Rule terminated coverage on March 1, 1993.

Blue Cross and Blue Shield also compiled a list of more than 81 exclusions used by Golden Rule. These include the exclusion of whole body parts, such as arms, backs, breasts, hips, knees, legs, hands, skin, testes and so on. I think the list speaks for itself. See Attachment G.

A particularly disturbing practice of Golden Rule was to selectively underwrite newborn children of individuals holding individual rather than family policies. After providing the 30 day coverage of newborn children mandated by Vermont law, Golden Rule would only extend coverage if the newborn was healthy.

SUMMARY

Community rating and guarantee issuance represent good social policy, good insurance policy and good business policy. The Vermont legislature quickly saw through the self-interested doomsday prophesies of the commercial industry about radical price increases and the destruction of Vermont's insurance market, and instead recognized that there was no reason insurers could not make a fair profit playing on a level playing field, where they could compete on the quality of service they provided and the management of costs rather than the avoidance of risk. Vermont consumers need no longer worry about whether they will be able to have access to this essential product.

Mr. KENNEDY. Mr. President, these shameful practices are not unique to Vermont. In Kentucky, consumer complaints against Golden Rule were twice as high as against other companies. In New Hampshire, where no systematic survey was done, a State legislator reported his son had a foot injury as a small child and Golden Rule's coverage of him as a young adult excludes everything on the right leg before the knee. In Florida, the insurance department reported that Golden Rule's rate increases exceeded those of other carriers by a wide margin. People were insured at a low rate when they were healthy, and then their premiums were raised through the roof when they became sick. And Consumer Reports ranked Golden Rule near the bottom in a nationwide survey of insurance companies.

No wonder Golden Rule wants medical savings accounts. They can only compete when the rules of the game are rigged against consumers. They can only profit by perverting insurance into a method of taking premium dollars from the healthy and avoiding paying benefits to the sick. The American public is coming to understand why a company like Golden Rule favors medical savings accounts, and why they have no place in legislation that is designed to make health insurance work better for consumers, not worse.

I have placed into the RECORD editorials from a number of leading newspapers around the country pointing out the dangers of medical savings accounts and urging the passage of a bipartisan insurance reform bill without this poison pill. The editorials included the Washington Post, May 8, 1996, "Dubious Crusade for Medical Savings Accounts"; the Los Angeles Times, June 6, 1996, "U.S. Deserves This Health Reform"; the New York Times, May 30, 1996, "Mr. Dole's Health-Care Task"; the Dallas Morning News, April 21, 1996, "No Cure-All, Medical savings accounts present a flawed solution"; the Baltimore Sun, April 25, 1996, "Another Chance for health care reform"; the Washington Post, June 3, 1996, "Senator Dole's Final Business"; the News Tribune (Tacoma, WA), June 13, 1996, Stick to Basics in New Health Bill"; the San Francisco Chronicle, June 10, 1996, "Health Care Reform/Key Test for Dole"; the Harrisburg Patriot, April 3, 1996, "Too Much Reform"; the Columbus Dispatch, June 12, 1996, "'Clean' Health Bill; Get Rid of Those Two Killer Amendments".

Today, I would like to place additional editorials in the RECORD demonstrating the broad public opposition to MSA's and the desire for people across the country for passage of a clean, bipartisan insurance reform bill.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Seattle Times, June 17, 1996]

POINTLESS STALEMATE HALTS HEALTH-INSURANCE REFORM

The near demise of the Kennedy-Kassebaum health-insurance bill shows how little Congress now cares about solving the real-life problems of millions of working Americans.

The Kennedy-Kassebaum bill, a modest piece of legislation, would allow people moving from one job to another the right to transfer their insurance coverage and provide more protection for individuals with pre-existing medical conditions. It is an incremental step toward broadening and stabilizing health care access.

At one time, the bill's enactment was cheered on by both Democrats and Republicans. President Clinton endorsed the bill in his State of the Union address. The Senate passed it unanimously; the House's version sailed through too.

Now, this plan is about to be sacrificed to politics of the crassest sort. Both Sens. Edward Kennedy and Nancy Kassebaum were adamant from the beginning that their bill would win passage only if it were limited to the noncontroversial portability and pre-existing provisions. And yet, both Senate and House versions were eventually loaded with dubious amendments.

After weeks of negotiations, most of those add-ons have been stripped off. Now, medical savings accounts (MSAs) allowed in the House version but not in the Senate bill remain the heart of the controversy.

Kennedy, a strong opponent of the MSA concept, will agree only to a pilot program to test the impact of MSAs on health-insurance rates. The Republicans, however, insist on making MSAs available immediately to roughly 30 million Americans working in small businesses, with all others becoming eligible in 2000 unless Congress votes to stop the expansion. The Clinton administration opposes immediate, broad MSA implementation.

The MSA issue is highly controversial and has nothing to do with insurance reform. Some claim these tax-free savings accounts will help control overall health-care spending. Others argue MSAs would siphon healthy people out of the traditional insurance market, thereby leaving sicker people with higher insurance premiums.

Congress will have every opportunity to wrestle with MSAs in coming months; the issue could even pop up in the presidential campaign. If MSAs are good innovations, Congress can pass them on a separate track.

There is absolutely no reason to hold the Kennedy-Kassebaum bill hostage to MSAs. Let a good, widely supported insurance-reform measure pass standing alone.

[From the St. Louis Post-Dispatch, June 1, 1996]

REVIVE THE HEALTH INSURANCE DEBATE

President Bill Clinton's promise to put health insurance issues back on the national agenda, perhaps during his re-election campaign, is welcome. Since Congress killed his initial health-care proposal, the president has shied away from the issue even though the ranks of uninsured Americans have eclipsed the 40-million mark.

Voter concern about health costs is high, judging from findings of a Louis Harris survey commissioned by the Robert Wood Johnson Foundation. The survey included separate polls in 15 cities, including St. Louis, as well as a national poll.

Though giving managed care high marks for containing medical costs, 90 percent of St. Louisians predict nevertheless that their own out-of-pocket costs for medical expenses will continue to rise. Moreover, they expect taxpayers to pay more than they do now to cover medical costs for the elderly and the indigent. Another 44 percent express worry about being hit with expensive medical bills that their health insurance won't cover.

Overall, the views of the 300 St. Louis households in the survey mirrored those of the 605 households in the national sample. St. Louisians did have more misgivings about health care in some key areas. Only 40 percent, compared to 48 percent in the national sample, felt that managed care would improve the quality of health care. Another 45 percent reported worrying that they won't be able to pay for nursing-home care when they or a family member needed it, compared with 38 percent in the national sample.

Some of these numbers suggest that Congress is tackling the wrong health-insurance issues. The Kennedy-Kassebaum bill to protect health benefits of workers who change jobs or face a serious illness is a good one. A House bill also includes these provisions, along with the misguided plan to give Americans the choice of opening so-called medical savings accounts to cover some of their health expenses.

In fact, these accounts generally would give tax breaks to wealthy Americans, who need them least; moreover, the accounts would do nothing to help the uninsured, notwithstanding claims by GOP leaders. If many working Americans are too poor to buy health insurance, what makes the party think these workers would be able to put aside money for a medical savings account?

The Harris poll results show that voters deserve some plausible answers to this question. They also deserve to know what each party intends to do not only to protect the health benefits of the insured but to extend benefits to those who are not.

[From the Pittsburgh Post-Gazette, May 7, 1996]

MODEST OR REVOLUTIONARY? THE KENNEDY-KASSEBAUM HEALTH LEGISLATION MAY BE BOTH

Depending on who is doing the talking, the Kennedy-Kassebaum health reform proposal is either so minimalist it is meaningless, or so enormous it's revolutionary.

Both assertions may be true.

On the face of it, the bill makes it legally possible for people to change jobs or lose their job and still maintain health coverage. The bill, separate versions of which have passed the House and Senate, ensures that workers who change jobs will not have to wait around for years before being covered under their new employers' insurer.

Gone would be exclusions based on pre-existing medical conditions. Also, workers who lose their jobs or move to new jobs without health benefits would be guaranteed the opportunity to purchase an individual policy through their previous insurer.

The bill does not cap premiums, however, so it is possible that the individual coverage that is legally available may be financially out of reach, particularly for people with a pre-existing condition.

The Kennedy-Kassebaum tinkering could free millions of people who are currently in job-lock because of their dependence on health coverage. And it opens up the insurance pool to millions more who are now closed out due to some illness. But because of the costs involved, it seems unlikely that it would have much of an impact on the 40 million Americans without coverage.

That's why many analysts consider it all but insignificant.

Those who believe the contrary, that this proposal is revolutionary, do not think the bill itself will turn the world upside down. Rather, they believe that it will lead inexorably to massive government involvement in writing the rules for health care.

In their scenario, throwing coverage open to sick people will learn to sharply higher premiums and result in a public backlash. Voters will turn up the heat on Congress to further regulate the insurance market. What started out as a piecemeal reform will, in the long-run, lead to systemic change.

We do not imagine that the 100 senators who voted in favor of the bill foresee revolution as a consequence. But even if that analysis is on target, it does not argue against the proposal.

Everyone agrees that being sick should not preclude an individual from obtaining health coverage. Indeed, sick people have the most immediate need for insurance. If it is impossible for the nation's health-care system to extend coverage to that group, then there is something deeply wrong with the system.

If the bill sponsored by Kansas Republican Nancy Kassebaum and Massachusetts Democrat Edward M. Kennedy plugs the hole, great. If it exposes a more widespread problem. Congress should be grateful for the knowledge and then move to fix it.

All that said, and despite the massive bipartisan support for the bill, it is not a sure thing. The conference committee must first deal with three potential deal-breakers.

The House version includes tax-exemption for Medical Savings Accounts, which are sort of a health-care IRA, and for a cap on medical malpractice awards. If these measures find their way into the final bill, President Clinton has threatened a veto. The Senate version includes a requirement to raise the caps on mental health treatment to provide the same lifetime limits as other forms of treatment. Many in the business community fear the cost ramifications of this proposal.

We have mixed feelings about the three proposals—thumbs down on Medical Savings Accounts, proceed cautiously with malpractice reform, thumbs up for treatment parity—but we don't believe any of them should be allowed to block passage of the more modest first step originally promised by Kennedy-Kassebaum.

Whether it's a revolution or a tentative first step, it's the most Congress has been able to manage and the least the American public deserves.

[From the New York Times, June 22, 1996]

WHITE HOUSE WAFFLING ON HEALTH

The White House and Congressional Republicans are negotiating over the G.O.P.'s demand to include medical savings accounts as part of healthcare reform. The White House once threatened to veto a bill that included these accounts. But now it is merely quibbling over details. The Administration needs to regain its sense of principle. The fight over medical savings accounts goes to the heart of the health-care debate. No one can say for sure what damage the accounts would cause. But they threaten to divide rich from poor, healthy from sick, young from old.

The Republicans propose to permit families who buy catastrophic coverage—policies with high deductibles—to make tax-free deposits to a savings account. The account would be used to pay routine bills. Savings could be withdrawn after age 59½ and taxed as ordinary income.

Proponents say the accounts would discourage waste because initial outlays would come from personal savings. The accounts would also provide coverage without herding people into managed care or government coverage. But critics point out that the accounts will appeal mostly to wealthy people because they can afford steep deductibles, and healthy people because they can expect to save money on a tax-free basis. The accounts would encourage healthy people to split off from traditional coverage, leaving the chronically ill to buy coverage at sky-high rates.

Yet good health can be transitory, giving holders of medical savings accounts a false security. Once they become ill, they may regret having given up traditional coverage.

> Indeed, they may try to manipulate the system by hopping back into traditional coverage when they expect large bills. The better alternative is for all Americans to buy coverage together, creating a vast pool of customers that will guarantee affordable premiums for everyone regardless of medical condition.
>
> The Administration understands the problem, but wants to walk into November having signed a health-care bill. It is covering its tracks by saying that all it is negotiating is a pilot program. But the Republicans plan to offer the accounts to tens of millions of employees at small businesses. After three years, Congress will be asked to make the accounts permanent and universal.
>
> It is thus highly likely that today's experiment will become tomorrow's permanent program. The vast majority of Americans are healthy. Because they will profit from a medical savings account, at least in the short term, they will resist any effort by Congress to strip them of their tax-free benefit. A true test of the savings accounts would be limited in size and require at least six years—enough time to observe what happens when sizable numbers of account-holders become chronically ill. A valid test would also experiment with different formulations in order to test what plan works best.
>
> In 1993, the White House stood for the principle of covering every American through common insurance pools. That was a fine principle, even if the legislation it proposed proved to be a medical monstrosity and a political albatross. Now the Administration seems to be heading in the opposite direction, where fortunate individuals take care of themselves and leave others to do as best they can.

Mr. KENNEDY. The Seattle Times stated on June 17,

> There is absolutely no reason to hold the Kennedy-Kassebaum bill hostage to MSAs. Let a good widely supported insurance reform measure pass standing alone.

The St. Louis Post-Dispatch said on June 1,

> The Kennedy-Kassebaum bill to protect health benefits of workers who change jobs or face a serious illness is a good one. A House bill also includes these provisions, along with the misguided plan to give Americans the choice of opening so-called medical savings accounts to cover some of their health expenses. In fact, these accounts would give tax breaks to wealthy Americans, who need them least; moreover, the accounts would do nothing to help the uninsured, notwithstanding claims by GOP leaders. If many working Americans are too poor to buy health insurance, what makes the party think these workers would be able to put aside money for a medical savings account?

The Pittsburgh Post-Gazette said on May 7,

> Thumbs down on Medical Savings accounts . . . [They] should not be allowed to block passage of . . . Kennedy-Kassebaum."

The Star-Ledger of Newark, NJ, said on May 29,

> Kennedy-Kassebaum was supposed to guarantee that workers can take their employee health benefits with them when they are downsized, out-sourced, or otherwise put out of a job. Since then, a horde of amendments have been added . . . Some are bad, such as the proposal for medical savings accounts, a new tax shelter for the wealthy. None of them . . . should have been tagged on to the Kennedy-Kassebaum bill, and you have to wonder whether some of those supporting these add-ons might not be out to sink the measure under the weight of the amendments.

The St. Petersburg Times said on June 11,

> Dole claims to support the major provisions of the Kassebaum-Kennedy legislation . . . However, Dole and other Republicans have insisted on weighing the bill down with a provision that would create tax-deductible Medical Savings Accounts—a radical plan to subsidize wealthy taxpayers that could threaten the solvency of insurance plans for less affluent Americans.

And just last Saturday, the New York Times wrote,

> The fight over medical savings accounts goes to the heart of the health care debate. No one can say for sure what damage the accounts would cause. But they are threatening to divide rich from poor, healthy from sick, young from old.

These editorials are just a sampling of commentary around the Nation. There is no clamor for medical savings accounts, except from the special interests who see yet another opportunity to profit at the expense of people who need medical care. Indeed, responsible voices throughout the country urge rejection of this dangerous and untested idea. It is time for Republicans to stop playing special interest politics with health insurance reform. The Kassebaum-Kennedy bill passed by a bipartisan vote of 100 to 0. It should not be blocked because some Republicans want to line the pockets of their campaign contributors. Health insurance reform is too important to become just another election year casualty of extremist Republican political tactics.

Mr. President, the MSA's are a golden lifeboat for Golden Rule's sinking ship. If we have ever had a classic bailout for private special interests, this is it. This is not what I am saying here tonight. It is what the hometown newspaper of Golden Rule, a conservative newspaper, has described it as, and in the meantime, the Republican leadership is refusing to let us get what has been agreed on, a bipartisan program signed by the President of the United States into law, because we are being held hostage to Golden Rule Insurance Co. That is the fact of the matter. Of course, they want their hand in the Federal Treasury. Of course, they want the American taxpayers to bail them out. Who would not, with declining sales in this market, and you can understand why they have declining sales.

It is time for Republicans to stop playing special interest politics with health insurance reform. The Kassebaum-Kennedy bill passed by a bipartisan vote of 100 to nothing. It should not be blocked because some Republicans want to line their pockets with campaign contributions. Health insurance reform is too important to become just another election year issue.

Mr. President, I hope that we are going to be able to see that this legislation is passed. We welcome the opportunity, as we did last Friday and this evening, to point out the flaws both of the companies that have been receiving and would receive the benefits from this effective tax giveaway.

The Joint Economic Committee estimated that if there was going to be a million Americans who were going to participate in this program, the costs to the Federal Treasury in 10 years is $3 billion—for 1 million people. And you have 120 million Americans who are working and you have their family members. The Republican proposals would include all the companies with employees of less than 100, some 47 million working, a third of all Americans, in a program that is untested, untried. You can imagine what that would mean in terms of opening up the Federal Treasury.

There is no justification, there is no rationale, there is no reason, there is no meaning to deny 25 million Americans who have these preexisting conditions the protection that they need and their families deserve. We have a responsibility to do it. We have developed bipartisan legislation. Release the hold that these insurance companies have on the Republican leadership and let us do something decent for the American people and for hard-working families across this country.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate is adjourned until 9:30 a.m., Tuesday, June 25.

Thereupon, at 6:58 p.m., the Senate adjourned until Tuesday, June 25, 1996, at 9:30 a.m.

EXTENSIONS OF REMARKS

A BILL TO RENAME PART OF THE ARCTIC NATIONAL WILDLIFE REFUGE WILDERNESS IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today which would rename an existing portion of wilderness in the Brooks Range of Alaska's Arctic Wildlife Refuge the "Mollie Beattie Alaska Wilderness." Mollie Beattie, until recently the Director of the U.S. Fish and Wildlife Service, combined advocacy in her role as the chief steward of America's Federal programs for fish and wildlife with a compassionate belief that people were an inseparable part of the natural environment. Mollie held a special place in her heart for the Brooks Range wilderness area of the Arctic National Wildlife Refuge, America's largest. This legislation provides for the naming of the Arctic National Wildlife Refuge Wilderness established in the Alaska National Interest Lands Conservation Act—Public Law 96–487—in her honor. As Mollie's knowledge of Alaska grew, so did her love for our unique areas and for the special people who choose to call Alaska home. I hope that her willingness to try to understand my State better will encourage others to grow in the same way.

MORE DECLASSIFICATION NEEDED FOR HONDURAS

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Ms. FURSE. Mr. Speaker, it was a privilege that Dr. Leo Valladares Lanza, human rights ombudsman for the nation of Honduras, was here in Washington, DC, earlier this month. He was the featured speaker at a briefing hosted here on Capitol Hill by the Congressional Human Rights Caucus, of which I am a member.

The Honduran Government, through its National Commission for Human Rights headed by Dr. Valladares, is making a concerted effort to identify and prosecute those persons responsible for human rights violations in their country in the 1980's.

The Clinton administration is making strides in beginning the process of declassifying documents that no longer need to remain secret. In response to a request submitted to the United States Ambassador in Tegucigalpa by the Honduran Government on August 1 of last year, this administration agreed to expedite the declassification of documents relevant to Honduras.

Documents were requested from several Government agencies, including the Departments of State and Defense, the Defense Intelligence Agency, and the U.S. Army. While the Department of State has been quite forthcoming with information, I am told that these other agencies have yet to make information available to Honduran authorities.

The sooner declassified documents can be released the better as the information they contain may serve as evidence in ongoing and future court proceedings against rights violations. Prompt declassification will help promote the independence of the judiciary system and strengthen democracy in Honduras.

TRIBUTE TO THE HEALTH SCIENCE CENTER AT SUNY STONY BROOK

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. FORBES. Mr. Speaker, I rise today in recognition of the Health Science Center at SUNY Stony Brook. It began in June 1963 when the New York State Committee on Medical Education, chaired by Malcolm Muir, issued its reports entitled "Education for the Health Professions." The report reiterated the importance of meeting the projected needs of the health professions over the next two decades. It recommended that State institutions be expanded and that State institutions cooperate with the expansion planned by the private institutions to educate physicians and associated health professionals be educated in the concept of comprehensive medical care. As a part of the implementation plan, it was proposed that a comprehensive health sciences center be developed as a part of SUNY Stony Brook.

SUNY accepted the committee's recommendation and included in the 1964 SUNY master plan, the creation of a health sciences center as part of the University Center being developed at Stony Brook.

The Health Sciences Center at Stony Brook stands as a testimony to the vision and hard work of State and University leaders who contributed to the creation of this outstanding institution. Over a very short period of time, the Health Sciences Center at SUNY Stony Brook has established itself as an outstanding center for research and education, and a major provider of health care services to Suffolk County and the broader Nassau/Suffolk region.

To recognize this accomplishment, the Health Sciences Center will hold a symposium entitled, "A Retrospective of the Health Sciences Center at the State University during the past Four Decades" on June 18, 1996. It is hoped that this will also energize the participants to meet the challenges confronting the health care professions as the Health Sciences Center continues to work toward improving the health status of those who live and work in Suffolk County, the Long Island Region, New York State, and the Nation as a whole.

Mr. Speaker, the Health Center at SUNY Stony Brook has provided an excellent service in the Long Island region. I ask my colleagues to join me in recognizing the outstanding contributions this institution has made.

INTRODUCTION OF THE EQUAL SURETY BOND OPPORTUNITY ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Ms. NORTON. Mr. Speaker, today I am pleased to introduce the Equal Surety Bond Opportunity Act [ESBOA]. The ESBOA will help qualified women- and minority-owned businesses to compete in the contracting business by helping them obtain adequate surety bonding. In addition, the ESBOA is directed against barriers many qualified small and emerging construction firms encounter in obtaining surety bonding.

Surety bonding is mandatory for bidding on all Federal construction work in excess of $25,000, all federally assisted construction projects in excess of $100,000, and most State and local public construction. Surety bonding requirements, however, are not restricted to government contracting. Increasingly, private construction contracts also require surety bonding. As surety bonding has become a widespread requirement for competition, the inability to obtain surety bonding can cripple a construction firm, especially a small or nascent one.

In 1992, Congress acknowledged the importance of this issue when it passed the Small Business Credit Crunch Relief Act and included legislation to study the problem of discrimination in the surety bonding field, Public Law 102–366, that I had introduced. The survey provision required the General Accounting Office [GAO] to conduct a comprehensive survey of business firms, especially those owned by women and minorities, to determine their experiences in obtaining surety bonding from corporate surety firms.

The GAO completed the requested survey in June 1995. The survey found that of the 12,000 small construction firms surveyed, 77 percent had never obtained bonds. In addition, minority- and women-owned firms were more likely to be asked for certain types of financial documentation. Further, minority-owned firms were also more likely to be asked to provide collateral and meet other conditions than the firms not owned by minorities.

The ESBOA bill I am introducing today is modeled on the Equal Credit Opportunity Act

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

of 1968 which prohibited discrimination in credit practices. The ESBOA requires notification of a contractor of the action taken on his or her application within 20 days of receipt of a completed bond application. If the applicant is denied bonding, the surety would also be required, upon request, to provide a written statement of specific reasons for each denied request. According to the National Association of Minority Contractors [NAMC], many minority contractors reported being turned down for a bond without an explanation. When explanations are not proffered, a perception of discrimination in the surety industry is created. This perception drives minority contractors to obtain sureties outside the mainstream, often at significant additional expenses and fewer protections, placing themselves, their subcontractors, and the Government at greater risk.

This legislation will create an environment in which small business firms, particularly those owned and controlled by minorities and women, can successfully obtain adequate surety bonding. This legislation will enable us to ferret out continuing biases in the industry. Whatever these prejudices may be, getting rid of them will open up the industry, creating entrepreneurial and employment opportunities and making the industry more competitive. I urge my colleagues to support this bill and help abolish the artificial impediments to the development and survival of emerging small businesses.

CONGRATULATIONS TO PLEASURE RIDGE PARK HIGH SCHOOL'S BASEBALL TEAM

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. WARD. Mr. Speaker, I rise today to congratulate an outstanding baseball team in my district. For the third year in a row, the Pleasure Ridge Park Panthers baseball team took the Kentucky State baseball championship title.

This outstanding team was led by head coach Bill Miller who has served in that position for 17 years. The championship was won 5 to 3 against the Greenup County Musketeers after a long-fought battle. The upset came after a 21-game Musketeer winning streak.

Each team player gave it their all throughout the season and their dedication paid off in the final round. These young men deserve special recognition, and I am proud to have such athletes in my district. Members of the winning team included Simon Auter, Richard Boston, Darrell Davis, Matthew Fox, Adam Garris, Adam Gibson, Nathan Harp, Troy Hilpp, Shawn Hoover, Matthew Jarboe, Mickey King, Matthew McGohon, David McGovern, Royce Meredith, Paul Miller, Josh Newton, Matthew Page, William Pfister, Christopher Phillips, Brian Scyphers, Craig Shubert, Jeffrey Szymansky, Scott Terrill, Nicklaus Waddell, and Bradley Williams.

Special recognition should be given to head coach Bill Miller as well as the assistant coaches Jim Stokes, Rich Hawks, Don Vandgrift, Richie Wyman, Sherm Blaszczyk, Dennis Lankford, and Jim Dawson. Pleasure Ridge Park Principal Charles Miller, Athletic Director Russ Kline and Assistant Athletic Director Jerry Smith should be especially proud of their team.

THE PARENTAL INVOLVEMENT LEAVE ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Parental Involvement Leave Act of 1996.

There is no greater cause for this country than to strengthen the family. When we invest in children and families it provides dividends for life.

President Clinton and Vice President GORE know this to be true. In fact, they are in Nashville with their wives hosting a conference on families. So it is fitting that today I introduce the Parental Involvement Leave Act, legislation that strengthens the family.

This bill provides families with two very important benefits that will help assure the continued success of the American family. First, it expands coverage of the Family and Medical Leave Act to businesses with 25 or more employees. The Commission On Family and Medical Leave reports that the law is working well for millions of workers and their families. Two-thirds of covered employers have expanded their policies to come into compliance with FMLA. And the great majority of companies reported no or only minor new costs. Business have even seen increased productivity and lower worker turnover as a result of the FMLA.

Second, it gives parents 3 days of unpaid leave a year to attend activities related to their children's education.

Studies show that parental involvement is a key ingredient in a child's education. When families learn together, children learn better. In fact, one of the most accurate predictors of a student's achievement in school is not income or social status, but the extent to which parents are involved in that student's education.

Moreover, the schools and communities also profit when families get involved. Research on families and education has found that: families make critical contributions to student achievement, from earliest childhood through high school.

When parents are involved at school, not just at home, children do better in school and they stay in school longer. The more the relationship between the family and the school approaches a comprehensive, well-planned partnership, the higher the student achievement.

But it is much harder today for families to find the time to participate in school activities.

The nostalgic "Ozzie and Harriet" image no longer represents the average American family. Today, only 7 percent of American families fit the 1950's image of breadwinner father, homemaker mother, and two children. Half of all children will spend time in a single-parent household. Moreover, 81 percent of single mothers work full time to support their children.

With more dual-income families, it is harder for parents to get time off to meet with teachers or attend their children's soccer games. In a survey of PTA leaders, 89 percent cite the lack of time as the biggest roadblock to parental involvement.

Under the bill, parents can take leave to participate in or attend an activity that is sponsored by a school or a community organization. Parents with children in child care through high school are eligible. Parents will have the flexibility to take leave a few hours at a time or longer. Federal employees are also covered under this bill.

With all of the Federal cuts in education, the question is how can we help families that want to be more involved with their kid's education? It is time for this Congress to take a stand for kids. I hope you will join me in sponsoring the Parental Involvement Leave Act and allow parents to make a real investment in their children's education.

A BRIEF OVERVIEW OF INDIAN GAMING

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. SOLOMON. Mr. Speaker, Indian gaming is one of the most misinterpreted issues in the media and on Capitol Hill in recent memory. The following document reviews some of the major issues currently surrounding Indian gaming and offers an opposing viewpoint to the many accepted and pervasive pro-Indian gaming arguments in the media and in the public. Much of this material can be used to effect a greater awareness of the true nature of Indian gaming.

There has been explosive growth in Indian Gaming since the passage of the Indian Gaming Regulatory Act (IGRA) in 1988. Since the Act some 200 tribes have set up 237 gaming operations in 29 states. This trend is only increasing as more and more tribes seek permission to open up gaming operations. In arguing their case, the pro-Indian Gaming interests continually isolate the same few examples of Indian Gaming prosperity and champion these cases in the media and on Capitol Hill. The example of the Mashantucket-Pequot's Foxwoods casino in Connecticut is somehow being mistakenly applied universally to all Indian Gaming nationwide. The fact is that even their darling Mashantucket-Pequot casino in Connecticut is destroying taxpaying businesses and having a detrimental effect on the surrounding communities.

In 1983 the U.S. Congress established a 2,300-acre settlement boundary for the Mashantucket-Pequot tribe in Connecticut. This settlement boundary outlined an area in which the Indians could acquire land and place it into trust. Under current law, this land then becomes part of the tribe's sovereign lands and is no longer within the jurisdiction of state or local governments. More notably, the land is no longer subject to taxation, zoning or environmental controls. Thus acquired land does not have to be reservation land and the Secretary of the Interior only requires that Indian tribes not acquire land in trust for gaming purposes in states where they currently have no land. Originally, the local communities in Connecticut were very supportive of this 1983 ruling and honestly believed that the tribe was owed some historical redress. But the subsequent loss of tax revenue and local control has made Indian Gaming a nightmare for many communities.

The Mashantucket-Pequot tribe is profiting over $800 million a year from their Foxwoods casino and the 320 members of the tribe are becoming incredibly wealthy. Besides enriching themselves, the Indians have taken the casino profits to purchase land within these settlement boundaries and put them into trust. The result has been a loss of property taxes to the local community and loss of authority and the ability to regulate Indian Gaming expansion. The local community is experiencing this loss in tax revenue at the same time that it must spend for greater services to administer the increased traffic and crowds that the casinos attract. These local communities are finding it necessary to hire more police and more employees in order to meet the increased traffic and road problems, as well as the increased demand for emergency services. Also included in these revenue costs are the increasing number of depleted businesses. Indians are setting up non-gaming, untaxed businesses and attracting consumers who would otherwise spend their dollars in local businesses. In response, the three cities of Ledyard, North Stonington and Preston, Connecticut formed a coalition to fight the increased practice of Indians taking lands into trust and are now in court in an attempt to stop Indian Gaming expansion. If Indian Gaming was as beneficial to states as the Indians claim, states would not be so unwilling to negotiate with tribes and would not go to court in an attempt to stop the expansion of Indian Gaming.

Another typical example of the negative effects of Indian Gaming is what is occurring in Sault Ste. Marie, Michigan. Similar to what is occurring nationwide, the local Sault Ste. Marie tribe is using the substantial profits from its casinos to acquire lands and then transfer these lands to federal trust. The city of Sault Ste. Marie is finding out first hand just how powerless it is in restraining this uncontrolled and untaxed expansion of Indian Gaming. Sault Ste. Marie is losing its tax base and losing authority, for example its zoning and building inspection authority, and is against the Indians taking more land. The complaint that the city of Sault Ste. Marie filed with the Bureau of Indian Affairs to curb expansion of Indian Gaming in its locality is still pending. These examples illustrate that many Indian tribes sense the "boondoggle" nature of the current Indian Gaming laws and, knowing a good deal when they see it, will employ shrewd tactics to realize their goals. Indians are simply exploiting ambiguities and loopholes in the current laws and offering revisionist views of Congressional intent. The Indians are succeeding in their long-term goal of acquiring as much land as possible and putting it into trust.

Changes should be made to the Indian Gaming Regulatory Act of 1988 to give states more authority to limit/control the expansion of Indian Gaming. As the Act stands now, which allows tribes to seek land outside their reservations without regard to any legitimate land claim or settlement issue, chaos and disorder will continue, making planning by states for future Indian Gaming growth impossible. Further, the Act currently demands that states must negotiate compacts with federally recognized tribes. These states constantly find themselves on the defensive with regard to their negotiating positions due to the ambiguity of the law, the aggressiveness of the Indians, as well as their misinformation agenda, and past decisions by the courts in favor of the tribes. A state should not be charged with negotiating in bad faith if it simply wants to limit a tribe's gaming operations to that of the state's public policy on gaming.

The state of Wisconsin provides a good example of the unfair advantages that Indian-owned businesses have over non-Indian businesses and how this is ultimately hurting the local communities. A 1995 independent study entitled "The Economic Impact of Native American Gaming in Wisconsin" by the Wisconsin Policy Research Institute showed that the 17 Indian casinos in Wisconsin, which gross approximately $655 million a year, are also generating an additional $60 million through stores, lodging and other non-gaming businesses. The report documents that many businesses in the local economy, such as restaurants, bars and movie theaters are losing money to Indian-owned businesses and would experience higher demand if nearby Indian Gaming was not available. The study further disclosed that areas in the state without casinos are losing about $223 million to areas where Indian Gaming is present. The report estimated these transferred funds to be a gain of $7,882 per tribal member. This transfer is nothing more than a shift of business and money from non-Indian, taxpaying citizens and localities towards further enriching government assisted tribes. Despite all the claims from the Indian lobby, this independent report also concludes that when all effects are taken into account, Indian Gaming is not even a major revenue source for the state.

A large majority of the proceeds from Indian Gaming go to investments and land acquisitions. Contrary to what pro-Indian Gaming forces would have you believe, the majority of these investments do not include healthcare, charitable contributions, non-gaming related capital construction, education or social services. The Mashantucket-Pequot tribe, for example, is even attempting to expand into the Las Vegas market through heavy investments. Clearly, with these types of expenditures, Indian Gaming is nothing more than a business machine that is escaping taxes.

In addition, many tribes make per capita distributions of net profits to all enrolled members of their tribes, or to a select few. The IGRA does not require that Indian profits be devoted to collective programs of the tribes; therefore, in many cases, only individuals profit. The previously discussed 1995 study by the Wisconsin Policy Research Institute revealed that a Minnesota tribe, the Shakopee Mdewakanton Sioux Community, with 218 members, had given members per capita grants of $450,000 each out of casino profits for a single year. The example of the Yavapais tribe from Arizona illustrates another instance of tribal members enriching themselves, as has been the case for other gaming tribes across the country. The tribe of 800 members is raking in over $100 million a year in profits from their Fort McDowell casino. In fact, the tribe is profiting so much that each member receives an annual dividend check of $36,000, pushing the income of some members to over $100,000. In addition, children as young as 13 are taking financial management courses in preparation for the day they reach their eighteenth birthday. At this time these teenagers will receive as much as $500,000 in trust money. It is not uncommon for car dealers to park their vehicles on the reservation for eager buyers looking to unload some cash. The bottom line is that these tribes are getting incredibly rich and according to the Wisconsin study, such wealth is resulting in members quitting jobs and young members ending their educations early. Clearly, these payments to members do not have long-term tribal benefits. It would make better sense to apply the proceeds of gaming to long-term tribal benefits and not to payments to make specific individuals wealthy. Put simply, tribal members are not only receiving welfare payment from the tribe but from the federal and state government as well.

Despite the fact that Indian Gaming is a $4 billion a year business, the federal government continues to provide Indians with billions in additional compensation. In this climate of budget cuts, funding is being taken away from other programs in order to continue to fund the insulated Indian programs. Due to the large funding of Indian programs out of the Interior Appropriations bill, other Interior programs will face steep cuts as a result. These forfeited programs—i.e. the National Park Service maintenance program, the Smithsonian, the National Gallery of Art, and the federal government's land-management responsibilities—have no secondary sources of revenue as Indian Gaming does. Interior Appropriations is the sole source of funding for these programs. Compared with 1995 levels, forest services are being cut by over 20% and land management accounts are losing about 15% of their funding. The overall result is a depleted natural resources budget which will weaken the government's ability to protect national parks and wildlife refuges. Revenue from Indian Gaming is in no way reducing the government deficit as Indian interests like to claim.

In addition to buying up businesses, acquiring land and enriching themselves, Indians are also using their untaxed profits to influence politicians and legislation in order to expand their government subsidized monopolies. Using the state of California as an example, an initiative is currently in circulation that would allow slot machines in Palm Springs. If enough signatures are gathered, it will appear on the ballot on November 5, 1996. Indian tribes are using millions of dollars generated by illegal gaming enterprises in California for both lobbying and campaign contributions in an attempt to make their illegal activities legal. These Indian tribes are currently offering slot machines on their reservations despite unsettled lawsuits contesting their legality and Governor Pete Wilson's opposition to them. Indians have manipulated the rules in California by being able to operate casinos while non-Indian owned gaming businesses, which are regulated and taxed, are unable to operate in the state. Governor Wilson and Attorney General Dan Lungren argue that Indians are breaking the law by operating over 9,000 gaming devices, including about 8,500 slot machines, at 20 California casinos on tribal land. These tribes are operating these devices without the benefit of any compact signed by Governor Wilson.

The Cabazon Band of Mission Indians, an 18 member tribe from Indio, California, have given $606,282 worth in campaign contributions to further their cause. Observing the size of these contributions and the fact that none of the tribe's gaming profits are subject to federal or state tax, one can only imagine as to what extent this tribe is enriching themselves through their illegal gaming activities. The Cabazon tribe is not alone. Total contributions by all Indian groups in the state reached $2,421,076 in the period from 1994–1995. In addition, the California Indian Nation PAC contributed $658,843 from 1993–1995. Indians have also learned how to influence lawmakers and policy on the national level. Through large contributions, savvy lobbying, a media push and by developing a network of advocacy groups, the Indians recently stopped an effort in Congress to impose a tax on revenues generated by their gaming operations. These tribes also hired expensive lobbyists to further their cause.

The uncontrolled expansion of Indian Gaming makes these operations highly vulnerable to money laundering and other types of illegal activity. A recent GAO study concluded that these casinos may become more susceptible to individuals who attempt to launder illegal profits due to the increased amount of money wagered. This determination is correct as Indian tribes across the country are experiencing a rise in crime and corruption from gaming operations on their lands. Indian Gaming is not required to disclose its recordkeeping and most currency transactions as most businesses are required to do under the Bank Secrecy Act of 1970. This information is used by law enforcement and regulatory agencies to ensure compliance. Under the Indian Gaming Regulatory Act, Indian casinos are not subject to the Bank Secrecy Act and report currency transactions pursuant to a more limited Internal Revenue Service provision. This reporting provision applies only to certain cash receipts and includes no recordkeeping requirements. To date, the IRS has not completed any compliance reviews of tribal casinos. This recent GAO study determined that these differences in reporting requirements may cause problems for law enforcement looking for a consistent paper trail of records with which to trace all gaming activity of customers engaged in large cash transactions, as well as to help identify potential money laundering activities. Currency transaction regulations and reporting requirements provide the primary deterrent to, and means of detection of, money laundering and corruption.

Counties with casinos in the state of Minnesota experienced twice as much crime as counties without casinos between the years 1988 and 1994. This increase was primarily due to crimes associated with gaming, such as fraud, theft, forgery and counterfeiting. Several members of the White Earth tribe, for example, have recently been indicted for alleged corruption in connection with the theft of funds allocated for construction of a casino on tribal land. Local police are burdened by the crime on these Indian casinos. As an example, they now respond to twice as many incidents of crime at the Grand Casino Mille Lacs operated by the Mille Lacs Bank of Chippewa Indians. State authorities are powerless to subject Indian Gaming operations with the proper limitations and controls to combat crime as other businesses must abide by. Even when states do sign compacts with the tribes they are helpless in monitoring the Indians to see whether they are abiding these compacts. In short, these authorities are unable to ensure the safety and integrity of Indian casinos. Taxpayers not only find themselves supporting Indian programs through federal funding, they are also paying heavily to have these corruption cases investigated and the criminals prosecuted and punished.

The 1995 Wisconsin study sums up the current Indian Gaming state of affairs quite well. It makes the correct conclusion that public officials need to have access to more data on this new industry than current agreements allow in order to fully understand its impact. Most information about the scale of this new industry is being promoted by the Indians themselves. The government and the public should not be coaxed into permitting the Indians to operate without any regulation and to expand at their uncontrolled and ever increasing rate; especially with their assistance in the form of tax dollars. This expansion is harming the relationship and any future cooperation between the federal, state, and local governments on the one hand and tribal governments on the other. It is also debasing the good intent of the 1988 Indian Gaming Regulatory Act. The law had the intention of balancing the rights of Indians to use their land without undue interference by the state with the state's concerns about controlling activities within its borders that affect the well-being of its citizens. Allowing the Indians to acquire land throughout the state, gain trust status, and then open up gaming operations free of taxes, state controls and regulations that apply to other businesses unfairly favors the Indians over the states. An attempt should be made to clarify Congressional intent in order to prevent further instances of Indian interests taking advantage of the loopholes and ambiguities in the laws, which allow for uncontrolled Indian Gaming expansion, local government helplessness and unnecessary litigation. The Wisconsin report correctly recommends that before additional agreements with Indians are negotiated or renegotiated, more studies should be done to determine Indian Gaming's true consequences. Americans are entitled to know the facts about the country's fastest growing enterprise.

TEN TREASURY SECRETARIES ENDORSE MFN FOR CHINA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. HAMILTON. Mr. Speaker, I have received a letter from Secretary of the Treasury Robert Rubin enclosing another letter signed by all 10 living former Secretaries of the Treasury, calling for unconditional renewal of most-favored-nation status for China.

These distinguished Americans—Douglas Dillon, Henry Fowler, George Shultz, William Simon, Michael Blumenthal, William Miller, Donald Regan, James Baker, Nicholas Brady, and Lloyd Bentsen—have guided America's financial and economic destiny during every administration since President Kennedy's.

Their collective wisdom and judgment should not be ignored.

Mr. Speaker, I ask that Secretary Rubin's letter be inserted in the RECORD, along with the letter of the 10 former Secretaries.

DEPARTMENT OF THE TREASURY,
Washington, DC, June 18, 1996.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, DC.

DEAR LEE: I wanted to bring to your attention a letter signed by all ten former Secretaries of the Treasury that called for President Clinton to renew most favored nation trading status for China. In the letter, the former Secretaries emphasized that more can be achieved on contentious issues such as nuclear non-proliferation, the environment and international security by engaging China fully in an active trading relationship than by trying to isolate China. In addition, the letter clearly demonstrates the strong national interest America has in renewing MFN trading status for China. They note, for example, that China is currently one of the fastest growing economies in the world and a recipient of $12 billion of U.S. exports that support more than 170,000 U.S. jobs. In addition, the U.S.-China Business Council estimates that U.S. direct investment in China totals more than $24 billion.

Yesterday, Acting USTR Charlene Barshefsky announced that she had successfully reached an agreement with the Chinese government on measures they must take to enforce the terms of our trade. These hard-fought measures will substantially improve the protection of and market access for intellectual property. In addition, they represent a good example of how the policy of engagement is working.

The President has said we are now at a cross-road in our relationship with China. On May 31st, the President sent his recommendation to Congress calling for unconditional renewal of MFN trade status for China. Renewing MFN will continue our policy of full engagement which is the most effective means to improve its actions in a number of areas, including human rights. In the coming days, you will be asked to vote on this renewal. Having closely examined this issue over a number of years, the bipartisan group of former Treasury Secretaries concluded that renewal is strongly in America's national interest. I urge you to consider your support for renewal of MFN for China in light of this distinguished group's recommendation and hope that you will reach the same conclusion.

Sincerely,

ROBERT E. RUBIN,
Secretary of the Treasury.

Enclosure.

FORMER SECRETARIES
OF THE TREASURY,
May 22, 1996.

The PRESIDENT OF THE UNITED STATES,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As former Secretaries of the Treasury, we strongly support unconditional renewal of our most favored nation trading status with China. Our relations with China are a cornerstone to the U.S. security and economic interests in the Pacific. The consequences of terminating MFN would set back prospects for progress in those relations in many critical areas.

U.S. exports to China are now running at $12 billion a year, providing more than 170,000 American jobs. U.S. businesses already have large investments in China. Revoking MFN will invite almost certain retaliation, costing U.S. jobs and imperiling existing investments. This would place American companies and workers at a competitive disadvantage compared to our principal competitors. It is estimated that China is now the third largest economy in the world, and among the fastest growing. It is not in our interest to handicap Americans in pursuing this market.

In our view, it is important to engage China fully on a number of issues. By dropping MFN and diminishing U.S. presence, we would seriously hinder our ability to influence China's behavior in areas such as trade, environment, proliferation and security. Revoking MFN would also jeopardize the nascent economic reforms already taking place in China.

It is in America's interest to renew MFN and to remain engaged with China in all areas of our national concern.

Sincerely,

Douglas Dillon; George P. Shultz; W.M. Blumenthal; Donald Regan; Nicholas F. Brady; Henry H. Fowler; William E. Simon; William Miller; James Baker III; Lloyd Bentsen.

IN HONOR OF GIRL SCOUTS FROM OREGON

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Ms. FURSE. Mr. Speaker, I rise today to recognize nine distinguished young women and the organization which they represent in such an honorable manner: the U.S. Girl Scouts. On June 1, 1996, Erika Chelsea Benson, Elizabeth Deguc, Sonja Eckhardt, Jennifer Kapfer, Myola Martinez, Catherine Smith, Julie Staton, Lynn Townsend, and Kathryn Vogt were recognized for their unwavering commitment when they received the Girl Scout Gold Award.

This award is the highest accolade a Girl Scout can earn, as it represents outstanding accomplishments in the areas of leadership, community service, career planning, and personal development. This award can be earned by girls between the ages of 14 and 17, in grades 9 through 12, and is the culmination of much preparation and commitment. To receive the Gold Award, a Girl Scout must earn four interest project patches, the Career Exploration Pin, the Senior Girl Scout Leadership Award, the Senior Girl Scout Challenge, and design and implement a Girl Scout Gold Award project.

I take this opportunity to shine the spotlight on these nine remarkable young women. The tremendous efforts they have exerted and the immeasurable contributions that they have made to both their country and community should be applauded.

PHYLLIS HILL SLATER NAMED AS PRESIDENT OF THE NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1996

Mr. FORBES. Mr. Speaker, I rise today to honor Phyllis Hill Slater for being elected president of the National Association of Women Business Owners [NAWBO]. She has been an active member in NAWBO for many years including being president of the Long Island Chapter from 1987 to 1989.

The NAWBO has been a successful influence on women business owners. This organization helps women entrepreneurs become successful by holding conferences and expositions to help better business practices and by giving scholarships to young women. Their mission is to strengthen the wealth-creating capacity of their members and promote economic development, to create innovative and effective changes in the business culture, to build strategic alliances, coalitions and affiliations, and to transform public policy and influence opinion makers. On Long Island alone, more than half of its members have close working relationships with a particular banker and have a current line of credit, showing that women-owned businesses on Long Island are financially sound and creditworthy. This organization is very important because according to national findings there are around 7.7 million women-owned businesses which provide 15.5 million jobs and generate $1.4 trillion in sales.

Phyllis Hill Slater is president of her own company, Hill Slater Inc., which is an engineering and architectural support systems firm located in Great Neck, Long Island, NY. She has been on the board of directors for many enterprises including the NAWBO, National. She is the chair and founder of both the New York Black Women Enterprises [BWE] and the Women Business Owners Corporations [WBOC].

She has won many awards for her hard work to help small businesses run by women including being a Three-time Delegate to the White House Conference on Small Business from the Caribbean-American Chamber of Commerce and Industry Inc. and winning the Pathfinder Award for Women's History Month from the town of Hempstead.

Mr. Speaker, I would like to congratulate Phyllis Hill Slater for all she has contributed to women business owners and applaud the NAWBO for all it has offered to women-owned businesses. I wish her the best and I hope that she continues her efforts.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 25, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.

SR–253

Energy and Natural Resources

To hold hearings on S. 1804, to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, on a proposed amendment relating to Bikini and Enewetak medical care, and to hold oversight hearings on the law enforcement initiative in the Commonwealth of the Northern Mariana Islands, and S. 1889, to authorize the exchange of certain lands conveyed to the Kenai Native Association pursuant to the Alaska Native Claims Settlement Act, and to make adjustments to the National Wilderness System.

SD–366

Governmental Affairs

Business meeting, to mark up S. 1376, to terminate unnecessary and inequitable Federal corporate subsidies, and S. 1629, to protect the rights of the States and the people from abuse by the Federal Government, to strengthen the partnership and the intergovernmental relationship between State and Federal governments, to restrain Federal agencies from exceeding their authority, and to enforce the Tenth Amendment to the Constitution.

SD–342

Labor and Human Resources

Business meeting, to mark up S. 1221, to authorize funds for fiscal years 1996 through 2000 for the Legal Services Corporation, S. 1400, to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts, and pending nominations.

SD–430

Rules and Administration

To hold hearings on proposed legislation authorizing funds for the Federal Election Commission, and on campaign finance reform proposals.

SR–301

Indian Affairs

To hold hearings on proposals to reform the Indian Child Welfare Act.

SH–216

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up S. 1317, to repeal the Public Utility Holding Company Act of 1935, establish a limited regulatory framework covering public utility holding companies, and eliminate duplicative regulation.

SD–538

Finance

Business meeting, to mark up S. 1795, Personal Responsiblity and Work Opportunity Act, and to consider reccommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 178, establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

SD-215

Governmental Affairs

To hold hearings on S. Res. 254, expressing the sense of the Senate regarding the reopening of Pennsylvania Avenue.

SD-342

10:30 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

1:30 p.m.

Commission on Security and Cooperation in Europe

To hold hearings to examine whether the conditions in Bosnia-Herzegovina will allow free and fair elections to be held in mid-September and, if not, whether the Dayton Agreement-mandated elections should be postponed until such conditions exist.

311 Cannon Building

2:00 p.m.

Foreign Relations

Near Eastern and South Asian Affairs Subcommittee

To continue hearings to examine prospects for peace in Afghanistan.

SD-106

JUNE 27

9:00 a.m.

Judiciary

Business meeting, to consider pending calendar business.

SD-226

10:00 a.m.

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Office of National Drug Control Policy.

SD-192

Banking, Housing, and Urban Affairs

Housing Opportunity and Community Development Subcommittee

To hold hearings on restructuring the Federal Housing Administration's insured and assisted multifamily housing portfolio.

SD-538

Commerce, Science, and Transportation

To hold oversight hearings on Federal Aviation Administration safety issues.

SR-253

Governmental Affairs

To hold hearings on improving management and organization in Federal natural resources and environmental functions.

SD-342

Judiciary

To hold hearings to examine the recent incidents of church burnings.

SH-216

2:00 p.m.

Foreign Relations

Near Eastern and South Asian Affairs Subcommittee

To continue hearings to examine prospects for peace in Afghanistan.

SD-106

JUNE 28

9:00 a.m.

Judiciary

To resume hearings to examine the dissemination of Federal Bureau of Investigation background investigation reports and other information to the White House.

SH-216

JULY 10

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1877, to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interest in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States.

SD-366

JULY 11

9:30 a.m.

Energy and Natural Resources

To hold oversight hearings on competitive change in the electric power industry, focusing on the FERC wholesale open access transmission rule (Order No. 888).

SD-366

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 1738, to provide for improved access to and use of the Boundary Water Canoe Area Wilderness.

SD-366

JULY 16

2:00 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.

SD-138

JULY 18

9:30 a.m.

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 988, to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system, and S. 1805, to provide for the management of Voyageurs National Park.

SD-366

JULY 25

9:30 a.m.

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 1699, to establish the National Cave and Karst Research Institute in the State of New Mexico, S. 1737, to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth Wilderness Area, and S. 1809, entitled the "Aleutian World War II National Historic Areas Act".

SD-366

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

CANCELLATIONS

JUNE 25

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress, and the Government Printing Office.

S-128, Capitol

SENATE—*Tuesday, June 25, 1996*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Martin Luther said, "The very ablest youth should be reserved and educated not for the office of preaching, but for government. Because in preaching, the Holy Spirit does it all, whereas in government one must exercise reason in the shadowy realms where ambiguity and uncertainty are the order of the day."

Gracious God, infinite wisdom, we thank You for reserving and preparing the women and men of this Senate to serve You in the high calling of government. So often politics and politicians are denigrated in our society. We forget that politics is simply the doing of government. Bless the Senators, their faithful staffs, and all who are part of the Senate family. Give all of them a renewed awareness that they are here by Your appointment and You will give vision in the ambiguities and clear convictions in the uncertainties that occur today. Send out Your light; lead us; empower us. We commit ourselves anew to excellence for Your glory and the good of our beloved Nation. In the name of our Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, this morning there will be a period for continued debate on S. 1219, the campaign finance reform bill, with the time equally divided between the two leaders or their designees.

UNANIMOUS-CONSENT AGREEMENT

I understand that there has been a request for an extension of that debate, therefore I now ask unanimous consent that debate be extended until 1 p.m. today under the previous conditions, and further that Senators have until 1 p.m. in order to file second-degree amendments to the campaign finance reform bill as well as first-degree amendments to the DOD bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LOTT. I might just note that has been cleared by the Democratic leadership. This just does provide for an additional 30 minutes of debate on the campaign finance reform bill.

At 2:15 today, under the previous order, the Senate will proceed to a rollcall vote on the motion to invoke cloture on the campaign finance reform bill. If cloture is not invoked, the Senate is expected to resume consideration of the Department of Defense authorization bill; therefore, further rollcall votes are expected throughout today's session.

As a further reminder, a cloture motion was filed on the DOD authorization bill last night, with that vote to occur on Wednesday of this week. Also, the Senate will recess from the hour of 1 to 2:15 p.m. today, in order for the weekly policy conferences to meet.

I hope the cloture vote on DOD authorization may not be necessary, but from what I saw last week, the Senate has not yet gotten serious about completing this legislation. We must do it this week. We will do it this week. We just have to get on with the amendments. So we probably can expect to go into the night tonight and may very well tomorrow also.

I might also just say, I plan to meet later on this morning with the Democratic leader and see if we can come to an agreement on how to handle the small business tax relief and minimum wage issue, beginning on Monday, July 8.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, leadership time is reserved.

CAMPAIGN FINANCE REFORM

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1219, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1219) to reform the financing of Federal elections, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to speak against cloture on this bill, but I also want to talk about what I think is good about the bill and why I am voting against cloture.

First, I want to say, if I were titling this bill, it would be called the Incumbency Protection Act, because that is what limitations on expenditures for campaigns will do. It will take away the right of a challenger to be able to raise more money than an incumbent with the advantage of name identification and to be able to go forward with a message.

What they say in this bill is that it is voluntary. It is voluntary, but you pay quite a price if you do not adhere to the limits. You, then, will be faced with 30 minutes of free broadcast time against you, if you do not adhere to the limits. You will have reduced postal rates against you. This is really coercive. Then there is the cost. My gosh, the Postmaster General has said he will have to raise all postal rates if he has to provide reduced rates.

So I want to talk about why I think this is the most important part of the bill. But I also want to talk about what I think is good in the bill because, if we ever want to come back to this, there are some improvements that we really ought to make, and I will be supportive of these things. I love the idea of requiring 60 percent of campaign funds to be raised from individuals in a State. I think that is something that will enable the people in the State to have the right say in the election of their Members of the U.S. Congress, in the election of their Senators.

I am for limitations of personal money for a campaign. I think you have to make sure it would be constitutional, so you would say a person can spend any amount of his or her own money that he or she wants to, but he or she could only be repaid a certain amount. I think that is a wise thing, because I, too, am alarmed, as many of us are, by people who would just pour millions of their own money into a campaign and, in effect, be able to buy an election; because that is what people see. They have the access to the airways with money, and it does become, I think, an inequitable situation.

Limitations on the amounts of contributions by PAC's to the same amount as individuals contribute is good. I do think PAC's, however, have been misrepresented, not only on this floor but around the country, because I think political action committees, most often, are grassroots efforts within a company. Why would we not want the working people of this country to be able to contribute $25 or $100 or $500, if they desire to do it? PAC's are voluntary and they should be voluntary. But if people want to participate in our process, I think they should be encouraged. Frankly, I think many of the companies in this country have done a wonderful job of encouraging their employees to be a part of a PAC. When they do that, the employees are able to have the candidates come before them.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

They will have the Democrat and the Republican. They will be able to have debates. I think that is healthy. That makes more people interested in the process, have a stake in the process, and be good citizens. That is what we want to encourage in our democracy.

I am for the provision that would not allow the franking privilege for mass mailings in an election year. I do not use the franking privilege for mass mailings at all. I have not detected I am any less in contact with my constituents. I think it is a good thing, in an election year, not to have the franking privilege for mass mailings. I think we could easily do that.

So these are things that I think are great steps in the right direction, and I commend my colleagues, Senator McCAIN and Senator FEINGOLD, for bringing these forward because these are things I could vote for.

The reason I am going to vote against cloture is because the overriding, most important part of this bill goes against everything that freedom in a democracy stands for, and that is the limitations on contributions, voluntary, but nevertheless I think it creates a very uneven situation.

I am a person who could be on the other side of that because in my personal experience I ran against an incumbent who was much better funded than I was, who had the PAC contributions from Washington that I have heard so much talk about on this floor. I had a very hard time raising money against this incumbent. But you know what? The people were looking at the message. And even though my message was much less generously funded than my opponent's message, nevertheless the people were able to make this choice.

I do not want to limit the incumbent or the challenger. If the message is right, we need to have the freedom to get it out. I, of course, think that limiting an incumbent and saying you can only spend this much, and limiting the challenger and saying you can only spend this much, is going to favor the incumbent. There is just no question about that. And even though I was on the other side of that, I think it is wrong and I think I will stand always against any kind of limitations, whether it is cloaked in a voluntary cloak of armor or not, because it is not really voluntary when you are then going to the television stations or the postal service or going to the radio stations and saying, "Ah, yes."—these people that are voluntarily saying that they are going to stay within the limit—"You're going to pay for that difference."

What is the nexus? Why are we telling television stations or the Postal Service, which is going to have to raise rates on everyone else in America, that you should subsidize this arbitrary limitation that is voluntary? It just does not make sense, Mr. President.

So I am going to vote against cloture because I think the overriding issue here is limitations. If you want to see the hardship of limitations, look at the States that have the limitations in place. Look at the Presidential election right now. One candidate has a primary and therefore has to spend the money in the limitation. The other candidate does not have a primary. This could be reversed. It could be the year that there is a Republican incumbent and the Democrats have a primary. Either way, it makes for an artificial limitation that is not fair. I do not think we want to put that in place now for Members of Congress and Members of the Senate.

Let me just say that we do have limitations on contributions that I think are quite reasonable. Could they be lower? Yes. I mean, $500, $1,000—it could be lower if we wanted it to be lower. I would certainly be flexible in that area. But you know, when I look at the States around this country that have no limitations whatsoever on contributions and there are people taking $100,000 for a campaign for a State office, and we are talking about $1,000 limitations on contributions or $5,000 from a PAC that is an amalgamation of many employees in a company, I think we are assuring that there is going to be a grassroots base. We have that assurance right now.

I had 40,000 contributors to my campaigns for the U.S. Senate. I ran twice within 2 years. Forty thousand. My average contribution was about $100. I think that is a grassroots effort. I had many $5 and $10 contributions. That does make sure that no one has particular access to a person because of some huge contribution.

I think we can do a lot to improve our campaign finance in this country, Mr. President, but I just think this bill is not the right approach. I hope that we can work on this and continue to work on it, because as I said, I think, having limitations on personal use of funds, having the 60 percent requirement of raising money in your home State, not using the franking privilege in an election year are very good, solid recommendations from this bill. So I hope that we will be able to work on something, but, Mr. President, this is not the right vehicle. Thank you, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Let me thank my good friend from Texas for her excellent statement on the issue before us. I appreciate her contribution to this debate, not only at this time but in previous rounds. She is right on the mark, it seems to me, in concluding that this bill falls well short of anything the Congress ought to foist on to the American people, and particularly the restrictions on all the individuals across the country that want to participate in the political process.

I would just say to my friend from Texas—I did not get a chance yesterday to tell her this—even the National Education Association, almost never aligned with people like the Senator from Texas and myself, wrote me a letter yesterday saying how awful this bill was, and said they hoped it would be defeated. They also pointed out that the average contribution to the NEA PAC was $6, and asked the question, why in the world participation of that sort would be a bad thing for American democracy and something the Congress ought to eliminate?

Mrs. HUTCHISON. Will the Senator yield for a question?

Mr. McCONNELL. Certainly.

Mrs. HUTCHISON. Is it not true that the Postmaster General has raised serious questions about this bill, and what he would be required to do is in the way of raising postal rates for everyone because of the subsidy that would be required under this bill for lower postal rates in an election year?

Mr. McCONNELL. In a letter I received from the Postmaster General yesterday, he comes out against the bill. Obviously, the Postmaster General is not accustomed to taking positions on legislation up here. But his point is that this is in effect a transfer of cost to the postal ratepayers across America.

That is one of the reasons the Direct Marketing Association, the direct mail people—they are a private business—also opposes this, because in effect it is passing on to the postal ratepayers an enormous expense.

This bill is not free. The notion has been put forth that somehow the spending limits are free. In fact, it passes the cost on to the broadcasting industry and on to the postal patrons of this country.

Mrs. HUTCHISON. Not only that, since we have virtually a monopoly in the postal system, it is like a taxpayer subsidy because it is requiring every person in America that wants to send a letter to pay more for this limitation that we are putting in place. It just does not qualify as a true voluntary limitation.

Mr. McCONNELL. No, it is not voluntary and not free, I say to my friend from Texas. It is not voluntary because if you choose not to shut up, if you choose not to take the Government prescribed speech limits, you have to pay more for your television. So it is not voluntary. And it is not free because the broadcasting industry is called upon to subsidize campaigns and the postal patrons are called upon to subsidize campaigns. So it is neither voluntary nor free.

I thank very much my friend from Texas for pointing this out.

Mrs. HUTCHISON. I yield the floor back to the Senator from Kentucky. But I commend the Senator from Kentucky for his great leadership in this area because he is the person who has studied this issue thoroughly and has taken things that sound very good, and has talked about what the real impact is going to be on the consumer that has to pay 32 cents to send a letter right now. And that is a lot to ask when you look at the fine print here. I commend the Senator from Kentucky for helping us understand it.

Mr. McCONNELL. I thank the Senator from Texas.

Mr. President, how much time does my side have left?

The PRESIDING OFFICER. The Senator has 87 minutes.

Mr. McCONNELL. I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, how much time do the proponents of the bill have?

The PRESIDING OFFICER. The Senator has 103 minutes.

Mr. FEINGOLD. I thank the Chair.

Mr. President, before I turn to my very distinguished colleague from West Virginia for his remarks, let me just make a couple points in response to the Senator from Texas and the Senator from Kentucky.

First of all, it seems, almost as if in an effort to stop this bill from even being amended, that the kitchen sink is being thrown at this bill. Now we hear the Postmaster General is one of the lead opponents of the bill. But this completely disregards the resolution that we have placed in the bill, the Senator from Arizona has placed in the bill, that would provide that the money that is saved from preventing Members of Congress from franking during an election year would be used to provide a relatively modest funding necessary to provide the postal discounts which will only be given to those Senators and Members of Congress who agree to the spending limits. So that again is another red herring.

Second, it does not matter how many times the other side says that this bill is not voluntary, it is voluntary. There are no such mandatory restrictions across the board for citizens as has been suggested by the Senator from Kentucky and the Senator from Texas.

It does not matter how many special interests—whether it is the NEA, the AFL–CIO, or business PAC's—it does not matter how many times they tell you our scheme for allowing people to voluntarily abide by limits and give them benefits; it does not matter how many times they say that is not voluntary. It is. It is voluntary.

Mrs. HUTCHISON. Will the Senator yield?

Mr. FEINGOLD. I am happy to yield to the Senator.

Mrs. HUTCHISON. I want to ask the Senator, what would happen under your bill if there was not enough money saved from the use of the frank to cover the cost of the discounted mailing?

Mr. FEINGOLD. If that happens, which I doubt, it would have to come out of the budget of the post office.

Mrs. HUTCHISON. In other words, it does not necessarily cover all of the costs?

Mr. FEINGOLD. Our estimates are from——

Mrs. HUTCHISON. The Postmaster General says he would have to raise all of the rates, because it comes from the post office.

Mr. FEINGOLD. Our estimates are that it would cover it. We go on the basis of estimates here. That is our assumption. Even if there was a small gap, the effect would be minimal.

Let me quickly wrap up—because I want to turn to the Senator from West Virginia—and indicate again a very serious distortion. The Senator from Kentucky keeps saying that it will cost people who do not abide by the limits more. That is just not true. They will not pay a dime more than they pay today. They will still be eligible for the lowest commercial rate as the TV stations are required to give them. They will not have to pay more for their postal rates. It is simply untrue they will have to pay more than they do today. True, they will not get the lower costs that those who abide by the limits will get, but do not let anyone tell you people have to pay more under our bill. They can still spend as much as they want, and they will not have any higher cost for what they do.

Finally, Mr. President, what this is about, really, is whether candidates who are more rooted back in their home States will have a better chance, or whether those who are dominated by big money or by D.C. special interests will dominate.

I have this cartoon from one of the most distinguished political cartoonist of the 20th century. This is the context in which the vote today is being seen. We can talk here about how important PAC's are, and somehow this will put artificial limits on candidates. This is what the American public knows today's vote is about. It shows a gentleman from the U.S. Congress talking to a lobbyist with a lot of money and a cigar. The guy says, "No more little gifts or junkets—from now on, it's strictly campaign cash."

Mr. President, the American public knows we have finally done something about lobbying disclosures. The American public knows we have cracked down on the practice of gift giving, one of the most offensive practices to the American people. But they also know the big granddaddy of them all, the important issue is the money that is awash in this campaign because of campaign financing.

If we do not take the action today to move this bill forward, if we fail in this bipartisan effort, this cartoon will be prophetic. This cartoon will show that all that has happened is that the gifts and the lobbying are being transferred through the campaign cash system. I do not think we should let that happen.

Mr. President, with that, I yield 15 minutes of the proponents' time to the distinguished Senator from West Virginia.

The PRESIDING OFFICER (Mr. BROWN). The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished manager of the bill, and I thank the Chair.

Mr. President, for nearly 2 years now many of our Republican colleagues, particularly those in the House of Representatives, have trumpeted the glories of their so-called Contract With America. To listen to some, this was the document that held the secrets to solving the Nation's problems. It was the primer for a reform-minded Congress—something that would bring great respect to this institution and its Members. Yet, there is one item conspicuously absent from the much-touted, so-called contract. I note with amazement that what is completely missing from that celebrated ideological text is any mention of campaign finance reform. I have looked and I have looked and I have looked and it is just not there.

We are told by those who promote the contract that a balanced budget constitutional amendment is good for the country. We are told that the line-item veto is good for the country. But, for seemingly inexplicable reasons, many of those who have spent their time clamoring for change have decided that putting an end to our current grotesque and out-of-control campaign spending system is just not worthy of attention.

How unfortunate, Mr. President, because I, along with many of my colleagues, truly believe that until Members of Congress come to grips with the simple fact that campaign finance reform is much more important than any of these other reforms, this institution will continue to be perceived as the property of the special interests—that is exactly what it is, the property of the special interests—owned lock, stock, and barrel. We all know it. And, as the public opinion polls indicate, the American people know it, too.

It is a great disappointment to me that too few Members seem to understand this. Time and time again, those of us who have pushed for these reforms have seen our efforts rebuffed. Indeed, Mr. President, as Majority Leader in 1987 and 1988, I tried eight times—eight times—to get cloture on campaign finance reform legislation. And eight times I lost. More importantly, however, eight times the American people lost.

That is why this legislation before us today is so important. It is an effort, a bipartisan effort, to put a stop to the noxious system currently in place for the financing of senatorial campaigns. It is a measure that does not favor challengers or incumbents, or candidates from either political party. On the contrary, this bill, the McCain-Feingold bill, takes a balanced approach that will go a long way toward creating a level playing field.

Mr. President, one needs to look no further than this Chamber to see the pressing need for this type of reform. I believe that the primary problem in this body, the root problem plaguing the Senate today is what I would term the "fractured attention"—the fractured attention of Senators. Countless times, action on the Senate floor has been slowed or delayed because Senators are not in Washington, or if they are, they are away from the Capitol. That absence is not because those Senators are off on vacation or taking their leisure. They are not off somewhere lounging in the sun, neglecting their duties here. On the contrary, as each of us knows all too well, Senators are often elsewhere because of the need to raise unthinkable sums of money—unthinkable sums—money essential for running for reelection.

Plato thanked the gods for having been born a man, and he thanked the gods for having been born a Greek. He also thanked the gods for having been born in the age of Sophocles. Sophocles said, "There's nothing in the world so demoralizing as money." Sophocles was not an American politician, but he knew what he was talking about.

I can say after 50 years in politics, there is nothing so demeaning, nothing so demeaning as having to go out with hat in hand, passing a tin cup around and saying, "Give me, give me, give me, give me." Not that old song, "Give me more and more of your kisses," but "Give me more and more of your money. Give me more and more of your money."

Sophocles said, "There's nothing in the world so demoralizing as money." And, indeed, in this Senate, the need for Members to constantly focus on raising the huge sums necessary to stay in office has taken a heavy toll.

The incessant money chase is an insidious demand that takes away from the time we have to actually do our job here in Washington. It takes away from the time we have to study and to understand the issues, to meet with our constituents, to talk with other Senators, and to be with our families and to work out solutions to the problems that face this Nation.

Mr. President, consider this: According to data provided by the Congressional Research Service, the combined cost of all House and Senate races in the 1994 election cycle was $724 million, a sixfold increase from 1976. Even more troubling, though, at least from the perspective of our colleagues, is that the average cost of a winning senatorial campaign rose from barely $600,000 in 1976 to more than $4 million in 1994. Four million dollars. And that, of course, is just the average.

In 1994, nearly $35 million was spent by the two general election candidates in California, while the candidates in the Virginia Senate race spent $27 million.

What do those astounding numbers say to someone who may wish to stand for election to the Senate? What does the prospect of needing $35 million, or $27 million, or even $4 million say to the potential Senate candidate? What it says, Mr. President, is that unless you win the lottery, or unless you strike oil in your backyard, or unless you are plugged into the political money machines, unless you actively compete to be part of the "aristocracy of the money bag" you are a long shot, at best, to win election to the United States Senate. And that fate is meted out to prospective candidates before they have even presented an idea, or given a speech, or offered a policy position.

The money chase is like an unending circular marathon. Since the share of money coming from small contributors has declined while the share contributed by big political action committees has increased, candidates have to look more and more outside their home States to raise big bucks. The traveling, the time away from the Senate, the time away from talking with constituents, the time robbed from reading and reflection, the personal time stolen from wives, children, and grandchildren, the siphoning off of energies to the demands of collecting what has been called campaign grease is making us all less able to be good public servants. Ironically, we spend much time and raise huge sums of money in order to be reelected to the Senate so we can serve our States and our country. Then, once here, we cripple our ability to serve our State and our country by spending an inordinate amount of our time on the money treadmill so we can come back for yet another try at serving our States and our country.

That kind of system sends the clear message to the American people that it is money, not ideas and not principles, that reigns supreme in our political system. No longer are potential candidates judged first and foremost on their positions on the issues, or by their experience and capabilities. No longer. Instead, potential Senators are judged by their ability to raise the millions of dollars that are needed to run an effective campaign. Publilius Syrus said that, "a good reputation is more valuable than money." Senators should stop and reflect on that observation because our reputations and the feeling that we can be trusted by the American people are both in severe free-fall.

The American people believe that the key to gaining access and influence on Capitol Hill is money. Can anyone blame them for coming to that conclusion?

Now, Mr. President, if I were starting out in politics today, with a background like mine—working in a gas station, being a small grocer, a welder in a shipyard, a meatcutter, just common ordinary trades—I could not even hope to raise the sums of money needed for today's campaigns. In 1958, when Jennings Randolph and I ran together for the two Senate seats that were open—he ran for the short term, and I ran for the full 6-year term—we ran on a combined war chest of something like $50,000 or less. When I first started out in politics, I would win a campaign for the House of Representatives and spend as much as $200, perhaps. Think of it. If I had been forced to raise $1 million, $2 million, $4 million, or $10 million the first time I ran for the Senate, in 1958, I would not have given it a second thought. In fact, I would not even have gotten past the first thought. I would not have been able to even contemplate running for office—a poor boy like myself.

The ever-spiraling cost of public office is not a healthy trend. The Congress could become the exclusive domain of the very wealthy. The common man, without the funds to wage a high-powered, media-intensive campaign could be removed from effectively competing in the political arena, reserving it for the exclusive use of the very wealthy and the well-connected.

That is why we must stop this madness. We must put an end to the seemingly limitless escalation of campaign costs. We must act to put the U.S. Senate within the reach of anyone with the desire, the spirit, the brains, and the spunk to want to serve once again. We must bring into check the obscene spending which currently occurs. The Bible says, "The love of money is the root of all evil." In politics, the need for huge sums of money just to get elected is certainly at the root of most of what is wrong with the political system today.

Mr. President, I congratulate Mr. McCAIN and Mr. FEINGOLD. I urge my colleagues, for the sake of this institution if for no other reason, to support cloture on this vital legislation.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Senator from West Virginia. I cannot think of a more eloquent testimony to the need for this reform than the statement that this great Senator, if he were starting out today, probably would not even have considered running for the U.S. Senate because of the incredible barrier of the money to be raised.

Our bill is a voluntary scheme that allows people who would try to follow in Senator BYRD's tradition to raise a modest amount of money and have benefits for agreeing to do that. I greatly appreciate that.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. FEINGOLD. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 82 minutes remaining, and Senator MCCONNELL has 89 minutes.

Mr. FEINGOLD. Mr. President, I now yield up to 15 minutes to the distinguished Senator from California, who has been a stalwart in support of campaign finance reform.

Mrs. FEINSTEIN. Thank you, Mr. President.

I thank the Senator from Wisconsin and the Senator from Arizona. I want to compliment both Senator MCCAIN and Senator FEINGOLD for this effort.

I intend to vote for cloture, and should cloture on this bill be successful, I will either propose a substitute of the whole or two second-degree amendments to this bill.

I would like to take the time allotted to me this morning, Mr. President, to explain my position on campaign finance reform.

I believe very strongly that the time has come to engage the debate. If nothing else, I believe I am kind of a walking, talking case for campaign spending reform. In the 1990 race for Governor, I had to raise about $23 million. In the first race for the Senate in 1992, $8 million; in the second race, $14 million.

One newspaper just estimated that in the big States a candidate really has to raise about $2,000 a day just to run for reelection to the Senate of the United States. It certainly should not have to be this way.

Essentially I agree with the basic tenets of the McCain-Feingold legislation. I agree that the time has come to try a system that would voluntarily cap campaign spending with a high of about $8.2 million in the big States like California, going down to $1.5 million in States with lesser population.

I believe that efforts should be made to limit the amount of personal funds that can be used in a campaign. I believe that an effort to promote honesty in advertising and reducing the influence of connected PAC's in the outcome of elections is important.

As always in an election year, we hear a lot of talk about Congress enacting meaningful campaign spending reform. But when it comes to actually doing something about it we tend to hide behind one procedural maneuver or another that allows us to vote the right way but gets us nowhere toward achieving a piece of legislation.

In the last Congress a campaign finance bill passed both the Senate and the House but got bogged down because the necessary 60 votes to invoke cloture on a motion to proceed with a conference were not present in the Senate. I understand that this will likely be the problem here today. I hope we do get the 60 votes for cloture, and I hope that in the ensuing debate a solid campaign finance reform bill can emerge.

Legislation I introduced last year and which, for the most part, forms the basis of McCain-Feingold, addresses what I believe are the areas most in need of reform: The limiting of spending; creating a level playing field between wealthy candidates who finance their own campaigns and candidates who rely on contributions; and finally ensuring honesty in campaign advertising.

One of the problems where I have a very real difference with the present bill is on the issue of a candidate using vast sums of his or her own money to finance a campaign. Either the substitute bill, or a second-degree amendment which I will offer if we gain cloture on this bill, mirrors parts of the campaign finance bill introduced by Senator Dole in the last Congress. It also attempts to limit the ability of a wealthy candidate to buy a seat in Congress. The provisions of the amendment I would propose are a little different than anything that has been introduced before now.

Under my substitute bill, after qualifying as a candidate for a primary, a candidate must declare if he or she intends to spend more than $250,000 of their own funds in the election. If the candidate says "I am going to spend more than $250,000 of my own money in this election" then the contribution limits on his or her opponent are raised from $1,000 to $2,000. If a candidate declares that he or she will spend more than $1 million on the race from their own pocket, then the contribution limit on his or her opponents would be raised to $5,000. This is different from McCain-Feingold where there is only the jump to $2,000. And the reason it is different is because in the larger States, if an individual is going to spend more than $1 million, as happened in my case where my opponent spent about $30 million of his own money, it is impossible to catch up with the smaller contributions. Therefore, raising the limit to $5,000 only in instances where in individual States they are going to spend more than $1 million of their own money would enable a more level playing field.

The amendment I will propose would also address the issue of PAC's. As you know, McCain-Feingold would prohibit all PAC contributions whether or not these PAC's are connected PAC's; that is, connected to a business or a labor union or a nonconnected PAC. By that, I mean organizations that are developed let us say to promote women for public office, or let us say to support a cause in candidates who support that cause for public office. The law permitting nonconnected PAC's would remain unchanged in my amendment. As a fallback, if the ban on connected PAC's is found to be unconstitutional, it provides that contributions from connected PAC's be limited to 20 percent of a campaign's receipts.

In my view, a blanket ban on all political action committees in a sense throws the baby out with the bath water. I think we need to be encouraging people to be involved in politics and not discouraging them. Virtually every legal scholar who has examined this question believes that a complete ban on all PAC's is unconstitutional.

The Congressional Research Service has advised the Senate, and I quote: "A complete ban on contributions and expenditures by connected and nonconnected PAC's appears to be unconstitutional in violation of the first amendment."

I support the ability of a group or organization to encourage small donations from their members to candidates of their choice. In some cases, these members send their contributions made out directly to the candidate's campaign to that organization to be gathered or bundled and presented collectively to the candidate. In other cases, the organization simply asks for donations to be made directly to the candidates they recommend. This is not the same as writing a check to an intermediary or to a political action committee and then having the political action committee decide how to disburse the funds.

The McCain-Feingold bill bans bundling in all political action committees. My amendment would not affect bundling, and I believe this is a crucial difference in these two bills.

For example, there are two organizations which have helped women run for political office. One is EMILY's List, and one is WISH List. One is a Democratic organization and one is a Republican organization. Both of these groups collect smaller donations primarily from women. They bundle those funds from many sources to a single candidate.

In the 1994 election cycle, EMILY's List members supported 55 women candidates. They raised a total of about $8.2 million. The average donation to EMILY's List was less than $100.

WISH List, a much smaller and newer organization than its Democratic counterpart, supported 40 Republican women candidates and raised approximately $400,000. None of these funds were given directly to either of these groups and neither group used the funds to lobby on legislation before Congress. Both EMILY'S List and WISH List researched the records of women candidates and advised their members which candidates they recommended supporting. Based on that information, the members decided who to support and how much they wished to donate, and they donated directly to the candidates, sent their check to either WISH List or EMILY'S List who then put the checks together and sent them to the candidates.

I believe that has been helpful in electing women to both Houses of this Congress. Currently, there are nine women in the Senate. When I came to this body, there were only two elected women.

Groups like WISH List and EMILY'S List are an important factor in helping more women run for office. Frankly, I do not have a problem with any organization going out and endorsing candidates, writing to their members, and saying if you would like to contribute to these candidates, please go ahead and do so. I have no problem whether that group is the Christian Coalition, whether it is the National Rifle Association, whether it is EMILY'S List or WISH List. I think the encouragement of small contributions to candidates that support a cause that you believe in is important to the American political system.

My separation from what Senators MCCAIN and FEINGOLD have done is that this bill wipes out all PAC's, connected and unconnected. I would ban connected PAC's but permit unconnected PAC's to continue their bundling efforts.

The other difference I have would be in how you would voluntarily have the spending limits to create two different levels. If a wealthy candidate were to enter a race and say, I do not intend to adhere to the spending limits; I intend to spend $250,000 to $1 million of my own money, then your opponent's limit goes to $2,000. If the wealthy candidate says, I am going to spend more than $1 million, then the limit of the opponent goes to $5,000.

I strongly support the $50 disclosure requirement. I strongly support the incentives that are built into this bill which would provide free radio time, special mailing to those who do comply with the voluntary spending limits.

I believe this is an important bill. I am proud to vote for cloture. I hope that the Senators of this body would see some merit in either the two amendments I will offer as second-degree amendments or the substitute of the whole to do the two items that I mentioned.

I thank the Chair. I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Kentucky is recognized.

Mr. McCONNELL. Let me just say briefly in response to the speech of the Senator from California, which I listened to carefully, she also is a member of the Rules Committee and participated in the hearings. I do not remember whether she was there—she may have been—the day that Col. Billie Bobbitt, retired U.S. Air Force officer, testified before the committee in opposition to this bill. I want to take a minute to quote some of her observations. She is a member of EMILY'S List, which would effectively be put out of business by this legislation, as the Senator from California has, I believe, acknowledged. That might have been one of the amendments she would offer were she in a parliamentary position where that were permissible. But, in any event, Colonel Bobbitt, retired Air Force officer, said, "I'm in one of the organizations," referring to EMILY'S List, "35,000 active members from all 50 States, and along with voting, I haven't missed an election," she said, "in 51 years. EMILY'S List is the primary means through which I participate," said Colonel Bobbitt, "in the electoral process."

She goes on in her testimony, "In the decade since EMILY'S List began, more women than ever have been elected to Congress, and EMILY'S List is a big reason why. EMILY'S List has allowed women to compete and win."

She went on to say, with regard to the bundling, in effect, that EMILY'S List does—she describes it. She says, "This is what's called bundling, which I know Common Cause and some others have criticized, but to me it's just good old American democracy at work." So said Colonel Bobbitt.

She goes on to say, "That's not bad for the system. That's good for the system. Thousands of small contributions are able to offset the big money coming from the rich and powerful. We are making the system more participatory and more competitive," said Colonel Bobbitt.

Then she concluded by saying, "My membership in EMILY'S List is a way for me to be connected to the political life of the Nation and to my fellow citizens. It allows me to band together with others who share my views and work toward a common end. I do not pretend to be a constitutional scholar," she says, "but like most Americans, I carry within me an almost innate knowledge of the first amendment rights of citizenship—freedom to practice religion, freedom to speak my mind, freedom to assemble with fellow citizens in support of a common goal. I believe without a doubt that any membership in EMILY'S List is secured by such rights, and I believe that organizations like EMILY'S List, which encourage political participation by average citizens, are in the best tradition of American democracy."

I just wanted to quote what Colonel Bobbitt, an active member of EMILY'S List, had to say about the underlying legislation, which she obviously believes would greatly restrict her rights to participate in the political process.

Mr. President, I wanted to take a moment here to make some observations about the injunctive authority that I view in this bill as provided to the Federal Election Commission. As I read the underlying bill which we are debating, section 306, "Authority to Seek an Injunction," basically, what this section does is give to the Government, the Government of the United States, the right to step in and, prior to the issuance of speech, restrain it. It gives the Government the authority to engage in prior restraint of political speech by stepping in and getting a temporary injunction. This is but one of a number of clearly unconstitutional measures granted to the Government by this bill.

In addition, obviously, if this bill were somehow to pass constitutional muster, which is extremely unlikely, the Federal Election Commission, which today has great difficulty in auditing the races of the candidates running for the one race in America at the Federal level where we have, arguably, spending limits—it takes 5, 6 years to audit those few races that they have to audit—it is just, I think, reasonable to ask the question: How big would the Federal Election Commission be if it had to regulate the speech of 535 additional races as well as engage in the injunctive relief powers apparently given to it by the bill, as well as whatever additional regulatory authority it might be able to assert over independent expenditures?

In short, I think it is reasonable to assume, Mr. President, that we would have an FEC the size of the Veterans Administration. If there is anything this Congress is about, it seems to this Senator it is not building more large Federal bureaucracies.

We have been trying to balance the budget, to downsize the Government, to restrain our appetite for not only spending but for regulation, and, clearly, this is a regulatory power grab of enormous proportions, I would say, Mr. President—of enormous proportions. It could well be that is one of the reasons an awful lot of the groups in this country this time, across the ideological spectrum, have decided to get off of the sidelines and into the game and stand up for their rights to participate in the political process.

This bill is not just about us, that is, the candidates for office; it is also about all the groups organized that, under the first amendment, have a constitutional right to participate in the political process.

Let me just go down some of the letters that I have received on this bill, first from the Christian Coalition, a letter dated yesterday, June 24, 1996, in response to an effort to modify this bill, which was agreed to, and we do have a modified version in the Chamber today.

The Christian Coalition says it strongly urges a no vote on cloture.

> Contrary to the letter sent out by Senators McCain, Feingold, and Thompson on June 19,

the amended version of S. 1219 still contains the flawed provisions that seriously threaten voter guides. The voter guide problem has NOT been corrected.

According to the Christian Coalition. The letter goes on:

The amended S. 1219 continues to place the First Amendment right to educate the public on issues in serious jeopardy. It redefines "express advocacy" so that for the first time ever the Federal Elections Commission would regulate issue advocacy by citizen groups.

The Supreme Court has repeatedly protected voter education from Government regulation unless it expressly advocates the election or defeat of a clearly identified candidate.

The letter goes on:

This interpretation ensures that the First Amendment right of like-minded citizens to discuss issues is not infringed by federal campaign law. But under S. 1219, this free speech would be subjected to great uncertainty, and as it is likely to be interpreted by the FEC, possible illegality. S. 1219 could effectively cripple the Christian Coalition's voter education activities, including the distribution of voter guides.

I will not read further from that letter, but I ask unanimous consent the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHRISTIAN COALITION,
Washington, DC, June 24, 1996.

Vote No on Cloture on the McCain-Feingold Campaign Finance Bill.

DEAR SENATOR: Tomorrow the Senate will vote on whether to invoke cloture on S. 1219, the McCain-Feingold campaign finance bill. Christian Coalition strongly urges you to vote NO on cloture. Contrary to the letter sent out by Senators McCain, Feingold, and Thompson on June 19, the amended version of S. 1219 still contains the flawed provisions that seriously threaten voter guides. The voter guide problem has NOT been corrected.

The amended S. 1219 continues to place the First Amendment right to educate the public on the issues in serious jeopardy. It redefines "express advocacy" so that for the first time ever the Federal Elections Commission (FEC) would regulate issue advocacy by citizens groups.

The Supreme Court has repeatedly protected voter education from government regulation unless it "expressly advocates" the election or defeat of a clearly identified candidate. This interpretation ensures that the First Amendment right of like-minded citizens to discuss issues is not infringed by federal campaign law. But under S. 1219, this free speech would be subjected to great uncertainty, and as it is likely to be interpreted by the FEC, possible illegality. S. 1219 could effectively cripple the Christian Coalition's voter education activities, including the distribution of voter guides.

Although the sponsors of this legislation have amended the bill to exempt the distribution of *elected officials'* voting records (vote ratings and congressional scorecards), the new provision still threatens the distribution of *candidates'* positions on the issues (voter guides).

This new definition of express advocacy is but just one of the bill's many egregious provisions. Under subsection (a) of Section 241, the expenditures made by a Christian Coalition chapter leader for voter education could be considered contributions to a candidate if that same chapter leader happened to merely retain the same lawyer or accountant as a candidate, even though the chapter leader did not cooperate or consult with the candidate at all.

Section 211 is so broadly written that it could prevent a Christian Coalition chapter leader from also holding a local party position even though the two activities are separate and not interrelated.

Section 306 would give the FEC the authority to seek injunctions if it believes "there is a substantial likelihood that a violation . . . is about to occur." Such a prior restraint of free speech is unconstitutional. It is only justified in weighty cases such as national security concerns, but should never be permitted to prevent core political free speech. The free speech rights of citizen organizations should not be infringed by the FEC at the eleventh hour of an election.

The Christian Coalition does not have a political action committee. However, as a free speech issue, we believe citizens should be able to pool resources to form political action committees under reasonable restrictions. We therefore object to section 201.

On behalf of the members and supporters of the Christian Coalition, we strongly urge you to vote on the side of the First Amendment and free speech. Please vote NO on cloture. Thank you for your attention to our concerns.

Sincerely,

BRIAN LOPINA,
Director,
Governmental Affairs Office.

Mr. MCCONNELL. In addition to that, the National Right to Life Committee, in a letter dated June 22, says that it has "* * * analyzed the new substitute and finds that, to an even greater degree than the original bill, it rides roughshod over the First Amendment." The National Right to Life Committee also opposes this bill.

I will not read further from that letter, but I ask unanimous consent the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RIGHT TO
LIFE COMMITTEE, INC.,
Washington, DC, June 22, 1996.

Re In opposition to McCain-Feingold substitute (S. 1219) to regulate and restrict political speech.

Senator MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: On June 18, we sent you a letter expressing the strong opposition of the National Right to Life Committee (NRLC) to the McCain-Feingold "campaign reform" bill (S. 1219). Since then, the sponsors have produced a new substitute amendment, on which the Senate will conduct a cloture vote on Tuesday, June 25, at 2:15 p.m.

NRLC has analyzed the new substitute and finds that, to an even greater degree than the original bill, it rides roughshod over the First Amendment. Through multiple overt and covert devices, the substitute attempts to suppress advertisements, publications, and other forms of speech on federal public policy issues, including but not limited to speech that refers to candidates for federal office. Therefore, NRLC again urges you to vote No on the motion to invoke cloture on S. 1219, which will be scored as a key pro-life vote for the 104th Congress.

The substitute bans PACs and therefore bans independent expenditures—except for political parties and rich individuals. [Sec. 201] This ban would prevent citizens of ordinary financial means from effectively expressing their political viewpoints.

If the PAC ban is declared unconstitutional, the substitute contains "backup" provisions to suppress independent expenditures by requiring advance notice of intended expenditures—even though some of those expenditures will never actually occur [Sec. 242(3)]—and by rewarding candidates who are thought to be disadvantaged by independent expenditures [Sec. 101].

In addition, the substitute [Sec. 241] says that an independent expenditure can no longer be conducted at all by anyone who "has played a significant role in advising or counseling the candidate's agent at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's desision to seek Federal office." [emphasis added] In other words, any person or group that remarked to a potential candidate, "We'd like you to consider running for Congress," would thereby trigger a "gag rule" under which any subsequent independent expenditure on behalf of that candidate would be illegal. Moreover, this clause could be triggered by even one-sided communication from an interest group to an incumbent, discussing (for example) public opinion in a given state regarding a piece of pending legislation.

The substitute [Sec. 241(a)] seeks to broaden the definition of "express advocacy" far beyond the definition enunciated by the Supreme Court in Buckley v. Valeo (1976). The bill would enact the "taken-as-whole' test that has been rejected by the federal courts on constitutional grounds. Under this expansive definition, the bill would restrict the distribution of issue-oriented material that does not, in fact, urge the election or defeat of any candidate.

In a June 19 "Dear Colleague" letter Senators McCain, Feingold, and Thompson said that they added a provision to exempt "voting guides" from the bill's restrictions, but the actual provision in the substitute is vastly narrower than what is described in the "Dear Colleague" letter. The purported "exemption" [see Sec. 241(a)] applies only to "a communication that is limited to providing information about votes by elected officials on legislative matters." On its face, this ostensible "exemption" does not apply to information regarding the public policy positions of non-incumbents, or to dissemination of any information on candidates' positions obtained from press accounts, candidate questionnaires, speeches, interviews, or a host of other sources. Moreover, even the purported exemption for information on "votes" is effectively meaningless because of other provisions and definitions in the bill, such as the definition of what constitutes a "contribution" to a candidate (see below).

The substitute [Sec. 241(b)(3)] would restrict ads and other forms of speech that contain no reference whatever to an election or even to any candidate, by defining certain speech on legislative issues as a contribution to a like-minded candidate with whom there has been communication regarding those issues. For example, if NRLC communicated with a senator regarding the merits of a certain abortion-related bill, which the senator later voted for, and if NRLC later ran advertisements in that senator's state discussing that bill, this could be regarded as a "contribution" to the incumbent (even if the senator is not mentioned in the ad), and therefore subject to all of the other restrictions and penalty clauses in the bill. The costs of non-partisan voter guides that contain information obtained from candidate questionnaires or other communications with an incumbent or a challenger could also be regarded as "contributions" under this provision.

The substitute [Sec. 306] explicitly authorizes the Federal Elections Commission, if it believes "there is a substantial likelihood that a violation of this Act is occurring or is about to occur," to obtain a temporary restraining order or temporary injunction to prevent publication, distribution, or broadcast of material that the FEC believes to be outside the bounds of the types of political speech that would be permitted under the law. This authorization for prior restraint of speech violates the First Amendment.

The overall effect of the bill would be to greatly enhance the already formidable power of media elites and of very wealthy individuals to "set the agenda" for public political discourse—at the expense of the ability of ordinary citizens to make their voices heard in the political process.

Therefore, the National Right to Life Committee urges you to vote No on cloture on S. 1219. Because S. 1219's restrictions on independent expenditures and voter education activities would "gag" the pro-life movement from effectively raising right-to-life issues in the political realm, NRLC will "score" this vote as a key pro-life vote for the 104th Congress.

Thank you for your consideration of NRLC's concerns regarding this legislation.

Sincerely,

DAVID N. O'STEEN, Ph.D.,
Executive Director.
DOUGLAS JOHNSON,
Legislative Director.
CAROL LONG,
Director, NRL–PAC.

Mr. MCCONNELL. Interestingly enough, a group with which I have not frequently been allied, and not many Members of this side of the aisle have been allied, the National Education Association, sent a letter to me dated yesterday, June 24, in which the NEA stated it opposed this bill and called upon all Senators to vote against cloture. The NEA pointed out, in referring to the ban on political action committees, that "The average contribution of NEA members who contribute to NEA–PAC is under $6." So, their question is, How in the world is that bad for the political process. So they, too, oppose this legislation and urge a vote against cloture.

I will not read further from that letter, but I ask unanimous consent the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, June 24, 1996.

U.S. Senate,
Washington, DC.

DEAR SENATOR: The National Education Association (NEA) opposes S. 1219, the Senate Campaign Finance Reform Act of 1996, sponsored by Senators John McCain (R–AZ) and Russell Feingold (D–WI). This measure would hamper the ability of citizens to participate in the political process in a meaningful way and limit the ability of organizations to make their voices heard in an open, democratic process.

Political action committees have encouraged millions of Americans to become involved in the political system, many for the first time. Many Americans are able to make small political contributions that serve as entree into greater political participation. Individuals are more likely to work for a candidate or issue when they have contributed money, and they are more inclined to make a contribution when they know it will make a difference in the outcome.

Political action committees stimulate small, individual donations. The average contribution of NEA members who contribute to NEA–PAC is under $6. These small contributions from middle-income citizens help counterbalance the ability of wealthy individuals to influence policymakers. Eliminating political action committees would not reduce the importance of money in politics. It would reduce the importance of working people in politics.

Political action committees also play an important role in communicating with members of organizations about issues that affect them. NEA would resist any effort to constrain the ability of the Association—or any other organization—to communicate with members and candidates about issues affecting children, public education, and education employees.

NEA strongly supports campaign finance reform that encourages participation and requires full disclosure of all sources of political financing. Moreover, we support partial public financing of election campaigns as a means of leveling the playing field for challengers and incumbents. S. 1219 would weaken efforts to increase voter participation, limit the involvement of low- and middle-income citizens in the political process, and discourage efforts to educate and engage the electorate. We urge you to oppose cloture on S. 1219, and should the Senate vote on the measure, to oppose it and its substitute.

Sincerely,

MARY ELIZABETH TEASLEY,
Director of Government Relations.

Mr. MCCONNELL. The National Rifle Association, in a letter dated yesterday, said:

> We have examined the draft text of that possible substitute [the bill that is actually before us today] and our opposition . . . is not only unabated—it is, if anything, stronger than before.

So the National Rifle Association also urges a vote against cloture because they believe it adversely affects their ability to participate in the political process.

I will not read further from that letter, but I ask unanimous consent the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RIFLE ASSOCIATION
OF AMERICA,
Fairfax, VA, June 24, 1996.

Hon. MITCH MCCONNELL,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCONNELL: We understand that an amendment in the nature of a substitute may be offered during this week's debate on S. 1219, the Senate campaign finance bill. As you know, we have repeatedly expressed our opposition to S. 1219, as we believe it unjustifiably and unconstitutionally restricts the First Amendment right of organizations to communicate with their members and the general public in the political process.

We have examined the draft text of that possible substitute amendment and our opposition to S. 1219 is not only unabated—it is, if anything, stronger than before. The ban on activities of political action committees remains in the substitute, and would have a devastating effect on the ability of ordinary citizens such as our members to act jointly in support of candidates.

Additionally, the new proposed reporting requirements for independent expenditures, and the provisions intended to dilute the effect of such expenditures, would have a chilling impact on the effectiveness of such communications. Coupled with the continuing effort to broadly redefine "express advocacy," Sections 241 and 242 represent one of the broadest attacks on free speech rights seen in years, affecting not only electoral but other legislative communications. Giving the Federal Election Commission a power to engage in prior restraint makes the attack even more serious.

We appreciate the support for the right to free speech which you've shown in your opposition to S. 1219, and we urge you to continue your work on this very important issue. If there is anything we can do to be of assistance to you, please don't hesitate to call.

Sincerely,

TANYA K. METAKSA,
Executive Director.

Mr. MCCONNELL. Also, obviously the National Association of Business PAC's, NAB–PAC, which would essentially be put out of business and lose their ability to participate in the political process, opposes the bill.

The American Conservative Union and the Conservative Victory Fund oppose it as well. I will not read from those letters, but I ask unanimous consent the letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE AMERICAN
CONSERVATIVE UNION,
Alexandria, VA, June 25, 1996.

Hon. MITCH MCCONNELL,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the one million members and supporters of the American Conservative Union, I urge you to oppose S. 1219, the McCain-Feingold campaign finance reform act.

As a party to the seminal Buckley v. Valeo decision, ACU has had a long-standing interest in our nation's campaign finance system. Over the years, we have worked with many Members of Congress on both sides of the aisle to try to reform the system in a manner consistent with constitutional guarantees of free speech—even as we have opposed efforts to change the system in a manner which abridges those freedoms.

McCain-Feingold does just that. Its fundamental reliance on spending limits—whether "voluntary" or otherwise—is merely the worst of its many wrong-headed provisions. The problem with our current system is not that too much money is raised and spent; as countless studies have shown, we spend as a nation far more to advertise products such as soft drinks and potato chips in a given year than we do on all campaign spending combined. Do you really want to vote for spending limits and in effect tell your constituents that as far as you're concerned, their decision over which soft drink to purchase is more important than which leaders to choose?

Rather, the problem in our current system of campaign financing is that too much time is spent collecting the amounts of money needed to compete effectively in a competitive marketplace. Because of the contribution limits enacted in the Federal Election Campaign Act, too many candidates spend too much time chasing too few dollars—which is what gives special interest groups a disproportionate influence over legislators. If what you are really seeking is a way to reduce the influence of the special interests, simply lift the contribution limits.

But McCain-Feingold's reliance on spending limits is not its only fault. Other wrong-headed provisions include taxpayer subsidization of both print and broadcast communications, and the bill's outright abolition of political action committees. Public subsidies amount to partial taxpayer financing of politicians—something overwhelmingly opposed by the American people. Nor should PACs be abolished; to do so would be an unconstitutional infringement on the rights of free association and free speech.

McCain-Feingold is a bad bill. Kill it and start over.

Yours sincerely,

DAVID A. KEENE,
Chairman.

CONSERVATIVE VICTORY FUND,
Washington, DC, April 2, 1996.

House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I want to bring to your attention a bill that would bring irreparable damage to the political process. Congresswoman Linda Smith has introduced HR 2566 which bans contributions from political action committees to individuals running for Congress. I'm deeply concerned about this.

In 1976, the Supreme Court ruled in *Buckley v. Valeo* that campaign finance restrictions burdened First Amendment rights. The only purpose recognized by the Supreme Court to justify restrictions on PAC contributions is the prevention of real or apparent corruption.

Most of the arguments used for additional limits on political contributions from political action committees do not stand up under scrutiny. Originally, the goal of campaign finance reform was to reduce the influence of money, to open up the political system, and to lower the cost of campaigns. Since the 1974 amendments to the Federal Election Campaign Act, which were done in the name of "campaign finance reform", spending has risen sharply and incumbents have increased both their reelection rate and the rate at which they outspend their challengers.

As you know when you first ran for Congress, money is of much greater value to open-seat candidates or challengers than to incumbents. Studies show that added incumbent spending is likely to have less effect on vote totals than the challenger's added spending. Limits on political contributions hamper challengers from getting their voice heard while incumbents have significant advantages in name recognition. Campaign finance laws lock into place the advantages of incumbency and disproportionately harm challengers.

We oppose HR 2566 and any other such bills. The First Amendment is based on the belief that political speech is too important to be regulated by the government. The Conservative Victory Fund has helped you and hundreds of other conservatives since its creation in 1969. HR 2566 would eliminate the Conservative Victory Fund.

Sincerely,

RONALD W. PEARSON,
Executive Director.

Mr. McCONNELL. So there are a number of groups who, in the past, have largely not been heard from during these debates who have decided to take a position, to get interested, and to express their views. This is, of course, something we greatly welcome since—the point I would like to make—obviously this bill not only affects candidates for office, it affects everybody's ability to participate in the political system. These groups do not like our effort to push them out of the process. They do not feel that their involvement in politics is a harmful thing. They think it is protected by the first amendment, and I think they are right.

Also, just in closing, I see the Senator from Utah is ready to take a few moments or more, if he would like. One of my biggest adversaries on this issue, over the last decade, has been my hometown newspaper, the Louisville Courier-Journal, which is the largest newspaper in our State. I was amazed to pick up the paper this morning and read an editorial in which they even think this is a bad bill. They even think this is a bad bill. This is the most liberal newspaper in Kentucky. I was astonished. Obviously, it made my day.

I would like to read a couple of comments. They are predicting the cloture will not be invoked. They say, "This outcome would be more regrettable if the bill were better." They go on to say:

> [Most] . . . of the rest of the package would be a step back from real reform, while making the election finance regulatory effort more complex and of less service to the public.

Further, they say:

> The abolition of those endlessly maligned PAC's would make special interest money harder to trace while denying small givers a chance to participate. A limit on out-of-state contributions sounds good, but it could cut two ways. Indeed, it would probably be more damaging to candidates who challenge the local powers-that-be than one who thrives on special interest support. Anyway, both provisions are surely unconstitutional.

They are right about that.

> As for a scheme to lure candidates to limit spending by offering them free TV time contributed by the networks, it's simply wrong to foist the cost of cleaner government on a handful of businesses—and their advertisers, stockholders and viewers. If there's a cost to election reform, it should be borne by all taxpayers.

It is a curious ally but I am proud to have them on board.

Mr. President, I ask unanimous consent that other letters of opposition in addition to those I referred to a few moments ago, as well as the editorial of today in the Louisville Courier-Journal, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REFORM'S TIRED REFRAIN

As the U.S. Senate convenes today for yet another vote on election finance "reform," the setting is all too familiar.

The measure is backed by liberal and conservative members of Congress—including Republicans who, in response to public disgust with incumbent Democrats, promised to change the money system. Good government and citizens groups complain—legitimately—that the national legislature is awash in vast sums of money given by favor seekers.

The likely result? That's expected to be a rerun, too. Barring unexpected strength among the reformers, a filibuster organized by Mitch McConnell will halt Senate action. In any event, the House probably won't find time to act this year.

This outcome would be more regrettable if the bill were better. Sadly, it has only one good provision—an end to the "soft money" scam that allows corporations and labor unions to give political parties millions of dollars, purportedly for vague "party-building" activities. If this reform alone survives, Congress could claim some progress.

But much of the rest of the package would be a step back from real reform, while making the election finance regulatory effort more complex and of less service to the public.

The abolition of those endlessly maligned PACs would make special interest money harder to trace while denying small givers a chance to participate. A limit on out-of-state contributions sounds good, but it could cut two ways. Indeed, it would probably be more damaging to a candidate who challenges the local powers-that-be than to one who thrives on special interest support. Anyway, both provisions are surely unconstitutional.

As for a scheme to lure candidates to limit spending by offering them free TV time contributed by the networks, it's simply wrong to foist the cost of cleaner government on a handful of businesses—and viewers. If there's a cost to election reform, it should be borne by all taxpayers.

It may be, indeed, that Congress is incapable of devising workable change. And that may matter less and less.

The good news is that Kentucky and other states are experimenting with new approaches to paying for campaigns. To the extent that states are also developing solutions to welfare and other national problems—a positive trend in our view—a national political establishment wallowing in dollars showered on it by Philip Morris, RJR Nabisco and others becomes increasingly irrelevant.

NATIONAL RIFLE ASSOCIATION
OF AMERICA,
Fairfax, VA, June 24, 1996.

DEAR SENATOR: We understand that an amendment in the nature of a substitute may be offered during this week's debate on S. 1219, the Senate campaign finance bill. As you know, we have repeatedly expressed our opposition to S. 1219, as we believe it unjustifiably and unconstitutionally restricts the First Amendment right of organizations to communicate with their members and the general public in the political process.

We have examined the draft text of that possible substitute amendment and our opposition to S. 1219 is not only unabated—it is, if anything, stronger than before. The ban on activities of political action committees remains in the substitute, and would have a devastating effect on the ability of ordinary citizens such as our members to act jointly in support of candidates.

Additionally, the new proposed reporting requirements for independent expenditures, and the provisions intended to dilute the effect of such expenditures, would have a chilling impact on the effectiveness of such communications. Coupled with the continuing effort to broadly redefine "express advocacy," Sections 241 and 242 represent one of the broadest attacks on free speech rights seen in years, affecting not only electoral but other legislative communications. Giving the Federal Election Commission a power to engage in prior restraint makes the attack even more serious.

We urge you to oppose S. 1219's attack on the right of free political speech. If there is anything we can do to be of assistance to you, please don't hesitate to call.

Sincerely,

TANYA K. METAKSA,
Executive Director.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 24, 1996.

MEMBERS OF THE U.S. SENATE: The Senate will soon be asked to consider S. 1219, the "Senate Campaign Finance Reform Act of 1995." The United States Chamber of Commerce Federation of 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 76 American Chambers of Commerce abroad urges your opposition to this legislation, which would restrict the participation by Political Action Committees (PACs) and individuals in the political process.

The U.S. Chamber of Commerce has long promoted individual freedom and broad-scale participation by citizens in the election of our public officeholders. In this regard, we oppose efforts to eliminate or restrict the involvement of PACs in our political process. We believe that PACs are a critical tool by which individuals voluntarily participate in support of their collective belief.

In addition, there are other proposals contained in the bill that would greatly inhibit long-standing protected freedoms. These attempts to further limit the ability of individuals or collective political participation should be defeated as an infringement on the basic principle of free speech. Further, a public mandate on the private sector to subsidize the election of public officials without regard to support for a candidate also must be defeated.

We believe that an indispensable element of our constitutional form of government is the continued power of the people to control, through the elective process, those who represent them in the legislative and executive branches of government. Any attempt to reform the system through eliminating PACs or further restricting contribution levels has the consequence of unreasonably restricting the rights of American citizens. Rather, we support a system that relies on accountability through public disclosure, voluntary participation without government mandates, and confidence in the electorate to make sound decisions through the free exchange of ideas and information.

Therefore, we urge your opposition to S. 1219, as well as your opposition to invoking cloture on such legislation, which seeks to restrict the participation of individuals or PACS in the political process.

Sincerely,

R. BRUCE JOSTEN.

NATIONAL RIFLE ASSOCIATION
OF AMERICA,
Fairfax, VA, June 19, 1996.

DEAR SENATOR: It is our understanding that a cloture vote has been scheduled for June 25, 1996 on S. 1219, the Senate Campaign Finance Reform Act. We believe this will be the most critical vote that you will cast this year in protecting the constitutional rights of your constituents. Speaking for the more than three million members of the National Rifle Association (NRA), we strongly urge you to vote against bringing this measure, or this issue, before the Senate in any form. S. 1219 is a misguided attempt to limit participation in the political process, and represents a direct challenge to the right of free speech which we all should cherish and strive to protect.

Those who support S. 1219 have suggested that it will enlarge or enhance participation in the political process. We believe those who promote this view are either misinformed or unaware of the consequences of this legislation. In fact, S. 1219 will not level the political playing field, but will rather increase opporunities for political manipulation by those who have access to national media outlets, at the expense of those who do not.

The main focus of the NRA is in protecting the right to keep and bear arms. However, we believe that our system of government depends on preserving all of our Constitutional protections. Associations like the NRA facilitate participation by concerned citizens who otherwise would not have the resources to speak out on a national level. By removing their ability to offer their views in independent forums by combining their individual resources you would, for all intents and purposes, eliminate their First Amendment rights.

As we have noted in previous correspondence (letters dated 01/25/96 and 05/7/96), in the *Buckley v. Valeo* decision of 1976, the Supreme Court stated that "* * * legislative restriction on advocacy of the election or defeat of political candidates are wholly at odds with the guarantees of the First Amendment." S. 1219 contains the same kind of legislative restrictions, and we believe therefore that it is clearly unconstitutional.

Again, I urge you to reject S. 1219, and all other ill-conceived attempts at limiting free speech and participation in the political process.

Sincerely,

TANYA K. METAKSA,
Executive Director.

NATIONAL RIGHT TO
LIFE COMMITTEE, INC.,
Washington, DC, June 18, 1996.

DEAR SENATOR: We understand that the Senate is likely to vote on or about June 25 on whether to invoke cloture on the McCain-Feingold bill (S. 1219), which would make sweeping changes in federal election laws.

The National Right to Life Committee (NRLC) is strongly opposed to S. 1219. In banning PACs, the bill also bans independent expenditures—except by wealthy individuals. This provision would flagrantly violate the First Amendment right of individual citizens who share a common viewpoint on an important public policy issue, such as abortion, to pool their modest financial resources in order to participate effectively in the democratic process. The average donation to NRL–PAC is $31.

The bill would also place severe new limitations even on issue-oriented voter education materials that do not urge the election or defeat of any candidate. This, too, violates the First Amendment. The overall effect of S. 1219 would be to greatly enhance the already formidable power of media elites and of very wealthy individuals to "set the agenda" for public political discourse—at the expense of the ability of ordinary citizens to make their voices heard in the political process.

Therefore, the National Right to Life Committee urges you to vote No on cloture on S. 1219. Because S. 1219's restrictions on independent expenditures and voter education activities would "gag" the pro-life movement from effectively raising right-to-life issues in the political realm, NRLC will "score" this vote as a key pro-life vote for the 104th Congress.

A vote in opposition to S. 1219 is consistent with the position taken by the U.S. Supreme Court in its 1976 Buckley v. Valeo decision: "In the free society ordained by our Constitution, it is not the government, but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign."

Moreover, the overwhelming majority of Americans oppose the concept embodied in S. 1219. The Wirthlin Worldwide firm conducted a nationwide poll on May 28–30, which included this question:

"Do you believe that it should be legal for individuals and groups to form political action committees to express their opinions about elements and candidates?"

Yes, should be legal: 83%.

No, should not be legal: 13%.

Thank you for your consideration of NRLC's concerns regarding this legislation.

Sincerely,

DOUGLAS JOHNSON,
Legislative Director.
CAROL LONG,
Director, NRL–PAC.

NATIONAL RIGHT TO
LIFE COMMITTEE, INC.,
Washington, DC, June 7, 1996.

DEAR MEMBER OF CONGRESS: The House Oversight Committee will soon mark up some form of "campaign finance reform" legislation. The committee will consider, among other things, proposals to either (1) ban PACs and thereby also ban independent expenditures, or (2) not ban PACs, but place new restrictions on independent expenditures.

National Right to Life Committee (NRLC) is strongly opposed to any legislation that would further restrict independent expenditures, whether by banning PACs or in any other fashion. Such proposals would infringe on the First Amendment rights of individual citizens, sharing a common viewpoint on an important public policy issue, to pool their modest financial resources in order to participate effectively in the democratic process.

As you review various "campaign reform" proposals during the weeks ahead, please keep in mind the words of the Supreme Court in its 1976 Buckley v. Valeo decision:

"In the free society ordained by our Constitution, it is not the government, but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign."

The Wirthlin Group conducted a nationwide poll on May 28-30, which included this question:

"Do you believe that it should be legal for individuals and groups to form political action committees to express their opinions about elections and candidates?"

Yes, should be legal, 83%.

No, should not be legal, 13%.

Thank you for your consideration of NRLC's concerns regarding this legislation.

Sincerely,

DOUGLAS JOHNSON,
Legislative Director.
CAROL LONG,
Director, NRL-PAC.

NATIONAL RIGHT TO
LIFE COMMITTEE, INC.,
April 30, 1996.

DEAR SENATOR: You are being pressured by so-called "public interest" groups to pass campaign finance reform measures under the guise of "cleaning up the system." More specifically, you are being asked to support a floor vote on S. 1219, the McCain-Feingold-Wellstone bill.

We urge you to oppose S. 1219. Attorneys that span the ideological spectrum agree that S. 1219 would destroy free speech and grievously injure both the right to association and the right to petition government.

It is a myth that the American public is clamoring for campaign finance reform. In a recent poll conducted by the Tarrance Group, only one person, out of 1000, volunteered campaign finance reform as the biggest problem facing the country. When the poll respondents were given a list of 10 problems and asked to rank them, campaign finance reform came in last, with only 1% selecting that topic.

Under S. 1219, an individual would be able to make independent expenditures, but because of the ban on political action committees, a group of individuals would be forbidden to organize, pool their resources, and coordinate their activities. This would leave the political process open to very wealthy individuals and the media, but would prohibit the vast majority of citizens from effectively making their voices heard.

S. 1219 defines "express advocacy" so broadly as to sweep in "issue advocacy." Thus, citizens' groups would, in effect, be prohibited from publishing voter guides or giving candidates' voting records. Several federal courts have already struck down attempts by the Federal Election Commission to do the same thing.

Free speech is essential to democracy. It is important not only for the press and wealthy individuals, but also for ordinary citizens. We urge you to take any steps necessary, including opposing cloture, to prevent S. 1219 or any similar measure that infringes upon the First Amendment rights of citizens from being approved by the Senate.

We also oppose the appointment of any unelected commission that has the authority to issue a final report on campaign finance reform that would not be subject to the regular amendment process on the Senate floor.

CHRISTIAN COALITION.

NATIONAL RIGHT TO
LIFE COMMITTEE, INC.,
Washington, DC, November 8, 1995.

Senator MITCH MCCONNELL,
Senate Office Building, Washington, DC.

DEAR SENATOR MCCONNELL: Campaign finance "reform" that destroys the freedom of speech is not reform.

Current measures under consideration in the Senate would largely prevent citizen involvement in the political process. We realize there is a lot of pressure from the press to "reform" the election process. However, limiting free speech for citizens, while it may please some elements in the press because it greatly increases their own power, is neither politically wise nor constitutional.

We have the three major objections to S. 1219, the "Senate Campaign Finance Reform Act of 1995" as sponsored by Senators McCain and Feingold, and therefore will vigorously oppose this measure.

1. S. 1219 WOULD ALMOST ELIMINATE INVOLVEMENT IN THE POLITICAL PROCESS FOR ORDINARY CITIZENS WHO ARE NOT INDEPENDENTLY WEALTHY

S. 1219 would permit only individuals, or political committees organized by candidates and political parties, to solicit contributions or make expenditures "for the purpose of influencing an election for Federal office."

Many political action committees (PAC), such as the National Right to Life PAC, exist because their members want to work together to elect candidates who share their views and beliefs. Under the current system, citizens are free to coordinate activities through PACs in order to discuss issues, express their views on positions taken by candidates, and urge voters to support or oppose certain candidates. This dialogue is very important to the political process and very important to the American system.

Under the Act, an individual can make independent expenditures, but a group of individuals cannot organize and coordinate their activities. This opens the political process to wealthy individuals, but prohibits the vast majority of citizens from pooling resources to make their voices heard.

If citizen groups and their political action committees are eliminated, the only entities left that are freely able to discuss candidates and the issues, except the candidates themselves, are a few wealthy individuals and the news media. That is not the intention of the First Amendment.

Another problem for you to consider is that many in the media have a bias against pro-life and pro-family candidates. If the media is allowed free speech and citizens groups are not, that will be a real disadvantage for pro-life and pro-family candidates.

2. THE NEW DEFINITION OF "EXPRESS ADVOCACY" IS UNCONSTITUTIONAL AND REPRESSES THE FREE SPEECH OF CITIZENS

Section 251 of S. 1219 attempts to "clarify" Independent Expenditures, However, it redefines "express advocacy" to now include protected "issue advocacy.". This extremely broad new definition of express advocacy would sweep in protected issue advocacy, such as voter guides which state the positions candidates have taken on issues or give candidates' voting records.

The new definition goes far beyond what the United States Supreme Court said was permissible to regulate as electioneering in the case of Buckley v. Valeo, 424 U.S. 1 (1976). In Buckley, the Supreme Court held that, in order to protect issue advocacy (which is protected by the First Amendment), government may only regulate election activity where there are explicit words advocating the election or defeat of a clearly identified candidate.

This new definition would expand the umbrella of "express advocacy" so broadly that citizen groups other than PACs would also be effectively prohibited from informing the public about candidates' positions on issues as well as voting records. This curtailment of citizens' freedom of speech would not affect the major media whose political power would be vastly enhanced, since one balancing force currently in the public forum would be eliminated.

The Supreme Court would, again likely find this new definition of "express advocacy" unconstitutional, and voters would find it exceedingly repressive.

3. S. 1219 AUTHORIZES UNCONSTITUTIONAL PRIOR RESTRAINT

Section 306 of the Act authorizes an injunction where there is a "substantial likelihood that a violation . . . is about to occur." The FEC would be authorized to seek injunctions against expenditures which, in the FEC's expansive view, could influence an election. Such a preemptive action against the freedom of speech is unconstitutional except in the case of national security or similarly weighty situations. Prior restraint should never be allowed in connection with core political speech. There simply is no governmental interest of sufficient magnitude to justify the government stopping persons from speaking.

This country's open system of representative democracy is the envy of the world. If you try to "fix" it by limiting people's voices, then you head towards totalitarianism. Whatever its flaws, democracy is the best system the world has seen to date.

Free speech is essential to democracy. It is important not only for the press and wealthy individuals, but also for ordinary citizens. The only way ordinary citizens can have any meaningful opportunity to exercise their right of free political speech in modern America is if they are allowed to pool their funds in PACs. For the record, the average donation from National Right to Life members to its PAC is $31.

The status quo on speech by membership organizations and independent expenditures by political action committees works. Disclosure laws governing PACs already provide detailed information on where the money came from and how it was spent. The current process allows citizens to be involved in their government. That it how it should be.

We are enclosing a copy of the legal analysis of S. 1219 by James Bopp, Jr., General Counsel for NRLC. National Right to Life urges you to protect the constitutional rights of your constituents and oppose S. 1219.

Respectfully,

WANDA FRANZ, Ph.D.,
President.
DAVID N. O'STEEN, Ph.D.,
Executive Director.
CAROL LONG,
PAC Director.

Mr. McCONNELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 75 minutes.

Mr. McCONNELL. Mr. President, I yield to the Senator from Utah, 10 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I spoke at some length yesterday in a philosophical fashion, going back to the Founding Fathers and the Federalist Papers, hoping to turn the debate into that kind of an analysis of our basic freedoms and our political approach. Today I want to get very down and dirty, as they say; very practical. It has been my observation throughout this entire controversy, and it goes back to the last Congress as well as this one, that the efforts at campaign finance reform really constitute an incumbent protection activity. The Senator from Arizona, my friend, Senator McCAIN, said that if the challengers were voting here they would all vote for this bill because he showed the chart that showed most of the PAC money went to incumbents.

I have been a challenger. The memory is still fresh in my mind, even though I am now an incumbent. And I can assure all who do not know anything about the political process, that an incumbent comes into a race with incredible advantages. Let me give an example. I did not run against an incumbent Senator but I ran against an incumbent Congressman. These are the advantages he brought to the race.

He had a staff, paid for by the taxpayers, that was available to research every issue, provide him with a paper on every issue, and in the course of press releases give him the press support that he required.

He held a press conference late in the campaign in which he attacked me for a wide variety of things. The press person who scheduled that press conference, who wrote the press release, and who handled all press inquiries relating to it was paid by the taxpayer because he was on the Congressman's staff. I had to have people there to protect my interests. They were all paid for out of campaign funds because I had no congressional staff. I am not saying that he broke the law. I am not saying that he did anything improper. I am just outlining this is the way it is.

He had name recognition going back to 8 years of service in the House of Representatives. I thought I had some name recognition because my father had served in the Senate. I figured everybody would remember the name "BENNETT" favorably in connection with the Senate. Boy, did I find out differently. In the first poll that was taken, I was at 3 percent, with a 4-percent margin of error. I could have been minus 1. How do I counteract that 8 years of name recognition that he has built up? I had to raise the money. How did I pay for the people who were there to counteract the people that he had on his congressionally supported staff? I had to raise the money.

Is it a fair fight when you say the incumbent is at level x and the challenger must also be at level x, when the incumbent has all of these advantages that are worth money that the challenger has to raise money in order to produce? When you say, let us get a fair fight and let us do it by saying that the challenger is unable to raise money to take care of the things that the incumbent does not have to raise money for, you are automatically creating a circumstance in favor of the incumbent.

Some political observers have said to me, "Why are you opposed to this now that you are an incumbent? We can understand that you were opposed to campaign reform while you were a challenger because as a challenger you were at a disadvantage in the face of campaign reform. But now that you are an incumbent, and particularly now that your party has a majority of the incumbents, why isn't your party in favor of an incumbent protection act that will put all of these disadvantages on the backs of the challenger?"

Well, I go back to my statement yesterday. I have philosophical challenges with these attempts to do that which I consider would produce damage to our basic philosophical underpinnings in this country. I did not quote the Federalist Papers just to prove that I had read them. I went through that process to demonstrate that I have a philosophical objection to what it is we are trying to do here, even though, should this bill pass, I would be benefited as an incumbent. I am convinced, if this bill were to pass, that I would be benefited as an incumbent, that I would be in a circumstance where it would be impossible for anybody to challenge me. But I am willing to run the risk of having them challenge me because that is the American pattern and that is what is in the Constitution that all of us have sworn to uphold and defend here in this body.

So, Mr. President, I am not going to vote for cloture. I am not going to vote to support a bill that is an incumbent protection act. I am going to say we will all stand exposed to the challenge of challengers who have the energy and the message necessary to raise the money to challenge us and not hide behind limits that say that we can use the advantages of our offices and our challengers cannot. I believe it is as simple as that. I believe that honest fairness says we will oppose this bill, and, therefore, we oppose cloture on the bill. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. FEINGOLD. How much time do the proponents have remaining?

The PRESIDING OFFICER. The proponents have 67 minutes 15 seconds.

Mr. FEINGOLD. I yield 10 minutes to the distinguished Senator from Florida, who has been one of the original supporters of this legislation and has helped us all through the difficult process of trying to get it up for a vote. I thank him very much.

Mr. WELLSTONE. Will the Senator yield me 5 seconds?

Mr. GRAHAM. I yield the Senator 5 seconds.

Mr. WELLSTONE. I thank the Senator.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that David Hlavac, who is interning with me, be allowed to be on the floor throughout the duration of this bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I first will extend my commendation to Senators FEINGOLD and McCAIN and the others who have worked so hard to craft what is truly a bipartisan proposal to deal with one of the serious cancers in our American democratic system, and that is the way in which we manage and finance campaigns for the Congress. This bill is another example that, if we are going to do the public's will, it must be done in a bipartisan spirit.

Mr. President, we have spent a lot of this year and last year talking about the creative energy of the States, the desire to return greater responsibility to the States for many of our most basic domestic programs. We have acknowledged that the States, given that responsibility, given their flexibility to respond to the specific circumstances that they face, would unleash a new wave of innovation to bring us creative solutions to some of our most vexatious problems.

Mr. President, I say that we can take some encouragement as to the legitimacy of that position by looking at what States have done in the area of campaign finance reform. States were faced with basically the same problem that we are dealing with this morning—the problem of campaign money run amok and the need to change campaign financing mechanisms in order to restore public confidence.

The experience of my State of Florida, I believe, is instructive in this regard. In 1991, the State legislature overhauled Florida's campaign finance system. It instituted a $500 cap on individual contributions. Prior to that it had been as much as $3,000. It provided for public financing of campaigns. It instituted overall caps on statewide races. It provided incentives to abide by the cap.

What has happened in the relatively brief period that Florida has had these campaign finance reforms? In 1990, there was an incumbent Governor running for reelection. That incumbent Governor spent $10,670,000. Four years later, there was a different incumbent Governor running for reelection. In that campaign he spent $7,480,000. I note that the incumbent in 1990, who spent almost a third more, lost. The incumbent in 1994, under the new standards, was reelected. Common Cause of

Florida attributes the decrease in campaign spending directly to Florida's enactment of campaign finance reforms.

Mr. President, the States can control the terms and conditions of elections for State officials. It is our responsibility to do likewise for the Congress. I applaud the effort that is before us today. It is a genuine, thoughtful response to a serious national problem. I do not pretend that it is perfect. We have already heard on the floor several persons who, like myself, will vote to invoke cloture and support this bill, but who also are prepared to support modifications that we think would perfect it.

For instance, I do not believe that political action committees are a poisonous political evil that should be banned. But, Mr. President, if accepting some restraints on political action committees is necessary to achieve the bipartisan consensus for the passage of this sorely needed legislation, I am prepared to vote to do so.

Mr. President, there are many infirmities in our current system which have already been identified. Remedies have been prescribed. I wish to focus on one of those infirmities. That is, that the enormous amount of money in political campaigns has fundamentally changed the nature and purpose of congressional campaigns.

What should be the purpose of a political campaign? In my opinion, it should include at least two dual relationships. First, there should be a duality of relationship in terms of education. Yes, the candidate is trying to educate the public as to who he or she is, what he or she stands for, what would be the objective of service in public office, what they would try to accomplish. But there is an equally important side of the education duality, and that is that the citizens are influencing the candidate. A campaign should be a learning experience. The campaign should better prepare the candidate to serve in public office by the experiences, the exposure, that the campaign will provide.

There is a second duality, and that is the development of a democratic contract. The citizens should have some reasonable expectation that if they vote for a particular candidate, the policies that candidate has advocated will, in fact, form the basis of the candidate's efforts once in office, and the public official should have the right to expect that in office he would have the support of the public, the mandate of the public to achieve those policies upon which his or her campaign was predicated. These dualities, a duality of education and a duality of the forming of a democratic contract, these are essential elements of our system of representative democracy.

However, Mr. President, the excess of money in campaigns has changed the nature and the purpose of the campaign. It has, in fact, allowed candidates to hide from the voters rather than to use the campaign to learn from and more effectively communicate with the public. Candidates now move from the television studio to record 30-second sound bites, often of a highly negative character, to the telephone to solicit campaign contributions to pay for those 30-second sound bites. There is little time left to interact on a personal level with the voter.

By providing for spending limits, this bill would direct voters from the television studio back to the street to look for ways other than money to appeal to voters, by interacting with them, discussing issues, debating of the candidates, so that voters can make an accurate assessment of who they wish to represent.

I personally, Mr. President, would like to see a requirement that one who participates in the public assistance to a campaign, whether Presidential candidates participating for direct-cash infusion or congressional candidates who, under this legislation, would benefit by preference in perks like postal and broadcast rates, that they would commit themselves to participate in a stipulated number of public appearances with their opponents. I believe that is the truest way in which the public can form an opinion as to the qualities and capabilities of the persons who seek to represent others.

Mr. President, providing for a voluntary system of spending limits, while simultaneously requiring candidates to raise at least 60 percent of campaign funds from their home State, are positive steps toward bringing candidates and voters together. Passage of this bill would be a positive step toward realizing the goal of our political process, allowing the voter to truly understand, truly assess the candidate's view, and thus to make an informed judgment, while simultaneously helping to prevent politicians from becoming insulated and mitigate voters' disaffection.

Mr. President, by passing this bill today, we can restore a meaningful dialog between the voter and the candidate. By doing so, we can all share in giving this country a great victory, and restoring the public's faith in the political process. I urge this bill's passage.

The PRESIDING OFFICER. Who seeks recognition?

Mr. FEINGOLD. Mr. President, I yield up to 5 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I intend to vote for cloture today. I do not do so believing this is a perfect bill. There are some provisions in this measure I do not support. I do not support the complete abolition of PAC's, for example. But I believe we ought to be debating campaign finance reform. Therefore, I will vote for cloture to get a campaign finance reform bill on the floor of the Senate so we can offer amendments and see if we can perfect the bill in a way that will represent the public interest.

In my judgment, the financing of political campaigns is spinning out of control—more and more dollars in each campaign, more and more wealthy candidates financing their own campaigns. Campaigns in America have not so much become a competition of ideas—this is what campaigns ought to be—but a 30-second ad war. Not so much by candidates, but by the creators of the 30-second little "bomb bursts" that are put on television to try and destroy other reputations. These hired guns hardly serve the public interest, yet campaigns really have become a competition of 30-second ads.

When I last ran for the U.S. Senate, I was much better known than my opponent, so I made a novel proposal, which he did not accept, unfortunately. I wish he would have. I said: I am better known than you, but if we can agree to certain things, I think in many respects it will even things up. Let neither of us do any advertising at all. Neither of us will do any radio or television ads, no 30-second ads, no ads of any kind. You and I will put our money together, and we will buy an hour of prime time television each week for the 8 weeks prior to the election, and each week we will show up without handlers, without research notes, at a television studio with no monitor, and for an hour in prime time, statewide on North Dakota television, you and I will discuss the future. We will discuss whatever you want to discuss, whatever I want to discuss, such as why we are seeking a seat in the U.S. Senate, what kind of future we see for this country, what kind of policies we think will make this a better country.

I thought, frankly, 8 hours of prime time television, statewide, with both of us addressing each other and addressing why we were running for the U.S. Senate, might have been the most novel campaign in the country. My opponent chose not to accept that. Instead, we saw a barrage of 30-second ads. I do not think it provided any illumination for the North Dakota voters in that campaign. I think it would have been a better campaign had we had 8 hours prime time, statewide television, without handlers, to talk about what we thought was important for the future of this country. We did not have that kind of campaign.

So, the question for the Senate now is, what kind of campaign finance reform would be useful in this country? There are wide disagreements about how this ought to be addressed. For instance, I saved this article, the headline of which quotes my friend Speaker GINGRICH as saying, "Gingrich calls for more, not less, campaign cash." Speaker GINGRICH gave a speech downtown, and he fundamentally disagrees with me that there is too much money in politics. He says there is not enough money in politics; there ought to be more money in politics.

I think that if we can find a way—and this bill provides one mechanism—to limit campaign spending and require full disclosure on all contributions, at that point you will start ratcheting down the cost of political campaigns in this country, and I think you will do this country a public service.

Last weekend when I was at Monticello, the home of Thomas Jefferson, I was reminded again of the work and words of this great American in the early days of this country. It seems to me Tom Jefferson would view what goes on in political campaigns in America today as a perversion of democracy. Today's campaigns are not, as I said earlier, a competition of ideas about how to make this a better country. They are much more a 30-second ad war that does not serve the public interest.

I intend to vote for cloture. I hope we will obtain cloture and have this important piece of legislation on the floor, open for amendments. I yield the floor.

Mr. FEINGOLD. Mr. President, I yield up to 15 minutes to Senator THOMPSON of Tennessee, who has been one of the main authors of this bill and has been key to making this a bipartisan reform effort. I thank him for his good work on this bill.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. THOMPSON. I thank the Senator. I thank the majority leader for bringing this matter to the floor at this time. I thank my distinguished colleagues, Senator MCCAIN and Senator FEINGOLD, for their leadership on this bill. I am proud to be one of the original cosponsors of this particular legislation.

Mr. President, after having listened to over a day of debate on this issue, I think the question now could be simply put. Are we satisfied with our current system of financing Federal campaigns in this country? Do we think it is a good system? If we are not satisfied, are we willing to at least take the first step—perhaps not a perfect step—toward doing something about it?

I approach this from the standpoint of one who was recently a challenger and who is now an incumbent running for reelection in 2 years, having gotten the unexpired term of the Vice President for a 2-year term. I am now running as an incumbent for a full term. So I have seen it from both sides.

I also approach it from the standpoint of one who made a commitment to the people of Tennessee that I will try to change the system that we have now working in Washington and that I was dissatisfied with the process by which our legislation is enacted. But I think it is fundamentally the business of the U.S. Congress to address how we elect our public officials, how long they stay, and what their motivations are when they get here. So I am delighted to be a part of this effort.

The system now—let us take a look at the system that we have now. I believe I can be objective in describing it. Elections certainly cost more and more and more. We see Senate campaigns now that cost $10, $20, and $30 million. The combined expenditures in one Senate campaign were over $40 million. We have a system where more and more time is taken by Members of Congress, at a time when technology and all the demands of modern campaigning require campaigns to cost more and more. More and more, we, the Members of, supposedly, the world's greatest deliberative body, wind up having no time to deliberate anymore because of the fractured nature of our lives. For someone to run in a State such as mine, I have calculated that now it would be about $15,000 a week that I would have to raise, year in and year out, to run the kind of campaigns that would be traditionally raised in a State such as mine.

Mr. President, that is not why I came to the U.S. Senate. We have a system now where more and more of the perception is that contributions are tied to legislation. Perhaps that was not a problem when the amounts were smaller. But now we see larger and larger contributions, usually soft money contributions, with regard to larger and larger issues, millions of dollars being spent, billions of dollars being decided by massive pieces of legislation in the U.S. Congress.

We have a system where it is no longer ideological. The money does not flow to ideas. The money flows to power. Whoever is the incumbent party likes the system. Whoever is not the incumbent party plans on being the incumbent party. Democrats have killed this legislation for years, and now that the Republicans are in power, we are trying to return the favor. We have a system whereby, in individual cases, people are drawing closer and closer relationships with individual pieces of legislation and massive amounts of money that are being spent by the people affected by the legislation.

We constantly see news stories, day in and day out. There is a strong perception among the American people that any system that costs so much money and any system that requires us to go to such great lengths to get that money cannot be on the level. We see, day in and day out, editorials across the country. Common Cause has compiled 261 editorials from 161 newspapers and publications. What they say is not a pretty picture. It is not that I necessarily agree with the analysis made of these articles, but this is the perception among editorial writers across the country—liberal papers and conservative papers. The most conservative paper in my home State, in Tennessee, the Chattanooga Free Press, a Republican paper, has one of the editorials contained in this compilation. What they say, I think, is what is perceived by the American people. They say that neither party wants to end the abuses. One of the editorials says, "In Congress, Money Still Talks." Another says, "New Year's Sale on Votes." Another says, "Money Brings Votes." Another says, "Congressmen Admit Being Bought by Contributions." Another says, "Republican Reform; GOP Already Bought Off."

Mr. President, that hurts. The Chattanooga Free Press in Tennessee says in its article—it entitles it, "The Campaign Money Evil." Another article says, "Getting What it Paid For," talking about American industry. Another says, "Feeding Frenzy on the Hill," talking about us and our fundraising activities. Another says, "Buying the Presidency." While we are not dealing with a Presidential campaign, if I heard it correctly on the Brinkley show, now, apparently, for $50,000 you can sleep in the Lincoln bed at the White House. Another says, "NRA Buys Recent House Votes." You can say that——

Mr. McCAIN. Will the Senator yield?

Mr. THOMPSON. Yes.

Mr. McCAIN. That is $130,000. It is not as cheap as $50,000.

Mr. THOMPSON. Well, that certainly seems more reasonable. Another says, "Big Money Talks." Another says, "Taste of Money Corrupts Politics." This is from Texas. Another says, "The Great 'Unsecret' of Politics." That is the relationship between contributions and votes. Another says, "Legal Bribery Still Controls Congress." I do not believe that, but a lot of people believe that, and we have to ask ourselves why. Another says, "Campaigns up for Sale."

Mr. President, how much more of this can we stand as an institution? How can we go before the American people with the tough choices that we are going to have to be leading on, convincing the people, with no credibility? Ten percent of the people in this country have a great deal of confidence in Congress. Twelve percent have a great deal of confidence in the executive branch. Eighty percent of the people, at least, favor major change here. We always want to be responsive to the American people, until it comes to something that affects us and our livelihoods—whether it is term limits, campaign finance reform, or some other issue that affects us directly as politicians. Then we come up with all kinds of excuses why it will not work.

We have a system where soft money, of course, has completely made a sham of the reforms that were put in place in earlier years. We all know that. It is a bipartisan problem. Soft money now is up 100 percent—a 100-percent increase—with hundreds of thousands in contributions, in many cases that we see. So there has been a 100-percent increase since the last election cycle.

Now, that is the system, Mr. President. I do not think it is a very good one. I submit that it is not a good system. Some opponents of reform say there is not enough money in politics. It is not a question of too much; it is not enough; that $700 million spent in 1994 is not enough. They say that more money is spent on soap detergent advertisement, or whatever kinds of advertisement, than on political campaigning. I hope that that analogy will fall on its face without serious analysis, but a lot of people use that. No. 1, we are not in the soap-selling business. No. 2, if Procter & Gamble were advertising in a way that undermined the credibility of the company, they would not be doing it. No. 3, these businesses have only one goal, and that is profit. I would like to think that we have an additional goal in the U.S. Congress.

Other opponents say that it restricts freedom and the ability to participate. This is, of course, a voluntary system, No. 1. And No. 2, we are not talking about mom and pop sitting around the kitchen table deciding how to distribute their $100 or $250 to a Presidential campaign or a senatorial campaign. They can still do that any way they want to do it.

With regard to the PAC issue, which I will discuss in a moment, it simply means that if this legislation were passed, instead of sending it to a political action committee, they would have to make a decision themselves as to which candidate they wanted to send it to. There is no restriction of freedom here on anyone except those in Washington who receive all those minicontributions from various people and make the political decision as to how to use that money. Their freedom will be restricted somewhat. There is no limit whatsoever in this legislation on anybody's ability to participate in the process. People need to understand that.

The current limitation we have is $1,000 on individual contributions. That is a limitation. That is the same limitation that we have here; no new limitation.

Many people say that certainly we want reform. Everybody knows we need reform. "It is a lousy system but not this reform. I would support it, if this particular feature was in, or out," or whatnot. I think that it is tempting to want to have it both ways; to be for reform but never be for a reform measure. Some people say it is an incumbent protection business, like my friend Senator BENNETT. I take a different view from that. I think that under the system now he is certainly correct. Incumbents have substantial advantage. What this legislation would do is, let us say, at least place some limitation on the major incumbent advantage; and that is the ability to raise unlimited amounts of money. The incumbents are still going to have the advantages that they always had. But at least you are saying to that incumbent if he voluntarily chooses to participate that there will be some cap on the amount of money that you spend. You are an incumbent now. The money is going to come to you not because people believe in you in many, many cases any more but simply because you are an incumbent, and you have the power and authority at that point. They say, "Well, it restricts people from coming in and spending enough money to overcome the incumbent." How often does that happen in the real world? When it happens, it is somebody who is an extremely wealthy individual. And it happens then sometimes.

So you wind up with professional politicians on the one hand who are able to raise large sums of money because they are incumbents, and wealthy individuals on the other. That is what our system is becoming—those two classes of people and nobody else.

This legislation would level the playing field and let more people of average means participate. This bill is voluntary. Under it campaigns will cost less. I think that is the crucial feature. A lot of us who support this legislation have different ideas about that. To me the PAC situation is not a crucial feature.

Opponents are certainly correct when they point out that the PAC's were a reform measure in and of themselves in 1974 in the aftermath of Watergate. We thought that would substantially reform the process, and now PAC's are an anathema to a lot of people.

The fact of the matter is—and both sides should understand and know this—that people, whether they be businesses or labor unions or whoever, individuals can still send money in. They can still contribute. They can still get together and decide that they want to individually send contributions in.

In my campaign I ran against an individual that did not accept PAC money. He got all of the same kind of money that he wanted. It is a little more cumbersome. But we are not eliminating special interest money if we eliminate PAC's.

So to me that is more of a symbolic measure than it is anything else. The real crucial measure is limiting the overall amounts of money—that $500 million that was spent in congressional races in the last election time. It will take less time. It will allow my colleagues to spend the time on the things that they were elected to do.

I believe it would level the playing field; 90 percent of all incumbents—in this revolution that was supposedly having all this turnover of all of those who want to be reelected—90 percent are reelected. For those of my friends who always look and see who supports a piece of legislation before they decide whether they are for it or against it, and all of them who decry the trial lawyers and the AFL–CIO and the, well you finally found something that you all agree on because they are all in agreement with the opponents of this legislation that this is a bad piece of legislation. So maybe they will lay off those groups for a little while in the future.

Mr. President, this is not a division any longer of business versus labor or of Democrats versus Republicans. It is a division of people who want to change the system and those who genuinely do not believe that we ought to have it. I would like to think that this is reform time. I would think that this would do more to assist in our attempt to balance the budget than anything else because much of the pressure that this process has within, in it is pressure to spend money. It would be a genuine reform measure.

The lobbying and gift reform measures were something long overdue. We needed to do it. But we are in a situation now where you cannot buy me a $50 meal or a $51 meal but you can go out and get together a few hundred thousand dollars for me for my campaign. So that does not make a whole lot of sense.

I do not think that we ought to get in a situation where we are for reform until it affects us individually and our livelihood when we are affecting everybody else's livelihood on a daily basis. I think it should not be viewed with suspicion among my Republican colleagues. I think too often that we are trying to figure out how this is going to benefit them, or us. The fact of the matter is we do not know. There is no way to figure it. There is no way to tell. It depends on swings. Sometimes we are going to be in. Sometimes we are going to be out. Sometimes a new scheme might hurt us. Sometimes it might help us. But the bottom line is that we should not be afraid of fundamental reform that the American people want, that we all know that we need, and we should get back to winning not on the basis of who can raise the most money but on the basis of the competition of ideas.

That is what we pride ourselves in. That is why we think we were successful last time. That is why we think we will be successful again. Let us get back to that concept.

It is for those reasons that I support this legislation and urge my colleagues to do so.

Thank you, Mr. President. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, a couple of observations, and then I am going to yield 10 minutes to the distinguished Senator from Washington.

I have listened with interest over the years to the debate in this debate about the suggestions of the money chase and dividing up the amount of money one might raise in a campaign by every week of service. My good friend from Tennessee, for example, suggested that he would have to raise $15,000 a week throughout his entire term to be competitive in Tennessee.

I think it is important to remind everyone of the statistics which are irrefutable. Eighty percent of the money raised in a Senate reelection cycle was raised in the last 2 years. Senators are not out raising money every week through a 6-year term. In fact, in the last cycle 80 percent of the money raised by Senators was raised in the last 2 years.

So I am unaware of anybody here in the Senate that is working on fundraising week in and week out through the course of the 6-year term.

Second, let me just say again that I always find it somewhat amusing the extent to which the revelation that little is spent on campaigns relative to consumer items like yogurt tends to exercise the proponents of this bill almost to distraction. But, of course, it is absolutely appropriate when it is said too much is spent on campaigns. You would have to ask the question: Compared to what? Compared to what? For that observation to mean anything it has to be compared to something.

In 1994, in House and Senate races, about $3.74 per eligible voter was spent. We spent about on politics in the last cycle what consumers spent on bubble gum. Roughly $600 million was spent on bubble gum. In 1996, Americans will spend $174 billion on commercial advertising.

So it is appropriate when dealing with the basic premise underlying this measure that too much is being spent to ask the question about the premise: How much is too much? My view is that $3.74 per voter is pretty hard to argue is too much to spend communicating with the electorate.

Mr. President, my good friend from Washington has been quite patient, in the Chamber for some time now, and I will be glad to yield to him 10 minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I believe it important in discussing an issue of this significance to begin once more with fundamental principles. The most fundamental principle affected by this debate is found in the first amendment to the Constitution of the United States which in relevant part reads, "Congress," that is to say us, "shall make no law abridging the freedom of speech."

Mr. President, I turn to page 31 in this bill in section 201 and I read, "No person other than an individual or a political committee may make a contribution to a candidate."

"No person other than an individual or a political committee may make a contribution to a candidate." In other words, any voluntary association is entirely denied the right to participate in the most effective possible way in a political campaign by making any contribution to a candidate at all.

Here we live in the third century of a Nation, the particular genius of which has been the accomplishment of myriad purposes by voluntary associations, and we are seriously considering a bill that says no voluntary association can make a contribution to a candidate for the Senate.

Our opponents can read us 1,000 opinions of law professors to the effect that that does not violate the first amendment, but a third grader would understand that it does. It is a clear abridgment of the right of free speech. Moreover, that brief comment reflects the entire nature of this bill. Everything in it is designed to restrict political participation, to abridge the effective right of free speech in the political arena. But it does not restrict everyone's right of free speech in every fashion. No, it discriminates among methods of political speech. It imposes severe restrictions upon candidates who, while they may elect to stay out of the system, nonetheless are severely penalized by advantages given to their opponents if they repudiate this outrageous system. It not only prevents these voluntary associations from making any contribution but even an individual is likely to be prohibited from making a contribution to a candidate when that candidate has reached the rather modest maximum permitted under this law to gain certain other advantages.

It, of all things, severely restricts as a great evil political parties. For some reason or another, it is based on the proposition that both the Republican and Democratic Parties are highly undesirable organizations that must be severely restricted in their fundraising and prevented in many cases from providing support to their own candidates.

Now, while candidates have their rights abridged, organized groups have their rights abridged, individuals have their rights abridged, and political parties have their rights abridged, whose free speech rights are not abridged by this bill? Well, first, television networks and stations and their reporters and their editorial writers can continue to say as much as they want to say and to be as biased as they wish to be with respect to any election campaign, and not only are no restrictions placed on their ability to engage in those activities but the candidates who are their victims, whom they oppose, are not granted any ability to raise money to counteract what they may consider to be biased editorials or biased news stories. Newspapers fall into exactly the same category, whether in the reports of their political writers or the editorial support that they provide for candidates—no limitations there but severe limitations on the ability to respond to those newspapers.

And one other important element. All organizations, all groups that are willing to engage in the subterfuge that they are not endorsing candidates or promoting elections by simply reporting through 30-second commercials on their interpretation of the way in which candidates who hold office have voted, and so all of the commercials, the tens of millions of dollars of commercials we have seen in the last 6 months paid for by labor unions attacking Members of the House of Representatives for their votes on Medicare reform and the balanced budget, none of those are restricted in any way by the proposals in this bill. All that is restricted is the ability of a candidate attacked by these millions of dollars effectively to respond to those attacks.

Now, I do not know how much value there is in plumbing the motivations of the authors of the bill. Perhaps they feel that form of political participation ought not to be restricted in any fashion. Perhaps they feel that even though they cannot stand a political action committee giving money to a candidate's campaign, that same group ought to be permitted without limitation and without restriction to buy advertisements attacking candidates or incumbents on their lifestyle or their record, that that somehow or another is good policy. I think, however, the reason there is no limitation on this form of free speech is that they know perfectly well, the sponsors know perfectly well that such restrictions would be found to be unconstitutional. And so they only restrict free speech where they think they can get away with it, even though they make a situation that at the present time is unfair far more unfair than is the status quo.

Mr. President, acknowledge, those who oppose this bill, that the people of the United States by special interest groups that would be benefited by having their opponents removed from the equation and newspaper and television editorialists who would be benefited by having their views less effectively counteracted, have created a situation where a majority of the people of the United States do not like the present system and want reform. This bill is entitled "Reform," and we are, therefore, supposed to pass it. But we went through this experience more than 20 years ago when the present law was passed. Every argument that has been made here for 2 days was made then. That present system was terrible. We had to have limitations. We had to create things called political action committees in which people could engage in political action. We would restore confidence in the system.

Well, Mr. President, not a single one of the desires or the goals or the promises of those proponents has been accomplished at this point, and so what are we asked to do now? Back off and start over with a very simple proposition that just says everyone disclose where his or her money comes from and trust the intelligence of the people to sift through the arguments that they get? No. We are told if 1,000 restrictions were not enough, let us try 2,000 restrictions and see if it does not work better. That is the theory of this bill.

We hear a great deal about how terribly prejudicial in favor of incumbents the present system is. But, then, why do we wipe out the one organization that will always support a challenger in a race, the challenger's political party?

The Republican Party will support the challenger to a Democrat, the Democratic Party will support the challenger to a Republican, if they think that challenge is remotely viable. So this bill is not about incumbents and nonincumbents. If it were, it would encourage contributions to political parties. It would lift the restrictions on the amount of support that political parties can provide for its candidates. But, instead, it treats parties, if anything, as a greater evil than candidates themselves.

No, this is not campaign reform. This is a huge bureaucracy, the design of which is to abridge the freedom of speech of candidates for the U.S. Senate, exactly what the first amendment tells Congress it may not do.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, I thank my distinguished colleague from Washington for an absolutely brilliant discourse on the impact of this bill on the political process. As usual, he is right on the mark, and I thank him for his important contribution to this debate.

My friend and colleague from New Hampshire has been on the floor for some time. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 51 minutes remaining.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. I thank the Senator from Kentucky. I also congratulate the Senator from Washington for his very thoughtful and concise discussion relative to this bill. I wanted to focus on a narrower issue which really plays out some of the points raised by the Senator from Washington.

I heard a prior Senator's statement, "This is a bill that levels the playing field." I only perceive this as leveling if you perceive the north slope of some mountain in the Himalayas, Mount Everest, for example, to be level. The fact is, this is not a leveling bill. The fact is, this bill, because it fails to address the independent expenditure issue, is a bill which, were this a teeter-totter, would have one side directly up in the air and the other side directly on the ground.

We have to realize that under this bill one of the core elements of what I consider to be inappropriate activity in the political area, but which others would consider to be good politics, as they are supported by it, is not addressed at all. It was in March, for example, that the AFL–CIO held a rather unique convention here in Washington, where they voted, as an institution, to levy a special assessment on their membership, which assessment was meant to raise approximately $25 million of a $35 million goal dedicated to defeating Republicans. There was no other purpose. It was openly stated. They were going to spend $35 million for the purpose of defeating Republicans. So they had this special assessment of $25 million which went out against all their union membership.

Someone took a poll of the union membership, and it turns out the union membership, at least 58 percent of the union membership, did not realize they were going to have to pay this mandatory fee; 62 percent of the union membership opposed this mandatory fee; 78 percent of the union membership did not know they had the right to get the fee back; 84 percent would support making union leaders here in Washington, the big bosses, disclose exactly what their money is spent for; and only 4 percent thought that engaging in political elections was the most important responsibility of major unions.

So, what we have here is an instance where the AFL–CIO is going to go out, and they have the right to do this, and raise $25 to $35 million and spend it against people who they, the union bosses here in Washington, do not agree with. It happens that the rank and file membership, to a large degree, do agree with the agenda of the Republicans here in Washington. In fact, 87 percent of the union membership supports welfare reform and 82 percent of union membership supports the balanced budget amendment and 78 percent happens to support tax reductions and the $500-per-child tax credit, all of which happen to be Republican initiatives, all of which are opposed by President Clinton, all of which have been opposed by Democratic Members. But, once again, the big bosses here in the unions in Washington have decided to assess, essentially, a tax against the union membership, and that tax, raising $25 to $35 million, is going to be used to attack Republicans who happen to support philosophies which are supported by a majority of the union membership.

Yet, this bill remains silent on this rather significant gap in the campaign election laws. If you were in the process of addressing campaign election laws, I think by the very fact it remains silent, you must ask: Why? Why would such a colossal amount of money that is going to be poured into the political system be ignored by a bill like this?

Well, folks, I think it is called politics. I think it is called political influence. I think it is because the majority of the sponsors of this bill happen to be mostly related in their political philosophy to the bosses of the unions here in Washington. As a result, there is no desire to address something which might affront that group of political forces in this country, who are significant. They have always been significant in this country. They have a major role to play, and always should have a major role to play. But there is unquestionably a significant issue of credibility raised by the failure to address this issue. In fact, it is such a significant issue of credibility that I think it brings down the whole bill, because it draws the whole bill into question, as to its integrity, as to its purpose—not integrity, wrong word—as to its purpose, as to its legitimacy.

It could be corrected rather easily, actually. You could simply put language in which would say union members shall have the affirmative right, which shall have to be confirmed or which shall have to be—let me restate that. Union members will have to approve how their dues will be spent when it comes to political actions and political activity.

The PRESIDING OFFICER. The 5 minutes of the Senator has expired.

Several Senators addressed the Chair.

Mr. McCONNELL. I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator has 2 additional minutes.

Mr. GREGG. I have an amendment which proposes that: the Union Members Protection Act. It essentially says that before union members' dues can be spent in the manner in which these $25 million to $35 million are going to be spent, the union member will have the right to affirmatively approve that or disapprove it. In the case of disapproving it, the money will not be spent. That will bring into the process at least the ability of the union members to avoid this tax if they decide to avoid this tax; in the process, to direct the funds in a manner which they feel is appropriate to their own political position, not to those of a few bosses here in Washington.

That type of correction is not in this bill. Not only is it not in this bill, but were that amendment to be brought forward, this bill would be filibustered by the supporters of the bill, I suspect. Certainly, if there was a chance it was going to be passed, it would be filibustered by the proponents of this bill. Why? Political interests.

So the credibility of this proposal, I think, is highly suspect, not only substantively on the grounds of constitutionality that was raised by Senator GORTON, but on the grounds of the politics of the bill, because when you leave this large a gap in the issue of how you are going to reform campaign financing, you basically are saying your intention is not to reform campaign financing; your intention is to tilt the playing field once again in favor of one political group which happens to have a significant amount of influence amongst the sponsors. Mr. President, I yield back the remainder of my time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Very briefly, before I turn it over to the Senator from Massachusetts. I, too, listened to the constitutional analysis by the Senator from Washington and the strong agreement by the Senator from Kentucky. The one suggested that any third grader would know that the PAC ban, with a backup provision, is unconstitutional. I am sorry, but I will say one thing about that. The Senator from Kentucky and the Senator from Washington voted for precisely that proposal 3 years ago under the Pressler amendment. So, apparently, at that time they did not understand, apparently, what any third grader would understand, which is that this in fact is constitutional, because it provides that, if the PAC ban is found unconstitutional, there is a backup provision. So that entire analysis disregards their own voting record and their own past position, which is that that is constitutional.

Mr. President, I yield up to 10 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, thank you. I thank the Senator from Wisconsin.

Mr. President, I was really fascinated to listen to our colleague from New Hampshire. I really never knew, but now I guess the Senate has learned something new, that the Senator from Tennessee, Senator THOMPSON, and the Senator from Arizona, Senator MCCAIN, are the tools of the union bosses. That is a rather remarkable concept. I am sure the Senator from Arizona will struggle, as will the Senator from Tennessee, for years to get out from under that moniker.

I think that both that and the argument of the Senator from Washington just underscore what is really going on here today in the U.S. Senate. Every argument that can conceivably be laid out on the table in pretense on the merits is really just an effort to avoid what this vote today is really about. This vote today is about whether or not the U.S. Senate is willing to stay here and work to produce campaign finance reform or whether it is happier with the status quo. That is the vote. It is very simple.

Eighteen months ago we could have started doing campaign finance reform. I think it was 12 months ago there was a famous handshake between NEWT GINGRICH and the President suggesting there would be a commission to deal with campaign finance reform. But not only did Congress not follow through on the commission, as neither the President nor the Speaker did, but at the last moment here we are on day one of consideration of this bill and we have to have a cloture vote. That tells the whole story.

This is not a serious effort to legislate. This is not a serious effort to take an amendment from the Senator from New Hampshire and deal with this problem of constitutionality or of union bosses. After all, they only have 53 votes last time I counted. It seems to me that if it is truly an issue of the unions, that 53 Republicans are very quickly going to be summoned to the floor to vote against whatever union advantage is being built into this bill.

So let us cut the charade here. This is not a serious effort to legislate. This is, once again, the Senate's moment of tokenism to pretend or at least expose—because Senator FEINGOLD and Senator MCCAIN insisted on it—that there are a majority of Senators here who are unwilling to deal with the issue of campaign finance reform.

There is not even a serious discussion going on of an alternative. There is no alternative that has been proposed. There is no serious set of alternatives that have been put forward to try to say, "Well, if we don't want to do it your way, here's a better way of doing it." There is no better way on the table.

The Senate has been forced to bring one vehicle to the floor today, one effort, one pathetic gasp to try to suggest that we are prepared to deal with what the majority of Americans want us to deal with, which is the putrid stench of the influence of money in Washington that is taking away democracy from the people of the country. Everybody knows it. Every poll in the Nation just screams it at us.

Ninety-two percent of registered voters believe that special interest contributions affect the votes of the Members of Congress. Eighty-eight percent believe that people who make large contributions get special favors from politicians. The evidence of public discontent just could not be more compelling. It is now spoken in the way in which Americans are just walking away from the system. Only 37 percent turned out to vote in the last election. They are walking with their feet away from what they perceive as an unwillingness of the Congress to deal with this.

The vote today, Mr. President, is very simple. Do you want to deal with campaign finance reform or do you want to play the game again and be content and pretend that there is some great constitutional issue?

I listened to the Senator from Washington raise the first amendment. My God, three-quarters of the people today talking about the first amendment and no curbs on free speech are the first people to come down here and vote against the Supreme Court's decision with respect to the protection of free speech and the flag. So they choose it when it suits their purposes, and then they go protect it when it also suits their purposes. Selective constitutionalism.

Any third-grader does understand that if there is a voluntary system, purely voluntary, by which people participate in limits, there is no restraint on free speech. Anybody who wants to go out and spend their millions of dollars and avoid accountability within the rest of the system can do so under this bill. There is no limit.

If perchance there were to be some problem with the PAC's and constitutionality, because of the freedom of association, the House of Representatives, in their bill, has an alternative. It is perfectly legitimate for us to send this bill to a conference committee, work in the conference committee, come up with a reasonable alternative and come back here. It is really inconceivable that the Republican Party, which is the majority of the U.S. Senate with 53 votes, is going to be disadvantaging itself in any amendment on the floor of the U.S. Senate, because they can summon all 53 votes to beat back any amendment that does not draw away some measure of those who are reasonable on their side.

So this is not an effort to legislate. This is an effort to procrastinate once again. It is a vote on whether you desire to have campaign finance reform or whether you are content to suggest that there are problems with this bill sufficient that we cannot even deal with it on the floor or work through the legislative process.

I have some problems with this bill. I do not like every component of it. I personally would like to see more free time available. I think there are a number of other options that we could work on. But I am content to live with what the majority of the U.S. Senate thinks is appropriate. I am content to have whatever advantage to our side or their side be put to the test of the legislative process. That is what we are supposed to do. Instead, once again, the special interests are going to win here today. Probably most likely this issue will not be able to be seriously considered this year yet again.

I have worked on this since the day I came here with Senator BRADLEY, Senator BIDEN, Senator Mitchell, and Senator Boren. We have passed it in certain years here. But the game has been played with the House so it comes back at the last minute. Each side can blame the other for not really being serious about it or for filibustering it to death.

In the end, Mr. President, the American people lose again, because everyone knows that the budget deficit is partly driven by the interests that succeed in preventing any tough choices from being made. Everyone knows what the money chase and the money game in Washington is all about. We would all be better off if we were to reduce that. I hope that colleagues today will come together in an effort to try to say, let us at least legislate through the week and see if we could engage in a serious effort to try to deal with one of the most pressing problems facing America's fledgling democracy.

Mr. President, I yield back whatever time I may have to the manager of the bill.

Mr. McCONNELL. Mr. President how much time do I have remaining?

The PRESIDING OFFICER (Mr. GREGG). The Senator has 43 minutes remaining.

Mr. McCONNELL. I yield to the distinguished chairman of the Rules Committee—and we have listened to a great many hearings this spring on this matter—I yield 10 minutes.

Mr. WARNER. Mr. President, I thank the floor managers, both floor managers, and indeed my colleague from Kentucky. As a senior member of the Rules Committee he sat side by side with me throughout what I am sure will be reviewed as a very prodigious, fair, and balanced series of hearings, which I will cover, given that the Rules Committee has jurisdiction over this particular bill and like bills.

This morning, however, Mr. President, I make it very clear that while I support many areas of campaign finance reform, and I shall address those areas, this particular bill that is before the Senate is not one, in my judgment, which will solve any of the problems. Therefore, I shall be voting against it in accordance with the procedural votes.

I will start my comments by quoting from Thomas Jefferson. Virginians are very proud of our heritage of freedom which is reflected by Mr. Jefferson, who said: "To preserve the freedom of the human mind * * * and freedom of the press, every spirit should be ready to devote itself to martyrdom; for as long as we may think as we will, and speak as we think the condition of man will proceed in improvement."

Jefferson's thoughts on the first amendment reflect my own personal concern that our constitutional right to speak out as individuals and as groups receive the utmost protection as we labor as a legislative body to make badly needed reforms to our campaign finance system.

The pending bill would amend our campaign finance laws applicable to elections to Congress. This bill, S. 1219, was referred to the Committee on Rules and Administration some time ago. In addition to S. 1219, 14 other bills that would amend our campaign finance laws have also been referred to the committee. These bills address myriad issues and offer a variety of potential solutions to the concerns many of us have.

I am well aware that the calls for campaign finance reform have been heard for many years. I am well aware, also, of the many proposals this body has considered over the past sessions. I am also well aware these efforts were ultimately unsuccessful because they did not reflect the consensus of the American people. It is easy to label something campaign finance reform and immediately find support from those across this Nation, like myself, who have a level of frustration with the current framework of laws. Ultimately, however, each of those bills must stand on its own merits. I will not merely vote for something called reform without being convinced that the proposals are constitutional and beneficial to our political process.

Our committee gave careful consideration to a wide variety of issues. First, our committee heard from Senators MCCAIN of Arizona, FEINGOLD of Wisconsin, THOMPSON of Tennessee, WELLSTONE of Minnesota, FEINSTEIN of California, and BRADLEY of New Jersey. Members of the House of Representatives also appeared before our committee.

We then heard testimony from some of the foremost experts across our Nation on campaign finance reform, including Prof. Larry Sabato and Prof. Lillian BeVier from the University of Virginia; Norman Ornstein from the American Enterprise Institute; Thomas Mann from the Brookings Institution; Bradley Smith from the Cato Institute; David Mason of the Heritage Foundation; Prof. Herbert Alexander from the University of Southern California; Dr. Candice Nelson of American University; Prof. Michael Malbin from the Rockefeller Institute of Government; Ann McBride of Common Cause; and Joan Claybrook with Public Citizen.

We also heard from a number of citizens who participated in campaigns by contributing to political action committees—PAC's—or by making donations to be bundled. We heard these voters' worries that their voices would be greatly diminished if their ability to participate in PAC's and bundling were completely denied. In addition to these witnesses, we also asked the Chairmen of the Republican and Democratic National Committees, Mr. Haley Barbour and Mr. Donald Fowler to testify before our committee. Each party official testified to the need to strengthen—I repeat, strengthen—not weaken the political parties and enhance their links to their State counterparts.

Because several of the bills before the committee mandated some form of free or reduced-fee television time and reduced postage rates, as S. 1219 does, we also heard from representatives of the broadcast industry and parties affected by the health of the postal service. They advised us of the impact on these proposals, pro and con, on their operations.

Further, because of my personal belief that we should not pass legislation that has a high degree of likelihood of being struck down by the Federal court system as unconstitutional, we asked a number of legal experts and scholars to address the constitutionality of some of the various proposals before the committee, particularly the proposal to ban PAC's. Among those commenting on the issues were Joel Gora of Brooklyn Law School on behalf of the American Civil Liberties Union, Robert O'Neil of the Thomas Jefferson Center for the Protection of Free Expression, Archibald Cox of Harvard Law School, and Frederick Schauer with the Kennedy School at Harvard.

To date, the committee has held six extensive hearings on campaign finance reform—the most extensive, I repeat, the most extensive hearings on this subject of campaign finance reform, held here in the Senate since 1991. A number of conclusions were reached, although not formally, by the individual Members. I shall speak for myself.

First and foremost is the overwhelming consensus that the PAC ban contained in S. 1219 is unconstitutional. There is little doubt on this, with near unanimous agreement from the legal experts. Mr. President, we should not pass legislation in the name of reform, knowing that the Federal courts will strike down the bill. There is always the urge to try and create something to throw out there and go back and tell our constituents, "Well, we handled it—we handled campaign finance reform," but I personally cannot do that with clarity of conscience, knowing that there is a high likelihood that the Federal court system will strike it down.

A second point: in addition to the PAC ban, there are other serious constitutional concerns in S. 1219. One main problem lies in the extremely broad definitions of "independent expenditures" and educational advertising which would serve to greatly restrict information about the candidates. According to the Free Speech Coalition which represents groups from far left to far right, "This extremely broad definition of 'expressed advocacy' would sweep in protected issue advocacy such as voter guides."

Perhaps even more startling, S. 1219 allows the Federal Election Commission to obtain prior restraining orders against groups it suspects might violate the new, broader restrictions on presently-independent political activities. Let me emphasize this point. Federal bureaucrats would have the power to stop—I repeat, stop—somebody from exercising their first amendment rights before they say or publish anything. One commentator called this result "a grotesque legislative assault on bedrock American freedoms * * *"

The PAC and bundling bans, combined with the breadth of S. 1219's coverage and restrictions on independent expenditures violate a maxim clearly articulated by our Supreme Court in Buckley versus Valeo when the Court stated "The concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the first amendment."

Make no mistake about it, S. 1219 would severely restrict the speech of many of our citizens, resulting in a terrific enhancement of others. This we cannot condone. Again, to quote Mr. Jefferson:

> There are rights which it is useless to surrender to the government, and which governments have yet always been found to invade. [Among] these are the rights of thinking, and publishing our thoughts by speaking or writing.

He made this observation in 1789, but despite the transformation of our country and the changes in our Government, it is as true today as it was in 1789.

A third observation is that, while reduced fee or free TV coverage and postage might serve to reduce the cost of campaigns, requirements such as these are not really free—they simply shift the costs from candidates to postal users, broadcast stations, and other television advertisers. To the extent candidates for political office are granted even more reduced fee postage rates than they already have, the postal user—virtually every American citizen and business—will bear the cost, for the Postal Service must make up the lost revenue from these users.

And, in addition to the lost revenues the TV broadcasters will face, there are extremely severe management problems associated with S. 1219's mandate for TV stations to provide coverage of political candidates. Not the least of these would be trying to offer television time to candidates in large population centers such as New York City where dozens of contested elections will take place in New York, New Jersey, and Connecticut—you might have more than 50 candidates each entitled to prime time TV coverage. And this doesn't even consider party primaries which might feature many candidates per election.

And, as I have noted in our hearings, how will local politicians react if they see candidates for Federal elections being offered extremely cheap ads and mailings. If we start down this road, how will we say no to the local sheriff or other State and local politicians who run for office? In sum, these reduced fee proposals—which are better described as cost shifting provisions—are not well thought out. More thorough analysis and understanding of the impact they will have on the postal and broadcast industries and the American people is necessary.

In addition, several of the provisions of S. 1219 could result in less information being available to voters. Spending caps obviously might cause cutbacks in campaign activity, whether advertising, traveling, or get-out-the vote activities. Bringing more independent expenditures under spending caps also could reduce the amount of information that is available. This concern has been voiced by others. David Frum of the Weekly Standard stated:

> [P]olitical reformers imagine that by capping campaign spending America could somehow purify its politics, replacing vulgar and deceptive radio spots with lofty Lincoln-Douglas-style debates and serious-minded presentations of positions in 30-minute unpaid public service announcements on television. The far likely effect of campaign expenditure caps, though, would be to invite cheating and to deprive less attentive voters even of what little information they now get to guide their vote.

This discussion of present reform proposals would of course be incomplete without mentioning the fact that the Federal Election Commission would need a veritable army of investigators and auditors to keep up with their new mandates. We know that the FEC has had difficulty winding up audits of Presidential campaigns in a timely process, and I hesitate to think about the prospect of the FEC trying to keep up with hundreds of congressional candidates every 2 years.

While these hearings result in the conclusion that S. 1219 will not produce the type of reform that is needed, they also have revealed many potential reforms which might be quite beneficial to our political process without trampling on the first amendment. The many experts who testified at these hearings provided us with a multitude of proposals that should be examined more thoroughly.

I was particularly impressed by some of the suggestions made by Prof. Larry Sabato of the University of Virginia, who has been at the forefront of campaign finance reform and is a well-renowned speaker and author on the subject. I ask unanimous consent that a statement submitted by Professor Sabato be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. Professor Sabato's main focus lies in broadening and strengthening our disclosure laws, so that all types of significant political involvement are available for public inspection. The American people are the best judge of improper or excessive influence, and it may be time to require greater access to information about those who give to candidates for Federal office and those who spend more to influence campaigns. Of course, we would need to weigh the need for and degree of privacy that should be afforded to individual donors, but this is clearly a subject that should be addressed in any campaign finance reform.

I have been impressed with other suggestions which have been raised in our hearings, such as: limiting the amount of money a PAC can give to a candidate from funds raised out of State; raising the contribution limits for initial donations to challengers to facilitate their entry into the political campaign process; and permitting challengers to draw a salary from their contributions.

Then there is the sensible suggestion to index contribution limits for inflation—perhaps had this been done in the last reforms in the 1970's, candidates would have more time to debate the issues and meet the voters and need less time to raise money. This change would also reduce the growing tendency for rich candidates to use their money to buy credibility. As discussed by the eminent commentator, David Broder:

> All the contribution limits are accomplishing today is to create an ever-greater advantage for self-financed millionaire candidates. . . If we really want to be ruled by a wealthy elite, fine; but it is a foolish populism that insists it despises the influence of wealth, and then resists liberalizing campaign contribution limits.

While I disagree with their proposals, I commend my colleagues for making a commitment to this difficult issue. I can understand their frustration in attempting to craft legislation which might meet constitutional muster and find legislative support. Their bill has served the useful purpose of generating an extensive set of hearings on campaign finance reform and the many ideas I have mentioned.

Yet, the hearings which the Rules Committee held will be for nought if we proceed on S. 1219 today, in its present form. We must learn from these hearings. The committee should be permitted to proceed with its hearings. The Rules Committee will hold authorization and oversight hearings this coming Wednesday, June 26 on the Federal Election Commission [FEC]. These hearings will include a discussion of some 18 recommendations that would update the campaign finance laws and streamline the administration of the campaign finance laws. In addition, we are studying the possibility of holding one more hearing on the Presidential election process and reform suggestions that might be beneficial. After that the full extent of the committee hearings will be made available to the entire Senate and to others for study and review, with the goal that this educating process will produce an effective and positive reform bill.

While I understand the frustration of some of my colleagues with this issue, I cannot shirk my duty with regard to this legislation—it contains unconstitutional and unwise provisions, and we should not pass this legislation into law.

EXHIBIT 1

TESTIMONY OF PROFESSOR LARRY J. SABATO[1]—HEARING OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION, MAY 8, 1996[1]

PHONY CURES VERSUS A WORKABLE SOLUTION: DEREGULATION PLUS

The campaign finance system's problems are vexing. Is it possible to fashion a solution to all of them simultaneously? Over the years, the reformers' panacea has been taxpayer financing of elections and limits on how much candidates can spend. Public financing is a seductively simple proposition: if there is no private money, presumably there will be none of the difficulties associated with private money. But in a country such as ours, which places great emphasis on the freedoms of speech and association, it is unrealistic to expect that the general citizenry or even many of the elite activists will come to support greater federal subsidization of our election system at the cost of their individual and group political involvements. Spending limits are also enticing. Are politicians raising and spending too much money? Let's pass a law against it! Yet such a statute may be difficult to enforce in an era when politicians and the public seek less regulation, not more—not to mention the serious, maybe fatal, problem of plugging all the money loopholes (the C(4)s; Supreme Court-sanctioned, unlimited "independent expenditures" by groups and individuals unconnected to a campaign, and so on). Once again, the biggest, the original, and the unpluggable loophole is the First Amendment.

Public financing and spending limits are both also objectionable on the basic merits: the right to organize and attempt to influence politics is a fundamental constitutional guarantee, derived from the same First Amendment protections that need to be forcefully protected. To place draconian limits on political speech is simply a bad idea. (The call for a ban on political action committees suffers from the same defect.)

Once again, even if candidates could be persuaded to comply voluntarily with a public financing and spending limits scheme, such a solution would fail to take into consideration the many ways that interest groups such as the Christian Coalition and labor unions can influence elections without making direct contributions to candidates. Even if we passed laws that appeared to be taking private money out, we would not really be doing so. This is a recipe for deception, and consequently—once the truth becomes apparent—for still greater cynicism.

In our opinion, there is another way, one that takes advantage of both current realities and the remarkable self-regulating tendencies of a free-market democracy, not to mention the spirit of the age. Consider the American stock markets. Most government oversight of them simply makes sure that publicly traded companies accurately disclose vital information about their finances. The philosophy here is that buyers, given the information they need, are intelligent enough to look out for themselves. There will be winners and losers, of course, both among companies and the consumers of their securities, but it is not the government's role to guarantee anyone's success (indeed, the idea is abhorrent). The notion that people are smart enough, and indeed have the duty, to think and choose for themselves, also underlies our basic democratic arrangement. There is no reason why the same principle cannot be successfully applied to a free market for campaign finance.[2] In this scenario, disclosure laws would be broadened and strengthened, and penalties for failure to disclose would be ratcheted up, while rules on other aspects—such as sources of funds and sizes of contributions—could be greatly loosened or even abandoned altogether.

Call it Deregulation Plus. Let a well-informed marketplace, rather than a committee of federal bureaucrats, be the judge of whether someone has accepted too much money from a particular interest group or spent too much to win an election. Reformers who object to money in politics would lose little under such a scheme, since the current system—itself a product of reform—has already utterly failed to inhibit special-interest influence. (Plus, the reformers' new plans will fail spectacularly, as we have already argued.) On the other hand, reform advocates might gain substantially by bringing all financial activity out into the open where the public can see for itself the truth about how our campaigns are conducted. If the facts are really as awful as reformers contend (and as close observers of the system, much of what we see is appalling), then the public will be moved to demand change.

Moreover, a new disclosure regime might just prove to be the solution in itself. It is worth noting that the stock-buying public, by and large, is happy with the relatively liberal manner by which the Securities and Exchange Commission regulates stock markets. Companies and brokers (the candidates and consultants of the financial world) actually appreciate the SEC's efforts to enforce vigorously what regulations it does have, since such enforcement maintains public confidence in the system and encourages honest, ethical behavior, without unnecessarily impinging on the freedom of market players. Again, the key is to ensure the availability of the requisite information for people to make intelligent decisions.

Some political actors who would rather not be forced to operate in the open will undoubtedly assert that extensive new disclosure requirements violate the First Amendment. We see little foundation for this argument. As political regulatory schemes go, disclosure is by far the least burdensome and most constitutionally acceptable of any political regulatory proposal. The Supreme Court was explicit on this subject in its landmark 1976 Buckley v. Valeo ruling. The Court found the overweening aspects of the Federal Election Campaign Act (such as limits on spending) violated the Bill of Rights, but disclosure was judicially blessed. While disclosure "has the potential for substantially infringing the exercise of First Amendment rights," the Court said, "there are governmental interests sufficiently important to outweigh the possibility of infringement, particularly when the free functioning of our national institutions is involved."

The Court's rationale for disclosure remains exceptionally persuasive two decades after it was written:

First, disclosure provides the electorate with information "as to where political campaign money comes from and how it is spent by the candidate" in order to aid the voters in evaluating those who seek federal office. It allows voters to place each candidate in the political spectrum more precisely than is often possible solely on the basis of party labels and campaign speeches. The sources of a candidate's financial support also alert the voter to the interests to which a candidate is most likely to be responsive and thus facilitate predictions of future performance in office.

Second, disclosure requirements deter actual corruption and avoid the appearance of corruption by exposing large contributions and expenditures to the light of publicity. This exposure may discourage those who would use money for improper purposes either before or after the election. A public armed with information about a candidate's most generous supporters is better able to detect any post-election special favors that may be given in return. And . . . full disclosure during an election campaign tends "to prevent the corrupt use of money to affect elections." In enacting these requirements [the Congress] may have been mindful of Mr. Justice Brandeis' advice: "Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman."[3]

A new disclosure-based regime, to be successful, would obviously require more stringent reporting rules. Most important, new reporting rules would require groups such as organized labor and the Christian Coalition to disclose the complete extent of their involvement in campaigns. Currently, such groups rely on a body of law that holds that under the First Amendment, broadly based "nonpartisan" membership organizations cannot be compelled to comply with campaign finance laws, nor can groups that do not explicitly advocate the election or defeat of a clearly identified candidate. However, expert observers of the current system, such as former Federal Election Commission chairman Trevor Potter, believe the Court has signaled that constitutional protection for such groups extends only to limits on how much they can raise or spend, not to whether they are required to disclose their activities.[4] The primary advantage of this step is that it would formally bring into the political sphere groups that clearly belong there. By requiring organizations such as the Christian Coalition and labor unions to disclose, their role in elections can be more fully and fairly debated.

Another possible objection to broadening the disclosure requirements would be the fear that the rules would drag a huge number of politically active but relatively inconsequential players into the federal regulatory framework. Clearly, no one wants the local church or the Rotary Club taken to court for publishing a newsletter advertisement that indirectly or directly supports candidates of their choice. To our mind, this is easily addressed by establishing a high reporting threshold—something between $25,000 and $50,000 in total election-related expenditures per election cycle. After all, the concern is not with the small organizations, but the big ones. The Christian Coalition, the term limits groups, and organized

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Footnotes at the end of article.

labor have all raised and spent millions of dollars annually and operated on a national scale. It is not hard to make a distinction between groups such as these and benign small-scale advocacy.

Another necessary broadening of disclosure would involve contributions made by individuals. While most political action committees already disclose ample data on their backers and financial activities, contributions to candidates from individuals are reported quite haphazardly. New rules could mandate that each individual contributor disclose his place of employment and profession, without exception. The FEC has already debated a number of effective but not overly oppressive means of accomplishing this goal (although to date it has adopted only modest changes). The simplest solution is to prohibit campaigns from accepting contributions that are not fully disclosed. Disclosure of campaign expenditures is also currently quite lax, with many campaign organizations failing to make a detailed statement describing the purpose of each expenditure. It would be no great task to require better reporting of these activities as well.

The big trade-off for tougher disclosure rules should be the loosening of restrictions on fundraising. Foremost would be liberalization of limits on fundraising by individual candidates. This is only fair and sensible in its own right: there is a glaring disconnection between the permanent and artificial limitations on sources of funds and ever-mounting campaign costs. One of the primary pressures on the system has been the declining value in real dollars of the maximum legal contribution by an individual to a federal candidate ($1,000 per election), which is now worth only about a third as much as when it went into effect in 1975. This increasing scarcity of funds, in addition to fueling the quest for loopholes, has led candidates (particularly incumbents) to do things they otherwise might not do in exchange for funding. Perversely, limits appear to have increased the indebtedness of lawmakers to special interests that can provide huge amounts of cash by mobilizing a large number of $500 to $1,000 donors. By increasing contribution limits, candidates would enjoy more freedom to pick and choose their contributors. Given the option, we hope more candidates would turn primarily to those contributors whose support is based on values and ideological beliefs, spurning the favor-seekers. By lifting disclosure and contribution levels at the same time, politicians' access to "clean" funds would rise while scrutiny of "dirty" funds would be increased. The idea is to concede that we cannot outlaw the acceptance of special-interest money, but the penalties for accepting it can be raised via the court of public opinion. So at the very least, the individual contribution limit should be restored to its original value, which would make it about $2,800 in today's dollars, with built-in indexing for future inflation. We would actually prefer a more generous limit of $5,000, which would put the individual contribution limit on a par with the current PAC limit of $5,000 per election.

For political parties, there seems little alternative to simply legitimizing what has already happened de facto: the abolition of all limits. When the chairman of a national political party bluntly admits that millions of dollars in "soft money" receipts mean that the committee will be able to spend millions of dollars in "hard money," it is time for everyone to acknowledge reality. Moreover, such an outcome is not to be lamented. Political parties deserve more fundraising freedom, which would give these critical institutions a more substantial role in elections.

How would the new disclosure regime work? While the FEC has already moved to impose some tighter disclosure requirements, it lacks the resources as currently constituted to enforce the new rules across the board. However, the solution does not necessarily require a massive increase in funding. Under a disclosure regime, the agency could reduce efforts to police excessive contributions and other infractions, devoting itself primarily to providing information to the public. The commission's authority to audit campaigns randomly would have to be restored to ensure compliance, and sanctions for failure to disclose would have to be increased substantially. In addition, the commission should be given the power to seek emergency injunctions against spending by political actors who refuse to comply with disclosure requirements. And to move the FEC away from its frequent three-to-three partisan deadlock, the six political party commissioners (three Democrats and three Republicans) ought to be able to appoint a seventh "tie-breaker" commissioner. Presumably anyone agreeable to the other six would have a sterling reputation for independence and impartiality. Another remedy for predictable partisanship on the FEC would be a one-term limit of six years for each commissioner. Freed of the need to worry about pleasing party leaders in order to secure reappointment, FEC commissioners could vote their consciences more often and get tough with election scofflaws in both parties.

Finally, in exchange for the FEC relinquishing much of its police powers, Congress could suspend much of its power over the FEC by establishing an appropriate budgetary level for the agency that by law would be indexed to inflation and could not be reduced. Another way of guaranteeing adequate funding for a disclosure-enhanced FEC is to establish a new tax check-off on Form 1040 that would permit each citizen to channel a few dollars of her tax money directly to the FEC, bypassing a possible vengeful Congress's appropriations process entirely. The 1040 solicitation should carefully note that the citizen's tax burden would not be increased by by his designation of a "tax gift" to the FEC, and that the purpose of all monies collected is to inform the public about the sources of contributions received by political candidates. It is impossible to forecast the precise reaction of taxpayers to such an opportunity, of course, but our bet is that many more individuals would check the box funding the Federal Election Commission than the box channeling cash to the presidential candidates and political parties. In today's money-glutted political system, the people's choice is likely to be reliable information about the interest groups and individuals investing in officeholders.

CONCLUDING COMMENTS

The purpose of these reforms is to make regulation of campaign financing more rational. Attempts to outlaw private campaign contributions or to tell political actors how much they can raise and spend are simply unworkable. Within broad limits, the political marketplace is best left to its own devices, and when those limits are exceeded, violators would be punished swiftly and effectively.

Regarding the pro-incumbent bias of contributors, there is unfortunately no obvious practical solution. It is impossible to predict how a deregulated system would affect the existing heavy bias toward incumbents by contributors, both PAC and individual. In truth, there may be no way to eliminate pro-incumbent financial bias.[5] However, it is possible that expanding private resources through deregulation will actually end up helping challengers more than incumbents. A substantial body of research shows that the amount an incumbent spends is less determinative of election outcomes than the amount a challenger spends.[6] Simply put, challengers do not need to match incumbent spending, but need merely to reach a "floor" of financial viability. Deregulations's greatest impact could actually be in helping challengers reach this floor. If fears about the effects a free market will have on competition prove warranted, however, a modest federal subsidy in the form of discounts on mail or broadcast time—so that every nonincumbent candidate could at least reach the floor—would seem reasonable and might be acceptable even to some conservatives as long as it could be tied to deregulation.

If Deregulation Plus proves too radical, perhaps it is time to revive the sensible scheme proposed in 1990 by the U.S. Senate's Campaign Finance Reform Panel, which attempted to bridge the gap between partisans on the basic issues by suggesting many ideas, including so-called flexible spending limits.[7] These are limits on overall campaign spending by each candidate, with exemptions for certain types of expenditures by political parties (such as organizational efforts), as well as small contributions from individuals who live in a candidate's own state. Since the Supreme Court has ruled that spending limits must be voluntary, incentives such as reduced postal rates and tax credits for the small individual donations mentioned above should be offered. The flexible limits scheme represents a reasonable compromise between the absolute spending limits with no exemptions favored by Democrats and the opposition to any kind of limits expressed by Republicans.

Flexible limits or Deregulation Plus ought to be supplemented by free broadcast time for political parties and candidates, as well as strengthened disclosure laws that cover every dollar raised and spent for political purposes.[8] Detailed free-time proposals have been made elsewhere but ignored by a Congress fearful of alienating a powerful lobby, the National Association of Broadcasters.[9] Yet no innovation would do more to reduce campaign costs or help challengers than this one. Fortunately, technological advances such as "digital" television—which will multiply available "analog" TV frequencies by a factor of about six once it is available in 1997—are creating new opportunities to implement an old idea. Federal Communications Commission chairman Reed E. Hundt has recently endorsed the provision of free time for candidates and parties once digital TV comes into being, noting that free time was "not practically achievable in an analog age [but is] entirely feasible with the capacity and band width explosion of the digital era."[10]

In this area and others in the field of campaign finance, it is time for new thinking and creative ideas to break the old partisan deadlocks that prevent reform of an unsatisfactory system.

FOOTNOTES

[1] This is an excerpt from the just published book, "Dirty Little Secrets: The Persistence of Corruption in American Politics" (New York: Times Books), by Larry J. Sabato and Glenn R. Simpson. All rights reserved.

[2] We are indebted to attorney Jan Baran of the law firm Wiley, Rein & Fielding for this analogy.

[3] *Buckley* v. *Valeo*, 424 U.S.1, at 66–7 (1976).

[4] Interview with Trevor Potter, July 12, 1995.

[5] Frank Sorauf, one of the most astute students of campaign finance, has raised the possibility that "voluntary funding of campaigns for public office is intrinsically committed to the support of incumbents and likely winners." Frank J. Sorauf, "Competition, Contributions, and Money in 1992," in James A. Thurber and Candice J. Nelson (eds.), "Campaigns and Elections American Style" (Boulder, Colo.: Westview Press, 1995), p. 81.

[6] For a cogent review of the literature, see Frank Sorauf, "Inside Campaign Finance: Myths and Realities" (New Haven, Conn.: Yale University Press, 1992), pp. 215–16. There is an increasing number of dissenters to this view. For instance, Christopher Kenny and Michael McBurnett argue that those who say that the level of incumbent spending has no effect neglect the interrelationship of challenger and incumbent spending in producing the outcome of the election. Incumbent spending is at least partially a function of challenger spending, that is, when challengers spend more, incumbents respond to the increased competition with greater outlays. When this interrelationship is taken into account, both challenger and incumbent spending levels affect the outcomes of the races; Kenny and McBurnett provide empirical evidence to show the effect is statistically significant. (See Kenny and McBurnett, "An Individual Level Multiequation Model of Expenditure Effects in Contested House Elections." American Political Science Review 88 (September 1994): 699–707).

[7] See "Campaign Finance Reform: A report to the Majority Leader, the Minority Leader, United States Senate, by the Campaign Reform Panel," March 6, 1990, p. 41. Coauthor Sabato was one of the panel's six members, appointed by then Senate Majority Leader George Mitchell (Democrat of Maine) and then Senate Minority Leader Robert Dole (Republican of Kansas).

[8] See Larry J. Sabato, Paying for Elections: The Campaign Finance Thicket (New York: Twentieth Century Fund-Priority Press, 1989), esp. pp. 25–42, 61–64. For example, disclosure laws do not currently cover contributions to foundations that presidential candidates sometimes form. These foundations often pay for pre-campaign travel, and openly promote their candidate-creator.

[9] The Campaign Finance Reform Panel mentioned above endorsed the free broadcast time proposal in ibid, pp. 25–42.

[10] Remarks delivered at the Nieman Foundation, Harvard University, May 5, 1995, p. 7. Hundt has proposed making these new frequencies available under two government-imposed restrictions (1) some broadcast time must be devoted to educational programming for children, and (2) free broadcast time must be given to political candidates and parties. See also Max Frankel, "Airfill," New York Times Magazine, June 4, 1995, p. 26; and Mary McGrory, "The Vaster Wasteland," Washington Post, June 4, 1995, p. C1.

Mr. McCONNELL. Mr. President, I thank my good friend, the chairman of the Rules Committee for his excellent statement and say again how much I enjoyed sitting to his right listening to the testimony this spring. Thanks for a very important contribution to this matter.

Mr. WARNER. Mr. President, I appreciate the sentiment. I commend the Senator for his corporate knowledge. Indeed, he is the Oracle of Delphi in this matter.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, it seems to me we really cannot debate campaign finance reform without debating the way in which political funds are not only given to candidates but also acquired from people.

Campaign contributions are usually donated voluntarily. You can get an invitation to a fundraiser or a direct mail solicitation, and you can decide whether to contribute to that candidate, cause, or party.

We all consider this one of the basics of American democracy. Individuals must support it by supporting the candidates they believe in. But there are people in our country for whom this very fundamental freedom of choice is not given—members of labor unions. I may be one of the few ever in the history of Congress to actually have earned his union card and worked in the construction industry for 10 years.

It is certainly no secret that unions collect dues from their members and that, in many cases, an individual has to join a union in order to be employed in a particular industry or with a particular company. So there is no effective choice about paying union dues for these people.

But to add insult to injury, these Americans, who are forced to pay union dues, must also suffer the fact that unions donate millions of dollars to candidates that any individual may not support.

The recent announcement by the AFL–CIO that this big labor—you would have to say now mega-labor—organization would donate $35 million to candidates this year may be welcomed by some—certainly all Democrats—but disappointing to any who may not agree with the choices.

Take President Clinton, for example. I daresay that there may be any number of union members out there who do not support President Clinton's reelection.

In my view, this violation of fundamental choice and freedom of speech is compounded by the fact that labor unions do not even disclose their soft money contributions, which amount to millions.

At this particular time, I would like to place in the RECORD a Congressional Research Service report for Congress entitled "Political Spending by Organized Labor: Background and Current Issues." This report is astounding. They indicate that in Presidential elections, it is estimated that from $400 to $500 million in moneys go basically to the Democratic Party.

I ask unanimous consent that that report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POLITICAL SPENDING BY ORGANIZED LABOR: BACKGROUND AND CURRENT ISSUES

(By Joseph E. Cantor)

SUMMARY

Labor unions have traditionally played a strong role in American elections, assisting favored candidates through their direct and indirect financial support, as well as through manpower and organizational services. While direct financing of federal candidates by unions is prohibited under federal law, unions can and do establish political action committees (PACs) to raise voluntary contributions for donation to federal candidates. This PAC money is also known as "hard money," because certain federal limits on contributions make it harder to raise. It is also fully disclosed under federal law. Other aspects of labor's political support take the form of "soft money," which is not limited by federal law and is not as hard to raise. Soft money is generally considered to be a formidable factor in organized labor's political strength. This spending is largely unregulated, either because it is restricted to seeking to influence only its members and their families or because it does not advocate specific candidates' election or defeat. The soft money aspect of labor's political activity has aroused controversy because of fundraising methods and the relative dearth of disclosure.

ORIGIN OF DISTINCTION BETWEEN HARD AND SOFT MONEY

During World War II, the War Labor Disputes Act of 1943, known as the Smith-Connally Act, prohibited unions from making contributions in federal elections.[1] In 1947, the Taft-Hartley Act made this wartime measure permanent and expanded it to include primary elections and any expenditures in connection with federal campaigns.[2]

Organized labor responded to the 1943 prohibition on donating union treasury money be creating the first separate segregated fund (SSF), commonly known as a PAC. Through CIO–PAC, the Congress of Industrial Organization established the precedent of collecting voluntary contributions from its members, which could be dispensed to favored candidates. Other national and local unions followed suit: 17 national labor PACs gave $2.1 million to federal campaigns in 1956, and 37 such PACs spent $7.1 million in 1968.[3] This money, raised and spent according to federal regulation, came to be known as hard money.

The concept of soft money arose during the several decades before the Federal Election Campaign Act (FECA) of 1971 was enacted [P.L. 92–225]. During that period, unions used money from their treasuries—as opposed to PAC money—for political activities other than donations in federal elections. These included: (1) contributions to state and local candidates, where union donations were allowed; (2) such "educational," "non-partisan," activities as get-out-the-vote and registration drives and distribution of voting records; and (3) public service activities to promote their philosophy through union newspapers and radio shows.[4] It was generally understood at that time that spending on such activities might influence federal elections less directly or overtly than candidate contributions; hence, it was not subject to federal limits or disclosure rules. Thus, the term soft money has come to mean money that is raised and spent outside the purview of federal election law and that is not permitted in federal elections, but which might have at least an indirect impact on those elections.

The 1971 FECA incorporated the concept of union and corporate SSFs in federal law for the first time. This landmark legislation also distinguished between political activities that were and were not to be federally regulated and thus, without using the term, provided the legal basis for union (and corporate) soft money. The Act amended 18 U.S.C. 610 (which banned union, corporate, and national bank spending in federal elections) to give specific authority for these organizations to use their general treasury

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Footnotes at end of article.

money for political activities. It thus exempted certain union and corporate activities from FECA definitions of "contribution" and "expenditure," if the activities are aimed at restricted classes (for unions, members and their families, and, for corporations, stockholders and their families). The specified activities were communications (including partisan ones), nonpartisan registration and get-out-the-vote drives, and costs of establishing, administering, and soliciting contributions to an SSF. The 1976 FECA Amendments (P.L. 94-283) recodified this provision as 2 U.S.C. 441b, added executive and administrative personnel and their families to corporations' restricted class, and allowed membership organizations, cooperatives, and corporations without capital stock to set up SSFs.

The FECA thus created a legal framework for unions to set up PACs to raise and spend money directly in federal elections, subject to federal regulation (hard money), and to use its treasury money for specified activities aimed only at its restricted class and not subject to federal regulation (soft money).[5]

CURRENT REGULATIONS

Under recently amended regulations, unions (and corporations) were acknowledged to have great latitude in communications with their restricted classes. Under these regulations, unions are exempt from FECA definitions of "contribution" and "expenditure" for communications on any subject, registration and get-out-the-vote drives (not just "nonpartisan" efforts), and costs of setting up, administering, and fundraising for an SSF. Such efforts, however, may only be aimed at union members, executive or administrative personnel, and their families.[6]

New regulations, promulgated to implement the intent of various Supreme Court decisions,[7] also introduced the standard of express advocacy in deciding what types of communications are permitted by and to whom.

"Expressly advocating means any communication that . . . uses phrases . . . which in context can have no other meaning than to urge the election or defeat of one or more clearly identified candidate(s) . . . ."[8]

Communications containing express advocacy are permitted by unions if limited to the restricted class; correspondingly, communications without express advocacy may be made to the public, if done independently of any candidate.[9]

HARD MONEY ACTIVITY: UNION PACS

Given the rising costs of elections and the higher contribution limits for PACs than individuals in federal elections ($5,000 versus $1,000), PACs became a growing source of campaign funds in the past 20 years.[10] As the pioneers in the PAC field, labor PACs grew in both overall numbers and money contributed, although by both measures, they have been increasingly overshadowed by corporate and other types of PACs.

When the Federal Election Commission (FEC) first recorded PAC activity in January 1975, 201 of the 608 PACs (one-third) were labor PACs. As of January 1996, there were 334 labor PACs, only 8.3% of the total 4,016 PACs.[11]

Another common gauge of federal PAC activity is the money contributed to congressional candidates (relatively little is given to presidential candidates). In 1974, Labor PACs contributed $6.3 million to congressional candidates, half of the $12.5 million from all PACs;[12] in 1994, labor PACs gave $40.7 million, 23% of the $179.6 million from all PACs.[13]

While union PACs do not play as large a role among all PACs as they did 20 years ago, they have been able to remain competitive by giving larger donations than most PACs. While there are far fewer labor than corporate PACs, the average labor PAC contribution of federal candidates in 1994 was twice the average for a corporate PAC. Given labor's traditional ties with the Democratic Party, it is not surprising that labor PAC donations are largely directed the Democrats. In 1994, for example, 96% of labor PAC contributions went to Democrats, compared with 49% for corporate PACs, 60% for nonconnected (unsponsored) PACs, and 54% for the trade/membership/health category.[14] The relative political uniformity among labor PACs is viewed by some as another way in which labor maximizes its political power.

SOFT MONEY ACTIVITY: UNION TREASURIES

Although there are no complete, publicly available data on amounts of union treasury money spent. One press account expressed a widely held view:

"Labor's real importance to candidates, though, is not so much the PAC dollars unions contribute directly to campaigns as the expenditures they make from their treasuries to lobby among their members. In each election, labor spends millions of dollars in advocating its preferred candidates before the union rank and file, but how many millions is unknown, and estimates vary widely."[15]

Forms of support

Two major types of activities are financed by union treasuries which promote labor's political philosophy: (1) the exempt activities aimed at their restricted class (as described); and (2) non-express advocacy communications aimed at the public (also referred to as issued advocacy or public education).

In the exempt activities category, unions have a ready infrastructure (phone banks, office space, etc.) and a ready pool of volunteers to make their internal communications and voter drives a significant force. While these efforts may only involve a restricted class and while corporations have the same rights as unions in all soft money activities, the Bureau of Labor Statistics (BLS) reports that labor's restricted class totaled 16.4 million people in 1995, plus families.[16]

In terms of public education and issue advocacy, unions engage in the same type of efforts as many other groups in the public arena. These often involve media ads to influence public opinion on policy issues. By avoiding overt appeals to elect or defeat specific candidates, these groups may promote their political and philosophical goals without triggering federal campaign finance regulation.

Source of funding and compulsory dues issue[17]

Union treasuries are financed in large part through dues paid by members. In addition, under some union security agreements, workers who do not join a union must pay a form of dues called agency fees. There are no available data on how many workers pay agency fees, but the BLS data indicate that some 2 million workers were represented by unions but who were not union members. Some portion of these workers pay agency fees as a condition of employment.

Due to the compulsory nature of agency fees, some workers have objected to the unions' political uses of their payments. Among several relevant rulings, the Supreme Court, in *Communication Workers of America* v. *Beck* [487 U.S. 735 (1988)], said that a union may not, over the objections of dues paying nonmember employees, spend funds collected from them on activities unrelated to collective bargaining. Hence, objecting employees could get a pro rata refund of their agency fees representing costs of non-collective bargaining activities.

While the court rulings have left no doubt that dissenting workers are entitled to such refunds if requested, issues have arisen as to the extent to which unions should notify such workers of these rights. On April 13, 1992, President Bush issued Executive Order 12800, requiring federal contractors to post notices to employees informing them of "Beck" rights; this was rescinded by President Clinton on February 1, 1993 (Executive Order 12836). Bills have been introduced in recent Congresses to either prohibit the use of "compulsory union dues" for political purposes or to require greater notification of all workers' (not just non-members') rights regarding the use of their dues or agency fees.

Dollar value of union soft money

The only soft money unions must disclose under the FECA are express advocacy communications with members, but only when they exceed $2,000 per candidate, per election, and excluding communications primarily devoted to other subjects.[18] In 1992, unions reported $4.7 million on such activities.[19]

While unions are required to file financial reports under the Labor Management Reporting and Disclosure Act of 1959 (P.L. 86-257), these reports are arranged by type of expenditure (e.g., salaries, administrative costs) rather than by functional category (e.g., contract negotiation and administration, political activities). Under President Bush, the Department on Labor proposed regulations to change reporting to require functional categories (October 30, 1992); in a proposed rulemaking notice on September 23, 1993, the Department, under President Clinton, rescinded the change to functional categories.[20]

Due to the limitations of public disclosure, one must look to estimates of the total value of labor soft money. Such estimates, which amount to educated guesses and may be influenced by the political orientation of the observer, range from the $20 million labor supporters claim is its value in presidential campaigns,[21] to the $400–$500 million critics estimate for total labor soft money in a presidential election year.[22]

[1] 57 Stat. 167. Earlier in the century, the Tilman Act of 1907 [34 Stat. 864] had banned contributions from corporations and national banks.

[2] The Labor Management Relations Act of 1947; 61 Stat. 159.

[3] Alexander, Herbert E. "Financing the 1976 Election." Washington, Congressional Quarterly Press, 1979. p. 559.

[4] Alexander, Herbert E. "Money in Politics." Washington, Public Affairs Press, 1972, 1972. p. 170; Heard, Alexander, "The Costs of Democracy." Chapel Hill, University of North Carolina Press, 1960. p. 177–8.

[5] The 1976 FECA Amendments required disclosure of internal communications once they exceed $2,000, the only exempt activity subject to federal disclosure requirements.

[6] 11 C.F.R. §114.1(a)(2)(i)–(iii)

[7] Most notably, *FEC* v. *Massachusetts Citizens for Life, Inc.* [479 U.S. 238 (1986)].

[8] 11 C.F.R. §100.22

[9] 11 C.F.R. §114.3(a), (b), (c)(1) and 114.4(c)(1). (If public communications are coordinated with a candidate, they would constitute prohibited in-kind contributions, regardless of content.)

[10] 2 U.S.C. 441a(a)(1) and (2); to be eligible for the $5,000 limit, most PACs easily meet the criteria for "multicandidate committees" (i.e., they must be registered for at least 6 months, receive contributions from more than 50 persons, and donate to 5 or more federal candidates).

[11] U.S. Federal Election Commission. FEC Release Semi-Annual Federal PAC Count (press release): Jan. 23, 1996.

[12] Common Cause. Campaign Finance Monitoring Project. 1974 Congressional Campaign Finances. Vol. 5—Interest Groups and Political Parties. Washington, 1976. p. xii.

[13] U.S. Federal Election Commission. 1994 PAC Activity Shows Little Growth Over 1992 Level, Final FEC Report Finds (press release): Nov. 1995.

[14] Ibid.

[15] Brownstein, Ronald, and Maxwell Glen. Money in the Shadows. National Journal, v. 18, Mar. 15, 1986. p. 633.

[16] U.S. Department of Labor. Bureau of Labor Statistics. Employment and Earnings, v. 43. Jan. 1996. p. 210.

[17] For fuller discussions of these issues, see: U.S. Library of Congress. Congressional Research Service. "Use of Compulsory Union Dues for Political and Other Ideological Purposes." CRS Report 94-565A, by Thomas M. Durbin and Margaret Mikyung Lee. Washington, 1994.; —. "Labor Controversies: Suspension of Davis Bacon"; "Open Shop Bidding Requirements"; and "'Beck' Rights." CRS Report 93-458E, by Gail McCallion, Vince Treacy, and William Whittaker. Washington, 1993.

[18] 11 C.F.R. §100.8(b)(4) and 104.6.

[19] U.S. Federal Election Commission. "Communication Cost Index." July 7, 1993.

[20] U.S. Department of Labor. Labor Organization Annual Financial Reports. Federal Register, v. 58, no. 243, Dec. 21, 1996. p. 67595.

[21] Alston, Chuck. Republicans Seek to Reduce Labor's Clout at the Polls. Congressional Quarterly Weekly Reports, v. 48, Mar. 31, 1990. p. 963.

[22] Testimony of Reed Larsen (National Right To Work Committee) and Professor Leo Troy (Rutgers University). U.S. Congress. House of Representatives. House Oversight Committee. March 19, 1996.

Mr. HATCH. Mr. President, let me reiterate: in my view, this violation of fundamental choice and freedom of speech is compounded by the fact that labor unions do not even disclose their soft money contributions, which amounts to hundreds of millions of dollars. That $35 million which we have all been reading about in the newspapers is really nothing. It is almost a wash compared to what they really spend. The unions pull in somewhere, it is estimated, around $4 to $6 billion a year, and up to 85 percent of that money, according to some estimates, is used for political purposes on local, State and Federal levels.

The Supreme Court, in 1988, in Beck versus Communications Workers of America, declared that workers were entitled to know how much of their dues were being directed to political uses and to receive a refund for that portion of dues paid.

I think a brief description of the Beck case is useful. Harry Beck was a telephone company technician working for the Bell Telephone System. He was not a member of the Communications Workers of America, but was required to pay agency fees to the union under the labor contract it negotiated with American Telephone & Telegraph Co.

In June 1976, 20 employees, including Mr. Beck, initiated a suit challenging the CWA's use of their agency fees for purposes other than collective bargaining, contract administration, or grievance adjustment. Specifically, Mr. Beck and his coworkers alleged that the expenditure of their fees on activities such as organizing the employees of other employers, lobbying for legislation, and participating in political events violated the union's duty of fair representation and section 8(a)(3) of the National Labor Relations Act.

The Supreme Court agreed that Mr. Beck and other objecting employees had a right to a refund from the union for the portion of their fees being used for political and other noncollective bargaining or representational purposes. This decision was, of course, significant for its holding that unions in the private sector are not permitted, over the objections of employees such as Mr. Beck, to expand funds collected from them for political and other activities unrelated to collective bargaining. In that regard, the Beck decision was a logical and reasoned follow-on to prior Supreme Court cases regarding the rights of employees covered by the Railway Labor Act to object to that portion of their dues or fees expended for noncollective bargaining purposes. See *Machinists* v. *Street*, 367 U.S. 740 (1961) and *Ellis* v. *Railway Clerks*, 466 U.S. 435 (1984).

The Beck decision was significant in its affirmation (1) that the Federal courts properly exercised jurisdiction over such cases as a violation of the unions' duty of fair representation and, (2) that such union conduct was also prohibited under the National Labor Relations Act, enforcement of which is charged to the National Labor Relations Board.

The rest of the system really is this. Regardless of what the court ruled—and it took some 8 years before the NLRB even got around to issuing its first ruling on a Beck-related case in 1995—all of the burden is being placed on the employee instead of on the union. For an employee to be able to withdraw his or her dues and to require disclosure, the employee has to go to court, file a claim before the NLRB, and/or has to go through all kinds of procedural maneuvers, and basically has to resign from the union and lose all of that employee's democratic rights to vote for or against strikes, for or against contract ratification, et cetera. In the end, the employee is basically out of a lot of money, out of his power of representation, and out of his right to vote. Why? Simply because one employee, pitted against a powerful union, has sought a voice in how his or her union dues is being spent for political purposes.

I do not see how we can consider campaign finance reform without correcting this injustice.

Nothing should be a more fundamental American right than political expression. Those Americans whose union dues are diverted for political purposes—without disclosure and without an adequate rebate system—have been treated as second-class citizens.

The NLRB has not only failed to implement the Beck decision, but the executive order issued by President Bush was rescinded during President Clinton's first days in office. That is amazing to me. If we want true campaign finance reform, why would we not clarify this injustice to individual workers all over America?

What is even more amazing to me is that my colleagues on the other side of the aisle have fought any attempt to deal with this issue. Several years ago, I oferred a simple and straightforward amendment to campaign finance reform that would merely have required that unions disclose to dues paying members how their dues money is being spent. It was defeated.

It is about time that we realize that mega-labor unions are among the biggest—they are the biggest—special interests in the electoral system, and that their political capital was not always given away freely.

Unless this issue can be addressed, I do not see how we can call this campaign finance reform. It is more a continuation of campaign finance coercion.

Employees have a right to know how much of their moneys are used for partisan political activities with which they disagree. That is what the Supreme Court said, and that ought to be enforced. This bill will do nothing about that.

Mr. President, I yield back whatever time I have.

Mr. McCONNELL. Mr. President, I yield the Senator from Colorado 2 minutes.

Mr. BROWN. I will take 1 minute. I ask unanimous consent that the Brown amendments 4108, 4109, as offered to S. 1219, be withdrawn because they were improperly drafted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, I want to indicate my highest praise and respect for the authors of the underlying bill. I think they come with good intentions and an honest bipartisan effort. I am concerned about the bill. I am concerned about the prospect of us dividing up broadcast time. It does seem to me that that is a taking of property without compensation, and I believe it is a major flaw in the plan before us.

I yield the floor.

Mr. FEINGOLD. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. McCAIN. Mr. President, not for the first time I have heard complaint about the power of unions and how this bill does not address that appropriately. It just came from the Senator in the chair. If do you not like it, come to the floor and propose an amendment and do something about it. There are 53 votes on this side. Do not refuse to move forward with the bill. If you do not like the bill—everybody comes down here and says, "I am for campaign finance reform, but just not this one." If you are not for this one, come to the floor after we invoke cloture, and propose your amendments. We have 53 votes on this side, 47 on that side. If they share the view of the Senator from Utah, then you can amend it and take care of it. But do not expect the American people to accept this story about "I am for campaign finance reform but not this one," and then not vote to cut off debate because it is a filibuster, and then we cannot move forward with the bill.

Mr. HATCH. Mr. President, will the Senator yield on that point?

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, let me reiterate what the Senator said. It was not our idea to have a cloture vote up front so there could not be amendments. That was the idea of the other side. That is the only way we could get the bill up for a vote.

I yield 5 minutes to the distinguished Senator from New Jersey.

Mr. HATCH. Will the Senator yield for 10 seconds?

Mr. BRADLEY. Not out of my time.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. HATCH. If it is on our time?

Mr. BRADLEY. I would be prepared to yield on the manager's time.

Mr. McCONNELL. Mr. President, I yield the time out of my time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, let me say this up front. If cloture is invoked, that type of amendment would not be germane and would not be permitted. If cloture is not invoked, I intend to bring up the amendment.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I think it says a lot if the Senate is not able to move forward on this good piece of legislation. I think this inability to move forward says two things.

The first thing it says is that fundamental campaign finance reform will not begin in Washington. It will begin in the States. The opponents of this bill like the status quo. They do not want to change the status quo. They have not offered an alternative. They have only picked at the bill. They want to keep money and politics just as it is today because they know how to work the system.

The fact is the American people have a different view. I am astounded how much opposition to this bill is rooted in a kind of Washington understanding of this country. The people in this country look at elected Representatives and Senators and they think we are controlled. They think we are controlled by special interest money. Some think we are controlled by parties that blunt our independence. Some think we are controlled by our opposition that prevents us from saying what we really believe and only saying things that will advance us to the next level of office. Some even think we are controlled by pollsters who give us focus views and phrases and paragraphs, that we do not think for ourselves, saying things because we have convictions in our heart.

The fact is that the opponents of this provision do not get it. This year there will be referendums in California, Colorado, Alaska, Arkansas, and Maine, and all of those referendums will be sending one message: reduce the role of money in politics; cut back on the role of money in politics.

Those referendums will be followed in the years to come by other referendums, and maybe after another 2 or 3 years the people in this body who like the status quo will change. I hope they will, because I believe money and politics today distort democracy.

That leads to the second point. We need to confront the central issue. The central issue is Buckley versus Valeo. The only way to confront Buckley versus Valeo directly is with a constitutional amendment.

The distinguished Senator from South Carolina and I have offered such an amendment for a number of years that would say simply that the Congress and the States may limit what is spent in a campaign in total and what an individual may spend on his or her own campaign. Until we take that step, we are going to be constructing Rube Goldberg types of contraptions to try to get around the central issue, which is, money is not speech. Anybody who believes that money is speech, in my opinion—the Supreme Court said it was, and, therefore, it is the law of the land. That is why we need to amend the Constitution. But I do not believe that a rich man's wallet in free-speech terms is the equivalent of a poor man's soapbox. We have to confront that issue directly. Otherwise, we are going to be in these debates about antacid and bubble gum. Even that debate is a diversion from the central issue, which is changing the way we now do politics in Washington, but even that issue is based on a confusion.

Capitalism is different than democracy. The distinguished Senator from Kentucky said, "Well, we have to compare antacids and bubble gum because"—compared to what? I would suggest you compare the amount of money in politics in 1980 versus the amount of money in politics today and the size of the contribution and the sources of the money.

Without question, money is distorting democracy. And, indeed, we have had other times in American history where there have been distortions in our democracy. We have changed it by recourse of the constitutional amendment.

Many people will remember earlier in this century when women did not have the right to vote. The absence of that voice in the polling booths distorted democracy. We passed a constitutional amendment giving women the right to vote in order to restore a broader participation.

I believe today money is playing the same role. The fact of the matter is that until we confront this issue, skepticism is going to be high. People say, "Well, it is not the No. 1 issue on people's minds." That is true. The No. 1 issue on people's minds is, how do I put bread on the table? How do I pay the utility bill? How do I send my kids to college? They are dealing with the economic transformation which we are in. That is the No. 1 issue. But when they say, "Do any of the politicians have any relation to my dealing with these issues," people say no, because politicians are controlled by money. That is why this is a linchpin issue.

Mr. FEINGOLD. Mr. President, I thank the Senator from New Jersey.

Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut.

Mr. DODD. Mr. President, I thank the Senator.

Mr. President, let us be very clear. I think we all get a sense of what is going to happen here in about 3 hours and 45 minutes, and that is cloture, instead of being invoked, is not going to be invoked.

Everyone ought to understand this. This is the vote. This will be your vote in this Congress on campaign finance reform. It is going to come down to this. It will get obscured so much because it is a procedural vote. But how you vote on this will be determined on how you are judged on the issue of campaign finance reform.

The idea that we ought to reject the effort to invoke cloture here because we want to make perfect the enemy of the good, I think is a great tragedy. I think it is so transparent that anyone watching this will see right through it—to come up and say, "I don't like this aspect or that aspect," therefore denying the opportunity for cloture to be invoked. As I listened to our distinguished colleague from Utah suggest an amendment that might have something to do with whether or not organized labor would be able to participate with soft money, or that independent campaigns will not be allowable in a postcloture environment, it is ridiculous on its face.

So I want to commend our colleague from Arizona and our colleague from Wisconsin for bringing this up. I am proud to be a cosponsor of it. I have believed for years that we had to move directly and aggressively in this area of campaign finance reform.

Mr. President, in Connecticut, it is $16,000 a week. That is what you have to raise over a 6-year period every week, week in and week out, if you are going to be successful in taking on or waging an effective campaign.

We know today—quite candidly, all of us in this Chamber know—that the respective leaders of our campaign committees are out recruiting affluent candidates. Go out and buy a candidate who is well-heeled financially, and you have a pretty good candidate, someone who can write their own checks. Why seek those kind of candidates? Why? Because you understand that it is money. It is money that allows you to ante up and to get an entry fee into the contest.

There is a woman by the name of Linda Sullivan who a few weeks ago in Rhode Island—and I do not know much about it, what the issues are or what she stands for—said: "I took my race out of Congress because Mr. and Mrs. Smith can no longer be candidates of the Congress of the United States on an average basis in their finances."

So we all know her situation. Every single one of us knows that the debates around here are directly affected by it. Positions people take are directly affected by this issue.

This is not a sweeping piece of campaign finance reform legislation, but it is the first effort we are going to have to make a difference in this area. After years of talking about it we now have a chance to do something about it.

Mr. President, I am general chairman of the Democratic National Committee. I just want to say, while not everyone in my party agrees with this, that I happen to believe this is important. This is the one opportunity we are going to have to make a true difference on how we wage campaigns in this country.

I plead with our colleagues on both sides of the aisle. We have never had a bipartisan proposal here before. It has always been partisan. This is a chance to go on record. This is a vote on campaign finance reform.

Mr. President, I rise on the floor today for what I believe is a truly historic debate.

As America's elected leaders we play a critical role as guarantors and protectors of our Nation's democratic institutions.

And with this legislation today, we have a unique opportunity to fulfill that mandate as leaders—by beginning the long and arduous process of restoring the American people's faith in their Government and their democracy.

The McCain-Feingold bill will not change the American people's seemingly inherent cynicism toward their Government overnight.

That is an ongoing process—and one that should be of paramount concern to every Member of this body.

However, by reducing the role of money in our campaign system, this legislation takes a critically important first step toward cleaning up our political process.

In my view, there are few issues we in Congress consider that have as overwhelming and direct an impact on the functioning of our democracy than the laws governing how we run campaigns in this country. For many of us, campaigns are often the most direct means by which we, as elected representatives, communicate with our constituents.

But, today those lines of communications are frayed by a political process that rewards those with money and influence, rather than working families and Americans struggling to make ends meet.

Created as a Government of the people and for the people, our Government today seems to operate more for the well-connected few than the country as a whole.

That's why, more than any other time in our history, the American people's confidence in their Government and its elected leaders is abysmally low.

Poll after poll provides ample evidence that the American people believe special interests and lobbyists have a greater influence on our endeavors than the will of the voters.

I believe wholeheartedly that the vast majority of those who serve in the U.S. Congress are well-intended and responsive to the varied needs of their constituents.

However, I think I speak for many of my colleagues when I say it is becoming more and more difficult to make that argument to the American people.

Because, when the American people look to Washington they do not always see citizen-legislators who focus their full energies on tackling the problems impacting America's working families.

Instead, they see corporate lobbyists working hand-in-hand with lawmakers to turn back the clock on 25 years of environmental protection.

They see special interest lobbyists with unfettered access to committee rooms drafting legislation that fails to keep our workplaces safe and protect the food we eat.

When they look to Washington, they hear politicians in positions of great power and influence bemoaning the lack of money in our political process.

They see leaders who insist that the political process is starving even though $724 million was consumed on House and Senate campaigns in 1994 alone.

When they look to Washington they see unlimited access and influence given to the fewer than 1 percent of Americans who can, and do, give more than $200 a year to political campaigns.

And, when they look out on the campaign trail they see a political process dominated by candidates with deep pockets, instead of those with new ideas.

Whatever one may think of Steve Forbes' ideas on the flat tax or economic growth, it is doubtful that most Americans would know about them if he were not a multimillionaire.

Consider that in his run for the Republican Presidential nomination, Forbes spent $400,000 per delegate that he won in the Republican primaries. Our colleague Senator PHIL GRAMM, spent $20 million to win 10 delegates. For Bob Dole, his victory in the Iowa caucuses cost him about $35 a vote.

In fact, Presidential candidates spent more than $138 million by the end of January 1996—all before a single American voter had stepped into the voting booth to cast their ballot.

Is it any wonder the American people are cynical and disenchanted with their elected leaders?

But, the vast sums of money needed, for even unsuccessful runs for public office, are simply out of reach of the average American.

Eighty-five years ago, former President Theodore Roosevelt said "the Representative body shall represent all the people rather than any one class of the people * * * ."

But today, not only are we becoming more responsive to one class of citizens, but the reins of leadership are increasingly available to only a select few Americans.

Throughout my more than 21 years of public service, it has been my great privilege to serve the people of Connecticut in the U.S. Congress.

Every time I come to the floor of this body I am humbled by the great men and women who came before me: Daniel Webster, Henry Clay, Everett Dirksen, Lyndon Johnson, Richard Russell, and the list goes on.

But today in America, I genuinely fear that the next generation of Clays, Websters, Doles, and Byrds will be excluded from a process that favors the privileged few.

This is not just partisan rhetoric. There are real Americans who are being thwarted from seeking public office.

Just a few weeks ago, I read about Linda Sullivan, president of the Warwick City Council in Rhode Island.

Ms. Sullivan considered seeking the Democratic Party's nomination for the seat of Congressman JACK REED, who is running for the Senate.

But, she decided against it because she simply couldn't raise the $450,000 needed to seek the nomination.

And I want everyone to hear what she said, because it says a lot about our current campaign system.

> Unfortunately, my campaign has come face to face with the financial reality that governs today's politics in America. Sadly, Mr. and Mrs. Smith cannot go to Washington anymore.

Now, I do not know Ms. Sullivan personally. I do not know anything about her ideas, her policy prescriptions or her capability as an effective legislator.

But, what I do know is that the exclusion of an entire segment of the population from the political process threatens to undermine the whole notion of participatory democracy in this country.

What is more, it fundamentally limits the choices of the American people to politicians who, more and more, are incapable of understanding the problems of working class Americans.

Aristotle once said that; "Democracy arises out of the notion that those who are equal in any respect are equal in all respects."

But, when it comes to political campaigns in this country and the access that working Americans have to their lawmakers, those words ring hollow.

Mind you there are no silver bullets for ending the American people's inherent cynicism or feeling of disempowerment toward their government.

But the legislation we are debating today is the foundation by which we must begin this process of change.

First of all, by limiting overall campaign spending, the McCain-Feingold bill would allow candidates to focus less time on raising money and more time on tackling the issues that truly affect the American people.

Now, I know some of my colleagues argue that this provision of the bill violates the 1976 ruling that political campaign spending is a form of political speech, and thus protected by the first amendment.

But, this legislation imposes only voluntary limits on campaign spending. No candidate would be mandated to accept them.

In fact, no provision in this legislation would prevent a candidate from spending as much money as they wanted to.

However, if they chose to abide by these voluntary limits, candidates could receive free television time, could purchase advertisements at lower rates, and could send out mail at cheaper rates.

Additionally, the bill would tackle the issue of millionaire candidates by exempting candidates from the bill's benefits if they spend more than $250,000 of their own money.

The McCain-Feingold bill is by no means perfect. In particular, we need to be sure that working people are not restricted from participating in the political process and that grass-roots and volunteer activities are not constrained.

However, it is an excellent place to start in reforming the means by which we fund political campaigns in this country.

Let me clear on one point: I am not a Johnny-come-lately to this debate. In 1985, I sponsored one of the first legislative proposals to reform campaign finance laws.

And as a Congressman, Senator, and now general chairman of the Democratic party I have flourished within the framework of the current system.

But, after 20 years of public service I am more convinced than ever that the current approach to funding political campaigns in this country is broken and desperately in need of reform.

Time after time, we have talked about reform—particularly when it is an election year—but in the end we have done nothing. We have appointed commissions, we have proposed legislation, we have ordered reports, analyses and studies, and yet in the end, it seems that it is just business as usual.

Well today, I call on all my colleagues to chart a new course, to put aside their partisan differences, to ignore how this bill affects our reelection chances and put first and foremost in our deliberations the good of the Nation.

Let us not forget that a Government that is viewed with suspicion and mistrust by its own people cannot sustain our Democratic institutions.

As Henry Clay, a former Member of this body once said:

> Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.

Let us remember that: our democracy exists for the benefit of the people—and not their elected leaders.

As leaders, we must not shirk our responsibility to do all we can to restore that sense of trust to the American people. The McCain-Feingold bill begins that process and I believe that as a body we have a solemn responsibility to embrace this legislation.

Mr. FEINGOLD. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent that in the event that cloture is invoked, that two amendments be made in order and germane, one on the Beck decision and the other on allowing unlimited spending on campaigns.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, I have no objection.

Mr. McCAIN. Mr. President, I withdraw the unanimous consent request, but I want to make it clear that in the event that cloture is invoked, that the unanimous consent proposal made would make those amendments germane to this bill. But I withdraw the unanimous consent request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. McCONNELL. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There are 24 minutes and 23 seconds.

Mr. McCONNELL. I yield to the distinguished Senator from Oklahoma 5 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator for yielding. I do not think I will even take that much time. I know time is very precious right now. I have been listening to the debate, and I am the first one to say I am not on any of the committees that deal with this, so it is not that I have been entrenched in this issue. I agree with one thing the Senator from Connecticut said, and that is it is very transparent, the things that are going on around here.

The Senator from Utah was very specific and I think very articulate in the way that he addressed how this would affect labor unions. It is my understanding that even in the reporting aspects of soft money each local could give up to $10,000 without even reporting it. So let us assume that they report accurately and that someone who says that a local says it is contributing less than $10,000 is in fact correct. I am not ready to accept that. But let us assume that is right. If you have a hundred locals, you are talking about a million dollars. No one will ever know where it came from. This is money that is used very effectively in campaigns.

So as far as I am concerned, one of the big areas that should be regulated is left out of this thing, and that is labor unions. And then there is trial lawyers. I have to tell you that every time I run for office there are thousand-dollar checks coming from all over, from trial lawyers from all over America because I am the one who has on his agenda a desire that I am going to fulfill to see to it we have real meaningful tort reform in this country, to make us competitive again. So we have the trial lawyers out there with the ability to send in, on their own contributions of $1,000 apiece, to maybe six different campaigns. Maybe there are 100 of them who are out there. All you have to do is look at an FEC report and you can see that they are doing it.

Let me make one comment about PAC's. Everyone assumes that political action committees are something evil. Political action committees allow small people to get involved, people who are of low incomes to get involved in the process, and there is not any other way they can get involved. I have been a commercial pilot for I guess 38 years. I have been active in aviation. I believe that aviation makes a great contribution to the technology of aerospace and many other things, and consequently I am supported by the Aircraft Owners and Pilots Association, AOPA, 340,000 members. Each one puts in about $5 and they do contribute to people who are supportive of the industry that they believe in.

The NRA, they have taken a lot of hits recently. Who are the NRA? When you sit up here, you are looking at millions of dollars in Washington, but if you were with me last weekend in Hugo, Cordell, Lone Grove, Sulphur, those are people who belong and they might give $5 a year because they honestly in their hearts believe in the second amendment rights to the Constitution. I do, too. They contribute. These are not big fat cats, wealthy people. So I think to categorize PAC's as being something that is evil in our society is wrong.

The third thing I do not like about this legislation that is coming up, and I will be opposing it, is the arrogance that is there. We have reduced postage for us—not for you, not for anybody else but for us. Now, what happens when you reduce our postage? It is all out of one fund. So other postage is going to end up going up. It is just sheer arrogance that we should be treated differently than everybody else.

We passed legislation, a very good bill through this Chamber at the very first of this Congress and that was the bill which made us live under the same laws as everybody else. All of a sudden people around here are looking, pointing fingers, saying, should we have done that? Here we are again, coming right on the heels of that, saying we are going to give us a benefit nobody else has.

The Senator from Massachusetts a minute ago stood up and said we ought to have more free time on TV. Who are those broadcasters out there? Are they all fat cats? I go around Oklahoma. We have small stations. They are going to give time, and if they do not give free time, they are going to have to give a reduced rate, 50 percent of the lowest rate. That is for us because we are in Congress. We are important people. We are supercitizens—not everybody else, just us.

The arrogance in the way we are approaching that, saying we are entitled to things other people are not entitled to I find to be very offensive.

Mr. President, I conclude by saying I agree with the Senator from Connecticut. This is transparent. The two biggest offenders, the ones who contribute the most to campaigns—and I would categorize them as organized labor and trial lawyers—are not going to be inhibited in any way by this bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCONNELL. I thank my good friend from Oklahoma for his important contribution to this debate.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 19 minutes.

Mr. McCONNELL. I yield 5 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I thank the Senator from Kentucky for his diligent and dedicated efforts to this debate for a long, long period of time—probably longer than he wishes.

I know it has been said many times but I think everybody should see a caution flag go up when the Republican National Committee, the National Taxpayers Union, the National Right to Life Committee, the National Rifle Association, the American Civil liberties Union, the Christian Coalition, Direct Marketing Assocation, National Association of Broadcasters, National Assocation of Business PAC's, National Education Association, the complete political spectrum, all are opposed to this legislation. Why? Because it is an infringement on the first amendment of the Constitution of the United States. It is that simple.

Just moments ago I was at a hearing where a former Presidential candidate, Gov. Lamar Alexander, said it best. He said these efforts to regulate and restrict have left labor with full constitutional rights of the first amendment, political parties with full constitutional rights of the first amendment, the entire media of the United States with the full rights of the first amendment, and only one category is being denied their rights under the first amendment, and who is that? It is the candidates, the candidate for President, the candidate for Senate, the candidate for Congress. The only class for which we restrict first amendment rights, the people who will ultimately represent America are the single class we carve out to deny first amendment rights.

Mr. President, this kind of legislation envisions a very narrow sanitized environment, almost like a prize fight with two contestants inside a defined ring, and there are rules that define how that combat will be conducted. But in the case of American politics, vast resources affect the outcome of the election. Take my State. The largest newspaper in the State is the Atlanta Constitution. It has a circulation of a half a million, on Sunday 750,000, and they can say anything they choose and meddle in every political race, and with everybody's acknowledgment, and even theirs, with a very biased and fixed agenda.

So in seeking office a candidate who might not agree with that agenda is not simply dealing with his or her opponent; they are dealing with the extraneous factors—the media itself, the State's largest daily newspaper. Why is it that this corporation, the Atlanta Constitution—it is a corporation, I might add—is not restricted under campaign finance? Why are their first amendment rights protected but Ace Hardware's are not? They can say anything they choose. They can put an editorial in their editorial page every day for a month. They can comment, as they do, on the fortunes of a political campaign every day. To buy an ad in that paper might cost, one page, $14,000, or a half a page $7,000. So think of the enormous resources that are being invested in meddling or commenting, however you want to put it, on the outcome and fortunes of a political race.

We take the candidate and draw narrow parameters around that candidate in terms of how he or she can communicate.

Frankly, I think it is the candidate that should be the freest to express him or herself, to talk about and interpret his or her beliefs. The idea of restraining that candidate's capacity only enlarges the forces of those who do not ultimately represent the people—the journalists, the media. Would it not be far better to let the person who is going to represent the American people, the person who is going to represent the people from the good State of Georgia, to be on equal footing with all these other resources? The answer to that question is yes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COVERDELL. I ask for 1 additional minute.

Mr. McCONNELL. I yield my colleague 1 minute.

Mr. COVERDELL. I think the Governor of Tennessee said it best. The first amendment is protective for the labor movement, for the media, for special interest groups, and one class in American politics has been carved out for denial of first amendment rights: the candidates. That is not appropriate.

I yield the floor.

Mr. McCONNELL. Mr. President, I say to my friend from Georgia, special thanks for a superb presentation.

I just want to make one additional comment to follow on. The proponents of this kind of legislation have said over the years they wanted to level the playing field. I would say to my friend from Georgia, he and I compete in the political arena in the South. In order to level the playing field in my State, not only would you have to get a number of the newspapers sold to different kinds of owners, you would also have to change the voter registration and history of the State in order to create a remotely level playing field upon which a person with the disability that the Senator from Georgia and I share, that disability of being registered Republicans, so we could compete on a truly level playing field.

In fact, even the attempt to create a level playing field is constitutionally impermissible. Buckley verus Valeo addressed that particular issue. So I thank my friend from Georgia for a remarkable contribution to this debate.

Mr. COVERDELL. I thank the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Wisconsin has 15 minutes.

Mr. FEINGOLD. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, it has been my honor to work with Senator FEINGOLD and Senator McCAIN from the very beginning, and Senator THOMPSON. I spoke yesterday, so I will be very brief, less than a minute.

The way in which big money has come to dominate politics, I believe, is the ethical issue of our time. Too few people have way too much power and say, and the vast majority of the people in our country are not well represented.

The standard of a representative democracy is that each person should count as one and no more than one. That standard is violated every day by the way in which big money dominates politics in our country today. I say to my colleagues, I have worked on gift ban. I have worked on lobby disclosure. This is the reform vote of the 104th Congress. We are just asking for an opportunity to have the debate, move the bill forward, and make it better.

Mr. President, to go to a commission—I say to my colleagues, do not look for cover, because a commission to study the problem is not a step forward, it is a great leap backward.

Ms. MOSELEY-BRAUN. Mr. President, I rise today in support of the McCain-Feingold-Thompson bill, S. 1219. Although this bill is not the ideal resolution of this complicated issue, it is clear that the time has come to reform the campaign finance architecture.

Campaign finance reform is needed to restore the American people's faith in the electoral process. Americans are frustrated; many believe that the current system cuts them off from their Government. A recent League of Women Voters study found that one of the top three reasons people don't vote is the belief that their vote will not make a difference. We saw the result of this cynicism in 1994 when just 38 percent of all registered voters headed to the polls.

Voters, and not money, should determine election results. The money chase has gotten out of control, and voters know that big money stifles the kind of competitive elections that are essential to our democracy. The effort to raise the money needed to run for election ends up making it more difficult to make needed reforms in a whole range of areas. This system must be reformed.

The effort needed to raise the average of $4.3 million per Senate race in the last election decreases the time Senators need to meet their obligations to all of their constituents. Furthermore, when voters see that the average amount contributed by PAC's to House and Senate candidates is up from $12.5 million in 1974 to $178.8 million in 1994—a 400-percent rise even after factoring in inflation over that period—there is a perception that lawmakers are too reliant on special interests to make public policy that serves the national interest. More and more voters believe that Members of Congress only listen to these special interest contributors, while failing to listen to the very constituents who put them into office.

That is part of the reason why there is overwhelming public support for reform. And make no mistake, there is a real public consensus that reform is needed—now. Ordinary Americans want—and deserve—Government that is responsive to their needs and problems. The way to do that is through spending limits. Spending limits will make our system more open and more competitive. Spending limits can help focus elections more on the issues, instead of on advertising.

Unfortunately, however, for all of its strengths, S. 1219 does not cure all the flaws of our current campaign finance system. The legislation has gaps, and in some areas, it has made mistakes, mistakes that deserve the Senate's attention before this bill becomes law.

When the Senate considered campaign finance reform in the 103d Congress, I quoted a column by David Broder. He made the point that many of the reforms that resonate strongly with the public "have a common characteristic: they would all increase the power of the economic and social elite that most vociferously advocates them. And they might well reduce the influence of the mass of voters in whose name they are being urged."

I think that we need to take Mr. Broder's warning to heart. We must be sure that we don't have a process that only further empowers political elites that are already empowered. We want campaign finance reform that allows candidates more time to talk to voters. Voters want to know that the system works for ordinary Americans and not just those few who can devote substantial time and money to politics. They deserve better than the present system.

The inordinate effort required to raise massive amounts of money within the strictures of contribution limits make fundraising a continuous and time consuming condition of elections.

It is also worth keeping in mind that campaign finance reform cannot work for every American unless it also works for every candidate, including minority candidates and women. Minority and women candidates currently have less access to the large sums needed to run for office today than other candidates. That financial inequity is one of the primary reasons both women and minorities have long been under-represented in both the Senate and House. The spending limits in S. 1219 are very important in addressing their concerns, but reform will only be truly successful if it increases opportunities for candidates from all walks of life and our society. Campaign finance reform will be counted as a failure if the numbers of women and minorities in Congress goes down, rather than up, under a new system.

S. 1219 attempts to level the playing field for all competing candidates. It establishes a voluntary system by which candidates who agree to limit their overall spending receive certain benefits, including 30 minutes of free broadcast time, television and radio time at 50 percent off of the lowest unit rate, and reduced postage rates.

If a complying candidate's noncomplying opponent has raised or spent 10 percent more than the State spending limits, then the complying candidate can spend 20 percent more than the spending limit and still be in compliance with the bill. If a noncomplying candidate raises or spends 50 percent more than the spending limits, the complying candidate's limits increase 50 percent without penalty.

Furthermore, complying candidates cannot spend more than the lesser of 10 percent of their spending limit, or $250,000, from their personal funds. When a candidate declares their intention to spend more than $250,000 of personal funds, the $1,000 contribution limit for individuals is raised to $2,000 for complying candidates, and the noncomplying candidate does not qualify for any of the bill's benefits.

These steps represent real progress, but the problems here are very serious, and need much more attention. Those who are independently wealthy have unequal access to the political system, and if reform is to work, we have to do something about that.

Self-financing candidates are a rapidly growing phenomenon in our current political system. In 1994, one candidate for the Senate spent a record setting $27 million, almost all of which was his own money. And over the last year, a Presidential candidate spent $30 million of his own money for the primary elections alone. Without workable spending limits that apply to every candidate, those who can break the limits by dipping into their own deep pockets will end up dominating our politics, even more than is the case now. Talented, but less wealthy candidates will have it tougher than ever. The trend toward a Congress comprised disproportionately of millionaires does a disservice to representative democracy. Such trends are a very troubling aspect of the loss of confidence in our system. This bill does not resolve that fundamental flaw.

Imposing spending limits on millionaire candidates is very difficult, given the Supreme Court's decision in the case of Buckley versus Valeo, which used a first amendment justification to invalidate a congressional attempt to impose limits on the amount a candidate can contribute to his or her own campaign. However, there are things that Congress should consider that might be able to bring self-funding candidates into a campaign spending limits regime, or at least provide enough disincentives so that these candidates will no longer profit politically by using their own resources to finance their campaign cash flow.

The relevant provision of the 1971 Campaign Act that was invalidated in Buckley provided that a Presidential candidate could spend no more than $50,000 out of personal resources. It is at least possible that with a much more generous, though not unlimited, opportunity for candidates to spend their own money, the infringement of individual freedom is less severe, and perhaps not substantial as stated by the Court in Buckley. After all, it is one thing to tell a candidate that he or she can't spend more than $50,000 of personal money; it is quite another to say he or she can't spend more than $1 million—and that the rest must be raised from small contributors in order to demonstrate broad political support.

If candidates were required to seek and demonstrate support from a broad range of individuals—an important component of the democratic process—the Supreme Court might see the first amendment issue somewhat differently. An appropriate analogy would be the laws that require candidates to obtain a certain number of signatures as a requirement for access to the ballot. In other words, the reason for this limit would not be to equalize resources, but to ensure that the amounts candidates spend have some relation to breadth of support. This proposal may be at least arguably consistent with Buckley, since the Court in that case recognized that the Government has "important interests in limiting places on the ballot to those candidates who demonstrate substantial popular support."

In fact, it is that statement by the Court which demonstrates the flaw in the Buckley versus Valeo decision. In the not too distant past, a candidate had to have the endorsement of a political party, or have his or her own strong, grass roots organization in order to have the large number of people it takes to gather sufficient petitions to be put on the ballot. Now, however, it is actually possible to hire people to collect petition signatures, so petitioning does not necessarily demonstrate broad support the way it used to. In fact, a wealthy candidate, under the current state of the law, doesn't have to have any broad support at all to gain access to the ballot, only enough money to hire enough petition collectors. If the important government interest the Buckley Court acknowledged is to be protected, therefore, some limits on the use of money by wealthy candidates is required. The use of money by wealthy candidates has to be brought into the bill's reforms.

Bringing self-funded candidates completely under the bill's reform umbrella is a necessary step, but another area of the bill also needs another look—the treatment of groups such as EMILY's List and WISH List. EMILY's List and WISH List have helped bring women into politics. EMILY's List and the efforts of the women's fundraising organizations is one of the main reasons there are now 33 Democratic and 16 Republican women in the House, 8 women Senators instead of just 1, and 2 Democratic women governors.

EMILY's List has energized women; it has given more women a way to participate in our political system—women who have never participated before. As the New York Times noted, "alone among fund-raising organizations, EMILY's List doles out millions of dollars and then seeks nothing back from its beneficiaries. Its only mission is to get women elected to Congress and the State houses." I think that kind of activity should be encouraged, and not limited.

EMILY's List has helped open up our system; it has showed more women that the system can work for them. I think that EMILY's List is American democracy in its purest form. EMILY's List should be applauded and encouraged, and not terminated.

I want to conclude, Mr. President, by returning to where I began. I think that it is long past time for Congress to reform the campaign financing system. This bill goes a long way toward making some real changes to our current system. It is far from perfect, but it is a work in progress. The bill's flaws can be corrected as we move forward through the remainder of the legislative process. I am therefore voting today to take the next step, to invoke cloture, because the bill cannot be corrected if it is not considered by the Senate. And if we fail to invoke cloture, this bill will fail. I do not want to see that happen, and neither do the American people. They expect us to act on real campaign finance reform this year. I will cast my vote to meet that expectation; I hope all of my colleagues will do likewise and that this Senate will meet its duty to the American people to change campaign finance.

Mr. BIDEN. Mr. President, here we go again, Mr. President. Another chapter in the never ending effort to reform the way we finance political campaigns.

I feel like I am driving a race car around a track and no matter how long and how far I drive, the checkered flag just never seems to come down. We never seem to reach the finish line. We are never able to finish what we start.

And, now, today, the question before us is whether we will even be allowed to start—whether we will even be allowed to debate the issue of campaign finance reform.

I have been on this track for almost 24 years now. One of the first things I did as a new Senator back in 1973 was to testify before the Senate Rules Committee on the need for campaign finance reform—on the need for spending limits and public funding of congressional campaigns; on the need for equal competition based on ideas, not money, between challengers and incumbents. Let me tell you, I did not make many friends.

But, I believed then—and I believe as strongly today—that campaign finance reform is the single most significant thing Congress could do.

The American people have come to believe the system has failed. The American people have lost faith in their leaders and in their Government. The American people feel alienated and distant from the very people who represent them.

There are several reasons for this. But, the biggest—and probably what all others boil down to—is the way we fund our elections: the influence of money; the influence of special interests; the influence of everyone, it seems, except the average middle-class American.

A middle-class American does not make a $1,000 contribution. A middle-class American does not hire a lobbyist to wander the Halls of the Capitol and make $5,000 campaign contributions. A middle-class American does not ask a Congressman to hand out campaign contributions on the floor of the House of Representatives.

No. A middle-class American walks into the voting booth on election day, if he or she has not been turned off by that time, and engages in the most important exercise in a democracy. He or she casts a ballot for a person to represent them.

But, when it is all said and done, many middle-class Americans feel that they are not being represented. They have become apathetic, cynical, and distrustful. And, I'm afraid this is not a whim or a passing feeling. It may be wrong in reality—it may be right—but it should not be taken lightly by those of us in Congress. There is a major crisis of confidence in the American electorate, and it puts at risk everything else we attempt to do. That is why I believe campaign finance reform is the crucial issue of our time.

So, Mr. President, our mission is clear. We must restore integrity and confidence in the political process. And, to do that, we must have comprehensive campaign finance reform.

Unfortunately, today, we are not even voting on a campaign finance reform bill. This is a vote on whether we will be allowed to vote on the bill. And, you wonder why the American people are so sick of this system.

The special interests have circled the wagons. They are on the warpath to kill campaign finance reform.

So, I implore my colleagues: stand today with the American people. Let us take up this bill—the first bipartisan campaign finance reform bill in nearly a generation. Let us debate the issue. And, let us decide the issue on the merits, not on inside-the-beltway maneuvering.

The American people demand no less.

Mrs. MURRAY. Mr. President, this past February, over 4 months ago, I took the Senate floor to announce my cosponsorship of S. 1219. As I spoke about how unique this bill is—one of the only truly bipartisan attempts to reform campaign laws in two decades—I could not help thinking to myself, "here we go again."

I have only been a Senator for a little over 3 years. In Senate terms, that is not very long. But I have been here long enough to see campaign finance reform come up, and be killed. In the 103d Congress, shortly after the 1992 elections, I proudly cosponsored campaign reform legislation. I was eager to answer the voters' hopes for cleaner, more thoughtful politics.

I watched colleagues come to the floor, proclaim the need for reforms, and declare their support for good legislation. The Senate passed that bill, S. 3, and sent it to the House. A short time later, I saw it killed amidst partisan bickering, despite the mad scramble of Senators wanting to be seen as leading the charge for reforms.

In the end, nothing was accomplished, and here we are today living under the same campaign system that has created so much cynicism and mistrust among the voters.

So when I endorsed S. 1219, I thought "here we go again" because I was embarking on my second attempt to reform campaign laws. But this time, instead of thinking we could simply pass a bill and send it to the White House, I knew we had our work cut out for us.

Now it is June, and the 104th Congress will adjourn in a few months. While we are only now taking up campaign reform, I am still encouraged. For the first time in a long time, the Senate is considering a truly bipartisan bill. It has not been drafted by one party or another to give themselves a leg up.

It has been drafted by a Republican and a Democrat, JOHN MCCAIN and RUSS FEINGOLD, because they know that until the two parties come together and focus on common sense reforms we can all agree on, nothing will get done. It is supported by thoughtful new Senators like FRED THOMPSON of Tennessee and CAROL MOSELEY-BRAUN of Illinois who, like me, were elected to make changes in the political system.

We have a very narrow window of opportunity today. It is narrow because we have only a few months left in this Congress, and we have a lot of work to do. It is an opportunity because it is a bipartisan bill, free of taint, and maybe—just maybe—capable of restoring some faith to the people. In light of this, it is critical that we move quickly.

I urge my colleagues to stop, look, and listen. Listen to people at the coffee shops. Talk to friends, to family members. Walk through a neighborhood. A basic, fundamental lack of faith in Government lays at the root of peoples' concerns about the future. Until something dramatic happens to address public confidence in the political system, we can expect the gap between the people and their Government to widen.

There is nothing I can think of that would be worse for this country; for alienation breeds apathy, and apathy erodes accountability. America is the greatest democracy the world has ever known, and it was built on the principle of accountability: government of the people, by the people, for the people. We simply must restore peoples' faith in their Government.

At the core of the problem is money in politics. Right now the system is designed to favor the rich, at the expense of the middle class. It benefits the incumbents, at the expense of challengers. And most of all, it fuels the special interest, inside-the-beltway machine at the expense of the average person back home.

The average person feels like they can no longer make a difference in this system. Earlier this year, my campaign received a $15 donation from a woman in Washington State. She included a note to me that said, "Senator MURRAY, please make sure my $15 has as much impact as people who give thousands."

She knows what she is up against, but she is still willing to make the effort. Unfortunately, people like her are fewer and farther between, and less willing than ever to try to make a difference.

We see her problem when people like Ross Perot or Steve Forbes are able to use personal wealth to buy their way into the national spotlight. Ninety-nine percent of the people in America could never even imagine making that kind of splash in politics. Should we rely only on the benevolence of a few wealthy individuals to ensure strong democracy in this country? I don't think that is what the Founding Fathers had in mind.

The political consultants will say negative ads work, because they, quote, "move the numbers." They will say we need to raise millions of dollars because that is what it takes to get a message out.

But that ignores the reality in Main Street America every day. The very campaigns they say we need to run to win are bleeding the life out of our political system. Every time we go through an election with expensive, negative campaigns, we pay a severe price in voter participation and citizen apathy.

Add up election, after election, after election in the modern political era, and elected officials are facing a huge bill for accountability they may not be able to pay. I fear that once lost, citizens may never re-engage in their democratic system.

During this debate, I have heard Senators take issue with certain provisions in S. 1219. I have heard colleagues question the constitutionality of spending limits. I have heard them make the case that this bill takes the wrong approach. I have heard them argue for reform, but not this way.

Mr. President, these arguments miss the point entirely. The upcoming vote is not about whether you agree with every provision of S. 1219. It is about whether this Senate is willing to step up and pass campaign reform legislation this year.

I myself am not completely satisfied with S. 1219. The McCain-Feingold bill is very broad, and does something about nearly every aspect of the system: It restricts political action committee contributions; it imposes voluntary spending limits; it provides discounted access to broadcast media for advertising; it provides reduced rates for postage; it prohibits taxpayer-financed mass mailings on behalf of incumbents during an election year; it discourages negative advertising; it tightens restrictions on independent expenditures; and it reforms the process of soft money contributions made through political parties.

Mr. President, these are very strong, positive steps, especially the ones addressing independent expenditures. Over the past few years, through the so-called Gingrich Revolution, we have seen an explosion of campaign spending by special interest groups, many from Washington, DC, attempting to swing elections in their own favor. These expenditures are ideologically driven, often highly partisan, and serve only to manipulate voters in the most sinister way. They corrupt our elections. They are not disclosed, so we do not know who makes them, and they violate the spirit of every disclosure requirement in law today.

If enacted as a package, all the steps I just mentioned would make our system of electing Federal officials more open, competitive, and fair. I feel strongly that we must take such steps to re-invigorate peoples' interest in the electoral process, and in turn to restore their confidence in the system.

There are some provisions in S. 1219 that could be problematic, however. For example, the bill would require 60 percent of a candidates' donors to reside within his or her State. This might work fine for someone from New York or California. However, it could put small-state candidates at a real disadvantage, particularly if their opponent is independently wealthy.

I also question the ban on PAC's. Under the right regulations, I believe PAC's have a legitimate role in the process, for two reasons. First, PAC's are fully disclosed, and subject to strict contribution limits. That means we have a very detailed paper trail from donor to candidate for everyone to see. Second, they give a voice to individual citizens like women and workers and teachers who, if not organized as a group, might not be able to make a difference in the process.

A serious question about PAC's remains, however: do they unfairly benefit incumbents at the expense of challengers? This is a legitimate question, and one I think we should focus on closely in this debate.

Finally, I am deeply concerned about how this bill would effect organized fundraising by third party groups that do not even lobby Congress. Groups like EMILY's List and WISH List support pro-choice women candidates of both parties, though they do not actually lobby Congress on legislation.

They give people of modest means like me an opportunity to compete on the electoral playing field. For too long, this field has been dominated only by wealthy, well financed candidates, establishment candidates, or incumbents. In my 1992 campaign I was out-spent nearly three-to-one. Without the support of groups like this, I would not have even been able to make the race.

By banning these groups, S. 1219 would send a signal to people everywhere: do not even think about playing this game unless you can afford the price of admission.

However, as I said a moment ago, this vote is not about every little detail. Let us remember something: this whole debate—arguments for and against—comes against the backdrop of a campaign finance system that has not been reformed since Watergate, over 20 years ago. Public faith in government today has sunk below what it was in 1974. So in spite of my personal concerns, I will vote to invoke cloture on the McCain-Feingold bill. And after cloture is invoked, I will support amendments that address the issues I have raised.

Right now, we need to move forward. People in this country want to feel ownership over their elections; they want to feel like they, as individuals, have a role to play and can make a positive difference. Right now, for better or worse, not many people feel that way, and the trend is going the wrong direction. Real campaign reform will be the strongest, easiest step this Senate could take to begin restoring peoples' faith in the process.

Set aside the legalistic, technical arguments for a moment. Get out from behind all the procedural maneuvering. Put aside partisan leanings. We have an opportunity right now, today, to show the voters something. We can put pressure on the other body to act on similar legislation. We can actually move reform efforts forward in a credible way, and get something done this year.

A citizen from New Hampshire, Frank McConnell, made a good case just the other day. He came to Washington to push this bill, and he said if Congress wanted to, if it really wanted to, it could do the work and have a bill to the President's desk in a couple weeks.

We know the President would sign it, because he said so in his State of the Union Address earlier this year. Frank McConnell was right: if we want to, we can just do it. Here we are again. We are considering campaign reform legislation. There is not much time left. I thank the two sponsors of this bill, Senator MCCAIN and Senator FEINGOLD, and I urge my colleagues to step up and support the motion to invoke cloture.

Mr. BINGAMAN. Mr. President, I rise today to speak briefly on S. 1219, the Campaign Finance Reform Act and to discuss two amendments I intend to offer to the bill if the Senate invokes cloture on the bill tomorrow.

As a cosponsor of S. 1219, I am pleased to join with my friend and colleague from Arizona, Senator MCCAIN, and my friend and colleague from Wisconsin, Senator FEINGOLD, in supporting this legislation. I want to commend Senators MCCAIN and FEINGOLD for their efforts in bringing this measure to the Senate for its consideration. They have been tireless champions of the need to reform our campaign finance system and I am encouraged by the way they have worked together to develop a bipartisan approach to a problem that has escaped solution for so many years.

As my colleagues know, 2 years ago I completed an expensive and negative campaign. The only positive thing that I brought from that experience was the time I was able to spend listening to the concerns of New Mexicans and traveling around the State.

Unquestionably, one of the most significant recollections I have of the campaign is the enormous amount of money that I was forced to raise and spend to defend against a wealthy opponent who attacked early and continued with a negative campaign until the votes were counted.

That is one of the reasons why I support S. 1219 and why I have supported every serious attempt to fix our campaign finance system. Clearly, Mr. President, the system is broke and anyone who thinks otherwise simply has not looked at the facts. More and more of our time is spent raising money, special interest groups have too much influence at the expense of the individual American, and, most important, the American people have lost confidence in their elected officials because they no longer believe that we have time to listen to them. Instead they believe that only the wealthy can serve in Congress and that we are engaged in an endless pursuit of special interest money. While this is not true in all cases, I am very concerned that if we do not reform the current system soon, the fears of average Americans will become real.

Mr. President, we need to change the system and I believe that the bill offered by Senators MCCAIN and FEINGOLD offers us a chance to regain the confidence of those who sent us here.

If cloture is invoked tomorrow, I intend to offer two amendments to this legislation. These amendments are contained in legislation I offered earlier this year with my friends and colleagues Senator PELL and Senator CAMPBELL, S. 1723.

The first amendment requires that if a qualified candidate for Federal office references his or her opponent in a TV advertisement they must do so themselves if they want to take advantage of the lowest unit-rate charge provided to candidates for Federal office under the Communications Act of 1934. If the candidate voluntarily chooses not to make the reference herself, or himself, the candidate would not be eligible for the lowest unit rate for the remainder of the 45-day period preceding the date of a primary or primary runoff election or during the 60 days preceding the date of a general or special election. The candidate would, of course, continue to have access to the broadcast station and would be able to air whatever advertisement they wish, but they would not be eligible for the special benefit that Congress has provided under the Communications Act.

The second amendment requires that broadcasters who allow an individual or group to air advertisements in support of, or in opposition to, a particular candidate for Federal office, allow the candidate in the case where a candidate is attacked, the same amount of time on the broadcast station during the same period of the day.

Mr. President, these are not new concepts. In the 99th Congress, Senator Danforth offered a bill to require a broadcast station that allowed a candidate to present an advertisement that referred to her opponent without presenting the ad herself, to provide free rebuttal time to the other candidate. Since then, other variations of what has become known as talking heads legislation have been incorporated in overall campaign finance reform bills and introduced as free standing bills.

In a little over a month, both national parties will be holding their conventions. After that the race will be on, not only for the White House but also for 435 House seats and 33 Senate seats and untold number of State and local elections. I can say in all honesty that I do not envy my colleagues here in the Senate, whether they are Republican or Democrat, because I now that they will soon be subjected to the same type of negative attacks ads that I had to face in my last election. Many of these ads will contain misrepresentations, distortions, and outright untruths. A voice will appear on the television but it will not be the candidate's. Perhaps an image will appear but it will not be the candidate's either. Instead, the candidate will be hiding behind the message and that message will undoubtedly be negative.

Mr. President, I am told that public opinion polls show that politicians are held in only slightly higher esteem than lawyers and journalists. While that may be true, I know that my colleagues, regardless of their political affiliation, are honorable men and women who care about their respective States and our Nation. They are also courageous. It is not easy putting your reputation and privacy on the line to run for public office at any level. Unfortunately, the negative perception persists. I believe that one of the reasons for that is the trend in today's campaigns to attack, attack, and attack, to go negative early and stay negative until the votes are counted. As Senator Danforth noted, legislation requiring the candidate himself to present ads that reference his opponent would serve the purpose, "to open up speech, open up the ability to respond, the ability to defend oneself. In the case of a candidate making a negative attack, we try to improve the sense of responsibility and accountability by making it clear that the candidate who makes the attack should appear with his own face, with his own voice."

I believe that the amendment I am discussing today, just like the legislation by Senators MCCAIN and FEINGOLD, will begin the process of restoring the confidence of the American people in public service as an honorable endeavor and in the election process as one where ideas and platforms, not the candidate's personalities, are debated.

Mr. President, I would again like to commend my colleagues Senators MCCAIN and FEINGOLD for their commitment to bringing this legislation to the floor of the Senate and I hope that we will all vote tomorrow to allow debate and votes on amendments and the underlying legislation. The American people deserve nothing less.

Mr. FRIST. Mr. President, I rise to discuss the important issue of campaign finance reform. I applaud the efforts of my colleagues on both sides of the aisle for bringing this issue to the forefront of our public policy debate.

The sole objective of any serious campaign finance reform must be to open up the political process—to make it easier for more Americans to get involved, to have more competitive races, to increase the free exchange of ideas and debate, and to make our elections more reflective of the will of the people.

To that end, I strongly support the following steps and believe they are a sound foundation for campaign finance reform:

First, we should insist on full disclosure of all campaign spending, by candidates, parties and nonparties alike. Currently, many special interest groups have a huge impact on elections yet are not required to and don't disclose anything about their political spending. Full and fair disclosure will let the voters weigh the relative influence of all who participate in the process.

Second, we should place PAC's and individuals on an even footing by increasing the individual contribution limit to $5,000 and indexing it for inflation. This will reduce both the influence of PAC's and the amount of time elected officials must spend fundraising;

Third, we should ban the use of franked mass mailings by incumbents in the calendar year of an election—although I would ban them completely; and

Fourth, we should require candidates to raise a stated percentage, for example 60 percent, of their individual contributions from people residing within their home States.

The first amendment is the starting point for any discussion of campaign finance reform. It ensures that, among other things, citizens can participate in politics through publicly disclosed contributions to the campaigns of their own choosing. It also permits citizens to spend their own hard-earned dollars, independent of any candidate, to influence elections via letters to the editors of their local papers, pamphlets, and even television, radio, and newspaper advertisements. This is a precious right to Americans. It sets us apart from many other countries.

Many, however, believe that we spend too much money on this first amendment right. Yet, given the importance of such speech, it is surprising to find that in the 1994 House and Senate races, said to be among the most expensive ever, we spent roughly $3.74 per eligible voter. According to columnist George Will, this is about half as much as Americans spend annually on yogurt.

Simply put, Mr. President, the amount of money spent in campaigns should not be the focus of our debate—that is not the problem. Let a well-informed public, not a Federal bureaucrat, decide whether a candidate has spent too much in a campaign or has accepted too much from a particular source. I believe there are significant negative consequences to current efforts to reduce campaign spending. First, significant restrictions on the amount of money that can be spent by a candidate will reduce the amount of information available to voters. Less information means a less-informed electorate. That is the opposite of what we want to accomplish. More importantly, spending limits on candidates will merely increase the influence and power of special interests because they are not subject to spending limits and aren't required to disclose their election financing efforts.

Second, limits on campaign spending would overwhelmingly benefit incumbents. Congressional spending limits are subject to manipulation that sets the spending threshold just below the amount that the challenger must spend to have a legitimate shot at defeating the incumbent. In testimony before the Senate Committee on Rules and Administration, Capital University law professor, Bradley A. Smith, said that in the 1994 Senate elections, the successful challengers spent more than would be allowed under the legislation currently being debated by this body, S. 1219. Thus, the spending limits proposed in S. 1219 would have worked to the incumbent's advantage in each case. Overall, every 1994 Senate challenger who spent less than the ceiling set in S. 1219 lost; every incumbent who spent less than that ceiling won.

Finally, spending limits reduce the ability of campaigns to speak directly to the voters, without the filter of the media. The news media does play a critical role in the election process, but further increasing their control over the flow of political information is not positive reform.

Similarly, a limitation on contributions, like spending limits, is inherently biased in favor of incumbents. Incumbents with high name recognition and existing voter data bases are able to raise necessary campaign dollars, in small amounts, with far more ease than no-name challengers. Therefore, challengers must look to a small number of large contributors to launch a campaign. This initial seed capital is essential for challengers to get their name and message out to the voters. The limits on contributions imposed by the 1974 amendments to the FECA have limited the ability of challengers to raise seed capital.

I believe that further restrictions on contributions will force candidates to spend more time fundraising and less time meeting voters and discussing the issues. Contribution limits are a significant cause of the drain that fundraising has become on a candidate's time. Instead, I favor placing PAC's and individuals on an even footing. The existing $1,000 limit placed on individuals should be raised to $5,000—the same level as PAC's—and indexed for inflation. The $1,000 contribution limit established by FECA in 1974, had it kept pace with inflation, would be worth approximately $3,000 today.

Raising the individual contribution limit will help level the playing field between challengers and incumbents. It will put individuals on an even par with PAC's, reduce the time candidates need to spend raising campaign funds, and reduce the emphasis on a candidate's personal wealth.

Yesterday and today, I've heard the arguments concerning other aspects of the current legislation before us, namely provisions that mandate free air time and greatly reduced postage rates to candidates. I am opposed to those provisions, however good intentioned they are, because they would place a greater burden for funding Federal campaigns on the backs of American taxpayers.

Proposals to force American businesses to give away their products free of charge are misplaced and run counter to a free-market society. Accordingly, I oppose attempts to mandate that private broadcasters be forced to give free air time to candidates. Similarly, allowing deep discounts in postal rates is merely a subsidy paid for by the general taxpayers. These are not sound reforms.

As I mentioned earlier, strong campaign finance reform should also mandate the complete and full disclosure of all funds that unions and other special interest groups spend for political activity. This is a critical point. We cannot outlaw special interest money, but the potential penalties for accepting it can be raised via the court of public opinion.

We are all aware of the current multimillion dollar effort by organized labor to spend upward of $35 million to try and buy back control of the House for the Democrats. They are getting the money for this massive, partisan campaign through compulsory union dues, even though 40 percent of their membership voted for Republicans in 1994.

No union member should be forced to make compulsory campaign contributions to support any candidate or issue unless they freely choose to do so. That is the foundation for our constitutional form of government and the first amendment freedoms we enjoy as citizens. To be forced, as a condition of employment to do otherwise, is wrong.

As unfair as this is to union members, it is even more poisonous to our political process. There is no disclosure or reporting of the sources or the expenditures paying for these activities. Under current law, the unions are not required to file and do not file any disclosure to report these political expenditures. This should be changed.

In closing, I would like to quote a section of the 1976 decision by the Supreme Court in the Buckley versus Valeo decision:

> In the free society ordained by our Constitution it is not the government, but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign.

Our system is not perfect, and we do need meaningful campaign finance reform. But, placing artificial limits on spending sends the opposite message of what we should be saying. We should not drive spending control away from candidates and parties and to special interests. We should not enact reforms that will result in less information to the public. We should open up the system to allow for maximum dissemination of information and maximum exchange of ideas and debate. I intend to work toward this type of campaign finance reform, and I urge my colleagues to do likewise.

Mr. BAUCUS. Mr. President, I rise in support of the important campaign finance reform legislation that is before us today.

I support this legislation because I believe it represents the right kind of change. While not a perfect solution, it will help put our political process back where it belongs: with the people. And it will take power away from the wealthy special interests that all too often call the shots in our political system.

Yet, ironically, by failing to act; by failing to pass this legislation; we will also be opening the door to change—the wrong kind of change. Our political system will continue to drift in the dangerous direction of special interest.

Over the years since 1971, when Congress last enacted campaign finance reform, special interest groups supporting both political parties have found creative new ways, some of questionable legality, to get around the intent of our campaign finance laws. Things like soft money, independent expenditures, and political action committees all came about as a consequence of very well-intended attempts at campaign finance reform.

NEED FOR REFORM

This is an arcane subject, but it hits home. One of the benefits to walking across Montana, in addition to the beautiful scenery, is that I hear what real people in Montana think. Average folks who do not get paid to fly to Washington and tell elected officials what they think. Folks who work hard, play by the rules, and are still struggling to get by.

People are becoming more and more cynical about government. Over and over, people tell me they think that Congress cares more about fat cat special interests in Washington than the concerns of middle class families like theirs, or that Congress is corrupt.

EFFECT ON THE MIDDLE CLASS

Middle-class families are working longer and harder for less. They have seen jobs go overseas. Health care expenses rise. The possibility of a college education for their kids diminished. Their hope for a secure retirement evaporate. Today, many believe that to make the American dream a reality, you have to be born rich or win the lottery. Part of restoring that dream is restoring confidence that the political system works on their behalf, not just on behalf of wealthy special interests.

I believe that this Congress has taken some small but important steps in that direction:

First, we passed a tough, fair gift ban to ensure that special interests are not out wining and dining Members of Congress and executive branch officials. Helping to reassure folks that individuals in Government, whether you agree with their policies or not, are acting in what they sincerely believe is the country's best interest. I am proud to say that my office has taken this one step further—and instituted a tougher than required gift ban—months before the Congress voted.

Second, we passed a comprehensive lobbying disclosure bill—eliminating the cloak of secrecy which lobbyists once operated under, by requiring greater disclosure of lobbying activities by both the individuals conducting and contracting the lobbying.

Now it is time for us to take the real step to win-back the public trust—it is time for us to pass a tough, fair, and comprehensive campaign finance reform bill. That bill must accomplish three things. First, it must be strong enough to encourage the majority if not all candidates for Federal office to participate. Second, it must contain the spiraling cost of campaign spending in this country. Finally, and most importantly, it must control the increasing amounts of undisclosed and unreported soft-money that is polluting our electoral system.

REFORM MUST REDUCE COSTS OF CAMPAIGNS

Under the current campaign system, the average cost of running for a Senate seat in this country is $4 million. In 1994, nearly $35 million was spent between two general election candidates in California. And nearly $27 million was spent in the Virginia Senate race.

There are some in Congress, I believe House Speaker NEWT GINGRICH is one, who say we do not spend enough on campaigns in this country.

When a candidate is faced with the daunting task of raising $12,000 a week—every week—for 6 years to meet the cost of an average campaign, qualified people will be driven away from the process. If we allow ideas to take a back seat to a candidate's ability to raise money—surely our democracy is in danger.

Let me be clear—my first choice would simply be to control campaign costs by enacting campaign spending limits. However, the Supreme Court, in Buckley versus Valeo, made what I believe was a critical mistake—they equated money with free speech—preventing Congress from setting reasonable State-by-State spending limits that everyone would have to abide by.

I have voted several times to overturn the Buckley decision and allow Congress to set limits that everyone would have to obey.

WHAT'S RIGHT WITH THE BILL

While I must admit this bill is not perfect, compromise never is, it will do several crucial things to reign in campaign spending. First is, that it is the first bipartisan approach to campaign finance reform in more than a decade.

Second, the bill establishes a system that does not rely on taxpayers dollars to work effectively.

The bill encourages campaigns to accept a voluntary spending limit in exchange for free and reduced cost access to television advertising, and postal rates.

Last, the bill bans both PAC contributions, and indirect soft-money campaign spending, while at the same time increasing disclosure and accountability in political advertising.

Every election year, in addition to the millions of dollars in disclosed contributions, there are the hundreds of millions in unreported, undisclosed contributions spent by independent expenditure campaigns and issue advocacy funded by soft-money contributions to national political parties.

Where out-of-State special interest groups can spend any amount of money they choose, none of which is disclosed, all in the name of educating voters—when, in fact, their only purpose is to influence the outcome of an election. More times than not the seesawing 30-second sound bites do more to confuse than to educate.

This lack of accountability is dangerous to our democracy. These independent expenditure campaigns can say whatever they wish for or against a candidate, and there is little that candidate can do—short of spending an equal or greater amount of money to refute what are often gross distortions and character assasinations.

However, as I said earlier, the bill is not perfect. As currently written, it fails to address critical issues in campaign reform.

WHAT'S WRONG WITH THIS BILL

I am concerned that this bill forces an unfunded mandate on television broadcasters by requiring them to donate up to 30 minutes of free prime time advertising air time to each candidate who abides with the limits in the bill. While I believe this free and reduced cost air time is critical to encouraging campaigns to accept spending limits, I don't believe that broadcasters should be forced to bear the entire burden.

I'm pleased that the sponsors have included language to provide broadcasters with an exemption in the case of economic hardship, however, it is my belief that we should do more.

Last, but perhaps most importantly, this bill does not contain the strong enough enforcement provisions that are critical to ensure that individuals who promise to abide by the spending limits don't dump large sums of money into the campaign weeks or even days before the election.

Since 1985 I have fought to limit the spiraling cost of Federal elections in this country by cosponsoring five different campaign finance reform proposals, as well as supporting efforts to amend the Constitution to allow the Congress to set reasonable spending limits.

I remain committed to this cause and will do everything in my power to ensure that the Congress passes meaningful campaign finance reform, this year.

Mr. DOMENICI. Mr. President, those who follow campaign finance reform are well aware of my thoughts on this issue. I have long advocated four very straightforward and specific changes in reforms in campaign finance law:

First, a flat-out prohibition on House and Senate candidates raising money outside their home State;

Second, the abolition of PAC's as we know them;

Third, the creation of a strong disincentive to super-wealthy candidates throwing masses of family money into a campaign;

Fourth, the elimination of "soft-money:" contributions to political parties for activities such as voter registration drives and political advertising which indirectly—but intentionally—help one particular candidate;

I am pleased to see that this year's legislation includes campaign finance reform ideas I initiated many years ago, specifically, a limitation on the amount of personal or family funds a wealthy candidate may contribute to his or her own race; and a limitation on the acceptance of out-of-State contributions.

Unfortunately, this year's legislation also includes deeply problematic provisions. These provisions, so called voluntary restrictions on spending, are based on the premise that spending caps are the solution to the problems with our campaign system.

The taxpayers will end up helping finance these campaigns because by accepting spending caps under this bill, candidates would receive steep discounts from the Federal Government in postal rates, as well as from television and radio broadcasters for advertising time. In addition, once candidates exceed voluntary spending limits, the Federal Election Commission [FEC] would raise the contribution limits for the opponents of these candidates.

These spending caps threaten first amendment free speech rights. Moreover, these voluntary spending limits create burdensome new regulatory responsibilities and powers for the FEC. If enacted, the legislation before us today will create a quagmire of regulations making Federal campaigns even more dependent upon professional campaign strategists and lawyers, and less dependent upon, and more distant from, our constituents.

For these reasons, while I firmly believe that we need campaign finance reform, I cannot support today's proposed legislation in its current form.

Mr. SMITH. Mr. President, I rise in opposition to S. 1219, the Senate Campaign Finance Reform Act of 1996.

There are several major campaign finance proposals that are now being considered by the Congress. I am pleased to offer my views on each of them.

The most far-reaching campaign finance reform proposals involve the taxpayer financing of congressional campaigns. I do not favor that approach. I do not think that liberal Democratic taxpayers should be forced to finance my political campaigns any more than conservative Republican taxpayers should be forced to finance the campaigns of liberal Democratic politicians.

Other campaign finance proposals have sought to place limits on how much money campaigns can spend. Such proposals raise serious constitutional questions. In the case of Buckley versus Valeo, the U.S. Supreme Court held that it is unconstitutional for Congress to limit the ability of individual candidates to spend their own money to finance their own political campaigns. How is it fair, then, for Congress to limit the ability of candidates who are not wealthy to raise campaign money? If wealthy candidates can spend all of the money that they want while candidates of modest means cannot, then we will soon have a Congress made up almost exclusively of wealthy individuals.

Still another approach is that which is embodied by S. 1219. Under the McCain-Feingold bill, voluntary campaign spending limits would be adopted and candidates who complied with those limits would be provided with free and-or sharply reduced rates of advertising by the news media. I do not favor this approach because I do not think that Congress should compel private entities to offer their services at below-market rates. Therefore, I simply cannot support this bill.

The McCain-Feingold bill, as well as others, also proposes the elimination of political action committees [PAC's]. I have voted for this reform in the past.

I believe that the best way to reform our system of campaign finance is to find ways in which to encourage more participation by small donors. I am proud to say that in my political campaigns over the years, I have been supported by many thousands of small contributors.

I also strongly support the current system under which congressional campaigns must disclose the sources and amounts of financial contributions from all entities—large and small. I believe that the public has a right to this information.

I believe that a responsible and meaningful package of campaign finance reform legislation can and should be developed and passed by the Congress. I support that effort.

Mr. ABRAHAM. Mr. President, I rise today to express my concerns regarding S. 1219, the Campaign Finance Reform Act of 1996, and to explain my vote against the cloture petition.

Let me begin by stating that I support campaign finance reform. However, the reform we need is not to be found in S. 1219. In my view, the biggest problem with the way our political campaigns are financed is that it gives rise to the perception that special interest donations are dominating the political agenda. Indeed, many Americans believe that special interest money is the source of great corruption in our political campaign system.

While we should try to address this problem statutorily, I feel it is unnecessary to wait for legislation before those of us concerned act. To that end, when I ran for the Senate in Michigan in 1994, I personally imposed my own limits on the amounts I would accept from both out-of-State sources and political action committees, and they were as strong or stronger than those in S. 1219. I lived up to that pledge and still won my seat.

Now I recognize that not everyone will disarm unilaterally, so I do believe we must seek to achieve a similar outcome legislatively. Unfortunately, S. 1219 is overly broad and, if anything, likely to tilt the field even further in the direction of special interest influence.

In my view the central question we must address in reforming campaign financing is "whose voice shall be heard during the campaign?" The proposals set forth in S. 1219 would have the ironic effect of limiting the speech of the candidate while expanding the speech of the special interest groups. The proposed legislation would encourage candidates to abide by certain expenditure limits, thereby restricting their ability to communicate with the voters. Conversely, the legislation does little to curb the ability of special interest groups to spend their money independently of any restrictions. This allows interest groups to define the central issues of the campaign. It forces candidates to follow the lead of these interest groups, preventing the voters from hearing directly from the candidates and judging for themselves which candidate has the proper positions and the proper priorities.

I believe that the solution begins with limiting the amount of out-of-State/district contributions and PAC donations as I did in my own campaign. By limiting out-of-State/district contributions we can address the perception that House and Senate Members are not primarily focused on the priorities of their own constituents. Similarly, by placing a limit on the amount of PAC contributions a candidate may receive, we can address the concern that public officials are unduly influenced by special interest groups.

Mr. President, I am also concerned about provisions in S. 1219 which shift resources from the private sector to the candidates. These provisions, in effect, allow candidates to do as they please with other people's involuntarily extracted money. The idea that taxpayers, through special postage rates, should subsidize complying campaigns, seems to me wrong. And, just as the taxpayers should not be obligated to finance someone else's political speech I feel it inappropriate to extract such subsidies from the owners of broadcast entities.

Mr. President, I believe that campaign finance reform should focus on limiting PAC and out-of-State/district money. I have codified these limits in my own campaign finance reform bill which I believe has the effect of permitting candidates to speak freely while curbing the influence of special interest and out-of-State moneys. In contrast, S. 1219 permits the increased influence of special interest money while curbing candidates' ability to communicate with the voters. For these reasons, I have voted against cloture and look forward to advancing my own legislation in the future.

Mr. McCONNELL. Mr. President, I have just been handed two very timely additions to this debate: an editorial in today's Wall Street Journal entitled "Muzzling Campaign Speech" and a letter dated today from the American Civil Liberties Union noting in some detail their many objections to the McCain-Feingold bill.

I would note for the benefit of those who persist in mischaracterizing the proposed spending limits as "voluntary" that the first point in the ACLU letter is the emphatic assertion that they, in fact, are not. The bill would severely handicap a noncomplying candidate relative to a complying candidate so there really would be no choice other than to comply. At this point, I ask unanimous consent that the ACLU letter and the Wall Street Journal article be printed in the RECORD. For the benefit of colleagues who have not yet read the editorial I would note that the closing sentence captures the essence of the bill before us today: "The Senate should vote down the McCain-Feingold bill before it does to American democracy what Clinton-Care would have done to medicine."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 25, 1996]

MUZZLING CAMPAIGN SPEECH

Some 20 years after Congress first restricted campaign speech, the Senate will vote today on a campaign finance proposal that suggests the way to correct the problems those misguided "reforms" have created is with more restrictions. We don't think so.

To the government goo-goos, led by Common Cause, money is the root of all evil in politics and should be pulled out regardless of the cost or the Constitution. They have convinced GPO Senator John McCain and Democrat Russ Feingold to propose a bill that would pass out subsidies for low-cost mail and television advertising to candidates who abide by "voluntary" spending limits. This is public financing under another guise. Subsidizing the mailing of more campaign literature alone could cost $100 million, money the Postal Service would have to recover by raising rates for other customers.

Having created a permanent entitlement to cut-rate campaign ads, the goo-goos would then ban contributions from political action committees. Advocacy organizations from Emily's List on the left to the Christian Coalition on the right would see their activities scrutinized by the Federal Election Commission, which lately has seen one after another of its edicts struck down by the courts.

In 1976 the Supreme Court ruled in *Buckley* v. *Valeo* that political contributions and spending are the equivalent of political speech. Giving the FEC more control over politics will limit speech. The McCain-Feingold bill would cede authority to the FEC over any "expression of support for or opposition to a specific candidate" and permit it to block such expression with an injunction if the agency believes there is a "substantial likelihood that a violation . . . is about to occur." The prospect of this enhanced federal power had driven groups as disparate as the American Civil Liberties Union and the American Nurses' Association to oppose the bill.

The desire to police politics better by making the federal government a meaner watchdog with a longer leash is based on flawed premises. The first is that the influence of money in politics is excessive and out of control. In fact, House and Senate races, which unlike Presidential races don't rely partly on public financing, saw about $700 million spent on them in 1994. As George Will has pointed out, that's about half of what Americans spend on yogurt every year.

What is excessive in politics is not the money spent, but the amount of political power that government in our time has to direct economic outcomes and regulate behavior. Given that Congress can either put whole industries at risk or hand them a subsidized bonanza, what's surprising is that more money isn't spent trying to influence the people running for Congress. The reformers, especially inside the Beltway, give the clear impression that the government is so indisputably virtuous in its every mandate that private parties should bow before it, rather than spend money to defend themselves, an effort almost always seen by the Beltway as the work of non-virtuous "special interests."

The second mistaken premise behind campaign reform is that the country is clamoring for it. We're told, for instance, that 1992 Perot voters will have the heads of elected officials on a platter if they don't crack down on campaign cash. But there is little evidence of that. A Tarrance Group survey in April found that just one voter out of a thousand identifies campaign reform as the country's most pressing problem. Voters are justifiably skeptical of political reforms proposed by incumbent politicians.

This is not to say that nothing can be done. We are attracted by the realistic ideas of Larry Sabato and Glenn Simpson in their new book "Dirty Little Secrets." They conclude that individual limits on campaign contributions, which haven't been indexed for inflation in 22 years, should be raised and a regime of full disclosure on all political spending should be created. That will let the voters both hear from candidates other than incumbents and let them weigh the relative influence of everyone participating in the process.

The current effort at campaign finance reform has a lot in common with the failed Clinton health-care plan, which sought to "fix" the problems created by government involvement in health care by having the government micromanage the entire health care sector. The Senate should vote down the McCain-Feingold bill before it does to American democracy what ClintonCare would have done to medicine.

AMERICAN CIVIL LIBERTIES UNION,
New York, NY, June 25, 1996.

Dear Senator:

The American Civil Liberties Union had the privilege of testifying before the Senate Rules Committee on February 1, 1996 and at that time we elucidated our objections to the "reform" proposals set forth in the Feingold-McCain bill, S. 1219. Throughout the current Senate debate, our opposition has been repeatedly referenced. Rather than reiterate all of our objections in detail in this letter, I encourage you to read the testimony prepared on our behalf by Professor Joel Gora, of the Brooklyn Law School.

Congress is endeavoring to reform current campaign finance laws and regulations in an effort to reduce the perceived adverse impact of monetary contributions on federal elections. The call for reform is also punctuated by cries of corruption. If there is corruption then Congress does have the obligation to correct systemic problems, and to ensure that the Federal Election Commission is exercising fair and consistent enforcement of the existing laws. But influence is not synonymous with corruption, and labeling certain monetary contributions as such perpetuates notions of corruption that have not been, in our view, adequately borne out by the hearings before the Senate Rules Committee.

While rooting out corruption is a worthwhile objective, S. 1219 goes much further than merely attempting to eliminate perceived corruption. Current proposals before the Senate dramatically change the rules concerning financing of federal campaigns in ways that do greater harm to civic participation in the federal electoral process than good. Most importantly S. 1219 directly violates First Amendment guarantees of freedom of speech and freedom of association.

Some of our specific objections to the Feingold-McCain (S. 1219) and similar proposals include:

The bill's "voluntary" expenditure limits are coercive and violate First Amendment principles. The bill requires the receipt of public subsidies to be conditioned by a surrendering of the constitutional right to unlimited campaign expenditures. The bill grants postage and broadcasting discounts only those candidates that "volunteer" for spending limits. The bill raises an individual's contribution limit from $1,000 to $2,000 for those candidates that agree to spending limitations and therefore fiscally punishes those candidates who wish to maintain their constitutional right of unlimited spending.

The bill's ban of Political Action Committees are a violation of freedom of association and is therefore unconstitutional. Such a provision would result in a restriction in protected speech for any group the Federal Election Committee deemed a "political committee." All relevant constitutional precedent, including Buckley v. Valeo 424 U.S. 1, 57 (1976) and FEC v. National Conservative Political Action Committee 470 U.S. 480 (1985), clearly suggest that the Supreme Court would overturn such a ban.

The limitation on out-of-state contributions is constitutionally suspect and is disturbingly insular. In-state limitations potentially deny underfinanced, lesser-known insurgent candidates of the kind of out-of-state support they may need. As long as citizens in the affected district are the ones who select the candidate, how the candidate is financed is a less compelling concern. After all, Congress is our national legislature, and although its representatives are elected from separate districts and states, the issues it debates and votes on are of concern to citizens from all over the nation.

The bill's disclosure requirements and regulations on "soft money" do not take into consideration the constitutional divide between candidate-focused expenditures and contributions, which are subject to some regulation, and all other non-partisan, political and issue-oriented speech, which are not. This restriction does not live up to the "most compelling government interest" standard in regards to electoral advocacy as required by the Supreme Court in Buckley v. Valeo, 424 U.S. at 14–15, 78–80. This restriction also does not satisfy the minimum scrutiny of a "compelling" state interest in the regulation of political parties as required by the Supreme Court in Tashjian v. Republican Party, 479 U.S. 208 (1986).

The bill's new provisions governing the right to make independent expenditures unconstitutionally invades the absolutely protected area of issue advocacy. By broadening the definition of "express advocacy" the bill would encompass the kind of essential issue advocacy which Buckley has held to be completely immune from government regulation and control.

The bill so broadly defines "coordination" that virtually an individual who has had any interaction with a candidate or any campaign officials, in person or otherwise, is barred from making an independent expenditure. A disaffected campaign worker or volunteer for example, who leaves the campaign because he or she thinks a candidate has acted improperly, is barred from making independent expenditures against the candidate, for, ironically, they will be deemed a contribution.

The bill gives unacceptable new powers of political censorship to the Federal Election Commission. The FEC would be permitted to go to court and seek an injunction on the allegation of a "substantial likelihood that a violation . . . is about to occur." This is fraught with First Amendment peril because individuals and groups will face "gag orders" until a determination of wrongdoing is made.

This bill serves the purpose of unfairly protecting incumbency by further limiting the overall amount of speech allowed during a campaign. A limitation in the quantity of speech makes the incumbent's name recognition and ability to create free press and media attention all the more valuable.

This bill unfairly hinders access to the political process of independent and third party candidates by limiting access to public financing and avenues for receiving private donations.

Constitutionally acceptable campaign finance reform proposals could include the following elements:

Uncoerced public financing that include the following provisions: Floors or foundations upon which candidates can build their campaigns, not ceilings to limit them, the availability of public financing to all legally qualified candidates who have demonstrated an objective measure of support, the availability of matching funds without unconstitutional conditions attached, institution of the frank to all legally qualified federal candidates.

Raise individual contribution limits. This will serve to decrease reliance on PAC sources of support.

Modest tax credits of up to $500 for private political contributions.

Public access and timely disclosure of large contributions. This is the most appropriate way to deal with problems of undue influence on elected officials.

Thank you for your consideration of our views.

Sincerely,

LAURA W. MURPHY,
Director.

Mr. FAIRCLOTH. Mr. President, first and most importantly, I strongly support reform of our campaign finance system. Regrettably, there are several broad problems with McCain-Feingold bill.

First, I have serious concerns that this bill does more to limit the rights under the First Amendment, than it does to reform our campaign finance laws. It bans political action committee contributions—but it does nothing to empower the individual by raising individual campaign contribution limits.

Second, as we have come to learn, it is impossible to plug all of the money loopholes in politics. This legislation bans outside expenditures by political action committees and other interest groups, yet it does nothing to limit the use of labor union dues for political purposes.

Finally, there are unintended consequences of well-intentioned reform. After all, the present system we are attempting to change is a product of earlier "reforms" from the post Watergate years.

Mr. President, specifically, I have concerns that spending limits function as an incumbent protection act. Further, the spending limits aid those without a primary. Look at the recent Presidential election. Senator Dole spent the maximum to get the GOP nomination—and is now virtually out of money with respect to the spending limits.

If we really want to change our system, we should have enacted term limits. Members of Congress should be more concerned with the next generation than the next election but the constant pressure of re-election affects votes and contributions.

Mr. President, any reform system should be tilted more in favor of public disclosure of campaign contributions. The Federal Election Commission's main mission should be to publicize campaign finance information to the people.

Finally, contributions limits from individuals should be adjusted to keep pace with inflation. The declining value in real dollars of the maximum contribution from an individual to a Federal candidate is now worth only about a third as much as when it went into affect in 1975. This change would lessen reliance on political action committee contributions and shorten the time candidates must spend asking for money.

Remember, State candidates in North Carolina can accept $4,000 contributions per election while Federal candidates can only receive $1,000. Adjusting the contribution limits for individuals coupled with greater disclosure would be a significant improvement.

For this reason, Mr. President, I cannot support the McCain-Feingold bill in its present fashion. We share the goal of reforming the campaign finance system but there is a difference in the details. My suggestion for reform includes term limits, greater public disclosure of contributions, and increasing the limits on contributions from individuals to lessen reliance on political action committees.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, to make concluding remarks, and later Senator MCCAIN will make other concluding remarks, let me again clarify the point about constitutionality. The Senator from Virginia said clarity of conscience prevents him from working for this bill because of the PAC ban. But the fact is the Senator from Kentucky and the Senator from Virginia and the Senator from Washington all voted for the Pressler amendment 3 years ago that does exactly what our bill does. It bans PAC's, but if the courts say PAC's cannot be banned, it has a voluntary limit on PAC's. The reason they voted for it then, the reason it is OK now, is because it is constitutional, and this is a red herring.

The real issue here is what this vote is going to be. This is the vote on campaign finance reform. I admire the candor of the Senator from Kentucky, who simply says he wants to kill campaign finance reform this session. He is not up here proposing an alternative. He admits that is his goal. That is the vote.

This is the first bipartisan bill in 10 years. Who will benefit from this bill? Many people will benefit. Incumbents will benefit from having more time to work on the issues, to not have their fractured attention, as the Senator from West Virginia indicated. Challengers will be the main beneficiaries. Just look at the real statistics. Incumbents blow challengers out of the water with the money. Does anyone out there believe this bill would actually help incumbents? I can tell you as a former challenger, this bill would have made a tremendous difference and would have made the process more fair.

We would also benefit in this country from the inclusion of all the people who never choose to run. You heard the Senator from West Virginia say he never would have run for office if it would have involved this amount of money. I bet the former majority leader, Senator Dole, would not have run either. So there will be winners under this bill and especially people back home.

But there will be losers under this bill. The losers are the people who got together on April 30, all the lobbyists and all the PAC's in this town that have been cited by the other side. They all got together to kill this bill. They said it would prevent their free speech. But the fact is, they are the Washington gatekeepers. They are the people you have to go up to when you are running for office and say, "Will you give us the money?"

I used to go back and say to a banker in Wisconsin or a labor member in Wisconsin, "Can you provide us with some help?" Do you know what they would say? "We have to check in with Washington. Washington has to say yes." This bill will drive people back to their own home States and take away the power from the gatekeepers.

How does it work? I mentioned it before. Here is one example. Here is a letter about how it works, and I will omit the name of the Representative.

> During this year's congressional debate on dairy policy, Representative [Blank] has led the charge for dairy farmers and cooperatives by supporting the federation's efforts to maintain the milk marketing order program and expand program markets abroad. To honor his leadership the federation is hosting a fundraising breakfast for [Blank] on Wednesday, December 6, 1995. To show your appreciation to [Blank], please show up at Le Mistral Restaurant at 8 a.m. for an enjoyable breakfast with your dairy colleagues. PAC's throughout industry are asked to contribute $1,000.

That is how it is done in this town. That is what the gatekeepers want to keep, and that is what we have to crack down on and eliminate.

To make my final remarks, let me say this thing has just gotten worse year after year. I want to finish by reading a few quotations from people who have been troubled about this over time. Woodrow Wilson:

> The Government of the United States is a foster child of the special interests. It is not allowed to have a will of its own.

President Eisenhower:

> Many believe politics in our country is already a game exclusively for the affluent. This is not strictly true; yet the fact that we may be approaching that state of affairs is a sad reflection on our elective system.

From Barry Goldwater:

> It is not "We, the people," but political action committees and moneyed interests who are setting the Nation's political agenda and are influencing the position of candidates on the important issues of the day.

From Jack Kemp, explaining why he would not run for President in 1996:

> There are a lot of grotesqueries in politics, not the least of which is the fundraising side. . .. I don't seem to be talking about the things that the fundraising people want me to talk about.

Finally, from Robert F. Kennedy, who said:

> The mounting cost of elections is rapidly becoming intolerable for a democratic society, where the right to vote—and to be a candidate—is the ultimate political protection. For we are in danger of creating a situation in which our candidates must be chosen only from among the rich, the famous, or those willing to be beholden to others who will pay the bills.

Mr. President, what Robert Kennedy said over 30 years ago is even worse than he could have imagined today. What he feared has come to pass, and our bill would begin the process of returning campaigns and elections, and yes, our Government, back to the people at home.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. MCCONNELL. Mr. President, I do not think there is any issue which we deal with that more clearly sums up the differences of the two parties toward American participation in politics than the issue of campaign finance reform.

Make no mistake about it, Mr. President, this is a partisan issue. The Republican National Committee opposes the bill. The Democratic National Committee supports the bill. So there is nothing particularly bipartisan about the bill. There are a few Republicans who support it and a few Democrats who oppose it, but the heart of the matter is, this is a very partisan matter as currently presented to the Senate.

Why is it partisan? It is partisan, Mr. President, because Republicans for the most part, accompanied by some interesting allies, from the ACLU to the National Education Association, believe there is nothing inappropriate about American citizens participating in the political process. We think that ought to be applauded, not condemned. We are not offended by those exercising their rights to petition the Congress, those exercising their right to engage in free speech. We do not think that is bad for America, Mr. President. We think it is good for America.

Whether our opponents on the other side of the aisle like it or not, the Supreme Court has been very clear that the speech of political candidates cannot be restricted. Thank God for Buckley versus Valeo, one of the great decisions in the history of the Supreme Court.

The speech of candidates should not be restricted. That is an extremely important principle, Mr. President. After all, if we make the candidates shut up and if we make the people who want to support them shut up, who controls the discourse, the debate? Why, someone else. Where will this transfer of power go? One place it will go, obviously, is to the newspapers, most of whom love this legislation because they realize it will enhance their power as the campaigns' power to communicate is diminished. So they think this is a terrific idea.

Many of the large membership interest groups are not particularly worried about this legislation because they know you cannot constitutionally restrict their ability to communicate with their own members, what we call nonparty soft money, or in any real way restrict their ability to communicate with the public, what we call independent expenditures, both of which, or the latter of which is certainly protected by the Buckley case.

So what this is all about, Mr. President, is who gets to speak and how much—who gets to speak and how much—and whether or not private citizens can continue to band together and support candidates of their choice.

It is said that too much is spent, which means to say there is too much speech in the American political system. My view is that it is not inappropriate to ask, when you say too much is being spent—compared to what? In the last cycle we spent about as much on political speech as we did on bubble gum. Put another way, $3.74 per voter in the last cycle. I would argue, Mr. President, that is not too much political speech—not too much political speech.

Then they say, the public is clamoring for this reform. A comprehensive poll by the Tarrance polling group back in April of 1996 asked that question in a variety of different ways. Suffice it to say, one person out of the 1,000 interviewed thought this was an important issue confronting the country. There is no clamoring for this. The interest in this all depends on how you ask the question. If you ask the question: Do you think it is a good idea to restrict my right to participate in the political process? Obviously, people are not in favor of that.

There has been some debate about whether this is constitutional. Let me say maybe the other side has been able to scrape up a few people with a law degree calling this constitutional, but the heavies in this field do not think it is. The American Civil Liberties Union—sometimes we love them; sometimes we hate them, but, boy, do they know a lot about the first amendment and have had a lot of success over the years in this country. They believe this matter is clearly and unambiguously unconstitutional.

Assuming it could get past the constitutional problems, Mr. President, pushing all these people out of the process and putting a speech limit on the campaigns, how would those speech limits be enforced? By, of course, the Federal Election Commission, which would soon be the size of the Veterans Administration trying to restrict the free speech of not only 535 additional political races, but also of a bunch of outsiders who might inadvertently band together and try to speak. So the FEC is given injunctive relief, so it can go into court and shut people up who are engaging in speech that the Government does not want to be expressed.

That is what this bill is about—building a massive Federal bureaucracy to restrict the speech of candidates and of groups in this country. This is one of the worst ideas we have debated around here since the last time a proposal like this was up on the Senate floor.

The Court said very clearly, if you want to try to entice campaigns into shutting up, and the Government wants to say it is not good for candidates to speak more than a certain amount—we see that in the Presidential system and the nightmare that has become. As Senator GORTON pointed out yesterday, there is only one person in America who is told to shut up at that point, and that is one of two candidates who is running for President, Bob Dole. That is what we ought to be reforming, the Presidential system.

But the Court said, if you want to entice people into shutting up, not speaking too much, you can offer them some kind of subsidy, a Federal subsidy. So the Presidential system says to the candidates running for President: You can only raise $1,000 per person. So, when looking at that difficult task of trying to put together a nationwide campaign at $1,000 a person, every candidate virtually, except Ross Perot and John Connally, has said, "OK. I'll shut up. You bought me off. There is no way I can possibly raise enough money to run at $1,000 a person." Then they get the Federal subsidy.

In this bill, in order to allow the sponsors to claim that there is no taxpayer money in it, they shift the subsidy to a couple of private industries. They say, we are going to call on the broadcasting industry to reduce the prices for political ads by 50 percent. What will happen? Why, of course, they will pass on the cost of that to all the other people advertising. So those taxpayers are going to have to pay more for their product because of the Government-mandated program.

There is a second industry that is affected by this as well, Mr. President. That is the people who use the mails. There is a postal subsidy in here. The Postmaster General wrote me yesterday saying he opposed this. Of course, the Direct Marketing Association opposes this. Of course, the National Association of Broadcasters opposes this. They are not particularly interested in having to reach into the coffers of their businesses to pay for political views with which they might disagree.

So getting back to the direct mail subsidy, the rates of everybody else who uses the Postal Service are going to be increased so a subsidy can be provided by those taxpayers to support the expression of views with which they may disagree.

So, Mr. President, spending limits are not free. There is no way to concoct, under the Buckley case, any effort to shut people up that does not have some cost. You can shift it around and kind of claim it is not part of the Treasury. You can assess a business maybe. But they are not free.

So what is wrong with this bill? Just about everything you can think of. It is based on the fallacious assumption that too much is being spent. It is based on the notion that the public is clamoring for it. Neither of those propositions is true. It assumes there is some way to level the political playing ground for everyone, which is impossible to achieve. It is unconstitutional, clearly and obviously. It would create a gargantuan Federal Election Commission with the mission to shut people up all across America. It would call upon two industries, the broadcast industry and the direct mail postal users, to pay for the price of all of this big Government.

For all of these reasons, obviously, Mr. President, this bill should be defeated. The way to defeat this bill is to vote "no" on cloture.

Mr. President, I have a variety of magazine articles that have come out against this bill, including Weekly Standard, the Wall Street Journal, Rollcall, the National Review, and the Baltimore Sun, and I ask unanimous consent that the editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 16, 1995]

THE MAN WHO RUINED POLITICS

So Colin Powell is not running for President. Neither is Jack Kemp, Bill Bradley, Dick Cheney, Sam Nunn or William Bennett. Voters are left with the likely choice between two rather tired war horses, Bill Clinton and Bob Dole. No other Democrat is challenging an obviously vulnerable incumbent, and Republican contenders such as Phil Gramm, Pat Buchanan and Lamar Alexander hover in single digits. In this second rank we now also have millionaire publisher Steve Forbes, who started from nowhere to grab the first rung on the ladder. And of course, billionaire Ross Perot still haunts the scene.

If you don't like the remaining field, blame Fred Wertheimer and Common Cause, the organization he until recently ran and still animates, are the principal architects of the cockamamie financial gauntlet we inflict on our potential leaders. Common Cause is point-lobby for the goo-goos, that is, the earnest folks always trying to jigger the rules to ensure good government. One of their conceits is that money is the root of all political evil, so they seek salvation in the Sisyphean task of eliminating its influence. The chief result of this is a rule outlawing individual political contributions of more than $1,000, and a bureaucracy called the Federal Election Commission to count angels on pinheads in deciding, for example, what counts as a contribution.

A serious Presidential campaign is likely to cost $20 million. This means a potential Presidential has to start by persuading 20,000 different people to pony up a grand. Take an arbitrary but probably generous hit rate of 5%, and he (or she) has to pass the tin cup 400,000 times. Admittedly these numbers oversimplify, but they give you the idea. Mr. Wertheimer's brainstorm means fund-raising is so consuming that candidates have no time for anything else. Even more important, it is a process virtually designed to drain a potential President of any residue of self-respect.

This may not be the only thing General Powell means when he says running requires a fire he does not yet feel, but it is certainly a big one. His adviser Richard Armitage explicitly said, "Colin Powell going out and asking people for money and then spending all that money wasn't attractive." Mr. Kemp was similarly explicit in not wanting to undertake the fund-raising exercise, and it no doubt inhibited Mr. Cheney as well. On the Democratic side, finding 20,000 donors to challenge an incumbent is an even more daunting challenge; Senator Bradley and Senator Nunn decided to quit rather than fight.

It is no accident that the dropouts are precisely the types the goo-goo crowd would like to keep in politics, which is to say, those motivated by principle instead of sheer ambition. In 1988, to take an earlier example, the exploratory field included Don Rumsfield, who had been a Congressman, White House Chief of Staff, Defense Secretary and a spectacularly successful corporate chief executive. But he threw in the towel rather than run up possibly unpayable debts—"as a matter of principle, I will not run on a deficit."

The doleful effect of such limitations were entirely predictable; indeed, they were predicted right here. As early as 1976, when the Supreme Court partly upheld the 1974 Federal Election Campaign Act, we wrote that the law "will probably act like the Frankenstein's monster it truly is. It will be awfully hard to kill, and the more you wound it, the more havoc it will create." In the face of hard experience, of course, the goo-goos prescribe more of the same, to the point where "campaign finance reform" has become the Holy Grail.

To be fair, the Wertheimer coven hasn't had its way entirely. The logic of the goo-goo impulse is public financing of political campaigns, an idea mostly hooted down by the same taxpayers who eagerly embrace term limits—though in Presidential campaigns public finance serves as the carrot getting candidates to accept the FEC nitpicking. And the Supreme Court, while backing away from the obvious conclusion that limiting political expenditures is *prima facie* an infringement of free speech, couldn't bring itself to say someone can't spend his own money on his own campaign.

Thus the millionaire's loophole. Mr. Perot was able to use his billions to confuse the last Presidential elections, going in, out and back in at will. So long as he doesn't accept public money, he can spend as he likes.

Mr. Forbes is an even more interesting case, since he was chairman of Empower America, the political roost of both Mr. Kemp and Mr. Bennett. Who would have guessed a year ago, the latter asks, that the Empower America candidate would be Steve Forbes. On the issues Mr. Forbes is perhaps an even better candidate than his colleagues—backing term limits where Mr. Kemp opposes them, for example—and without his message his money wouldn't do much good. Still, to have a better chance at ultimately winning, it would have been logical for him to bankroll one of his better-known colleagues. But that's against the law, thanks to Mr. Wertheimer, so Mr. Forbes has to hit the stump himself.

With widespread disaffection with the current field, and especially in the wake of the Powell withdrawal, the lunacy of the current rules is coming to be recognized. The emperor has no clothes, think tank scholars are starting to say—notably Bradley A. Smith of the Cato Institute, whose views were published here Oct. 6. Following Mr. Smith, Newt Gingrich said last weekend we don't spend too much on political campaigns but too little. This heresy was applauded this week by columnist David Broder, which may herald a breakthrough in goo-goo sentiment itself.

Formidable special interests, of course, remain opposed to change in the current rules. Notably political incumbents who want campaigns kept as quiet as possible and have learned to milk other special interests who want access. So rather than having some maverick millionaire funding his pet candidate on reasons that might relate to ideas and issues, we have all parties funded by Dwayne Andreas and his sisters and his cousins and his aunts, better to protect ethanol subsidies. Finally, of course, we have Mr. Perot and his United We Stand hell-bent for further restrictions on campaign finance, better to protect the political process for billionaires like himself.

Not so, thankfully, Mr. Forbes, who sees campaign spending limits as an incumbent protection device. He recently told an Iowa audience, "If Congress abolished the franking privilege, then I'd be impressed." Lift the caps on giving and spending, but make sure everything is disclosed, he says. "That's real reform."

[From the Wall Street Journal, Feb. 2, 1996]

Ruining Politics—II

Not long ago these columns described how the crazy campaign-finance reforms dreamed up by the likes of Fred Wertheimer and Common Cause have been ruining politics. Oregon voters just got another such lesson in their special Senate election this week.

Democrats are understandably pleased with their narrow (less than 1% margin) victory, but so too are the Sierra Club, the League of Conservation Voters (LCV), the Teamsters, the gay and lesbian lobby, the public-employee unions, NARAL (the abortion rights outfit), the National Council of Senior Citizens and the AFL–CIO. All of these liberal groups weighed in with what campaign finance laws call "independent expenditures" on behalf of Democrat Ron Wyden. Call this the Common Cause loophole.

In the world of campaign reformers, money is the root of all evil. So they spend their time denouncing candidates who raise it for bending to "special interests." Yet what the reformers won't advertise is that there's nothing much they can do about the special interests who decide to spend money on their own.

As they did to great effect in Oregon. The AFL says it devoted 35 full-time professionals and sent out 350,000 pieces of partisan mail for the cause. The Sierra Club and LCV spent $200,000 on 30,000 postcards, 100,000 telephone calls and very tough TV and radio spots accusing Republican Gordon Smith of "voting against . . . groundwater protection, clean air, pesticide limits, recycling."

The topper was a Teamster radio spot, run on seven stations in five cities, that in effect accused Mr. Smith of being an accomplice to murder because a 14-year-old boy died in an accident at one of his companies. "Gordon Smith owns companies where workers get hurt and killed. He has repeatedly violated the law. Those are the facts."

In fact, the young worker had died after a fall in a grain elevator while being supervised by his father, who still works for Mr. Smith and doesn't blame him. An analysis of the ad in the liberal Oregonian newspaper essentially concluded that the whole thing was false. (By the way, the ad was the work of consultant Henry Sheinkopf, who is part of Bill Clinton's re-election team this year and likes to say he believes in the politics of "terror." We trust Mr. Clinton will soon give him his post-Oklahoma City "civility" speech to read.)

Even Mr. Wyden felt compelled to criticize the rhetoric of the ad, but since it wasn't run by his campaign, he couldn't be blamed for it, even as it cut up his opponent. That's the beauty of these "independent expenditures": They work for a candidate without showing his fingerprints. Mr. Wyden even took the high road earlier this month and announced that both candidates should stop negative campaigning, while his allies kept dumping garbage on Mr. Smith through the mail and on the airwaves!

Now, we understand that Republicans do this, too. The NRA doesn't play beanbag. And as a millionaire businessman, Mr. Smith was able to spend enough of his own money to answer this stuff in his campaign. But candidates who aren't millionaires have to find money somewhere else, which means from people and interests that have money. Yet if Mr. Wertheimer and Common Cause get their way, nonrich candidates would find their ability to raise that money drastically limited. The special interests would still be able to sling their junk, while a candidate would lack the cash to respond.

Something very much like this probably cost Republicans the governorship last year in Kentucky, where the AFL spent lavishly for the Democrat but the Republican was hemmed in by spending limits. And, of course, operations such as the AFL or the teachers unions have an unlimited supply of money from forced union dues, while other liberal special-interest groups get taxpayer subsidies that Republican Senators like Vermont's Jim Jeffords are refusing to kill. (Question: What does Mr. Jeffords have against electing other Republicans?) If Congress tried to restrict such "independent" spending in some new reform, the Supreme

Court would probably (and rightly) strike it down as a violation of the First Amendment.

The bigger point here is that John McCain, Fred Thompson, Linda Smith and other Republicans who've joined up with Common Cause need to rethink their allegiances. They're lending credibility to an exercise that is sure to backfire on their party, if not on them, and probably on our democracy. How ironic it would be if, in the name of controlling special interests, our sanctimonious reformers merely made them more powerful.

Mr. McCONNELL. I ask unanimous consent to have printed in the RECORD testimony on the constitutionality of the broadcast provisions in the bill prepared for the National Association of Broadcasters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSTITUTIONAL INFIRMITIES OF PENDING POLITICAL BROADCASTING LEGISLATION

(Prepared for National Association of Broadcasters by P. Cameron DeVore, Gregory J. Kopta, Robert W. Lofton, of Davis Wright Tremaine)

SUMMARY

Pending Congressional campaign finance reform legislation would substantially expand federal political candidates' "reasonable access" to broadcast time, raising fundamental issues under both the First and Fifth Amendments to the United States Constitution. Several bills would require broadcasters to provide free and/or heavily discounted time to political candidates as an incentive for candidates to voluntarily comply with campaign spending limits. The goal of this legislation apparently is to reduce the cost of federal election campaigns for House and Senate seats and thereby enhance the integrity of the electoral process.

By requiring broadcasters to finance political candidates, the pending legislation would compel broadcasters to engage in protected speech. Such a requirement could only be justified by compelling necessity, and then only if precisely tailored to the government's interest. Mandating that broadcasters, rather than candidates, pay to communicate partisan political messages would not advance the government's interest in enhancing the integrity of the electoral process. In addition, the government could advance that interest more effectively through numerous alternatives that do not involve encroachments on First Amendment freedoms.

Broadcasters historically have been subject to more restrictions than have other media on their constitutionally protected editorial discretion, but the traditional rationale of spectrum scarcity no longer justified singling out broadcasters for reduced First Amendment protection, particularly in light of the multiplicity of other outlets for diverse viewpoints. The pending legislation nevertheless could not survive even the "intermediate scrutiny" requirements of narrow tailoring to a substantial government purpose. Compelling broadcasters to finance political campaigns would bear no relationship to broadcasters' public interest duties, and would upset the delicate balance between their journalistic freedoms and their obligations as licensees of the public airwaves. By singling out broadcasting from other media and usurping broadcast facilities and time, the proposed legislation also denies broadcasters equal protection of the law and takes their property without just compensation, in violation of the Fifth Amendment.

For all of these reasons, it is our view that those aspects of the pending legislation that require broadcasters to provide free or subsidized time for political candidates' speech would likely be held unconstitutional by the courts.

Mr. McCONNELL. Mr. President, I ask unanimous consent to have printed in the RECORD a constitutional analysis conducted for the National Right to Life Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOPP, COLESON & BOSTROM,
ATTORNEYS AT LAW,
Terre Haute, IN, November 7, 1995.

Re: Senate Campaign Finance Reform Act of 1995.

DAVID O'STEEN, Ph.D.,
National Right to Life Committee,
Washington, DC.

DEAR DR. O'STEEN: You have asked me, as General Counsel for the National Right to Life Committee ("NRLC"), to evaluate the proposed Senate Campaign Finance Reform Act of 1995 ("The Act"). We have done so.

Based on our evaluation, we recommend that NRLC oppose the Act because of the effects it would have on NRLC activities. These are set forth below.

SECTION 201

Section 201 would abolish connected political action committees ("PACs"). The Act prohibits membership corporations, such as National Right to Life, from having a connected PAC. This would abolish National Right to Life PAC. This would severely affect the ability of NRLC to influence federal elections because NRLC would not have a connected PAC.

Section 201 also permits only individuals or political committees organized by candidates and political parties to solicit contributions or make expenditures "for the purpose of influencing an election for Federal office." This appears to do two things.

First, it appears to prohibit independent PACs, so that persons associated with NRLC couldn't create an independent PAC to do express advocacy for or against candidates.

Second, it also appears to bar nonprofit, nonstock, ideological organizations—which under *FEC* v. *Massachusetts Citizens for Life*, 479 U.S. 238 (1986), could do independent expenditures—from making such independent expenditures on behalf of or in opposition to candidates.

SECTION 251

Assuming that under the Act independent expenditures can be done by someone other than an individual,[1] so that NRLC still could have a PAC capable of making contributions and expenditures to influence an election, there remains a problem. The problem is with the definition of independent expenditure in the Act.

The Act defines "independent expenditure" as an expenditure containing "express advocacy" made without the participation of a candidate. "Express advocacy" is defined extremely broadly:

"18(A) The term "express advocacy" means when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular party.

"(B) The term "expression of support for or opposition to" includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action."

This extremely broad definition of "express advocacy" would sweep in protected issue advocacy which NRLC does, such as voter guides. For example, criticizing a candidate for his or her proabortion stand near an election time would fall within the express advocacy definition because it would constitute "an expression of . . . opposition to a specific candidate." This phrase goes far beyond what the United States Supreme Court said was permissible to regulate as electioneering in the case of *Buckley* v. *Valeo*, 424 U.S. 1 (1976). In *Buckley*, the Supreme Court held that in order to protect issue advocacy (which is protected by the First Amendment), government may only regulate election activity where there are explicit words advocating the election or defeat of a clearly identified candidate.

In sum, these provisions of the Act would prevent NRLC from engaging in constitutionally-protected issue advocacy.

SECTION 306

Section 306 of the Act authorizes an injunction where there is a "substantial likelihood that a violation . . . is . . . about to occur." Thus, the FEC would be authorized to seek injunctions against expenditures which, in the FEC's expansive view, could influence an election. Such a preemptive action against speech is an unconstitutional prior restraint and is unconstitutional except in the case of national security or similarly weighty situations. Prior restraint should never be allowed in connection with core political speech. There simply is no governmental interest of sufficient magnitude to justify the government stopping persons from speaking. Because prior restraints of speech are so repugnant to the Constitution, the usual remedy is to impose penalties after the speech is done, if a violation of law occurred in connection with the speech.

Therefore, under the Act, the Federal Election Commission would be authorized to pursue injunctions against the political speech of persons or organizations suspected of violating the Act. This means that NRLC would be subject to a prior restraint of its speech, even issue advocacy, on the eve of an important election. Given its history of expansive readings of its powers to regulate constitutionally-protected speech, the Federal Election Commission should never be handed the weapon of prior restraint.

As stated at the beginning, there are severe problems with the Act. The Act would profoundly alter NRLC's ability to affect federal elections. Therefore, we recommend that National Right to Life Committee oppose the Act.

Sincerely,

JAMES BOPP, Jr.
RICHARD E. COLESON.

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[1] There is a way this could happen. Apparently due to concerns about the constitutionality of what Section 201 of the bill does (§324 of the FECA), the Act creates a fall-back position for times when those provisions might not be in effect, i.e., might be enjoined for unconstitutionality. This fall-back provision is that during the time when the ban on connected and independent PACs might be enjoined from enforcement the total that a candidate can receive from a "multicandidate" PAC is "20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle." Thus, the fallback is that if connected and independent PACs cannot be abolished altogether, then the total contributions from such PACs would be capped. Under this provision, the ability of NRL PAC to contribute to federal candidates would be severely affected.

Mr. McCONNELL. In addition, I have individual columnists like George Will and David Broder who have expressed opposition to various parts of this measure, and I ask unanimous consent that those columns be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Newsweek, Apr. 15, 1996]

CIVIC SPEECH GETS RATIONED

(By George F. Will)

Surveying the constitutional and political damage done by two decades of campaign finance "reforms," friends of the First Amendment feel like the man (in a Peter De Vries novel) who said "In the beginning the earth was without form and void. Why didn't they leave well enough alone?" Reformers should repent by repealing their handiwork and vowing to sin no more. Instead, they are proposing additional constrictions of freedom that would further impoverish the nation's civic discourse.

The additions would be the Forbes-Perot Codicils, abridging the right of a rich person to use his or her money to seek elective office. This will be called "closing a loophole." To reformers, a "loophole" is any silence of the law that allows a sphere of political expression that is not yet under strict government regulation.

Jack Kemp, Bill Bennett, Dan Quayle, Dick Cheney and Carroll Campbell are among the Republicans who were deterred from seeking this year's presidential nomination in part by the onerousness of collecting the requisite funding in increments no larger than $1,000. You may or may not regret the thinness of the Republican field this year, but does anyone believe it is right for government regulations to restrict important political choices?

There are restrictions on the amounts individuals can give to candidates and on the amounts that candidates who accept public funding can spend. Limits on individuals' giving force candidates who are less wealthy than Forbes or Perot to accept public funding. Such restrictions are justified as necessary to prevent corruption and promote political equality. But Prof. Bradley A. Smith of Capital University Law School in Columbus, Ohio, demolishes such justifications in an article in The Yale Law Journal, beginning with some illuminating history.

In early U.S. politics the electorate was small, most candidates came from upper-class factions and the candidates themselves paid directly what little campaign spending there was, which went for pamphlets, and for food and whisky for rallies. This changed with Martin Van Buren's organization of a mass campaign for Andrew Jackson in 1828. Democratization—widespread pamphleteering and newspaper advertisements for the increasingly literate masses—cost money. Most of the money came from government employees, until civil service reform displaced patronage.

Government actions—Civil War contracts, then land and cash grants to railroads, and protectionism—did much to create corporations with an intense interest in the composition of the government. Then government created regulations to tame corporate power, further prompting corporate participation in politics. Smith says that in 1888 about 40 percent of Republican national campaign funds came from Pennsylvania businesses, and by 1904 corporate contributions were 73 percent of Teddy Roosevelt's funds. Democrats relied less on corporate wealth than on the largesse of a small number of sympathetic tycoons: in 1904 two of them provided three quarters of the party's presidential campaign funds. By 1928 both parties' national committees received about 69 percent of their contributions in amounts of at least $1,000 (about $9,000 in today's dollars).

Only a few campaigns have raised substantial sums from broad bases of small donors. These campaigns have usually been ideological insurgencies, such as Barry Goldwater's in 1964 ($5.8 million from 410,000 contributors), George McGovern's in 1972 ($15 million from contributions averaging about $20) and Oliver North's 1994 race for a U.S. Senate seat from Virginia (small contributors accounted for almost all of the $20 million that enabled North to outspend his principal opponent 4 to 1 in a losing effort).

The aggressive regulation of political giving and spending began in 1974, in the aftermath of Watergate. Congress, itching to "do something" about political comportment, put limits on giving to candidates, and on spending by candidates—even of their personal wealth. Furthermore, limits were placed on total campaign spending, and even on political spending by groups unaffiliated with any candidate or campaign. In 1976 the Supreme Court struck down the limits on unaffiliated groups, on candidates' spending of personal wealth and on mandatory campaign spending ceilings. The Court said these amounted to government stipulation of the permissible amount of political expression and therefore violated the First Amendment.

But in a crucial inconsistency, the Court upheld the limits on the size of contributions. Such limits constitute deliberate suppression by government of total campaign spending. And such suppression constitutes government rationing of political communication, which is what most political spending finances. Furthermore, in presidential campaigns, limits on the size of contributions make fund raising more difficult, which coerces candidates (at least those less flush than Forbes or Perot) into accepting public funding. Acceptance commits candidates to limits on how much can be spent in particular states during the nominating process, and on the sums that can be spent in the pre- and post-convention periods.

Now, leave aside for a moment the question of whether the "reformers" responsible for all these restrictions remember the rule that Congress shall make no law abridging the freedom of speech. But why, in an era in which the United States has virtually eliminated restrictions on pornography, is government multiplying restrictions on political expression? (Here is a thought rich in possibilities: Would pornographic political expression be unregulatable?)

When reformers say money is "distorting" the political process, it is unclear, as Smith says, what norm they have in mind. When reformers say "too much" money is spent on politics, Smith replies that the annual sum is half as much as Americans spend on yogurt. The amount spent by all federal and state candidates and parties in a two-year election cycle is approximately equal to the annual sum of a private sector's two largest advertising budgets (those of Procter & Gamble and Philip Morris). If the choice of political leaders is more important than the choice of detergents and cigarettes, it is reasonable to conclude that far too little is spent on politics.

The $700 million spent in the two-year election cycle that culminated in the November 1994 elections (the sum includes all spending by general-election candidates, and indirect party-building expenditures by both parties, and all indirect political spending by groups such as the AFL–CIO and the NRA) amounted to approximately $1.75 per year per eligible voter, or a two-year sum of $3.50—about what it costs to rent a movie. In that two-year cycle, total spending on all elections—local, state and federal—was less than $10 per eligible voter, divided among many candidates. And because of the limits on the size of contributions, much of the money was not spent on the dissemination of political discourse but on the tedious mechanics of raising money in small amounts. Furthermore, the artificial scarcity of money produced by limits on political giving and spending has strengthened the incentive for the kind of spending that delivers maximum bang for the buck—harsh negative advertising.

Does a money advantage invariably translate into political potency? Try telling that to Forbes, who spent $440 per vote in finishing fourth in the Iowa caucuses. True, the candidate who spends most usually wins. But as Smith notes, correlation does not establish causation. Money often follows rather than produces popularity: many donors give to probable winners. Do campaign contributions purchase post-election influence? Smith says most students of legislative voting patterns agree that three variables are more important than campaign contributions in determining legislators' behavior—party affiliation, ideology, and constituent views. "Where contributions and voting patterns intersect, they do so largely because donors contribute to those candidates who are believed to favor their positions, not the other way around."

Smith argues that limits on campaign giving and spending serve to entrench the status quo. As regards limits on giving, incumbents are apt to have large lists of past contributors, whereas challengers often could best obtain financial competitiveness quickly by raising large sums from a few dedicated supporters. If today's limits had been in place in 1968, Eugene McCarthy could not have mounted his anti-war insurgency, which depended heavily on a few six-figure contributions. As regards spending limits, the lower they are the better they are for incumbents: incumbents are already well known and can use their public offices to seize public attention with "free media"—news coverage.

The rage to restrict political giving and spending reflects, in part, the animus of liberals against money and commerce. There are, after all, other sources of political influence besides money, sources that liberals do not want to restrict and regulate in the interests of "equality." Some candidates are especially articulate or energetic or physically attractive. Why legislate just to restrict the advantage of those who can make or raise money? Smith notes that one reason media elites are apt to favor restricting the flow of political money, and hence the flow of political communication by candidates, is that such restrictions increase the relative influence of the unrestricted political communication of the media elites.

To justify reforms that amount to government rationing of political speech, reformers resort to a utilitarian rationale for freedom of speech: freedom of speech is good when it serves good ends. This rationale is defensible; indeed, it has a distinguished pedigree. But it has recently been repudiated in many of the Supreme Court's libertarian construings of the First Amendment. Those decisions, taking an expansive view of the First Amendment in the interest of individual self-expression, have made, for example, almost all restrictions on pornography constitutionally problematic. And such libertarian decisions generally have been defended by liberals—who are most of the advocates of restrictions on campaign giving and spending.

But liberals of another stripe also advocate campaign restrictions. They are "political equality liberals" rather than "self-expression liberals." They favor sacrificing some freedom of speech in order to promote equal political opportunity, as they understand that. Such liberal egalitarians support speech codes on campuses in the name of equality of status or self-esteem for all groups, or to bring up to equality groups designated as victims of America's injustices. Liberal egalitarians support restrictions on pornography because, they say, pornography deprives women of civic equality by degrading them. And liberal egalitarians support restrictions on political expression in order to achieve equal rations of political communication for all candidates.

Prof. Martin Shapiro of the University of California's Law School at Berkeley writes that "almost the entire first amendment literature produced by liberal academics in the past twenty years has been a literature of regulations, not freedom—a literature that balances away speech rights . . . Its basic strategy is to treat freedom of speech not as an end in itself, but an instrumental value." And Bradley Smith says that "after twenty years of balancing speech rights away, liberal scholarship is in danger of losing the ability to see the First Amendment as anything but a libertarian barrier to equality that may, and indeed ought, to be balanced away or avoided with little thought.

Fortunately, more and more people are having second thoughts—in some cases, first thoughts—about the damage done to the political process, and the First Amendment, by the utilitarian or "instrumentalist" understanding of freedom of speech. Campaign "reforms" have become a blend of cynicism and paternalism—attempts to rig the rules for partisan advantage or the advantage of incumbents' or to protect the public from what the political class considers too much political communication. Any additional "reforms," other than repeal of the existing ones, will make matters worse.

[From the Washington Post, Nov. 14, 1995]

GINGRICH'S HERESY

(By David S. Broder)

Speaker Newt Gingrich (R-Ga.) knew he was headed into a test of wills with the president that might force a shutdown in the government and boost his already high negative ratings. The last thing he needed was another fight—especially one in which his position would guarantee denunciation from all respectable quarters.

Nonetheless, when Gingrich testified the other day at a congressional hearing on campaign finance, he deliberately committed heresy. He argued that too little money—not too much—is going into campaigns.

The editorial pages and columnists issued the predictable squawks. The speaker also took fire from the rear: The freshman Republicans who have been his shock troops were in shock. They wanted to hear him say, as everyone from Common Cause to Ross Perot regularly intones, that American politics is "awash" in special-interest money.

That is the operative premise of all the favorite "reforms": abolition of PACs (political-action committees); allowing only people from the home state or home district to contribute to a candidate; getting rid of "soft-money" corporate contributions, which pay for political party facilities and grass-roots operations.

All of this Gingrich challenged in his testimony on Nov. 2. The total amount spend on House and Senate races in 1994 was $724 million—a record sum and shocking to many. But the cost of 435 House races and 33 Senate campaigns was, he pointed out, roughly double what the makers of the three leading antacids budgeted for advertising last year. This is a scandal?

Ah, but it said, the candidates and officeholders were forced to spend an inordinate amount of time dialing for dollars, going hat in hand to prospective contributors. True enough, but the main reason is that contribution limits have not been adjusted for inflation in 21 years. In 1974 the limit on individual contributions was set at $1,000. That is worth $325 today. If you really want politicians spending less time fund-raising, Gingrich suggested, lift that limit to $5,000 and index it for inflation.

If this were not heretical enough, the speaker had one other idea. Instead of thinking of campaign finance as a separate problem, screaming for solution, think about a way to pay for the cost of politics that would actually serve the interests of voters and of governing.

Do that, he said, and you may find that the best remedy is not to legislate limits on contributions or spending but to enable greater activity by the political parties—Republicans, Democrats and any third force that may emerge to challenge them.

The biggest problem in our campaign finance system, he said, is the gross disparity between what House incumbents can raise and what most challengers can muster. The PACs are a big part of this problem for they use their contributions to ensure access to legislators handling their issues. The PAC system, as Gingrich said, "has become an arm of the Washington lobbyists" and needs to be reduced in significance.

But limiting PAC contributions is likely to be an empty gesture. Increasingly, organized interest groups are mounting independent expenditure campaigns, boosting their friends and targeting their enemies, which they can do without limit.

Since we cannot effectively stifle these special-interest voices, Gingrich said, let us submerge them in appeals from the parties. Increase substantially the limits on what people can give to political parties, he said. And allow those parties to contribute far more than they do now to help challengers offset the many advantages incumbents enjoy—not only greater leverage on the PACs but all the staff, office and communications facilities that are provided at taxpayers' expense.

Barring such changes, Gingrich rightly said, we are almost certain to see a continuation of the trend to millionaire candidates. Because the wealthy are allowed (by Supreme Court decision) to spend whatever they wish on their own campaigns, the Senate has become a millionaires' club and the House is moving in the same direction.

All of this was a challenge to conventional wisdom. But Gingrich is not, in fact, alone. In the same week that he testified, the libertarian Cato Institute and the liberal Committee for the Study of the American Electorate published essays arguing that the supply of political money should be increased, not decreased. As Curtis Gans, the author of the latter study, pointed out, "The overwhelming body of scholarly research . . . indicates that low spending limits will undermine political competition by enhancing the existing advantages of incumbency."

Gingrich has been accused of foot-dragging on the handshake agreement he struck with President Clinton last June to form a bipartisan commission on campaign finance.* * *

[From the Washington Post, Jan. 17, 1996]

A SENATE OF MILLIONAIRES

(By David S. Broder)

Want a perfectly safe bet on the November election results? Bet that there will be even more millionaires in the U.S. Senate.

What once was called "The World's Most Exclusive Club" increasingly requires personal wealth as a condition for membership. The combination of rising campaign costs and foolishly frozen limits on individual contributions has increased the advantage of self-financed candidates. The 1996 candidate lists are full of them.

In Georgia, for example, all three Republicans seeking nomination to the vacancy created by the retirement of Democratic Sen. Sam Nunn are men of substantial means. In Minnesota, former Republican senator Rudy Boschwitz, a wealthy retired businessman, is trying to reclaim the seat he lost to populist professor Paul Wellstone six years ago. And in a half-dozen other states, Republicans either have or are trying to recruit challengers who can afford to pay their own way.

What is more striking is the extent to which the Democrats—the self-styled party of the people—have begun to rely on affluence as the criterion for picking their Senate candidates.

In Colorado, New Hampshire, South Carolina and Virginia, the favored candidates for the Democratic nomination are all men of independent means, and in many cases, without wealth would not be considered to have Senate credentials. In Illinois, North Carolina, Oklahoma and Oregon, men of similar backgrounds are given a chance of winning nomination because of their bankrolls. It is not a new pattern. Among the Democratic senators seeking reelection this year is John D. (Jay) Rockefeller IV of West Virginia, who spent more than $10 million of his own money to be elected in 1984.

Retiring Sen. Bill Bradley (D-N.J.), a banker's son who earned big money as a New York Knicks basketball star, writes about the advantage wealth confers on a politician in his newly published memoir, "Time Present, Time Past." Bradley recounts how he decided he could afford to give or lend a quarter-million dollars to his first Senate campaign in 1978—about one-fifth of his budget. "It assured me that I could compete even if I didn't raise as much as I had hoped," he says. "With the existence of that self-generated cushion, I was able to raise more. When potential contributors see a campaign with money, they assume it's well-run, and they are more likely to make contributions. Everyone likes to be with a winner, whether in basketball or politics."

Bradley points out that he was a piker compared with many of his colleagues. "Four years later in New Jersey, Frank Lautenberg, a wealthy computer executive with no elective experience, would spend over $3.5 million of his own money to win a U.S. Senate seat. . . . In Wisconsin in 1988, Herb Kohl promised to spend primarily his own money in his Senate campaign; $7.5 million later, he won."

Financial disclosure statements show that at least 28 of the 100 sitting senators have a net worth of $1 million or more—many of them much more. Michael Huffington, a Texas oil man, spent $28 million of his own money in trying for a California Senate seat in 1994—but still lost. The price is going up.

Wealth is not a determinant of votes in the Senate. There are liberals like Rockefeller and Ted Kennedy along with conservatives. But wealth confers an unfair advantage in the campaigns for the Senate, and makes it much harder than it should be for people of talent, but no wealth, to compete.

The main reason for this disadvantage is the unrealistically low limit on individual contributions. The law, as Bradley notes, provides that "whereas a candidate could contribute as much of his own money as he chose, he could accept individual contributions of only $2,000 from others—$1,000 of it for the primary and $1,000 for the general election."

The contribution limits were set 22 years ago and never have been adjusted; inflation has eroded their value by two-thirds since then. Raising contribution limits is far down the list of proposals of most campaign finance reformers; many want to freeze them or reduce them.

But all the contribution limits are accomplishing today is to create an ever-greater advantage for self-financed millionaire candidates. Steve Forbes's rivals in the Republican presidential race are complaining that his wealth is tilting the odds in the contest, where he is the only one who is paying his own way and therefore spending as much as he wants. But the Senate picture is not very different.

If we really want to be ruled by a wealthy elite, fine; but it is a foolish populism that insists it despises the influence of wealth, and then resists liberalizing campaign contribution limits.

Rich men understand that. It's too bad the reformers can't figure it out.

[From the Washington Post, Jan. 31, 1996]

"FRONTLINE'S" EXERCISE IN EXAGGERATION

(By David S. Broder)

As if the cynicism about politics were not deep enough already, PBS's "Frontline" last night presented a documentary called "So YOU Want to Buy a President?" whose thesis seems to be that campaigns are a charade, policy debates are a deceit and only money talks.

The narrow point, made by Sen. Arlen Specter (R–Pa.), an early dropout from the 1996 presidential race, about millionaire publisher Malcolm S. (Steve) Forbes Jr., is that "somebody is trying to buy the White House, and apparently it is for sale."

The broader indictment, made by correspondent/narrator Robert Krulwich, is that Washington is gripped by a "barter culture" in which politicians are for sale and public policy is purchased by campaign contributions.

The program rested heavily on a newly published paperback, "The Buying of the President." Author Charles Lewis, the head of the modestly titled Center for Public Integrity, was a principal witness, and Kevin Phillips, the conservative populist author who wrote the book's introduction, was also a major figure in the documentary.

It dramatized the view asserted by Lewis in the conclusion of his book: "Simply stated, the wealthiest interests bankroll and, in effect, help to preselect the specific major candidates months and months before a single vote is cast anywhere. . . . We the people have become a mere afterthought of those we put in office, a prop in our own play."

Viewers say a number of corporate executives—no labor leaders, no religious leaders, no activists of any kind, for some reason—who have raised and contributed money for presidents and presidential candidates and thereafter been given access at dinners, private meetings or overseas trade missions.

It is implied—but never shown—that policies changed because of these connections. As Krulwich said in the transcript of a media interview distributed, along with an advance tape, with the publicity kit for the broadcast, "We don't really know whether these are bad guys or good guys. . . . I'm not really sure we've been able to prove, in too many cases, that a dollar spend bought a particular favor. All we've been able to show is that over and over again, people who do give a lot of money to politicians get a chance to talk to those politicians face to face, at parties, on planes, on missions, in private lunches, and you and I don't."

If that is the substance of the charge, the innuendo is much heavier. At one point, Krulwich asked Lewis, in his most disingenuous manner, "Do you come out convinced that elections are in huge part favors for sale, or in tiny part?"

And Lewis replied that while "there are a lot of wealthy people that do want to express broad philosophical issues," the "vested interests that have very narrow agendas that they want pursued see these candidates as their handmaidens or their puppets. The presidential campaign is not a horse race or a beauty contest. It's a giant auction."

That is an oversimplified distortion that can do nothing but further alienate a cynical electorate. Of course, money is an important ingredient in our elections and its use deserves scrutiny. But ideas are important too, and grass-roots activism even more so. The Democratic Leadership Council's Al From and the Heritage Foundation's Robert Rector have had more influence in the last decade than any fund-raisers or contributors, because candidates have turned to them for policy advice.

John Rother of the American Association of Retired Persons and Ralph Reed of the Christian Coalition work for organizations that are nominally nonpartisan and make no campaign contributions at all. But their membership votes—so they have power.

The American political system is much more complex—and more open to influence by any who choose to engage in it—than the proponents of the "auction" theory of democracy understand, or choose to admit.

By exaggerating the influence of money, they send a clear message to citizens that the game is rigged, so there's no point in playing. That is deceitful, and it's dangerously wrong to feed that cynicism.

Especially when they have nothing to suggest when it comes to changing the rules for the money game.

At one point, Phillips said that the post-Watergate reforms succeeded only in having "forced them [the contributors and politicians] to be more devious." That is untrue. Those reforms, which mandated the disclosure of all the financial connections on which the program was based, also created publicity which, even Krulwich and Co. admitted, foiled the "plots" of some contributors.

And Krulwich, for his part, suggested very helpfully that "every high-profile politician agrees that some things have got to change. Change the limits. Change the rules. Change the primaries. Change the ads. Change enforcement. You gotta change something."

How about changing the kind of journalism that tells people that politicians are bought-and-paid-for puppets and you're a sucker if you think there's a damn thing you can do to make your voice heard?

Mr. McCONNELL. Mr. President, over the years working on this issue I have written several pieces which I ask unanimous consent to have printed—one in the Washington Post and one in the USA Today—in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 21, 1996]

JUST WHAT IS A SPECIAL INTEREST?

(By Mitch McConnell)

President Clinton, in his State of the Union address, beseeched Congress to enact campaign finance reform to reduce "special interest" influence. Campaign finance reforms that the president favors would constrict fundamental democratic freedoms to participate in the political process. In other words: speech would be limited and some citizens' freedom to participate in elections beyond voting would be "reformed" out of existence based on their alleged status as "special interests." But if "special interest" is not defined, how are we to know just whose influence should be curbed?

Judging from the fervent bipartisan (and third party) scorn heaped on "special interests," the casual observer would logically assume that this scourge of democracy was readily identifiable. The Congressional Record, newspaper editorials and campaign speeches are replete with diatribes against the "special interests." A recent search of newspapers on the Nexis database found more than 60,000 articles and editorials containing the phrase "special interest."

"Special interest" is the most pejorative phrase in the American political lexicon since "communist-pinko." Judging from the reformers' scathing rhetoric, rooting out these special interests is a job for a new Senate Committee on Un-American Activities.

In fact, the special interest tag depends on the viewer's vantage point rather than on any objective criteria. So-called good government groups would have people believe that the antonym is "public" interest—as defined by them. These groups usually construe good government to mean big government and therefore deem big government to be in the public interest. By this logic, opposition to any government regulation or tax virtually guarantees a special interest charge.

Capitalism should not be a dirty word in a free society, but having observed the enmity directed toward its practitioners in many quarters, one could reasonably wonder. Some nonprofit so-called "good government" groups readily pin the special interest label on profit-seeking enterprises. Yet behind corporate balance sheets are employees, families, shareholders and communities of which they are part.

Does the special interest connotation extend to employees and their families? To the legions of Americans whose retirement funds and investments are keyed to the stock market? By such extrapolation does the "special interest" smear cut a wide swath.

What happens when a purported public interest organization is funded by a group that is universally regarded as a "special interest," such as the plaintiffs' lawyers? Are we to conclude that the special interest in this instance is subsumed in the nobler public interest? Or is the public interest group simply laundering the special interest influence money and acting as a front organization? Or is it merely coincidence when their interests converge on, say, lawsuit reform?

Most people would probably conclude that a special interest is contrary to the majority interest. Should special interest be defined as being not immediately relevant to more than 49.9 percent of American citizens? Must its membership comprise a majority of the country to be legitimate? If so, such a qualification should be carefully pondered, as "special interests" could be equated with any narrow or minority interest, thus automatically tarnishing what could be a very worthy cause.

Being a senator from Kentucky, I regularly go to bat for Kentucky industries (and their employees, suppliers and subcontractors) threatened by onerous regulations and taxation. These industries may, in the minds of some people, epitomize "special interest." To me, they and the Kentuckians whose livelihoods depend on them are constituents, and my assistance to them is in the public's interest.

Is a Pacific Northwest lumber company automatically a special interest? The company's employees? How about the Washington-based environmentalists who would sacrifice jobs and disrupt human lives for the sake of an owl? Are owls special interests?

The truth is that the special interest label is a political weapon utilized, often reflexively and perhaps thoughtlessly, by people throughout the ideological spectrum. It can be found in statements I have made in the past. Using it is a hard habit to break. Nevertheless, in the interest of more honest and civil public discourse, the invocation of the "special interest" mantra to propel a reform agenda or wound an opponent is a habit that should be broken.

All Americans have a constitutional right to petition the government and participate in the political process, however unpopular the cause or narrow its appeal may be. Americans do not forfeit those rights because they have been tagged with the special interest label.

The campaign finance reform debate, in particular, is advanced on the premise that special interest influence is pervasive, corrosive, and must be abated at all costs. But the cost of the alleged reforms in terms of constitutional freedom for all Americans is high. And the special interest premise is deeply flawed. So the next time you hear someone hail campaign finance reform as the answer, ask them what is the question. And when they say special interest influence is the problem, ask them: What is a special interest?

[From USA Today, June 11, 1996]

DISASTER FOR TAXPAYERS, CANDIDATES

[By Mitch McConnell]

The most talked-about campaign-finance schemes are unconstitutional, undemocratic, bureaucratic boondoggles. Further, their sponsors think taxpayers should foot the bill. And for good measure, these "reform" schemes also would greatly increase the power of the media.

Perhaps that is simply a fortunate happenstance for the liberal newspapers pushing them. In any event, the media clearly have a "special interest" in campaign finance "reforms" which would increase their power by limiting the speech of every other participant in the political process.

Because political campaigns exist to communicate with voters, the U.S. Supreme Court ruled two decades ago that campaign spending must be accorded First Amendment protection. Ergo, campaign spending limits are unconstitutional speech limits.

The simple fact is that communication with America's nearly 200 million eligible voters is expensive. For instance, one full-page color campaign ad in a Friday edition of USA TODAY would cost $104,400. Television and mail are also essential means of communicating with voters.

These are expensive venues, but they are the only way to reach all the voters in large, modern electorates. Limiting campaign spending would limit political discourse by candidates, thereby enhancing the power of the media. That is bad public policy.

For all the whining, the fact is that congressional campaign spending (less than $4 per eligible voter in 1994) is paltry relative to what Americans spend on consumer items like bubble gum and yogurt.

What we should do is adjust the individual contribution limit for inflation.

The contribution limits candidates must abide by in 1996 were set over two decades ago (when a new Ford Mustang cost $2,700). These inflation-eroded limits benefit the well-off (rich candidates who can fund entire campaigns out of their own pockets) and the well-known (principally incumbents) who have a large base from which to draw contributions.

Enhanced public disclosure of all campaign-related spending is also a worthy reform that would enable voters to make informed decisions on Election Day.

By comparison, the so-called "good government" groups' campaign-finance schemes would be disasters. Delay is preferable to the enactment of such constitutional monstrosities.

Mr. McCONNELL. Mr. President, some information about the cost to the Postal Service, estimated by this postal rate subsidy, and I ask unanimous consent that be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. POSTAL SERVICE,
Washington, DC, June 24, 1996.

Hon. MITCH MCCONNELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCONNELL: I am writing to voice my concerns about campaign finance reform legislation, S. 1219, which would place an unfair financial burden on the Postal Service and its ratepayers.

Let me first say that the Postal Service takes no position on the general merits of campaign finance reform. This issue appropriately rests with the Congress. However, S. 1219, as well as several other campaign finance reform bills in the House and Senate, provide for reduced postage rates for eligible candidates. These bills do not contain a funding mechanism through which the Postal Service would be reimbursed for the difference between regular rate postage and the reduced rate used by the candidates. In essence, the legislation creates an unfunded mandate, and the costs would have to be absorbed by our customers, the postal ratepayers. Testimony at campaign finance reform hearings estimated the reduced postage costs for S. 1219 to be $50 million per election. Estimates for other campaign finance bills with reduced postage provisions range from $50 to $150 million per election.

I would also like to point out that it is very unlikely that the Postal Service and its customers would be made whole even if a funding mechanism were included in campaign finance reform legislation. After years of underfunding our annual appropriation for Congressionally mandated reduced rate mailings, Congress enacted the 1993 Revenue Forgone Reform Act. In eliminating future funding for reduced rate mailings, this law mandates that the Postal Service receive a series of 42 annual appropriations of $29 million as partial reimbursement for past funding shortfalls. Even this "partial" relief is now threatened as our House Treasury, Postal Service, and General Government Appropriations Subcommittee proposed that this appropriation be reduced by over $5 million during their markup of our FY '97 appropriations bill.

I recognize the importance of the campaign finance reform issue in Congress this year, and it is with reluctance that I express these concerns to you. Nonetheless, S. 1219, as well as others, would offer political candidates reduced postage costs at the expense of the Postal Service and its customers. I urge you and your colleagues to identify alternate provisions that would not require postal ratepayers to bear the burden of campaign finance reform.

Best regards,

MARVIN RUNYON.

DIRECT MARKETING ASSOCIATION, INC.,
Washington, DC, June 19, 1996.

Hon. MITCH MCCONNELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCONNELL: It now appears that S. 1219, campaign finance legislation sponsored by Senators McCain and Feingold, is scheduled for debate next week.

We strongly urge you to cast a *no* vote on the cloture motion that will be offered during the debate.

As I have written to you before, DMA is opposed to S.1219, largely because of the provisions for low cost mailings for Senatorial candidates, without compensation to the Postal Service for lost revenues.

We estimate that, should the House pass similar legislation, these provisions could cost the Postal Service as much as $350 million dollars over a two-year election cycle. Every penny of this will ultimately come out of the pocket of the businesses and consumers who use the mails.

The Postal Service finds itself in an increasingly competitive environment. In order to survive, the Postal Service must be able to price its products competitively. It cannot do this if costs are arbitrarily added to its rate base. Legislation such as this endangers the financial base of the Postal Service and the service it can provide to American businesses and consumers.

Again, we urge you to vote *no* on the cloture motion.

Sincerely,

RICHARD BARTON.

NATIONAL ASSOCIATION OF
BROADCASTERS,
Washington, DC., June 24, 1996.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: First, I would like to thank you for the leadership role you have taken in opposing S. 1219, the campaign finance reform legislation introduced by Senators John McCain and Russ Feingold.

As originally introduced, this legislation would require broadcasters to offer qualified Senate candidates an additional 50% discount off the discounted television advertising rates candidates currently receive. The legislation further requires broadcasters give candidates free advertising time. We believe these provisions are unconstitutional and impose significant financial burdens on local broadcasters and we must oppose the legislation.

We understand Senators McCain and Feingold have introduced a substitute to S. 1219. At your request we have reviewed the broadcast provisions of the substitute. We have done so and have determined that for the most part the broadcast provisions are the same as those in S. 1219. There is, however, new language in the broadcast section which causes us great concern.

The new provision would give to the U.S. Court of Federal Claims exclusive jurisdiction over challenges to the constitutionality of the broadcast rate and free time provisions. Further, by its terms it precludes any injunctive relief, providing only for money damages. It is unclear whether this is an attempt to somehow deny us the opportunity to bring a First Amendment claim against these provisions. No other section of the bill appears to have the same requirement and we do not understand why the broadcast provisions are given a different avenue for judicial review.

We must oppose the substitute to S. 1219, and we continue to support your efforts in opposing this legislation. If I can be of further assistance, please do not hesitate to phone.

Sincerely,

EDWARD O. FRITTS,
President.

Mr. MCCONNELL. Mr. President, calling the McCain-Feingold voluntary does not make it so, its proponents protestations to the contrary. Anyone who dared not to comply with its voluntary limits would have to: pay twice as much as their opponent for TV ads and more for postage; with half the contribution limit; and forgo 30 minutes of free time.

All this and their complying opponent's spending limit would be increased up to 100 percent to counteract any excessive spending. Moreover, the complying candidate could spend unlimited amounts to counteract—dollar-for-dollar—independent expenditures.

So I say again, technically, mugging victims had options, too. That does not mean that handing over their wallets to muggers were voluntary acts. And I should stress here that the essential point in regard to the voluntariness of the candidate spending limits is not—as the Senator from Wisconsin stated yesterday—that candidates who did not comply with spending limits would be giving up benefits they do not currently enjoy such as the 50 percent discount and the free TV time. What makes the provision unconstitutional is the severe handicapping candidates would experience if they did not comply with the limits.

This is a crucial distinction from the presidential system. Steve Forbes did not have to pay twice as much for TV ads as the complying presidential candidates. He did not forego free time and Bob Dole's spending limit did not increase when independent expenditures were made against him. And his spending limit did not increase when Forbes spent over the limit. Had the presidential system had the inducements of the McCain-Feingold bill, Steve Forbes might very well have elected not to get into the race, at all.

It simply would not make sense for a candidate not to comply with the McCain-Feingold bill unless he or she were so extraordinarily wealthy they could spend many times the spending limit for their own wallet. So you could have two extreme types of campaigns under McCain-Feingold—very low spending ones complying with the limits and extremely expensive campaigns. What would disappear is the middle ground—not as cheap as the McCain-Feingold model but not at the extreme high-end, either.

If you looked long and hard enough and had common cause and public citizen helping, even a tiny needle in a giant haystack could be found. And so it is that at long last—after a decade of debate on this scheme—some people with law degrees have been located to say the McCain-Feingold/common cause spending limit structure is constitutional. How expert they are remains to be seen and their submittals on the subject will certainly be scrutinized.

In any event objective liberals and conservatives can agree that the American Civil Liberties Union is the repository of expertise on first amendment issues. The ACLU led, and triumphed, in the fight against mandatory spending limits 20 years ago in the Buckley versus Valeo case. And the ACLU will be in front again—along side me—should anything resembling the McCain-Feingold bill ever become law. The ACLU is singularly focused on constitutional freedom and has probably aggravated just about everybody at sometime with unpopular stands. But they have a remarkable record of success in this area.

At this point I will read excerpts from the ACLU's testimony—given by professor and Buckley versus Valeo attorney Joel M. Gora—before the Senate Rules Committee on February 1 of this year.

The provision for "voluntary" spending limits in Senate campaigns violates the free speech principles of *Buckley* v. *Valeo*. The outright ban and severe fall back limitations on PACs violate freedom of speech and association, as do the limitations on "bundling." The unprecedented controls on raising and spending "soft money" by political parties and even non-partisan groups intrude upon First Amendment rights in a manner well beyond any compelling governmental interest. The revised provisions governing the right to make independent expenditures both improperly obstruct that core area of electoral speech and impermissibly invade the absolutely protected area of issue advocacy. The reduced recordkeeping threshold for contributions and disbursements, from $200 down to $50, invades associational privacy. And the new powers given to the Federal Election Commission to go to court in the midst of a campaign to enjoin "a violation of this Act" pose an ominous and sweeping threat of prior restraint and political censorship.

S. 1219 suffers from many of the same flaws as the original statute at issue in *Buckley* v. *Valeo*. There the ACLU contended that the Federal Election Campaign Act of 1974 was bad constitutional law because it cut to the heart of the First Amendment's protections of political freedom. It limited the ability of groups and individuals to get their message across to the voters. The very essence of the First Amendment is the right of the people to speak, to discuss, to publish, to join together with others on issues of political and public concern. This constitutional protection of the right of the people to join together to form groups and organizations and societies and associations and unions and corporations to articulate and advocate their interests is the genius of American democracy. And this is particularly vital in connection with political election campaigns when issues, arguments, candidates and causes swirl together in the public arena. Yet, the 1974 Act imposed sweeping and Draconian restraints on the ability of citizens and groups, candidates and committees, parties and partisans to use their resources, to make political contributions and expenditures, to support and embody their freedom of speech and association.

The ACLU also insisted the Act was poorly crafted "political restructuring" rather than real "political reform" because it exacerbates the inequality of political opportunity, enhances dependence upon money and moneyed interests in politics and magnifies the power of incumbency as the single most significant factor in politics. Limits on giving and spending make it harder for those subject to the restraints to raise funds and easier for those outside the restraints to bring their resources to bear on politics. Limiting individual contributions to $1,000 per candidate, while allowing PACs, made legitimate by the "reforms," to contributes $5,000 per candidate, would make it harder to raise money from individuals and make candidates more dependent on PACs. And PACs, often representing entrenched interests, would be more likely, though far from inevitably, to prefer incumbents to challengers as beneficiaries of their largesse. The Act would stifle not expand political opportunity. What you had, we warned, was an unconstitutional law, enacted by Congress, approved by the President, enforced by an agency, the Federal Election Commission, beholden to each, and designed to restrain the speech and association of those who would criticize or challenge or oppose the elected establishment. Talk about the powers of incumbency. That's why we called the Act an "Incumbents Protection Act."

In *Buckley* v. *Valeo*, the Supreme Court held that any government regulation of political funding—of giving and spending, of contributions and expenditures—is regulation of political speech and subject to the strictest constitutional scrutiny. The Act's limitations on political expenditures—by committees, campaigns and candidates, no matter how wealthy—flatly violated the First Amendment. Nothing can justify the government telling the people how much they could spend to promote their candidacies or causes. Not in this country. Nothing. "In the free society ordained by our Constitution it is not the government, but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign." *Buckley v. Valeo*, 424 U.S. 1,57 (1976).

Nor could the Congress try to help "equalize" political speech and the ability to influence the outcome of elections by imposing restraints on some speakers: ". . . the concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment." *Buckley v. Valeo*, 424 U.S. at 48–49.

Unfortunately, the decision in *Buckley* upheld the Act's contribution limits of $1,000 for individuals and $5,000 for political committees. The Court did this because of its stated concern that unlimited gifts to candidates was a recipe for corruption, a ruling that ensured the two decades of frustration and unfairness that have ensured. With no limits on overall campaign spending or on wealthy candidates, and with independent campaign committees, issues groups and the press free to use their resources to comment on candidates and causes without limit; but with less well-funded candidates hampered in their ability to raise money from family, friends and supporters, the stage was set to make two factors dominant: the advantages of incumbency and the dependency on PACs.

The advantages of incumbency meant that public resources such as franking privileges, government funded newsletters and free television coverage (C-Span) made it easier for Members of Congress to communicate with the voters, while challengers have to spend restricted amounts of money in order to achieve the same visibility.

The dependency on PACs resulted from severe limitations on the amounts of money that individuals can contribute directly to candidates, coupled with the markedly increased cost of campaigning, which made PAC contributions a very important source of campaign funding. And the individual contribution limit was kept at $1,000, which, adjusted for inflation, is probably worth about $400 in real dollars today.

That is why for twenty years candidates have had to look more to PACs order to raise funds and incumbents, in particular, have had an easier ability to do so.

And for twenty years, the ACLU has suggested the way to solve these various disparities and dilemmas is to expand political participation, by providing public financing or support for all legally qualified candidates, without conditions and restrictions, not to restrict contributions and expenditures which enable groups and individuals to communicate their message to the voters.

Unfortunately, in all of its critical aspects, S. 1219, The Senate Campaign Finance Reform Act of 1995 fails to facilitate broader political participation and it also unconstitutionally abridges political expression.

Mr. President, the proponents of this bill are very mistaken if they believe the spending limits are constitutional. The ACLU differs:

Title I of the bill, providing "spending limits and benefits" for Senate election campaigns, is an attempt to coerce what the law cannot command: limitations on overall campaign expenditures and on the use of personal funds for a candidate's own campaign. It is a backdoor effort to impose campaign spending limits—which inevitably benefit incumbents—in violation of the essential free speech principles of *Buckley* v. *Valeo* and the doctrine of unconstitutional conditions. And it should be observed that what triggers benefits for some candidates and burdens for others is not that a candidate approaches or exceeds relevant spending limits, but simply refuses to agree to be bound by them.

The ACLU believes that the receipt of public subsidies or benefits can never be conditioned on surrendering constitutional rights. To do so would be to penalize the exercise of those rights. See *Perry* v. *Sindermann*, 408 U.S. 593, 597 (1972); *FCC* v. *League of Women Voters*, 468 U.S. 364 (1984). Since candidates have an unqualified right to spend as much as they can to get their message to the voters, and to spend as much of their own funds as they can, and to raise funds from supporters all over the country, they cannot be made to surrender those rights in order to receive public benefits.

In *Buckley* the Court suggested that Congress could establish a system whereby candidates would choose freely between full public funding with expenditure limits and private spending without limits, "as long as the candidate remains free to engage in unlimited private funding and spending instead of limited public funding." *Republican National Committee* v. *Federal Election Commission*, 487 F. Supp. 280, 284 (S.D.N.Y.), *aff'd mem.*, 445 U.S. 955 (1980). See *Buckley* at 57, n. 65. Contrary to its supporters' claims, S. 1219 does not establish such a regime of voluntary campaign spending limits. Rather, the bill denies significant benefits to and imposes burdens on those candidates who refuse to agree to limit their campaign expenditures, while conferring a series of advantages upon those candidates who agree to the limits.

First, by banning PAC contributions entirely, the bill makes it more difficult for candidates to raise and spend money at all, which will make them more susceptible to accepting the expenditure and other limitations. Candidates who refuse to accept spending limits have to work harder to raise funds because the limits on contributions to their opponents are raised automatically from $1,000 to $2,000. And then such disfavored candidates have to pay full rates for broadcasting and postage. Finally, the expenditure ceilings of their opponents are raised by 20% to make it easier to counter the messages of "non-complying" candidates.

In short, this scheme does everything possible to help the candidate who agrees to spending limits to overwhelm the candidate who does not. That is not a level playing field.

Indeed, in *Buckley* the Court upheld public funding of Presidential campaigns because its purpose was "not to abridge, restrict or censor speech, but rather to use public money to facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people." 424 U.S. at 92–93. S. 1219 fails this test, for its purposes and effect are to limit speech, not enhance it. Recent cases have invalidated other schemes for making candidates "voluntarily" agree to expenditure and other restraints by penalizing those who do not, see *Shrink Missouri Government PAC* v. *Maupin*,—F.3d—, 64 Law Week 2409 (8th Cir. 1995) (restricting funding sources of those who refuse to agree to abide by expenditure limits violates the First Amendment) ("We are hard-pressed to discern how the interests of good government could possibly be served by campaign expenditure laws that necessarily have the effect of limiting the quantity of political speech in which candidates for public office are allowed to engage." *Id.* at—);

Moreover, even if the Act did create a level playing field, the incumbent starts the game 10 points ahead because of greater fund-raising ability, name recognition, access to the news media and other benefits of incumbency. All things being equal, the incumbent starts out ahead. Any law which imposes financial penalties and disincentives on speech because of the interaction between the status of the speaker and the content of the speech is constitutionally suspect. See *Simon & Schuster, Inc.* v. *Members of the New York State Crime Victims Board*, 502 U.S. 105 (1991) (law improperly escrowed profits from writings about a criminal's crime); *United States* v. *National Treasury Employee's Union*, 516 U.S.—(1995) (invalidating overbroad honorarium ban on moonlighting speeches and articles by federal employees). Schemes of public benefits for political action which are structured in such a fashion that the government seems to be showing favoritism to certain categories of candidates and penalizing others also have been held to be a form of unconstitutional political discrimination, violative of both free speech and equality principles. See *Greenberg* v. *Bolger*, 497 F. Supp. 756, 774–78 (E.D.N.Y. 1980) (preferential mailing rates for major parties struck down as violative of the First Amendment); *Rhode Island Chapter of the National Women's Political Caucus* v. *Rhode Island State Lottery Comm'n*, 609 F. Supp. 1403, 1414 (D.R.I. 1985) (allowing major parties but not other groups to conduct fundraising lottery events violated the First Amendment); *McKenna* v. *Reilly*, 419 F. Supp. 1179, 1188 (D.R.I. 1976) (state parties' allocation of tax check off funds to endorsed candidates and exclusion of funds to unendorsed candidates violated First Amendment).

Finally, some of the strings attached to the benefits offered would impose unprecedented controls on political speech by dictating the format of campaign speech. The requirement that free air time cannot be used for campaign commercials of less than 30 seconds is an impermissible interference with the content of political speech. See *McIntyre* v. *Ohio Election Commission*, 115 S. Ct. 1511, 1518 (1995). The only conceivable purpose for this restriction is that Congress thinks 10 second spot commercials are politically objectionable. That is the kind of content-based judgment that Congress cannot make, even when it is conferring a benefit; nor can Congress compel the structure of speech in that fashion. See *McIntyre*, *supra; Wooley* v. *Maynard*, 430 U.S. 705 (1977); *Riley* v. *National Federation of the Blind*, 487 U.S. 781, 797 (1988).

The *McIntyre* and *Riley* decisions also call into question the provisions of the Bill (Section 302, Campaign Advertising) that mandate certain specific identifications and disclosures in the text of print, display or broadcast political advertisements. In *McIntyre* the Court reaffirmed the historic right of political anonymity and invalidated a requirement that leaflets on referenda issues state the name of the person responsible for the publications. And in *Riley*, the Court struck down a compulsory disclosure statement on charitable solicitation literature, finding a violation of the settled principle that the First Amendment encompasses "the decision of both what to say and what *not* to say." 487 U.S. at 797.

2. *The complete ban on, as well as the "fallback" restrictions of, Political Action Committees are invalid under clear Supreme Court precedent.*

Subtitle A of Title II, the Draconian provision which proudly proclaims that it enacts "Elimination of Political Action Committees from Federal Election Activities" and which bans PAC political activity, is flatly unconstitutional. In outlawing all political expenditures and contributions "made for the purpose of influencing an election for

Federal office"—except those made by political parties and their candidates,—Section 201 of the bill cuts to the heart of the First Amendment's protection of freedom of political speech and association. It gives a permanent political monopoly to political parties and political candidates, and would silence all those groups that want to support or oppose those parties and candidates.

"PACs" of course have become a political dirty word. We tend to think of the real estate PACs or the Trial Lawyers' PAC or the insurance and medical PACs or the tobacco-related PACs. But the ACLU's first encounter with a "PAC" was when we had to defend a handful of old-time dissenters whom the government claimed were an illegal "political committee." The small group had run a two-page advertisement in The New York Times, urging the impeachment of President (and re-election candidate) Richard Nixon for bombing Cambodia and praising those few hardy Members of Congress who had voted against the bombing. In the summer of 1972, before the ink was dry on the brand new Campaign Act of 1971, the Justice Department used that "campaign reform" law to haul the little group into court, label them a "political committee" and threaten them with injunctions and fines unless they complied with the law—all for publicly speaking their minds on a key political issue of the day. The Court of Appeals quickly held that the group was an *ad hoc* issue organization, not a covered "political committee." But we got an early wake-up call on what "campaign reform" really meant.

Of course, "real" PACs, i.e., those that give or spend money to or on behalf of federal candidates, come in all sizes and shapes. They can be purely ideological or primarily self-interested, or both simultaneously. And they span the political spectrum. Labor PACs were organized first, in the 1940's, usually to provide funds, resources and personnel to assist political candidates, usually Democrats. Corporate PACs came on line in the early 1970's, usually on the Republican side. And both corporate and labor PACs were legitimized and liberated by the "reforms" of the FECA, which allowed those and all other PACs to contribute five times as much money to federal candidates as individuals could. All this turned the Federal Election Campaign Act into the PAC Magna Carta Act.

We think all that PAC activity is simply a reflection of the myriad groups and associations that make up so much of our political life. And so many of them are an effective way for individuals to maximize their political voice by giving to the PAC of their choice. While many PAC contributors and supporters probably do fit the stereotype of the glad-handing, Washington-based influence peddler, millions of PAC supporters contribute less than $50 and expect nothing from the candidates in return. Indeed, for millions of Americans, writing a check to the candidate, committee or cause of their choice is a fundamental political act, second in importance and meaning only to voting.

Proposals to restrict, restrain or even repeal PACs would suppress the great variety of political activity those PACs embody. Most of those proposals are doomed to defeat as unconstitutional. All of them are doomed to defeat as futile.

BANNING PAC CONTRIBUTIONS

There is not a word in *Buckley v. Valeo* or any of the other relevant cases on regulation of PACs which suggests that the Court would uphold a total ban on PAC contributions to federal candidates. Political contributions are fundamentally protected by the First Amendment, as embodiments of both speech and association. PACs do amplify the political voices of their contributors and supporters across the entire spectrum of American politics, and the Court is not likely to let you still all those voices.

Moreover, banning PAC contributions is futile as a reform. All the PAC money that cannot be contributed directly to candidates will go instead into an upsurge of independent expenditure campaigns for favored or against disfavored candidates.

BANNING PAC EXPENDITURES

The Supreme Court made it clear that independent PAC expenditures are at the core of the First Amendment and totally off limits to restrictions. *Federal Election Commission v. National Conservative Political Action Committee*, 470 U.S. 480 (1985). It may be a little less tidy to run an independent campaign, than to write a check to your favored candidate, but PACs will adapt. They're good at that. And little will have been gained-except making it harder for candidates to raise money since you will have deprived them of a major source of resources, without providing any alternatives. Candidates of moderate means will be particularly vulnerable to campaigns by personally wealthy opponents.

REDUCING PAC CONTRIBUTIONS

The "fallback" provision, which goes into effect when the flat ban is ruled unconstitutional, as it surely will be, would lower PAC contributions from $5,000 to $1,000 per candidate per election. This might be a closer constitutional question. But the Court threw out a $250 limit on contributions to a referendum campaign committee. *See Committee Against Rent Control v. Berkeley*, 454 U.S. 290 (1981). Indeed, just recently the Eighth Circuit likewise invalidated a $300 contribution limitation for donations to statewide candidates. *Carver v. Nixon*, — F.2d — ,64 Law Week 2407 (8th Cir. 1995). And *Meyer v. Grant*, 486 U.S. 414 (1988) held that people had a right to spend money to hire others to gather election petition signatures, strongly reaffirming the right of a person to use his or her resources to enlist others to advance their causes. In any event, this provision is fatally overbroad because it treats all PACs alike, even those made up only of small contributors.

Finally, apart from the First Amendment issues, what purpose is served by reducing the ability of candidates to raise money without providing alternatives?

Mr. President, earlier I mentioned Col. Billie Bobbit (USAF), the EMILY's List member who is quiet certain the first amendment protects her right to participate in elections via bundling. Colonel Bobbitt's instincts are right on the mark as the ACLU testimony observes:

BUNDLING

The same objections pertain to the ban on "bundling" of individual PAC contributions. This fallback proposal would abridge freedom of association which the Supreme Court has recognized as a "basic constitutional freedom." *Kusper v. pontikes*, 414 U.S. 51, 57 (1973). And the Court has pointedly observed that "the practice of persons sharing common views banding together to achieve a common end is deeply embedded in the American political process." *Citizens Against Rent Control v. Berkeley*, 454 U.S. 290, 294 (1981). The practice of bundling reflects broad issue support to a candidate, indicating that continued support is dependent on continued adherence to the views represented by the group. The proposed bill would severely restrict ideological groups like Emily's List, which have made a critical contribution to expanding political opportunity and opening up political doors to candidates and groups so long excluded.

RECEIVING PAC CONTRIBUTIONS

The fallback provision would also prohibit any PAC from making a contribution which raises a candidate's PAC receipts above 20% of the campaign expenditure ceilings applicable to that election. But this restraint also seems overbroad. The corruption concern becomes very attenuated in this setting, and the rationale for the overall 20% limit seems weak against First Amendment standards. Once the limit is reached, candidates and PACs, in effect, would be banned totally from political interaction with one another, which would seem as constitutionally vulnerable as a total ban and have the effect of a limitation on campaign expenditures. And what of new groups that wanted to support a candidate after the candidate's PAC quota had been reached, especially if the campaign turns on an issue—abortion for example—of great moment to that group?

Finally, all of this begins to resemble yet another backdoor effort to limit overall campaign *expenditures*, in violation of *Buckley's* core principles.

LIMITING OUT-OF-STATE POLITICAL CONTRIBUTIONS

Somehow, I have always found particularly troublesome those proposals to limit the amount of out-of-district or out-of-state contributions to candidates. Section 241 does not seem to operate as a direct ban on out-of-State contributions. Rather it provides that a candidate must receive not less than 60% of their overall contributions from in-state individuals in order to remain in compliance with the spending limits and receive the statutory benefits. Obviously, this is a backdoor effort to limit PAC contributions to candidates, since so many PAC contributors come from States different from the candidates their PACs contribute to, as do the PACs themselves. It also seems to be an effort to insulate incumbents from well-funded challenges supported from another State.

Any potential justification for this ban seems highly unlikely to pass constitutional muster. Analogizing this restriction to a voter's residency requirement falls short after *McIntyre* v. *Ohio Board of Elections*,—US—(1995) which held that restrictions on political speech about candidates or referenda cannot be upheld on the grounds that they are merely ballot or electoral regulations, because, in reality, they are free speech limitations. Indeed, a federal court in Oregon recently so held in overturning a requirement that state and local candidates had to raise all their campaign funds from individuals who resided within their election districts. *Vannatta* v. *Keisling*,—F. Supp.—(D. Ore. 1995).

Moreover, in-state limitations could deprive particular kinds of underfinanced, insurgent candidates of the kind of out-of-state support they need. Just as much of the civil rights movement was funded by contributors and supporters from other parts of the nation, so, too, are many new and struggling candidates supported by interests beyond their home states. This proposal would severely harm such candidacies. Perhaps, that is its purpose.

Finally, Congress is our national legislature, and although its representatives come and are elected from separate districts and states, the issues you deal with are, by definition, national issues that transcend district and state lines and may be of concern to citizens all over the nation. When such issues become central in certain campaigns, people and groups from all over the country should be entitled to have their views and voices heard on those issues. Any other approach takes a disturbingly insular and isolated view of political accountability and the obligations of a Member of Congress.

3. *The new controls on "soft money" contributions and expenditures are unprecedented and unjustified restraints on political parties.*

The new sweeping controls on "soft-money" contributions to and disbursements by political parties and other organizations, federal, state or local, would expand the reaches of the FECA into unprecedented new areas and far beyond any compelling interest would require.

For the first time, any amounts expended or disbursed by a political party in an election year "for any activity which might affect the outcome of a Federal election, including but not limited to any voter registration and get-out-the-vote activity, any generic campaign activity and any communication that identifies a Federal candidate. . ." would be subject to regulation. *See* Section 212. The full panoply of FECA compliance and control would be brought to bear on the enormous amount of political party activity which heretofore has been exempt from controls because it was not directly and explicitly focused on specific federal candidates. And even beyond that, "soft money" spending by persons other than political parties is also for the first time subject to comprehensive regulation, with reporting, disclosure and notification requirements mandated as well as a required certification of whether the disbursement "is in support of, or in opposition to, one or more candidates or any political party."

The reach of these new proposals is breathtaking. Starting with *Buckley v. Valeo*, the Court has recognized a fundamental constitutional distinction between candidate-focused expenditures and contributions, which can be subject to certain specific regulation, and all other non-partisan, political and issue-oriented speech, advocacy and association. *See Buckley v. Valeo*, 424 U.S. at 14–15, 78–80, *First National Bank of Boston v. Bellotti*, 435 U.S. 765 (1978); *FEC v. Massachusetts Citizens For Life*, 479 U.S. 238, 249 (1986). The reason for this First Amendment Continental Divide is to insure that the permissible regulation of candidate-focused political campaign funding remains confined to that area, and does not expand to encompass all the funding of all political issues and groups. These regulations of funding which is not candidate-focused transgresses this boundary and requires, at the very least, the demonstration of the most compelling governmental interests, necessarily and narrowly achieved by the sweeping new controls.

Moreover, any regulation of political parties is a regulation of a quintessential First Amendment instrumentality and likewise requires compelling justification, at a minimum. See *Tashjian v. Republican Party*, 479 U.S. 208 (1986); *Eu v. San Francisco Democratic Party*, 489 U.S. 214 (1989). Political parties play a vital role in galvanizing the political life of the nation. Indeed, many political scientists have expressed mounting concern that one consequence of the current regime of candidate-focused political funding and activity is unfortunately to undermine the role of parties, special interest groups or ad hoc coalitions as instruments for political activity and vitality. For that reason, an expanded amount of party spending on voter registration, party identification, get-out-the-vote drives, and partisan-based issue discussion ("The Republicans want to cut Medicare and Medicaid. Don't let them do it." or, "The Democrats support a welfare state. Say no to government dependents.") should be a welcome development, rather than the target for new and overbearing regulatory restrictions. It is also a constitutionally-derived right: ". . . Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution . . . In a republic where the people are sovereign, the ability of the citizenry to make informed choices among candidates for office is essential." *Buckley v. Valeo*, 424 U.S. at 14–15.

Finally, to some extent the motivations for the new restraints on party activity may reflect a concern about the source of the "soft money" funding, namely, from corporations and large individual donors. In that regard, it should be observed that *Buckley* upheld the $1,000 limit on individual contributions to candidates in part because there would be so many other ways in which people and organizations could bring their financial resources to bear on politics. See 424 U.S. at 28–29, 44–45. The bill would block avenues of advocacy that the *Buckley* Court assumed would remain open.

These issues are presently before the Supreme Court in an important case in which certiorari was granted in early January. See *Colorado Republican Federal Campaign Committee v. Federal Election Commission*, O.T. 1995, No. 95–489, *reviewing*, 59 F.3d 1015 (10th Cir. 1995). At the very least, any action on this section of the bill should await the Court's resolution of the Colorado case. For your information, the ACLU plans to file an amicus curiae brief in support of the Colorado Republican Federal Campaign Committee.

4. *The new provisions governing the right to make independent expenditures improperly intrude upon that core area of electoral speech and impermissibly invade the absolutely protected area of issue advocacy.*

Two basic truths have emerged with crystal clarity after twenty years of campaign finance regulations. First, independent electoral advocacy by citizen groups lies at the very core of the meaning and purpose of the First Amendment. Second, issue advocacy by citizen group lies totally outside the permissible area of government regulation.

In *Buckley* the Court upheld the speech and association rights of individuals to engage in independent campaign expenditures expressly advocating the election or defeat of political candidates. In *Federal Election Commission* v. *National Conservative Political Action Committee*, 470 U.S. 480 (1985), the Court assured the same rights to political action committees. And in *Federal Election Commission* v. *Massachusetts Citizens for Life, Inc.*, 470 U.S. 238 (1986) the same right of express electoral advocacy was extended to certain kinds of non-profit advocacy groups despite their corporate form, although a later case held that other corporate entities could be restricted in this regard. See *Austin* v. *Michigan Chamber of Commerce*, 494 U.S. 652 (1990).

S. 1219 abridges these rights in two ways. First, Section 201 of the bill completely bans independent expenditures by PACs, which is flatly unconstitutional, as noted above. On the "fallback" assumption of such likely invalidation, Section 251 redefines independent expenditures so narrowly and "coordinated" expenditures so broadly that the area of freedom of speech and association is drastically reduced and abridged in the process.

Under current law, an independent expenditures is one made without the knowledge or permission of a candidate, his or her agent or campaign committee. See 2 U.S.C. section 431(17) ("The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate."). Coordinated expenditures are treated like and limited like contributions to a candidate.

The proposed bill, however, so broadly defines coordination that virtually any person who has had any interaction with a candidate or any campaign official, in person or otherwise, is barred from making an independent expenditure. For example, under Section 251, any expenditure is deemed coordinated, and not independent, if the person making it "has advised or counseled" the candidate or his agents on any matter relating to the campaign or election. If you use the same political consultant or firm as the candidate you are likewise deemed coordinated.

These restrictions embody a new and impermissible version of "guilt by association," and a new kind of "gag rule" by association. See *De Jonge* v. *Oregon*, 299 U.S. 353 (1937) (A speaker cannot be punished for organizing a meeting and appearing on the same public platform where radicals were also speaking). Indeed, it could have some perverse effects. A disaffected campaign worker or volunteer, who leaves a campaign because he or she thinks a candidate has acted improperly, is barred from making independent expenditures against that candidate, for, ironically, they will be deemed a contribution.

The other way in which the provision governing independent expenditures is fatally flawed is in its expanded definition of "express advocacy," which is defined as a communication that "taken as a whole and with limited reference to external events" communicates "an expression of support for or opposition to" a specific candidate or groups of candidates. "Expression of support" includes "a suggestion to take action with respect to an election," including "to refrain from taking action." "Throw the rascals out" has just become express advocacy.

This broadened definition of "express advocacy" would sweep in the kind of essential issue advocacy which *Buckley* and cases predating *Buckley* by a generation, see *Thomas v. Collins*, 323 U.S. 516 (1945), have held to be immune from government regulation and control. It seems to be targeted exactly against the kind of voting record "box score" discussion that emanates from the hundreds and thousands of issue organizations that enrich our public and political life. In *Buckley*, the Court adopted a bright line test of express advocacy (words that in express terms advocate the election of defeat of a candidate) in order to immunize issue advocacy form regulation: "So long as persons or groups eschew expenditures that in express terms advocate the election or defeat of a clearly identified candidate, they are free to spend as much as they want to promote the candidate and his views." *Id.* at 45.

Indeed, the 1975 Act contained a similar provision regulating issue groups and their "box score" activities, and that section was unanimously held unconstitutional by the *en banc* Court of Appeals, without any further appeal by the government. See *Buckley v. Valeo*, 519 F.2d 817, 832 (D.C. Cir. 1975). The expanded definition of "express advocacy" is similarly flawed.

5. *The bill gives unacceptable new powers of prior restraint and political censorship to the Federal Election Commission.*

With all of these problems with the bill, particularly those that pertain to issue advocacy and independent expenditures, giving the Federal Election Commission sweeping new powers to go to court to seek an injunction on the allegation of a "substantial likelihood that a violation . . . is about to occur" is fraught with First Amendment peril.

As indicated earlier in this testimony, the very first suit brought under the brand spanking new campaign reforms in 1972 was against a small group of dissenters who sponsored an ad in *The New York Times* criticizing the President and praising a handful of his Congressional critics. Reminiscent of some of the language in the bill before you, the government's claim was that the advertisement was an electioneering message because it was "in derogation of" candidate Nixon and "in support of" the praised Members who were also up for re-election. While the courts quickly and sharply rebuffed those efforts to use political campaign laws to control issue advocacy, see *United States v. National Committee for Impeachment*, 469 F.2d 1135 (2d Cir. 1972); *American Civil Liberties Union v. Jennings*, 366 F. Supp. 1041 (D.D.C. 1973), the Commission's record of sensitivity to First Amendment values in the area of issue advocacy was once described as "abysmal." See *National Committee for Impeachment, supra*, 469 F.2d at 1141–42 (Kaufman, C.J. concurring). And ever since then, non-partisan, issue-oriented groups like the ACLU, the National Organization for Women, the Chamber of Commerce, Right-to-Life Committees and many others, have had to defend themselves against charges that their public advocacy rendered them subject to all of the FECA's restrictions, regulations and controls. And the problem persists. See *Federal Election Commission v. Survival Education Fund*, 65 F.3d 285 (2d Cir. 1995) (holding, 2 to 1, that 1984 fund-raising mailings critical of President Reagan's foreign policies constituted a solicitation of a contribution subject to FECA requirements).

The kind of "chilling effect" that such enforcement authority generates in the core area of protected speech makes the strongest case against giving the Commission additional powers to tamper with First Amendment rights.

The PRESIDING OFFICER. The Senator has 16 seconds remaining.

Mr. MCCONNELL. Mr. President, I thank my staffers, Tamara Somerville and Lani Gerst for their good work on this most important issue. Tam and I have been through these battles a few times, including staying up all night, a couple years ago. She has been a great help. I have enjoyed working with her on this and thank her for her service to the Nation.

The PRESIDING OFFICER. The Senator from Wisconsin has 9 minutes.

Mr. FEINGOLD. Mr. President, I thank Andy Kutler, Susanne Martinez, and Mary Murphy.

I ask unanimous consent that a letter from President Clinton, a longtime supporter of campaign finance reform, urging the Senate to pass this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, June 24, 1996.

Hon. THOMAS A. DASCHLE,
Democratic Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: Just over a year ago, I shook hands with Speaker Gingrich and publicly affirmed my commitment to reforming the nation's campaign finance laws. Now I call on Congress to send me legislation that will address the American public's desire for real change in our political process, and in so doing renew our democracy and strengthen our country. I support the legislation now being considered. In particular, I approve of several reforms such as placing limits on spending, curbing PAC and lobbyist influence, discounting the cost of broadcast time, and reforming the soft money system.

Organized interests have too much power in the halls of government. Oftentimes, representatives from such interest groups operate without accountability and are granted special privileges that ordinary Americans don't even know exist. In addition, elections that represent an opportunity in which ordinary voters should have the loudest voice have become so expensive that these voices are sometimes drowned out by big money.

Let us capitalize on the progress made in the last three years. In 1993, we repealed the tax loophole that allowed lobbyists to deduct the cost of their activities. In 1994, I signed a law that applies to Congress the same laws it imposes on the general public. Last year, Congress answered my call to stop taking gifts, meals, and trips from lobbyists, and I signed the Lobbying Disclosure Act into law. We now have an opportunity to finish the job by addressing campaign finance reform.

As we work to reform campaign finance, we must do everything in our power to ensure that we open, not limit, the political process. Our goal is to take the reins of our democracy away from big special interests, from big money, and to return them to the hands of those who deserve them—ordinary Americans. Real reform is now achievable. I urge the Senate to pass this legislation and give the American people something we can all be proud of.

Sincerely,

BILL CLINTON.

BROADCAST PROVISIONS

Mr. FEINGOLD. Mr. President, it has been suggested that the broadcast provisions in this bill may adversely affect the broadcast industry and I would like to respond to that point.

First, with respect to the free time provision, it is important to understand that this is really a limited free time benefit. It is limited to 30 minutes of free time. Second, the free time is only available to general election candidates—not primary election candidates. And third, of the general election candidates, it is only available to those general election candidates who agree to limit their spending.

We have also carefully crafted this provision to have as minimal effect on the broadcasters as possible. First, no one candidate can request more than 15 minutes of their free time from any one broadcast station. Second, use of the free time must occur in intervals between 30 seconds and 5 minutes. This will ensure that the requirement to provide free time will not interfere with the normal programming of the broadcast station.

And finally, the bill clearly states any broadcast station that can demonstrate that providing such free time will cause the station significant economic hardship is exempt from the free time requirement.

So clearly, the free time provision is not going to have a significantly burdensome effect on the broadcasters.

With respect to the 50-percent discount, it should be noted that this provision is really the linchpin of the legislation. Without public financing, there must be some alternative incentive to encourage candidates to voluntarily limit their campaign spending. Such an incentive had to have an effect similar to that of public funding in the Presidential system—that is, to lower campaign costs so the candidate can spend less time on the phone raising money and more time running a statewide grassroots campaign.

As we all know, the great proportion of a Senate candidate's campaign budget is devoted to broadcast advertising. And therefore, the most sensible solution for lowering campaign costs is to cut the costs of running television advertisements.

Keep in mind, Mr. President, current law already recognizes a public trustee standard with respect to broadcasters. Under current law, broadcasters must provide all Federal candidates with the lowest price they charge to commercial advertisers for similarly run advertisements.

That is current law. All we are doing is providing an additional discount to that special price.

This is entirely consistent with the Supreme Court's 1969 ruling in Red Lion Broadcasting Company versus Federal Communications Commission decision. In the Red Lion decision, the Court upheld the congressional determination made in 1934 that the airwaves belong to the American people, and this decision has subsequently been used to require the broadcasters to provide services such as lowest unit rate and equal time to qualifying Federal candidates.

To suggest that the provisions embodied in the McCain-Feingold bill are somehow a violation of the broadcasters first amendment rights is a proposition that has already been tossed out by the courts.

Let me quote from the legal analysis of this issue prepared by Law Professor Fred Schauer of Harvard University. Professor Schauer writes,

As long as Red Lion remains the law, Congress may within limits consider broadcast

> time to belong to the public, and to be subject to allocation in the public interest. In this respect, therefore, price restrictions on advertising, and direct grants of broadcast time, will not violate the First Amendment as it is presently interpreted.

So it is clear that what we are requiring in this campaign finance reform bill is not only sound public policy, but completely within the confines of first amendment principles.

So now we come to the question of how this provision will affect the financial viability of the broadcast industry. Mr. President, when we talk about what sort of costs the broadcasters are going to incur as a result of this legislation, there are several important factors to keep in mind.

First, with respect to the free time provision, we are only talking about general election candidates who agree to voluntarily limit their spending. In any given State, where only two Senate elections occur every 6 years, this will have a nominal impact on broadcasters. Even if all general election candidates do agree to comply with the bill and receive the benefits, that means that all of the broadcasters in a particular State will only have to provide 2 hours of free time over a 6-year period.

It may interest my colleagues to know that the Congressional Research Service has analyzed the broadcast provisions of the McCain-Feingold proposal, and prepared a cost-estimate of how much these provisions might cost the broadcast industry.

I ask unanimous consent that the text of this report be placed in the RECORD at the conclusion of my remarks.

According to CRS, assuming all general election candidates were eligible for and used the free time benefit, this provision would cost the broadcast industry a maximum, a maximum Mr. President, of about $6 million per Senate election.

Figures provided by the National Association of Broadcasters [NAB] show that total political television advertising revenues in 1994 for the broadcast industry were $355 million. That is just political advertising revenues.

Total television advertising revenues in 1994 were $24.7 billion.

That means that the free time provision in the McCain-Feingold proposal, scored at a maximum of $6 million by CRS, would cost the broadcasters about 1.6 percent of their annual political advertising revenues, and less than three-hundredths of 1 percent (.025 percent) of their total annual advertising revenues. And of course, this would only occur in a brief period of time every 2 years.

And what about the 50-percent discount provision, that has been purported to be potentially catastrophic for the broadcast industry. According to CRS, the total cost of the 50-percent discount provision in the primary and general election would be $48 million, again, assuming all candidates were eligible for the discount.

So the most this provision would cost the broadcast industry according to CRS's independent analysis is less than $50 million.

Again, how does this compare as a percentage of the industry's revenues, both political and commercial?

Using the NAB's numbers on political advertising revenues and all other advertising revenues, this $48 million provision in S. 1219 would cost broadcasters, at most, about 13 percent of their political advertising revenues, and less than half of 1 percent (.19 percent) of their total advertising revenues. And again, this would only be every 2 years.

Mr. President, we are talking about less than one-half of 1 percent of the industry's revenues. And that is a maximum, it is likely to be much less than this.

And as you can see from this chart, the broadcast provisions in the McCain-Feingold proposal would cost the broadcast industry less than two-tenths of 1 percent of their total advertising revenues in 1994. And again, these nominal costs would only have to be incurred twice every 6 years.

So I think it is clear, Mr. President, that not only does the broadcast industry have a legal obligation to contribute to the political process, such a contribution would have a minimal effect on their overall revenues. The benefit to the public of cleaning up our congressional elections, in contrast, would be enormous.

Mr. President, it has been suggested that the bipartisan proposal put forth by myself and the Senators from Arizona and Tennessee would somehow further entrench incumbents and make it more difficult for challengers to run for office.

Mr. President, this is yet another argument put forth by the defenders of the status quo that does not pass the straight face test.

First of all, let us remember what sort of campaign finance system we currently have and how it affects challengers and incumbents. I don't think that anyone can dispute that the current campaign finance system confers significant benefits on incumbent Senators that provides incumbents an overwhelming advantage over challengers.

Incumbents start out with more name recognition. Incumbents are permitted to send out free mass mailings to the voters of their States, which often are little more than thinly disguised campaign newsletters.

And most importantly, as virtually every legitimate study has shown, the campaign cash overwhelmingly flows to incumbents. Whether it is PAC money, soft money, bundled money—you name it. The campaign money always flows to incumbents.

To suggest that spending limits will somehow make it more difficult for challengers to run for office is to suggest that challengers have access to the kind of money that incumbents have access to.

That assertion is just factually false. Challengers cannot raise millions of dollars as incumbents can. The few challengers that are able to mount credible campaigns are those few challengers that are millionaires, and that is why more and more Senate campaigns are turning into races between an incumbent and a millionaire.

As this first chart demonstrates, money does matter. In 1990, 1992, and 1994, the Senate average winning candidate not only outspent the loser in that particular race, but far outdistanced them.

In fact, in most cases, the winning candidate doubled—doubled—Mr. President, what the losing candidate spent. That means that for every television spot the losing candidate was able to run, the winning candidate was able to run two television spots—in some cases, three or four or five times as many spots.

Now the fact that money is clearly the most determining factor in influencing the outcome of Senate elections is troubling by itself. It is a harsh indictment of the current limitless-spending campaign spending that the junior Senator from Kentucky is defending.

But if we know that the candidate who spends the most money is likely to be the winning Senate candidate, the next logical question is, who's getting the money?

As you can see, Mr. President, incumbents are getting the money. Not only are they getting the money, they are blowing challengers out of the water.

That is the current campaign finance system—a system in which the candidate who spends the most money is the likely winner, and a system in which the money flows overwhelmingly to incumbents. The current system is rigged to protect incumbents, and our proposal, for the first time ever, will provide challengers who do not have access to millions and millions of dollars to run a fair and competitive campaign.

We have spending limits in the Presidential system, Mr. President. Have they protected incumbents? They didn't protect President Ford. They didn't protect President Carter. And they didn't protect President Bush. The Presidential system, thanks to voluntary spending limits, has produced fair and competitive elections for 20 years now. The congressional system, with unlimited campaign spending, has produced the opposite.

The evidence is clear, Mr. President and I am hopeful my colleagues will see through the phony and absurd argument that spending limits hurt challengers.

THE CONSTITUTIONAL ARGUMENT

Mr. President, I have listened to the arguments of the Senator from Kentucky, the Senator from Washington, and others, with respect to the constitutionality of this campaign reform proposal.

I share his concern that we should not pass legislation that would be a clear violation of the first amendment.

I stand behind no one when it comes to defending the first amendment and the principles it stands for. That is why I will not support a constitutional amendment that would allow us to impose mandatory spending limits. At one time, I did vote for a sense of the Senate resolution regarding such an amendment but I have come to believe that we should respect the Supreme Court's rulings on this issue, and that these rulings have provided enough guidance and direction that we can write a constitutional proposal that would be upheld by the Supreme Court.

I have to say that what the Senator from Kentucky is suggesting, that the voluntary spending limits might be found by the courts to be unconstitutional, is unfounded. Mr. President, this argument is a giant red herring meant to divert attention away from the real issues.

Let us be very clear about what the Supreme Court held in the Buckley versus Valeo decision in 1976. The Court said two very important things in the Buckley decision;

First, the Court made a distinction between mandatory limitations on expenditures by candidates, and mandatory limitations on contributions to candidates. The Court said that we cannot place mandatory spending limits on all candidates, because that would infringe on the first amendment rights of those candidates who may wish not to abide by the spending limits.

Second, the Court upheld mandatory limitations on campaign contributions, declaring that such contributions could have, or appear to have, a corrupting influence on the recipient of those contributions, and contributions could therefore be limited.

Now, I have heard the Senator from Kentucky say on many occasions that the Supreme Court has said that money equals political speech and that since we cannot limit political speech, we cannot limit the flow of money. As the Senator from Kentucky just asserted, money, in his view, equals speech and we can't limit it.

However, Mr. President, the Supreme Court did not, in fact, say that money is speech and cannot be limited, and saying it over and over again doesn't make it any more true.

The Court did say that money is a form of speech, and can only be limited by the Government in certain circumstances. And as I said, one of those circumstances is in the form of limits on campaign contributions. If the Supreme Court had held that money equals absolute speech, then they would not have upheld limitations on campaign contributions.

Besides contribution limits, the Supreme Court has said that there are other ways we can constitutionally limit the flow of campaign money, including campaign expenditures.

As the Court said in the Buckley decision:

> Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations. Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding.

In short, the Presidential system is a completely voluntary system that offers incentives in the form of public financing to candidates who agree to limit their spending. That, the Court said, was perfectly constitutional.

And that sort of voluntary system, specifically upheld by the Supreme Court in the Buckley decision, is what the McCain-Feingold-Thompson legislation is modeled after. We provide a voluntary system of spending limits and benefits. No one is forced to participate, no one is coerced into participating, and there are no penalties, not a single one, for candidates who choose not to voluntarily comply.

Just like the Presidential system that has been specifically upheld by the Supreme Court.

The assertion that the Senator from Kentucky is making, that voluntary spending limits tied to the offering of cost-saving benefits is unconstitutional, is a challenge that has been specifically rejected by the courts. Let me repeat that Mr. President. The argument that the Senator from Kentucky is making, that voluntary spending limits tied to benefits is unconstitutional, has specifically been rejected by the Federal courts.

The case was Republican National Committee versus Federal Election Commission, and in that case a three-judge Federal panel specifically upheld the constitutionality of voluntary spending limits and rejected the argument put forth by the Senator from Kentucky. That decision was summarily affirmed by the U.S. Supreme Court.

It is true that unlike the Presidential system, the McCain-Feingold-Thompson proposal does not have public financing. It would have been my preference to have public financing, but I agreed to forgo public financing as a part of this compromise proposal.

Instead, we offer broadcast and postage discounts that will substantially reduce the costs of running for a Senate seat. And the outlandish suggestion has been made by a few—very few indeed—that this distinction, between public financing and advertising discounts, is what makes our legislation unconstitutional.

Mr. President, that is an absurd proposition. The only way such a voluntary system could possibly be unconstitutional is if the system were not truly voluntary, or in other words, if candidates were essentially coerced into participating. How do you coerce a candidate into participating? By making the benefits so incredibly valuable and by imposing tough penalties against those who choose not to comply, so that there really is not choice for a candidate to participate or not.

And this is where the Senator from Ketucky's—Senator MCCONNELL—argument completely falls apart. The court ruled in the Buckley case that public financing was not coercive. So for our bill to be unconstitutional, the benefits would have to be even more valuable than direct public financing.

Mr. President, the benefits in our bill are very valuable. The 50-percent broadcast discount alone will cut a candidate's advertising costs in half. But these benefits do not even come close to the value of direct public financing.

Suppose you are a Federal candidate running a $1 million campaign. And suppose you had a choice of two benefits; you could either have a 50-percent discount on your broadcast advertising, or you could have a check for $1 million. Which benefit are you going to take?

The question is obvious, Mr. President. Every candidate in America faced with such a choice would clearly favor the public financing. Public financing is a far more valuable benefit, and for the Senator from Kentucky to suggest otherwise flies in the face of the reality of our campaign system.

I find it interesting that during the course of the many hearings that have been held in the Senate Rules Committee, much testimony was heard from several constitutional experts. However, only one of those experts, Law professor Fred Schauer of Harvard University, made it clear that he had no position on the policy aspects of the McCain-Feingold bill. Every other expert called by the committee—on both sides of the issue—made clear that in addition to their legal views, they also has a bias as to either being in favor or opposition to the reform bill.

And how did Professor Schauer respond to the Senator from Kentucky's claim that the voluntary structure of spending limits in our bill was unconstitutional? After pointing out that the arguments asserted by the Senator from Kentucky were the same arguments rejected in the RNC decision, a decision that was summarily affirmed by the Supreme Court, Professor Schauer said:

> If we stick to the question * * * and separate the constitutional questions from the

policy question * * * voting against the bill on the assumption that it is clearly inconsistent with existing Supreme Court and federal court precedent is not an accurate characterization of the precedent.

Mr. President, the Schauer testimony is just a move in a chorus of objective analyses from constitutional experts around the country who have held that the voluntary spending limits in the McCain-Feingold-Thompson bill does pass constitutional muster. Without asking for anyone's view on the policy implications of our proposal, we asked several authorities in the legal and academic community for their opinions about the constitutionality of this proposal.

We asked the nonpartisan American Law Division of the Congressional Research Service to prepare a constitutional analysis of our proposal. The analysis, prepared by Paige Whitaker, a well-respected attorney with CRS who has prepared a number of reports for Congress on this issue and who has been called to testify before Congress on campaign reform, states very clearly that the voluntary system created in our bill of offering incentives in exchange for compliance with spending limitations is wholly consistent with the Court's ruling in Buckley versus Valeo.

In addition to CRS, my office contacted some of the most well-known and respected first amendment authorities in the country.

These authorities include Professor Daniel Hays Lowenstein of the UCLA Law School, Professor Cass Sunstein of the University of Chicago Law School, Professor Fred Schauer of Harvard University, Professor Jamin Raskin of the Washington College of Law at American University and Professor Marlene Arnold Nicholson of the DePaul University College of Law.

These experts, among the most widely respected first amendment and constitutional scholars in the country, all agree that the voluntary structure of spending limits tied to broadcast and postage discounts is fully consistent with the Constitution.

Now, Mr. President, some have also suggested that the provision in our proposal to prohibit Political Action Committee contributions to Federal candidates may not pass constitutional muster. I, for one, am skeptical that you can constitutionally prohibit a group of individuals from banding together, pooling their resources and contributing to a Federal candidate any more than you can prohibit any single individual from contributing to a Federal candidate.

However, we must remember that the Supreme Court has taken a favorable position with respect to the Government limiting campaign contributions, and indeed, the Supreme Court has upheld the constitutionality of absolute prohibits on specific entities making campaign contributions, such as labor unions and corporations.

Nonetheless, our proposal contemplates such a legal challenge, and contains specific fall-back provisions if the Supreme Court ruled a PAC contribution ban unconstitutional. These fall-back provisions would reduce allowable PAC contributions from $5,000 to $1,000, and stipulate that no candidate could receive more than 20 percent of the applicable spending limits in aggregate PAC contributions.

Where did this fall-back proposal come from, Mr. President? It is the exact same proposal, word for word, that was contained in the Pressler-Durenberger amendment offered to S. 3, the campaign finance reform bill considered in the 103d Congress.

That amendment, which not only banned PAC contributions, also banned all PAC expenditures in a Federal election including independent expenditures, included these very fall-back limitations on PAC contributions if the Supreme Court ruled such a ban unconstitutional. The Pressler-Durenberger amendment passed the U.S. Senate by a vote of 86 to 11.

Yes, 86 to 11, Mr. President. I voted for it. Most of the Members of this body, including the Senator from Kentucky, voted for it.

Our provisions dealing with PAC contributions are actually far more permissive than the provisions contained in the Pressler-Durenberger amendment which 86 Senators voted for.

I should also say, Mr. President, that a proposal to not only ban PAC contributions, but also to prohibit PAC's from engaging in independent expenditures as the Pressler-Durenberger amendment did, can actually be found in another reform bill—a bill introduced by the junior Senator from Kentucky. I am somewhat surprised that the junior Senator from Kentucky, who has condemned such a proposal as unconstitutional and a blatant violation of the first amendment, would include such a provision in the reform bill he wrote.

So, Mr. President, just a couple of years ago, 86 Senators went on record in favor of a PAC ban coupled with fall-back limitations in case of an unfavorable Supreme Court ruling. The provision in our proposal is actually far less restrictive than that included in the Pressler-Durenberger amendment, as we only limit PAC contributions, not their independent expenditures. If 86 Senators, including the Senator from Kentucky, believed a complete PAC prohibition to be constitutional enough that they could vote for it, I see no reason why the same number, or even more Senators now could not support a far less restrictive regulation.

In closing, Mr. President, I want to assure my colleagues that I believe, and the Senator from Arizona believes, that the key provisions of this legislation would be upheld by the courts. Moreover, nonpartisan experts from around the country, including the Congressional Research Service, who do not have a prejudice one way or the other on this proposal, have told us that these provisions are constitutional.

I ask unanimous consent that a statement designating that the broadcast provisions in the bill would have only a relatively nominal impact in the broadcast industry be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
LIBRARY OF CONGRESS,
Washington, DC, February 8, 1996.

To: Honorable Russell Feingold, Attention: Andy Kutler.

From: Joseph E. Cantor, specialist in American National Government, Government Division.

Subject: Estimated value of free and discounted TV time under S. 1219—the Senate Campaign Finance Reform Act of 1995.

This memorandum provides information relevant to estimating the dollar value of the free and discounted TV air time that would be offered to Senate candidates under S. 1219, the Senate Campaign Finance Reform Act of 1995.

S. 1219, introduced by Senator McCain and you, establishes a system of voluntary expenditure limits for Senate candidates, in exchange for three cost-reduction benefits: (1) 30 minutes of free TV time; (2) additional TV time at 50 percent of the lowest unit rate (LUR); and (3) a reduced postal rate for two mailings per eligible voter. This memorandum focuses on estimating the value of the first two benefits, dealing with TV time.

As I have explained to you, and as has been reinforced in my conversations with all my sources, both these tasks are highly speculative, and the resulting estimates I have derived are subject to challenge on any number of grounds. I have used different methodology and sources for each of the two tasks, relying in both cases on a combination of actual cost figures, published estimates, and educated guesses and assumptions by appropriate authorities. While these assumptions can legitimately be challenged, I believe this effort to represent a reasonable, logical attempt at a rough approximation of the dollar value of the proposed benefits. Appropriate caveats and sources are noted herein.

BENEFIT NO. 1: FREE TV TIME

PROPOSAL

The bill would provide 30 minutes of free television air time to participating candidates, to be used: (1) in the general election period (i.e., once the candidate has qualified for the general election ballot); (2) on Mondays-Fridays, between 6 PM and 10 PM (unless the candidate elects otherwise); (3) in segments of between 30 seconds and 5 minutes; and (4) on stations within the State or an adjacent State, but with no more than 15 minutes on any one station.

METHODOLOGY

Our goal was to make a reasonable determination of the dollar value of 30 minutes of television advertising time which Senate candidates would use during a general election period.

At the outset, one is faced with the fact that there are enormous variations in costs of TV time. First of all, there are 211 media markets in the U.S., with substantial differences in costs among them. Second, the broadcast market is a commodity market, subject to the laws of supply and demand. Hence, there are wide variations in costs within a single market or broadcast station, even for comparable periods of time on comparable TV shows. Furthermore, there are no sources on the exact cost of TV ads, because of the extremely complex system for buying and setting rates for TV time. Finally, our task was compounded by the uncertainties involved in a political campaign setting, with the number of candidates eligible for the benefit unknown and with the way in which candidates might use the benefit (within the parameters outlined in your legislation) unknowable.

In undertaking this project, I was fortunate in obtaining assistance from two Washington-area media buyers who are substantially involved in campaign work.[1] Despite their cautionary notes about the nature of this task (as outlined above), they understood the value of devising an intellectually defensible estimate and provided essential guidance in the process.

Our effort first focused on devising an average cost of a TV spot, based on the following assumptions: the 30 minutes would be used by the Senate candidate in the form of 60 spots of 30 seconds each; the candidate would seek to place all free spots in prime time (your bill covers the early news (6 PM—7 PM) and prime access (7 PM—8 PM) periods, as well as most of the prime time (8 PM—11 PM) period; and the candidate would place the ads on as many of the most popular (i.e., highly rated) shows as possible.

According to the Media Market Guide[2] for the fourth quarter of 1995 (which covers the months relevant to a general election), the national average cost per rating point for a 30-second spot in prime time (aimed at an audience of all adults over the age of 18) was $25,403.[3] As this represents the cost for a commercial advertiser, we subtracted 15 percent to reflect the rate most stations charge to political advertisers (this political rate, not required by law, should not be confused with the lowest unit rate which Federal law requires broadcasters to offer candidates). We arrived at a national political rate per point of $21,593. I then calculated a national average cost per rating point, by dividing $21,593 by 211 (the number of U.S. media markets), yielding an average political cost per point of $102.

In order to get a cost figure for an actual 30-second spot, one must multiply the cost per point by the number of points which a particular program (or TV show) commands. We chose five popular TV shows in Monday through Friday prime time, and then averaged their national rating point numbers. The shows (and their national rating points) were: NYPD Blue, ABC (15.90); 20/20, ABC (17.10); Law and Order, NBC (12.80); Frasier, NBC (14.70); and Chicago Hope, CBS (14.90).[4] The average national rating points of these shows came to 15.1. Hence, the average 30-second spot on a popular prime time show is 15.1 multiplied by $102, or $1,540.

If 60 of these 30-second spots are used, the benefit equals $92,400 per candidate, on average. Obviously, a New York area candidate's benefit would be much higher, while a Montana candidate's benefit would be much lower.

ESTIMATED TOTAL

To derive a national figure, we made a simple calculation, based on the assumption of 66 major party general election candidates, with no qualifying minor party candidates. Of course, it is a considerable assumption that all major party nominees would participate in this system, just as it is that no minor party candidates would qualify. But as your bill calls for an hour of free time per State, having minor parties qualify would not change the total. Hence, multiplying $92,400 by 66 candidates yields a national total of $6,098,400, rounded to $6 million.[5]

BENEFIT NO. 2: DISCOUNTED TV TIME PROPOSAL

Your bill also provides participating Senate candidates the benefit of buying additional broadcast time at 50 percent of the lowest unit rate. This benefit would be available during the last 60 days of the general election (when the LUR requirement is in effect) and the last 30 days of the primary election (the LUR is now available to candidates in the 45 days before a primary, but your bill would change that to 30 days).

METHODOLOGY

Whereas the first benefit involves a specified amount of time in specific time periods, this provision would affect an indeterminate amount of broadcast purchases. Also, rather than involving a new form of candidate activity (i.e., a free service), this second benefit involves one candidates already use, but with a prospectively lower cost. Hence, whereas the first exercise was more theoretical, the second can be based more on what we know about current behavior among Senate candidates.[6]

Specifically, by estimating the current level of campaign air time, one can make a reasonable assessment of the dollar value of the reduced cost benefit to candidates. This exercise involves deriving a percentage estimate of the share of overall campaign expenditures that can be attributed to TV time buys during the periods affected by your bill, and then extrapolating this percentage onto campaign expenditure data.

There is no official source for data on broadcast expenditures in Federal elections. While campaign expenditures are required to be disclosed with the Federal Election Commission (FEC), payments to broadcast stations usually are not itemized and are often included among other payments to media consultants; nor do the reports group expenditures by category for easier retrieval of desired information. Furthermore, the Federal Communications Commission does not systematically compile data of this nature from the broadcast stations. Until very recently, observers were forced to rely on anecdotes, surveys, or estimates of the amount of campaign money that was directed specifically to broadcast time purchases.

Following the 1990 congressional elections, two reporters for The Los Angeles Times undertook a massive, systematic study of congressional campaign expenditures in that election—based on candidates' disclosure filings—and arranged the data into categories.[7] Comparable studies were done following the 1992 and 1994 elections, by Dwight Morris (one of the original authors) and Murielle Gamache. Because of their exhaustive efforts and professional skill, these studies are widely accepted by campaign finance experts as containing the most reliable, authoritative data on campaign expenditures by type of service. Consequently, my estimates are based heavily on the data in the most recent published study: Handbook of Campaign Spending: Money in the 1992 Congressional Races, By Dwight Morris and Murielle E. Gamache (Washington, Congressional Quarterly, Inc., 1994. 592 p.). (The 1994 edition will be published later in 1996.)

The summary tables, copies of which are attached, reveal that in 1992, major party Senate candidates who ran in the general election spend $86.8 million on "electronic media advertising." This category was defined on page xiv of Handbook of Campaign Spending as including: All payments to consultants, separate purchases of broadcast time, and production costs associated with the development of radio and television advertising.

Because the data unavoidably include production costs and consultant fees (which are irrelevant to the benefits in S. 1219 concerning air time), it is necessary to estimate the percentage solely for air time. The authors report that most media consultants add a 15-percent charge to media buys for their services (which include producing the ads). Hence, I would subtract this 15 percent, or $13.0 million, and assume the remaining 85 percent of the "electronic media advertising" total went for air time purchases. This leaves $73.8 million for air time costs.

Several other factors must be taken into account in making the data in this study applicable to our purposes. First, the electronic media figure includes radio advertising; our interest is solely in television. In a telephone discussion on February 1 with Dwight Morris, one of the authors, we agreed that it would be reasonable to assume that 95 percent of the total went for television. Hence, subtracting another 5 percent, or $3.7 million, leaves $70.1 million for TV air time cost.

Second, the data include spending by the candidates in the primary as well as the general election period, as FEC data unavoidably does. The benefits in S. 1219 would apply to both periods, but only for the last 30 days in the primary and the last 60 days in the general election. In our phone discussion, Dwight Morris and I agreed that it would be reasonable to assume that 90 percent of the media expenditures occurred in the general election period. Taking 10 percent of $70.1 million yields $7.0 million for primary TV air time spending and $63.1 million for TV air time in the general election.

The final estimation involved the extent to which the air time in the primary is bought in the last 30 days and the air time in the general election is bought in the last 60 days. Morris and I agreed (as did some of the media buyers I worked with in the first estimate) that at least 95 percent of the air time would be used in those periods. Hence, subtracting an additional 5 percent in each case leaves an estimated $6.7 million for TV air time in the last 30 days of a primary and $59.6 million for TV air time in the last 60 days of a general election.

GENERAL ELECTION BENEFIT

Step 1. Starting with $86.8 million total for electronic media advertising, I subtracted the estimates of $13.0 million for consultant fees, $3.7 million for radio time, $7.0 million for primary spending, and $3.5 million for time purchased before the final 60 days of the general election. The resulting $59.6 million (for TV air time in the final 60 days of the general election) represents approximately 69 percent of the "electronic media advertising" figure and 27 percent of the $219.1 million in total Senate candidate expenditures in the Morris/Gamache study.

Step 2. Although the comparable 1994 data are not yet available, it may be instructive to apply the 27 percent figure cited above to the total expenditures reported to the FEC by 1994 Senate candidates. The FEC reported that $270.7 million was spent by major party Senate general election candidates in the 1993–1994 election cycle.[8] Because the Morris/Gamache study included data for the six-year period leading up to and including 1992, I added the $12.6 million 1994 Senate candidates spent from 1989 to 1992 (which I calculated from the same press release). Hence, I arrived at a total of $283.3 million spent by major party Senate general election candidates in the entire six-year period. Assuming the same 27 percent of total spending went for TV air time in the last 60 days of the general election, I got an estimated 1994 figure of $76.5 million.

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[1] Footnotes appear at end of letter.

Step. 3. The 1992 estimated cost of TV air time of $59.6 million and the 1994 estimate of $76.5 million can be averaged (in case one of the years was an anomaly in the context of overall spending trends), to yield $68.1 million, rounded to $68 million for convenience. While this is just an estimate, subject to all the caveats inherent therein, I would be fairly comfortable using this as the basis for any further estimates you may wish to make, specifically that the value of the broadcast discount would be 50 percent of this, or roughly $34 million.

PRIMARY ELECTION BENEFIT

The process for estimating the benefit in the primary period is complicated by the fact that our primary data source not only does not distinguish between primary and general spending, but it leaves out candidates who lost the nomination contest. Hence, I added a fourth and fifth step to the process: (1) use the Morris/Gamache 1992 data on cost breakdowns, apportioning amounts to specific functions; (2) apply the same percentage to 1994 FEC data; (3) average the 1992 and 1994 figures; (4) examine 1992 and 1994 FEC data on primary losers, apply an appropriate percentage, and average the two dollar figures; and (5) add the average from step 4 to the figure in step 3.

Step 1. To apportion the share of primary election candidates expenditures that were spent on TV air time in the last 30 days of the primary, I started with the $86.8 million total for electronic media advertising in the Morris/Gamache study. I subtracted the estimates of: $13.0 million for consultant fees, $3.7 million for radio time, $63.1 million for general election spending, and $.35 million in time purchased before the final 30 days of the primary election. This left an estimate of $6.7 million as being spent by 1992 major party Senate candidates for TV air time in the final 30 days of the primary election. This figure represents approximately 8 percent of the figure listed for electronic media advertising and 3 percent of the $219.1 million in total Senate candidate expenditures in the Morris/Gamache study.

Step 2. I next applied the 3 percent figure cited above to the total expenditures reported to the FEC by 1994 Senate candidates. Again, I started with the $270.7 million spent by major party Senate general election candidates in the 1993–94 election cycle, and then added the $12.6 million these candidates spent from 1989 to 1992. Applying the 3 percent figure from 1992 to the resulting total of $283.3 million, I got a 1994 figure of $8.5 million for the cost of TV air time in the last 30 days of the primary election.

Step 3. I averaged the 1992 estimated TV cost of $6.7 million and the 1994 estimate of $8.5 million, to yield $7.6 million, rounded to $8 million for convenience. This represents estimated spending on TV air time during the last 30 days of the primary by candidates who went on to compete in the general election.

Step 4. Major party Senate candidates who were defeated in primary elections spent a total of $75.9 million in 1992[9] and $45.9 million in 1994.[10] Because all of this money was spent on the primary election, we adjusted only for consultant fees, radio time, and time purchased before the final 30 days. I assumed the same total percentage of money went for TV time by the primary losers as by all candidates in this six year study. Starting with the $86.8 million total for electronic media advertising, I subtracted the estimates of: $13.0 million for consultant fees, $3.7 million for radio time, and $.35 million for time purchased before the final 30 days of the primary. This left $69.8 million, which is approximately 32 percent of the $219.1 million in total expenditures reported in the Morris/Gamache study.

Applying this 32 percent to the $75.9 million spent by 1992 primary losers yields $24.3 million; applying the same percentage to the $45.9 million spent by 1994 primary losers yielded $14.7 million. Averaging the 1992 and 1994 figures gave us $19.5 million, rounded to $20 million; this represents an estimate of TV air time purchases in the last 30 days of the primary election by Senate primary losers.

Step 5. Finally, I added the $8 million from step 3 for party nominees to the $20 million for primary losers, yielding an estimated total of $28 million as being spent on TV air time by Senate candidates in the final 30 days of the primary.[11] Reducing this by half left us with $14 million, as the estimated value of the 50 percent LUR reduction to Senate primary candidates.

ESTIMATED PRIMARY AND GENERAL TOTAL

Using the methodology in this memorandum, I estimate the value of the 50 percent broadcast rate reduction to be worth $34 million to Senate candidates in the general election and $14 million in the primary—a total of $48 million.

I trust that this memorandum and the accompanying material meet your needs in this matter. Please feel free to contact me 7-7876 if I can be of further assistance.

FOOTNOTES

[1] Carole Mundy, of Fenn-King-Murphy-Putnam Communications, Inc. in Washington, D.C., assisted in developing the methodology and obtaining source material. Gail Neylan, of Neylan & Roy—an independent media buying service, provided guidance in corroborating and finetuning the approach developed with Ms. Mundy.

[2] Media Market Guide, 4th Quarter 1995 (October-December). NY, Bethlehem Publishing, Inc. 1995.

[3] Those cost per (rating) point is the standard unit used by advertisers and media buyers in evaluating relative costs of delivering one percent of the audience share in different markets.

[4] Ratings based on: A.C. Nielsen Company, Network Programs by DMA, November 1995.

[5] A more thorough effort might involve looking at each State's media dynamics, given the variations in media market configurations. A candidate in New Jersey, for example, has to buy time in both the New York and Philadelphia markets, while more than 90 percent of California voters are reached by seven markets, all within that State's boundaries. These types of calculations, while yielding perhaps a more accurate estimate, involved undue time investment and raised significant, complex additional questions.

[6] One caveat, of course, is that this approach is based on current candidate behavior, not taking into account prospective increased TV air time purchases because of the lower cost. While this could well occur, this tendency would be clearly circumscribed by the overall campaign spending limits to which participating candidates must agree.

[7] Fritz, Sara, and Dwight Morris. Handbook of Campaign Spending: Money in the 1990 Congressional Races. Washington, Congressional Quarterly, Inc., 1992. 567 p.

[8] U.S. Federal Election Commission. 1994 Congressional Fundraising Sets New Record (press release): November 1995.

[9] U.S. Federal Election Commission. 1991–92 Congressional Spending Soars to $680 Million (press release): January 1994.

[10] U.S. Federal Election Commission. 1994 Congressional Fundraising Sets New Record (press release): November 1995.

[11] It may seem counterintuitive that primary losers would spend twice as much on TV as primary winners, and this may point up a flaw in our estimation process. But it is often the case that well-funded primary candidates (often wealthy individuals) spend large sums of money in losing attempts at nomination, while in perhaps the majority of cases, Senate party nominees (especially incumbents) have little or no real opposition in the primary.

Mr. FEINGOLD. I yield the remainder of my time to my friend and a leader today in the future on campaign finance reform, the Senator from Arizona.

Mr. MCCAIN. I yield 30 seconds to the Senator from California.

Mrs. BOXER. Mr. President, I thank my friend for yielding. I thank him for his leadership, as well as that of Senator FEINGOLD. Let me say, as one of the two Senators from California, we need to raise at least $20 million—that is obscene—to win a Senate seat. That means a candidate running for Senate for California must raise $10,000 a day, 7 days a week, for each day of the 6-year term. This is unconscionable. I will support cloture. I will support campaign finance reform.

I intend to vote for campaign finance reform and for this measure cutting off debate so we can have the opportunity to discuss this crucial issue. We must pass campaign finance reform this year.

I feel we must limit the influence of special economic interests so that the public has no fear that Senators are representing those interests instead of the people of their State and the Nation.

As a Senator from the largest State in the Union, I am particularly aware of the need for reform. Candidates for the U.S. Senate in California must raise at least $20 million. This means that a candidate running for the Senate must raise at least $10,000 a day, 7 days a week, for each day of a 6-year term. This is obscene.

For me it is more important to meet with constituents here and in the State, write legislation, and participate in debates like this one, let alone read as much as I can.

There are several important aspects of campaign finance reform.

First, to establish limits on campaign spending. The root of our problems with the current system is that campaigns spend too much. To me limits are one of the most important elements of reform.

Second, we must end the practice of using soft money to evade contribution limits. Soft money originally was intended to be used for party building activities, but in many cases, it has turned into a negative campaign apparatus.

There are many approaches to campaign finance reform. I favor the Feinstein bill because it recognizes the rights of organizations of every political persuasion to participate in the political process by gathering small donations to candidates.

I speak from the heart when I say that we must pass campaign finance reform this year and begin to restore the faith and confidence of the American people.

Mr. McCAIN. Mr. President, the Senate is about to determine whether bipartisan campaign finance reform will be an accomplishment of this Congress or not. As I noted yesterday, the Members of the 104th Congress can point with pride, well-earned pride, to the substantial institutional reforms that were passed by this Congress. But the reform which the public believes to be most necessary and most urgent—campaign finance reform—is not yet among the accomplishments of this reform-minded Congress.

Today, the Senate has an opportunity to begin remedying that deficiency, and take a giant step toward becoming one of the most important reform Congresses in American history. Invoking cloture cannot guarantee this legislation will be enacted into law, but we will be well on the way, Mr. President. Momentum toward final passage may well prove irresistible in the wake of a successful cloture vote.

But should we fall short of that goal today, it will not mean a permanent end to this effort. Mr. President, we will have campaign finance reform; if not this year, then next; if not the 104th Congress, then the 105th. We will have campaign finance reform because the people demand it. The people have perceived in the manner in which we finance our reelection a profound inequity between incumbent and challenger; an inequity which serves to distance Members of Congress from the will of the people; to further estrange us from our employers, and indebt us to an array of monied interests. The people's will cannot be forever denied no matter how well inoculated we are by the financial advantages we claim as incumbents. The people will have this reform, if not by our work, then by the work of our replacements.

Some may see in that statement a contradiction. If current campaign financing laws so greatly advantage incumbents then we should prove immune to public pressure for reform. We are indeed greatly advantaged by the current system, Mr. President, but no one, no matter how abundant his or her campaign coffers, can forever disregard a demand for reform that is supported by three-quarters or more of the American public. No one.

Not all campaigns are waged in such clear opposition to the public will. In most elections, candidates generally avoid giving great offense to the voters. It is in most elections that incumbents are undeniably, unmistakably, and overwhelmingly advantaged over challengers.

Opponents of this measure, who are my friends, argue eloquently that we who propose this reform are the enemies of the first amendment; that we are engaged in that most un-American of activities—the attempted abridgement of every American's right to free speech. I believe we have effectively refuted that serious charge, in part because we have had an ample body of opinion by constitutional scholars to rely on. For the record, let me state the obvious: I did not seek public office so that I might violate the Constitution. In my life, I have taken no oath more seriously than my oath to defend the Constitution. I hope my colleagues will accept that I am their equal in my love of our Constitution.

Mr. President, we proponents of campaign finance reform do not seek to curtail the free speech of incumbents. We seek to give voice—a greater voice—to challengers than is usually the case under the present system of campaign financing. These are voluntary spending limits we have proposed. Yes, there are incentives in this bill to encourage candidates to abide by these limits, and disincentives to discourage candidates from exceeding them. But if a candidate feels that circumstances necessitate campaign expenditures in excess of these voluntary limits, he or she is free to make those expenditures.

Their opponent, however, should not be unfairly disadvantaged by the other candidate's refusal of spending limits. So, we have included provisions in our legislation to help a candidate who abides by the limits keep pace with the campaign of the candidate who rejects the limits.

Implicit in the arguments of this bill's opponents is the definition of free speech as more speech. They argue that if an incumbent does not spend more money on advertising than the challenger, either because of voluntary limits or because the challenger is allowed more discounted advertising and postage rates, then somehow the incumbent's free speech has been curtailed. In reality, Mr. President, our legislation does not abridge the incumbent's right to free speech; it advances the free speech of challengers. It refutes the notion that for speech to be free, one candidate must have more of it than another.

Again, these are voluntary spending limits. They are voluntary and they are fair.

Mr. President, the opponents of campaign finance reform are as passionate in their opposition as we are in our support. I do not doubt the sincerity of their conviction that too little money is spent on campaigns today. I disagree, of course, but I cannot challenge their earnestness nor resent the passion with which they advance their argument. On a few occasions, I have been known to invest my arguments with a little heated rhetoric, and it would be unfair of me to begrudge the genuine ardor our opponents hold for their cause, as unsound as that cause might be.

I commend them for their willingness to extensively and openly debate this legislation, so that the public may judge from our arguments who has carried the day. The cloture vote will indicate legislative failure or success today. But it will not necessarily indicate whose argument has prevailed. Nor, as I noted at the beginning of my remarks, will this vote, should we fail to reach cloture, signal an end to this campaign for reform. We will be back next year. We will ultimately prevail.

Before I conclude, Mr. President, I want to again commend the Republicans and Democrats who sponsored and helped to craft this first genuinely bipartisan campaign finance reform bill. They have all distinguished themselves in this debate, and in this crusade to keep faith with the people's just demands for reform. First among these friends is my partner, the Senator from Wisconsin, RUSS FEIGNOLD. The Senator is a man of honor, and his sense of honor prevails over his sense of politics. That is a virtue, Mr. President, a sometimes inexpedient virtue, but a virtue nonetheless, and one which I greatly admire.

Mr. President, the Senator from Wisconsin and I came to the Senate to argue with one another. We came to the Senate with different ideas about the proper size and role of Government in this country.

We came here to serve our constituents by serving those ideas, and we want to spend our time here in open, fair, and honest debate over whose ideas are the most sound. We did not come here to spend the majority of our time raising vast funds to ensure our reelection. Nor did we come here to incur obligations to a few narrowly defined segments of this country. All Americans deserve fair representation by their Congress.

Mr. President, despite our philosophical and political differences, Senator FEINGOLD and I have made a common cause in our pursuit of genuine campaign finance reform. To do so, we both knew that we would have to relinquish all partisan advantages that had undermined previous legislative attempts at reform. We were determined to be fair, Mr. President, and on no occasion—no occasion—did Senator FEINGOLD, or any of the cosponsors, attempt to seed into this legislation an advantage for one party or the other. We were fair, we were committed to genuine reform, and we were and are determined.

I have found the experience liberating, and I commend it to all of my colleagues. I urge all of my colleagues to join us in this necessary endeavor, to accept the public will and restore the public's respect for the institutions that are derived from their consent. Vote for cloture. Vote for reform.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 1 o'clock having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 1:02 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

CAMPAIGN FINANCE REFORM

The Senate continued with the consideration of the bill.

Mr. DASCHLE. Mr. President, the McCain-Feingold campaign finance reform bill is not a perfect bill. But it is a good bill. More important, it provides a good start on what ought to be one of our top priorities: loosening the grip of big-money special interests on politics.

I will vote for cloture not because I think this bill cannot be improved—it can—but because we must change the way campaigns are financed, and this is, for now, the only means we have to make that change.

There are those who say they oppose cloture because they want to be able to amend this bill and improve it. But let no one in this Chamber be fooled: a vote against cloture is a vote to kill campaign finance reform. We know that because the leading opponent of this bill has told us he intends to filibuster this bill and kill it if we give him the chance.

To block reform with calls for debate is more than cynical. It is dangerous.

A while back, the Kettering Institute conducted a survey of Americans' attitudes about the influence of money on politics. The survey found a widespread belief that "campaign contributions determine more than voting, so why bother?" It described "a political system that is perceived of as so autonomous that the public is no longer able to control or direct it."

"People talk about government," the study said, "as if it has been taken over by alien beings."

We will never restore faith in government if people believe the political system is rigged against them, if they believe it serves the wealthy, the powerful, and the politically connected at their expense.

The McCain-Feingold proposal, as I have said, is not perfect. For instance, I believe we should encourage participation in our political process by individuals who get together not because they have some narrow economic interest in a particular bill but because they have a broad interest in the direction of government. That is exactly the kind of grassroots participation that groups like EMILY'S List and, yes, WISH List, encourage. Yet this bill would ban such participation. In my opinion, that is a serious flaw.

But this bill does fix some of what is most broken about the current campaign finance system. It sets reasonable spending limits. It makes political campaigns more competitive for challengers. And it sets reasonable limits on the influence of PAC's.

This is not an attempt by one party to rewrite the rules to its own advantage. This is a bipartisan effort that will be good for both our parties, and for our Nation. I want to thank Senators McCAIN and FEINGOLD for their leadership in getting us to this point against what must have seemed at times very long odds.

I will vote for cloture because I believe it is wrong if another Congress comes and goes and does nothing about campaign finance reform.

Talk may be cheap. But when endless talk is used to block action on campaign finance reform, it becomes terribly expensive because special interests are able to undermine efforts to solve the problems that matter most to America's families.

A while back, the Speaker of the House said, and I quote—"One of the big myths in modern politics is that campaigns are too expensive. The political process is not overfunded; it is underfunded."

Mr. President, the American people do not agree. A poll conducted earlier this year by a Republican and a Democratic pollster asked people whether they agreed that "those who make large campaign contributions get special favors from politicians." Sixty-eight percent said yes, they agreed, and they said they were deeply troubled by it.

So the need for campaign finance reform will not go away, even if, for some reason, campaign finance reform is not enacted in this Congress. Ultimately, we must change the rules. We must lessen the influence of money on politics. I urge my colleagues to join me in beginning that change by voting now to bring this reasonable, modest proposal forward for a vote.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I ask unanimous consent that I may use leader time for a very brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, just very briefly, I want to commend the Senate for the quality of the debate on this campaign finance reform issue. I have been able to listen to several of the speeches that have been given. I think on both sides of the issue and on both sides of the aisle, it has been an outstanding debate.

I commend specifically Senator McCAIN, Senator FEINGOLD, Senator THOMPSON, and others who have sponsored this legislation, and for the quality of their cooperation and debate.

I also commend the courage, once again, of the outstanding leader of the opposition to this campaign finance reform, Senator McCONNELL. He has done a magnificent job. I think we should recognize that.

I think this is an important issue which we will address, I am sure, again in the future. But I think it is too important to address right at this point in the heat of the national election debate.

I do not think we have the solutions here. So I urge that cloture not be invoked.

I hope the Senate will not invoke cloture on the McCain-Feingold substitute amendment to S. 1219.

We all agree that campaign finance reform is an important issue. But it's become too important to deal with it during the heat of a national election.

It is already too late in the calendar year to make this bill's provisions apply to the elections of 1996. So we are not going to lose anything by waiting until early next year to get this job done.

When we do it, we have to do it right—the first time. We should not make the same mistake the Senate made back in 1974, when it hastily cobbled together a campaign reform bill that later came apart at the seams before the Supreme Court.

Since the Court's decision in Buckley versus Valeo in 1974, the Congress has been on notice that, when it comes to imposing rules and restrictions on the financing of political campaigns, we must be scrupulously careful of the first amendment.

In short, our good intentions must pass constitutional muster. My personal judgment is that this bill does not do so.

I recognize that others may disagree, but when it comes to the free speech protections of the first amendment, I prefer to err on the side of caution, rather than zeal.

I need not go into all the details already covered by other speakers, but I note that one of the key provisions in this legislation—concerning political action committees—has a fallback provision, in case the original provision is overturned by the Supreme Court as a violation of the first amendment.

What that means to me is that we know at least some parts of this bill are on shaky ground. I think we should craft campaign finance reforms that are rock solid.

Two of our colleagues from the Republican side of the aisle have played crucial roles with regard to this legislation. Both have acted out of conscience and principle, and have come to opposite conclusions.

Senator McCAIN took the lead in shaping this legislation and advancing it to this point. His determination has kept this issue in the spotlight, and I know he will not give up the fight now.

I hope to work with him over the next several months to see how we can build on his efforts for a bill that will be more broadly supported and, finally, enacted into law.

Senator MCCONNELL has, in this 104th Congress as in preceding years, been a consistent critic of campaign finance laws which, in his judgment, would limit access to the political process or inhibit participation in it.

To speak bluntly, he has put his neck out to defend the first amendment rights of all Americans, even when it was not fashionable to do so. I commend him for doing so. I know he will be equally vigilant in the future, to ensure that the Congress does not attempt to achieve a worthy goal by less than worthy means.

I think everyone has had their say about campaign finance reform. Now it's time for the Senate to move on to other pressing issues.

So I will vote against cloture. And if my colleagues agree with me, and cloture is not invoked, it will then be my intention to return to the Department of Defense authorization bill.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the cloture motion having been presented under rule XXII, the Chair directs the clerk to read the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1219, the campaign finance reform bill:

Trent Lott, John McCain, Judd Gregg, Bob Smith, Rick Santorum, Sheila Frahm, Claiborne Pell, Jeff Bingaman, David Pryor, John F. Kerry, Paul Wellstone, Patty Murray, Fred Thompson, Bob Graham, Herb Kohl, Russell D. Feingold.

CALL OF THE ROLL

The PRESIDING OFFICER. The mandatory quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 1219, the campaign finance reform bill, shall be brought to a close? The yeas and nays are required. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 54, nays 46, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—54

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McCain
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Thompson
Wellstone
Wyden

NAYS—46

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Smith
Stevens
Thomas
Thurmond
Warner

The PRESIDING OFFICER. On this vote the yeas are 54, the nays are 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. FEINGOLD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LOTT. We do have some requests for time. With the agreement of the Democratic leader, I ask unanimous consent that we be in morning business until the hour of 3 p.m., at which time we hope to have the unanimous-consent request involving a number of issues ready.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

IOWA STATE FAIR

Mr. GRASSLEY. Mr. President, one of the best ways to tell the Iowa story already unfolds each year in Iowa's capital city, Des Moines. The Iowa State Fair has become an icon of life in Iowa—it is a reflection of what is best about Iowa and its people. Sparking the interest of hundreds of thousands of visitors each year, the State fair offers a diverse range of exhibits and performances. And it is among the largest agricultural expositions in the Nation.

In 1854, 8 years after Iowa joined the Union, the first State fair was held in Fairfield, IA, on a 6-acre field. Even in those early years, Iowans came from miles around. Although the fair was only a 3-day event, an amazing crowd of 7,000 to 10,000 arrived 3 days before and camped in covered wagons along the road. In 1878, the fair grounds were permanently moved to Des Moines. Today, the fairgrounds span 400 acres, including 160 acres of campgrounds.

During the early years, a sampling of popular entertainment features included female equestrians and a contest among seven men to plow one-quarter or an acre the fastest. In 1911, the Wright brother's biplanes demonstrated each day of the fair.

The State fair began a unique tradition in 1916 that holds true today and continues to unite all ages of fair goers. That year, young 4-H club members started a livestock and beef judging show. The following year boasted the largest sheep exposition of its time. To this day, young Iowa 4-H and FFA exhibitors continue to impress visitors and judges with their livestock and homemaking projects. By the way, I am proud to say that 4-H was started in Iowa.

For over 141 years the essence of the Iowa State Fair has not changed. Its main focus continues to revolve around agriculture and its vast opportunities. The tradition of excellence in Iowa agriculture products has stood the test of time. Take a quote from a fair judge in 1854: "as to corn, it is useless to talk of finding any better."

Many Americans may have read a novel called, "State Fair," or perhaps watched a version of it on the big screen. Yes, it was written by an Iowa newspaperman and was based on the Iowa State Fair. The famous Rodgers and Hammerstein musical also was inspired by the Iowa State Fair. Last year, "State Fair" debuted at the Civic Center in Des Moines and opened on Broadway in March of this year.

Folks from all walks of life come each and every year to enjoy the sights, tastes, and sounds of the State fair. Iowans hold a very special place in their hearts and take pride in our annual celebration of Iowa's culture, history, agricultural products, and commerce. Without a doubt, individual and community efforts have made the Iowa State Fair a major event in the Midwest. The bounty and achievements from across our great Nation and from overseas is honored each summer at the Iowa State Fair.

So put on some comfortable clothes and shoes. Remember that the temperature will be hot and the air humid. And let us go help judge the jelly and jam, look at the livestock, take a ride on the midway, eat a corn dog, and marvel at how realistic the cow sculpted from pure butter looks. Let us all go to the Iowa State Fair.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you.

OUR NATION'S SCHOOLS

Ms. MOSELEY-BRAUN. Mr. President, 2 years ago my colleagues, Senators KENNEDY, PELL, SIMON, WELLSTONE, and KERRY joined me in asking the General Accounting Office to study the condition of America's schools. Since then, the GAO has surveyed 10,000 schools in over 5,000 school districts. They have visited 41 schools and interviewed State officials responsible for school facilities in all 50 States. They have now written six reports documenting the condition of America's schools.

Today, Mr. President, I am pleased to present the final two reports in the series. The first, "America's Schools Report Differing Conditions," documents crumbling school facilities in every State, in every region of the country, in every type of community, and in every type of school serving every kind of American child. The second report, "Profiles of School Condition by State," presents all the information that the GAO has compiled on the condition of school facilities in each State, building conditions and readiness for computers, as well as State funding needs and the level of State support for school facilities.

Mr. President, these reports document a problem that transcends geographic and demographic boundaries. Crumbling schools is not just an inner-city problem, it is not just a problem for poor children or for minority children. Crumbling schools are everywhere. It is an American problem. And it relates directly to our future ability to maintain the quality of life that Americans expect.

I have charts here that paint the picture of the schools' conditions in the four regions of our country. In every region, the GAO reports that whole buildings are inadequate, that building features, like roofs, walls, and windows, are inadequate, and that the environment for learning, like the lighting, ventilation, and indoor air quality is inadequate.

In the Northeast, 30 percent of the schools report inadequate buildings, 59 percent report inadequate building features, and 57 percent report inadequate environmental conditions.

In the Midwest, 31 percent of the schools report inadequate buildings, 57 percent report inadequate building features, and 57 percent report inadequate environmental learning conditions.

In the South, 31 percent of the schools report inadequate buildings, 53 percent report inadequate building features, and 54 percent report inadequate environmental conditions.

And in the West, 38 percent of the schools report inadequate buildings, fully 64 percent report inadequate building features, and 68 percent report inadequate environmental conditions. Mr. President, crumbling schools span our country.

In the urban areas, 38 percent of the schools reported at least one inadequate building. In rural areas, it is 30 percent. In the suburbs, it is 29 percent. This problem is not just confined to urban, rural, or suburban schools. It is across the board. Inner city schools are in disrepair, but so are suburban schools, as well as rural schools.

My home State of Illinois is a microcosm of the Nation. We have Chicago, farmland, wealthy suburbs, and the poorest slums. Schools are crumbling across my State. Mr. President, 31 percent of Illinois schools report at least one inadequate building, 62 percent report at least one inadequate building feature, 70 percent report at least one inadequate environmental condition.

In Illinois' wealthier communities, schools are full of computers and are designed to meet every student's and teacher's needs. The situation is different in all too many other communities. There, computers sit idle because the electrical power to run them is not available, or because there is nowhere to put them, or no one who knows how to use them.

Five years ago, in his book, "Savage Inequalities," John Kozol described the unbelievable conditions of some of Illinois schools. He reported schools "full of sewer water," without playgrounds, science labs, or art teachers. He went to schools where the stench of urine permeated the halls. He wrote of schools that were, in his words, "extraordinarily unhappy places."

Today, Mr. President, the GAO reports that these conditions still exist, in all 50 States—in States that place a high priority on education, as well as those that do not.

I point out that these facility problems are not cosmetic. A study released last month found a direct correlation between crumbling schools and student achievement in the North Dakota schools. This study is the latest in a string of reports that consistently prove that students can't learn if their schools are falling down.

When we send our children to crumbling schools, we subtract from their opportunities. A generation ago, a college graduate earned about twice as much as a high school dropout. Today, the ratio is nearly 3 to 1.

The income gap between educated Americans and uneducated Americans is growing. Gone are the days when strength and hard work were enough to raise a family. In the information age, education is a prerequisite to employment. A good education has become a form of currency that buys quality of life. According to the Department of Labor, by the year 2000, half of all new jobs will require an education beyond high school.

When we send our children to crumbling schools, we subtract from America's opportunities. Education benefits the Nation as much as it benefits the individual.

When students do not learn, we all contribute to the costs of remedial education. We pay for government-sponsored health care, welfare, child care, job training. We pay for crime prevention to house millions of prisoners, more than 80 percent of whom are high school dropouts.

Every year the Federal Government spends nearly half a trillion dollars on antipoverty, crime prevention, and health care programs.

Investing in education would save much of these costs and much of this money. Yet we have neglected the needs of our elementary and secondary schools, and it has shown up in our children's test scores. It affects their ability to concentrate and to learn and to receive the kind of education they need to keep America competitive in the 21st century.

The time has come for a new school facilities paradigm. Local school districts are simply overwhelmed. The local tax base often cannot itself keep up with routine maintenance costs—let alone the costs of upgrading schools for 21st century learning, or to ease overcrowding. Of course, local bonds issues fail regularly.

State governments, the GAO reports, are not fixing the problem. In 1994, they spent only $3.5 billion all told—a far cry from the $112 billion need that the GAO has documented.

I believe that the time has come for a partnership between all levels of government. The national interest compels us to support elementary and secondary educational opportunities on a consistent national basis, and in ways that do not interfere with local control of education.

Just as the Federal Government pays for the Interstate Highway System, but the construction decisions are made at the State and local levels, the Federal Government can support education infrastructure without getting involved in the kinds of decisions that belong at the State and local levels.

I have sent every Senator and Governor the GAO results for their State and for the country. I welcome their input. It is time for us to open a dialog about this issue because I believe that together we can address this problem and we can fix our schools.

When America was faced with a challenge of adapting to the industrial age, we did, and we emerged as the world's economic, military, and intellectual leader. Now, we are moving into the information age. We have to adapt again.

Investment in the infrastructure needed to support the technological change the world has witnessed is an inefficient and appropriate place to start.

These reports today complete the first comprehensive school facility survey in over 30 years and the most exhaustive study ever. Their work provides the foundation for the new kind of Federal, State, and local partnership that we need to make our schools work for the 21st century.

Mr. President, crumbling schools is a ticking time bomb. In this global economy, in the information age, we should be able to devote some small measure of our national resources to prepare our children with a chance to learn.

Mr. KENNEDY. Mr. President, the Nation's schools are facing enormous problems of physical decay. According to two GAO reports released today, "School Facilities: America's Schools Report Differing Conditions" and "School Facilities: Profiles of School Condition by State," 14 million of the Nation's children in one-third of our schools are learning in substandard school buildings. About half of the schools have at least one unsatisfactory environmental condition, such as poor air quality.

Massachusetts is no exception—Forty-one percent of Massachusetts schools report that at least one of their buildings needs extensive repair or should be replaced; 75-percent report having at least one inadequate building feature, such as a plumbing or heating problem, and 80 percent have at least one unsatisfactory environmental factor.

It is difficult to teach or learn in dilapidated classrooms. Student enrollments will reach an all-time high next year and continue to rise. By this fall, 51.7 million students will be enrolled in elementary and secondary schools—surpassing the previous record of 51.3 million in 1971, and enrollment will increase to 54.1 million by 2002. We cannot tolerate a situation in which facilities deteriorate while enrollments escalate.

GAO estimates that American schools would need $112 billion just to repair their facilities. Yet the Republican budget cuts education by $25 billion, or 20 percent in real terms, over the next 6 years, with no provision at all for maintaining or upgrading facilities. In the Republican appropriations bill scheduled for consideration in the House this week, Federal aid to Massachusetts schools would be cut by almost $40 million next year, compared to the President's budget.

Obviously, the Federal Government cannot meet all the needs of all the Nation's schools. But education is a national priority and a national investment. Clearly, Congress should not be slashing aid to schools when their needs are so vast.

LICKING VALLEY GIRL SCOUT COUNCIL GIRL SCOUT GOLD AWARDS

Mr. FORD. Mr. President, I want to draw special attention today to six young women from northern Kentucky. These six young women from the Licking Valley Girl Scout Council are recipients of the Girl Scout Gold Award—the highest achievement a Girl Scout can earn. Each one has demonstrated outstanding achievements in the area of leadership, community service, career planning and personal development.

Girl Scouts of the U.S.A. serves over 2.5 million girls and has awarded more than 20,000 Girl Scout Gold Awards to Senior Girl Scouts since the inception of the program in 1980. Recipients of the award have not only earned patches for the Senior Girl Scout Leadership Award, the Senior Girl Scout Challenge, and the Career Exploration Pin, but also designed and implemented a Girl Scout Gold Award project.

But perhaps most importantly, these six Gold Award recipients have made a commitment to community that should not go unrecognized.

Jacqui Meier, Julie Ann Greis, Angela Schierberg, Christina Teeters, Christie DeMoss, and Mindy Hiles have put an extraordinary amount of work into earning these awards, and in the process have received the community's and the Commonwealth's respect and admiration for their dedication and commitment.

For 85 years, the Girl Scouts have provided "an informal educational program to inspire girls with the highest ideals of character, conduct, patriotism, and service so they will become resourceful, responsible citizens." The Licking Valley Girl Scouts alone serve over 5,000 girl and adult members.

Mr. President, I know my colleagues share my enthusiasm and admiration for the Girl Scouts' commitment to excellence. And, I know you will agree with my belief that this award is just the beginning of a long list of accomplishments and successes from these six Girl Scouts.

COMMENDING INDIVIDUALS WHO HELPED RESOLVE FREEMEN STANDOFF

Mr. BAUCUS. Mr. President, I would like to take this opportunity to commend to the Senate some valiant individuals who demonstrated courage, patience, and understanding while working to end the standoff between the Government and the so-called Freemen.

We in Montana are not accustomed to the national spotlight. We are content to mind our own business. But we have received a great deal of publicity the last 2½ months for the standoff of the so-called Freemen.

The standoff took a long time, and was never without a serious threat of danger. Everyone involved with bringing these fugitives to justice deserves our respect.

First off, I would like to applaud two individuals who dealt with the situation years before the national media took an interest in the Freemen. Charles Phipps, Garfield County sheriff, and Nick Murnion, Garfield County attorney, had to endure death threats, imminent peril and, finally, intense media scrutiny. Through it all, they handled themselves and their jobs with calm rational professionalism and great courage.

I would also like to thank several Federal officials who were instrumental in bringing this confrontation to a peaceful resolution. Sherry Matteucci, U.S. attorney and Jim Seykora, assistant U.S. attorney. And working for the Federal Bureau of Investigation were: Weldon Kennedy, Robert Bryant, Robert Blitzer, Thomas Kubic, Robin Montgomery, James Cleaver and Thomas Canady. These people's dedicated service can best be seen in the final peaceful resolution of the conflict.

Their work on this case is a textbook example of how to get the job done right. I salute these individuals who gave and risked a lot to see that the Freemen were brought to justice without the loss of life.

And finally, I would like to thank the people who have been patient for over 2 years. They have exhibited a shining example to the rest of the country, and they welcomed the influx of law enforcement officials with open arms. These people are the residents of Jordan, MT, and the surrounding area. They are regular Montanans. I had the chance to visit with many of them. They were not particularly happy about all the fuss they were getting, but they knew that it would eventually pass. Without their patience and resolve, we could not be enjoying the results that we do today.

Now that the standoff is over, life in eastern Montana will return pretty much to normal. Folks can go back to the lives they have come to miss over the past few months. But as we do so, it is important that we learn from this experience. And due to the efforts of the individuals I named, my State, our country, is a little better and a little wiser.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, I think so often of that November evening long ago, in 1972, when the television networks reported that I had won the Senate race in North Carolina. It was 9:17 in the evening and I recall how stunned I was.

I had never really anticipated that I would be the first Republican in history to be elected to the U.S. Senate by the people of North Carolina. When I got over that, I made a commitment to myself that I would never fail to see a young person, or a group of young people, who wanted to see me.

I have kept that commitment and it has proved enormously meaningful to me because I have been inspired by the estimated 60,000 young people with whom I have visited during the 23 years I have been in the Senate.

A large percentage of them are greatly concerned about the total Federal debt which back in February exceeded $5 trillion for the first time in history. Congress created this monstrous debt which coming generations will have to pay.

Mr. President, the young people who visit with me almost always are inclined to discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 25, 1992. I decided that it was important that a daily record be made of the precise size of the Federal debt which, at the close of business yesterday, Monday, June 24, 1996, stood at $5,110,926,525,572.12. On a per capita basis, the existing Federal debt amounts to $19,275.61 for every man, woman, and child in America on a per capita basis.

The increase in the national debt in the 24 hours since my report yesterday—which identified the total Federal debt as of close of business on Friday, June 21, 1996—shows an increase of more than $1 billion—$1,225,352,306.06, to be exact. That 1-day increase alone is enough to match the total amount needed to pay the college tuition for each of the 181,695 students for 4 years.

BILL EMERSON MEMORIAL BRIDGE

Mr. BOND. Mr. President, I rise to tell my colleagues of the death of a good friend and colleague, Congressman BILL EMERSON, who, until Saturday night, represented southeast Missouri's Eighth Congressional District. BILL EMERSON was, I believe, well known to many in this body, certainly to many around this city, and was loved by the people of southeast Missouri. He had a long and distinguished history of service in the U.S. Congress.

BILL EMERSON was a 15-year-old congressional page in 1954 when a Puerto Rican nationalist sprayed gunfire on the House floor. BILL helped carry a wounded Member off the House floor on a stretcher. After high school and graduation from Westminster College, he served as administrative assistant to Representative Bob Ellsworth of Kansas, and then to Senator Charles "Mac" Mathias of Maryland. Subsequently, he served in various legislative relations positions with Fairchild Industries, Interstate Natural Gas, Federal Elections Commission, and TRW.

In 1980, it was a new day. BILL was elected as a Republican Congressman in the Eighth Congressional District, the first Republican to win that seat in 52 years. BILL EMERSON was from that district. He knew the district. He spoke to the hearts and minds and souls of the people of that district. They returned him again and again, very strongly each time he ran. BILL always served his constituents. He was an expert in agriculture affairs. Had he lived, he would have been the Republican chairman of the House Agriculture Committee.

He was well known for his work in agriculture, including being a strong advocate of food donation programs. He had worked with the late Congressman Leland on many of the food programs that they shared a common interest in. One of his legislative priorities this session was a bill that would make it easier for food unused by restaurants, supermarkets, and other private businesses to end up in food pantries and shelters, rather than in garbage cans and dumpsters.

BILL EMERSON was also in touch with the needs of his constituents in southeast Missouri on transportation and other infrastructure improvement issues. He worked for levies, for highways, and most recently, a bridge—a bridge which he fought hard to get Federal funding from the Federal Highway Administration for. It took several years, but BILL's persistence paid off. The groundbreaking for the new Cape Girardeau bridge will occur this summer. It is estimated to be completed in the year 2000.

He commanded great respect on both sides of the aisle in both Houses, and was well known and well respected by the media. In honor of BILL EMERSON, I now send to the desk a bill to designate the bridge estimated to be completed by the year 2000 as the BILL EMERSON Memorial Bridge.

I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1903) to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge," and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BOND. Mr. President, I point out the mark of respect to BILL EMERSON is the fact that I introduced this bill on behalf of my colleague, Senator ASHCROFT, and we just started to work on the bill last night, and the cosponsors include Senator LOTT, Senator DASCHLE, Senator INHOFE, Senator JEFFORDS, Senator SMITH, Senator AKAKA, Senator CRAIG, Senator COATS, Senator DEWINE, Senator DORGAN, Senator THOMAS, Senator GREGG, Senator SIMON, Senator MIKULSKI, Senator BROWN, Senator SNOWE, Senator MACK, Senator KYL, and Senator CAMPBELL.

Mr. President, I ask unanimous consent that the distinguished President pro tempore, the distinguished Senator from South Carolina, be added as a cosponsor as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. I ask unanimous consent that Senator ROBB be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1903) was deemed read the third time, and passed, as follows:

S. 1903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BILL EMERSON BRIDGE.

The bridge, estimated to be completed in the year 2000, that replaces the bridge on highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, shall be known and designated as the "Bill Emerson Memorial Bridge".

SEC. 2. REFERENCES.

Any reference in a law, map regulation, document, paper, or other record of the United States to the bridge referred to in section 1 shall be deemed to be a reference to the "Bill Emerson Memorial Bridge".

Mr. BOND. I thank the Chair and my colleagues. This means a great deal to the family of BILL EMERSON, to his constituents, and all of his good friends. We very much appreciate the expeditious handling of it.

Mr. THURMOND. Will the Senator yield?

Mr. BOND. I am happy to yield.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to commend the able Senator for taking the action that he has. I knew Congressman EMERSON. He was an outstanding man, a man of integrity, ability and dedication. I think the action taken here today categorizes this man for what he is: a man who loved this country, who served it well. This action taken is altogether taken to honor his memory.

I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I would like to add a word on behalf of BILL EMERSON. My perspective comes principally from the personal side. All of the Members of Congress, of course, represent their districts and return to their districts often. But, frequently, they spend time in the communities here in or around the Washington area. BILL EMERSON and his family were members of our church, and were active participants. We sat with them. We saw them. We experienced part of this particular struggle, and we developed enormous respect for him and for his family.

I join with and commend the distinguished Senator from Missouri and the others who have cosponsored this particular resolution and have spoken out on behalf of BILL EMERSON. He was a very fine human being. I think all of us who had the privilege of knowing him certainly respect what he did for his country, for his State, and we will miss him in his service in the Congress of the United States.

With that, I yield the floor.

Mr. COATS. Mr. President, I came to the Congress in 1980, in the class that included BILL EMERSON. It was a special class, elected at a unique time, so we developed a pretty close relationship.

In addition to serving with BILL in the House of Representatives for 8 years, we were friends of the family. BILL's daughter, Tori, is the same age as my son, Andrew. They went through school together and just recently graduated together. We attend the same church as the Emersons, and so we have a number of things in common with them.

I have had the opportunity to observe BILL and his reaction to the tragic news of his illness and the way in which he handled that. It was an extraordinary demonstration of courage and faith that he so magnificently handled what many would view as a tragic situation.

There are many measures of BILL EMERSON. It would be impossible for me to list them all—diligent worker, someone who knew Congress inside and out, starting here at the age of 15, someone whose life was devoted to public service, someone who deeply loved his family and was a man of considerable faith. But I think the memory that I share of BILL EMERSON is one passed on to me by my wife during the graduation ceremony when our two children graduated just a week or so ago. I did not see BILL at that time. I rushed in from the Senate to the graduation just in time for the beginning of the ceremony, but Marsha had met BILL, just literally days away from his death, suffering from terminal cancer, sitting in a wheelchair, assisted in his breathing with oxygen, with two dozen roses in his lap and a big smile on his face, watching as his daughter received her high school diploma.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

Mr. LOTT. Mr. President, I ask unanimous consent that we resume consideration of the Department of Defense authorization bill for debate only, until I seek further recognition at approximately 3:20, while we continue to put the final touches on our UC request involving a number of bills.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kyl/Reid amendment No. 4049, to authorize underground nuclear testing under limited conditions.

Kempthorne amendment No. 4089, to waive any time limitation that is applicable to awards of the Distinguished Flying Cross to certain persons.

Warner/Hutchison amendment No. 4090 (to amendment No. 4089), to amend title 18, United States Code, with respect to the stalking of members of the Armed Forces of the United States and their immediate families.

Mr. NUNN. Mr. President, as we begin the fourth day of consideration of this bill, I thought it would be appropriate to give the Senate my own view of where we have been and where I think we are going if we are going to finish this bill, which is a very important measure.

Thus far, we have debated this bill for about 24 hours. We have disposed of 34 amendments. I have not kept an exact count of the amount of time consumed by consideration of three nonrelevant, nongermane amendments thus far to our bill, but I will make a conservative estimate, and a charitable observation, that well over half of the time of our debate has been devoted to these three nonrelevant amendments.

While I believe the issues of reopening Pennsylvania Avenue, pharmaceutical patents under the GATT agreement, and the stalking of women are certainly worthy of Senate debate, none of them are in the jurisdiction of this committee, and none of them are in the jurisdiction of the conference when we go to conference. All of them, even if they are passed on this bill, will require outside conferees and are unlikely to be accepted by the House.

The simple fact is that we cannot afford the time it takes to consider and to continue considering these nonrelevant amendments. I may vote for all of them. But, at some point, the Senate has to decide whether it wants to pass a defense bill. If so, then both sides of the aisle have to cooperate and not continue putting these kinds of amendments on the bill.

I know the leadership is now discussing a unanimous-consent agreement on the minimum wage, which would be a big step forward, because if that does not occur, then that will certainly come up on this bill, in which case we will never finish this bill this week.

I know Senators have a right to offer such amendments, but—and I know that my colleague from South Carolina, the chairman of the committee, and I have talked about this, and he has already addressed it—I hope that we can resist the temptation from this point on to have amendments that are not germane to the bill, have nothing to do with defense, are not in the jurisdiction of this committee, would not be in the jurisdiction of the conference, and would be very unlikely to be accepted in the conference. If we do that, we can push forward with completion of this bill by offering those amendments that are relevant to this bill.

Toward that end, over the past 4 days, the committee's Democratic staff has been working hard on our side of the aisle to compile a list of what would be considered the major defense amendments to be offered by Democratic Senators, and time agreements for the consideration of these amendments. We have that list, and we are working with the leadership to finalize the list. I would not say it is final now, but we certainly have some idea—more than we did the other day.

In addition, we will continue to urge Senators who have an amendment to offer on this bill to notify us of their intention as soon as possible so that we can develop a finite list of amendments that will lead to a time of completion of the Senate consideration of S. 1745.

I know that a cloture motion has been filed on the defense bill and a vote will occur on that tomorrow morning. I understand where the Senator from South Carolina and the leadership is coming from in proposing that motion. I do not intend to support cloture at this time. Invocation of cloture would require not only relevancy, but also germaneness. Many amendments that directly relate to defense and that are in the jurisdiction of the committee, which would be considered by the conference and that would not require outside conferees, are relevant to the bill but not germane to the bill, which would be required under cloture.

So I do not intend to support cloture tomorrow. If it is invoked, everyone should realize that most of these amendments that I would call nonrelevant would be ruled out.

I mentioned that considerable time has been consumed on nonrelevant amendments. I hope that we can find ways to have time agreements. I hope we can find a way to get a definite list of amendments and make sure that those are the only ones that are going to be offered so we know we can finish this bill. If we can do that on both sides, then, of course, we will not need to invoke cloture. If we are not able to do that on both sides in the near term, then at some point I will support cloture. But I do not intend to do so tomorrow.

The defense bill was started last Tuesday, and one of the reasons I will not support cloture—in addition to the relevant and germane considerations, which are very technical but very important when people are frozen out of amendments—is we have been interrupted over and over again in the consideration of this bill. Although we have had the bill before us for 4 days, we have not had many hours for debate on the bill itself.

We have been interrupted, as I said, by nonrelevant, nongermane amendments. We were interrupted for consideration of Federal Reserve nominations on last Thursday. I understand that. I certainly understand that we had no choice on that.

We, also, of course, have had a day and a half of debate during this time on the campaign finance bill which we voted on cloture on a few minutes ago. That was on the floor both Monday and a half day Tuesday.

So we have not really had a clear shot at moving this bill forward with genuine defense amendments. I think we ought to give that a real try as we move forward this week. If we do not make progress in debating major defense amendments—we keep getting these amendments that are well-meaning and I am sure very sincerely pursued by Senators but that have nothing to do with defense and in all likelihood would not be part of a defense bill that went to the President. If we continue to get those, we will simply not be able to finish this bill.

So with the continued leadership of our chairman, Senator THURMOND, and the leaders, I am hopeful that by the end of the day today we will begin to have a road map to lead us to the conclusion of this bill. I urge everyone on this side of the aisle to let us know about your amendments. Many of them can be worked and altered somewhat and accepted. Some of them can be accepted the way they are now. But if we are able to get those amendments, I would want to work with the Senator from South Carolina in every way possible to have a definite list of amendments on the Democratic side that would represent all of the amendments that would be offered so that we could get a unanimous consent agreement that no other amendments would be offered, and then we would be able to see the light at the end of the tunnel.

Mr. President, I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

STUDY OF ALTERNATIVE FORCE STRUCTURES

Mr. ROBB. Mr. President, I first of all commend the ranking member of the committee for his work in attempting to reduce the number of amendments so that we can handle this bill. I expect to follow his lead tomorrow with respect to at least the first vote on cloture. Shortly we will resume consideration, and it would be appropriate to offer amendments, and at that time I believe the next amendment to be offered will be offered by the distinguished Senator from Connecticut, Senator LIEBERMAN, shared by the current occupant of the chair, the Senator from Indiana, Senator COATS, and a number of us.

I would like to speak for just a few minutes on that particular amendment in anticipation of its being offered sometime after the majority leader opens the bill up for amendments at that time.

Mr. President, the amendment that we are going to be considering very shortly will require a major review of the force structures of the Armed Forces and, in my judgment, it could be the most important matter we will address in the consideration of this year's Defense authorization bill, or in similar authorization bills through the end of the century, because it goes right to the heart of why we have a military and what we can expect in terms of national security for many years to come.

Admittedly, the Department of Defense had some reservations about our approach initially, but we have worked out those concerns, and I really believe this amendment is critical if we are serious about our role in the international community and our simultaneous quest for credible deterrence and fiscal responsibility.

Mr. President, we have to start by reexamining the basic structure of the U.S. Armed Forces. That structure, though smaller, has changed very little in its composition since the end of the cold war even though the nature of the threat and the means for countering it are dramatically different.

I believe we need to take a long, hard look at the weapons systems that are on the drawing board and determine which are truly critical for the 21st century. I believe we have to look for ways to leverage our Nation's technological advantages.

By expanding the range and accuracy of our weapons and the effectiveness of our support equipment, we may be able to reduce the number of troops and logistics operations. We certainly need to take greater advantage of our exceptional intelligence communications capabilities which have the potential to dramatically affect how we develop and deploy strategic doctrine and battlefield tactics.

Mr. President, each of these areas of endeavor ought to be explored in a major review of our force structure. We also need to assess the Bottom-Up Review's assumptions about our capabilities in a more realistic fiscal context.

In particular, we need to take a much more critical look at the kinds of threats to U.S. national security interests that we will likely face 15, 20, or even 30 years from now.

While the original Bottom-Up Review served a useful purpose, its analysis of the personnel, weapons, and military doctrine required by a 21st century American force is simply no longer adequate.

The review that we are proposing should take a tabula rasa look at the nature and effects of unconventional threats such as regional and ethnic conflicts, nationalism, political extremism, and failed nation-states, proliferation of weapons of mass destruction, technology transfer, and information warfare and terrorism, both international and domestic.

The review should, of course, look at the continuing threats of major regional conflicts such as that of the Persian Gulf, but it should specifically look as well at the possibility of a major peer emerging or reemerging as a competitor on the world stage.

The obvious candidates over the 15-year horizon are Russia, and especially China with its booming economy fueling its military revitalization and modernization program.

Mr. President, in our long-term planning, we should also consider anew the potential for armed conflict in broad geographic regions. Take, for example, the tinderbox of the so-called Rising East where the United States has fought five times in the last 100 years. In addition to the United States presence and the armies of Russia and China there, this vast area is home to the world's five other largest armed forces: North and South Korea, Vietnam, and the potentially nuclear-capable India and Pakistan. The latter may be particularly problematic.

What on its face looks like a regional conflict might require redefinition somewhere between global and regional, if nuclear weapons are exchanged, and affect a great many neighboring countries.

It would be incumbent on those conducting the review to detail the specific forces—by active, reserve, and support force type—needed to execute alternative strategies that run the gamut from global war to two nearly simultaneous major regional conflicts—or MRC's, as we call them—to a number of contingencies smaller than an MRC.

Assumptions about Reserve readiness, allied mission sharing, warning times, and the effect of developing technologies on the force structure must also be addressed.

Other questions should include, at a minimum: What are the risks under alternative force structures, if funding through 2010 and beyond remains constant? Should forces be sized against specific enemy threats, against national security commitments, or against available national resources? Are the Reserves optimally trained, equipped, and deployed? Do peacekeeping operations necessitate changes in the way we have organized, trained, and deployed forces? How should we bring our teeth to tail ratio back in line.

What outsourcing opportunities offer the greatest potential for stretching the defense dollar? Are there better measures of readiness available? Does the current structure of the unified combatant commands make sense for the next century?

Mr. President, many defense analysts—in the Department, academia, and industry—are asking similar questions. I have been giving each of these matters a great deal of thought in recent months, and my staff has done a great deal of research. When I learned that Senator LIEBERMAN and others, including the current occupant of the chair, were looking at different elements of the same challenge, we joined forces on this amendment to ask the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to consider all of the matters that I have just highlighted in the quadrennial defense review.

This review, recommended by the Roles and Missions Commission, is an examination of U.S. defense strategy and force structure through 2005. But we believe the Secretary ought to have a second opinion as well.

As such, this amendment will call for the creation of a parallel but independent panel of private experts from the Nation's major think tanks, academia, and the defense industry. The panel that we are going to describe would have full access to DOD resources and analyses and will provide its assessment of the quadrennial defense review by Secretary of Defense by March 14, 1997.

With this input, the Secretary of Defense would finalize his quadrennial defense review and provide his summary, an assessment by the panel, and comments by the Chairman of the Joint Chiefs of Staff to the congressional defense committees by not later than May 15. It is a safe bet, it seems to me, Mr. President, that the ensuing hearings would be provocative and enlightening.

Once the quadrennial defense review is completed, the panel will take the next step of pushing the envelope in long-range thinking.

Looking out to 2010 and beyond, the panel will explore a range of threat scenarios, build force structures to meet those scenarios, and explore the risks and costs associated with each. In the process of conducting this forward-thinking assessment, the panel will again have the authority to task any DOD component for data and analysis.

The panel's final product will be delivered to the Secretary of Defense not later than December 1, and the Secretary, in turn, will submit the panel's report to the Congress no later than December 15, along with his comments on the report.

In the final analysis, we need to acknowledge that defense spending has fallen to a level that simply will not meet the national military strategy for fighting and winning two nearly simultaneous major regional conflicts.

Overall defense spending as a percentage of GDP has fallen to its lowest level since just after World War II. It absorbed about 10 percent of the gross domestic product during the early 1960's. Today, that number has dropped to below 4 percent, and it is projected to continue to fall in the outyears.

I submit that we ignore the implications at our peril.

It is up to us to ensure that future generations of Americans are afforded the strong measure of security that we have come to expect as a Nation for the last 50 years, and the best way we can assure this is through the judicious application of foresight and steadfastness.

Defense spending in the 5 budget years immediately after the cold war was $350 billion less than the amount projected in the cold war budget. Make no mistake; that was a huge peace dividend, and our country has since cashed it on discretionary domestic spending, entitlements and interest on the national debt. When all is said and done, the only thing that remains of the peace dividend is the opportunity for continued peace. And we can only achieve that through the kind of preparedness to which this review will lead us.

It is my understanding that this amendment is now broadly acceptable on both sides of the aisle, and when it is formally offered by my distinguished colleague from Connecticut in a few minutes and discussed by a number of colleagues who have been working on it, I urge that all of my colleagues join in adopting this particular amendment.

With that, Mr. President, I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Indiana is recognized.

Mr. COATS. Mr. President, very briefly, I wish to add to the remarks just made by the Senator from Virginia.

I had planned to be here when the Senator from Connecticut, Mr. LIEBERMAN, introduces this amendment. It is something that the Senator from Virginia, the Senator from Connecticut, the Senator from Arizona, the Senator from Georgia and I have worked together on. Unfortunately, I have a schedule conflict which will take me off the floor, so I would like to make a preliminary statement prior to our going to the amendment.

This amendment is a natural convergence of thinking of members on the Armed Services Committee and other Senators regarding the need for more information with which to make assessments about future defense spending programs and plans.

Clearly, we rely a great deal on the Department of Defense for provision of information and guidance in terms of how the committee operates, but I think many of us felt we needed additional information in order to take a longer look at how we strategize, plan for, fund, and program Department of Defense needs.

We felt it might be helpful to have an outside review panel help us in that process. So over the past several months, a number of us have talked about coordinating and combining our efforts into language that we can insert in the next fiscal year's defense authorization bill. This language will direct the Secretary of Defense to appoint and work with an independent review panel to give us a broader, longer look at defense strategy and defense needs.

I am pleased to join with Senator LIEBERMAN in authoring this effort. Senators ROBB, MCCAIN, NUNN, INHOFE, KEMPTHORNE, WARNER, HUTCHISON, SANTORUM, MURKOWSKI, LEVIN, and FORD have all joined in this effort. It is bipartisan, and I believe you could say a nonpartisan, effort. We do not provide for our national security as a partisan issue. We do not view it even necessarily as a bipartisan issue. Rather, our national security is a nonpartisan issue. We want to take as objective a look as we can at our current situation, at future threats to our national security and what kind of strategies, forces, and implementing needs we will have to face in the years ahead.

This is a worthy effort. I wish to commend my colleague from Connecticut for taking the bull by the horns and pulling this effort together. It has been a cooperative effort among a number of us who worked with the Department of Defense to iron out some concerns they had, and I think we have an excellent provision which we will shortly be adding to the Defense Department bill.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Stanley Kaufman, a Brookings Institution fellow, and Mark Rosen, Institute for National Securities Studies fellow assigned to my office, be permitted the privilege of the floor for the duration of the debate on the fiscal year 1997 defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, before he leaves the floor, I thank my colleague, the Senator from Indiana, for his support and his work in preparing the amendment that he spoke of on a force structures study for the United States and also to thank our colleague from Virginia, Senator ROBB, for the very thoughtful, forthright, and very constructive words that he spoke on behalf of the amendment that we hope to offer to the defense authorization bill before too long this afternoon, after a unanimous-consent request is agreed to by the leadership.

If I may, to expedite matters, I would like to take this opportunity to comment on the amendment that I will be offering at the appropriate time. I am honored to be offering it on behalf of Senators COATS, ROBB, MCCAIN, NUNN, INHOFE, KEMPTHORNE—the occupant of the chair—WARNER, HUTCHISON, SANTORUM, MURKOWSKI, LEVIN, FORD, BOND, and, I am pleased to say, last but not least—last but most—the distinguished majority leader of the Senate, the Senator from Mississippi, Mr. LOTT.

This amendment calls on the Secretary of Defense to conduct a thorough study of alternative force structures for our armed services. What are we talking about? We are really talking here about providing the members of the Senate Armed Services Committee, most of whom are cosponsors of this amendment, and then in turn the full Congress, with the information to help us answer fundamental questions about our future national security. The questions are as simple as this: To the best of our knowledge, to the best of the knowledge of the best thinkers we have on these matters, both inside and outside the Pentagon today, what are the security threats that America is likely to face in the next century and how can we best meet those security threats? It is as simple, and in some ways as complicated, as those simple questions suggest.

Those of us who are sponsoring this amendment believe that such a study is essential if the United States is going to be able to meet the security challenges of the 21st century in light of the dramatic changes that have occurred in the geopolitical situation, the changes in the threats to our security which, in the view of some experts, are even more daunting than those we faced in the cold war, and the ever-present but increasingly more difficult problems of resource constraints, which is to say budget pressure—limited amounts of money to spend on the full range of governmental responsibilities; remembering, as we approach this function of Government, that the reason governments were formed in the first place was to provide that underpinning of security without which we cannot then go on to secure and provide the freedom and opportunity and benefits that Government attempts to provide for our people.

This study that will be authorized by this amendment is also an attempt to not just provide a road map to our future national security, but to break out of the day-to-day momentum, the inertia of the process of authorization and appropriation for defense needs as it exists now. Many changes have occurred, dramatic changes responding to changes in technology, which provide our war fighters with capability that no war fighters in history have ever possessed. Yet the changes are so dramatic, the world so uncertain, our fundamental responsibility to provide for our national security so great, that what we who will put forth the amendment are asking is that we step back from the day-to-day, that we look out over the horizon. As one of my cosponsors said, that we go up to 30,000 feet and we look out as far as we can see to the future security threats we may face and how we can best meet them; to ask the bold questions, the questions that unsettle the status quo, that do not always, in the normal course of the process, get asked here. That is really what this is all about.

The United States obviously is, today, the world's only true superpower. On the other hand, there is no shortage of threats to our national interests. We see them all around. In many real ways our military has been operating at a greater tempo since the end of the cold war than it did before. We face many dangers—rogue states like Iran, Iraq, North Korea, the more profound and we hope longer range and perhaps never-realized potential for the emergence of another superpower peer competitor, perhaps a resurgent Russian nationalism, perhaps China in the next century—those are factors we need to consider and attempt to evaluate as we plan and execute our national security programs.

Obviously, there is also the insidious and dangerous and more near-term threat posed by terrorists who may come to possess weapons of mass destruction, and who also, unfortunately, possess a disregard for human life which might restrain rational actors from employing those weapons of mass destruction and, in fact, have restrained those who possessed those weapons in the past from doing so. Add to this the major advances in and proliferation of ballistic missile technology, which make possible the ability to deliver these weapons of mass destruction cheaply, effectively, and with stealth, and we have to conclude that the world is not only not as predictable as it once was but in many respects it is actually more dangerous than it was during the cold war.

Our ability to deal with these changing conditions is, of course, affected by limited defense budgets, as I have said. In moving, as we are doing, slowly but directly, to a balanced budget, we are going to be under increasing pressure, in meeting our defense needs and other needs, to get the maximum bang for the buck. If we are to succeed in making the best use of these limited defense dollars, we have to continually ask: Are we spending our defense dollars as wisely and efficiently as we possibly can? Are we buying the right things to support a properly sized force structure? Are we taking maximum advantage of technology to avoid being bested in the future, being defeated in the future by an opponent that is now inferior but one that may invest wisely in the next generation's technologies and take advantage of vulnerabilities that we may have?

Again, underlying all these questions are those fundamental questions I posed a few moments ago: What are the threats we will face in the future and what do we need to deter and, if necessary, defeat those threats?

We have to determine the bottom line of what is it we want our military to do, not just in the sense of military capabilities, but also in the broader context of what responsibilities we want the United States to accept in the next century and what we will need our military to be able to do in order for our country to fulfill those responsibilities.

Once we answer those questions—those fundamental questions—we can move on to define how we shape, size, and equip those military forces so they can confront the wide range of challenges we will face and if necessary, again, deter and defeat an opponent's military forces.

Mr. President, we need to generate here an informed national debate on what our defense posture should be in the 21st century. The fact is, that these questions of national security are too frequently discussed and debated only by a small group of Americans, yet they are the fundamental questions that any society faces. How do we protect our security? How does the Government best do that?

It is the hope of those of us who will introduce this amendment a bit later on in the afternoon that the study, the inquiry authorized by this amendment, both within the Pentagon and by the independent, nonpartisan commission created by the amendment, will engender what will challenge, not just those of us here, but those outside the building, outside Washington, to engage with us in a great debate as to how we can continue to protect our national security in the next century.

We cannot afford, either fiscally or strategically, to continue to tinker at the margins of our military forces or to procure cold war systems we have previously bought but only in diminishing quantities and at ever-increasing prices. We need the Secretary of Defense and the chairman of the Joint Chiefs to put their best minds to work on these ideas and issues in a focused and comprehensive and independent way.

The amendment that we will offer does not in any way second-guess or infringe on the duties and prerogatives of the Department of Defense. In fact, we know that there is much thinking in the department today along the very lines this amendment would request. We believe our amendment will strengthen the department's hand and help it prepare in the assessment and recommendations which will serve as the basis for fortifying the national bipartisan, nonpartisan consensus for defense which we must have in the years ahead.

This is not just a question of measuring by the dollars. What the Senator from Virginia said is worth bearing in mind as we judge our defense spending, which is that we are now committing less money to defense as a percentage of our gross domestic product than we have since the second world war. The pressure is on to continue to reduce those expenditures.

We have to be devoted to eliminating waste and overlap and taking maximum advantage of new technologies so that the dollars are not the only measure. But it is worth noting, as we consider those broader and deeper measures, that even this year's defense authorization bill, with the additional money added by the Senate Armed Services Committee, represents the 11th consecutive year in which our spending for national defense has dropped in real dollars. That is something that all of us here, and as many people as we can stimulate into the discussion out there in the citizenry, ought to ponder.

Mr. President, this amendment has a unique feature which is central to the goal of the amendment, which we hope will help in reestablishing the kind of national debate on national security, and a consensus to follow, which I think we all believe is essential.

The amendment provides for what might be called a Team B, a group of wise men and women, recognized defense experts, to be appointed by the Secretary of Defense, in consultation with the Senate and House defense authorization committees, to review the work of the Pentagon called for in this amendment and to offer comments and suggestions on how America can most effectively meet our defense needs in the next century.

This group would provide its proposals and ideas to the Secretary for his consideration as he prepares to report to the Congress, required by the amendment. The real hope here is that this nine-person, nonpartisan commission, appointed by the Secretary of Defense, would essentially go out of the box and ask the questions that either we have not thought of or we have decided are unthinkable or that we should not think about, to force us to face the tough questions about our security needs, to help us do what we have been trying to do on the Armed Services Committee of the Senate, which is to break out of business as usual.

For the benefit of my colleagues, I will briefly explain what the amendment does. First, it acknowledges that the Defense Department has been planning to do a quadrennial defense review at the beginning of the next administration, pursuant to a recommendation made by the Commission on Roles and Missions. And it then, in a sense, makes statutory that quadrennial review. It requires the review to go forward.

It would be a comprehensive examination of the defense strategy, force structure, modernization plans, infrastructure, and other elements of the defense program with a view toward determining the defense strategy of our country as far forward as the year 2005.

Then the amendment would establish the nonpartisan, independent, nine-person panel of recognized defense experts that I have spoken of. We are calling it, in the amendment, the National Defense Panel. It would be tasked, first, with assessing the Pentagon's quadrennial defense review, as it progresses, as well as the final report upon completion, and then would comment on the findings of the review to the Secretary of Defense.

The amendment also requires the Panel to conduct an alternative force structure assessment which would result in a variety of proposed force structures that could meet anticipated threats to our national security. In this case we take it through the year 2010, and if the panel determines it is appropriate and rational, beyond the year 2010.

The amendment specifies, although it does not limit, a baseline of issues which this national defense panel must address. These will include near-term and long-term threats, including weapons of mass destruction, terrorism, and information warfare, a whole new category of threat to our country built on the dependence that we have developed on information technology and the fear that many have that an enemy may be able to disrupt our society by disrupting our information systems, our computer systems, particularly those critical ones, not only in the defense areas, but, for instance, in financial areas.

The National Defense Panel must also consider scenarios based on these threats, which would include the possibility of both large and small conflicts, recommended force structures that would permit military responses to those scenarios, and an assessment of the funding which would be required.

The Panel would submit its report to the Secretary of Defense, which in turn he would add his comments before providing it to the Senate Armed Services Committee and the House National Security Committee by December 15, 1997. So we have the Secretary of Defense, consistent with our belief of civilian control of the military that is so fundamental to our democracy, overseeing the development of the in-house quadrennial defense review.

The National Defense Panel convenes in December of this year if this amendment passes. It begins its own work, and it works with the Defense Department as the department is developing the quadrennial review.

It offers suggestions and responses to those working in the department on the quadrennial defense review. That review is then submitted to the Congress next spring. The National Defense Panel continues its work, comments on the final product of the quadrennial defense review, and then offers to the Secretary of Defense, by next fall and into the early winter, its report—bold, hopefully, in some measure unsettling and provocative, which the Secretary of Defense then turns over to us by December of next year.

Mr. President, there have been some concerns expressed about this schedule. Some, for instance, have said that December of next year is too late. Others have argued that this timetable does not give the Department of Defense adequate time to address all of these important issues.

I believe we have struck a good middle ground here with the schedule that is in the amendment, building on work which is underway, has been done, or will be initiated if this legislation passes. The sooner the Members of Congress can get these important analyses and these recommendations, the sooner we will be able to hold hearings on them, try to involve the public in our considerations, and begin to make the very important decisions that will affect our national security in the coming decades.

There is no time to waste, but, of course, these are such complicated, fundamental, important questions that we are giving both the Defense Department and the National Defense Panel, that we felt they deserved a reasonable amount of time to complete their work.

There is one last very important point which I do want to emphasize.

That is that this amendment was developed in a truly bipartisan way, such that we really consider it—those of us who are sponsoring it—to be a nonpartisan amendment. Of course, it ought to be. When we are dealing with our national defense, there ought not to be Democratic and Republican positions. There ought to be American positions. That is the spirit in which the work on this amendment has gone forward.

Members and staff from both sides of the aisle on the Armed Services Committee were involved in writing this amendment. The process we used resulted in lengthy, thoughtful, and spirited debates about the future of our national security and our Armed Forces. Each of us, I think, undertook this endeavor because we care about our national security and have tremendous respect for the professionals who serve every day, in and out of uniform, in the Department of Defense.

My special thanks go to Senators COATS, MCCAIN, ROBB, and their staffs who contributed so much to this effort, as well, of course, to Chairman THURMOND and Senator NUNN and their professional staff members, for their encouragement and their very, very concise and constructive support.

We also appreciate the time that was spent by personnel in the Department of Defense, particularly Deputy Secretary of Defense John White and his staff, who reviewed and advised us on this amendment, and who have wanted to go forward in a spirit of cooperation not only among the parties here but between the Congress and the executive branch.

The future of our national security is obviously far too important to be left to business as usual at either the executive or legislative branch. I cannot thank the Department of Defense enough for the support, encouragement, counsel, occasional disagreement, but ultimate consensus that is expressed in this amendment.

In summary, and finally, Mr. President, what this is all about is becoming engaged in a very difficult, complicated, farsighted but critical debate about how we can have the best national security possible for America, particularly now as we, in some sense, reign supreme, unchallenged, as the greatest superpower in the world, understanding that history teaches us that the special position of power and relative invulnerability is not enjoyed by nations for long periods of time unless they plan and act to make that so. Nations rise and nations fall over the course of history.

What this amendment is about is making sure that the United States of America remains strong and dominant, able to deter threats to our security and, if necessary, to defeat them far into the next century. We have the resources, we have the brain power, we have the courage and skill of our war fighters to make that happen. This amendment is all about making sure that we use and develop those natural strengths that America has to the best of our ability.

I come back to the final point that we have to involve the American people more in these discussions. Sometimes, particularly when we exist, as we do now, at a time of relative national security, it is hard to get people to focus in on the details and on the need to continue to commit adequate resources to our national defense. I am convinced that if we find ways to involve more of our citizens in these discussions, in the work of a nonpartisan panel, a national defense panel, in the hearings that it may hold, in the hearings that will surely be held here in Congress after we receive these reports from the Secretary of Defense, then the American people and we, their Representatives in Congress, will surely provide the resources necessary to preserve our liberties and defend our national principles and interests.

Mr. President, an informed public will always understand the wisdom and the memorable comment made by the great British soldier and leader, Sir John Slessor, when he said,

> It is customary in democratic countries to deplore expenditure on armaments as conflicting with the requirements of social services. There is a tendency to forget that the most important social service that a government can do for its people is to keep them alive and free.

Mr. President, I hope when we introduce this amendment later in the afternoon that other colleagues will join us in cosponsoring it and, of course, in voting for it.

I thank the Chair for the opportunity to address the amendment. I look forward to returning and actually introducing the amendment when the appropriate unanimous-consent agreement is entered. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in support of this amendment to be proposed by the able Senator from Connecticut, and I ask unanimous consent that I be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, for the past 3 years the Clinton administration has failed to articulate a sound and credible national security strategy. A large part of this failure is the result of the President refusing to submit a budget request which provides the necessary funds to support the force structure required by his own strategy. In fact, it is frequently noted that the force structure is underfunded by as much as $150 billion. Not only has this administration failed to provide the funds required to sustain the numerous foreign adventures in which the President involves our military forces, but the administration has also failed to provide the funds required to modernize our military forces for the conflicts of the 21st century.

Mr. President, the people of the United States cannot afford to continue down this dangerous path.

Since the collapse of the Soviet Union and the end of the cold war, the United States has conducted two substantial assessments of the force structure necessary to protect American interests in an increasingly chaotic world. The base force of the Bush administration laid a credible foundation for restructuring our forces in order to meet the realities of the post-cold war world. However, President Clinton's Bottom-Up-Review, which replaced the base force, failed to make any meaningful contribution because it did not outline a force structure that would protect American interests into the next century. As we look toward the future, it is essential that we re-examine the world security environment and develop a military force that will be capable of defending American interests in future conflicts.

Mr. President, the proposed amendment will set this reexamination in motion. The amendment requires the Secretary of Defense to perform an assessment of the national security strategy, and the force structure necessary to support that strategy, through the year 2005. In addition, the amendment creates an independent, nonpartisan panel of national security experts to review the Secretary's assessment and provide a report to the Congress which offers alternative force structures to that which is provided by the Secretary.

The information that is provided by each of these reports will be available to both the administration and the Congress for use in making decisions to prepare the armed forces of the United States for the 21st century. These reports will make a significant contribution to ensuring that our national security strategy is sufficient to protect American interests in the future, and that the force structure is sufficiently funded to support that strategy. We must be sure that the strategy and force structure are balanced and affordable.

Mr. President, now is the time that we should undertake a fundamental reexamination of our national security requirements. The national security strategy of the Clinton administration has failed to provide for the future security of the United States. We cannot commit the security of our children to this failed strategy and insufficiently funded force structure. Therefore, I urge my fellow Senators to support this amendment.

Now, Mr. President, in closing, I want to commend the ranking member, Senator NUNN, for the remarks he made on this subject, about going ahead. We need to know what the amendments are. Any Senator who has an amendment to the defense authorization bill should come forth and present that amendment. Time is fleeting. We want to finish this bill by Thursday night, and we would like to know what it is.

The other thing I want to mention is that amendments should be defense-related. If they are not defense-related, they should be offered on some other bill and not on this particular bill.

Mr. President, this is important. We have to finish this bill in due time, and we should waste no time in getting these amendments in. Let the amendments be defense-related, or offer them to some other bill.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 3448, H.R. 3415, AND S. 295

Mr. LOTT. Mr. President, I would like to join now with the Democratic leader in getting a very large unanimous-consent agreement. A lot of effort has gone into the preparation of this unanimous-consent agreement. It is based on a lot of give and take in negotiations and trust and good faith. I will continue to try to proceed in that way.

I want to thank Senator DASCHLE for his cooperation, and I hope we can continue to work in this way. I would like to proceed now with the request, and we can discuss it further as we go along, or after we get the agreement entered into.

I ask unanimous consent that on Monday, July 8, at a time to be determined by the majority leader, after notification of the Democratic leader, the Senate turn to the consideration of H.R. 3448, the minimum wage bill, and it be considered under the following restraints:

That immediately following the clerk reporting the bill by title, the committee amendment be agreed to and considered original text for the purpose of further amendments, and the Senate then deal with amendments to title I, the small business tax title; that there be one first-degree amendment relevant to the small business tax title for each leader, with no other amendments or motions to refer in order to the bill, other than the minimum wage amendments listed below, except for any manager's amendment which can be cleared by the two managers and the two leaders, and that no points of order be considered as having been waived by this agreement.

I further ask unanimous consent that upon the disposition of the small business tax amendments, Senator KENNEDY be recognized to offer an amendment making modifications with respect to minimum wage and time on the Kennedy amendment be limited to 1 hour, to be equally divided in the usual form; that no amendments, points of order, or motions be in order during the pendency of the Kennedy amendment, and following the conclusion or yielding back of the time, the amendment be laid aside.

I further ask that following the debate on the Kennedy amendment, Senator LOTT or his designee be recognized to offer an amendment relative to minimum wage, and it be considered under the same restraints as outlined for the Kennedy amendment, and following the conclusion or yielding back of time, the Senate proceed to a vote on the Lott amendment, to be followed immediately, regardless of the outcome of the Lott amendment, by a vote on the Kennedy amendment.

I further ask that time for debate on the bill be limited to 1 hour to be equally divided in the usual form, and further, that following the disposition of the Kennedy amendment, no further minimum wage amendments be in order to the bill. I will ask at a later time that the minimum wage amendments be printed in the RECORD.

Further, I ask that all remaining first-degree amendments be submitted to each leader in the form of a summary by 12:30 p.m. on Wednesday, June 26, provided that either leader may void this agreement after consultation prior to 3 p.m. on Wednesday, June 26, 1996.

I emphasize here that this is so that everybody will be on notice as to what the content is. It is our intention that we would go forward and that it would not be void at that point. But we felt that extra protection was called for.

I further ask that following the disposition of the above listed amendments the bill be advanced to third reading and final passage occur, all without further action or debate.

I further ask unanimous consent that the Senate may turn to the consideration of H.R. 3415 regarding the gas tax repeal, at a time to be determined by the two leaders and if the bill has not been reported by the Finance Committee it be automatically discharged and the Senate proceed to its immediate consideration and it be considered under the following time agreement:

That there be 1 hour of debate on the bill to be equally divided in the usual form, that the bill be open to four first-degree amendments to be offered by Senator LOTT, or his designee, relevant to the gas tax bill, and subject to relevant second-degree amendments and four first-degree amendments to be offered by Senator DASCHLE, or his designee under the same terms as outlined for Senator LOTT, with no motion to refer in order and no points of order to be considered as having been waived by this agreement, and following the disposition of the above-listed amendments and the conclusion or yielding back of time the bill be advanced to third reading, and final passage occur, all without further action or debate.

Finally, I ask unanimous consent that immediately following the passage of H.R. 3448 the Senate proceed to calendar No. 389, S. 295, the TEAM Act, under the following restraints:

Two amendments in order to be offered by the Democratic leader, or his designee, and two amendments in order to be offered by the majority leader, or his designee, and that all first-degree amendments in order to S. 295 be relevant and submitted to the two leaders in the form of a summary under the same terms as described for H.R. 3448 with the same veto authority expiring at 3 p.m. on Wednesday, June 6, 1996, and that time for debate on the bill be limited to 1 hour in the usual form, with time on each amendment limited to 1 hour equally divided, and that no other amendments or motions to refer be in order and no points of order be considered waived by this agreement.

I further ask that following the disposition of the above-listed amendments the bill be advanced to third reading and the Labor Committee be discharged from further consideration of H.R. 743, and the Senate proceed to immediate consideration, that all after the enacting clause be stricken, the text of S. 295, as amended, if amended, be inserted, the bill be advanced to third reading and final passage occur, all without further action or debate.

And, finally, I ask unanimous consent that no call for the regular order serve to displace H.R. 3448, H.R. 3415, S. 295, or H.R. 743 during their pendency.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Reserving the right to object, I shall not object. I wonder if I might be afforded a few moments to comment after we get the agreement.

Mr. LOTT. I believe the Senator wanted 10 minutes. I ask unanimous consent that Senator KENNEDY be able to proceed for not more than 10 minutes after this agreement has been entered into.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, reserving the right to object, I do not care to object at this moment. On last Thursday I attempted to lay down, but I did not actually send to the desk, an amendment to the defense authorization bill relative to closing of a loophole that we created in the GATT treaty that relates to two or three drug companies that are making enormous windfall profits as a result of our mistake.

Mr. President, I got in a little bit late on the distinguished majority leader's request. I am wondering if anywhere in the unanimous consent request if my thrust of offering this amendment is going to be impaired in any way, or will there be an opportunity?

Mr. LOTT. If I might respond, Mr. President, there is nothing in this agreement that in any way affects that, or stops it being offered. I know the Senator has indicated the desire to do that at any and every opportunity. This in no way impairs that right.

Mr. PRYOR. Mr. President, I was trying to protect my rights and protect the opportunity to offer this amendment at the appropriate time either on the DOD or some other subsequent piece of legislation.

Mr. President, I will not object. I thank the Chair for recognizing me.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Mr. LOTT. Mr. President, if I could be recognized—I know the distinguished Democratic leader would like to be recognized—to summarize.

This means we will take up the minimum wage, small business tax package, and amendments to that on Monday July 8, and I am sure it will go over until Tuesday, July 9. That will be followed by the TEAM Act which involves employee-employer relationships in the workplace. That will be taken to final passage.

And then at a time and in a way that we will work on further, the gas tax repeal bill will also be brought up at a later date.

I am sure there are a lot of Senators that are not totally happy with this on both sides of the aisle. But I think this is what needs to be done to move these issues through the process, allow the Senate to offer amendments, and have debate and have votes. And then we will see what the result is, and we will go on from there.

But we do have very serious work that we need to do for our country, and we are still working on hopefully an agreement on health care reform. We are hoping that we can—well, we intend to complete the defense authorization bill this week. We have a number of other bills that we need to consider for the good of the country—nominations that are pending. And I think this helps get us moving again.

Again, I want to thank all Senators on this side of the aisle for their cooperation, and also Senator DASCHLE for his cooperation. A lot of work has gone into this. I do not think it serves any purpose to say that this was given or that was taken. I think it is a fair enough deal for all concerned. I am glad we were able to achieve this agreement.

I yield the floor, Mr. President.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, let me associate myself with the remarks of the distinguished majority leader. A lot of work has gone into the negotiations on this compromise proposal now for the last several weeks. I appreciate his willingness to work with us to achieve this agreement today. We will have an up-or-down vote as we have requested on minimum wage on July 9. I appreciate very much his willingness to work with us to achieve that.

This effort would not have been successful were it not for the distinguished ranking member of the Labor Committee. He has been stalwart in the effort to find a way to ensure that we have this opportunity. I applaud and thank Senator KENNEDY for his contribution to these negotiations and his arduous work in making sure that we have been successful this afternoon.

As the distinguished majority leader said, this allows us to move the process forward. We will have a series of votes and an opportunity to vote on relevant amendments. That was key during these negotiations—relevant amendments during the consideration of these bills. Once that has been achieved we will go to conference.

I am very hopeful, very desirous, and fully confident that we can resolve these matters with the House in conference sometime during the month of July—sooner rather than later. It is my expectation they will be resolved successfully in a form that will allow us to bring back a conference report that is acceptable to the Democrats and that the President can sign. I will work with the majority leader to ensure that that happens. My colleagues have my commitment that I will make every effort to see that that happens in the next several weeks.

As the distinguished majority leader also mentioned, the health bill is not part of this package. It was our hope that we could resolve the differences with regard to health as well. But we will work on that next.

It is not our desire to offer the health bill as an amendment today to the defense bill. I hope that at some point in the next 24 hours, the majority leader and Senator KENNEDY and I can sit down to work on that, as we worked on minimum wage, to see if we can find a way to resolve the impasse and leave with the week intact and with the confidence of knowing we can resolve health, as now we have been able to resolve the matter of the minimum wage, in an acceptable manner procedurally at least.

So, again, I thank very much all of those who were involved in this negotiation. I am hopeful that we can now look with some promise, some confidence to this issue being resolved in a successful way in the very near future.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

THE MINIMUM WAGE BILL

Mr. KENNEDY. Mr. President, I join our two leaders in welcoming this agreement which will permit the Senate to vote on the issue about whether families that work hard 40 hours a week, 52 weeks a year, ought to have a livable wage. I think it is important to note that with this agreement the time of obstruction, delay, and stonewalling has been put aside.

It did not have to be this way. Increases in the minimum wage have been bipartisan in times past, and they should be bipartisan today if we are going to reward work and respect work and make sure that families that are working will have enough of an income to provide for themselves, for their children, to put food on the table, and pay a mortgage.

That has been a proud tradition for the last 58 years. Fifty-eight years ago today President Roosevelt signed the first minimum wage bill. It was 25 cents an hour. He predicted at that time there were going to be voices raised saying this was to be the end of democracy in America. So often with the increases that I have seen in the minimum wage since the early 1960's, there have been similar calls, that any increase was going to destroy the free enterprise system.

Of course, that is not what this is about. It is about fairness. It is about decency. It is about respect for work. It is about making sure American families are going to be treated fairly.

So I am grateful that we will have that issue before the Senate. Today is really a victory for working families, those working families that came here and appeared before various forums in the House of Representatives and the Senate of the United States. We were not permitted to have hearings to hear from these families, denied those hearings in the past year and a half. Nonetheless, we were able to have forums. Families told us about their hopes and dreams, told us how they work not one job but two jobs. Families pointed out they did not mind working one job, two jobs, three jobs but what they resented most was not having sufficient income so they could set aside a few hours to spend with their children and members of their family.

That is what this is about. Women in the work force, 65 percent of those who receive the minimum wage are women in the work force. It is about children of working families in the work force.

So, Mr. President, we will look forward to debating this issue when we come back after the Fourth of July break.

Finally, as we are looking at this moment, we also have to consider what our friends on the other side are offering as an amendment to the minimum wage and their view about what the minimum wage should be. If perchance their amendment is accepted, then even the position of the House of Representatives, which said that the minimum wage would have gone into effect at the time of July 1, just a couple of weeks after the time of the passage, their proposal is going to delay that until the early part of next year, January of next year—another delay.

Second, it is going to have a provision to provide 180-some days, so that any entrant into a new job for 180 days can still be paid at the old wage of $4.25 an hour. We have seen other gimmicks in the past on the minimum wage. We had a 90-day delay called the Youth Training Program, even though there never was a training program included, and then another 90 days included if that youth were under 18 years of age.

Now we have a delay of 180 days for the entrant at the minimum wage, whether that be a teenager—the 30 percent of those who are making the minimum wage who are teenagers—or whether that be a single mother who has to provide for her family. If we pass this bill and get it enacted into law, it is going to be delayed until the early part of next year under the Republican amendment, and then it will be delayed another 180 days under the Republican amendment. And then the final provision of the Republican amendment is to have a carveout for businesses of up to $500,000. That will carve out approximately 10 million Americans that will no longer be included in coverage for the minimum wage.

So on the one hand, as we are going to have an agreement to at least vote on this issue and to address this issue of fundamental fairness, we also have to be aware that there will be a proposal on the floor of the Senate that will carve out 10 million of the 13 million Americans who would be affected by this minimum wage, will carve out those new entrants into the job market at the lower level of the ladder for 180 days from getting any benefit of the increase in the minimum wage, should we support it, and then delay that program until the first of next year. That is a totally unacceptable proposal, and I hope it will be resisted here.

But I am grateful to our leaders for working out this proposal. I am particularly thankful to those on our committee and here on this side of the aisle who have been constant. Every Member on our side of the aisle has voted in support of the increase in the minimum wage, and I commend the number of Republicans who have also joined with us and have reflected their support for the minimum wage in the past. We thank them for their constancy and indication they were going to take every step that was going to be necessary to get a vote on this issue.

I hope that over the period of the next few weeks, the American people will look at what the alternative will be in this Chamber that effectively, on the one hand, will give an increase in the minimum wage and, on the other hand, withdraw it. That is an unacceptable way of proceeding. I hope that amendment will be defeated. It is important that the American people in these remaining days, when they see their Members of the Senate at the Fourth of July parades and at the picnics over this period of time, say, when you go on back to the Senate of the United States on the 8th and 9th, OK, take care of those small business men and women, up to $13 billion in terms of additional kinds of help and support; OK, take care of those small businesses—and many of those provisions I will support—but do not go in and carve out the millions and millions of Americans who otherwise would have participated in an increase in the minimum wage.

I am grateful for this agreement, and I thank the Senator from South Dakota, the Democratic leader, who has been the leader on this issue as in so many other issues and with his leadership has really brought us to this place where at last we will have an opportunity to vote on this matter.

Mr. President, I yield back the remainder of my time.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. THURMOND. Are we ready to vote?

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I would like, in responding to the chairman, to now——

Mr. THURMOND. Has the Senator proposed the amendment yet?

Mr. LIEBERMAN. We have not, and if it is OK with the chairman, I would like to go ahead and introduce the amendment now.

AMENDMENT NO. 4156

(Purpose: To provide for a quadrennial defense review and an independent assessment of alternative force structures for the Armed Forces)

Mr. LIEBERMAN. Mr. President, I call up amendment No. 4156 to the Department of Defense authorization bill and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. THURMOND, Mr. COATS, Mr. ROBB, Mr. MCCAIN, Mr. NUNN, Mr. INHOFE, Mr. KEMPTHORNE, Mr. WARNER, Mrs. HUTCHISON, Mr. SANTORUM, Mr. MURKOWSKI, Mr. LEVIN, Mr. FORD, and Mr. BOND, proposes an amendment numbered 4156.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is printed in today's RECORD under "Amendments Submitted."

Mr. LIEBERMAN. I thank the Chair.

Mr. President, as previously discussed, this is the amendment which would provide for both an in-the-Pentagon-and-outside-the-Pentagon, under the Secretary of Defense, national defense panel review of our national security structure to answer basic questions: What are the threats to our national security in the coming decades, and how can we best meet them? It is an attempt to get out of the box, get out of the day-to-day here and look forward, over the horizon, so that we are ready to face and meet whatever threats to our security exist, and to do so in the most cost-effective way.

Mr. President, I appreciate the broad bipartisan support for the amendment, including the statement from the chairman of the committee, Senator THURMOND. I believe my cosponsor, the Senator from Indiana, who spoke only briefly before, does have further comments.

I do want to indicate to my colleagues here that Senator COATS and I do intend to ask for a rollcall vote on this. We do not expect the debate will be long, but we do hope to do so sometime soon this afternoon.

I look forward to the debate and I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, America's preeminence in the world is accompanied by the opportunity and burden of leadership to shape the international community. I have been somewhat perplexed that our concerns with national defense are often no broader than the level of defense spending, which we generally debate only during the annual authorization and appropriation cycles. It is incumbent that we consider the scope of the demands and expectations placed on our military in support of America's role in shaping the work today, and through the next century. Included are the fundamental issues of our national security interests, the nature of future conflicts, and the most appropriate military strategy for which the Department of Defense should develop its military capabilities. These considerations must be made deliberately, not by default. Failing to do so will lead the United States to react, rather than control, events in the next century.

The actions we take on the defense authorization bill will fundamentally influence our national security strategy and force structure well into the next century. Properly done, these decisions will be a powerful investment in the future. Unfortunately, there is widespread consensus—both in and out of the Pentagon—that the administration's 1993 Bottom Up Review strategy is not the strategy America needs to guide its military into the 21st century. The strategy has been chronically underfunded, with shortfall estimates ranging anywhere from $50 to $150 billion. There is great skepticism with the two major regional conflict [MRC] yardstick that undergirds the Pentagon force planning. And, perhaps most disquieting, is the BUR's implicit assumption that the nature of future conflicts will closely resemble those of the past. The effects of misinvesting in a strategy that has lost its relevance are immense.

Congress has done its best to reconcile the sizable disconnect between the BUR's requirements to fight and win two nearly simultaneous MRC's and the funding needed to execute such a strategy. But, while Congress has supported the military in sustaining readiness, in modernizing for the future, and in holding the line against additional force structure cuts in order to meet the BUR requirements, the administration has accused Congress of pork barrel politics. When Congress has tried to rectify serious funding shortfalls in programs at the urgings of senior military leaders, the administration has accused Congress of contributing to inefficient defense spending. The political gamesmanship over issues crucial to America's national security has created such hyperbole that the merits in investing defense dollars today for an uncertain future tomorrow confuse most Americans. I have serious concerns over the impact this political spin may ultimately have a public support for our troops.

In an era of competing budget priorities, an expanding continuum of military operations, the uncertainty of future threats and emerging new technologies, we can ill afford a business as usual approach on investing in our future defense. Senator LIEBERMAN, myself, and a host of cosponsors have worked in a bipartisan effort to ensure that the Defense Department and Congress will make only the most prudent investments in defense. Through this amendment—a review of the Armed Forces force structure—we intend to do more than affect the next military strategy and its resultant force structure. In establishing an independent, nonpartisan National Defense Panel, prominent defense experts will assess alternative force structure strategies in light of future threats, emerging technologies, required capabilities, and a broad continuum of military operations that may be likely in the future. The National Defense Panel's assessment will be far more comprehensive than previous force structure assessments, and will explore innovative, forward-thinking ways of meeting future national security challenges. The complete assessment will provide alternatives to a singular military strategy and its resultant force structure that will, in turn, enable Congress, the Defense Department, and the American public to better consider the level of defense spending our Nation requires in support of its national interests.

The National Defense Panel will also assist the Defense Department as it undertakes its quadrennial strategy review over the next year. The Department's Quadrennial review, while more narrow in focus, will examine force structure, modernization plans, infrastructure, defense policies and other elements of the defense program to develop a new defense strategy replacing the Bottom Up Review.

A salient feature of this amendment is that it will challenge current thinking about defense. Senator LIEBERMAN and I, along with the cosponsors of this amendment, share the concern that the tendency to focus on immediate issues has distracted from the task of structuring the military to meet new operating environments, accommodate revolutionary changes in military technology and prepare for the possibility of entirely new kinds of threats and competitors. As Paul Bracken wrote in his 1993 article entitled "The Military After Next,"

> The military posture for the next 20 years is conceptualized implicitly in terms of the problems of today, rather than in terms of deeper forces that reflect both the changing character of war and the military transformation taking place in the world. Immediate U.S. problems are characterized by deep military budget cuts, regional contingencies, "messy operations" [such as Bosnia, Haiti and Somalia] and a substantial military capacity inherited as a legacy from the Cold War. All of these are worthy of attention. But, if anything is certain, it is that in 20 years the current budget crisis, the regional strategy . . . will be forgotten as new problems of national security and international order appear.

Although our Nation still faces a range of current threats, we must not let current threats lead us into assuming that incremental improvements to our military will be sufficient to deal with the range of scenarios we may face in the 21st century. Our country has a strong tendency to defer revolutionary changes in favor of these incremental improvements. The BUR strategy of fighting 2 MRC's is a prime example, taking the Desert Storm model and geographically tailoring it to future scenarios. But it is not an adequate guide for future innovation. We can no longer afford to conveniently fit current situations to existing planning and resource allocation processes. Doing so will yield a defense program geared to the most familiar threats, as opposed to those most likely to occur.

In closing, I would submit that the familiar path of the past—as convenient as it may be—will not necessarily lead us to the future we wish to shape. The review of the Armed Forces force structures amendment before us now will provide Congress and the Defense Department with comprehensive analysis addressing a range of force structures and capabilities appropriate for future threats. It is our hope that, ultimately, this amendment will serve to further public and congressional debate over the priority our Nation should place on its defense. Our Nation must have confidence in its military strategy, must provide for the capabilities our Armed Forces require to perform the missions expected of them, and must understand and accept the risks of doing otherwise. I urge the support of this amendment—it is a major step forward toward smarter defense planning and investing, and enjoys wide bipartisan support from Members throughout the Senate.

Mr. President, let me state this is the culmination of some effort on the part of the Senator from Connecticut, who has taken the lead in this effort, myself, and a number of other members of the Armed Services Committee who are concerned that we are not adequately addressing some of the major questions that need to be addressed in preparing a strategy and setting a program in place relative to our national security needs for the next century. The next century sounds like a long way away, but it is only 3½ years. In fact, it is actually the next millennium. It is almost difficult to comprehend.

As history has shown, civilizations have been weakened and even collapsed, and mighty armies and navies have been defeated because they were rooted in the wars of the past. They were rooted in the procurement of weapons to fight those wars based on what worked before, not what they might need in the future.

None of us has a crystal ball that can tell exactly what will constitute an adequate national security apparatus and national defense in the future. Yet we need to examine the questions about the kinds of threats and the nature of those threats that we will be faced with in the future.

We are in the midst of a technology explosion that obviously is impacting on warfare. We had a glimpse of that explosion and what it means during our viewing of the Persian Gulf war on

"CNN Live." There were remarkable pictures of a war in progress and a demonstration of what technology can do in terms of changing the terms of warfare. I am sure the nation of Iraq thought it was amply prepared to successfully defend its aggressive takeover of Kuwait, only to find itself hopelessly, not outmanned, but outsmarted, from a technological standpoint. No nation is going to make that mistake again. No aggressor is going to make that mistake again. Future aggressors will contemplate about what it is going to take in the future to encounter the United States. The conflicts we face in the future will be much different from those we have encountered in the past.

We need to take advantage of the remarkable research, development, time and ability to bring new technologies to bear in terms of our armed services and our national defense. Unfortunately, it seems the Congress is locked into a "what do we need right now" mentality. We do our thinking and spending and planning in 1-year increments, 2 years at best. As a result, it seems we are measuring on the basis of what we did last year, and trying to make a decision on what incremental changes we can adjust to for the future years. Basically what we do is make incremental changes.

The Pentagon is well aware of this problem, and they are attempting to address this through a strategy called the quadrennial review. That takes a 4-year look and it coincides with the possibilities of each administration, each new administration. But we need to look beyond that. To do so, we are asking the Pentagon to address a number of issues of concern to us, and establish an independent review panel to give us certain assessments. The results of these assessments will provide us with a better, broader body of knowledge with which to evaluate the potential threats, with which to evaluate the potential strategies—and I use the plural, not the singular use of the word—which we might employ to deter or counter those threats and on which we can make procurement decisions, research decisions, and allocate the increasingly scarce dollars available for our national defense. This was less of a problem in the 1980's because we had ample funds available from which to take advantage of many different alternatives and select the one which best fit. We do not have that luxury now. We do not have anywhere near that luxury. Defense is now in its 12th straight year of decline in terms of budget allocations. The military has been scaled back nearly 40 percent in just about every category. We have to make decisions on the basis of a far smaller margin of error.

In that regard, having a broader assessment of our potential threats, our potential responses to those threats, is going to allow us to make better decisions to spend those dollars more wisely. That is really what this amendment is all about.

I was pleased to have the opportunity to work with the Senator from Connecticut and with others of my colleagues on the Senate Armed Services Committee. I am pleased this amendment has a growing list of bipartisan—nonpartisan—support. I think a year from now we are going to be in the midst of a process which is going to give us some very relevant information from which we can base decisions that are extremely critical to our future. So I am pleased to be a coauthor and a cosponsor of this amendment.

With that, I observe we might be prepared, unless the managers are aware other Senators are coming to the floor to speak, to move to a vote.

I believe it is appropriate to ask unanimous consent the pending amendments be set aside. I am not exactly sure what the parliamentary request needs to be in order to bring this amendment up.

Mr. LIEBERMAN addressed the Chair.

Mr. COATS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, it was my understanding the pending amendments had been set aside and this amendment was now the pending business. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LIEBERMAN. Mr. President, after consultation with the chairman of the committee, I ask unanimous consent that, when the vote occurs on this amendment, it occur by rollcall and the rollcall be held at 5 this afternoon, with no second-degree amendments in order.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Is there objection to the vote occurring at 5 o'clock and that no second-degree amendments be in order?

Without objection, it is so ordered.

Is the Senator seeking the yeas and nays?

Mr. LIEBERMAN. I was about to do that. I was going to ask when a vote be taken it be taken by the yeas and nays.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCAIN. Mr. President, I rise as an original cosponsor of an amendment to require a much-needed new assessment of future U.S. military force structure requirements. In March of this year, I released a paper which called for a new study of our national security strategy and the military force structure that supports our strategy. If adopted, this amendment will ensure that the Department of Defense and the Congress work together to create a flexible U.S. military force structure capable of adapting effectively to meet the ever-changing challenges of the 21st century.

Very briefly, let me summarize the amendment. First, it would require the Secretary of Defense to provide a report to Congress on the quadrennial defense review, which is expected to be completed in the spring of 1997. The QDR is the Secretary's effort to reassess our current strategy and force structure and is intended to form the basis of our military planning through the year 2005. The amendment would require the Secretary to consider certain specific issues in his review.

The amendment would also provide for two separate, independent assessments of the quadrennial defense review, to ensure that the Congress has a full understanding of the assumptions and conclusions of the QDR.

One assessment would be done by the Chairman of the Joint Chiefs of Staff and provided to Congress with the QDR. This provision is included in the amendment because it is essential that we have the views of our professional military leaders as we determine the future of our military strategy and force structure for the next century.

Another assessment of the QDR would be undertaken by an independent, nonpartisan National Defense Panel, which the amendment would establish. The Panel would also be charged with developing a variety of alternative proposals for force structures and budgets, using analyses and information acquired from the Department of Defense, the Joint Staff, and other agencies. The Panel would focus on developing a longer term assessment than the QDR, through the year 2010 and beyond, where possible. The Panel's assessment of the QDR and alternative proposals would also be provided to Congress.

Mr. President, the amendment enjoys broad bipartisan support among Senators with experience in defense issues. The principal cosponsors are Senators LIEBERMAN, COATS, and ROBB, joined by others of our colleagues.

Mr. President, we crafted this amendment in recognition of the pressing need for a full reassessment of our military force structure in light of the changing realities of the post-cold war world. In the past 5 years, since the collapse of the Soviet Union, our Armed Forces have shrunk from a force of 2.1 million active duty personnel to approximately 1.4 million people today. While these reductions were being implemented, the Pentagon has conducted two evaluations of the organization, composition, and equipment requirements of our smaller force in light of the changing realities of the post-cold war world. The results are contained in the Bush administration's

"Base Force" and Clinton administration's "Bottom Up Review" assessments.

Both assessments were laudable early efforts to adjust the post-cold war world, and both served an important purpose in focusing attention on the need to reevaluate the military posture of the United States. But neither were truly innovative approaches to a comprehensive, critical review, and reshaping of our strategy and military forces. In fact, the Bottom Up Review was a top down directive, shaped largely by budget targets established before the exercise began and by strategy and force goals that then-Congressman Aspin had developed a year earlier.

The pending amendment seeks to address many of the concerns expressed by Congress and national security experts alike about the last attempt to conduct a strategic review. The amendment is also driven by the recognition, just 3 years after completion of the Bottom Up Review, that the swift pace of global change has created the need for a new and fundamental reassessment of the force structure of the Armed Forces required to meet threats to the United States in the 21st century.

First, the amendment would require a comprehensive assessment of potential threats to our future security, which is an essential element of determining our future military force requirements. The amendment specifically identifies several categories of potential threats to our future security, both near- and long-term, which must be addressed in any strategic review. These threats include:

The continuing proliferation of weapons of mass destruction and means to deliver them, as well as the transfer of technology relating to such weapons,

Conventional threats across a spectrum of conflicts, which would include the rise of radical Islamic fundamentalism and other political extremist movements,

The vulnerability of our information systems and other advanced technologies to nontraditional threats,

Domestic and international terrorism, and

The potential emergence of a major challenger in the future.

The amendment would specifically direct the independent National Defense Panel to analyze each of these threats and provide an assessment of the challenges posed to our future security. The Panel would also provide its comments with respect to the threat assessment underlying the quadrennnial defense review, thus ensuring that all foreseeable future threats are examined and considered in the review.

Second, the amendment would ensure that both the quadrennial defense review and the Panel's independent assessment consider some very important issues which were not fully addressed in connection with the Bottom Up Review. Let me take a moment to mention several of the explicit instructions contained in this amendment:

The amendment requires a full analysis of the potential impact of allied cooperation and mission sharing on U.S. force size and structure.

It requires a clear explanation of assumptions about levels of acceptable risk in conflict scenarios and force levels.

It also requires a clear statement of the assumptions about warning time for future conflicts and planning for simultaneous or nearly simultaneous conflict scenarios.

It requires a full assessment of the impact of preparing for and participating in peace operations and military operations other than war on force structure requirements in likely conflict scenarios.

It requires a detailed description of anticipated future technology advancements and their impact on force size and organization.

It requires an analysis of manpower and sustainment policies, Reserve versus active component mix, tooth-to-tail ratio, and airlift and sealift requirements for the future.

These specific guidelines will result in a more thorough and detailed review of the military capabilities required to meet future threats.

Finally, this amendment recognizes the inadvisability of predetermining future Defense budgets before conducting an analysis of our security requirements—a significant flaw of the Bottom Up Review. The amendment would require that a topline funding projection be developed for each scenario-driven force structure plan developed by the Panel. It would also require the Panel to independently assess the validity of the budgetary requirements reported by the Secretary of Defense for his quadrennial defense review. In this way, the Department of Defense and the Congress will be able to consider both security requirements and affordability when reviewing alternative force structure options.

Mr. President, this last point is very important. We cannot ignore fiscal reality in military planning, but we must never acquiesce to demands for reduced defense spending regardless of the threats to our national security.

Because of the cuts in defense spending over the last 12 years—a nearly 40-percent reduction in real, inflation-adjusted terms, we now face a significant gap between our overall force plans and the resources available to implement them. Independent assessments of the cost of the Bottom-Up Review force show that it exceeds the funding levels dedicated by the Clinton administration in the Future Years Defense Program by $150 to almost $500 billion. As a result, we have had to make a series of Hobson's choices among defense priorities. We have had to choose among cutting force strength, maintaining readiness, or funding force modernization. The result has been reductions in all three areas.

The Republican-led Congress has added more than $18 billion to the defense budget in the past 2 years, but even this amount has not slowed the too-rapid decline in defense spending. The fact remains that our rising Federal debt and ongoing efforts to achieve a balanced Federal budget will continue to put enormous pressures on Federal spending.

Mr. President, this amendment will help us determine the appropriate level of funding to ensure our Nation's security in the next century. This amendment would ensure both the Department of Defense and the independent National Defense Panel conduct a thorough assessment of the threats we are likely to face, take a realistic look at potential future conflict scenarios, and provide alternatives for an effective military posture together with credible budget estimates. With the information this amendment would make available, the Congress and the administration could work together to ensure that our future national security requirements will be met while, at the same time, recognizing appropriate fiscal constraints.

Mr. President, let me take just a moment to thank Senator LIEBERMAN for taking the lead in putting this amendment together. I particularly want to thank John Lilley, who has left Senator LIEBERMAN'S staff for a more lucrative position in the private sector. He worked very closely with my staff and with the staffs of the other principal cosponsors of the amendment, and he is to be commended for his diligence and fairness in addressing all of our concerns.

Mr. President, in closing, the fast pace of change in our world requires that we create and maintain a flexible military force for the future, which will be able to adapt quickly to the changing requirements of our future security. It is now time to undertake a thorough and innovative effort to reassess our military force structure and the national security strategy that it supports. This amendment would ensure that all aspects of national security planning are thoroughly assessed in formulating recommendations for our future military force structure. I urge my colleagues to support the amendment.

Mr. FORD. Mr. President, I am happy to join my cochairman of the Senate National Guard Caucus in cosponsoring the amendment by Senators LIEBERMAN, COATS, ROBB, and MCCAIN to review the Armed Forces force structure.

Just a few years ago, Congress approved the establishment of the Roles and Missions Commission. However, many of us were very disappointed with the Commission's findings, because those findings were clearly written with a bias against the National Guard.

Mr. President, the authors of this amendment have worked with Senator BOND and myself to make sure that the National Defense panel established by this legislation considers the Guard and Reserve without prejudice. To accomplish this, the amendment directs the "review is to involve a comprehensive examination of defense strategy to include Active, Guard, and Reserve components."

Just a few months ago, the chairman of the Readiness Subcommittee, Senator MCCAIN, along with the ranking member Senator GLENN, held a hearing on the readiness requirements of the National Guard and Reserve forces. At that time, the General Accounting Office presented information that Senator BOND and I found to be either out of date or simply inaccurate. I ask unanimous consent that the letter Senator BOND and I sent to Senator MCCAIN be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. FORD. Mr. President, the National Guard Caucus is very concerned by the determination of individuals within the Defense establishment to keep putting out negative information on the National Guard. The inaccurate and out-of-date information from GAO is just another example in a long string of misinformation.

It is my hope this report will be different—that it will be accurate. Because the sponsors of this amendment have assured me that it will, I join with my cochairman, Senator BOND, in cosponsoring this amendment.

EXHIBIT 1

U.S. SENATE,
Washington, DC, April 29, 1996.

Hon. JOHN MCCAIN,
Chairman, Readiness Subcommittee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As Co-Chairmen of the Senate National Guard Caucus, we commend you and Senator Glenn on your active roles in examining the readiness requirements of the National Guard and Reserve forces. We strongly support your efforts to provide sufficient resources to ensure that the nation has a capable and well trained military force. The Caucus remains convinced that, under the pressures of a reduced defense budget, the requirements to develop and produce modern replacement weapon systems coupled with a continued draw-down of our active forces, will result in an ever-increasing requirement for our nation to once again rely on part-time citizen soldier combat forces—the National Guard.

Over the past several years, the Caucus has attempted to identify those areas that are impediments to producing a combat ready National Guard which would be available in a timely manner to respond to major contingencies around the world. We are convinced that the recently-announced National guard proposal to convert and realign a large portion of the Guard combat divisions to meet other identified Army requirements, have gone a long way toward reaching that objective.

We do however have concerns regarding some of the material presented at your Subcommittee hearing by witnesses from the General Accounting Office. We believe this information to be out-of-date or otherwise inaccurate.

1. The GAO contended that the National Guard Enhanced brigades can't meet the 90-day readiness goal set for them in the current military strategy.

During Operation Desert Storm in 1990-91, the 48th Infantry Brigade was certified as combat ready in 91 days of which only 55 days were actually needed for training. this number is very close to their pre-mobilization estimate of up to 42 days.

2. The GAO testified that the brigades are having difficulty meeting the training goals set for their platoons.

Since the GAO did not indicate which brigades are supposedly having trouble, we can only say that the most up-to date information the Senate National Guard Caucus has indicates that the platoon goals of the Enhanced Brigades are being met ahead of time and some of the Enhanced Brigades are already operating at the battalion level.

3. The Roundout Brigades weren't ready in time "when they were needed" in Desert Storm.

The 48th Brigade from Georgia and the 155th of Mississippi had been replaced within their parent Division by active army units months before they were mobilized. The other brigade, the 256th from Louisiana rounded out an active duty army division that did not deploy. The major reason given by the Defense Department for not calling these units up earlier was the law at the time (10 USC 673) permitted only a 90 day call up with a 90 day extension and DOD felt at the time that the deployment would be for a longer period. As you are aware, Congress authorized a longer call up and these Brigades began mobilization on November 30, 1990. The brigades did not have to undergo six months of postmobilization training. The 48th had been validated as combat ready in 91 days (55 days of actual training). If the 48th had been mobilized when the Presidential Selected Reserve Call-up was authorized (August 22, 1990) and validated 91 days later (November 21, 1990), it could have deployed before the VII Corps began moving from the U.S. and Germany to Saudi Arabia.

4. Turbulence and turnover rates preclude reaching readiness goals and higher unit training.

This is the oddest GAO statement yet made and they obviously did not bother talking to anyone at the National Guard Bureau. If the GAO had bothered to check their facts, they would have learned that the turbulence and turnover rates in the National Guard enhanced readiness brigades are generally well below those of comparable active Army units! It is incredible that the GAO does not know that turbulence in the military is not caused by promoting a loader in a tank crew to the position of driver in the same crew! Maybe the Director of the General Accounting Office ought to send his employees to Fort Knox to learn about how a tank crew operates before they are assigned to develop a report such as that provided to your Committee. Military units—Active or Reserve—need a certain amount of turnover; they cannot keep the same soldiers in the same job forever. American soldiers, whether in the National Guard or active Army units, seek additional responsibility and status that come with promotion. Units that don't have a healthy level of turnover stagnate and have over-age-in-grade problems.

5. Combat arms jobs, particularly armor and infantry, are too hard to do for reservists with only 38 days training each year so our reserve components should be limited to only those tasks that are similar to what the soldiers do in their civilian occupation.

The average Guardsman trains 45.1 paid days each year. Officers and NCOs are more likely to train more than 45.1 paid days. At the lower enlisted levels, combat arms jobs are no harder to train for than most support jobs such as positions in Engineer and Field Artillery units. Yet National Guard Field Artillery brigades were deployed to Desert Storm with minimal post-mobilization training and performed well. The Marine Corps reserve deployed tank battalions to Desert Storm and performed well.

6. The Reserve Component soldiers can do well only those tasks that are similar to their civilian jobs so their roles should be limited to support tanks.

Once again it is obvious that the GAO did not discuss this conclusion with the National Guard Bureau. Had the GAO checked with the Guard they would have learned that there is very little correlation between Reserve Component civilian skills and military duties; across the board, fewer than 20% of the Guardsmen and women in a particular military field do a similar job in civilian life. Hers are some of the figures supplied to us by the National Guard Bureau: Aviators 14.8%; Military Police 19.4%; Truck Delivers 5.8%; Mechanics 16.9%; and Engineers 10.7%.

7. The GAO says it would take years to deploy all 15 Enhanced Brigades.

Since the GAO does not identify their source for this information, we think the Committee should take the information from responsible professionals at the United States Army Forces Command which is the responsible agency for developing plans to ensure that all Reserve Components are validated for deployment following mobilization. Their current plan, using only four post mobilization training sites, would deploy the first four brigades in 90 days or less and all 15 brigades in 180 days. Should additional sites be available and additional training resources be made available, potentially all 15 brigades could be deployed in 90 days or less. As to GAO's claim that there has been no analysis to justify the National Guard's 15 brigades and eight divisions, the only analysis that has been done to date (1993 Bottom-up Review) calls for the very force that exists today.

As the Defense Department forces are called upon to do more and more will less and less, the National Guard and Reserve will be required to perform their Federal missions with greater regularity. Military analysts agree that, in the near future, a spike in funding for the National Guard and Reserves will be required in order to keep these forces adequately resources. We raised these issues in order to highlight our concern over the funding, manning and utilization of our National Guard and Reserve forces nationwide.

We look forward to working with you and your staff during the year to ensure the National Guard remains a viable partner in the Total Force defense posture of the nation and remains more than capable of performing its state and Federal missions.

Sincerely,

CHRISTOPHER S. BOND.
WENDELL H. FORD.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I ask unanimous consent the pending business be temporarily set aside and I be allowed to speak in morning business for no longer than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana is recognized.

Mr. COATS. I thank the Chair.

(The remarks of Mr. COATS pertaining to the introduction of S. 1904 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. COATS. Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise briefly to associate myself most emphatically with the remarks of the Senator from Connecticut and the Senator from Indiana in regard to the National Defense Panel to review of our defense needs. I ask unanimous consent that I be made a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I do so in the context of a commission created in the 103d Congress, the Commission on Protecting and Reducing Government Secrecy, which was established to review the whole pattern of the protection of the Nation's intelligence and defense secrets as we moved into a very different era from that from which we are clearly emerging.

The present regime for protecting secrecy in our country was basically put in place in a very few days, weeks at most, in the aftermath of the declaration of war on Germany in 1917. The Espionage Act of 1917 was introduced in the first week of April, 1917, as the United States entered the First World War, and is still in place, though an amendment passed the following year known as the Sedition Act—largely a revision of section 3 of the Espionage Act—was subsequently repealed.

In that same first week of April 1917, the Civil Service Commission presented to President Wilson a request for an Executive order on the question of the loyalty of Federal employees. Again, demonstrating a pattern, although one interrupted, that we see in our present situation—the arrangements put in place near the beginning of the century remain in place today.

These are very considerable arrangements. Some 2,300,000 American civil servants have clearances for various levels of access to classified material. Some 850,000 persons in civilian employment in defense industries in the main are similarly cleared for classified material. The cost is very considerable, the issue is consequential.

We did deal at great length with the problem of espionage in this country during the First World War. The Central Powers and the Allied Powers were very much contending for American support. It is a known fact that the German Ambassador to this country brought with him on one of his trips $150 million in Treasury bonds, the equivalent of $1 billion today, to use for just that purpose. And it had its consequences.

During the 1930's, again, there were efforts of this kind from Hitler's Germany. Simultaneously, from the beginning of the establishment of the Communist Party in the United States, the Soviet Union had been involved in espionage activities, having as their most dramatic event the infiltration of the Manhattan Project. They successfully transferred to the Soviet Union the essential plans for the first atomic bomb. The Soviet Union had an atomic bomb about four years from the time that the United States did. It was almost, bolt for bolt, modeled on the original device tested at Alamogordo and the bomb that was dropped on Nagasaki, Japan.

The details of this espionage effort are just emerging as the Venona transcripts are being released by the National Security Agency. We feel in our Commission that we have been something of a catalyst with regard to the Venona release, and with it we are beginning to see just how much the United States was up against and how necessary some of these measures were. We also begin to ask ourselves whether they are still necessary in the face of a very different international setting today.

The Commission has a distinguished membership. I serve as Chairman; the Honorable LARRY COMBEST, the chairman of the House Permanent Select Committee on Intelligence is Vice Chairman; the Honorable John Deutch was originally appointed when he was Deputy Secretary of Defense, and continues to serve on the Commission in his role as Director of Central Intelligence.

We are finding, and I think the Senator from Connecticut will know this and will agree, that in the new world of electronic communication, the security of American encrypted messages is very much problematic, and the capacities of persons all over the world, for whatever reason, to break into the Pentagon files and intercept messages is almost difficult to comprehend for someone over the age of 30. We learned just yesterday in the New York Times that a 16-year-old British youth with a small computer in his bedroom in North London was intercepting messages from American agents in North Korea, and there are several criminal prosecutions going on in the United Kingdom of that kind. How to deal with this entirely new set of challenges is the reason for establishing such bodies as the Commission on Protecting and Reducing Government Secrecy—and I think that the commission proposed here to inquire into the nature of our military defense needs in the future, with a larger view than the quadrennial review—is wholly in order. I am honored to be a cosponsor of the amendment. I hope the work of the Commission on Protecting and Reducing Secrecy might be of some utility to this commission, as it begins its work.

I thank the sponsors, and I yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague, the Senator from New York, for joining me as a cosponsor and for his characteristic informed comments. He goes right to the heart of it.

The fact is that it was the experience of the commission with regard to the Nation's intelligence structure that worked in the 1970's that is the inspiration for that concept being included in this amendment. The work he is doing now in this area with this commission, I hope, will be considered by the panel convened under the amendment.

As the Senator indicates, changes that have occurred are extraordinary. Former Deputy Chief of Staff, Admiral Owens, who was very comfortable with the new technologies and very farsighted, said we are now at a point where our commanders can, for the most part now or on the verge in the very near future, can see the whole battlefield for miles ahead, around them, and in front of then. That has never been the case for people who have gone to war. This is because of these extraordinary not only satellites but helicopters, the unmanned aerial vehicles. The fact is at a given moment in real time today the commanders on the field—in fact, the heads of our military structure back at the Pentagon—can see exactly what is happening on the battlefield and be involved.

As the Senator indicated, the dependence we have on communication and information, the potential threats to current methods of encryption of our messages is exactly what I hope this commission will go at. The fact is that part of what we are asking it to do is look at the United States not as the world's great superpower, but from the perspective of one who would want to do us harm, and to begin to determine what are the points of vulnerability.

It may be, as Senator COATS indicated before, we are tremendously well defended to fight the last war, but some relatively weaker power than we may have the capacity to either break our communication systems or to shake up or incapacitate our information systems in a way that renders us as weak, as if we had suffered a major conventional military defeat.

I want to thank the Senator for his support and for his right-on-target comments and the thought-provoking words that he spoke. I thank the Senator.

Mr. MOYNIHAN. I thank my friend.

Mr. NUNN. Mr. President, I want to commend Senator LIEBERMAN and Senator COATS for their leadership on this issue. The amendment they are offering, of which I am an original cosponsor, and which I worked with them on, will build upon the recommendations of the 1995 report on the Commission on Roles and Missions of the Armed Forces, that there be a quadrennial defense review.

Secretary Perry has decided to conduct that review. This would ensure that a number of important defense issues are addressed during the course of that review, and will establish a national defense panel that will play a key role in the defense review that would conduct its own forward-looking review of force structures.

I am reminded, Admiral Owens, former Vice Chairman of Joints Chiefs of Staff, in his testimony on the eve of his retirement, and in frank discussions with many of us, stated that he believed that the acquisition of new platforms such as planes, ships, and tanks, are far less important than the incorporation of new, forward-edge technologies and information systems and the platforms already in the military's inventory. He even stated that such technologies would permit cuts in existing platforms, in terms of numbers.

It is my belief and my hope that national defense panel would be able to chart a road forward for us that takes a look at, certainly, Admiral Owens' review, looks at contrary views to that, and makes some recommendations that would be a benefit to both the Congress and the administration. I urge adoption of the amendment.

Mr. LIEBERMAN. Mr. President, I note there is a minute or two remaining. I add this word to everything that has been said. In one sense, Senator COATS said this is an attempt to liberate the process from the inevitable instinct that institutions have to continue down the road they have been down before and to make sure that the roads that we are heading down are the right roads. I am talking not just about the Defense Department, but our institution, as well.

In one sense, what I hope will come out of this, both from within the Quadrennial Review and the National Defense Panel, is the continuing effort that certainly has been going forward under Secretary Perry with the various reforms to our procurement, the examination of ways in which to essentially outsource, to bring in, to privatize, to gain the economic benefits of these creative actions, to make sure that we have maximum dollars available to actually provide for our national defense.

In one sense, what we are asking for here—and it is a big order—is to do what in the private sector we call reengineering the corporation, to go back and ask, if a piece of paper of the organizational structure and system in front of us was blank, what would we write on the paper to make sure we were fulfilling the goals that we have? I understand that is a big order in a system as historically successful and complicated as ours.

Essentially, what we are asking here in our national interest is that, together, we go back to first questions and say, what are the threats we are going to face to our security in the next century? If we could begin it all over again, how would we most effectively and efficiently meet those threats, and then to try, in the reality of the process, to get as close to that as we possibly can.

Again, I thank all of those who have spoken. I think it has been a very thoughtful and constructive debate. I cannot thank enough the broad group of bipartisan sponsors of this proposal, including, particularly, the chairman of the committee, Senator THURMOND, and the ranking Democrat, who I have occasionally burdened by referring to him as my mentor, the Senator from Georgia, Mr. NUNN.

I urge my colleagues to support the amendment. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The hour of 5 o'clock having arrived, the question is on agreeing to the amendment of the Senator from Connecticut.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas, 100, nays, 0, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—100

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

The amendment (No. 4156) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. LIEBERMAN. Mr. President, I would like to take this opportunity to give very special thanks to several individuals who worked very hard on the amendment providing for the study of alternative force structures for the Armed Forces. They spent many long hours amidst their very heavy workloads assisting their Senators and me in developing the concept of a bipartisan approach toward pointing our Armed Forces in the right direction for the 21st century.

In particular, I would like to thank Ann Sauer of Senator MCCAIN's office, Rick Debobes of Senator NUNN's staff, Sharon Dunbar, a Brookings Institution Fellow working in Senator COATS' office, Bill Owens of Senator ROBB's office, and Stan Kaufman, a Brookings Fellow who works for me. Their dedication, expertise, professionalism and public service made me very proud to be associated with them. It has been a real pleasure being involved in such a successful bipartisan effort. In addition, I would also like to call out the exceptional responsiveness and quality advice we received from Charlie Armstrong of the Senate's Legislative Counsel's Office. When the staffers worked late into the evenings and over the weekends on this amendment, Charlie was right there for us.

But I would like to convey particular thanks to John Lilley, a former staffer of mine who recently left my employ to move on to a situation which could provide him more time to spend with his young family. When I originally conceived the idea of the alternative force study, it was John who was instrumental in developing the detailed proposals we have been discussing today and in working closely with the staff of the cosponsors in achieving a common approach. I will miss John's good counsel very much, and I wish him well in his future endeavors.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator will withhold.

The Senate will come to order, please.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendments be set aside that I may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4274

(Purpose: To provide for certain scientific research on possible causes of Gulf War syndrome; and to provide military medical and dental benefits for children of Gulf War veterans who have congenital defects or catastrophic illnesses)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 4274.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII add the following:

SEC. 708. RESEARCH AND BENEFITS RELATING TO GULF WAR SERVICE.

(a) RESEARCH.—(1) The Secretary of Defense shall, by contract, grant, or other transaction, provide for scientific research to be carried out by entities independent of the Federal Government on possible causal relationships between the complex of illnesses and symptoms commonly known as "Gulf War syndrome" and the possible exposures of members of the Armed Forces to chemical warfare agents or other hazardous materials during Gulf War service.

(2) The Secretary shall prescribe the procedures for making awards under paragraph (1). The procedures shall—

(A) include a comprehensive, independent peer-review process for the evaluation of proposals for scientific research that are submitted to the Department of Defense; and

(B) provide for the final selection of proposals for award to be based on the scientific merit and program relevance of the proposed research.

(3) Of the amount authorized to be appropriated under section 301(19), $10,000,000 is available for research under paragraph (1).

(b) HEALTH CARE BENEFITS FOR AFFLICTED CHILDREN OF GULF WAR VETERANS.—(1) Under regulations prescribed by the Secretary of Defense, any child of a Gulf War veteran who has been born after August 2, 1990, and has a congenital defect or catastrophic illness not excluded from coverage under paragraph (2) is eligible for medical and dental care under chapter 55 of title 10, United States Code, for the congenital defect or catastrophic illness, and associated conditions, of the child.

(2) The administering Secretaries may exclude from coverage under this subsection—

(A) any congenital defect or catastrophic illness that, as determined by the Secretary of Defense to a reasonable degree of scientific certainty on the basis of scientific research, is not a defect or catastrophic illness that can result in a child from an exposure of a parent of the child to a chemical warfare agent or other hazardous material to which members of the Armed Forces might have been exposed during Gulf War service; and

(B) a particular congenital defect or catastrophic illness (and any associated condition) of a particular child if the onset of the defect or illness is determined to have preceded any possible exposure of the parent or parents of the child to a chemical warfare agent or other hazardous material during Gulf War service.

(3) No fee, deductible, or copayment requirement may be imposed or enforced for medical or dental care provided under chapter 55 of title 10, United States Code, in the case of a child who is eligible for such care under this subsection (even if the child would otherwise be subject to such a requirement on the basis of any eligibility for such care that the child also has under any provision of law other than this subsection).

(c) DEFINITIONS.—(1) In this section:

(A) The term "Gulf War veteran" means a veteran of Gulf War service.

(B) The term "Gulf War service" means service on active duty as a member of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(C) The term "Persian Gulf War" has the meaning given that term in section 101(33) of title 38, United States Code.

(D) The term "administering Secretaries" has the meaning given that term in section 1072(3) of title 10, United States Code.

(E) The term "child" means a natural child.

(2) The Secretary of Defense shall prescribe in regulations a definition of the terms "congenital defect" and "catastrophic illness" for the purposes of this section.

Mr. BYRD. Mr. President, last Friday, the Department of Defense made a remarkable admission—as a matter of fact, it was a startling admission—regarding the possible exposure of some gulf war veterans to chemical warfare agents resulting from the destruction of Iraqi ammunition bunkers. In a widely covered news conference, Department of Defense spokesman Kenneth Bacon announced that between 300 and 400 U.S. soldiers were within 3 miles of a bunker complex when it was destroyed in March, 1991 and may have been exposed to mustard gas and sarin. U.N. inspectors have confirmed that the bunker complex contained rockets and artillery shells containing the chemical nerve agent sarin and the blister agent mustard gas.

Although none of these soldiers exhibited any symptoms associated with acute exposure to these chemical warfare agents, the Department of Defense announced that it would initiate research efforts into whether this exposure might have had long-term effects on the health of the soldiers.

I am concerned about the possible harm that might have been done to these 300 to 400 soldiers. I am even more concerned that they may only be the first drop in the bucket. Between 80,000 and 100,000 veterans are on the Department of Defense and Department of Veterans Affairs registry for gulf war veterans who suffer from a wide range of disabling symptoms collectively known as "gulf war syndrome." Some of these sufferers believe that they may have been exposed to chemical warfare agents while serving in the gulf and that this exposure may be the cause of their illness. DOD spokesman Kenneth Bacon alluded to the possibility when he noted that DOD is examining other reports and other bunkers for chemical weapons, so other groups of soldiers may also be at risk. Additionally, U.S. and coalition forces bombed many bunker complexes and chemical and biological weapons production facilities during the air war in 1991, so U.S. forces may have been exposed as a result of those actions as well. This is a very troubling situation.

Mustard gas and sarin, the two chemical agents that were found in the destroyed bunker, are known, I am advised, to cause central and peripheral nervous system problems as well as to cause birth defects in children born to exposure victims. Medical research is needed to determine whether exposure to low levels of chemical warfare agents causes the symptoms described by gulf war veterans.

Previous funding provided by Congress for medical research into gulf war syndrome, awarded only last Thursday by the Department of Defense, investigates the possible links between the illness and exposure to diesel fuel, pesticides and insect repellents, stress, disease, fatigue, and nerve agent pretreatment pills. Almost $1 million of the $7.3 million total is designated for a study of ill British veterans. None of the research funded thus far examines the link between the illness and the exposure to chemical warfare agents. The amendment I am offering would provide $10 million from within other defense medical research efforts for independent medical research into this issue.

This amendment also provides relief to the most helpless victims of that war—the children of gulf war veterans with birth defects or other catastrophic illnesses that may be linked to their parents' exposure during the gulf war.

Life magazine ran a story about these children in November 1995. On the cover—and here is a replica of the cover of Life magazine, which ran the story about these children in November 1995. On the cover is a picture of Jayce Hanson, with his father. His father is Sergeant Paul Hanson of Wheeling, WVA. Three years old, Jayce was born with hands and feet attached to twisted stumps. As those who observe the picture of the cover of Life magazine can see in the picture to my left, they will notice the hands that were attached to twisted stumps, and his lower legs, which were amputated in order to accommodate prosthetic legs. He also had a hole in his heart and suffers from a hemophilia-like blood condition and underdeveloped ear canals that cause frequent ear infections.

Sergeant Hanson is still in the Army and is currently serving in Bosnia. During the Persian Gulf war, serving with the 16th Engineers of the 1st Armored Division, Sergeant Hanson was involved with bunker- and mine-clearing operations. He was not, apparently, involved in destroying the chemical weapons bunker identified in the Department of Defense announcement, but it is not known if other bunkers he helped to destroy contained chemical weapons.

Mr. President, these children, like Jayce, suffer twice. First they are born with disabling and disfiguring birth defects, or suffer from invisible but equally devastating illnesses. Their parents may be suffering from gulf war syndrome. Then, when their soldier parent leaves or is discharged from the military as medically unfit due to illness, the family loses its health care. The insult added to the injury comes when the child is denied civilian health insurance because of its preexisting medical condition—its birth defect or illness.

Even gulf war veterans still on active duty, with birth-defect children, face difficulties. They must seek appropriate medical care from civilian doctors through the Department of Defense's CHAMPUS program, which has a 20 percent copayment requirement. These children need continuing medical attention; they may need multiple operations or expensive medical treatments before they can function normally. The costs of this care can reach $100,000, and a 20 percent copayment, or $20,000, can be financially crippling for an enlisted serviceman.

Sergeant Hanson's family has been helped by the Shriners organization, which has paid some of Sergeant Hanson's son's medical costs, but they were forced to seek assistance through the SSI program. Now Sergeant Hanson's combat pay for serving in Bosnia has pushed his income over the limit for SSI eligibility, so assistance is no longer available from that source.

Mr. President, an enlisted service member should not have to rely on a welfare program or charity to meet the health care needs of his family, particularly when there is some reason to believe that the catastrophic health care needs of his child might have resulted from his military service. Jayce deserves better than that. His father is willing to risk his life in the service of his country. He should not be asked to risk the life and health of his son.

The amendment I have offered would make these children eligible for care in the military health care system, which includes military hospitals and civilian practitioners through CHAMPUS, and would waive the 20 percent copayment requirement. The number of children affected is not large, according to the Department of Defense, but they are in truly desperate straits. Until research can prove that these children's maladies are not linked to their parents' service in the gulf war, they should be given the benefit of the doubt.

President Clinton last month announced that he would seek legislation to provide benefits for children of Vietnam veterans born with spina bifida as a result of their parents' exposure to Agent Orange. Let us not wait 20 years before we acknowledge the incalculable difficulties faced by the children of the gulf war that may have resulted from their parents' service.

Mr. President, I yield the floor. I had understood that the managers might be willing to accept the amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, it appears this amendment has merit, and we will accept it.

Mr. BYRD. Mr. President, I thank the distinguished chairman of the committee, Mr. THURMOND.

The PRESIDING OFFICER. If there is no further debate, the question is on the amendment.

Mr. DOMENICI. Mr. President, before Senator BYRD leaves the floor, might I just take 1 minute? Is there a time limit on this?

The PRESIDING OFFICER. There is not.

Mr. DOMENICI. First, I congratulate Senator BYRD for bringing up this issue. Clearly, we have to come up with a better scientific answer to this problem than we have come up with. I just want to share with the Senator another research effort that is taking place. It is not in need of any of the resources he speaks of, but, in the State of New Mexico, there is a world renowned toxicology center that deals with what happens to our lungs depending on what we breathe. I have just recently learned that they are engaged now in an indepth research project with reference to the war that the Senator speaks of that centers around the kerosene heaters; that, in fact, they are going to be checking in depth to see if there possibly could be a relationship between some of the fume components and some injury to the pulmonary—breathing apparatus. I just wanted to share that as another proof of the fact that this is serious enough for our country to be involved in a very major way.

Of course, the Senator has added one that has not been looked at at all, that has just recently come to light. I wanted to share that with the Senator and commend him.

Mr. BYRD. Mr. President, I thank the distinguished Senator from New Mexico for his observation and his sharing of this information with me. I thank him also for his expression of support for the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

The Senator from Georgia.

Mr. NUNN. Mr. President, I support the amendment offered by our colleague from West Virginia, Mr. BYRD. We need to do all we can to deal with gulf war syndrome. We have seen reports, just in the last week, about new discoveries that have been made relating to the Iraqi chemical stockpile and the possibility of that being connected to some of the terrible problems that our service people are experiencing.

We all know all the problems with Agent Orange and how long we spent on that one. I think it is time to come to grips with this, and I believe the Byrd amendment is a positive step in the right direction. So I urge our colleagues to support the amendment.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Georgia for his support.

Mr. President, I ask unanimous consent that the amendment be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 4275

(Purpose: To require the Secretary of Defense to take such actions as are necessary to reduce the cost of renovation of the Pentagon Reservation to not more than $1,118,000,000)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. BRADLEY, and Mr. FEINGOLD, proposes an amendment numbered 4275.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 398, after line 23, insert the following:

SEC. 2828. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

Mr. BINGAMAN. Mr. President, this is an amendment that would have the effect of reducing the $1.2 billion cost of renovating the Pentagon by $100 million. I send this to the desk on behalf of myself, Senator BRADLEY, and Senator FEINGOLD. This would be the first reduction in funds for this very expensive project since its inception half a decade ago. It would amount to about a 10-percent reduction in the total.

Mr. President, dramatic shifts have occurred in geopolitical terms during the past decade, and these shifts have caused fundamental changes in our defense posture. As we have realigned our defense programs to meet changing needs, the funds for many projects have been reduced and eliminated.

Despite significant reductions in defense spending, the Pentagon renovation project has enjoyed a steady flow of cash. In my view, the time has come to impose greater financial discipline on the Pentagon, just as the Pentagon has asked other military organizations to be more frugal. Too many of our military members are forced to work and live in unhealthy and unsafe conditions. We need to ensure that the renovation of the Pentagon does not jeopardize funding for other more urgent needs.

Many things have changed in this world since this 15-year-long project began, and I believe the Pentagon renovation plans can be better aligned with today's new realities. There are many factors which ease the impact of a reduced renovation budget. For example, the Department of Defense is downsizing. As the civilian military work force is steadily reduced, demands for work space have eased as well. Construction costs in the Washington, DC, area have fallen. Contract costs for the renovation have turned out to be considerably lower than originally estimated.

On one construction contract alone, for example, costs were 36 percent less than anticipated. Also, modern communications technology makes it unnecessary to have large staffs at the Pentagon to manage dispersed operations.

Mr. President, in 1990, Congress transferred responsibility for the operation, maintenance, and renovation of the Pentagon from the General Services Administration to the Secretary of Defense. Congress recognized that the serious structural problems in the Pentagon building had to be addressed without further delay, and we took this action to get the long overdue project moving forward.

Congress earmarked $1.2 billion that the DOD would have paid to GSA in rent for the next 12 or 13 years as a breakeven way to pay for the renovations. The $1.2 billion was not based on any projected cost of renovation, it was simply a sum that was available. This seemed to be a logical way to fund the renovation, so Congress provided the Department of Defense great flexibility in managing the project.

Mr. President, this $1.2 billion cap people need to understand, Senators need to particularly understand that this $1.2 billion cap which has been in the law for several years now does not include all the renovation costs. In fact, there are four categories of expenses which add substantial amounts to the total.

For example, the Pentagon estimates that the cost of buying and installing information management and telecommunications equipment will be another $750 million. This amount is not part of the $1.2 billion cap. Neither is the heating and refrigeration plant, the classified waste incinerator, the furniture or the 780,000 square feet of leased space for people who have to be moved during the renovation itself. The figure of $1.2 billion is, therefore, misleading. The expense of renovating the Pentagon easily will exceed $2 billion.

Last year, the Senate did pass essentially this same amendment that I am offering today to cut the Pentagon renovation expenses by $100 million. During the conference, unfortunately, the conferees agreed to eliminate that requirement and, instead, they directed that the Department of Defense review the renovation plans and recommend some cost saving options.

This review has been underway, I am informed, since March of 1995. The well-publicized review was supposed to produce a report which was expected in February of this year. We did not receive that report. On the 5th of June, the Armed Services Committee staff did receive a single-page memo which states that the Department has found a savings of $37 million and will continue to look for more.

A reduction of $37 million out of a total of $1.2 billion is not what I consider an aggressive response to our call to reduce costs, and the one-page memo is not what I consider a thorough analysis of options for reducing costs. Over the past 6 years, we have dramatically reduced defense spending and manpower without once reducing the funds for the renovation of the Pentagon.

Fifteen months ago, the Pentagon itself publicly announced its intent to reduce the cost of the project. The Department identified a new spending target only after last year's threat of a reduced cap and after I announced at the Readiness Subcommittee markup on April 30 that I would offer this same amendment this year if I was not convinced by the Pentagon's long overdue report.

Mr. President, that long overdue report is still overdue. I am not convinced that $37 million is the best the Pentagon can do in the way of savings. The only way in which we can force additional savings is to keep up the pressure and insist on more in the way of accountability for this very, very large project. That is what this amendment does. Americans have been asked to tighten their belts. They expect no less from their Government. The Pentagon needs to be expected to do the same.

I yield the floor.

YEAS AND NAYS VITIATED—AMENDMENT NO. 4274

Mr. BYRD. Mr. President, I ask unanimous consent that the order on the yeas and nays on my amendment be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 4275

Mr. THURMOND. Mr. President, I want to say to the Senator that we think he has a meritorious amendment, and we will accept it.

Mr. NUNN. Mr. President, I urge the adoption of the Bingaman amendment and, as I have already done, I urge the adoption of the Byrd amendment.

The PRESIDING OFFICER. If there is no further debate on the Bingaman amendment, the Senate will proceed to vote.

The question is on agreeing to the amendment.

The amendment (No. 4275) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 4274

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 4274) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. I believe Senator BINGAMAN has an amendment.

AMENDMENT NO. 4276

(Purpose: To repeal the permanent end strengths)

Mr. BINGAMAN. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 4276.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 402 and insert in lieu thereof the following:

SEC. 402. REPEAL OF PERMANENT END STRENGTHS.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 691.

Mr. BINGAMAN. Mr. President, this amendment that I have just sent to the desk would propose to repeal a provision that was adopted in last year's defense authorization bill. That provision makes it the permanent law of the land that we will have at least 1,445,000 active duty military personnel, including at least 495,000 in the Army, at least 395,000 in the Navy, at least 174,000 in the Marine Corps, and at least 381,000 in the Air Force.

That is a permanent provision of law that we added last year. The provision states these "end strengths . . . are the minimum strengths necessary to enable the armed forces to fulfill a national defense strategy calling for the United States to be able to successfully conduct two nearly simultaneous major regional contingencies."

The provision gives the Secretary of Defense only half a percentage point leeway in meeting these minimum active duty levels. Even if the Secretary of Defense, in any given year, persuades Congress to go to a lower end strength level, under the provision which is now permanent law, the following year the Secretary is again bound to the 1,445,000 end strength level unless he again asks and again Congress agrees to approve a waiver.

Mr. President, it is just bad law. The committee has included a provision in the bill before us that makes it minimally tolerable in the coming year by giving the Secretary of Defense not half a percent leeway but instead a 5 percent leeway for each of the services. The committee report points out that "the committee has found that one-half percent flexibility is not enough, is insufficient to prevent the services from taking short-term management actions that may adversely affect service members, solely to meet the assigned end strengths at the end of the fiscal year."

Mr. President, every year since I came to the Senate, section 401 of the defense authorization bill has established a maximum active duty end strength for each of the services. That seemed to me to make some sense. Last year however was the first time in memory that Congress established a minimum active duty end strength as well as a maximum.

In this coming year the minimum and maximum will be identical, or almost identical, for three of the services, the Army, the Marines, and the Air Force. This makes no sense from the point of view of running a personnel system.

This provision in permanent law is not just bad personnel policy; it is fundamentally flawed in its ties to the Bottom-Up Review and the need to "successfully conduct two nearly simultaneous major regional contingencies." This is the only place that I am aware of where the Congress has chosen to memorialize the Bottom-Up Review in permanent law.

During the debate we just had a few minutes ago on the Coats-Lieberman amendment, which mandates a new strategic review to replace the Bottom-Up Review, we heard a great deal of criticism of the Bottom-Up Review and its underlying assumptions. I agree with that criticism.

How then, assuming that criticism is accurate—and the vote certainly would reflect the Senate agrees that the criticism is valid—how do we justify leaving this provision in title 10 of the United States Code the permanent law of the country, when we know that next year, whoever is President, the Bottom-Up Review will be overtaken and the two major regional contingency assumptions will be history?

Mr. President, let me remind my colleagues that the Republican Congress and the President are fundamentally in agreement on the total resources this Nation will devote to defense in the coming years.

Let me just show a chart here that makes that point very dramatically, I believe. I know we hear a lot of rhetoric on this Senate floor about who is stronger, which of the parties has the strongest position with regard to our national defense, but this chart makes the case, I think very persuasively, that spending between fiscal year 1997 and 2002 under the President's budget as scored by the CBO and spending under the final Republican budget resolution is essentially indistinguishable.

The total spending increase over the 6 years proposed by the Republicans is $18.6 billion, with $11.3 billion of that coming in the first year. When you go through all the different numbers, Mr. President, it is clear that we have less than a 1 percent increase difference. This is the dire emergency that we have heard discussed in reference to spending. It turns out that President Clinton was 99 percent right on defense spending levels according to the Republican defense spending plans, if not according to their defense oratory.

Mr. President, the central justification which has been made for much of the additional money that is being added to this bill is that the Pentagon is underfunding modernization of our military. The bill that we have before us adds about $7.7 billion in procurement, about $3.7 billion in research and development. We have heard often during debate on this bill about the Joint Chiefs' $60 billion target for procurement and how short the bill is in meeting that goal, even with the additional money that we are adding in.

The fact is that the Republican outyear defense budgets will never reach that target either unless there is a significant additional drawdown in military personnel on the order of several hundred thousand active duty personnel. The fact is the Republican deficit hawks who put a premium on balancing the budget by 2002 have won the battle, the budget battle, over the Republican defense hawks. But they have generously granted a 1-year reprieve, one last spending spree to the defense hawks in an election year.

Mr. President, this does not make sense. You cannot say that you are going to balance the budget, that you are going to increase funds for modernization and for quality of life and for readiness, and you are going to keep the active duty force level at 1,445,000.

The Republican budget resolution does not add up, nor, for that matter, does the President's defense budget. What is going to give, I predict, whoever is President, has clearly got to be the force structure level.

Mr. President, I favor modernization of our Armed Forces. I favor quality housing for our troops. I favor providing full pay raises to our forces. I favor long-term research to help keep our forces at the forefront of this "revolution in military affairs."

I favor investments in the mobility of our forces and maintaining the readiness of our forces, although I welcome the efforts that have been made to look at tiered readiness.

But for this Senator, all of these priorities—modernization, pay, housing, readiness, mobility and research—all of them take precedence over the size of the force structure within constrained budgets. The Nation needs a well-equipped and well-paid and well-housed and highly mobile military to deal with the reduced threats of this post-cold-war world. It will be a smaller force than the Bottom-Up Review force. We will not have 1,445,000 active duty personnel.

We all know that that is where the Pentagon is headed next year, whoever is elected this fall. Under the bill that we have before us, we are going to put off until next year, perhaps even the year after, any serious discussion about future force requirements. We are going to put off any serious discussion about necessary trade-offs between force structure and modernization and readiness within budget constraints. This year this bill proposes one last shopping spree before we cut up the credit cards. That is not what we should be doing.

Mr. President, by passing my amendment and by repealing the provisions from last year's authorization bill that mandates the 1,445,000-person active duty force in permanent law, the Senate would spur a debate on these trade-offs. If we do not repeal the provision this year, we will be doing it next year or the year after. It is only a matter of time. I urge the adoption of my amendment. Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to oppose this amendment.

This amendment would repeal the end strength floors enacted in the National Defense Authorization Act for fiscal year 1996. The goal in establishing these floors was to prevent the Department of Defense and the administration from sacrificing active duty strength below levels necessary to successfully prosecute two major regional contingencies in favor of other budget priorities.

Earlier this afternoon, we debated and adopted an amendment offered by Senators LIEBERMAN, COATS, MCCAIN, NUNN, LOTT, ROBB, THURMOND, and others which called for a commission to review the national security strategy and to recommend a new, requirements-based force structure plan. I support that amendment and I think that repealing the active duty end strength floors before such a force structure review is completed would be premature.

Mr. President, just to set the record straight, I want my colleagues to understand that the uniformed personnel chiefs have not opposed the end strength floors. The floors are set at the level requested in the administration's Bottom-Up Review. This number represents the end state of the defense downsizing. No military or civilian leader in the Department of Defense has requested more reductions to our active force during testimony before our committee. Section 401 of the defense authorization bill we are now debating provides the services the flexibility which the uniformed personnel chiefs requested.

Any further reductions to military strengths must follow congressional concurrence with a new force structure review and a comprehensive revision to the roles and missions of our Armed Forces. Repeal of the active duty end strength floors in the absence of such reviews and recommendations would be foolhardy and ill-advised. I urge my colleagues to oppose this amendment.

Mr. President, I thank the chair and yield the floor.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I am persuaded that my amendment would substantially improve the bill if it were adopted. I think the legislation in the bill, the permanent law we are dealing with, is not appropriate for the time we live in and not appropriate for the budget constraints that we realistically have to deal with. I am also well aware that in this even-numbered year, it is very difficult to get the necessary majority to vote for an amendment such as the one I have proposed here.

One of the real fears of many in this body, I am sure, is that they might in some way be viewed as being soft on crime or weak on defense. I do not in any way think that my amendment is a signal that a person is weak on defense. I think it is a sign that a person is realistic about the resources that we have to devote to our national defenses, and that both the President and the Republican leadership here in Congress have committed to devote to our resources over the next several years.

I think we would be well off to get on with the repeal of these minimum force provisions that are in permanent law. I recognize, though, that with the opposition of the leadership of the Armed Services Committee on this issue, that we would not prevail with this amendment. For that reason, I will withdraw the amendment and keep it for another day when we will have a greater opportunity to prevail with it.

At this point, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 4276) was withdrawn.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from New Mexico for withdrawing the amendment.

NATO SECURITY INVESTMENT PROGRAM

Mr. CAMPBELL. Mr. President, as we consider the fiscal year 1997 Defense Authorization bill, I would like to take this opportunity to point out our financial and security investments in NATO.

Too often, Mr President, we in Congress find ourselves in the position of having to justify to our constituents the rationale for providing foreign assistance, particularly during a time when budgetary constraints are hindering what we can do right here in our own home towns. For this reason, foreign spending often has become negative and is distorted in the public eye. While this is an understandable concern, few recognize just how much the United States benefits from its financial investments and active participation in foreign activity. The NATO Security Investment Program is a model that readily defies this negative image and I would like to highlight this for my colleagues today.

The NATO Security Investment Program, which sustains the NATO Alliance facility operations and technical requirements, supports U.S. security and economic interests, while providing an impressive commercial return on our investment. Where the United States has invested approximately $1 billion in the NATO Security Investment Program over the past 5 years, U.S. businesses have enjoyed a total of $1.7 billion in high-tech contracts. During this same time period, a $25 million investment of U.S. dollars yielded $100 million worth of military construction contracts which were awarded to U.S. companies. In fact, nearly 40 percent of all NATO high-tech and communications projects are awarded to U.S. contractors.

This current rate of return continues to grow and benefit the U.S. economy. Right now, there are 12 NATO contracts under way which total $73 million in returns for U.S. companies, significantly impacting five States. In the upcoming years, there will likely be 10 NATO projects awarded to American contractors in five States which will total nearly $169.8 million.

Since the collapse of the Warsaw Pact, the NATO alliance has undergone fundamental and significant changes as its strategy has shifted from a stationary defensive position to a lean, responsive body, capable of handling a variety of challenges. With the drawdown and overall mission redefinition complete, the NATO alliance has embarked upon several projects and operations that will refocus NATO's efforts throughout the European theater. These operations need our strong financial support.

Opposition remains, however, as many continue to argue that with the end of the cold war should come a decreased need for U.S. military dollars abroad. This position is readily refuted, when one considers the truly surprising financial opportunities and benefits that exist for our economy within these operations.

We must continue to recognize the tremendous tangible rewards that are generated by our leadership and participation in such foreign investment. These figures clearly reflect the direct benefits and future potential of our involvement in NATO, not only in terms of security but in economic terms as well. I would encourage my colleagues to observe and remember the many benefits the United States is afforded through our involvement in the NATO alliance.

AMENDMENT NO. 4277

(Purpose: To state the sense of the Senate relating to the apparent inappropriate use of Federal Bureau of Investigation files)

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report the amendment.

Mr. GREGG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. FORD. Mr. President, I object.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

At the appropriate place, insert the following:

SEC. . (a) The Congress finds that—

(1) Federal Bureau of Investigation background files contain highly sensitive and extremely private information;

(2) the White House is entrusted with Federal Bureau of Investigation background files for legitimate security purposes but it should ensure that any files requested are needed for such purposes and that these files remain confidential and private;

(3) the White House has admitted that the personnel security office headed by Mr. Livingstone inappropriately requested the files of over 400 former White House pass holders who worked under the past two Republican Presidents;

(4) Craig Livingstone, the director of the White House personnel security office, has been placed on paid administrative leave at his own request;

(5) the President has taken no action to reprimand those responsible for improperly collecting sensitive Federal Bureau of Investigation files; and

(6) the taxpayers of the United States should not bear the financial responsibility of paying Mr. Livingstone's salary.

(b) It is the sense of the Senate that the President should terminate Mr. Livingstone from his position at the White House immediately.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I do believe it is appropriate for us to discuss this issue at this time. It is very obvious, in my opinion, and I think the opinion of many in this Chamber, that something unusual and inappropriate and——

Mr. FORD. No more votes tonight.

Mr. COATS. Mr. President, could we have order in the Senate, please.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GREGG. More than 400 names, with FBI files, have been requested by the White House, pursuant to what appears to be the request of the director of the White House personnel security office. In this instance, this is clearly a violation of a proper handling of the most sensitive information about individuals who have worked for the Government or who may be politically active.

It appears from all press reports that these files represented primarily Republican members or Republican individuals who identify themselves with the Republican Party. The fact is that has created a clear concern amongst not only those people whose files were requested, but I think amongst anyone who is interested in the proper functioning of a democratic Government.

The issue here is, at what point can the police powers of the State be used for purposes of investigation which exceed the legitimate purposes of the White House or some other agency of the Government? The issue here involves the question of, when does the police power of the State, when abused, significantly abridge the rights of individuals and citizens of the country, because this information was collected under the authority of the police power, the FBI. But how information regarding 400 individuals, many of whom had not been involved in any form of White House access for years, could be legitimately requested by the White House raises very significant and serious questions. There is no doubt, really, that what happened here was some sort of, at the minimum, fishing expedition for information, and one suspects and is concerned that the goal and the purpose of that fishing expedition was not involved in the necessary function of access to the White House, because a large number of the people on this list involve people who had no active involvement with the White House and who, clearly, had no potential future active involvement with the White House. And, therefore, to obtain this sort of information on them makes no logical sense in relationship to the purpose of the security office of the White House. So what you have is a very serious issue of the proper usage of information, which had been developed by the FBI, or the police power of the State, in the functioning of the Government.

It has become pretty obvious from this exercise that at least one individual is primarily culpable for this action—this action which is not defensible. In fact, the White House has said it was not defensible. In fact, the White House has used terms such as "inexcusable." I believe the President has even used that term. Clearly, the Chief of Staff has used that term. But that individual continues to be paid by the taxpayers of this country. He was not asked to leave. He is on self-requested administrative leave, I believe. So your tax dollars, my tax dollars, the American people's tax dollars, and even the tax dollars of those 400 folks whose files have been gone through in this manner, are being used to fund the salary of this individual. That seems, to me, to be not only incredibly ironic, but extraordinarily inappropriate and inconsistent with the policy stated by the President when he was running for this office.

When the President was running for office, if people will recall, there was an incident that occurred at the State Department that involved the review of the passport file of the then-candidate, Governor Clinton. At that time, he stated with considerable and, I think, appropriate outrage that had such an incident occurred, or should such an incident occur during his administration, that person would be—the person responsible for that action—quickly terminated.

Well, not only has the person responsible not been quickly terminated, but the person responsible is now actually being paid by the taxpayers of this country his full salary. That is wrong.

I think it is wrong on all sorts of levels, but it is wrong on the issue of logic. It is wrong on the issue of fairness to the people whose files were gone through, but, most importantly, it sends the wrong signal on a matter of this seriousness. He should have been fired outright, as I think the President suggested when he was running for office. There is no question about that. That would have been the proper course of action. But, at the minimum, he should not have been able to request administrative leave. He should have been put on leave by this White House, without pay. What has happened, however, is just the opposite. He was put on leave at his request, with pay, an action which one has to question rather significantly.

Now, let us review again what happened. There were 400 names—maybe more, we are not absolutely sure yet—which were requested by the director of the office of White House personnel security. Now, the director of White House personnel security has the obligation, under the White House rules, to manage who has access to the White House. Traditionally, that post has been under the direction of career individuals, people who specialize, through their activities in the Government, in the management of security for the White House. That has been the traditional individual who has managed that office.

However, with the ascension of President Clinton to this White House, there was an individual appointed as director of the office of personnel security named Mr. Livingstone. It has been reported, rather widely, that Mr. Livingstone's basic experience was as a political operative within the campaigns of several different candidates—the President's candidacy, obviously, but I believe even the Vice President's candidacy at one time, and I believe he also worked for former Congresswoman Geraldine Ferraro. His basic purpose was to manage political affairs and security within the campaign structure. So he was moved into this position of director of the White House personnel.

It has, again, been reported that, in that position, he reported to a series of people within the White House, many of whom also managed political activity within the White House. That, of course, raises the question of, what is the proper way to manage this office? But that is a secondary question. The primary question was, why would this individual have requested these 400 files on these 400 individuals, almost all of whom are Republicans?

FBI files, by the way, are very unique files. They are not a credit union file. They are very serious reviews of a person's activities, going into all sorts of background checks that are extraordinarily substantive. The FBI, if nothing, is one of the most thorough investigative organizations in the country. They are not a credit union report. In fact, FBI files are so seriously viewed that when I, as a Member of the Senate, asked to look at an FBI file of a person nominated for a position, which is subject to senatorial review—for example, say, the Surgeon General—before I could look at that file, I have to request that file of the FBI, the FBI has to clear that request through the White House, and then a White House individual, who is designated by the FBI—and they may actually work for the FBI; I am not sure which, because sometimes I think it differentiates—in any event, a person from the White House physically comes to my office, or I go to their office, and sits with me while I review that file. And I am only allowed to review that file by myself. I am not allowed to make any copies of anything in that file. I am not allowed to in any way reproduce any part of that file. While I review that file, sitting directly across from the table is this handler of that file—usually a White House individual but I believe a detailee of the FBI at the White House.

So it is not a casual event that somebody looks at an FBI file. It is not a casual event at all. It is a very seriously viewed event. It is that way because these files are so in depth and because they involve such a totality of information about the person whose name is in that file. These same types of files are no different from the one that I must sit in an office and review by myself with a member of either the FBI or the White House present. These same types of files are the exact types of files which were sent down to the White House en masse—400 of them approximately—and kept there under the auspices of the Director of White House Personnel for Security, Mr. Livingstone.

You would ask: What would he do with those 400 files as security officer? Logically, if somebody was going to come into the White House, the White House has every right to say, "We have to check out who that person is. We have to know who that person is. We have to know their background for security reasons."

So they have every right to an FBI file on individuals who are seeking access to the White House. But these 400 names were not people who had asked to get into the White House. That is the point. They had not asked for it. They were not seeking access. Many of them never expected to return to the White House in their life even for a tour, I do not think. Some of these 400 people were just folks who had a job there when Ronald Reagan was President or when George Bush was President; did their job, and had gone home. Some of them were national figures of fairly significant notoriety. But the one thing they had in common was that almost all of them were not seeking access to the White House.

In fact, one of the interesting questions here is, "Well, where did the list of 400 names come from if they had not actually asked to get into the White House?" Nobody appears quite clear on that. There was an indication, initially made by Mr. Livingstone, that the 400 names came off the list that he had been supplied by the Secret Service. But the manner in which these names were listed and the manner in which the files were requested is inconsistent with the Secret Service's filing system. They do not have a list of names which go from A to G—which are the names involved—that meets the identification or would be listed in the manner in which they are requested by the White House security. They do not have them in that form. So it was not the Secret Service which had brought the list of names forward. Rather, it was very clearly some other manner in which these names had evolved.

So, as a practical matter, what we have is a situation where a group of names were requested, 400 names with their FBI files, and the responsibility for that request—which was totally inappropriate, which was out of the normal mode of operation of the White House security office, and which was inconsistent with the rights of these individuals whose names were in these files —was under the auspices and management of the Director of White House Personnel and Security, Mr. Livingstone.

For the moment all roads, therefore, lead back for this rather incredible act of disregard for the constitutional rights of American citizens to Mr. Livingstone. And one must conclude that when the President said—or his spokesperson, Chief of Staff, Mr. Panetta, said—it was an inexcusable act, that it was just that and therefore it should not be excused. What do you do when you have an inexcusable act? You do not excuse it. You do not reward it. You do not say, "Well, we are going to continue to pay you. You did an inexcusable act, and we are going to continue to pay you." No. You should fire the person, and you should terminate their pay. But in this instance that has not happened.

So the taxpayers I believe have a right to ask: Why has this individual not been terminated? Why has his pay not been terminated? What is it that this individual has done which justifies him to continue to be paid by the taxpayers of this country? Even if you are not going to fire him, you should at least put him on leave without pay.

I suppose by some contorted manner of logic you could argue that he should not be fired. It would be inconsistent with what President Clinton had originally suggested during his campaign for the Presidency. But let us assume that was the decision that was made. But clearly, if he is going to be put on leave, he should not be paid.

I am not the only person that has reviewed this. In fact, I have sensed that on the other side of the aisle there is a fair amount of consternation about what has happened here, and I believe that is reasonable because there are good and decent people who are concerned about the status of the Constitution; many. All of us in this Chamber are. Some have reviewed and evaluated this situation and have said, "Listen. This individual should be fired." I believe the Senator from Illinois has made that statement on occasion, and I believe the Senator from Vermont has also.

So it is not a partisan position. It is simply a logical position that, if someone has acted in this manner, they should not be rewarded with taxpayer dollars.

Do we have the capacity in this bill to terminate him? Do we have the capacity to fire him? Do we have the capacity to say he should not be paid as a matter of law? Well, we might, I suppose. But it would be very hard and complex, and it would be tortuous to do that.

So rather than make it an amendment that would have the force of law, I have simply suggested that as a sense of the Senate we go on record and say that we feel that this individual should no longer be paid by the taxpayers of the United States. We are basically suggesting that what is right should be done. And it is not unreasonable to seek to do what is right.

This is such an obvious point—that what is appropriate and right almost should go unsaid. It should not have to be said. There should not have to be a sense of the Senate on this point. The President should have just done it just like he suggested that he would during the campaign. But in this instance that has not occurred.

So I believe it is appropriate that we take up this sense of the Senate. As a result, I have brought it forward at this time. I recognize the consternation this may create, and I certainly wish to apologize to the leader of the Armed Services bill, the Senator from South Carolina, who I greatly admire, and, as does everyone in this institution, hold in absolute esteem. But the vehicle to bring this up is the only vehicle that is on the floor. And if it were not brought up on this vehicle it would not be able to be brought up probably for weeks—certainly until after the Fourth of July recess, and maybe not even then. Thus, I feel that I should go forward at this time. And thus, I have.

At this point I would ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Several Senators addressed the Chair.

Mr. THURMOND. Mr. President, if the Senator will withdraw it for just a moment.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

AMENDMENT NO. 4277, WITHDRAWN

Mr. GREGG. Mr. President, in order to move the process along, and in order to help the Senator from South Carolina, whom I greatly admire, I have decided at this time to withdraw my amendment. I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 4277) was withdrawn.

Mr. NICKLES. Mr. President, one, I compliment the Senator from New Hampshire for offering this amendment. This amendment deals with the issue of Filegate. It is not related to the Department of Defense bill. The chairman of the Armed Services Committee, Senator THURMOND, requested that he set this amendment aside or withdraw it so we can move ahead with the Department of Defense bill. I understand Senator THURMOND's request. Senator GREGG has assented to that request. But I think his amendment is an important one and it is a timely one.

There were very serious actions or deeds taken by officials in the White House that are very troubling. Over 400 FBI files were requested and received by White House officials, almost all of which are on Republicans who previously worked in the White House. They were requested in December 1993 and beyond so, in other words, all those officials had left the White House at least a year before, some quite some time before that. Yet, FBI files were requested as if for access to the White House, when those individuals did not need access to the White House.

That is a serious problem. It may have been a crime. I remember one individual became somewhat famous during Watergate. Chuck Colson went to prison for misusing or disclosing an FBI file. FBI files are very privileged information. I know in my tenure in the Senate I have only seen them a few times, primarily on judges for confirmation or possibly U.S. attorneys or marshals or something.

But I remember, every time we had an FBI file brought to my office, it was for my eyes only. While I had access to that FBI file I did not Xerox it, I could not make notes from it. I was not entitled to take that file home. I was not entitled to keep it in my office alone. During access to that file, there was an FBI agent present or a Senate staff person who had a particular clearance. So in other words, in the Senate we really protect FBI files, as we should. The files are locked up. They are not opened for staff. They are not opened for rummaging through the files. As a matter of fact, it is against the law to do so.

The Privacy Act, which was passed post-Watergate, was passed to protect individuals, to make sure that those files would not be misused or abused. That information should be kept secret for very limited access purposes, to make sure that individuals that have very high security operations or needs would be cleared, to make sure there are no real problems.

This is maybe the most serious abuse of FBI files in history. It remains to be seen. The Senator from New Hampshire is saying that the individual primarily responsible for that, Mr. Livingstone—he is still on salary, still on paid vacation, I guess. He is on leave but he is being paid. That is troubling. The Senator had a resolution that said he should be terminated. He should be terminated. I know I have heard that not just from Republicans, but Democrats alike.

So, Mr. President, I compliment the Senator from New Hampshire for, one, bringing this issue to the floor of the Senate. I note there will be hearings tomorrow dealing with this issue. Mr. Livingstone, and others, will be testifying before Congress. This is important. It is vitally important that Congress get to the bottom of it, find out the information. But in the process, it is troubling to think that at least one of the individuals that was responsible for it is not only on leave, but he is also on paid leave, that he is on a paid vacation, I guess, at taxpayers' expense.

So the Senator from New Hampshire, I think, had a resolution that if we vote on—I might mention he has withdrawn it so the Senate can proceed. I ask our colleagues on the Armed Services Committee to return to the floor so we can conduct business on the DOD authorization bill. He has withdrawn it so we can proceed. He agreed to the request by Senator THURMOND, the chairman of the Armed Services Committee, to move forward.

I respect the Senator from New Hampshire for his willingness to do so. I respect the Senator from South Carolina for his desire to move this bill forward. He also has a right to reoffer it at a different time, just as the Senator from Arkansas has for an amendment dealing with pharmaceuticals. He offered it last week; he withdrew it. He has a chance to offer it again. That is his right. It may be germane to this bill to some extent but somewhat limited in its germaneness. It is my hope, too, that we will pass this bill.

So, again, I thank the Senator from New Hampshire for his action in bringing this issue to the floor of the Senate and also for his willingness to withdraw the amendment so we can proceed and move forward with this bill tonight and hopefully make significant progress on this bill tonight.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I also want to thank Senator GREGG. As a member of the Armed Services Committee obviously interested in moving this defense authorization bill forward, I appreciate Senator GREGG's willingness to withdraw the amendment. But I guess I join my colleague from Oklahoma in stating that it is a perfectly justifiable amendment given the circumstances of the situation.

I think a lot of us are feeling we do not quite understand what is going on down at the White House. The person in charge of the travel office, who is not political, gets fired because they want to put somebody who is political in the office; but the person who is political does not get fired. It seems to be kind of a double standard and a disconnect.

So Senator GREGG is pointing out something that I think needs to be addressed. I just appreciate the fact that he is willing to allow, in deference to the Senator from South Carolina and those of us who feel it is important to go forward with the defense authorization bill, the opportunity to move forward with this legislation.

But what is happening here is nothing more than what has happened to us. We have tried to move relevant legislation forward, and the Senator from Massachusetts and others insist on adding nongermane, nonrelevant amendments to every bill that the Republicans put on the floor. So, whether it is the minimum wage or whether it is the Glaxo issue, or whatever, there is a whole series of nongermane, nonrelevant amendments being offered to bills that everybody agrees need to be moved forward. So I think Senator GREGG is perfectly within his rights in offering that amendment. I think it is an appropriate subject for debate and discussion. I do commend him for recognizing the importance of the defense bill and being willing to withdraw it at this time.

I hope, Mr. President, that Members on the other side of the aisle will not now take the opportunity to continue the practice of offering nongermane bills, and I hope Members on this side of the aisle would also honor that from this point forward. It is a little tit for tat here. We spent 3 weeks, or a little less than that, trying to resolve an issue of a nongermane, nonrelevant amendment being offered on bill after bill after bill. We finally had a tortuous unanimous consent agreement—it probably set a record for the number of words or pages in that unanimous consent agreement—finally worked out by the new majority leader and the minority leader. Maybe the best thing we can do here is to agree to both move forward with the business at hand and then allow Members to take up these other issues.

Certainly the Senator from Massachusetts has the right to address the issue of minimum wage, but it ought to be done on a relevant bill. Certainly the Senator from Arkansas has the right to address the issue of the Glaxo-GATT matter, but it ought to be done on a relevant or standalone basis. Certainly the Senator from New Hampshire has the right to address what I think is one of the most fundamental ethical issues that we are dealing with at this particular time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I also want to commend the Senator from New Hampshire for offering that amendment. I know it is not germane to the defense authorization bill, yet I think it is important that we begin to discuss some very serious issues that I think deserve to be debated and discussed here on the floor of the U.S. Senate.

I was just made aware that the other partner in crime or potential partner in crime, Mr. Marceca, just announced that he has made available 300 additional files, in addition to the 481; there are now 300 additional files, some of them national security files, that he has now made available and has just showed up on an AP wire. This issue continues to get broader and broader and broader and more and more files trickling out. Frankly, not much has been said here on the floor of the U.S. Senate one way or another.

I can say this is an important issue. This is an important issue beyond the politics of it. It is an important issue of who has access to secure documents? Who has access to national security documents? And what are they doing with those documents? How to we treat people who do things with those documents? Who ordered them to do it? Who else knew about it? I like to think that Mr. Livingstone, maybe, was just a wild guy acting on his own, and Marceca was another one of these wild men who was off doing his own thing. I know a little bit about how things function in this town, and there are very few things that are run independently.

Now we are seeing this list getting broader and broader and information trickling out. We still have 2,000 pages under subpoena in the House that the Executive Office is claiming privilege over. By the way, they claim "privilege" over the original 1,000 documents, of which this file information was uncovered. If they claimed that under the original 1,000, what is in the 2,000 they are holding on to? Maybe some of these national security documents that are now being discussed or mentioned in these 2,000 documents being held by the White House under claim of Executive privilege.

I commend the Senator from New Hampshire for bringing this issue to the floor, for talking about the firing of Mr. Livingstone, but I do not think we want to make Mr. Livingstone to be the heavy here. The fact of the matter is this was a man who was trusted by very high-up people in the White House. George Stephanopoulos said this is a man who "knows how to get things done." If he only knew. Or maybe he did know. I do not know.

Those are the kind of things I think we should be discussing here and we should be investigating here. I think the Senator from New Hampshire's resolution was, frankly, pretty mild. I suspect if we had a public vote on that resolution—and the reason we are not having a public vote on that resolution is because, obviously, the other side does not want to debate or discuss this; they put in a quorum call, which means we have a time out and we cannot go back into play on the field here to move forward with our business until the other side allows us to go back into play. This institution would have been shut down the rest of the night as long as the Senator from New Hampshire's amendment was on the floor because they do not want to talk about this. They certainly do not want to vote on this. I suspect if there is a public vote on this, which is the way we do things in the U.S. Senate, it would pass 100 to 0. I do not think there are too many who would stand up and defend the conduct of Mr. Livingstone. I do not think the issue is that there are too many people over there that want to defend Mr. Livingstone.

The issue is that a lot of people do not want this to be the discussion on the U.S. Senate floor. I do not blame them. This is not a pretty subject, but it is a serious matter. It is a very serious matter, and it is not a political matter. Yes, there are political implications, I am not naive to that. But this is a very serious breach of security matter. The American public must have faith in their Government's ability to keep classified information just that, classified, and away from people for using it for dirty tricks or just for their own jollies, as may be the case here.

I do not know, maybe it was two rogue guys who were just having fun or maybe it was a bureaucratic snafu, where someone just made a mistake. But if someone just made a mistake, and I am the general counsel, and I am looking through these documents that were released just a few days ago, and I see in here that we have 481 documents that we should not have had sitting at the White House for a year at that time, when I am reviewing the subpoena request from the House and I see this, and I claim Executive privilege over this information for a year, then somebody else had to know something. It is not just these two folks running around having fun in the basement of the White House. Someone very high up said, "Yes, we know these documents are here. In fact, we will let them sit here for another year, and we are going to claim privilege over these documents." That someone, at least tacitly, is condoning what they are doing in the general counsel's office.

The American public has a right to know that people in the White House or in the Congress are not playing fast and loose with the private lives of ordinary American citizens. At the very least, that is what is going on here. I heard the Senator from Oklahoma talk about when he has reviewed FBI files. I have reviewed FBI files as a member of the Armed Services Committee. They do bring the files and they sit there with you while you review them. You cannot take notes, you cannot make copies, you cannot do anything with those files. If you have a question, you ask the question of the individual and they track down the answer for you. They do treat these things as very confidential because there is information in there that is not substantiated. It is a lot of hearsay in many cases. "A said this about B, who said this about this person." There is all sorts of stuff in there, and a lot of it is unsubstantiated, and probably some of it is false. It is a complete record. It is unedited. To have those laying around the White House or someplace for 2 years, 1 of those 2 years the information letting us know that those documents were there, was under subpoena, and they held it, that is serious.

To suggest the Senator from New Hampshire should not be able to come up here and debate that subject and get a decision on the part of the U.S. Senate when the evidence is very clear of what is going on here—we will have testimony tomorrow by these two gentleman who are going to tell their story, or maybe tell their story. We will see. I do not know whether they will tell their story. I hope they do. They will be there tomorrow. Maybe after we hear the testimony of Mr. Livingstone, maybe there will be a resolution that will be bipartisan that calls for his resignation or dismissal. Somehow, I think we need to send a message out of the floor here of the U.S. Senate that this is a serious matter that should be treated as such by a President, who I think right before the election said he would have the most ethical administration in the history of this country. Do you want to talk about a promise? That is a great promise. I will leave it to you to determine whether you think he has kept that promise, whether you believe this administration has been the most ethical administration in the history of this country, whether you believe it is ethical for members of the administration to gather FBI files on, conveniently, almost all Republicans and have them laying around the White House—private, confidential files, classified files—for 2 years.

As I said, that is only a third of the papers that have been asked for. There are still other documents out there that we are waiting to look at, which are being protected by the White House, which I suspect they consider more politically damaging. I think we have an obligation, not from a partisan perspective, but from the perspective of getting to the bottom line of what is going on here. Maybe all of those 2,000 pages will show the snafu, will exonerate the President, will exonerate everyone up and down the chain of authority there, that this was, in fact, what they are claiming—a little mistake. It would take a lot of paper—much more than 2,000 pages, in my opinion—to do that, but maybe it will.

So be it. But we should have that information. What is hanging over this investigation right now is a cloud of potential criminal activity. The White House knows if there is potential criminal activity discussed in those documents, they cannot claim Executive privilege. It is clear that they cannot claim Executive privilege if there is illegal activity involved in those documents.

So let us wait and see. Let us wait and see how this is going to play out. If there is any problem I have with the resolution of the Senator from New Hampshire, it is that it targets one person. I would suspect that what we are going to see here, as this issue develops, is that we are going to see everyone turn in their guns on Mr. Livingstone and Mr. Marceca. They are going to have horns and a little beard, and they are going to be the scapegoats, the bad guys. Everybody is going to point the finger at them and try to make them out to be the villains and the guys who did all the bad things here, and all of the rest of us are as pure as the wind-driven snow, and we did not know what the bad boys were doing all this time.

That is what, I guarantee you, will be the line. Once we find out this was not a snafu, that this was, in fact, a pretty bad happening, we will then turn from the snafu to the scapegoat. And they will stonewall and stonewall as long as they can, putting those two guys out front to take the fall.

Well, let us see what this body is going to do about it. Let us see how bipartisan we can be to get to the truth on something that has serious, serious liberties implications. Let us see how bipartisan we are going to be. Let us see how much we really want to find out the truth, or how much we want to protect for political purposes.

I am willing and anxious to see the bipartisanship on this investigation. I am anxious to see resolutions brought to the floor that have bipartisan support, which say that we need to get to the bottom of this, and we need to speak as one voice in the Senate and speak up for privacy rights of individuals and against unethical behavior in the White House.

When I start to see some of that happening, then maybe we will not have to have these little breaks in time here on the floor. Maybe we would not have to have a shutdown like the one that occurred this afternoon, the shutdown of this bill, which is a very important bill to this country, the defense authorization bill. Maybe we will not have to see a shutdown. Maybe we will see true cooperation for the betterment of this country, instead of a continual, well, let us try to put this behind us. There is an investigation going on, and let us not deal with this. Let us not talk about it. Let us not put it before the American public so that they know what the heck is going on. Let us not tell them what is really at stake here, and what classified files really mean.

Mr. President, I think we do need to talk about that. I think the American public needs to know what is involved in these documents, what is involved in the law. I hope that Members who certainly know the acts better than I do, who are on the Judiciary Committee, will come here and actually talk about that, talk about what is involved. I know many Senators have done so. I think it needs to be explained more.

This is a serious problem, and the Senator from New Hampshire, who, I would say, somewhat courageously stood up and took the risk of getting some missiles fired at him—which was done—did so. But I think he did so to let it be known that this is not an issue that we believe is exempt from discussion here on the Senate floor during this very important time.

So I am anxious to see what happens tomorrow. And maybe depending on what happens tomorrow, we may be back here on the Senate floor with further discussion and possibly other kinds of resolutions that express the sense of the Senate, or even do more than that, with regard to this situation. It is one that I hope we can deal with in a bipartisan fashion, as I said before. If the Senator from New Hampshire actually had a chance to have a vote on his resolution, I think if the vote was public, it would be 100 to 0—even if it was private, it would be 100 to 0. That is how most Members feel about it.

Most Members feel very uncomfortable about this. I am not asking them to defend this. There is a reasonable side to say that the jury is still out, and let us wait and see what happens, let us not draw conclusions from everything. I think, certainly, from the evidence revealed so far, we have some very serious problems here that need to be addressed, and I hope this body will be as active in pursuing that oversight responsibility that we have as the House of Representatives Government Oversight Committee.

I want to commend my colleague from Pennsylvania, someone whom I have known for a long, long time, BILL CLINGER, the chairman of the Governmental Affairs Committee over in the House of Representatives. I had the honor, as a college student at Penn State, to work as an intern for BILL CLINGER. He is someone who I think, frankly, is seen in the House as being beyond partisanship. BILL has been a stand-up guy, who is not engaged in partisan activities. I think maybe more than any other Member over there, he has the ability and legitimacy to take on this issue in a very fair-minded way. I think he has done that. BILL CLINGER does not pursue things unless he believes there were some misdeeds. He pursued it, and he pursued it honestly and forthrightly. He did not make partisan statements during that time. He stuck to his guns, stuck to the facts, and he has done an outstanding job. I am only disappointed that he is not running for reelection. I hope he does so, and that he finishes his term in the same manner that he has conducted himself—keeping to the facts, keeping on this case, and following through to its conclusion.

Thank you, Mr. President.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, normally they serve sandwiches and coffee following a political speech. We have had four of them. Although the Senate is not a Republican precinct convention, and it would violate the rules to serve sandwiches and coffee, one would almost expect that following the speech we have been treated to.

I come from ranching country in western North Dakota. I am thinking of the old phrase, "All hat and no cattle." It is kind of interesting to listen to this discussion. The last speaker just told us that he has registered his verdict on a whole series of issues, and now tomorrow he is going to a committee hearing to hear the evidence. That is a new approach, I guess, to making judgments about things.

One hour ago this Chamber was filled with Senators. In these six seats sat the chairman of the Armed Services Committee, the ranking member of the Armed Services Committee, and their staff. We were voting on defense authorization amendments. Senator BYRD offered an amendment. Senator BINGAMAN offered an amendment. We had other amendments. We were working on a series of amendments on the defense authorization bill. Some of us thought that those who said they wanted to finish this bill were serious and we were interested in getting the work of the Senate done and offering amendments to this bill.

Then a Senator, perfectly within his rights, jumped up and offered an amendment that had nothing at all to do with this bill but had instead to do with an issue dealing with the White House. In four subsequent speeches, four Members of the Senate used the time of the Senate sufficiently so that now nearly 2 hours later the Senate is vacant. There will be no more business tonight. There will be no further votes tonight. There will be no further work done on the serious business of the defense authorization bill.

But the accomplishment was that four relatively political speeches were made on the floor of the Senate. It is an election year. It is June. The election is in November. We understand it all. I am not divergent about all of this. I understand. Everyone has the right to do this. But you do not have the right, it seems to me, to complain that you are not getting anything done if you are causing the circumstances to avoid getting things done.

Last week on this bill we were treated to an amendment—and I think a several-hour debate—about whether Pennsylvania Avenue in front of the White House should be opened or closed; a very significant military issue apparently. Or was it an issue that had nothing at all to do with this bill? I think it was the latter.

The issue has been raised about files at the White House. I would say this—I think the President would say this if he were standing on the floor of the Senate: If anyone has been guilty of wrongdoing, if laws have been violated, if people have abused their privileges with respect to those files, they deserve to be fired—end of story; no excuses. As all my colleagues know, we have an independent prosecutor, an independent counsel, now at the request of the Attorney General conducting an investigation at the White House, hopefully as we speak. If it is discovered that anyone has abused those files, or misused information in the files, or requested files that were inappropriate, or done anything in any way that would lead the American people and Members of Congress to believe that they have not behaved properly, I fully expect this President to discharge them and to do so immediately. But that is not what this is about.

There is one common element between all of the Members who spoke—myself, my friend, the Senator from Kentucky, and the Senator from West Virginia. There is one common element that binds us all together tonight; that is, none of us know the facts. We are going to. But we do not know because there is an independent investigator trying to understand what those facts are. If ignorance is bliss, this place must be ecstatic on this issue. None of us understand the facts. Get the facts, get them quickly, understand them, digest them, and then take appropriate action.

But that is not what this was about. This was about something much different from that. We have for a number of months here in the U.S. Senate seen an agenda in the Senate that wants to stay away from things that really affect families and their circumstances as they try to work every day, do their business, and take care of their needs.

That is not what the agenda has been on the floor of the Senate by the majority party. One aspect of being in the majority is that you control the agenda on the floor of the Senate. You decide what comes up and when it comes up. The fact is the majority party did not want the minimum wage to come to the floor of the Senate.

Some of us suggested the last time there was an adjustment in the minimum wage was in 1989. Those who work at the bottom rung of the minimum wage economic ladder, 40 percent of whom are the sole breadwinners of their family out working hard trying to make ends meet, those people have not had an adjustment in 6 years. Some said maybe it is time for at least a modest adjustment on the bottom. We have folks on the top getting adjustments worth millions. They downsize, fire 20,000 people and get a $4 million raise; that is, the folks at the top of the economic ladder.

We ask whether it was not reasonable that the folks at the bottom of the ladder, the kind of people that I referred to in some letters I used the other day who work at the bottom of the ladder for minimum wage—the woman who told me that they had lost everything in a fire in their trailer house. They had sickness and problems in their family. She works. Her husband works for minimum wage. She says,

> I don't know how I am going to tell my two sons who want to play summer baseball that I do not have the $25 that it requires as a fee to sign them up let alone buy them baseball gloves.

That is the daily story of people at the bottom of the economic ladder.

We said that we would kind of like to see an adjustment after 6 years. But they do not want that on the floor of the Senate.

So for 4 months we have been wrestling with the notion of whether we could bring to the floor of the Senate a modest adjustment that helps those at the bottom of the economic ladder. For 4 months we are the ones that have advanced this legislation saying that we ought to do something about health care.

We finally passed the Kennedy-Kassebaum health care bill that says you can take your insurance with you when you move from job to job so you are no longer held prisoner in a job because you are going to lose your insurance. It says you are not going to be able to be denied insurance because of preexisting conditions. It is the right thing to do. But do you know what? That is being held hostage because we have people saying we are not going to let you pass that bill that millions of American families need unless you agree with us on these things called medical savings accounts, and if you do not agree with us, as far as we are concerned, they say, we are going to hold that bill hostage.

So they would deny the opportunity to get a minimum adjustment on the minimum wage at the bottom of the economic ladder, deny the opportunity of families to have the kind of health coverage and protection that will be allowed them under the Kassebaum-Kennedy bill. What they say is, Well, we want tax cuts. So we say to them, All right, you want tax cuts. We think we ought to reduce the deficit first. Let us reduce the deficit first and then let us talk about tax cuts. They say no, they cannot do that. We want tax cuts. We want to cut Medicare to give you tax cuts. We said, Well, look, is there any common ground at all? How about agreeing with us on this? How about agreeing with us that you will limit the tax cuts to those families earning $100,000 a year or less? They said no, we will not agree to that at all.

We had a vote, a partisan line vote. We lost. We say, Well, what about at least agreeing with us that you limit the tax cuts to those families making under a quarter of a million dollars a year and less? No, we will not agree to do that. We insist people above a quarter million dollars a year get a tax cut as well. All right, we said. At least could you agree that at a time when we are up to our neck in debt trying to reduce the Federal deficit, at a time when you are saying that 60,000 kids, all of whom have names, aged 3 and 4, living in homes of low income and in difficult circumstances, you are going to say to them we cannot afford to keep you on the Head Start Program, Timmy, Tommy, Jane, we are going to kick you off the Head Start Program, a program that we know works, a program that we know improves their lives; cannot we at least agree when you are suggesting that we will not give tax breaks to families whose incomes are over $1 million a year, at least limit the tax cuts to families $1 million a year and less? Do you know what? The majority voted no. Said, no, we will not limit it. Why? Because the package of tax cuts that they truck into this Chamber is a package of tax cuts that have very, very generous plums to some of the richest, the wealthiest families in this country, at a time when we have a deficit problem, at a time when we are telling children that we cannot afford them on the Head Start rolls, at a time when they are saying that it ought not be an entitlement that a child be eligible for Medicaid, at a time we are saying that it ought not be an entitlement for a poor kid to get a hot meal in the middle of the day at school because we cannot afford it. But we can afford to give a family that has $10 million a year in income a big tax cut?

That is the agenda that they do not want discussed. Instead, what they want to do is talk about extraneous issues, nongermane amendments offered to this bill and that bill in order to take us over into this political corner or that political corner.

I have been trying to offer an amendment for some long while that I would have hoped one of these days I could get passed. It defies imagination that we actually say to companies in this country, shut your doors, close your company, fire your workers, and move overseas and hire a bunch of foreign workers and ship your goods back to America. Guess what? If you do that, we will give you a tax break.

Yes, that is right. That is what our Tax Code says. Move your plant overseas. Get rid of your American workers. Hire foreign workers. Make the same product and ship it back, and we will pay you to do it—$2.2 billion in 7 years. We will pay you to do it. But you think we can get that amendment, the amendment that shuts down that insidious tax break, that actually pays companies to move jobs overseas, do you think we can get that back in this Chamber to get rid of that tax break? No, because that is not part of the agenda. You see, that tax break inures to the largest multinational companies that no longer say the Pledge of Allegiance, that are international corporations, and whatever they want—if they have a headache, we want to treat them. If they have a shoulder ache, we want to give them an aspirin. That is the attitude of the majority party.

Let me conclude by saying there will not be any wallflowers in this Senate, in my judgment, on the issue of protecting the confidentiality of the American people with respect to any files, FBI files or any files. If someone is determined to have broken the law, to have violated procedures, to have in any other way abused the privileges of the information contained in those files, then they ought to be fired and fired instantly.

I will say this about President Clinton. Some might say they like him, some do not like him. It seems to me that this President has done exactly what he was required to do when this latest issue developed, and that is to have his Attorney General immediately investigate, and she decided she wanted the independent counsel to do that investigation. Wherever that investigation leads, this President will, in my judgment—I am confident he will—take immediate action to resolve it.

Not only that, but this administration has taken action now with respect to the files that are used for background checks, has taken steps that are unprecedented, that have never been taken before in this country to safeguard that information. But there is not disagreement between any of us and any others in this Chamber about whether this ought to be investigated. Of course, it should, and it is.

There is not disagreement, I hope, about the fact that none of us know what has happened, including the President at this point. When this investigation tells us what has happened, then I would expect the President to be the first to take action, appropriate action and decisive action, so the American people can have confidence in this process.

I finally say this. I hope that as we meander through this process this year in the Senate and talk about the agenda we want to pursue, the agenda is one that finally begins to address some of the things we are concerned about, and those things are the things that families talk about at night when they sit down for supper and talk about their lot in life. How is it going? How is the job? Did you get downsized? Are you age 50 and just lost your job, have no more health care? You expected your retirement to be there, but somebody took it. How about Junior? Junior is getting out of college. Will Junior have a job? And how about the daughter-in-law who is working on minimum wage and has been there 4 years and has not had a change in the minimum wage?

Those are some of the issues we ought to deal with, appropriate issues, issues that respond to the needs of families who, when they sit down and talk about their lot in life, worry about these things.

So, Mr. President, I started by suggesting there should be sandwiches and coffee following the other four speeches. I suppose some would suggest that they could now be served as well. It was my intention, however, to have talked about the things that I think we should be addressing in the Chamber of the Senate.

Everyone has a right to offer an amendment even if it is nongermane. Everyone has a right. The Senator who offered this amendment early this evening is a good friend of mine. I like him a lot. He has the right to do that. But another Senator stood up a little later and complained about those who offered nongermane amendments; you cannot do that.

I do not understand this. They offer nongermane amendments, and then they stand up and complain about people who offer nongermane amendments? Walk around with a mirror, for gosh sakes. Either we are going to finish this bill and stop this political nonsense, or we are not. If we have people who want to just play political games on this bill, then this bill is never going to get done. My preference would be we decide let us advance down the road, do the amendments, get rid of this bill, deal with the bill appropriately.

This is a very large piece of legislation with very important issues involved in it, but it is not going to help this Senate to do what we just saw happen about 2 hours ago. It essentially shut down the process. There will be no further work tonight, and that puts us behind rather than ahead. I hope that this is not the way we will begin a new set of leadership and begin dealing with the issues that all of us know this Senate has a responsibility to deal with in the weeks and months ahead.

Mr. President, I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, a long time ago, I was a Republican, and I was brought up in a Republican family. It was not the kind of Republican family which is very much respected these days because it was referred to as "Rockefeller Republicanism," and that is about the worst thing you can say about a Republican because this primarily came from my Uncle Nelson, who liked to get things done for the people of New York State and also for the country. He was also Vice President. He was very active. He was constantly worried about housing, and he wanted to get things done.

I grew up, and I was not very political, was not very interested in politics. I was interested mostly in Japanese language and Chinese history and all kinds of things which were not very germane to politics. But I got into politics the way people really should get into politics, and that is because they started a program. I remember President Eisenhower used to call it "the Kiddy Corps," and I was still in Japan at the time. It was actually the Peace Corps they were talking about starting, and I was in Japan when President Kennedy was elected. He was my first vote. I came back in time to vote for him and not for Nixon, but that did not make me a Democrat. It was just that Kennedy was obviously going to be a better President than Nixon.

I did not care that much about politics. Then I got into the Peace Corps, and I saw what was going on in the rest of the world. And then I joined a program which really was started by the Democrats also, in this case, President Johnson, along with Bobby Kennedy, that now is called VISTA.

As the Senator from Kentucky knows, I went to West Virginia in 1964, and I was a registered Republican. Now, I had been voting Democratic, but politics did not mean that much to me. What West Virginia taught me and what the people of West Virginia taught me was that getting things done for people that have a variety of types of problems, much like the Senator from North Dakota was talking about, was what really interested me. I really cared about that.

I did not know I had really cared about that. I was in my midtwenties, but that was something that really grabbed me, and all of a sudden being able to speak Chinese or talk about Japanese history or whatever did not seem quite as important to me. So I made a decision to get into politics. At that point, I had been, in effect, a Democrat for 6 years.

It is very interesting, this whole day and particularly this last couple of hours helps me understand again and again and again and again why it was I became a Democrat, because the complaint that you constantly hear about Republicans and about us in Congress in general, but the Republicans run the Congress—they run the House. They run the Senate. We just had an election of the new majority leader. He has a new team, all in power, all set to go. And the question that is always raised is: Why don't they ever talk about things which affect average people's lives?

I think that is a pretty fair question, because they do not. It is the fact that the Senator from New Hampshire got up and started rambling on about something he did not know anything about, or when he withdrew the amendment the Senator from Pennsylvania, who represents people who have all kinds of problems in Allegheny County, PA, and the counties around there, and the steel towns and coal towns—used to be coal towns and steel towns—lots of unemployment, lots and lots of problems, that he went on for a long period of time after the amendment had been withdrawn. And, as the Senator from North Dakota said, it shut down the Senate. We were on an authorization bill. We had the Senator from South Carolina who certainly, shall we say, has some experience around here and has put in some time around here. I assume he wants to get that done. It is called defense authorization, one of the most important bills that we have. Now that is dead and gone.

Yesterday, I gave a speech about things we have to take up in this Congress, that we have to solve, that people expect us to solve. We are the only people who can solve it. It cannot be done by Executive order. It cannot be done by the States. It can only be done by us. I do not know exactly how many legislative days we have left, but it cannot be very many, 35, 40, 45 days? If this is the way we are going to spend our time, then I can understand why the American people say those people up there do not get anything done. But, even more, it helps me understand why it is that I am a Democrat, because Democrats keep worrying and coalescing and forming coalitions and meeting about how they were to get things done for average working families.

Raising the minimum wage is one of them. What is the minimum wage worth today? About $3.10 in purchasing power, compared to 20 years ago. That would affect, I say to the Senator from Kentucky, one out of every four workers in West Virginia, working people in West Virginia—not people on welfare, people who work every day who could go on welfare and who, in many cases, would do better to go on welfare in terms of their own financial self-interest because they would get health care, they would get lower rent, they would get food stamps. But no, they are interested in something called pride. Welfare is down in West Virginia; work is up in West Virginia, as it is in a lot of the country.

We should be doing something about raising that minimum wage to encourage people to stay off welfare and to continue working. Some of us spent a lot of time fighting for something called the earned-income tax credit. I would say to the Presiding Officer, if the earned-income tax credit was combined with the minimum wage, increased as we did it for George Bush in 1991, with bipartisan support—I do not know what is so different about today—then the great majority of American families would move out of poverty. That may not be of interest to the majority party but that is of enormous interest to me and makes me very proud about being a Democrat, and very concerned about doing something about these problems. The politics part is not important but the inactivity part is important, the fact that nothing is getting done here, week after week after week after week after week.

Tomorrow or the next day in the Finance Committee, on which I serve, they are going to take up Medicaid and make it into a block grant. The majority party is going to pass that. It will pass the Senate Finance Committee because they control that. They control the floor. It will pass. It will happen. And then we are going to see the results.

But we have done nothing, and we have been talking about it for months, about the Kassebaum-Kennedy bill. The Senator from Kansas, with all of the things she has done for her people and this country over all of these years, I would think there would be some on the other side who would really want to make certain that, when she left, she had her name on the only piece of health care legislation that passed in the first 4 years of the Clinton Presidency. But I am now beginning to be convinced that the majority party does not want to see that happen. I really do not understand that. That is very hurtful to the people I represent, many of whom are Republicans, many of whom are Democrats. Why do they not want to do that?

It is because of a single insurance company that had a tremendous amount of influence on a previous Member, so it was laid out there, and the House Republican leadership is very strongly attached to that concept, and it is called MSA's, medical savings accounts. It is very, very effective for savings and for all kinds of things for people who are rich and healthy, and does absolutely no good to people who are average working families and are not wealthy, and are not necessarily healthy.

Why can we not pass the Kassebaum-Kennedy bill? It passed the Senate 100 to nothing. Why can we not pass that? Nothing takes place around here. That is why the American people say, about the majority party, why do they not ever talk about things which relate to my life? And they do not. We get, instead, diatribes on political things. People fire up from the other side—and we do from our side, presumably, from time to time—but they fire up. For anything that is remotely political they are on their feet and ready to go. I am so sick of telling the story of how many hearings we have had on Medicare and Medicaid as opposed to Whitewater, I will not even do it.

We are not discussing the things that affect the American people and there are some of us here who desperately want to do that because we come from States where that kind of discussion, and the action that comes from it, is needed.

The Senator from Kentucky represents three States: western Kentucky, central Kentucky, and eastern Kentucky. And eastern Kentucky is just exactly like my southern West Virginia, and they need a lot of help. They have a whole lot of people in eastern Kentucky who do not have any insurance, cannot possibly afford it because they have something called a preexisting condition, or they are laid off from one job and they would like to be able to carry their insurance to another job. But they cannot do it now. Except that NANCY KASSEBAUM changed that and made it possible for them to do it in a bill which passed this body 100 to nothing. Now we cannot get it passed. We cannot get it taken up. We cannot get it passed: MSA's.

I do not understand that. And I regret that. I regret that we have a chance to lift people out of poverty through something called welfare reform and we do not seem to be able to get to it. I resent that we have a chance to lift people out of poverty by increasing the minimum wage—which is no shocking deal. It was not in 1991, when George Bush passed it and signed it. Business people were not screaming and yelling, or if they were they stopped pretty quickly because nothing much happened except people began to get some more money. Now, actually, we are offering a smaller amount of money increase. It is exactly the same that he offered, $4.25 to $5.15 in 2 years—wow, that is really throwing money around—but of course that is worth much less today, what we are offering, than the same amount of change back in 1991.

People criticize us because we are not getting things done. I want to say, some of us are trying. Some of us are really trying. We care about what happens in the Persian Gulf. We care what happens in health care. We care what happens with average working families. We care what happens with pension security. We care what happens with job instability. We care what happens with minimum wage. We care what happens with welfare reform. We care what happens with neglected and abused children. We care about what happens with a whole lot of things which people pay us a very good salary to come up here and do something about—and we are not doing it. I think the principal reason we are not doing it is because the proclivity of the majority party, there is some kind of a gene or something, or computer chip stuck into that majority party, that causes them to always aim, go cutthroat for politics. The meanest politics I have heard in the 12 years I have been up here, frankly, have come from the other side.

Am I out of place with what I said? I have no idea. It is what I believe. I know I am a Democrat, but I do not really care about that so much because I know why I am here in the Senate. I am here to help average people, people I represent and the people we all represent. Nobody has to represent millionaires, they represent themselves. Our duty is to help people who need wise public policy. That is our job, and we are not doing it. It is sad, and it is shameful.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. GRAMS. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 433, S. 1745, the Department of Defense authorization bill:

Trent Lott, Don Nickles, Dirk Kempthorne, Rod Grams, Jim Jeffords, Craig Thomas, Kay Bailey Hutchison, Christopher S. Bond, John Ashcroft, Conrad Burns, Judd Gregg, Larry Pressler, Orrin G. Hatch, Mitch McConnell, Hank Brown, Sheila Frahm.

Mr. GRAMS. Mr. President, for the information of all Senators, this second cloture vote, if necessary, will occur on Thursday, June 27, 1996, and also Senators should be reminded that all first-degree amendments to the DOD authorization bill must be filed by 1 p.m. on Wednesday, June 26, in order to qualify under the provisions of rule XXII.

MORNING BUSINESS

Mr. GRAMS. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on June 25, 1996, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 2803. An act to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes.

S. 1579. An act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

MESSAGE FROM THE HOUSE

At 7:10 pm., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the resolution (H. Res. 459) expressing profound sorrow of the death of the Honorable Bill Emerson, a Representative from the State of Missouri.

The message also announced that the House has passed the following bill, without amendment:

S. 1903. An act to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge," and for other purposes.

MEASURES REFERRED

The following bill, previously received by the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated:

H.R. 3415. An act to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent increase in the transportation motor fuels excise tax rates enacted by the Omnibus Budget Reconciliation Act of 1993 and dedicated to the general fund of the Treasury; to the Committee on Finance.

MEASURES PLACED ON THE CALENDAR

The following measure was placed on the calendar:

S. 1219. A bill to reform the financing of Federal elections, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of Senate reported that on June 25, 1996, he had presented to the President of the United States, the following enrolled bills:

S. 1136. An act to control and prevent commercial counterfeiting, and for other purposes.

S. 1579. An act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3133. A communication from the Secretary of Transportation, transmitting, pursuant to law, an annual report concerning maritime terrorism for calendar year 1995; to the Committee on Foreign Relations.

EC–3134. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a final rule concerning an amendment to the list of proscribed destinations, received on June 13, 1996; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–627. A resolution adopted by the Legislature of the State of Colorado; to the Committee on Armed Services.

SENATE MEMORIAL 96–1

"Whereas, For more than 40 years, the federal government developed, produced, and tested nuclear weapons in a number of government-owned facilities throughout the country, including Rocky Flats in Colorado; and

"Whereas, Contamination from these facilities has contributed to environmental damage at the sites, including radiological had hazardous surface and subsurface soil and groundwater contamination at Rocky Flats; and

"Whereas, As a result of the end of the Cold War, the federal government has shifted its focus to environmental restoration and waste cleanup at the facilities; and

"Whereas, The Department of Energy has committed to clean up the nuclear weapons complex; and

"Whereas, If the nuclear weapons complex is not cleaned up in accordance with known health standards, citizens in Colorado and across America will be affected directly or indirectly by the dangers that will continue to exist; and

"Whereas, the cost of cleaning up the Rocky Flats site is estimated to be $9 billion or more; and

"Whereas, To reach total cleanup, an increase in funding over the next five years is needed but no commitment to this funding has yet been made by the federal government; and

"Whereas, Commitment by the federal government to the full funding of the necessary costs associated with these cleanup activities may be sacrificed as a result of current budget discussions by Congress; now, therefore, be it

"*Resolved by the Senate of the Sixtieth General Assembly of the State of Colorado, the House of Representatives concurring herein,* That we, the members of the Colorado General Assembly, urge the federal government to recognize that cleanup of Rocky Flats and other weapons facilities is a related expenditure to the $4 trillion spent for the Cold war; be it further

"*Resolved,* That we urge the federal government to:

"(1) Make a sustained commitment to completing environmental cleanup at Rocky Flats and its other facilities at a reasonable and justifiable pace that protects human health and the environment;

"(2) Strive not only to comply with environmental laws, but also to be a leader in the field of environmental cleanup, including addressing public health concerns, ecological restoration, and waste management; and

"(3) Consult with officials in Jefferson county, Colorado, and other affected county governments regarding transportation of cleanup materials; and be it further

"*Resolved,* That we urge Congress and the President of the United States to approve full funding of all necessary cleanup activities at Rocky Flats and other nuclear weapons facilities."

POM-628. A resolution adopted by the Municipal Assembly of Trujillo Alto, Puerto Rico relative to Cabotage; to the Committee on Energy and Natural Resources.

POM-629. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Energy and Natural Resources.

"LEGISLATIVE RESOLVE NO. 46

"Whereas Alaska has at least 26 trillion cubic feet of natural gas reserves in the Prudhoe Bay field and perhaps two to three times that amount of potential natural gas reserves; and

"Whereas, beginning in the period 2002–2005, there may be an increasing gap between supply and demand for natural gas in the Pacific Rim; and

"Whereas market and economic studies indicate favorable conditions for the sale of liquefied natural gas (LNG) to these Pacific Rim markets; and

"Whereas major permits for a pipeline route from the North Slope to Valdez have been completed; and

* * * * *

"and be it further

"*Resolved,* That the State of Alaska respectfully requests the President of the United States to demonstrate national support for an ANS gas transmission project to Asian LNG buyers; and be it further

"*Resolved,* That the Governor is respectfully requested to

"(1) assure the Asian LNG buyers that the state will provide continuity and stability in regards to North Slope natural gas supply, tax structure, and regulatory policy;

"(2) continue support of the Joint Pipeline Office, which administers an innovative, efficient, and cost-effective permitting system;

"(3) encourage the private developers of the gas pipeline and the state's labor forces to develop an Alaska hire agreement for the ANS gas transmission project; and

"(4) meet with all parties to determine how the state can help facilitate the ANS gas transmission pipeline; and be it further

"*Resolved,* That the President of the Senate and the Speaker of the House of Representatives, Alaska State Legislature, appoint an interim working group to track progress and assist the transportation permit holder, the working interest owners of the Prudhoe Bay and Point Thompson units, and the administration in developing a unified proposal for presentation to the Asian market; the legislative interim working group shall report on the status of the project and any proposed legislative actions to the Resources Committees of the Alaska House of Representatives and Alaska Senate by February 1, 1997; and be it further

"*Resolved,* That the Alaska State Legislature strongly supports the construction of an ANS gas transmission pipeline and offers its assistance to the parties involved in order to speed completion of an ANS gas transmission project."

POM-630. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 266.

"A concurrent resolution to make an urgent request to the Congress of the United States to release to the states, including Michigan, all federal road funding due under the gas tax formula.

"Whereas, The quality of Michigan roadways has a great deal to do with the state's competitiveness in attracting and retaining jobs for our citizens. Every individual and every business in Michigan is affected when Michigan roads suffer from insufficient maintenance. Finding the means to meet this financial challenge is of the utmost importance to both state and local policymakers as we prepare for the twenty-first century; and

"Whereas, The difficult task of providing excellence in transportation in Michigan is made far worse by some of the current practices of the federal government with regard to the allocation of money raised by the federal gas tax; and

"Whereas, The current practices of the federal government with regards to the allocation of dollars raised by the federal tax made it difficult for Michigan to improve and expand its transportation system. Of the states required to send money to the federal government, in accordance with the federal funding formula, Michigan sends significantly more money to Washington than it receives back. In 1993, for example, Michigan paid a total of $733.7 million to the Federal Highway Trust Fund, and only $520.1 million was returned; and

"Whereas, In addition, even more money designated for return to Michigan, and several other states, is being withheld by federal transportation authorities. This money is critical to our transportation infrastructure and a vital component of the state's economic well-being.

"Whereas, The current budget debate offers an opportunity to reexamine this critical aspect of public spending. This examination should include immediately correcting the gross inequities in allocating the funds generated by the federal gas tax; now, therefore, be it

"*Resolved,* by the Senate (the House of Representatives concurring), That we respectfully, but urgently, ask the Congress of the United States to release to the states, including Michigan, any federal road funding due under the gas tax formula but currently being held back by the federal government; and be it further

"*Resolved,* That copies of this resolution be transmitted to the President of the United States Senate, the Speaker, of the United States House of Representatives, and to each member of the Michigan congressional delegation with the request that each member review this issue, offering a formal response to this body, the Michigan State Senate."

POM-631. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance.

"SENATE JOINT RESOLUTION 96–11

"Whereas, Encouraging the private provision of health care coverage is a laudable and legitimate governmental objective; and

"Whereas, The provision of health care insurance or other health care coverage assists in mitigating the impacts of providing uncompensated health care on the health care system; and

"Whereas, Tax benefits associated with the payment of health care insurance premiums and the costs of funding other methods of covering health care costs should be fair and equitable regardless of the method used; and

"Whereas, Individuals and employees should be encouraged and have the freedom to choose the method by which they provide for the expenses of the health care they receive; now, therefore, be it

"*Resolved by the Senate of the Sixtieth General Assembly of the State of Colorado, the House of Representatives concurring herein:* That we, the members of the Colorado General Assembly, are desirous of federal legislation that affords equal tax treatment for the costs of health care insurance purchased by employers, by employees and individuals who are self-employed, and by individuals who are not self-employed; be it further

"*Resolved,* That we support federal legislation that affords equal tax treatment for the management of health care costs through the use of medical savings accounts; be it further

"*Resolved,* That we call for the United States Congress to establish a plan for tax equity in the treatment of contributions, expenses and costs associated with employer-based health care insurance, individually-paid health care insurance, health care not covered by Medicare, and the use of individual medical savings accounts; and be it further

"*Resolved,* That copies of this Resolution be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of Colorado's Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104–289).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

S. 1802. A bill to direct the Secretary of the Interior to convey certain property containing a fish and wildlife facility to the State of Wyoming, and for other purposes (Rept. No. 104–290).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1871. A bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes (Rept. No. 104–291).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 1772. A bill to authorize the Secretary of the Interior to acquire certain interests in the Waihee Marsh for inclusion in the Oahu National Wildlife Refuge Complex.

H.R. 2660. A bill to increase the amount authorized to be appropriated to the Department of the Interior for the Tensas River National Wildlife Refuge.

H.R. 2679. A bill to revise the boundary of the North Platte National Wildlife Refuge.

H.R. 2982. A bill to direct the Secretary of the Interior to convey the Carbon Hill National Fish Hatchery to the State of Alabama.

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 1784. A bill to amend the Small Business Investment Act of 1958, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 1902. A bill to provide for the establishment of National Senior Citizen Hall of Fame Commission, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOND (for himself, Mr. ASHCROFT, Mr. LOTT, Mr. DASCHLE, Mr. INHOFE, Mr. JEFFORDS, Mr. SMITH, Mr. AKAKA, Mr. CRAIG, Mr. COATS, Mr. DEWINE, Mr. DORGAN, Mr. THOMAS, Mr. GREGG, Mr. SIMON, Ms. MIKULSKI, Mr. BROWN, Ms. SNOWE, Mr. KYL, Mr. CAMPBELL, Mr. MACK, Mr. GRAMM, Mr. THURMOND, and Mr. ROBB):

S. 1903. A bill to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge", and for other purposes; considered and passed.

By Mr. COATS:

S. 1904. A bill to implement the Project for American Renewal, and for other purposes; to the Committee on Finance.

By Mr. KOHL:

S. 1905. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal Office; to the Committee on Rules and Administration.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1906. A bill to include certain territory within the jurisdiction of the State of Hawaii, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 1902. A bill to provide for the establishment of National Senior Citizen Hall of Fame Commission, and for other purposes; to the Committee on Governmental Affairs.

THE NATIONAL SENIOR CITIZENS HALL OF FAME ACT OF 1996

Mr. HEFLIN. Mr. President, I rise to introduce a bill which will provide for the establishment of a National Senior Citizens Hall of Fame Commission. This concept grew out of an idea by Dr. Ruben Hanan, who chairs the Alabama Senior Citizens Hall of Fame Commission, and Dr. Earl Potts.

Each year, the Alabama Senior Citizens Hall of Fame Commission bestows honor upon living Alabamians in recognition of their outstanding accomplishments, services, and contributions to the lives of older American citizens.

The Alabama Senior Citizens Hall of Fame was created by the Alabama State legislature in 1933, and has been very successful in inducting worthy individuals into the organization. I am delighted that Dr. Hanan and Dr. Potts came up with the idea of establishing a National Senior Citizens Hall of Fame. The National Hall of Fame will provide a forum to bestow honor and recognition upon deserving citizens for their outstanding accomplishments, services and contributions to the lives of older American citizens.

Mr. President, the population of older Americans is projected to increase to 35 million by the year 2000. This means that older Americans would constitute 13 percent of the total population. As the national population is projected to exceed 300 million by the year 2000, the senior population would drastically increase with the entry of the baby-boomers in the senior population. Therefore, by the year 2030, the senior population will increase to approximately 70 million.

Mr. President, the older population is growing. If we look back over the last few years, we will notice that in 1993, the age group between 75 and 84 was 10,800,000. This was 14 times larger than in 1900. Every day, more than 5,000 individuals in the United States celebrate their 65th birthday. Their mature judgment, keen insight, historical perspective, perceptive vision, and gifted leadership are invaluable to our Nation.

By establishing a Senior Citizens Hall of Fame, we will have in place an organization that will recognize the contributions made by older American citizens to our Nation. I am delighted that the Alabama Senior Citizens Hall of Fame Commission, which has contributed greatly to the well being of thousands of Alabamians, will serve as a model for this national entity. In addition, the Alabama Hall of Fame Commission has improved the quality of life of those in need, and many have served in the Retired Senior Volunteer Program.

Finally, a National Senior Citizens Hall of Fame will also honor patriotic Americans for their spirit of loyalty and selfless labor in serving the needs of the people of our Nation.

I urge the entire Congress to join me in the adoption of this important legislation.

By Mr. COATS:

S. 1904. A bill to implement that Project for American Renewal, and for other purposes; to the Committee on Finance.

THE PROJECT FOR AMERICAN RENEWAL ACT

Mr. COATS. Mr. President, earlier today I joined with my colleagues from the House, the chairman of the Budget Committee, JOHN KASICH, in reintroducing a program that I have been working on for a long time. It is called the Project For American Renewal.

It attempts to address the question of how we can more effectively provide assistance to people in need, people living in poverty, without resorting to more of the same, which is simply funneling money into Washington, establishing a bureaucracy, and handing out welfare checks to, in many cases, perpetuate a lifestyle and a behavior that is not desirable, not giving us the results we wanted.

A lot of well-intentioned programs have been offered to deal with some of the social problems that exist in our country: teen pregnancy, spousal abuse, juvenile delinquency, substance abuse, and on and on it goes. Many of those, as I have said, have been well-intentioned but have simply missed the mark. They have not solved the problem. And, in many cases, they have made it worse.

It seems that the alternative to that that has been discussed in the last year or so is what was called devolution, a word that I hate. I do not know for sure exactly what it means, but I think it means washing our hands of the problem, and let somebody else worry about it.

I do not believe either of those alternatives are acceptable alternatives. I do not believe more of the same or none of the above are the alternatives we ought to be examining. I believe there is a place for our encouragement of hopeful solutions to some of the problems that exist in our society as it affects our families and our children and our neighborhoods and our communities.

The Project for American Renewal is my attempt at addressing those questions, to strengthen families, to encourage communities and to utilize mediating institutions of volunteer associations, of charities, particularly of faith-based charities, to address some of these most pressing problems. Utilization of these institutions, other than Government institutions, means that we can bring to bear not just efforts to meet the material needs of individuals, but also the spiritual needs of individuals. We can bring to bear values that are important in addressing some of these more fundamental problems.

The Project for American Renewal consists of 16 separate pieces of legislation designed to strengthen families, to provide mentors where fathers are not present, to strengthen communities, rebuild communities across America, and to provide effective compassion. The centerpiece of this is the charity tax credit, which will allow a joint-filing couple to contribute up to $1,000 a year as an offset against their taxes.

Today I joined with Congressman KASICH in announcing how we would pay for this charity tax credit, estimated at $44.8 billion over a 5-year period of time. We propose that we will ask the Ways and Means and the Finance Committee to designate a third of that amount in corporate loophole closings, corporate welfare.

We think if we are addressing some of the most fundamental problems in America, we ought to look for funding sources to offset the revenue loss from subsidies given to special interests over the years that do not serve as high a national purpose.

We also think it is appropriate to shift some resources from some of the existing Federal social policy programs that have not proven effective. While we do not specify directly what those offsets should be in the corporate welfare area, we do specify offsets of some of the Federal programs that we do not think are as effective as they ought to be.

The goal here is to encourage mediating institutions to play a greater role in addressing some of our more fundamental problems. They can bring hope and a vision of hope that, in many cases, Government is constrained to bring or is unable to bring.

I am today reintroducing this legislation, with the hope that it will continue to be a topic of discussion among our colleagues as to where we go next with some of these great social debates. It is my hope that it can be a very important part of our party's platform, a very important part of the discussion that will take place, as this is a Presidential election year and an election year that will elect or reelect 435 Congressmen and 34 Senators.

It is then, finally, my hope that we can seriously address this issue in the next Congress, make it part of our budget discussion, and examine ways in which we can more effectively provide assistance to those in need.

These programs are directed to those in poverty. The credit is available to those programs either currently existing or which will be constituted as a result of this legislation that devote 75 percent or more of their effort to either preventing or alleviating poverty.

It is a solution that goes beyond Government. It acknowledges the failure of Government, in many instances, to address these problems. It does not offer the total solution, but it offers, I believe, a step in the right direction. I hope it will become an important part of the debate ahead.

By Mr. KOHL:

S. 1905. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal office; to the Committee on Rules and Administration.

THE CAMPAIGN FINANCE REFORM COMMISSION ACT OF 1996

Mr. KOHL. Mr. President, I rise today to continue the debate on the issue which we have voted on today—campaign finance reform. Today the Senate voted on S. 1219, the Senate Campaign Finance Reform Act of 1996. While a majority of the Senate voiced its support for this meaningful legislation, sadly, we did not get the required 60 votes to end the filibuster against the bill.

Mr. President, I supported and cosponsored S. 1219 because I felt it was the best legislation moving through the Congress to reform our campaign finance system. My Wisconsin colleague, Senator FEINGOLD and Senator JOHN MCCAIN deserve our gratitude and praise for keeping this issue alive. It's been nearly 20 years since Congress enacted meaningful campaign finance reform, and they have come closer than anyone at passing a bipartisan plan.

We are, however, at a crossroads in this debate. America's campaign finance laws have not been significantly altered since the 1970's. Since that time we have seen an explosion in the costs of running campaigns and a growing public perception that special interests are far too influential in the electoral process. Despite these widely agreed-upon problems, Congress and the President seem incapable of enacting a campaign finance reform bill.

We have seen initiatives by Democratic and Republican Presidents, Democratic and Republican Congresses, even widely-hailed bipartisan approaches all fail. One can only conclude that this issue is so mired in partisan politics, trapped in a quagmire of self-interest and special interest, that Congress will not be able craft a comprehensive reform bill. S. 1219 was the best legislation to be proposed in two decades, and yet we can not get 60 Senators to support it, and the House of Representatives will not even guarantee the House counterpart legislation will get an up-or-down vote.

Mr. President, after two decades it is time to try a new approach—time for us to embrace a new method for addressing this vital issue.

Therefore, I am introducing today the Campaign Finance Reform Commission Act of 1996. Let me be clear from the outset: I would prefer to pass a bill such as S. 1219. But after today's vote, we must be honest with ourselves and the American public—that is not going to happen.

The Campaign Finance Reform Commission is modeled on the successful Base Realignment and Closure Commissions. The legislation would establish a balanced, bipartisan commission, appointed by Senate leaders, House leaders and the President to propose comprehensive campaign finance reform. Like the BRAC Commissions, the proposals of the Campaign Finance Reform Commission would be subject to congressional approval or disapproval, but no amendments would be permitted. The Commission would have a limited duration—1 year after its creation. And Congress would have a limited time to consider the Commission's proposals.

Mr. President, there are many who will object to this plan and argue that, through the creation of a commission, the Congress is conceding that it cannot solve this problem on its own. To the contrary, the creation of a Campaign Finance Reform Commission would be a concrete sign to the American public that Congress is serious about reforming our election laws. We have seen the success of the BRAC Commissions in removing political influences from the decision-making process. This same formula could be used for our campaign finance reform laws.

When Congress enacted the first BRAC Commission law, it was argued that a non-partisan commission was required because the closure of military bases was so politically sensitive, Congress could not be expected to make the tough choices of closing bases. Well, Mr. President, if closing military bases is considered tough, altering the campaign laws that literally determine whether Members could retain their jobs must be just as politically sensitive, if not more so.

Again, I wish to praise the efforts of Senators FEINGOLD, MCCAIN, and the broad coalition of grassroots organizations which have kept the campaign finance issue in front of the American public and the Congress. We have come so close to enacting real campaign finance reform. The creation of a pure bipartisan commission, modeled on the Base Closure Commission, is final act to achieve the reform we all desire.

Mr. President, like all common sense ideas, this one did not spring from a text book but came from a simpler setting. A year ago President Clinton and House Speaker Newt Gingrich held an historic conversation at a New Hampshire meeting. The first question came from a retiree, Mr. Frank McConnell Jr. Mr. McConnell had a simple, common sense idea—form a commission like the one that closed the military bases to reform our election system, so, in Mr. McConnell's words, "it would be out of the political scene." The time for Mr. McConnell's idea has come.

I am pleased to put Mr. McConnell's idea into legislative form and urge my colleagues to join me in this effort. This commission could give us the reform we all demand. And, it would give the American public a restored faith that their democratic institutions have responded to their cry for change in our electoral system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Campaign Finance Reform Commission Act of 1996".

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Federal Election Law Reform Commission" (referred to in this Act as the "Commission").

(b) MEMBERSHIP.—

(1) APPOINTMENTS.—The Commission shall be comprised of 8 qualified members, who shall be appointed not later than 30 days after the date of enactment of this Act as follows:

(A) APPOINTMENTS BY MAJORITY LEADER AND SPEAKER.—The Majority Leader of the Senate and the Speaker of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made;

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made; and

(iii) 1 member who is from the academic community.

(B) APPOINTMENTS BY MINORITY LEADERS.—The Minority Leader of the Senate and the Minority Leader of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made; and

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made.

(C) APPOINTMENT BY PRESIDENT.—The President shall appoint to the Commission 1 member who is from the academic community.

(D) APPOINTMENTS BY COMMISSION MEMBERS.—The members appointed under subparagraphs (A), (B), and (C) shall jointly appoint 2 members to the Commission, neither of whom shall have held any elected or appointed public or political party office, including any position with an election campaign for Federal office, during the 15 years preceding the date on which the appointment is made.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—A person shall not be qualified for an appointment under this subsection if that person, during the 10-year period preceding the date on which the appointment is made—

(i) held a position under schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations;

(ii) was an employee of the legislative branch of the Federal Government, not including any service as a Member of Congress; or

(iii) was required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) or derived a significant income from influencing, or attempting to influence, members or employees of the executive or legislative branches of the Federal Government.

(B) PARTY AFFILIATIONS.—Not more than 3 members of the Commission shall be members of, or associated with, the same political party (as that term is defined in section 301(16) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(16)).

(3) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall designate a chairperson and a vice chairperson from among the membership of the Commission. The chairperson shall be from a political party other than the political party of the vice chairperson.

(4) FINANCIAL DISCLOSURE.—Not later than 60 days after appointment to the Commission, each member of the Commission shall file with the Secretary of the Senate, the Office of the Clerk of the House of Representatives, and the Federal Election Commission a report containing the information contained in section 102 of title 5, United States Code.

(5) PERIOD OF APPOINTMENT; VACANCIES.—Members of the Commission shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(6) TERMINATION OF COMMISSION.—The Commission shall terminate 1 year after the date of enactment of this Act.

(c) POWERS.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this Act.

(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) PAY AND TRAVEL EXPENSES.—

(1) MEMBERS.—Each member of the Commission, other than the Chairperson, shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) CHAIRPERSON.—The Chairperson shall be paid for each day referred to in paragraph (1) at a rate equal to the daily equivalent of the annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(e) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director of the Commission, who shall be paid at the rate of basic payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) OTHER PERSONNEL.—(A) Subject to subparagraph (B), the executive director may, without regard to the civil service laws and regulations, appoint and fix the pay of such other additional personnel as may be necessary to enable the Commission to perform its duties.

(B) The pay of any individual appointed under this paragraph shall be not more than the maximum annual rate of basic pay payable for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(3) DETAIL OF FEDERAL EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(f) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 3. DUTIES OF COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) identify the appropriate goals and values for Federal campaign finance laws;

(2) evaluate the extent to which the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) has promoted or hindered the attainment of the goals identified under paragraph (1); and

(3) make recommendations to the Congress for the achievement of those goals, taking into consideration the impact of the Federal Election Campaign Act of 1971.

(b) CONSIDERATIONS.—In making recommendations under subsection (a)(3), the Commission shall consider with respect to Federal election campaigns—

(1) whether campaign spending levels should be limited, and, if so, to what extent;

(2) the role of interest groups and whether that role should be limited or regulated;

(3) the role of other funding sources, including political parties, candidates, individuals from inside and outside the State in which the contribution is made;

(4) public financing and benefits; and

(5) problems in existing campaign finance law, such as soft money, bundling, and independent expenditures.

(c) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the Congress—

(1) a report on the activities of the Commission; and

(2) a draft of legislation (including technical and conforming provisions) recommended by the Commission to amend the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) and any other law relating to elections for Federal office.

SEC. 4. FAST-TRACK PROCEDURES.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it shall be considered as part of the rules of each House, respectively, or of that House to which it specifically applies, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) DEFINITIONS.—As used in this section, the term "Federal election bill" means only a bill of either House of the Congress which is introduced as provided in subsection (c) to carry out the recommendations of the Commission as set forth in the draft legislation referred to in section 5.

(c) INTRODUCTION AND REFERRAL.—Not later than 3 days after the Commission submits its draft legislation under section 5, a Federal election bill shall be introduced (by request) in the House of Representatives by the Majority Leader of the House and shall be introduced (by request) in the Senate by the Majority Leader of the Senate. Such bills shall be referred to the appropriate committees.

(d) AMENDMENTS PROHIBITED.—No amendment to a Federal election bill shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House; nor shall it be in order in either House to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—(1) If the committee of either House to which a Federal election bill has been referred has not reported it at the close of the 30th day after its introduction, such committee shall be automatically discharged from further consideration of the bill and it shall be placed on the appropriate calendar. If prior to the passage by one House of a Federal election bill of that House, that House receives the same Federal election bill from the other House, then—

(A) the procedure in that House shall be the same as if no Federal election bill had been received from the other House; but

(B) the vote on final passage shall be on the Federal election bill of the other House.

(2) For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded the days on which that House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(f) FLOOR CONSIDERATION IN THE HOUSE.—(1) A motion in the House of Representatives to proceed to the consideration of a Federal election bill shall be highly privileged except that a motion to proceed to consider may only be made on the second legislative day after the calendar day on which the Member making the motion announces to the House his intention to do so. The motion to proceed to consider is not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Consideration of a Federal election bill in the House of Representatives shall be in the House with debate limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the bill. The previous question on the Federal election bill shall be considered as ordered to final passage without intervening motion. It shall not be in order to move to reconsider the vote by which a Federal election bill is agreed to or disagreed to.

(3) All appeals from the decisions of the Chairperson relating to the application of the Rules of the House of Representatives to the procedure relating to a Federal election bill shall be decided without debate.

(g) FLOOR CONSIDERATION IN THE SENATE.—(1) A motion in the Senate to proceed to the consideration of a Federal election bill shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a Federal election bill, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a Federal election bill shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the Minority Leader or a designee of the Minority Leader. Such leaders, or either of them, may, from time under their control on the passage of a Federal election bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit a Federal election bill is not in order.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out the duties of the Commission under this Act.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1906. A bill to include certain territory with the jurisdiction of the State of Hawaii, and for other purposes; to the Committee on Energy and Natural Resources.

THE INSULAR AREAS CONSOLIDATION ACT OF 1996

Mr. AKAKA. Mr. President, with Senator INOUYE as a cosponsor, I am introducing legislation to give the State of Hawaii a greater say over proposals to develop seven U.S. possessions in the Pacific which are currently not affiliated with any U.S. State or territory. These islands are Baker Island, Jarvis Island, Howland Island, Johnston Atoll, Kingman Reef, Midway Island, and Palmyra Atoll. My legislation would transfer jurisdiction, but not title, of these areas to the State of Hawaii.

Proposals to consolidate these Pacific islands into the State of Hawaii's jurisdiction have surfaced before. Last year, Congressman ELTON GALLEGLY introduced a nearly identical bill in the House and a hearing was held on the measure by the Subcommittee on Native American and Insular Affairs on January 31, 1995. The Clinton Administration supported the proposal, as did Hawaii's State Senate. At the time of its introduction, however, there were many people in the State of Hawaii who wanted to know more about the potential benefits and liabilities that would accrue to the State should jurisdiction be transferred under the Gallegly bill. As a consequence, Hawaii's Gov. Benjamin Cayetano convened a task force headed by the Office of State Planning and the Pacific Basin Development Council to review the implications of the proposal.

My reason for reviving this legislation is that recent proposals to develop these islands have greatly alarmed the people of Hawaii and the Pacific. In blatant disregard for the welfare of people residing in the mid-Pacific region, a group of developers and financiers have announced a proposal to store high-level nuclear fuel on Palmyra Atoll, a privately owned U.S. possession located 1,000 miles from Hawaii. This action occurred after the group failed to secure Midway Island for their joint venture. On June 13, I introduced legislation to prohibit an interim or permanent nuclear storage facility on any U.S. possession outside of the 50 States, including Palmyra. However, I believe that the developers of Palmyra have forced us to consider a much broader issue; that is, how can we give the people of Hawaii a greater say in what goes on in our own backyard? While the cold war has ended, the threat of storing nuclear waste in isolated Pacific islands is just as alarming to the people of Hawaii. Instead of the tropical Pacific, nuclear entrepreneurs in search of a Pacific island for storing high-level waste would turn our region into the toxic Pacific.

The legislation I introduce today will give the people of Hawaii the opportunity to respond, at the local level, to efforts to store nuclear waste on Palmyra or any of these U.S. possessions. At the moment, Hawaii residents are effectively precluded from decisions on issues confronting these islands, despite the fact that some of these islands are geographically part of the Hawaiian islands and have historical, political, or cultural links to Hawaii. Through the transfer of jurisdiction to the State of Hawaii, the Governor of Hawaii, the State legislature, and the residents of Hawaii can have a real voice in determining the future of these islands.

Five of the islands under my bill—Baker Island, Jarvis Island, Howland Island, Kingman Reef, and Palmyra Atoll—are uninhabited U.S. possessions, though Palmyra is privately owned. The other two islands—Johnston Atoll and Midway Island—fall under Department of Defense jurisdiction. Five of the islands, excluding Palmyra Atoll and Kingman Reef, are national wildlife refuges.

Midway Island has been managed as an overlay national wildlife refuge since 1988 when the U.S. Navy signed a cooperative agreement with the U.S. Fish and Wildlife Service. Most recently, on May 22, 1996, the Navy transferred custody of and accountability for Midway to the U.S. Fish and Wildlife Service.

Johnston Atoll is currently being used by the U.S. Army for the Johnston Atoll Chemical Agent Disposal System. There are about 960 civilian and 250 military personnel working on the island. Most recently, the Army testified that it expects to complete the destruction of chemical weapons by the year 2000. This is welcome news to all of us in the Pacific.

Mr. President, to ensure that U.S national security interests are not jeopardized, my bill would allow the United States to maintain its current defense operations and needs.

In summary, Mr. President, the State of Hawaii has more at stake in what happens in the Pacific than any other State in the Union. The legislation I introduce today preserves U.S. interests in the Pacific while ensuring that the State of Hawaii has a clear voice over decisions that affect the region.

ADDITIONAL COSPONSORS

S. 704

At the request of Mr. SIMON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 794

At the request of Mr. LUGAR, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1199

At the request of Mrs. BOXER, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1199, a bill to amend the Internal Revenue Code of 1986 to permit tax-exempt financing of certain transportation facilities.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1734

At the request of Mr. SPECTER, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 1734, a bill to prohibit false statements to Congress, to clarify congressional authority to obtain truthful testimony, and for other purposes.

S. 1743

At the request of Mr. BINGAMAN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1744

At the request of Mr. INOUYE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1744, a bill to permit duty free treatment for certain structures, parts, and components used in the Gemini Telescope Project.

S. 1878

At the request of Mr. AKAKA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1878, a bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interim nuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes.

SENATE JOINT RESOLUTION 52

At the request of Mr. KYL, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], the Senator from Oklahoma [Mr. INHOFE], the Senator from Indiana [Mr. COATS], the Senator from North Carolina [Mr. HELMS], the Senator from Mississippi [Mr. LOTT], the Senator from Alabama [Mr. SHELBY], the Senator from Texas [Mrs. HUTCHISON], the Senator from Tennessee [Mr. FRIST], the Senator from Georgia [Mr. COVERDELL], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Ohio [Mr. DEWINE], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. THURMOND], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Florida [Mr. MACK], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 52, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of victims of crimes.

AMENDMENT NO. 4090

At the request of Mr. WARNER, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of amendment No. 4090 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

MCCAIN AMENDMENTS NOS. 4115–4116

(Ordered to lie on the table.)

Mr. MCCAIN submitted two amendments intended to be proposed by him to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities for the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

AMENDMENT NO. 4115

At the end of the amendment, add the following:

At the end of title XXVII, add the following:

SEC. 2706. PROHIBITION ON USE OF FUNDS FOR CERTAIN PROJECTS.

(A) PROHIBITION.—Notwithstanding any other provision of this Act, no funds authorized to be appropriated by this Act may be obligated or expended for the military construction project listed under subsection (b) until the Secretary of Defense certifies to Congress that the project is included in the current future-years defense program.

(b) COVERED PROJECTS.—Subsection (a) applies to the following military construction projects: Phase II of the Consolidated Education Center at Fort Campbell, Kentucky; and Phase III of The Western Kentucky Training Site.

AMENDMENT NO. 4116

At the end of subtitle F of title X, add the following:

SEC. . VALUATION OF DEFENSE ARTICLES TRANSFERRED TO ASSIST BOSNIA AND HERCEGOVINA.

Section 540 of the Foreign Operations, Export Financing, and Related Appropriations Act, 1996 (Public Law 104–107) is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of law, the value of each defense article transferred under this section shall not exceed the lowest value calculable for such article under section 7000.14–R of volume 15 of the Department of Defense Financial Management Regulations for Security Assistance Policy and Procedures, as in effect on the date of enactment of this Act, pursuant to section 644(m) of the Foreign Assistance Act of 1961.".

GREGG AMENDMENT NO. 4117

(Ordered to lie on the table.)

Mr. GREGG submitted an amendment intended to proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place, insert:

SEC. . WRITTEN CONSENT REQUIRED TO USE UNION DUES AND OTHER MANDATORY EMPLOYEE FEES FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by adding at the end the following new paragraph:

"(8)(A) No dues, fees, or other money required as a condition of membership in a labor organization or as a condition of employment shall be collected from an individual for use in activities described in subparagraph (A), (B), or (C) of paragraph (2) unless the individual has given prior written consent for such use.

"(B) Any consent granted by an individual under subparagraph (A) shall remain in effect until revoked and may be revoked in writing at any time.

"(C) This paragraph shall apply to activities described in paragraph (2)(A) only if the communications involved expressly advocate the election or defeat of any clearly identified candidate for elective public office."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts collected more than 30 days after the date of the enactment of this Act.

THOMAS AMENDMENT NO. 4118

(Ordered to lie on the table.)

Mr. THOMAS submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. REPORT ON DEPARTMENT OF ENERGY LIABILITY AT DEPARTMENT SUPERFUND SITES.

(a) STUDY.—The Secretary of Energy shall, using funds authorized to be appropriated to the Department of Energy by section 3102, carry out a study of the liability of the Department for damages for injury to, destruction of, or loss of natural resources under section 107(a)(4)(C) at each site controlled or operated by the Department that is or is anticipated to become subject to the provisions of that Act.

(b) CONDUCT OF STUDY.—(1) The Secretary shall carry out the study using personnel of the Department or by contract with an appropriate private entity.

(2) In determining the extent of Department liability for purposes of the study, the Secretary shall treat the Department as a private person liable for damages under section 107(f) of that Act (42 U.S.C. 9607(f)) and subject to suit by public trustees of natural resources under such section 107(f) for such damages.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit a report on the study carried out under subsection (a) to the following committees:

(1) The Committees on Environment and Public Works and Armed Services and Energy and Natural Resources of the Senate.

(2) The Committees on Commerce and National Security and Resources of the House of Representatives.

WARNER AMENDMENT NO. 4119

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. PERMANENT AUTHORITY TO CARRY OUT ARMS INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Initiative Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1996, the Secretary" and inserting in lieu thereof "The Secretary".

McCAIN AMENDMENT NO. 4120

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Strike out section 366 and insert in lieu thereof the following new section:

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) SECURITY AND SAFETY ASSISTANCE.—At the request of a Federal, State, or local government agency responsible for providing law enforcement services, security services, or safety services, the Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs.

(b) OTHER ASSISTANCE.—The Secretary may authorize a commander referred to in subsection (a) to provide assistance for a sporting event referred to in that subsection in support of other needs relating to such event, but only—

(1) to the extent that such needs cannot reasonably be met by a source other than the Department;

(2) to the extent that the provision of such assistance does not adversely affect the military preparedness of the Armed Forces; and

(3) if the organization requesting such assistance agrees to reimburse the Department for amounts expended by the Department in providing the assistance in accordance with the provisions of section 377 of title 10, United States Code, and other applicable provisions of law.

(c) INAPPLICABILITY TO CERTAIN EVENTS.—Subsections (a) and (b) do not apply to the following sporting events:

(1) Sporting events for which funds have been appropriated before the date of the enactment of this Act.

(2) The Special Olympics.

(3) The Paralympics.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the provision of assistance under this section as the Secretary considers necessary and appropriate to protect the interests of the United States.

(e) REPORT ON ASSISTANCE.—Not later than January 30 of each year following a year in which the Secretary provides assistance under this section, the Secretary shall submit to the congressional defense committees a report on the assistance provided. The report shall set forth—

(1) a description of the assistance provided;

(2) the amount expended by the Department in providing the assistance;

(3) if the assistance was provided under subsection (a), the certification of the Attorney General with respect to the assistance under that subsection; and

(4) if the assistance was provided under subsection (b)—

(A) an explanation why the assistance could not reasonably be met by a source other than the Department; and

(B) the amount the Department was reimbursed under that subsection.

(f) RELATIONSHIP TO OTHER LAWS.—Assistance provided under this section shall be subject to the provisions of sections 375 and 376 of title 10, United States Code.

GLENN AMENDMENTS NOS. 4121–4122

(Ordered to lie on the table.)

Mr. GLENN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4121

At the end of subtitle D of title XXXI add the following:

SEC. 3161. WORKER HEALTH AND SAFETY IMPROVEMENTS AT THE DEFENSE NUCLEAR COMPLEX, MIAMISBURG, OHIO.

(a) WORKER HEALTH AND SAFETY ACTIVITIES.—(1) Of the funds authorized to be appropriated pursuant to section 3102(b), $6,200,000 shall be available to the Secretary of Energy to perform, in accordance with a settlement of *Levell et al.* v. *Monsanto Research Corp. et al.*, Case Number C–3–95–312 in the United States District Court for the Southern District of Ohio, activities to improve worker health and safety at the defense nuclear complex at Miamisburg, Ohio.

(2) Activities under paragraph (1) shall include the following:

(A) Completing the evaluation of pre-1989 internal dose assessments for workers who have received a lifetime dose greater than 20 REM.

(B) Installing state-of-the-art automated personnel contamination monitors at appropriate radiation control points and facility exits.

(C) Purchasing and installing an automated personnel access control system, and integrating the software for the system with a radiation work permit system.

(D) Upgrading the radiological records software.

(E) Immediately implementing a program that will characterize the radiological conditions of the site, buildings, and facilities before decontamination activities commence so that radiological hazards are clearly identified and the results of decontamination validated.

(F) Reviewing and improving the conduct and evaluation of continuous air monitoring practices and implementing a personal air sampling program as a means of preventing unnecessary internal exposure.

(G) Upgrading bioassay analytical procedures in order to ensure that contract laboratories are adequately selected and validated and quality control is assured.

(H) Implementing bioassay and internal dose calculation methods that are specific to the radiological hazards identified at the site.

(3)(A) The Secretary shall complete the activities referred to in paragraph (2)(A) not later than September 30, 1997.

(B) The Secretary shall ensure that the activities referred to in paragraph (2)(F) are completed not later than December 31, 1996.

(b) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting applicable statutory or regulatory requirements relating to worker health and safety.

(c) SUPPLEMENT NOT SUPPLANT.—Nothing in this section shall prohibit the Secretary from obligating and expending additional funds under this title for the activities referred to in subsection (a)(2).

AMENDMENT NO. 4122

At the end of subtitle D of title XXXI add the following:

SEC. 3161. WORKER HEALTH AND SAFETY PROTECTION.

(a) SAFETY COMPLIANCE REVIEW AND ACCOUNTABILITY.—Consistent with authority to seek or impose penalties for violations of regulations relating to nuclear safety under section 223 or 234A, respectively, of the Atomic Energy Act of 1954 (42 U.S.C. 2273, 2282a), the Secretary shall review contractor and subcontractor compliance with the nuclear safety-related regulations referred to in subsection (b) at each Department of Energy defense nuclear facility covered by the regulations.

(b) NUCLEAR SAFETY-RELATED REGULATIONS COVERED.—The regulations with which compliance is to be reviewed under this section are as follows:

(1) The nuclear safety management regulations set forth in part 830 of title 10 of the Code of Federal Regulations (as amended, if amended).

(2) The occupational radiation protection regulations set forth in part 835 of title 10 of the Code of Federal Regulations (as amended, if amended).

(c) REPORTING REQUIREMENTS.—(1) Subject to paragraph (2), the Secretary shall include in the annual report submitted to Congress pursuant to section 170(p) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) a report on contractor and subcontractor compliance with the nuclear safety-related regulations referred to in subsection (b). The report shall include the following matters:

(A) A list of facilities evaluated and a discussion of progress made in meeting the compliance review requirement set forth in subsection (a).

(B) A list of noncompliance events and violations identified in the compliance review.

(C) A list of actions taken under sections 223 and 234A of the Atomic Energy Act of 1954 and the nuclear safety-related regulations.

(D) Improvements in public safety and worker protection that have been required by the Secretary on the basis of the results of the compliance review.

(E) A description of the effectiveness of compliance review.

(2)(A) The first annual report under paragraph (1) shall be included in the annual report that is required by section 170(p) of the Atomic Energy Act of 1954 to be submitted to Congress not later than April 1, 1997.

(B) No report is required under paragraph (1) after all defense nuclear facilities covered by the regulations referred to in subsection (a) have undergone compliance review pursuant to this section.

(d) PERSONNEL.—The Secretary shall ensure that the number of qualified personnel used to carry out the compliance review under this section is sufficient for achieving effective results. Only Federal employees may be used to carry out a compliance review activity under this section.

(e) REGULATIONS.—Effective 18 months after the date of the enactment of this Act, violations of regulations prescribed by the Secretary to protect contractor and subcontractor employees from non-nuclear hazards at Department of Energy defense nuclear facilities shall be punishable under sections 223 and 234A of the Atomic Energy Act of 1954 (42 U.S.C. 2282a and 42 U.S.C. 2273).

GORTON AMENDMENT NO. 4123

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of title XXVI of the bill, insert the following:

SEC. 2602. FUNDING FOR CONSTRUCTION AND IMPROVEMENT OF RESERVE CENTERS IN THE STATE OF WASHINGTON.

(a) FUNDING.—Notwithstanding any other provision of law, of the funds appropriated under the heading "MILITARY CONSTRUCTION, NAVAL RESERVE" in the Military Construction Appropriations Act, 1995 (Public Law 103-307; 108 Stat. 1661), that are available for the construction of a Naval Reserve center in Seattle, Washington—

(1) $5,200,000 shall be available for the construction of an Army Reserve Center at Fort Lawton, Washington, of which $700,000 may be used for program and design activities relating to such construction;

(2) $4,200,000 shall be available for the construction of an addition to the Naval Reserve Center in Tacoma, Washington;

(3) $500,000 shall be available for unspecified minor construction at Naval Reserve facilities in the State of Washington; and

(4) $500,000 shall be available for program and design activities with respect to improvements at Naval Reserve facilities in the State of Washington.

(b) MODIFICATION OF LAND CONVEYANCE AUTHORITY.—Paragraph (2) of section 127(d) of the Military Construction Appropriations Act, 1995 (Public Law 103-337; 108 Stat. 1666), is amended to read as follows:

"(2) Before commencing construction of a facility to be the replacement facility for the Naval Reserve Center under paragraph (1), the Secretary shall comply with the requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) with respect to such facility.".

CHAFEE AMENDMENTS NOS. 4124–4125

(Ordered to lie on the table.)

Mr. CHAFEE submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4124

In the table in section 2201(a), insert after the item relating to Camp Lejeune Marine Corps Base, North Carolina, the following new item:

Rhode Island	Naval Undersea Warfare Center.	$8,900,000

Strike out the amount set forth as the total amount at the end of the table in section 2201(a) and insert in lieu thereof "$515,952,000".

In section 2205(a), in the matter preceding paragraph (1), strike out "$2,040,093,000" and insert in lieu thereof "$2,048,993,000".

In section 2205(a)(1), strike out "$507,052,000" and insert in lieu thereof "$515,952,000".

AMENDMENT NO. 4125

At the end of title VIII, add the following:

SEC. 810. PILOT PROGRAM FOR TRANSFER OF DEFENSE TECHNOLOGY INFORMATION TO PRIVATE INDUSTRY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program to demonstrate online transfers of information on defense technologies to businesses in the private sector through an interactive data network involving institutions of higher education.

(a) COMPUTERIZED DATA BASE OF DEFENSE TECHNOLOGIES.—(1) Under the pilot program, the Secretary shall enter into an agreement with the head of an institution of higher education that provides for such institution—

(A) to develop and maintain a computerized data base of information on defense technologies;

(B) to make such information available online to—

(i) businesses; and

(ii) other institutions of higher education entering into partnerships with the Secretary under subsection (c).

(2) The online accessibility may be established by means of any of, or any combination of, the following:

(A) Digital teleconferencing.

(B) International Signal Digital Network lines.

(C) Direct modem hookup.

(e) PARTNERSHIP NETWORK.—Under the pilot program, the head of the institution with which the Secretary enters into an agreement under subsection (b) may, with the concurrence of the Secretary, enter into agreements with the heads of other institutions of higher education having strong business education programs to provide for the institutions of higher education entering into such agreements—

(1) to establish interactive computer links with the data base developed and maintained under subsection (b); and

(2) to assist the Secretary in making information on defense technologies available online to the broadest practicable number, types, and sizes of businesses.

(d) DEFENSE TECHNOLOGIES COVERED.—(1) The Secretary shall designate the technologies to be covered by the pilot program from among the existing and experimental technologies that the Secretary determines—

(A) are useful in meeting Department of Defense needs; and

(B) should be made available under the pilot program to facilitate the satisfaction of such needs by private sector sources.

(2) Technologies covered by the program should include technologies useful for defense purposes that can also be used for nondefense purposes (without or without modification).

(e) DEFINITIONS.—In this section:

(1) The term "defense technology" means a technology designated by the Secretary of Defense under subsection (d).

(2) The term "partnership" means an agreement entered into under subsection (c).

(f) TERMINATION OF PILOT PROGRAM.—The pilot program shall terminate one year after the Secretary enters into an agreement under subsection (b).

(g) AUTHORIZATION OF APPROPRIATIONS.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 1997 for the pilot program in the amount of $2,300,000.

(2) The amount authorized to be appropriated under paragraph (1) is in addition to the amounts authorized to be appropriated under other provisions of this Act.

GRASSLEY AMENDMENT NO. 4126

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of section 218(a) add the following: "The report shall include—

"(1) a comparison of—

"(A) the results of the review, with

"(B) the results of the last independent estimate of production costs of the program that was prepared by the Cost Analysis Improvement Group in July 1991; and

"(2) a description of any major changes in programmatic assumptions that have occurred since the estimate referred to in paragraph (1)(B) was made, including any major change in assumptions regarding the program schedule, the quantity of aircraft to be developed and acquired, and the annual rates of production, together with an assessment of the effects of such changes on the program.".

DASCHLE AMENDMENT NO. 4127

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 2601(1), strike out "$79,628,000" and insert in lieu thereof "$84,228,000".

LIEBERMAN (AND OTHERS) AMENDMENT NO. 4128

(Ordered to lie on the table.)

Mr. LIEBERMAN (for himself, Mr. COATS, Mr. ROBB, Mr. MCCAIN, Mr. NUNN, Mr. INHOFE, Mr. KEMPTHORNE, Mr. WARNER, Mrs. HUTCHISON, Mr. SANTORUM, Mr. MURKOWSKI, Mr. FORD, and Mr. BOND) submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of title X, add the following:

Subtitle G—Review of Armed Forces Force Structures

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the "Armed Forces Force Structures Review Act of 1996".

SEC. 1082. FINDINGS.

Congress makes the following findings:

(1) Since the collapse of the Soviet Union in 1991, the United States has conducted two substantial assessments of the force structure of the Armed Forces necessary to meet United States defense requirements.

(2) The assessment by the Bush Administration (known as the "Base Force" assessment) and the assessment by the Clinton Administration (known as the "Bottom-Up Review") were intended to reassess the force structure of the Armed Forces in light of the changing realities of the post-Cold War world.

(3) Both assessments served an important purpose in focusing attention on the need to reevaluate the military posture of the United States, but the pace of global change necessitates a new, comprehensive assessment of the defense strategy of the United States and the force structure of the Armed Forces required to meet the threats to the United States in the 21st century.

(4) The Bottom-Up Review has been criticized on several points, including—

(A) the assumptions underlying the strategy of planning to fight and win two nearly simultaneous major regional conflicts;

(B) the force levels recommended to carry out that strategy; and

(C) ,the funding proposed for such recommended force levels.

(5) In response to the recommendations of the Commission on Roles and Missions of the Armed Forces, the Secretary of Defense endorsed the concept of conducting a quadrennial review of the defense program at the beginning of each newly elected Presidential administration, and the Secretary intends to complete the first such review in 1997.

(6) The review is to involve a comprehensive examination of defense strategy, the force structure of the active, guard, and reserve components, force modernization plans, infrastructure, and other elements of the defense program and policies in order to determine and express the defense strategy of the United States and to establish a revised defense program through the year 2005.

(7) In order to ensure that the force structure of the Armed Forces is adequate to meet the challenges to the national security interests of the United States in the 21st century, to assist the Secretary of Defense in conducting the review referred to in paragraph (5), and to assess the appropriate force structure of the Armed Forces through the year 2010 and beyond (if practicable), it is important to provide for the conduct of an independent, non-partisan review of the force structure that is more comprehensive than prior assessments of the force structure, extends beyond the quadrennial defense review, and explores innovative and forward-thinking in ways of meeting such challenges.

SEC. 1083. QUADRENNIAL DEFENSE REVIEW.

(a) REQUIREMENT IN 1997.—The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall complete in 1997 a review of the defense program of the United States intended to satisfy the requirements for a Quadrennial Defense Review as identified in the recommendations of the Commission on Roles and Missions of the Armed Forces. The review shall include a comprehensive examination of the defense strategy, force structure, force modernization plans, infrastructure, and other elements of the defense program and policies with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense program through the year 2005.

(b) INVOLVEMENT OF NATIONAL DEFENSE PANEL.—(1) The Secretary shall apprise the National Defense Panel established under section 1084, on an on-going basis, of the work undertaken in the conduct of the review.

(2) Not later than March 14, 1997, the Chairman of the National Defense Panel shall submit to the Secretary the panel's assessment of work undertaken in the conduct of the review as of that date and shall include in the assessment the recommendations of the panel for improvements to the review, including recommendations for additional matters to be covered in the review.

(c) ASSESSMENTS OF REVIEW.—Upon completion of the review, the Chairman of the Joint Chiefs of Staff and the Chairman of the National Defense Panel shall each prepare and submit to the Secretary such chairman's assessment of the review in time for the inclusion of the assessment in its entirety in the report under subsection (d).

(d) REPORT.—Not later than May 15, 1997, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a comprehensive report on the review. The report shall include the following:

(1) The results of the review, including a comprehensive discussion of the defense strategy of the United States and the force structure best suited to implement the strategy.

(2) The threats examined for purposes of the review and the scenarios developed in the examination of such threats.

(3) The assumptions used in the review, including assumptions relating to the cooperation of allies and mission-sharing, levels of acceptable risk, warning times, and intensity and duration of conflict.

(4) The effect on the force structure of preparations for and participation in peace operations and military operations other than war.

(5) The effect on the force structure of the utilization by the Armed Forces of technologies anticipated to be available by the year 2005, including precision guided munitions, stealth, night vision, digitization, and communications, and the changes in doctrine and operational concepts that would result from the utilization of such technologies.

(6) The manpower and sustainment policies required under the defense strategy to support engagement in conflicts lasting more than 120 days.

(7) The anticipated roles and missions of the reserve components in the defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge such roles and missions.

(8) The appropriate ratio of combat forces to support forces (commonly referred to as the "tooth-to-tail" ratio) under the defense strategy, including, in particular, the appropriate number and size of headquarter units and Defense Agencies for that purpose.

(9) The air-lift and sea-lift capabilities required to support the defense strategy.

(10) The forward presence, pre-positioning, and other anticipatory deployments necessary under the defense strategy for conflict deterrence and adequate military response to anticipated conflicts.

(11) The extent to which resources must be shifted among two or more theaters under the defense strategy in the event of conflict in such theaters.

(12) The advisability of revisions to the Unified Command Plan as a result of the defense strategy.

SEC. 1084. NATIONAL DEFENSE PANEL.

(a) ESTABLISHMENT.—Not later than December 1, 1996, the Secretary of Defense shall establish a non-partisan, independent panel to be known as the National Defense Panel (in this section referred to as the "Panel"). The Panel shall have the duties set forth in this section.

(b) MEMBERSHIP.—The Panel shall be composed of a chairman and eight other individuals appointed by the Secretary, in consultation with the Chairman and ranking member of the Committee on Armed Services of the Senate and the Chairman and ranking member of the Committee on National Security of the House of Representatives, from among individuals in the private sector who are recognized experts in matters relating to the national security of the United States.

(c) DUTIES.—The Panel shall—

(1) conduct and submit to the Secretary the assessment of the review under section 1083 that is required by subsection (b)(2) of that section;

(2) conduct and submit to the Secretary the comprehensive assessment of the review that is required by subsection (c) of that section upon completion of the review; and

(3) conduct the assessment of alternative force structures for the Armed Forces required under subsection (d).

(d) ALTERNATIVE FORCE STRUCTURE ASSESSMENT.—(1) The Panel shall submit to the Secretary an independent assessment of a variety of possible force structures of the Armed Forces through the year 2010 and beyond, including the force structure identified in the report on the review under section 1083(d). The purpose of the assessment is to develop proposals for an "above the line" force structure of the Armed Forces and to provide the Secretary and Congress recommendations regarding the optimal force structure to meet anticipated threats to the national security of the United States through the time covered by the assessment.

(2) In conducting the assessment, the Panel shall examine a variety of potential threats (including near-term threats and long-term threats) to the national security interests of the United States, including the following:

(A) Conventional threats across a spectrum of conflicts.

(B) The proliferation of weapons of mass destruction and the means of delivering such weapons, and the illicit transfer of technology relating to such weapons.

(C) The vulnerability of United States technology to non-traditional threats, including information warfare.

(D) Domestic and international terrorism.

(E) The emergence of a major challenger having military capabilities similar to those of the United States.

(F) Any other significant threat, or combination of threats, identified by the Panel.

(3) For purposes of the assessment, the Panel shall develop a variety of scenarios requiring a military response by the Armed Forces, including the following:

(A) Scenarios developed in light of the threats examined under paragraph (2).

(B) Scenarios developed in light of a continuum of conflicts ranging from a conflict of lesser magnitude than the conflict described in the Bottom-Up Review to a conflict of greater magnitude than the conflict so described.

(4) As part of the assessment, the Panel shall also—

(A) develop recommendations regarding a variety of force structures for the Armed Forces that permit the forward deployment of sufficient land- and sea-based forces to provide an effective deterrent to conflict and to permit a military response by the United States to the scenarios developed under paragraph (3);

(B) to the extent practicable, estimate the funding required by fiscal year, in constant fiscal year 1997 dollars, to organize, equip, and support the forces contemplated under the force structures assessed in the assessment; and

(C) comment on each of the matters also to be included by the Secretary in the report required by section 1083(d).

(e) REPORT.—(1) Not later than December 1, 1997, the Panel shall submit to the Secretary a report setting forth the activities, findings and recommendations of the Panel under subsection (d), including any recommendations for legislation that the Panel considers appropriate.

(2) Not later than December 15, 1997, the Secretary shall, after consultation with the Chairman of the Joint Chiefs of Staff, submit to the committees referred to in subsection (b)(1) a copy of the report under paragraph (1), together with the Secretary's comments on the report.

(f) INFORMATION FROM FEDERAL AGENCIES.—The Panel may secure directly from the Department of Defense and any of its components and from any other Federal department and agency such information as the Panel considers necessary to carry out its duties under this section. The head of the department or agency concerned shall ensure that information requested by the Panel under this subsection is promptly provided.

(g) PERSONNEL MATTERS.—(1) Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Panel.

(2) The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Panel.

(3)(A) The chairman of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director, and a staff of not more than four additional individuals, if the Panel determines that an executive director and staff are necessary in order for the Panel to perform its duties effectively. The employment of an executive director shall be subject to confirmation by the Panel.

(B) The chairman may fix the compensation of the executive director without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any Federal Government employee may be detailed to the Panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege. The Secretary shall ensure that sufficient personnel are detailed to the Panel to enable the Panel to carry out its duties effectively.

(5) To the maximum extent practicable, the members and employees of the Panel shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a duty of the Panel, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

(h) ADMINISTRATIVE PROVISIONS.—(1) The Panel may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(2) The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

(3) The Panel may accept, use, and dispose of gifts or donations of services or property.

(i) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

(j) TERMINATION.—The Panel shall terminate 30 days after the date on which the Panel submits its report to the Secretary under subsection (e).

SEC. 1085. POSTPONEMENT OF DEADLINES.

In the event that the election of President of the United States in 1996 results in a change in administrations, each deadline set forth in this subtitle shall be postponed by 3 months.

SEC. 1086. DEFINITIONS.

In this subtitle:

(1) The term "'above the line' force structure of the Armed Forces" means a force structure (including numbers, strengths, and composition and major items of equipment) for the Armed Forces at the following unit levels:

(A) In the case of the Army, the division.

(B) In the case of the Navy, the battle group.

(C) In the case of the Air Force, the wing.

(D) In the case of the Marine Corps, the expeditionary force.

(E) In the case of special operations forces of the Army, Navy, or Air Force, the major operating unit.

(F) In the case of the strategic forces, the ballistic missile submarine fleet, the heavy bomber force, and the intercontinental ballistic missile force.

(2) The term "Commission on Roles and Missions of the Armed Forces" means the Commission on Roles and Missions of the Armed Forces established by subtitle E of title IX of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1738; 10 U.S.C. 111 note).

(3) The term "military operation other than war" means any operation other than war that requires the utilization of the military capabilities of the Armed Forces, including peace operations, humanitarian assistance operations and activities, counterterrorism operations and activities, disaster relief activities, and counter-drug operations and activities.

(4) The term "peace operations" means military operations in support of diplomatic efforts to reach long-term political settlements of conflicts and includes peacekeeping operations and peace enforcement operations.

PRYOR (AND OTHERS) AMENDMENT NO. 4129

(Ordered to lie on the table.)

Mr. PRYOR (for himself, Mr. CHAFEE, Mr. BROWN, Mr. BRYAN, Mr. LEAHY, and Mr. DORGAN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. EQUITABLE TREATMENT FOR THE GENERIC DRUG INDUSTRY.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the generic drug industry should be provided equitable relief in the same manner as other industries are provided with such relief under the patent transitional provisions of section 154(c) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act of 1994 (Public Law 103-465; 108 Stat. 4983).

(b) APPROVAL OF APPLICATIONS OF GENERIC DRUGS.—For purposes of acceptance and consideration by the Secretary of Health and Human Services of an application under subsections (b), (c), and (j) of section 505, and subsections (b), (c), and (n) of section 512, of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b), (c), and (j), and 360b (b), (c), and (n)), the expiration date of a patent that is the subject of a certification under section 505(b)(2)(A) (ii), or (iv), section 505(j)(2)(A)(vii) (II), (III), or (IV), or section 512(n)(1)(H) (ii), (iii), or (iv) of such Act, respectively, made in an application submitted prior to June 8, 1995, or in an application submitted on or after that date in which the applicant certifies that substantial investment was made prior to June 8, 1995, shall be deemed to be the date on which such patent would have expired under the law in effect on the day preceding December 8, 1994.

(c) MARKETING GENERIC DRUGS.—The remedies of section 271(e)(4) of title 35, United States Code, shall not apply to acts—

(1) that were commenced, or for which a substantial investment was made, prior to June 8, 1995; and

(2) that became infringing by reason of section 154(c)(1) of such title, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4983).

(d) EQUITABLE REMUNERATION.—For acts described in subsection (c), equitable remuneration of the type described in section

154(c)(3) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983) shall be awarded to a patentee only if there has been—

(1) the commercial manufacture, use, offer to sell, or sale, within the United States of an approved drug that is the subject of an application described in subsection (b); or

(2) the importation by the applicant into the United States of an approved drug or of active ingredient used in an approved drug that is the subject of an application described in subsection (b).

(e) APPLICABILITY.—The provisions of this section shall govern—

(1) the approval or the effective date of approval of applications under section 505(b)(2), 505(j), 507, or 512(n), of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2) and (j), 357, 360b(n)) submitted on or after the date of enactment of this Act; and

(2) the approval or effective date of approval of all pending applications that have not received final approval as of the date of enactment of this Act.

DORGAN AMENDMENT NO. 4130

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . SENSE OF THE SENATE ON MILITARY HONORS AT FUNERALS.

(a) FINDINGS.—The Senate finds that—

(1) in an April 24, 1996 incident in Grand Forks, North Dakota, a security specialist at Grand Forks Air Force Base shot his former girlfriend to death and then was killed by Grand Forks police when he turned his weapon on them;

(2) on April 29, at the request of his family, the airman was buried with military honors in the National Cemetery at Biloxi, Mississippi, at a cost to the taxpayer of $5,468;

(3) relevant law (10 USC 1482) appears to give the Service Secretaries discretion to deny honors to a deceased servicemember;

(4) the relevant regulation (Department of Defense Directive 1300.15, September 30, 1985) appears to give no discretion to deny honors: the Directive states that "For a member who dies while on active duty . . . there shall be" honors such as pallbearers, a firing party, and a bugler; and

(5) paying final tribute on behalf of a grateful nation to those who have served it honorably is important to respect the deceased, to show esteem for military service, to comfort the grieving and to display military professionalism, but the use of military honors at the funeral of someone undeserving of them not only wastes taxpayer dollars but also lowers the morale and impugns the high reputation of our nation's military.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that:

(1) the Secretary of Defense should promulgate a regulation clarifying that a Service Secretary has the discretion to deny military honors for the burial of a deceased service member if the Secretary determines beyond a reasonable doubt that the service member, had he or she lived, would have been successfully convicted of murder in an American military or civilian court; and

(2) the Service Secretary concerned should make such a determination only within 72 hours of the service member's death, and should communicate that determination to the service member's family as swiftly as possible.

EXON (AND OTHERS) AMENDMENT NO. 4131

(Ordered to lie on the table.)

Mr. EXON (for himself, Mr. KOHL, Mr. BINGAMAN, Mr. DORGAN, and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

After section 3, insert the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 under the provisions to this Act is $263,362,000,000.

EXON AMENDMENT NO. 4132

(Ordered to lie on the table.)

Mr. EXON submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. AUTHORITY OF AIR NATIONAL GUARD TO PROVIDE CERTAIN SERVICES AT LINCOLN MUNICIPAL AIRPORT, LINCOLN, NEBRASKA

(a) AUTHORITY.—Subject to subsection (b), the Air National Guard may provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, Nebraska, on behalf of the Lincoln Municipal Airport Authority, Lincoln, Nebraska.

(b) AGREEMENT.—The Air National Guard may not provide services under subsection (a) until the Air National Guard and the authority enter into an agreement under which the authority reimburses the Air National Guard for the cost of the services provided.

GLENN AMENDMENT NO. 4133

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

On page 330, strike out lines 9 through 24.

On pages 331 and 332, strike out lines 1 through 24.

On pages 333, 334, 335 and 336, strike out lines 1 through 25.

On page 337, strike out lines 1 through 24.

On pages 338 and 339, strike out lines 1 through 25.

On page 340, strike out lines 1 through 6.

On page 340, line 7, strike out "Sec. 1122." and insert in lieu thereof "Sec. 1121."

DORGAN AMENDMENT NO. 4134

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

On page 398, after line 23, add the following:

SEC. 2828. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(A) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

HEFLIN AMENDMENTS NOS. 4135–4140

(Ordered to lie on the table.)

Mr. HEFLIN submitted six amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4135

At the end of subtitle C of title II, add the following:

SEC. 237. DESIGNATION OF THE ARMY AS LEAD SERVICE IN THE NATIONAL MISSILE DEFENSE JOINT PROGRAM OFFICE FOR INITIAL DEPLOYMENT PHASE OF NATIONAL MISSILE DEFENSE PROGRAM.

The Director of the Ballistic Missile Defense Organization shall designate the Army as the lead service in the National Missile Defense Joint Program Office for the initial deployment phase of the national missile defense program.

AMENDMENT NO. 4136

In section 1102(a)(2), strike out "during fiscal year 1997".

AMENDMENT NO. 4137

At the end of subtitle B of title I, add the following:

SEC. 113. TYPE CLASSIFICATION OF ELECTRO OPTIC AUGMENTATION (EOA) SYSTEM.

(a) REQUIREMENT.—The Secretary of the Army shall type classify the Electro Optic Augmentation (EOA) system.

(b) FUNDING.—Of the amounts authorized to be appropriated for the Army by this division, $100,000 shall be made available to the Armored Systems Modernization Program manager for the type classification required by subsection (a).

AMENDMENT NO. 4138

At the end of subtitle B of title I, add the following:

SEC. 113. BRADLEY TOW 2 TEST PROGRAM SETS.

Notwithstanding any other provision of law, the funds appropriated pursuant to the authorization of appropriations in section 101(3) of the National Defense Authorization Act for Fiscal Year 1996 (110 Stat. 204) and available for the procurement of Armored Gun System Test Program sets shall be made available instead for the procurement of Bradley TOW 2 Test Program sets.

AMENDMENT NO. 4139

In section 330, in the matter preceeding paragraph (1), insert ", the Letterkenny Army Depot," after "Sacramento Air Logistics Center".

AMENDMENT NO. 4140

At the end of subtitle C of title I, add the following:

SEC. 125. PROCUREMENT OF MAIN FEED PUMP TURBINES FOR THE CONSTELLATION (CV–64).

(a) INCREASED AUTHORIZATION.—The amount authorized to be appropriated by section 102(4) is hereby increased by $4,200,000.

(b) AUTHORITY TO PROCURE.—Of the amount authorized to be appropriated by section 102(4), as increased by subsection (a), $4,200,000 shall be available for the procurement of main feed pump turbines for the Constellation (CV–64).

COHEN AMENDMENTS NOS. 4141–4143

(Ordered to lie on the table.)

Mr. COHEN submitted three amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4141

At the end of subtitle F of title X add the following:

SEC. 1072. INFORMATION TECHNOLOGY MANAGEMENT AMENDMENTS.

(a) REFORMS INDEPENDENT OF PAPERWORK REDUCTION LAW.—Title LI of the Information Technology Management Reform Act of 1996 (Public Law 104–106; 110 Stat. 680) is amended—

(1) by striking out sections 5111 and 5121 (40 U.S.C. 1411 and 1421);

(2) in section 5112(a), by striking out "in fulfilling the responsibilities under section 3504(h) of title 44, United States Code";

(3) in section 5113(a), by striking out "in fulfilling the responsibilities assigned under section 3504(h) of title 44, United States Code";

(4) in section 5122(a), by striking out "In fulfilling the responsibilities assigned under section 3506(h) of title 44, United States Code, the" and inserting in lieu thereof "The"; and

(5) in section 5123(a), by striking out "In fulfilling the responsibilities under section 3506(h) of title 44, United States Code, the" and inserting in lieu thereof "The".

(b) NATIONAL SECURITY SYSTEMS.—Sections 5141 of the Information Technology Management Reform Act (110 Stat. 689) is amended by striking subsections (a) and (b) and inserting "Notwithstanding any other provision of law, systems to which this title applies include national security systems."

(c) RELATIONSHIP TO OTHER LAWS.—Section 5703 of the Information Technology Management Reform Act of 1996 (110 Stat. 703) is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) RELATIONSHIP TO TITLE 44, UNITED STATES CODE.—".

AMENDMENT NO. 4142

At the end of subtitle F of title X add the following:

SEC. 1072. INFORMATION TECHNOLOGY MANAGEMENT AMENDMENTS.

(a) REPORTING OF SIGNIFICANT DEVIATIONS FROM COST, PERFORMANCE, AND SCHEDULE GOALS.—Section 5127 of the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 687; 40 U.S.C. 1427) is amended—

(1) by striking out "The head of an executive agency" and inserting in lieu thereof "(a) IN GENERAL.—Except in the case of a national security system program, the head of an executive agency"; and

(2) by adding at the end the following:

"(b) SEPARATE REPORTING FOR NATIONAL SECURITY SYSTEMS.—The head of each executive agency shall submit to Congress an annual report that identifies each major information technology acquisition program for acquisition of a national security system for that agency, and each phase or increment of such a program, that has significantly deviated during the year covered by the report from the cost, performance, or schedule goals established for the program.

"(c) NATIONAL SECURITY SYSTEM DEFINED.—In this section, the term 'national security system' has the meaning given such term in section 5142.".

(b) APPLICABILITY OF MANAGEMENT REFORMS TO NATIONAL SECURITY SYSTEMS.—Section 5141(b) of the Information Technology Management Reform Act of 1996 (110 Stat. 689; 40 U.S.C. 1451(b)) is amended—

(1) in paragraph (1), by striking out "and 5126" and inserting in lieu thereof "5126, and 5127";

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) CAPITAL PLANNING AND INVESTMENT CONTROL.—(A) National security systems shall be subject to sections 5112(c) and 5122 (other than subsection (b)(4) of section 5122).

"(B) To the maximum extent practicable, the heads of executive agencies shall apply the other provisions of section 5112 and section 5122(b)(4) to national security systems."; and

(3) in paragraph (3)—

(A) in subparagraph (A), by inserting "maximum" before "extent practicable"; and

(B) in subparagraph (B) by striking out "section 5113(b)(5) except for subparagraph (B)(iv) of that section" and inserting in lieu thereof "paragraphs (1), (2), and (5) of section 5113(b), except for paragraph (5)(B)(iv)".

(c) RELATIONSHIP TO OTHER LAWS.—Section 5703 of the Information Technology Management Reform Act of 1996 (110 Stat. 703) is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) RELATIONSHIP TO TITLE 44, UNITED STATES CODE.—".

AMENDMENT NO. 4143

At the end of division A add the following new title:

TITLE XIII—FEDERAL EMPLOYEE TRAVEL REFORM

SEC. 1301. SHORT TITLE.

This title may be cited as the "Travel Reform and Savings Act of 1996".

Subtitle A—Relocation Benefits

SEC. 1311. MODIFICATION OF ALLOWANCE FOR SEEKING PERMANENT RESIDENCE QUARTERS.

Section 5724a of title 5, United States Code, is amended to read as follows:

"§ 5724a. Relocation expenses of employees transferred or reemployed

"(a) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, a per diem allowance or the actual subsistence expenses, or a combination thereof, of the immediate family of the employee for en route travel of the immediate family between the employee's old and new official stations.

"(b)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government between official stations located within the United States—

"(A) the expenses of transportation, and either a per diem allowance or the actual subsistence expenses, or a combination thereof, of the employee and the employee's spouse for travel to seek permanent residence quarters at a new official station; or

"(B) the expenses of transportation, and an amount for subsistence expenses in lieu of a per diem allowance or the actual subsistence expenses or a combination thereof, authorized in subparagraph (A) of this paragraph.

"(2) Expenses authorized under this subsection may be allowed only for one round trip in connection with each change of station of the employee.".

SEC. 1312. MODIFICATION OF TEMPORARY QUARTERS SUBSISTENCE EXPENSES ALLOWANCE.

Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(c)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government—

"(A) actual subsistence expenses of the employee and the employee's immediate family for a period of up to 60 days while occupying temporary quarters when the new official station is located within the United States as defined in subsection (d) of this section; or

"(B) an amount for subsistence expenses instead of the actual subsistence expenses authorized in subparagraph (A) of this paragraph.

"(2) The period authorized in paragraph (1) of this subsection for payment of expenses for residence in temporary quarters may be extended up to an additional 60 days if the head of the agency concerned or the designee of such head of the agency determines that there are compelling reasons for the continued occupancy of temporary quarters.

"(3) The regulations implementing paragraph (1)(A) shall prescribe daily rates and amounts for subsistence expenses per individual.".

SEC. 1313. MODIFICATION OF RESIDENCE TRANSACTION EXPENSES ALLOWANCE.

(a) EXPENSES OF SALE.—Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(d)(1) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, expenses of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station and purchase of a residence at the new official station that are required to be paid by the employee, when the old and new official stations are located within the United States.

"(2) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government from a post of duty located outside the United States to an official station within the United States (other than the official station within the United States from which the employee was transferred when assigned to the foreign tour of duty)—

"(A) expenses required to be paid by the employee of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station from which the employee was transferred when the employee was assigned to the post of duty located outside the United States; and

"(B) expenses required to be paid by the employee of the purchase of a residence at the new official station within the United States.

"(3) Reimbursement of expenses under paragraph (2) of this subsection shall not be allowed for any sale (or settlement of an unexpired lease) or purchase transaction that occurs prior to official notification that the employee's return to the United States would be to an official station other than the official station from which the employee was transferred when assigned to the post of duty outside the United States.

"(4) Reimbursement for brokerage fees on the sale of the residence and other expenses under this subsection may not exceed those customarily charged in the locality where the residence is located.

"(5) Reimbursement may not be made under this subsection for losses incurred by the employee on the sale of the residence.

"(6) This subsection applies regardless of whether title to the residence or the unexpired lease is—

"(A) in the name of the employee alone;

"(B) in the joint names of the employee and a member of the employee's immediate family; or

"(C) in the name of a member of the employee's immediate family alone.

"(7)(A) In connection with the sale of the residence at the old official station, reimbursement under this subsection shall not exceed 10 percent of the sale price.

"(B) In connection with the purchase of a residence at the new official station, reimbursement under this subsection shall not exceed 5 percent of the purchase price.

"(8) For purposes of this subsection, the term 'United States' means the several States of the United States, the District of Columbia, the territories and possessions of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979).".

(b) RELOCATION SERVICES.—Section 5724c of title 5, United State Code, is amended to read as follows:

"§ 5724c. Relocation services

"Under regulations prescribed under section 5737, each agency may enter into contracts to provide relocation services to agencies and employees for the purpose of carrying out this subchapter. An agency may pay a fee for such services. Such services include arranging for the purchase of a transferred employee's residence.".

SEC. 1314. AUTHORITY TO PAY FOR PROPERTY MANAGEMENT SERVICES.

Section 5724a of title 5, United States Code, is further amended—

(1) in subsection (d) (as added by section 1313 of this title)—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

"(8) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, expenses of property management services when the agency determines that such transfer is advantageous and cost-effective to the Government, instead of expenses under paragraph (2) or (3) of this subsection, for sale of the employee's residence."; and

(2) by adding at the end the following new subsection:

"(e) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, the expenses of property management services when the employee transfers to a post of duty outside the United States as defined in subsection (d) of this section. Such payment shall terminate upon return of the employee to an official station within the United States as defined in subsection (d) of this section.".

SEC. 1315. AUTHORITY TO TRANSPORT A PRIVATELY OWNED MOTOR VEHICLE WITHIN THE CONTINENTAL UNITED STATES.

(a) IN GENERAL.—Section 5727 of title 5, United States Code, is amended—

(1) by redesignating subsections (c) through (e) as subsections (d) through (f), respectively;

(2) by inserting after subsection (b) the following new subsection:

"(c) Under regulations prescribed under section 5737, the privately owned motor vehicle or vehicles of an employee, including a new appointee or a student trainee for whom travel and transportation expenses are authorized under section 5723, may be transported at Government expense to a new official station of the employee when the agency determines that such transport is advantageous and cost-effective to the Government."; and

(3) in subsection (e) (as so redesignated), by striking "subsection (b) of this section" and by inserting "subsection (b) or (c) of this section".

(b) AVAILABILITY OF APPROPRIATIONS.—(1) Section 5722(a) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c).".

(2) Section 5723(a) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by inserting "and" after the semicolon at the end of paragraph (2); and

(C) by adding at the end the following:

"(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c);".

SEC. 1316. AUTHORITY TO PAY LIMITED RELOCATION ALLOWANCES TO AN EMPLOYEE WHO IS PERFORMING AN EXTENDED ASSIGNMENT.

(a) IN GENERAL.—Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5736. Relocation expenses of an employee who is performing an extended assignment

"(a) Under regulations prescribed under section 5737, an agency may pay to or on behalf of an employee assigned from the employee's official station to a duty station for a period of no less than 6 months and no greater than 30 months, the following expenses in lieu of payment of expenses authorized under subchapter I of this chapter:

"(1) Travel expenses to and from the assignment location in accordance with section 5724.

"(2) Transportation expenses of the immediate family and household goods and personal effects to and from the assignment location in accordance with section 5724.

"(3) A per diem allowance for the employee's immediate family to and from the assignment location in accordance with section 5724a(a).

"(4) Travel and transportation expenses of the employee and spouse to seek residence quarters at the assignment location in accordance with section 5724a(b).

"(5) Subsistence expenses of the employee and the employee's immediate family while occupying temporary quarters upon commencement and termination of the assignment in accordance with section 5724a(c).

"(6) An amount, in accordance with section 5724a(g), to be used by the employee for miscellaneous expenses.

"(7) The expenses of transporting a privately owned motor vehicle or vehicles to the assignment location in accordance with section 5727.

"(8) An allowance as authorized under section 5724b of this title for Federal, State, and local income taxes incurred on reimbursement of expenses paid under this section or on services provided in kind under this section.

"(9) Expenses of nontemporary storage of household goods and personal effects as defined in section 5726(a). The weight of the household goods and personal effects stored under this subsection, together with the weight of property transported under section 5724(a), may not exceed the total maximum weight which could be transported in accordance with section 5724(a).

"(10) Expenses of property management services.

"(b) An agency shall not make payment under this section to or on behalf of the employee for expenses incurred after termination of the temporary assignment.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5735 the following new item:

"5736. Relocation expenses of an employee who is performing an extended assignment.".

SEC. 1317. AUTHORITY TO PAY A HOME MARKETING INCENTIVE.

(a) IN GENERAL.—Subchapter IV of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§5756. Home marketing incentive payment

"(a) Under such regulations as the Administrator of General Services may prescribe, an agency may pay to an employee who transfers in the interest of the Government an amount, not to exceed a maximum payment amount established by the Administrator in consultation with the Director of the Office of Management and Budget, to encourage the employee to aggressively market the employee's residence at the old official station when—

"(1) the residence is entered into a program established under a contract in accordance with section 5724c of this chapter, to arrange for the purchase of the residence;

"(2) the employee finds a buyer who completes the purchase of the residence through the program; and

"(3) the sale of the residence to the individual results in a reduced cost to the Government.

"(b) For fiscal years 1997 and 1998, the Administrator shall establish a maximum payment amount of 5 percent of the sales price of the residence.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting at the end the following:

"5756. Home marketing incentive payment.".

SEC. 1318. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—(1) Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsections:

"(g)(1) Subject to paragraph (2), an employee who is reimbursed under subsections (a) through (f) of this section or section 5724(a) of this title is entitled to an amount for miscellaneous expenses—

"(A) not to exceed 2 weeks' basic pay, if such employee has an immediate family; or

"(B) not to exceed 1 week's basic pay, if such employee does not have an immediate family.

"(2) Amounts paid under paragraph (1) may not exceed amounts determined at the maximum rate payable for a position at GS–13 of the General Schedule.

"(h) A former employee separated by reason of reduction in force or transfer of function who within 1 year after the separation is reemployed by a nontemporary appointment at a different geographical location from that where the separation occurred, may be allowed and paid the expenses authorized by sections 5724, 5725, 5726(b), and 5727 of this title, and may receive the benefits authorized by subsections (a) through (g) of this section, in the same manner as though such employee had been transferred in the interest of the Government without a break in service to the location of reemployment from the location where separated.

"(i) Payments for subsistence expenses, including amounts in lieu of per diem or actual subsistence expenses or a combination thereof, authorized under this section shall not exceed the maximum payment allowed under regulations which implement section 5702 of this title.

"(j) Subsections (a), (b), and (c) shall be implemented under regulations issued under section 5737.".

(2) Section 3375 of title 5, United States Code, is amended—

(A) in subsection (a)(3), by striking "section 5724a(a)(1) of this title" and inserting "section 5724a(a) of this title";

(B) in subsection (a)(4), by striking "section 5724a(a)(3) of this title" and inserting "section 5724a(c) of this title"; and

(C) in subsection (a)(5), by striking "section 5724a(b) of this title" and inserting "section 5724a(g) of this title".

(3) Section 5724(e) of title 5, United States Code, is amended by striking "section 5724a(a), (b) of this title" and inserting "section 5724a(a) through (g) of this title".

(b) MISCELLANEOUS.—(1) Section 707 of title 38, United States Code, is amended—

(A) in subsection (a)(6), by striking "Section 5724a(a)(3)" and inserting "Section 5724a(c)"; and

(B) in subsection (a)(7), by striking "Section 5724a(a)(4)" and inserting "section 5724a(d)".

(2) Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended—

(A) in subsection (g)(2)(A), by striking "5724a(a)(1)" and inserting "5724a(a)"; and

(B) in subsection (g)(2)(A), by striking "5724a(a)(3)" and inserting "5724a(c)".

(3) Section 925 of the Public Health Service Act (42 U.S.C. 299c–4) is amended—

(A) in subsection (f)(2)(A), by striking "5724a(a)(1)" and inserting "5724a(a)"; and

(B) in subsection (f)(2)(A), by striking "5724a(a)(3)" and inserting "5724a(c)".

Subtitle B—Miscellaneous Provisions

SEC. 1331. REPEAL OF THE LONG-DISTANCE TELEPHONE CALL CERTIFICATION REQUIREMENT.

Section 1348 of title 31, United States Code, is amended—

(1) by striking the last sentence of subsection (a)(2);

(2) by striking subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 1332. TRANSFER OF AUTHORITY TO ISSUE REGULATIONS.

(a) IN GENERAL.—Subchapter II of chapter 57 of title 5, United States Code, is further amended by adding at the end the following new section:

"§5737. Regulations

"(a) Except as specifically provided in this subchapter, the Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.

"(b) The Administrator of General Services shall prescribe regulations necessary for the implementation of section 5724b of this subchapter in consultation with the Secretary of the Treasury.

"(c) The Secretary of Defense shall prescribe regulations necessary for the implementation of section 5735 of this subchapter.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 57 of title 5, United States Code, is further amended by inserting after the item relating to section 5736 the following new item:

"5737. Regulations.".

(c) CONFORMING AMENDMENTS.—(1) Section 5722 of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe", and inserting "Under regulations prescribed under section 5737 of this title".

(2) Section 5723 of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe", and inserting "Under regulations prescribed under section 5737 of this title".

(3) Section 5724 of title 5, United States Code, is amended—

(A) in subsections (a) through (c), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title";

(B) in subsections (c) and (e), by striking "under regulations prescribed by the President" and inserting "under regulations prescribed under section 5737 of this title"; and

(C) in subsection (f), by striking "under the regulations of the President" and inserting "under regulations prescribed under section 5737 of this title".

(4) Section 5724b of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe" and inserting "Under regulations prescribed under section 5737 of this title".

(5) Section 5726 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "as the President may by regulation authorize" and inserting "as authorized under regulations prescribed under section 5737 of this title"; and

(B) in subsections (b) and (c), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "under regulations prescribed under section 5737 of this title".

(6) Section 5727(b) of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe" and inserting "Under regulations prescribed under section 5737 of this title".

(7) Section 5728 of title 5, United States Code, is amended in subsections (a), (b), and (c)(1), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title".

(8) Section 5729 of title 5, United States Code, is amended in subsections (a) and (b), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title".

(9) Section 5731 of title 5, United States Code, is amended by striking "in accordance with regulations prescribed by the President" and inserting "in accordance with regulations prescribed under section 5737 of this title".

SEC. 1333. REPORT ON ASSESSMENT OF COST SAVINGS.

No later than 1 year after the effective date of the final regulations issued under section 1334(b), the General Accounting Office shall submit a report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives on an assessment of the cost savings to Federal travel administration resulting from statutory and regulatory changes under this Act.

SEC. 1334. EFFECTIVE DATE; ISSUANCE OF REGULATIONS.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

(b) REGULATIONS.—The Administrator of General Services shall issue final regulations implementing the amendments made by this title by not later than the expiration of the period referred to in subsection (a).

Strike section 1114(b) of the bill.

BROWN AMENDMENTS NOS. 4144–4145

(Ordered to lie on the table.)

Mr. BROWN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4144

At the end of subtitle C of title II add the following:

SEC. 237. ANNUAL REPORT ON THREAT OF ATTACK BY BALLISTIC MISSILES CARRYING NUCLEAR, CHEMICAL, OR BIOLOGICAL WARHEADS.

(a) FINDINGS.—Congress makes the following findings:

(1) The worldwide proliferation of ballistic missiles threatens United States national interests overseas and challenges United States defense planning.

(2) In the absence of a national missile defense, the United States remains vulnerable to long-range missile threats.

(3) Russia has a ground-based missile defense system deployed around Moscow.

(4) Several countries, including Iraq, Iran, and North Korea may soon be technologically capable of threatening the United States and Russia with ballistic missile attack.

(5) In order to protect all citizens in the 50 States by 2003, it is necessary that all possible actions be taken to enable America to deploy a missile defense system.

(b) REPORT REQUIRED.—(1) Each year, the President shall submit to Congress a report on the threats to the United States of attack by ballistic missiles carrying nuclear, biological, or chemical warheads.

(2) The President shall submit the first report not later than 180 days after the date of the enactment of this Act.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A list of all countries that have nuclear, chemical, or biological weapons, the estimated numbers of such weapons that each country has, and the destructive potential of the weapons.

(2) A list of all countries that have ballistic missiles, the estimated number of such missiles that each country has, and an assessment of the ability of those countries to integrate their ballistic missile capabilities with their nuclear, chemical, or biological weapons technologies.

(3) A comparison of the United States civil defense capabilities with the civil defense capabilities of each country that has nuclear, chemical, or biological weapons and ballistic missiles capable of delivering such weapons.

(4) An estimate of the number of American fatalities and injuries that would result, and an estimate of the value of property that would be lost, from an attack on the United States by ballistic missiles carrying nuclear, chemical, or biological weapons if the United States were left undefended by a national missile defense system covering all 50 States.

(5) Assuming the use of any existing theater ballistic missile defense system for defense of the United States, a list of the States that would be left exposed to nuclear ballistic missile attacks and the criteria used to determine which States would be left exposed.

(6) The means by which the United States is preparing to defend itself against the potential threat of ballistic missile attacks by North Korea, Iran, Iraq, and other countries obtaining ballistic missiles capable of delivering nuclear, chemical, and biological weapons in the near future.

(7) For each country that is capable of attacking the United States with ballistic missiles carrying a nuclear, biological, or chemical weapon, a comparison of—

(A) the vulnerability of the United States to such an attack if theater missile defenses were used to defend against the attack; and

(B) the vulnerability of the United States to such an attack if a national missile defense were in place to defend against the attack.

AMENDMENT NO. 4145

At the end of subtitle B of title I, add the following:

SEC. 113. STUDY REGARDING NEUTRALIZATION OF THE CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to determine the cost of incineration of the current chemical munitions stockpile by building incinerators at each existing facility compared to the proposed cost of dismantling those same munitions, neutralizing them at each storage site and transporting the neutralized remains and all munitions parts to a centrally located incinerator within the United States for incineration.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the study carried out under subsection (a).

SMITH (AND GREGG) AMENDMENT NO. 4146

(Ordered to lie on the table.)

Mr. SMITH (for himself and Mr. GREGG) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, CRAFTS BROTHERS RESERVE TRAINING CENTER, MANCHESTER, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Saint Anselm College, Manchester, New Hampshire, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 3.5 acres and located on Rockland Avenue in Manchester, New Hampshire, the site of the Crafts Brothers Reserve Training Center.

(b) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not make the conveyance authorized by subsection (a) until the Army Reserve units currently housed at the Crafts Brothers Reserve Training Center are relocated to the Joint Service Reserve Center to be constructed at the Manchester Airport, New Hampshire.

(c) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

BROWN (AND CAMPBELL) AMENDMENT NO. 4147

(Ordered to lie on the table.)

Mr. BROWN (for himself and Mr. CAMPBELL) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title III, add the following:

SEC. 352. SENSE OF SENATE REGARDING CLEANUP OF ROCKY MOUNTAIN ARSENAL, COLORADO.

(a) FINDINGS.—The Senate makes the following findings:

(1) It is in the interest of the Department of Defense and the state of Colorado to restore the Rocky Mountain Arsenal to a standard which will allow the community's effective reuse of the property.

(2) In the 20 years since the installation restoration program began, the Army and Shell Oil Company have spent nearly $1 billion to study and control the environmental damage at Rocky Mountain Arsenal. The majority of the cost has been for studying the site and resolving disagreements.

(3) Totaling approximately $400 million, the Arsenal's study phase is the costliest in the history of DOD clean-up programs.

(4) The study phase costs at the Rocky Mountain Arsenal represent at least 16 percent of the Army's total study costs for approximately 1200 installations nationwide.

(5) The timely completion of environmental restoration at Rocky Mountain Arsenal will reduce extraneous costs associated with long-term projects.

(b) SENSE OF THE SENATE.—

It is the sense of the Senate that the Secretary of the Army should complete environmental restoration at the Rocky Mountain Arsenal in an expeditious manner and in conformity with the time schedule and commitments put forth by the Defense Department during negotiations with the state, subject to authorize appropriations and the budget process.

GLENN AMENDMENTS NOS. 4148–4149

(Ordered to lie on the table.)

Mr. GLENN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4148

At the end of subtitle D of title XXXI add the following:

SEC. 3161. WORKER HEALTH AND SAFETY IMPROVEMENTS AT THE DEFENSE NUCLEAR COMPLEX, MIAMISBURG, OHIO.

(a) WORKER HEALTH AND SAFETY ACTIVITIES.—(1) Of the funds authorized to be appropriated pursuant to section 3102(b), $6,200,000 shall be available to the Secretary of Energy to perform, in accordance with a settlement of *Levell et al.* v. *Monsanto Research Corp. et al.*, Case Number C-3-95-312 in the United States District Court for the Southern District of Ohio, activities to improve worker health and safety at the defense nuclear complex at Miamisburg, Ohio.

(2) Activities under paragraph (1) shall include the following:

(A) Completing the evaluation of pre-1989 internal dose assessments for workers who have received a lifetime dose greater than 20 REM.

(B) Installing state-of-the-art automated personnel contamination monitors at appropriate radiation control points and facility exits.

(C) Purchasing and installing an automated personnel access control system, and integrating the software for the system with a radiation work permit system.

(D) Upgrading the radiological records software.

(E) Immediately implementing a program that will characterize the radiological conditions of the site, buildings, and facilities before decontamination activities commence so that radiological hazards are clearly identified and the results of decontamination validated.

(F) Reviewing and improving the conduct and evaluation of continuous air monitoring practices and implementing a personal air sampling program as a means of preventing unnecessary internal exposure.

(G) Upgrading bioassay analytical procedures in order to ensure that contract laboratories are adequately selected and validated and quality control is assured.

(H) Implementing bioassay and internal dose calculation methods that are specific to the radiological hazards identified at the site.

(3)(A) The Secretary shall complete the activities referred to in paragraph (2)(A) not later than September 30, 1997.

(B) The Secretary shall ensure that the activities referred to in paragraph (2)(F) are completed not later than December 31, 1996.

(b) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting applicable statutory or regulatory requirements relating to worker health and safety.

(c) SUPPLEMENT NOT SUPPLANT.—Nothing in this section shall prohibit the Secretary from obligating and expending additional funds under this title for the activities referred to in subsection (a)(2).

AMENDMENT NO. 4149

At the end of subtitle D of title XXXI add the following:

SEC. 3161. WORKER HEALTH AND SAFETY PROTECTION.

(a) SAFETY COMPLIANCE REVIEW AND ACCOUNTABILITY.—Consistent with authority to seek or impose penalties for violations of regulations relating to nuclear safety under section 223 or 234A, respectively, of the Atomic Energy Act of 1954 (42 U.S.C. 2273, 2282a), the Secretary shall review contractor and subcontractor compliance with the nuclear safety-related regulations referred to in subsection (b) at each Department of Energy defense nuclear facility covered by the regulations.

(b) NUCLEAR SAFETY-RELATED REGULATIONS COVERED.—The regulations with which compliance is to be reviewed under this section are as follows:

(1) The nuclear safety management regulations set forth in part 830 of title 10 of the Code of Federal Regulations (as amended, if amended).

(2) The occupational radiation protection regulations set forth in part 835 of title 10 of the Code of Federal Regulations (as amended, if amended).

(c) REPORTING REQUIREMENTS.—(1) Subject to paragraph (2), the Secretary shall include in the annual report submitted to Congress pursuant to section 170(p) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) a report on contractor and subcontractor compliance with the nuclear safety-related regulations referred to in subsection (b). The report shall include the following matters:

(A) A list of facilities evaluated and discussion of progress made in meeting the compliance review requirement set forth in subsection (a).

(B) A list of noncompliance events and violations identified in the compliance review.

(C) A list of actions taken under sections 223 and 234A of the Atomic Energy Act of 1954 and the nuclear safety-related regulations.

(D) Improvements in public safety and worker protection that have been required by the Secretary on the basis of the results of the compliance review.

(E) A description of the effectiveness of compliance review.

(2)(A) The first annual report under paragraph (1) shall be included in the annual report that is required by section 170(p) of the Atomic Energy Act of 1954 to be submitted to Congress not later than April 1, 1997.

(B) No report is required under paragraph (1) after all defense nuclear facilities covered by the regulations referred to in subsection (a) have undergone compliance review pursuant to this section.

(d) PERSONNEL.—The Secretary shall ensure that the number of qualified personnel used to carry out the compliance review under this section is sufficient for achieving effective results. Only Federal employees may be used to carry out a compliance review activity under this section.

(e) REGULATIONS.—Effective 18 months after the date of the enactment of the Act, violations of regulations prescribed by the Secretary to protect contractor and subcontractor employees from non-nuclear hazards at Department of Energy defense nuclear facilities shall be punishable under section 223 and 234A of the Atomic Energy Act of 1954 (42 U.S.C. 2282a and 42 U.S.C. 2273).

DeWINE (AND GLENN) AMENDMENT NO. 4150

(Ordered to lie on the table.)

Mr. DEWINE (for himself and Mr. GLENN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, AIR FORCE PLANT NO. 85, COLUMBUS, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) Notwithstanding any other provision of law, the Secretary of the Air Force may instruct the Administrator of General Services to convey, without consideration, to the Columbus Municipal Airport Authority (in this section referred to as the "Authority") all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, at Air Force Plant No. 85, Columbus, Ohio, consisting of approximately 240 acres that contains the land and buildings referred to as the "airport parcel" in the correspondence from the General Services Administration to the Authority dated April 30, 1996, and is located adjacent to the Port Columbus International Airport.

(2) If the Secretary does not have administrative jurisdiction over the parcel on the date of the enactment of this Act, the conveyance shall be made by the Federal official who has administrative jurisdiction over the parcel as of that date.

(b) REQUIREMENT FOR FEDERAL SCREENING.—The Federal official may not carry out the conveyance of property authorized in subsection (a) unless the Federal official determines, in consultation with the Administrator of General Services, that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance required under subsection (a) shall be subject to the condition that the Authority use the conveyed property for public airport purposes.

(d) REVERSION.—If the Federal official making the conveyance under subsection (a) determines that any portion of the conveyed property is not being utilized in accordance with subsection (c), all right, title, and interest in and to such portion shall revert to the United States and the United States shall have immediate right of entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Federal official making the conveyance. The cost of the survey shall be borne by the Authority.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Federal official making the conveyance of property under subsection (a) may require such additional terms and conditions in connection with the conveyance as much official considered appropriate to protect the interests of the United States.

LEAHY AMENDMENT NO. 4151

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title II, add the following:

SEC. 204. FUNDS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATING TO HUMANITARIAN DEMINING TECHNOLOGIES.

Of the amounts authorized to be appropriated by section 201(4), $18,000,000 shall be available for research, development, test, and evaluation activities relating to humanitarian demining technologies (PE0603120D), to be administered by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

ROBB (AND WARNER) AMENDMENTS NOS. 4152–4153

(Ordered to lie on the table.)

Mr. ROBB (for himself and Mr. WARNER) submitted two amendments intended to be proposed by them to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4152

At the end of subtitle E of title X, add the following:

SEC. 1054. INFORMATION ON PROPOSED FUNDING FOR THE GUARD AND RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall specify in each future-years defense program submitted to Congress after the date of the enactment of this Act the estimated expenditures and proposed appropriations for the procurement of equipment and for military construction for each of the Guard and Reserve components.

(b) DEFINITION.—For purposes of this action, the term "Guard and Reserve components" means the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Naval Reserve.

(4) The Marine Corps Reserve.

(5) The Air Force Reserve.

(6) The Air National Guard of the United States.

AMENDMENT NO. 4153

Strike out subsection (a) of section 2821 and insert in lieu thereof the following new subsection (a):

(a) REQUIREMENT FOR SECRETARY OF INTERIOR TO TRANSFER CERTAIN SECTION 29 LANDS.—(1) Subject to paragraph (2), the Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2)(A) The Secretary of the Interior may not make the transfer referred to in paragraph (1)(B) until 60 days after the date on which the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(i) a summary of the document entitled "Cultural Landscape and Archaeological Study, Section 29, Arlington House, The Robert E. Lee Memorial";

(ii) a summary of the environmental analysis required with respect to the transfer under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(iii) the proposal of the Secretary and the Secretary of the Army setting forth the lands to be transferred and the manner in which the Secretary of the Army will develop such lands after transfer.

(B) The Secretary of the Interior shall submit the information required under subparagraph (A) not later than October 31, 1997.

(3) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, dated February 22, 1995.

(4) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

HELMS AMENDMENT NO. 4154

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 1031(a), strike out "The Secretary of Defense" and insert in lieu thereof "Subject to subsection (e), the Secretary of Defense".

At the end of section 1031, add the following:

(e) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (3) the certification described in paragraph (2).

(2) The certification referred to in paragraph (1) is a written certification of the following:

(A) That the provision of support under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and materiel provided as support will be used only by officials and employees of the Government of Mexico who have undergone a background check by the United States Government.

(C) That the Government of Mexico has certified to the Secretary that—

(i) the equipment and material provided as support will be used only by the officials and employees referred to in the subparagraph (B);

(ii) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(iii) the equipment and materiel will be used only for the purposes intended by the United States Government.

(D) That the Government of Mexico has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of the Government of Mexico will grant United States Government personnel unrestricted access, on an unannounced basis, to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel.

(F) That the Government of Mexico will provide security with respect to the equipment and materiel provided as support that is equal to the security that the United States Government would provide with respect to such equipment and materiel.

(G) That the Government of Mexico will permit continuous supervision by United States Government personnel of the use by the Government of Mexico of the equipment and materiel provided as support.

(3) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services, Appropriations, and Foreign Relations of the Senate.

(B) The Committees on National Security, Appropriations, and International Relations of the House of Representatives.

THE SENATE CAMPAIGN FINANCE REFORM ACT OF 1996

HOLLINGS AMENDMENT NO. 4155

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill (S. 1219) to reform the financing of Federal elections, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. PROPOSED AMENDMENT TO THE CONSTITUTION RELATIVE TO CONTRIBUTIONS AND EXPENDITURES INTENDED TO AFFECT ELECTIONS FOR FEDERAL, STATE, AND LOCAL OFFICE.

The following article is proposed as an amendment to the Constitution, which, when ratified by three-fourths of the legislatures, shall be valid, to all intents and purposes, as part of the Constitution:

"ARTICLE—

"SECTION. 1. Congress shall have power to set reasonable limits on expenditures made in support of or in opposition to the nomination or election of any person to Federal office.

"SECTION. 2. Each State shall have power to set reasonable limits on expenditures made in support of or in opposition to the nomination or election of any person to State office.

"SECTION. 3. Each local government of general jurisdiction shall have power to set reasonable limits on expenditures made in support of or in opposition to the nomination or election of any person to office in that government. No State shall have power to limit the power established by this section.

"SECTION. 4. Congress shall have power to implement and enforce this article by appropriate legislation.".

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

LIEBERMAN (AND OTHERS) AMENDMENT NO. 4156

Mr. LIEBERMAN (for himself, Mr. COATS, Mr. ROBB, Mr. MCCAIN, Mr. NUNN, Mr. INHOFE, Mr. KEMPTHORNE, Mr. WARNER, Mrs. HUTCHISON, Mr. SANTORUM, Mr. MURKOWSKI, Mr. LEVIN, Mr. FORD, Mr. BOND, Mr. THURMOND, Mr. MOYNIHAN, and Mr. HOLLINGS) proposed an amendment to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4156

At the end of title X, add the following:

Subtitle G—Review of Armed Forces Force Structures

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the "Armed Forces Force Structures Review Act of 1996".

SEC. 1082. FINDINGS.

Congress makes the following findings:

(1) Since the collapse of the Soviet Union in 1991, the United States has conducted two substantial assessments of the force structure of the Armed Forces necessary to meet United States defense requirements.

(2) The assessment by the Bush Administration (known as the "Base Force" assessment) and the assessment by the Clinton Administration (known as the "Bottom-Up Review") were intended to reassess the force structure of the Armed Forces in light of the changing realities of the post-Cold War world.

(3) Both assessments served an important purpose in focusing attention on the need to reevaluate the military posture of the United States, but the pace of global change necessitates a new, comprehensive assessment of the defense strategy of the United States and the force structure of the Armed Forces required to meet the threats to the United States in the 21st century.

(4) The Bottom-Up Review has been criticized on several points, including—

(A) the assumptions underlying the strategy of planning to fight and win two nearly simultaneous major regional conflicts;

(B) the force levels recommended to carry out that strategy; and

(C) the funding proposed for such recommended force levels.

(5) In response to the recommendations of the Commission on Roles and Missions of the Armed Forces, the Secretary of Defense endorsed the concept of conducting a quadrennial review of the defense program at the beginning of each newly elected Presidential administration, and the Secretary intends to complete the first such review in 1997.

(6) The review is to involve a comprehensive examination of defense strategy, the force structure of the active, guard, and reserve components, force modernization plans, infrastructure, and other elements of the defense program and policies in order to determine and express the defense strategy of the United States and to establish a revised defense program through the year 2005.

(7) In order to ensure that the force structure of the Armed Forces is adequate to meet the challenges to the national security interests of the United States in the 21st century, to assist the Secretary of Defense in conducting the review referred to in paragraph (5), and to assess the appropriate force structure of the Armed Forces through the

year 2010 and beyond (if practicable), it is important to provide for the conduct of an independent, non-partisan review of the force structure that is more comprehensive than prior assessments of the force structure, extends beyond the quadrennial defense review, and explores innovative and forward-thinking ways of meeting such challenges.

SEC. 1083. QUADRENNIAL DEFENSE REVIEW.

(a) Requirement in 1997.—The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall complete in 1997 a review of the defense program of the United States intended to satisfy the requirements for a Quadrennial Defense Review as identified in the recommendations of the Commission on Roles and Missions of the Armed Forces. The review shall include a comprehensive examination of the defense strategy, force structure, force modernization plans, infrastructure, and other elements of the defense program and policies with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense program through the year 2005.

(b) Involvement of National Defense Panel.—(1) The Secretary shall apprise the National Defense Panel established under section 1084, on an on-going basis, of the work undertaken in the conduct of the review.

(2) Not later than March 14, 1997, the Chairman of the National Defense Panel shall submit to the Secretary the Panel's assessment of work undertaken in the conduct of the review as of that date and shall include in the assessment the recommendations of the Panel for improvements to the review, including recommendations for additional matters to be covered in the review.

(c) Assessments of Review.—Upon completion of the review, the Chairman of the Joint Chiefs of Staff and the Chairman of the National Defense Panel shall each prepare and submit to the Secretary such chairman's assessment of the review in time for the inclusion of the assessment in its entirety in the report under subsection (d).

(d) Report.—Not later than May 15, 1997, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a comprehensive report on the review. The report shall include the following:

(1) The results of the review, including a comprehensive discussion of the defense strategy of the United States and the force structure best suited to implement the strategy.

(2) The threats examined for purposes of the review and the scenarios developed in the examination of such threats.

(3) The assumptions used in the review, including assumptions relating to the cooperation of allies and mission-sharing, levels of acceptable risk, warning times, and intensity and duration of conflict.

(4) The effect on the force structure of preparations for and participation in peace operations and military operations other than war.

(5) The effect on the force structure of the utilization by the Armed Forces of technologies anticipated to be available by the year 2005, including precision guided munitions, stealth, night vision, digitization, and communications, and the changes in doctrine and operational concepts that would result from the utilization of such technologies.

(6) The manpower and sustainment policies required under the defense strategy to support engagement in conflicts lasting more than 120 days.

(7) The anticipated roles and missions of the reserve components in the defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge such roles and missions.

(8) The appropriate ratio of combat forces to support forces (commonly referred to as the "tooth-to-tail" ratio) under the defense strategy, including, in particular, the appropriate number and size of headquarter units and Defense Agencies for that purpose.

(9) The air-lift and sea-lift capabilities required to support the defense strategy.

(10) The forward presence, pre-positioning, and other anticipatory deployments necessary under the defense strategy for conflict deterrence and adequate military response to anticipated conflicts.

(11) The extent to which resources must be shifted among two or more theaters under the defense strategy in the event of conflict in such theaters.

(12) The advisability of revisions to the Unified Command Plan as a result of the defense strategy.

SEC. 1084. NATIONAL DEFENSE PANEL.

(a) Establishment.—Not later than December 1, 1996, the Secretary of Defense shall establish a non-partisan, independent panel to be known as the National Defense Panel (in this section referred to as the "Panel"). The Panel shall have the duties set forth in this section.

(b) Membership.—The Panel shall be composed of a chairman and eight other individuals appointed by the Secretary, in consultation with the Chairman and ranking member of the Committee on Armed Services of the Senate and the Chairman and ranking member of the Committee on National Security of the House of Representatives, from among individuals in the private sector who are recognized experts in matters relating to the national security of the United States.

(c) Duties.—The Panel shall—

(1) conduct and submit to the Secretary the assessment of the review under section 1083 that is required by subsection (b)(2) of that section;

(2) conduct and submit to the Secretary the comprehensive assessment of the review that is required by subsection (c) of that section upon completion of the review; and

(3) conduct the assessment of alternative force structures for the Armed Forces required under subsection (d).

(d) Alternative Force Structure Assessment.—(1) The Panel shall submit to the Secretary an independent assessment of a variety of possible force structures of the Armed Forces through the year 2010 and beyond, including the force structure identified in the report on the review under section 1083(d). The purpose of the assessment is to develop proposals for an "above the line" force structure of the Armed Forces and to provide the Secretary and Congress recommendations regarding the optimal force structure to meet anticipated threats to the national security of the United States through the time covered by the assessment.

(2) In conducting the assessment, the Panel shall examine a variety of potential threats (including near-term threats and long-term threats) to the national security interests of the United States, including the following:

(A) Conventional threats across a spectrum of conflicts.

(B) The proliferation of weapons of mass destruction and the means of delivering such weapons, and the illicit transfer of technology relating to such weapons.

(C) The vulnerability of United States technology to non-traditional threats, including information warfare.

(D) Domestic and international terrorism.

(E) The emergence of a major challenger having military capabilities similar to those of the United States.

(F) Any other significant threat, or combination of threats, identified by the Panel.

(3) For purposes of the assessment, the Panel shall develop a variety of scenarios requiring a military response by the Armed Forces, including the following:

(A) Scenarios developed in light of the threats examined under paragraph (2).

(B) Scenarios developed in light of a continuum of conflicts ranging from a conflict of lesser magnitude than the conflict described in the Bottom-Up Review to a conflict of greater magnitude than the conflict so described.

(4) As part of the assessment, the Panel shall also—

(A) develop recommendations regarding a variety of force structures for the Armed Forces that permit the forward deployment of sufficient land- and sea-based forces to provide an effective deterrent to conflict and to permit a military response by the United States to the scenarios developed under paragraph (3);

(B) to the extent practicable, estimate the funding required by fiscal year, in constant fiscal year 1997 dollars, to organize, equip, and support the forces contemplated under the force structures assessed in the assessment; and

(C) comment on each of the matters also to be included by the Secretary in the report required by section 1083(d).

(e) Report.—(1) Not later than December 1, 1997, the Panel shall submit to the Secretary a report setting forth the activities, findings and recommendations of the Panel under subsection (d), including any recommendations for legislation that the Panel considers appropriate.

(2) Not later than December 15, 1997, the Secretary shall, after consultation with the Chairman of the Joint Chiefs of Staff, submit to the committees referred to in subsection (b)(1) a copy of the report under paragraph (1), together with the Secretary's comments on the report.

(f) Information from Federal Agencies.—The Panel may secure directly from the Department of Defense and any of its components and from any other Federal department and agency such information as the Panel considers necessary to carry out its duties under this section. The head of the department or agency concerned shall ensure that information requested by the Panel under this subsection is promptly provided.

(g) Personnel Matters.—(1) Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Panel.

(2) The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Panel.

(3)(A) The chairman of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director, and a staff of not more than four additional individuals, if the Panel determines that an executive director and staff are necessary in order for the Panel to perform its duties effectively. The employment of an executive director shall be subject to confirmation by the Panel.

(B) The chairman may fix the compensation of the executive director without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any Federal Government employee may be detailed to the Panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege. The Secretary shall ensure that sufficient personnel are detailed to the Panel to enable the Panel to carry out its duties effectively.

(5) To the maximum extent practicable, the members and employees of the Panel shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a duty of the Panel, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

(h) ADMINISTRATIVE PROVISIONS.—(1) The Panel may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(2) The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

(3) The Panel may accept, use, and dispose of gifts or donations of services or property.

(i) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

(j) TERMINATION.—The Panel shall terminate 30 days after the date on which the Panel submits its report to the Secretary under subsection (e).

SEC. 1085. POSTPONEMENT OF DEADLINES.

In the event that the election of President of the United States in 1996 results in a change in administrations, each deadline set forth in this subtitle shall be postponed by 3 months.

SEC. 1086. DEFINITIONS.

In this subtitle:

(1) The term "'above the line' force structure of the Armed Forces" means a force structure (including numbers, strengths, and composition and major items of equipment) for the Armed Forces at the following unit levels:

(A) In the case of the Army, the division.

(B) In the case of the Navy, the battle group.

(C) In the case of the Air Force, the wing.

(D) In the case of the Marine Corps, the expeditionary force.

(E) In the case of special operations forces of the Army, Navy, or Air Force, the major operating unit.

(F) In the case of the strategic forces, the ballistic missile submarine fleet, the heavy bomber force, and the intercontinental ballistic missile force.

(2) The term "Commission on Roles and Missions of the Armed Forces" means the Commission on Roles and Missions of the Armed Forces established by subtitle E of title IX of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1738; 10 U.S.C. 111 note).

(3) The term "military operation other than war" means any operation other than war that requires the utilization of the military capabilities of the Armed Forces, including peace operations, humanitarian assistance operations and activities, counterterrorism operations and activities, disaster relief activities, and counter-drug operations and activities.

(4) The term "peace operations" means military operations in support of diplomatic efforts to reach long-term political settlements of conflicts and includes peacekeeping operations and peace enforcement operations.

LIEBERMAN AMENDMENT NO. 4157

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II add the following:

SEC. 237. CORPS SAM/MEADS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(4)—

(1) $56,200,000 is available for the Corps surface-to-air missile (SAM)/Medium Extended Air Defense System (MEADS) program (PE63869C); and

(2) $515,711,000 is available for Other Theater Missile Defense programs, projects, and activities (PE63872C).

(b) INTERNATIONAL COOPERATION.—The Secretary of Defense may carry out the program referred to in subsection (a) in accordance with the memorandum of understanding entered into on May 25, 1996 by the governments of the United States, Germany, and Italy regarding international cooperation on such program (including any amendments to the memorandum of understanding).

(c) LIMITATIONS.—Not more than $15,000,000 of the amount available for the Corps SAM/MEADS program under subsection (a) may be obligated until the Secretary of Defense submits to the congressional defense committees the following:

(1) An initial program estimate for the Corps SAM/MEADS program, including a tentative schedule of major milestones and an estimate of the total program cost through initial operational capability.

(2) A report on the options associated with the use of existing systems, technologies, and program management mechanisms to satisfy the requirement for the Corps surface-to-air missile, including an assessment of cost and schedule implications in relation to the program estimate submitted under paragraph (1).

(3) A certification that there will be no increase in overall United States funding commitment to the demonstration and validation phase of the Corps SAM/MEADS program as a result of the withdrawal of France from participation in the program.

JOHNSTON AMENDMENTS NOS. 4158–4163

(Ordered to lie on the table.)

Mr. JOHNSTON submitted six amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4158

On page 413, line 25, strike "$2,000,000" and insert "$5,000,000".

AMENDMENT NO. 4159

On page 410, before line 14, add the following:

"(c) STUDY ON PERMANENT AUTHORIZATION FOR GENERAL PLANT PROJECTS.—Not later than February 1. 1997, the Secretary of Energy shall report to the appropriate congressional committees on the need for, and desirability of, a permanent authorization formula for defense and civilian general plant projects in the Department of energy that includes periodic adjustments for inflation, including any legislative recommendations to enact such formula into permanent law. The report of the Secretary shall describe actions that would be taken by the Department to provide for cost control of general plant projects, taking into account the size and nature of such projects."

AMENDMENT NO. 4160

On page 410, line 10, strike "$2,000,000" and insert "$5,000,000".

AMENDMENT NO. 4161

On page 410, line 5, strike "$2,000,000" and insert "$5,000,000".

AMENDMENT NO. 4162

On page 408, after line 17, add the following new section:

"SEC. . INTERNATIONAL NUCLEAR SAFETY.

"In addition to the funds authorized to be appropriated for international nuclear safety under section 3103(12), $51,000,000 shall be available for such purposes from the amounts authorized to be appropriated for other programs under sections 3101 and 3103."

AMENDMENT NO. 4163

On page 408, line 10, strike "15,200,000" and insert "66,200,000".

BUMPERS (AND PRYOR) AMENDMENT NO. 4164

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, PINE BLUFF ARSENAL, ARKANSAS.

(A) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Economic Development Alliance of Jefferson County, Arkansas (in this section referred to as the "Alliance"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 1,500 acres and comprising a portion of the Pine Bluff Arsenal, Arkansas.

(b) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of property authorized under subsection (a) until the completion by the Secretary of any environmental restoration and remediation that is required with the respect to the property under applicable law.

(c) CONDITIONS OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the following conditions:

(1) That the Alliance agree not to carry out any activities on the property to be conveyed that interfere with the construction, operation, and decommissioning of the chemical demilitarization facility to be constructed at Pine Bluff Arsenal.

(2) That the property be used during the 25-year period beginning on the date of the conveyance only as the site of the facility known as the "Bioplex", and for activities related thereto.

(d) COSTS OF CONVEYANCE.—The Alliance shall be responsible for any costs of the Army associated with the conveyance of property under this section, including administrative costs, the costs of an environmental baseline survey with respect to the property, and the cost of any protection services required by the Secretary in order to secure operations of the chemical demilitarization facility from activities on the property after the conveyance.

(e) REVERSIONARY INTERESTS.—If the Secretary determines at any time during the 25-year period referred to in subsection (c)(2) that the property conveyed under this section is not being used in accordance with that subsection, all right, title, and interest in and to the property shall revert to the United States and the United States shall have immediate right of entry thereon.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Alliance.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

KENNEDY AMENDMENTS NOS. 4165–4167

(Ordered to lie on the table.)

Mr. KENNEDY submitted three amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4165

At the end of subtitle F of title X, add the following:

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES WITH MILITARY CHILD CARE.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Department of Defense should be congratulated on the successful implementation of the Military Child Care Act 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) The actions taken by the Department as a result of that Act have dramatically improved the availability, affordability, quality, and consistency of the child care services provided to members of the Armed Forces.

(3) Child care is important to the readiness of members of the Armed Forces because single parents and couples in military service must have access to affordable child care of good quality if they are to perform their jobs and respond effectively to long work hours or deployment.

(4) Child care is important to the retention of members of the Armed Forces in military service because the dissatisfaction of the families of such members with military life is a primary reason for the departure of such members from military service.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the civilian and military child care communities, Federal, State, and local agencies, and businesses and communities involved in the provision of child care services could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to their experiences with the the provision of such services and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships would be beneficial to all families by helping providers of child care services exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that these partnerships can be developed, including—

(A) cooperation between the directors and curriculum specialists of military child development centers and civilian child development centers in assisting such centers in the accreditation process;

(B) use of family support staff to conduct parent and family workshops for new parents and parents with young children in family housing on military installations and in communities in the vicinity of such installations;

(C) internships in Department of Defense child care programs for civilian child care providers to broaden the base of good-quality child care services in communities in the vicinity of military installations; and

(D) attendance by civilian child care providers at Department child-care training classes on a space-available basis.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the child care programs of the Department of Defense and to improve such programs so as to benefit civilian child care providers in communities in the vicinity of military installations.

AMENDMENT NO. 4166

At the end of subtitle F of title X, add the following

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES UNDER MILITARY YOUTH PROGRAMS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Programs of the Department of Defense for youth who are dependents of members of the Armed Forces have not received the same level of attention and resources as have child care programs of the Department since the passage of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) Older children deserve as much attention to their developmental needs as do younger children.

(3) The Department has started to direct more attention to programs for youths who are dependents of members of the Armed Forces by funding the implementation of 20 model community programs to address the needs of such youths.

(4) The lessons learned from such programs could apply to civilian youth programs as well.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Department of Defense, Federal, State, and local agencies, and businesses and communities involved in conducting youth programs could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to such programs and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships could benefit all families by helping the providers of services for youths exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that such partnerships could be developed, including—

(A) cooperation between the Department and Federal and State educational agencies in exploring the use of public school facilities for child care programs and youth programs that are mutually beneficial to the Department and civilian communities and complement programs of the Department carried out at its facilities; and

(B) improving youth programs that enable adolescents to relate to new peer groups when families of members of the Armed Forces are relocated.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the youth programs of the Department of Defense and to improve such programs so as to benefit communities in the vicinity of military installations.

AMENDMENT NO. 4167

In section 301(5), strike out "$9,863,942,000" and insert in lieu thereof "$9,867,442,000".

GORTON AMENDMENT NO. 4168

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of title XXXI, add the following:

Subtitle E—Environmental Restoration at Defense Nuclear Facilities

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the "Defense Nuclear Facility Environmental Restoration Pilot Program Act of 1996".

SEC. 3172. APPLICABILITY.

(a) IN GENERAL.—The provisions of this subtitle shall apply to the following defense nuclear facilities:

(1) Hanford.

(2) Any other defense nuclear facility if—

(A) the chief executive officer of the State in which the facility is located submits to the Secretary a request that the facility be covered by the provisions of this subtitle; and

(B) the Secretary approves the request.

(b) LIMITATION.—The Secretary may not approve a request under subsection (a)(2) until 60 days after the date on which the Secretary notifies the congressional defense committees of the Secretary's receipt of the request.

SEC. 3173. DESIGNATION OF COVERED FACILITIES AS ENVIRONMENTAL CLEANUP DEMONSTRATION AREAS.

(a) DESIGNATION.—Each defense nuclear facility covered by this subtitle under section 3172(a) is hereby designated as an environmental cleanup demonstration area. The purpose of the designation is to establish each such facility as a demonstration area at which to utilize and evaluate new technologies to be used in environmental restoration and remediation at other defense nuclear facilities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal and State regulatory agencies, members of the surrounding communities, and other affected parties with respect to each defense nuclear facility covered by this subtitle should continue to—

(1) develop expedited and streamlined processes and systems for cleaning up such facility;

(2) eliminate unnecessary administrative complexity and unnecessary duplication of regulation with respect to the clean up of such facility;

(3) proceed expeditiously and cost-effectively with environmental restoration and remediation activities at such facility;

(4) consider future land use in selecting environmental clean up remedies at such facility; and

(5) identify and recommend to Congress changes in law needed to expedite the clean up of such facility.

SEC. 3174. SITE MANAGERS.

(a) APPOINTMENT.—(1)(A) The Secretary shall appoint a site manager for Hanford not later than 90 days after the date of the enactment of this Act.

(B) The Secretary shall develop a list of the criteria to be used in appointing a site manager for Hanford. The Secretary may consult with affected and knowledgeable parties in developing the list.

(2) The Secretary shall appoint the site manager for any other defense nuclear facility covered by this subtitle not later than 90 days after the date of the approval of the request with respect to the facility under section 3172(a)(2).

(3) An individual appointed as a site manager under this subsection shall, if not an employee of the Department at the time of the appointment, be an employee of the Department while serving as a site manager under this subtitle.

(b) DUTIES.—(1) Subject to paragraphs (2) and (3), in addition to other authorities provided for in this subtitle, the site manager for a defense nuclear facility shall have full authority to oversee and direct operations at the facility, including the authority to—

(A) enter into and modify contractual agreements to enhance environmental restoration and waste management at the facility;

(B) request that the Department headquarters submit to Congress a reprogramming package shifting among accounts funds available for the facility in order to facilitate the most efficient and timely environmental restoration and waste management at the facility, and, in the event that the Department headquarters does not act upon the request within 30 days of the date of the request, submit such request to the appropriate committees of Congress for review;

(C) negotiate amendments to environmental agreements applicable to the facility for the Department; and

(D) manage environmental management and programmatic personnel of the Department at the facility.

(2) A site manager shall negotiate amendments under paragraph (1)(C) with the concurrence of the Secretary.

(3) A site manager may not undertake or provide for any action under paragraph (1) that would result in an expenditure of funds for environmental restoration or waste management at the defense nuclear facility concerned in excess of the amount authorized to be expended for environmental restoration or waste management at the facility without the approval of such action by the Secretary.

(c) INFORMATION ON PROGRESS.—The Secretary shall regularly inform Congress of the progress made by site managers under this subtitle in achieving expedited environmental restoration and waste management at the defense nuclear facilities covered by this subtitle.

SEC. 3175. DEPARTMENT OF ENERGY ORDERS.

Effective 60 days after the appointment of a site manager for a defense nuclear facility under section 3174(a), an order relating to the execution of environmental restoration, waste management, technology development, or other site operation activities at the facility may be imposed at the facility if the Secretary makes a finding that the order—

(1) is essential to the protection of human health or the environment or to the conduct of critical administrative functions; and

(2) will not interfere with bringing the facility into compliance with environmental laws, including the terms of any environmental agreement.

SEC. 3176. DEMONSTRATIONS OF TECHNOLOGY FOR REMEDIATION OF DEFENSE NUCLEAR WASTE.

(a) IN GENERAL.—The site manager for a defense nuclear facility under this subtitle shall promote the demonstration, verification, certification, and implementation of innovative environmental technologies for the remediation of defense nuclear waste at the facility.

(b) DEMONSTRATION PROGRAM.—To carry out subsection (a), each site manager shall establish a program at the defense nuclear facility concerned for testing environmental technologies for the remediation of defense nuclear waste at the facility. In establishing such a program, the site manager may—

(1) establish a simplified, standardized, and timely process for the testing and verification of environmental technologies;

(2) solicit and accept applications to test environmental technology suitable for environmental restoration and waste management activities at the facility, including prevention, control, characterization, treatment, and remediation of contamination;

(3) consult and cooperate with the heads of existing programs at the facility for the certification and verification of environmental technologies at the facility; and

(4) pay the costs of the demonstration of such technologies.

(c) FOLLOW-ON CONTRACTS.—(1) If the Secretary and a person demonstrating a technology under the program enter into a contract for remediation of nuclear waste at a defense nuclear facility covered by this subtitle, or at any other Department facility, as a follow-on to the demonstration of the technology, the Secretary shall ensure that the contract provides for the Secretary to recoup from the contractor the costs incurred by the Secretary pursuant to subsection (b)(4) for the demonstration.

(2) No contract between the Department and a contractor for the demonstration of technology under subsection (b) may provide for reimbursement of the costs of the contractor on a cost plus fee basis.

(d) SAFE HARBORS.—In the case of an environmental technology demonstrated, verified, certified, and implemented at a defense nuclear facility under a program established under subsection (b), the site manager of another defense nuclear facility may request the Secretary to waive or limit contractual or Department regulatory requirements that would otherwise apply in implementing the same environmental technology at such other facility.

SEC. 3177. REPORTS TO CONGRESS.

Not later than 120 days after the date of the appointment of a site manager under section 3174(a), the site manager shall submit to Congress and the Secretary a report describing the expectations of the site manager with respect to environmental restoration and waste management at the defense nuclear facility concerned by reason of the exercise of the authorities provided in this subtitle. The report shall describe the manner in which the exercise of such authorities is expected to improve environmental restoration and waste management at the facility and identify saving that are expected to accrue to the Department as a result of the exercise of such authorities.

SEC. 3178. TERMINATION.

The authorities provided for in this subtitle shall expire five years after the date of the enactment of this Act.

SEC. 3179. DEFINITIONS.

In this subtitle:

(1) The term "Department" means the Department of Energy.

(2) The term "defense nuclear facility" has the meaning given the term "Department of Energy defense nuclear facility" in section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(3) The term "Hanford" means the defense nuclear facility located in southeastern Washington State known as the Hanford Reservation, Washington.

(4) The term "Secretary" means the Secretary of Energy.

KYL (AND BINGAMAN) AMENDMENT NO. 4169

(Ordered to lie on the table.)

Mr. KYL (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

KYL AMENDMENTS NOS. 4170–4175

(Ordered to lie on the table.)

Mr. KYL submitted six amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4170

At the end of subtitle C of title II, add the following:

SEC. 237. REQUIREMENT THAT MULTILATERALIZATION OF THE ABM TREATY BE DONE ONLY THROUGH TREATY-MAKING POWER.

Any addition of a new signatory party to the ABM Treaty (in addition to the United States and the Russian Federation) constitutes an amendment to the treaty that can only be agreed to by the United States through the treaty-making power of the United States. No funds appropriated or otherwise available for any fiscal year may be obligated or expended for the purpose of implementing or making binding upon the United States the participation of any additional nation as a party to the ABM Treaty unless that nation is made a party to the treaty by an amendment to the Treaty that is made in the same manner as the manner by which a treaty is made.

AMENDMENT NO. 4171

Strike out section 231 and insert in lieu thereof the following new section:

SEC. 231. POLICY ON COMPLIANCE WITH THE ABM TREATY.

(a) POLICY CONCERNING SYSTEMS SUBJECT TO ABM TREATY.—Congress finds that, unless and until a missile defense system, system upgrade, or system component is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), such system, system upgrade, or system component—

(1) has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles; and

(2) therefore is not subject to any application, limitation, or obligation under the ABM Treaty.

(b) PROHIBITIONS.—(1) Funds appropriated to the Department of Defense may not be obligated or expended for the purpose of—

(A) prescribing, enforcing, or implementing any Executive order, regulation, or policy that would apply the ABM Treaty (or any limitation or obligation under such Treaty) to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component; or

(B) taking any other action to provide for the ABM Treaty (or any limitation or obligation under such Treaty) to be applied to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component.

(2) This subsection applies with respect to each missile defense system, missile defense system upgrade, or missile defense system component that is capable of countering modern theater ballistic missiles.

(3) This subsection shall cease to apply with respect to a missile defense system, missile defense system upgrade, or missile defense system component when that system, system upgrade, or system component has been flight tested in an ABM-qualifying flight test.

(c) AMB-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an AMB-qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds—

(1) a range of 3,500 kilometers; or

(2) a velocity of 5 kilometers per second.

AMENDMENT NO. 4172

At the end of subtitle C of title II, add the following:

SEC. 237. DEPLOYMENT OF THEATER MISSILE DEFENSE SYSTEMS UNDER THE ABM TREATY.

(a) FINDINGS.—The Senate makes the following findings:

(1) The threat posed to the national security of the United States, the Armed Forces, and our friends and allies by the proliferation of ballistic missiles is significant and growing both quantitatively and qualitatively.

(2) The deployment of theater missile defense systems will deny potential adversaries the option of threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction as a way of offsetting the operational and technical advantages of the United States Armed Forces and the armed forces of our coalition partners and allies.

(3) Although technology control regimes and other forms of international arms control agreements can contribute to nonproliferation, such measures are inadequate for dealing with missile proliferation and should not be viewed as alternatives to missile defense systems and other active and passive measures.

(4) The Department of Defense is currently considering for deployment as theater missile defense interceptors certain systems determined to comply with the ABM Treaty, including PAC3, THAAD, Navy Lower Tier, and Navy Upper Tier (also known as Navy Wide Area Defense).

(5) In the case of the ABM Treaty, as with all other arms control treaties to which the United States is signatory, each signatory bears the responsibility of ensuring that its actions comply with the treaty, and the manner of such compliance need not be a subject of negotiation between the signatories.

(b) SENSE OF SENATE.—It is the sense of the Senate that the theater missile defense systems currently considered for deployment by the Department of Defense comply with the ABM Treaty.

(c) DEPLOYMENT OF SYSTEMS.—The Secretary of Defense may proceed with the development, testing, and deployment of the theater missile defense systems currently considered for deployment by the Department of Defense.

AMENDMENT NO. 4173

At the end of subtitle D of title X add the following:

SEC. 1044. SENSE OF THE SENATE CONCERNING EXPORT CONTROLS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Export controls are a part of a comprehensive response to national security threats. United States exports should be restricted where those threats exist to national security, nonproliferation, and foreign policy interests of the United States.

(2) The export of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technologies by those countries and end users whose actions or policies run counter to United States national security of foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies. The availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should be eliminated through deterrence, negotiations, and other appropriate means whenever possible.

(4) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(5) On November 5, 1995, President William J. Clinton extended Executive Order No. 12938 regarding "Weapons of Mass Destruction", and "declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons and the means of delivering such weapons".

(6) A successor regime to COCOM (the Coordinating Commission on Multilateral Controls) has not been established. Currently, each nation is determining independently which dual-use military items, if any, will be controlled for export.

(7) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of sensitive dual-use goods and technologies.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) establishing an international export control regime, empowered to control exports of dual-use technology, is critically important and should become a top priority for the United States; and

(2) the United States should strongly encourage its allies and friends to—

(A) adopt a commodity control list which governs the same or similar items as are controlled by the United States Commodity Control list;

(B) strengthen enforcement activities; and

(C) explore the use of unilateral export controls where the possibility exists that an export could contribute to proliferation.

AMENDMENT NO. 4174

At the end of title XXXIII, add the following:

SEC. 3303. ADDITIONAL DISPOSAL AUTHORITY.

(a) ADDITIONAL MATERIALS AUTHORIZED FOR DISPOSAL.—In addition to the quantities of materials authorized for disposal under subsection (a) of section 3302 as specified in the table in subsection (b) of that section, the President may dispose of the materials specified in the table in subsection (b) of this section in accordance with that section.

(b) TABLE.—The table in this subsection is as follows:

Additional Authorized Stockpile Disposal

Material for disposal	Quantity
Titanium Sponge	10,000 short tons.

AMENDMENT NO. 4175

On page 108, between lines 5 and 6, insert the following:

SEC. 368. PROHIBITION OF SALE OR RENTAL OF SEXUALLY EXPLICIT MATERIAL.

(a) IN GENERAL.—(1) Chapter 147 of title 10, United States Code, is amended by adding at the end the following:

"§ 2490b. Sale or rental of sexually explicit material prohibited

"(a) Prohibition of Sale or Rental.—The Secretary of Defense may not permit the sale or rental of sexually explicit written or videotaped material on property under the jurisdiction of the Department of Defense.

"(b) Prohibition of Officially Provided Sexually Explicit Material.—A member of the Armed Forces or a civilian officer or employee of the Department of Defense acting in an official capacity for sale remuneration or rental may not provide sexually explicit material to another person.

"(c) Regulations.—The Secretary of Defense shall prescribe regulations to implement this section.

"(d) Definitions.—In this section:

"(1) The term 'sexually explicit material' means an audio recording, a film or video recording, or a periodical with visual depictions, produced in any medium, the dominant theme of which depicts or describes nudity, including sexual or excretory activities or organs, in a lascivious way.

"(2) The term 'property under the jurisdiction of the Department of Defense' includes commissaries, all facilities operated by the Army and Air Force Exchange Service, the Navy Exchange Service Command, the Navy Resale and Services Support Office, Marine Corps exchanges, and ship stores.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2490b. Sale or rental of sexually explicit material prohibited.".

(b) Effective Date.—Subsection (a) of section 2490b of title 10, United States Code, as added by subsection (a) of this section, shall take effect 90 days after the date of enactment of this Act.

BOXER AMENDMENT NO. 4176

(Ordered to lie on the table.)

Mrs. BOXER submitted an amendment intended to be proposed by her to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. REIMBURSEMENT UNDER AGREEMENT FOR INSTRUCTION OF CIVILIAN STUDENTS AT FOREIGH LANGUAGE INSTITUTE OF THE DEFENSE LANGUAGE INSTITUTE.

Section 559(a)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2776; 10 U.S.C. 4411 note) is amended by striking out "on a cost-reimbursable, space-available basis" and inserting in lieu thereof "on a space-available basis and for such reimbursement (whether in whole or in part) as the Secretary considers appropriate".

HARKIN (AND KERRY) AMENDMENT NO. 4177

(Ordered to lie on the table.)

Mr. HARKIN (for himself and Mr. Kerry) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

Amendment No. 4177

At the end of subtitle D of title X, add the following:

SEC. 1044. DEFENSE BURDENSHARING.

(a) Findings.—Congress makes the following findings:

(1) Although the Cold War has ended, the United States continues to spend billions of dollars to promote regional security and to make preparations for regional contingencies.

(2) United States defense expenditures primarily promote United States national security interests; however, they also significantly contribute to the defense of our allies.

(3) In 1993, the gross domestic product of the United States equaled $6,300,000,000,000, while the gross domestic product of other NATO member countries totaled $7,200,000,000,000.

(4) Over the course of 1993, the United States spent 4.7 percent of its gross domestic product on defense, while other NATO members collectively spent 2.5 percent of their gross domestic product on defense.

(5) In addition to military spending, foreign assistance plays a vital role in the establishment and maintenance of stability in other nations and in implementing the United States national security strategy.

(6) This assistance has often prevented the outbreak of conflicts which otherwise would have required costly military interventions by the United States and our allies.

(7) From 1990–1993, the United States spent $59,000,000,000 in foreign assistance, a sum which represents an amount greater than any other nation in the world.

(8) In 1995, the United States spent over $10,000,000,000 to promote European security, while European NATO nations only contributed $2,000,000,000 toward this effort.

(9) With a smaller gross domestic product and a larger defense budget than its European NATO allies, the United States shoulders an unfair share of the burden of the common defense.

(10) Because of this unfair burden, the Congress previously voted to require United States allies to bear a greater share of the costs incurred for keeping United States military forces permanently assigned in their countries.

(11) As a result of this action, for example, Japan now pays over 75 percent of the nonpersonnel costs incurred by United States military forces permanently assigned there, while our European allies pay for less than 25 percent of these same costs. Japan signed a new Special Measures Agreement this year which will increase Japan's contribution toward the cost of stationing United States troops in Japan by approximately $30,000,000 a year over the next five years.

(12) These increased contributions help to rectify the imbalance in the burden shouldered by the United States for the common defense.

(13) The relative share of the burden of the common defense still falls too heavily on the United States, and our allies should dedicate more of their own resources to defending themselves.

(b) Efforts To Increase Allied Burdensharing.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) For any nation in which United States military personnel are assigned to permanent duty ashore, increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving the following percentages of such costs:

(A) By September 30, 1997, 37.5 percent.

(B) By September 30, 1998, 50 percent.

(C) By September 30, 1999, 62.5 percent.

(D) By September 30, 2000, 75 percent.

An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide, including United Nations or regional peace operations.

(c) Authorities To Encourage Actions by United States Allies.—In seeking the actions described in subsection (b) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation taxes, fees, or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(d) Report on Progress in Increasing Allied Burdensharing.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (b);

(2) all measures taken by the President, including those authorized in subsection (c), to achieve the actions described in subsection (b); and

(3) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(e) Report on National Security Bases for Forward Deployment and Burdensharing Relationships.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1997, in classified and unclassified form.

HARKIN AMENDMENT NO. 4178

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title III, add the following:

SEC. 315. PROHIBITION ON USE OF FUNDS TO PAY CONTRACTOR COSTS OF CERTAIN RESTRUCTURING.

None of the funds authorized to be appropriated for the Department of Defense by this Act may be obligated or expended to pay a contractor under a contract with the Department for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

NUNN AMENDMENTS NOS. 4179–4180

(Ordered to lie on the table.)

Mr. NUNN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4179

At the end of subtitle D of title X, add the following:

SEC. 1044. REPORT ON NATO ENLARGEMENT.

(a) FINDINGS.—Congress makes the following findings:

(1) Since World War II the United States has spent trillions of dollars to enable our European allies to recover from the devastation of the war and, since 1949, to enhance the stability and security of the Euro-Atlantic area through the North Atlantic Treaty Organization (NATO).

(2) NATO has been the most successful collective security organization in history.

(3) The Preamble to the Washington Treaty (North Atlantic Treaty) provides that: "The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments. They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and well-being in the North Atlantic Area. They are resolved to unite their efforts for collective defense and for the preservation of peace and security.".

(4) Article 5 of the North Atlantic Treaty provides for NATO member nations to treat an attack on one as an attack on all.

(5) NATO has enlarged its membership three times since its establishment in 1949.

(6) At its ministerial meeting on December 1, 1994, NATO decided to enlarge the Alliance as part of an evolutionary process, taking into account political and security developments in the whole of Europe. It was also decided at that time that enlargement would be decided on a case-by-case basis and that new members would be full members of the Alliance, enjoying the rights and assuming all obligations of membership.

(7) The September 1995 NATO study on enlarging the Alliance concluded that the "coverage provided by Article 5, including its nuclear component, will apply to new members", but that there "is no a priori requirement for the stationing of nuclear weapons on the territory of new members.".

(8) At its ministerial meeting on June 3, 1996, NATO made decisions in three key areas as follows:

(A) To create more deployable headquarters and more mobile forces to mount traditional missions of collective defense as well as to mount non-Article 5 operations.

(B) To preserve the transatlantic link.

(C) To develop a European Security and Defense Identity within the Alliance, including utilization of the approved Combined Joint Task Forces (CJTF) concept, to facilitate the use of separable but not separate military capabilities in operations led by the WEU.

(9) Enlargement of the Alliance has profound implications for all of its member nations, for the nations chosen for admission to the Alliance in the first tranche, for the nations not included in the first tranche, and for the relationship between the members of the Alliance and Russia.

(10) The Congressional Budget Office has studied five illustrative options to defend the so-called Visegrad nations (Poland, the Czech Republic, Slovakia, and Hungary) to determine the cost of such defense.

(11) The results of the Congressional Budget Office study, issued in March 1996, included conclusions that the cost of defending the Visegrad nations over the 15-year period from 1996 through 2010 would range from $61,000,000,000 to $125,000,000,000; and that of those totals the cost to the new members would range from $42,000,000,000 to $51,000,000,000, and the cost to NATO would range from $19,000,000,000 to $73,000,000,000, of which the United States would expect to pay between $5,000,000,000 and $19,000,000,000.

(12) The Congressional Budget Office study did not determine the cost of enlarging the Alliance to include Slovenia, Romania, Ukraine, the Baltic nations, or other nations that are participating in NATO's Partnership for Peace program.

(13) Enlarging the Alliance could be considered as changing the circumstances that constitute the basis for the Treaty on Conventional Forces in Europe.

(14) The discussion of NATO enlargement within the United States, in general, and the United States Congress, in particular, has not been as comprehensive, detailed, and informed as it should be, given the implications for the United States of enlargement decisions.

(b) REPORT.—Not later than the date on which the President submits the budget for fiscal year 1998 to Congress under section 1105 of title 31, United States Code, the President shall transmit a report on NATO enlargement to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives. The report shall contain a comprehensive discussion of the following:

(1) The costs, for prospective new NATO members, NATO, and the United States, that are associated with the illustrative options used by the Congressional Budget Office in the March 1996 study referred to in subsection (a)(10) as well as any other illustrative options that the President considers appropriate and relevant.

(2) The manner in which prospective new NATO members would be defended against attack, including any changes required in NATO's nuclear posture.

(3) Whether NATO enlargement can proceed prior to France's reintegration into NATO's command structure and Germany's participation in NATO-conducted crisis management and combat operations.

(4) Whether NATO enlargement can proceed prior to reorganization of NATO's military command structure and the maturation of policies to perform non-Article 5 operations.

(5) Whether an enlarged NATO will be able to function on a consensus basis.

(6) The extent to which prospective new NATO members have achieved interoperability of their military equipment, air defense systems, and command, control, and communications systems and conformity of military doctrine with those of NATO.

(7) The extent to which prospective new NATO members have established democratic institutions, free market economies, civilian control of their armed forces, including parliamentary oversight of military affairs and appointment of civilians to senior defense positions, and the rule of law.

(8) The extent to which prospective new NATO members are committed to protecting the rights of all their citizens, including national minorities, and respecting the territorial integrity of their neighbors.

(9) The extent to which prospective new NATO members are in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area.

(10) The bilateral assistance, including cost, provided by the United States to prospective new NATO members since the institution of the Partnership for Peace program.

(11) The impact on the political, economic, and security well-being of prospective new NATO members, with a particular emphasis on Ukraine, if they are not selected for inclusion in the first tranche of NATO enlargement.

(12) The relationship of prospective new NATO members to the European Union, with

special emphasis on the accession of such nations to membership in the European Union and on the extent to which the European Union has opened its markets to prospective new NATO members.

(13) The impact of NATO enlargement on the CFE Treaty.

(14) The relationship of Russia with NATO, including Russia's participation in the Partnership for Peace program and NATO's strategic dialogue with Russia.

(15) The anticipated impact of NATO enlargement on Russian foreign and defense policies, including in particular the implementation of START I, the ratification of START II, and the emphasis placed in defense planning on nuclear weapons.

(c) CLASSIFICATION OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

(d) TREATIES DEFINED.—In this section:

(1) The terms "CFE Treaty" and "Treaty on Conventional Armed Forces in Europe" mean the treaty signed in Paris on November 19, 1990, by 22 members of the North Atlantic Treaty Organization and the former Warsaw Pact to establish limitations on conventional armed forces in Europe, and all annexes and memoranda pertaining thereto.

(2) The term "START I Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on July 31, 1991.

(3) The term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103–1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

AMENDMENT NO. 4180

At the end of division A, add the following:

TITLE XIII—NATIONAL MISSILE DEFENSE

SEC. 1301. SHORT TITLE.

This title may be cited as the "National Missile Defense Act of 1996".

SEC. 1302. FINDINGS.

(a) MISSILE DEFENSES AND ARMS CONTROL AGREEMENTS.—With respect to missile defenses and arms control agreements, Congress makes the following findings:

(1) Short-range theater ballistic missiles threaten United States Armed Forces engaged abroad. Therefore, the expeditious deployment of theater missile defenses to intercept ballistic missiles threatening the Armed Forces abroad is the highest priority among all ballistic missile defense programs.

(2) The United States is developing defensive systems to protect the United States against the emerging threat of limited strategic ballistic missile attacks. Ground-based defensive systems are attainable, are permitted by the ABM Treaty, are available sooner and are more affordable than spaced-based interceptors or space-based lasers, and can protect all of the United States from limited ballistic missile attack.

(3) Deterring limited ballistic missile attacks upon our national territory requires not only national missile defenses but arms control agreements and nonproliferation measures that can lower the threat and curb the spread of ballistic missile technology.

(4) The massive retaliatory capability of the United States deterred the Soviet Union, and any other nation, from launching an attack by intercontinental ballistic missiles throughout the Cold War. The Nuclear Posture Review conducted by the Department of Defense affirms the fundamental effectiveness of deterrence of large-scale nuclear attacks now and into the future. While the threat of intentional attack upon the United States has receded, the risk of an accidental or unauthorized attack by Russia or China remains, albeit remotely.

(5) United States arms control agreements (notably the START I Treaty and the START II Treaty, once implemented) will significantly reduce the threat to the United States from large-scale nuclear attack. The START I Treaty, when fully implemented, will reduce deployed strategic warheads by over 40 percent below 1990 levels. By the end of 1996, only Russia, among the states of the former Soviet Union, will deploy nuclear weapons. The START II Treaty, once implemented, will reduce strategic warheads deployed in Russia by 66 percent below their levels before the Start I Treaty.

(6) As strategic offensive weapons are reduced, the efficacy and affordability of defensive systems increases, strengthening the long-term prospects for deterrence based upon effective defenses in addition to deterrence based upon the threat of retaliation.

(7) Countries hostile to the United States (such as Iraq, Iran, North Korea, and Libya) have manifested an interest in developing both nuclear weapons and ballistic missiles capable of reaching the United States. In the absence of outside assistance, newly emerging threats from these countries may take as long as 15 years or more to mature, according to recent intelligence estimates. These countries could accelerate the development of long-range missiles if they receive external support.

(8) The Nuclear Non-Proliferation Treaty, the Missile Technology Control Regime, the Biological and Chemical Weapons Conventions, and continuing United States efforts to enforce export controls may prevent or delay external assistance needed by those countries to develop intercontinental ballistic missiles and weapons of mass destruction. Cooperation among our allies and the Russian Federation to limit exports of the relevant hardware and knowledge can help.

(9) The ABM Treaty has added to strategic stability by restraining the requirement on both sides for strategic weapons. At the summit in May 1995, the President of the United States and the President of Russia each reaffirmed his country's commitment to the ABM Treaty.

(10) Abrogating the ABM Treaty to deploy a noncompliant national missile defense system will not add to strategic stability if it impedes implementation of the START I or START II Treaties. Without the reductions to strategic weapons required by both treaties, the consequences and risks of unauthorized or accidental launches will increase.

(11) If the nuclear arsenal of the United States must be maintained at START I levels, significant unbudgeted costs will be incurred, encroaching on funds for ballistic missile defenses and all other defense requirements.

(12) Should the combination of arms control, nonproliferation efforts, and deterrence fail, the United States must be able to defend itself against limited ballistic missile attack.

(13) National missile defense systems consistent with the ABM Treaty are capable of defending against limited ballistic missile attack. Should a national missile defense system require modification of the ABM Treaty, the treaty establishes the means for the parties to amend the treaty, which the parties have used in the past.

(14) While a single-site national missile defense system can defend all of the United States against limited ballistic missile attacks, the addition of a second site would substantially improve the effectiveness of a limited national missile defense system.

(15) Adding a second national missile defense site to the initial national missile defense system at the former Safeguard anti-ballistic missile defense site at Grand Forks, North Dakota, results in only a slight degradation of two-site effectiveness when compared to two optimally-sited national missile defense deployment locations.

(b) WEAPONS OF MASS DESTRUCTION OTHER THAN MISSILE-DELIVERED NUCLEAR WEAPONS.—With respect to threatened employment of weapons of mass destruction other than nuclear weapons delivered by long-range ballistic missiles against the United States, Congress makes the following findings:

(1) In addition to the threat of nuclear weapons delivered by long-range ballistic missiles, the United States faces other threatened uses of weapons of mass destruction, including chemical, biological, and radiological weapons, and other delivery means, including commercial or private aircraft, cruise missiles, international shipping containers delivered by land or sea, and domestic manufacture and delivery by private entities.

(2) Chemical weapons have already threatened United States citizens. The terrorist bomb used against the World Trade Center in New York City contained materials intended to generate lethal chemicals in addition to the explosive effect, but the materials failed to generate a toxic mixture.

(3) The explosive device used against the Murrah Federal Building in Oklahoma City was constructed of commonly available materials in the United States and delivered by rental truck.

(4) The Aum Shinrikyo sect in Japan manufactured lethal sarin gas and released it in Tokyo subways, causing numerous fatalities and thousands of casualties.

(5) Chechen rebels threatened to spread lethal radiation throughout Moscow and revealed to the media the location of a small radioactive source hidden in a Moscow park.

(6) Federal, State, and local governments are all poorly prepared to deal with threatened or actual use of chemical, biological, or radiological weapons against United States cities.

(7) Therefore, it is necessary for priorities to be established for dealing with the full spectrum of threatened use of weapons of mass destruction against the United States based on assessments of the likelihood of the occurrence of each particular threat, and for funding to be allocated in accordance with those priorities.

(c) Development of Complex Systems.—With respect to the development of complex systems, Congress makes the following findings:

(1) The United States developed and deployed an antiballistic missile system known as Safeguard. The system was deactivated only months after achieving initial operating capability because of high cost and concern about limited effectiveness.

(2) Since 1983, the United States has expended more than $35,000,000,000 on the development of missile defenses, and most of that has been expended for the development of national missile defenses.

(3) There exists today no operational hardware that could be deployed to provide a national missile defense capability against strategic ballistic missiles. Therefore, there exist no test data from which to assess the performance and cost of a deployed national missile defense system.

(4) Congress has traditionally insisted that major weapon systems be rigorously tested prior to full-rate production so that system performance is demonstrated and system cost estimates are better refined.

(5) Therefore, consistent with that tradition, it is appropriate that any national missile defense system developed for deployment be rigorously tested prior to a deployment decision in order to demonstrate successful performance and refine system costs.

SEC. 1303. NATIONAL MISSILE DEFENSE POLICY.

(a) Research and Development Program.—(1) The Secretary of Defense shall conduct a research and development program to develop an antiballistic missile system described in subsection (b) that could achieve initial operational capability by the end of 2003.

(2) A decision whether to deploy the antiballistic missile system shall be made by Congress during 2000 in accordance with this section.

(3) The Secretary shall ensure that the development and deployment of an antiballistic missile system under this section fully complies with the ABM Treaty and with all other treaty obligations.

(b) System Design.—The antiballistic missile system developed under subsection (a) shall—

(1) be designed to protect the United States against limited ballistic missile threats, including accidental or unauthorized launches or attacks by Third World countries;

(2) be developed for deployment at a single site; and

(3) include as the system components—

(A) fixed, ground-based, antiballistic missile battle management radars at the site;

(B) up to 100 ground-based interceptor missiles;

(C) as necessary, space-based adjuncts, including the Space Surveillance and Missile Tracking System, that are not prohibited by the ABM Treaty; and

(D) as necessary, Large Phased Array Radars (upgraded from other radars or newly constructed) that are located on the periphery of the United States, face outward, and are not prohibited by the ABM Treaty.

(c) Deployment Decision Factors.—The factors to be considered by Congress for a decision to deploy the antiballistic missile system are as follows:

(1) The projected threat of ballistic missile attack against the United States in 2000 and following years.

(2) The projected cost and effectiveness of the system, determined on the basis of the technology available in 2000 and the performance of the system as demonstrated in testing.

(3) The projected cost and effectiveness of the system if, at the time of the decision to deploy, development for deployment were to be continued for—

(A) one additional year,

(B) two additional years, and

(C) three additional years,

taking into consideration the projected availability of any synergistic systems that are under development in 2000.

(4) Arms control factors.

(5) The preparedness of the United States to defend the United States against the full range of threats of attack by weapons of mass destruction, and the relative priorities for funding of defenses against such threats.

(d) Deployment Recommendation.—Not later than March 31, 2000, the President shall submit to Congress a report containing the President's recommendation regarding whether to deploy the antiballistic missile system developed under this section. In addition, the report shall include the following:

(1) A description of the system that could be deployed.

(2) A discussion of the basis for the President's recommendation in terms of the factors set forth in subsection (c).

(e) Congressional Decision on Deployment.—(1) The report of the President under subsection (d) shall be referred to the Committee on Armed Services of the Senate upon receipt in the Senate and to the Committee on National Security of the House of Representatives upon receipt in that House.

(2) A joint resolution described in paragraph (1) of subsection (f) that is introduced within the 30-day period beginning on the date on which Congress receives the President's report shall be considered under the expedited procedures set forth in that subsection.

(f) Expedited Procedure.—(1) For the purposes of subsection (e)(2), "joint resolution" means only a joint resolution the matter after the resolving clause of which is as follows:

"Congress authorizes the Secretary of Defense to begin the deployment at the former Safeguard antiballistic missile site, Grand Forks, North Dakota, of an antiballistic missile system that—

"(1) is designed to protect the United States against limited ballistic missile threats, including accidental or unauthorized launches or attacks by Third World countries;

"(2) is developed for deployment at a single site; and

"(3) includes as the system components—

"(A) fixed, ground-based, antiballistic missile battle management radars at the site;

"(B) up to 100 ground-based interceptor missiles;

"(C) as necessary, space-based adjuncts, including the Space Surveillance and Missile Tracking System, that are not prohibited by the ABM Treaty; and

"(D) as necessary, Large Phased Array Radars (upgraded from other radars or newly constructed) that are located on the periphery of the United States, face outward, and are not prohibited by the ABM Treaty.".

(2) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on National Security of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the eighth day after its introduction.

(3) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of 30 days after its introduction or at the end of the first day after there has been reported to the House involved a joint resolution described in paragraph (1), whichever is earlier, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(4) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(5) If, before the passage by one House of a resolution of that House described in paragraph (1), that House receives from the other House a resolution described in paragraph (1), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee.

(B) With respect to a resolution described in paragraph (1) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(6) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

SEC. 1304. RELATIONSHIP OF ABM SYSTEM DEPLOYMENT AND ARMS CONTROL.

(a) Findings.—Congress makes the following findings:

(1) Deployment of an antiballistic missile system in accordance with section 1303 is fully consistent with the rights of the parties to the ABM Treaty.

(2) Deployment of an antiballistic missile system in accordance with section 1303 would not threaten the deterrent capability of the

Russian nuclear missile forces at force levels agreed to under the START I Treaty, at force levels permitted under the START II Treaty, or even at force levels below the agreed or permitted force levels.

(b) Discussions With Russia.—Congress urges the President to pursue discussions with Russia regarding—

(1) potential opportunities for cooperation on research and development of ballistic missile defense capabilities, including, for example—

(A) research and development of missile warning and tracking capabilities;

(B) research and development of intelligence and warning indications regarding Third World activities on ballistic missiles and weapons of mass destruction; and

(C) joint research and development of more effective theater missile defenses;

(2) amendments to the ABM Treaty, as necessary, that would permit development and deployment of more effective limited defenses of the two countries against long-range ballistic missile attacks; and

(3) establishment of conditions conducive to more effective national missile defense, such as rescinding the 1974 Protocol to the ABM Treaty and making conforming changes to the ABM Treaty in order to permit in each country a second ballistic missile defense site, optimally located, and up to 100 additional interceptor missiles at such site.

(c) Alternative Action Under ABM Treaty.—If the President determines that, due to increasing threats of ballistic missile attack on the United States, it is necessary to expand the antiballistic missile system provided for under section 1303 beyond limits provided under the ABM Treaty and that discussions between the United States and Russia regarding cooperative liberalization of those limits is unsuccessful, the President shall consult with Congress on whether to exercise the right under Article XV of the ABM Treaty for a party to withdraw from the treaty.

SEC. 1305. DEVELOPMENT OF FOLLOW-ON NATIONAL MISSILE DEFENSE TECHNOLOGIES.

The Secretary of Defense, through the Ballistic Missile Defense Organization, shall maintain a robust program of research and development of national missile defense technologies while developing for deployment the antiballistic missile system provided for under section 1303. These research and development activities shall be conducted in full compliance with the ABM Treaty.

SEC. 1306. POLICY REGARDING REDUCTION OF THE THREAT TO THE UNITED STATES FROM WEAPONS OF MASS DESTRUCTION.

(a) Measures To Address Threats From Weapons of Mass Destruction.—In order to defend against weapons of mass destruction by preventing the spread of fissile materials and other components of weapons of mass destruction, the President shall—

(1) enhance efforts, both unilaterally and in cooperation with other nations, to prevent terrorist organizations from obtaining and using weapons of mass destruction;

(2) expedite United States efforts to assist the Governments of Russia, Ukraine, Belarus, and Kazakhstan, as appropriate, in improving the safety, security, and accountability of fissile materials and nuclear warheads;

(3) undertake additional steps to prevent weapons of mass destruction and their components from being smuggled into the United States, through the use of improved security devices at United States ports of entry, increased numbers of Border Patrol agents, increased monitoring of international borders, and other appropriate measures;

(4) seek the widest possible international adherence to the Missile Technology Control Regime and pursue to the fullest other export control measures intended to deter and counter the spread of weapons of mass destruction and their components; and

(5) enhance conventional weapons systems to ensure that the United States possesses effective deterrent and counterforce capabilities against weapons of mass destruction and their delivery systems.

(b) Measures To Address Threats From ICBMs.—In order to reduce the threat to the United States from weapons of mass destruction delivered by intercontinental ballistic missiles, including accidental or unauthorized launches, the President shall—

(1) urge the Government and Parliament of Russia to ratify the START II Treaty as soon as possible, permitting its expeditious entry into force;

(2) pursue with the Government of Russia, after START II entry-into-force, a symmetrical program of early deactivation of strategic forces to be eliminated under START II; and

(3) work jointly with countries possessing intercontinental ballistic missiles to improve command and control technology (such as permissive actions links and other safety devices) and operations to the maximum extent practicable.

(c) Plan To Reduce Threats of Weapons of Mass Destruction.—The Secretary shall develop a comprehensive plan for reducing the threat to the United States of weapons of mass destruction. The Secretary shall develop the plan jointly with the Secretary of State, the Secretary of Energy, the Secretary of the Treasury, the Attorney General, and the Director of Central Intelligence. The plan shall implement the requirements of subsections (a) and (b).

SEC. 1307. JOINT PRESIDENTIAL-CONGRESSIONAL REVIEW AFTER DEPLOYMENT OF INITIAL ABM SYSTEM.

(a) Review Required.—After the first national missile defense system deployed after the date of the enactment of this Act attains initial operational capability, the President and Congress shall jointly review the matters described in subsection (b) in order to determine priorities for future research and development, and possible deployment, of national missile defense technologies and for continued cooperation with Russia on arms control.

(b) Matters To Be Reviewed.—The review shall cover the following matters:

(1) The status of cooperation and discussions between the United States and Russia on matters described in section 1304(b) and on other matters of common interest for the national security of both countries.

(2) The projected threat of ballistic missile attack on the United States.

(3) Other projected threats of attacks on the United States with weapons of mass destruction.

(4) United States preparedness to respond to or defend against such threats.

(5) The status of research and development on national missile defense technologies referred to in section 1305.

SEC. 1308. REPORTING REQUIREMENT.

(a) Requirement.—Not later than March 15, 1997, the Secretary of Defense shall submit to Congress a report on the following plans:

(1) The Secretary's plan for the carrying out the national missile defense program in accordance with the requirements of this Act.

(2) The plan for reducing the threat to the United States of weapons of mass destruction prepared pursuant to section 1306(c).

(b) Plan for National Missile Defense.—With respect to the Secretary's plan for the national missile defense program, the report shall include the following matters:

(1) The antiballistic missile system architecture, including—

(A) a detailed description of the system architecture selected for development; and

(B) a justification of the architecture selected and reasons for the rejection of the other candidate architectures.

(2) The Secretary's estimate of the amount of appropriations required for research, development, test, and evaluation, and for procurement, for each of fiscal years 1997 through 2003 in order to achieve an initial operational capability of the antiballistic missile system in 2003.

(3) A description of promising technologies to be pursued in accordance with the requirements of section 1305.

(4) A determination of the point, if any, at which any activity that is required to be carried out under this title would conflict with the terms of the ABM Treaty, together with a description of any such activity, the legal basis for the Secretary's determination, and an estimate of the time at which such point would be reached in order to meet an initial operating capability in the year 2003.

SEC. 1309. TREATIES DEFINED.

In this title:

(1) The term "ABM Treaty" means the Treaty between the United States and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, and includes Protocols to that Treaty signed at Moscow on July 3, 1974, and all Agreed Statements and amendments to such Treaty in effect.

(2) The term "START I Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on July 31, 1991, including related annexes on agreed statements and definitions, protocols, and memorandum of understanding.

(3) The term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103-1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian

Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

(4) The term "Missile Technology Control Regime" has the meaning given such term in section 11B(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2410b(c)).

NUNN (AND OTHERS) AMENDMENT NO. 4181

(Ordered to lie on the table.)

Mr. NUNN (for himself, Mr. LUGAR, and Mr. DOMENICI) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of division A, add the following new title:

TITLE XIII—DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

SEC. 1301. SHORT TITLE.

This title may be cited as the "Defense Against Weapons of Mass Destruction Act of 1996".

SEC. 1302. FINDINGS.

Congress makes the following findings:

(1) Weapons of mass destruction and related materials and technologies are increasingly available from worldwide sources. Technical information relating to such weapons is readily available on the Internet, and raw materials for chemical, biological, and radiological weapons are widely available for legitimate commercial purposes.

(2) The former Soviet Union produced and maintained a vast array of nuclear, biological, and chemical weapons of mass destruction.

(3) Many of the states of the former Soviet Union retain the facilities, materials, and technologies capable of producing additional quantities of weapons of mass destruction.

(4) The disintegration of the former Soviet Union was accompanied by disruptions of command and control systems, deficiencies in accountability for weapons, weapons-related materials and technologies, economic hardships, and significant gaps in border control among the states of the former Soviet Union. The problems of organized crime and corruption in the states of the former Soviet Union increase the potential for proliferation of nuclear, radiological, biological, and chemical weapons and related materials.

(5) The conditions described in paragraph (4) have substantially increased the ability of potentially hostile nations, terrorist groups, and individuals to acquire weapons of mass destruction and related materials and technologies from within the states of the former Soviet Union and from unemployed scientists who worked on those programs.

(6) As a result of such conditions, the capability of potentially hostile nations and terrorist groups to acquire nuclear, radiological, biological, and chemical weapons is greater than any time in history.

(7) The President has identified North Korea, Iraq, Iran, and Libya as hostile states which already possess some weapons of mass destruction and are developing others.

(8) The acquisition or the development and use of weapons of mass destruction is well within the capability of many extremist and terrorist movements, acting independently or as proxies for foreign states.

(9) Foreign states can transfer weapons to or otherwise aid extremist and terrorist movements indirectly and with plausible deniability.

(10) Terrorist groups have already conducted chemical attacks against civilian targets in the United States and Japan, and a radiological attack in Russia.

(11) The potential for the national security of the United States to be threatened by nuclear, radiological, chemical, or biological terrorism must be taken as seriously as the risk of an attack by long-range ballistic missiles carrying nuclear weapons.

(12) There is a significant and growing threat of attack by weapons of mass destruction on targets that are not military targets in the usual sense of the term.

(13) Concomitantly, the threat posed to the citizens of the United States by nuclear, radiological, biological, and chemical weapons delivered by unconventional means is significant and growing.

(14) Mass terror may result from terrorist incidents involving nuclear, radiological, biological, or chemical materials, even if such materials are not configured as military weapons.

(15) Facilities required for production of radiological, biological, and chemical weapons are much smaller and harder to detect than nuclear weapons facilities, and biological, and chemical weapons can be deployed by alternative delivery means that are much harder to detect than long-range ballistic missiles.

(16) Such delivery systems have no assignment of responsibility, unlike ballistic missiles, for which a launch location would be unambiguously known.

(17) Covert or unconventional means of delivery of nuclear, radiological, biological, and chemical weapons, which might be preferable to foreign states and nonstate organizations, include cargo ships, passenger aircraft, commercial and private vehicles and vessels, and commercial cargo shipments routed through multiple destinations.

(18) Traditional arms control efforts assume large state efforts with detectable manufacturing programs and weapons production programs, but are ineffective in monitoring and controlling smaller, though potentially more dangerous, unconventional proliferation efforts.

(19) Conventional counterproliferation efforts would do little to detect or prevent the rapid development of a capability to suddenly manufacture several hundred chemical or biological weapons with nothing but commercial supplies and equipment.

(20) The United States lacks adequate planning and countermeasures to address the threat of nuclear, radiological, biological, and chemical terrorism.

(21) The Department of Energy has established a Nuclear Emergency Response Team which is available in case of nuclear or radiological emergencies, but no comparable units exist to deal with emergencies involving biological, or chemical weapons or related materials.

(22) State and local emergency response personnel are not adequately prepared or trained for incidents involving nuclear, radiological, biological, or chemical materials.

(23) Exercises of the Federal, State, and local response to nuclear, radiological, biological, or chemical terrorism have revealed serious deficiencies in preparedness and severe problems of coordination.

(24) The development of, and allocation of responsibilities for, effective countermeasures to nuclear, radiological, biological, or chemical terrorism in the United States requires well-coordinated participation of many Federal agencies, and careful planning by the Federal Government and State and local governments.

(25) Training and exercises can significantly improve the preparedness of State and local emergency response personnel for emergencies involving nuclear, radiological, biological, or chemical weapons or related materials.

(26) Sharing of the expertise and capabilities of the Department of Defense, which traditionally has provided assistance to Federal, State, and local officials in neutralizing, dismantling, and disposing of explosive ordnance, as well as radiological, biological, and chemical materials, can be a vital contribution to the development and deployment of countermeasures against nuclear, biological, and chemical weapons of mass destruction.

(27) The United States lacks effective policy coordination regarding the threat posed by the proliferation of weapons of mass destruction.

SEC. 1303. DEFINITIONS.

In this title:

(1) The term "weapon of mass destruction" means any weapon or device that is intended, or has the capability, to cause death or serious bodily injury to a significant number of people through the release, dissemination, or impact of—

(A) toxic or poisonous chemicals or their precursors;

(B) a disease organism; or

(C) radiation or radioactivity.

(2) The term "independent states of the former Soviet Union" has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

(3) The term "highly enriched uranium" means uranium enriched to 20 percent or more in the isotope U-235.

Subtitle A—Domestic Preparedness

SEC. 1311. EMERGENCY RESPONSE ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—(1) The Secretary of Defense shall carry out a program to provide civilian personnel of Federal, State, and local agencies with training and expert advice regarding emergency responses to a use or threatened use of a weapon of mass destruction or related materials.

(2) The President may designate the head of an agency other than the Department of Defense to assume the responsibility for carrying out the program on or after October 1, 1999, and relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(3) Hereafter in this section, the official responsible for carrying out the program is referred to as the "lead official".

(b) COORDINATION.—In carrying out the program, the lead official shall coordinate with each of the following officials who is not serving as the lead official:

(1) The Director of the Federal Emergency Management Agency.

(2) The Secretary of Energy.

(3) The Secretary of Defense.

(4) The heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergency responses described in subsection (a)(1).

(c) ELIGIBLE PARTICIPANTS.—The civilian personnel eligible to receive assistance under the program are civilian personnel of Federal, State, and local agencies who have emergency preparedness responsibilities.

(d) INVOLVEMENT OF OTHER FEDERAL AGENCIES.—(1) The lead official may use personnel and capabilities of Federal agencies outside the agency of the lead official to provide training and expert advice under the program.

(2)(A) Personnel used under paragraph (1) shall be personnel who have special skills relevant to the particular assistance that the personnel are to provide.

(B) Capabilities used under paragraph (1) shall be capabilities that are especially relevant to the particular assistance for which the capabilities are used.

(e) AVAILABLE ASSISTANCE.—Assistance available under this program shall include the following:

(1) Training in the use, operation, and maintenance of equipment for—

(A) detecting a chemical or biological agent or nuclear radiation;

(B) monitoring the presence of such an agent or radiation;

(C) protecting emergency personnel and the public; and

(D) decontamination.

(2) Establishment of a designated telephonic link (commonly referred to as a "hot line") to a designated source of relevant data and expert advice for the use of State or local officials responding to emergencies involving a weapon of mass destruction or related materials.

(3) Use of the National Guard and other reserve components for purposes authorized under this section that are specified by the lead official (with the concurrence of the Secretary of Defense if the Secretary is not the lead official).

(4) Loan of appropriate equipment.

(f) LIMITATIONS ON DEPARTMENT OF DEFENSE ASSISTANCE TO LAW ENFORCEMENT AGENCIES.—Assistance provided by the Department of Defense to law enforcement agencies under this section shall be provided under the authority of, and subject to the restrictions provided in, chapter 18 of title 10, United States Code.

(g) ADMINISTRATION OF DEPARTMENT OF DEFENSE ASSISTANCE.—The Secretary of Defense shall designate an official within the Department of Defense to serve as the executive agent of the Secretary for the coordination of the provision of Department of Defense assistance under this section.

(h) FUNDING.—(1) Of the total amount authorized to be appropriated under section 301, $35,000,000 is available for the program required under this section.

(2) Of the amount available for the program pursuant to paragraph (1), $10,500,000 is available for use by the Secretary of Defense to assist the Surgeon General of the United States in the establishment of metropolitan emergency medical response teams (commonly referred to as "Metropolitan Medical Strike Force Teams") to provide medical services that are necessary or potentially necessary by reason of a use or threatened use of a weapon of mass destruction.

(3) The amount available for the program under paragraph (1) is in addition to any other amounts authorized to be appropriated for the program under section 301.

SEC. 1312. NUCLEAR, CHEMICAL, AND BIOLOGICAL EMERGENCY RESPONSE.

(a) DEPARTMENT OF DEFENSE.—The Secretary of Defense shall designate an official within the Department of Defense as the executive agent for—

(1) the coordination of Department of Defense assistance to Federal, State, and local officials in responding to threats involving biological or chemical weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of biological and chemical weapons and related materials and technologies; and

(2) the coordination of Department of Defense assistance to the Department of Energy in carrying out that department's responsibilities under subsection (b).

(b) DEPARTMENT OF ENERGY.—The Secretary of Energy shall designate an official within the Department of Energy as the executive agent for—

(1) the coordination of Department of Energy assistance to Federal, State, and local officials in responding to threats involving nuclear weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of nuclear weapons and related materials and technologies; and

(2) the coordination of Department of Energy assistance to the Department of Defense in carrying out that department's responsibilities under subsection (a).

(c) FUNDING.—(1)(A) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for providing assistance described in subsection (a).

(B) The amount available under subparagraph (A) for providing assistance described in subsection (a) is in addition to any other amounts authorized to be appropriated under section 301 for that purpose.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for providing assistance described in subsection (b).

(B) The amount available under subparagraph (A) for providing assistance is in addition to any other amounts authorized to be appropriated under title XXXI for that purpose.

SEC. 1313. MILITARY ASSISTANCE TO CIVILIAN LAW ENFORCEMENT OFFICIALS IN EMERGENCY SITUATIONS INVOLVING BIOLOGICAL OR CHEMICAL WEAPONS.

(a) ASSISTANCE AUTHORIZED.—(1) The chapter 18 of title 10, United States Code, is amended by adding at the end the following:

"§ 382. Emergency situations involving chemical or biological weapons of mass destruction

"(a) IN GENERAL.—The Secretary of Defense, upon the request of the Attorney General, may provide assistance in support of Department of Justice activities relating to the enforcement of section 175 or 2332c of title 18 during an emergency situation involving a biological or chemical weapon of mass destruction. Department of Defense resources, including personnel of the Department of Defense, may be used to provide such assistance if—

"(1) the Secretary of Defense and the Attorney General jointly determine that an emergency situation exists; and

"(2) the Secretary of Defense determines that the provision of such assistance will not adversely affect the military preparedness of the United States.

"(b) EMERGENCY SITUATIONS COVERED.—As used in this section, the term 'emergency situation involving a biological or chemical weapon of mass destruction' means a circumstance involving a biological or chemical weapon of mass destruction—

"(1) that poses a serious threat to the interests of the United States; and

"(2) in which—

"(A) civilian expertise and capabilities are not readily available to provide the required assistance to counter the threat immediately posed by the weapon involved;

"(B) special capabilities and expertise of the Department of Defense are necessary and critical to counter the threat posed by the weapon involved; and

"(C) enforcement of section 175 or 2332c of title 18 would be seriously impaired if the Department of Defense assistance were not provided.

"(c) FORMS OF ASSISTANCE.—The assistance referred to in subsection (a) includes the operation of equipment (including equipment made available under section 372 of this title) to monitor, contain, disable, or dispose of the weapon involved or elements of the weapon.

"(d) REGULATIONS.—(1) The Secretary of Defense and the Attorney General shall jointly issue regulations concerning the types of assistance that may be provided under this section. Such regulations shall also describe the actions that Department of Defense personnel may take in circumstances incident to the provision of assistance under this section.

"(2)(A) Except as provided in subparagraph (B), the regulations may not authorize the following actions:

"(i) Arrest.

"(ii) Any direct participation in conducting a search for or seizure of evidence related to a violation of section 175 or 2332c of title 18.

"(iii) Any direct participation in the collection of intelligence for law enforcement purposes.

"(B) The regulations may authorize an action described in subparagraph (A) to be taken under the following conditions:

"(i) The action is considered necessary for the immediate protection of human life, and civilian law enforcement officials are not capable of taking the action.

"(ii) The action is otherwise authorized under subsection (c) or under otherwise applicable law.

"(e) REIMBURSEMENTS.—The Secretary of Defense shall require reimbursement as a condition for providing assistance under this section to the extent required under section 377 of this title.

"(f) DELEGATIONS OF AUTHORITY.—(1) Except to the extent otherwise provided by the Secretary of Defense, the Deputy Secretary of Defense may exercise the authority of the Secretary of Defense under this section. The Secretary of Defense may delegate the Secretary's authority under this section only to an Under Secretary of Defense or an Assistant Secretary of Defense and only if the Under Secretary or Assistant Secretary to whom delegated has been designated by the Secretary to act for, and to exercise the general powers of, the Secretary.

"(2) Except to the extent otherwise provided by the Attorney General, the Deputy Attorney General may exercise the authority of the Attorney General under this section. The Attorney General may delegate that authority only to the Associate Attorney General or an Assistant Attorney General and only if the Associate Attorney General or Assistant Attorney General to whom delegated has been designated by the Attorney General to act for, and to exercise the general powers of, the Attorney General.

"(g) RELATIONSHIP TO OTHER AUTHORITY.—Nothing in this section shall be construed to restrict any executive branch authority regarding use of members of the armed forces or equipment of the Department of Defense that was in effect before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"382. Emergency situations involving chemical or biological weapons of mass destruction.".

(b) CONFORMING AMENDMENT TO CONDITION FOR PROVIDING EQUIPMENT AND FACILITIES.—

Section 372(b)(1) of title 10, United States Code, is amended by adding at the end the following: "The requirement for a determination that an item is not reasonably available from another source does not apply to assistance provided under section 382 of this title pursuant to a request of the Attorney General for the assistance.".

(c) CONFORMING AMENDMENTS RELATING TO AUTHORITY TO REQUEST ASSISTANCE.—(1)(A) Chapter 10 of title 18, United States Code, is amended by inserting after section 175 the following:

"§ 175a. Requests for military assistance to enforce prohibition in certain emergencies

"The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 175 of this title in an emergency situation involving a biological weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 175 the following:

"175a. Requests for military assistance to enforce prohibition in certain emergencies.".

(2)(A) The chapter 133B of title 18, United States Code, that relates to terrorism is amended by inserting after section 2332c the following:

"§ 2332d. Requests for military assistance to enforce prohibition in certain emergencies

"The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 2332c of this title during an emergency situation involving a chemical weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2332c the following:

"2332d. Requests for military assistance to enforce prohibition in certain emergencies.".

(d) CIVILIAN EXPERTISE.—The President shall take reasonable measures to reduce the reliance of civilian law enforcement officials on Department of Defense resources to counter the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States. The measures shall include—

(1) actions to increase civilian law enforcement expertise to counter such a threat; and

(2) actions to improve coordination between civilian law enforcement officials and other civilian sources of expertise, within and outside the Federal Government, to counter such a threat.

(e) REPORTS.—The President shall submit to Congress the following reports:

(1) Not later than 90 days after the date of the enactment of this Act, a report describing the respective policy functions and operational roles of Federal agencies in countering the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States.

(2) Not later than one year after such date, a report describing—

(A) the actions planned to be taken to carry out subsection (d); and

(B) the costs of such actions.

(3) Not later than three years after such date, a report updating the information provided in the reports submitted pursuant to paragraphs (1) and (2), including the measures taken pursuant to subsection (d).

SEC. 1314. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, AND BIOLOGICAL WEAPONS.

(a) EMERGENCIES INVOLVING CHEMICAL OR BIOLOGICAL WEAPONS.—(1) The Secretary of Defense shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving biological weapons and related materials and emergencies involving chemical weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Energy, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(b) EMERGENCIES INVOLVING NUCLEAR AND RADIOLOGICAL WEAPONS.—(1) The Secretary of Energy shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving nuclear and radiological weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Defense, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(c) ANNUAL REVISIONS OF PROGRAMS.—The official responsible for carrying out a program developed under subsection (a) or (b) shall revise the program not later than June 1 in each fiscal year covered by the program. The revisions shall include adjustments that the official determines necessary or appropriate on the basis of the lessons learned from the exercise or exercises carried out under the program in the fiscal year, including lessons learned regarding coordination problems and equipment deficiencies.

(d) OPTION TO TRANSFER RESPONSIBILITY.—(1) The President may designate the head of an agency outside the Department of Defense to assume the responsibility for carrying out the program developed under subsection (a) beginning on or after October 1, 1999, and relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(2) The President may designate the head of an agency outside the Department of Energy to assume the responsibility for carrying out the program developed under subsection (b) beginning on or after October 1, 1999, and relieve the Secretary of Energy of that responsibility upon the assumption of the responsibility by the designated official.

(e) FUNDING.—(1) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for the development and execution of the programs required by this section, including the participation of State and local agencies in exercises carried out under the programs.

(2) The amount available under paragraph (1) for the development and execution of programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purposes.

Subtitle B—Interdiction of Weapons of Mass Destruction and Related Materials

SEC. 1321. UNITED STATES BORDER SECURITY.

(a) PROCUREMENT OF DETECTION EQUIPMENT.—(1) Of the amount authorized to be appropriated by section 301, $15,000,000 is available for the procurement of—

(A) equipment capable of detecting the movement of weapons of mass destruction and related materials into the United States;

(B) equipment capable of interdicting the movement of weapons of mass destruction and related materials into the United States; and

(C) materials and technologies related to use of equipment described in subparagraph (A) or (B).

(2) The amount available under paragraph (1) for the procurement of items referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purpose.

(b) AVAILABILITY OF EQUIPMENT TO COMMISSIONER OF CUSTOMS.—To the extent authorized under chapter 18 of title 10, United States Code, the Secretary of Defense may make equipment of the Department of Defense described in subsection (a), and related materials and technologies, available to the Commissioner of Customs for use in detecting and interdicting the movement of weapons of mass destruction into the United States.

SEC. 1322. NONPROLIFERATION AND COUNTERPROLIFERATION RESEARCH AND DEVELOPMENT.

(a) BIOLOGICAL AND CHEMICAL WEAPONS.—The Secretary of Defense shall be the lead official of the Federal Government for coordinating the research and development activities of the Federal Government on technical means for detecting the presence of, the illegal transportation of, the illegal production of, and the illegal use of materials and technologies that may be used to make a biological or chemical weapon and materials (including precursors) and technologies that are suitable for use in making such a weapon.

(b) NUCLEAR AND RADIOLOGICAL WEAPONS.—The Secretary of Energy shall be the lead official of the Federal Government for coordinating the research and development activities of the Federal Government on technical means for detecting the presence of, the illegal transportation of, the illegal production of, and the illegal use of materials and technologies that may be used to make a nuclear or radiological weapon and materials and technologies that are suitable for use in making a nuclear or radiological weapon.

(c) CONSULTATION REQUIREMENT.—In carrying out research and development activities under subsection (a) or (b), the Secretary of Defense or the Secretary of Energy, respectively, shall consult with each other and the following officials:

(1) The Director of Central Intelligence.

(2) The Director of the Federal Bureau of Investigation.

(3) The Commissioner of Customs.

(d) FUNDING.—(1)(A) There is authorized to be appropriated for fiscal year 1997 $10,000,000 for research and development coordinated by the Secretary of Defense under subsection (a).

(B) The amount authorized to be appropriated for research and development under subparagraph (A) is in addition any other amounts that are authorized to be appropriated under this Act for such research and development, including funds authorized to be appropriated for research and development relating to nonproliferation of weapons of mass destruction.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $19,000,000 is available for research and development coordinated by the Secretary of Energy under subsection (b).

(B) The amount available under subparagraph (B) is in addition to any other amount authorized to be appropriated under title XXXI for such research and development.

SEC. 1323. INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) is amended—

(1) in subsection (a)(1)(B), by striking out "importation or exportation of," and inserting in lieu thereof "importation, exportation, or attempted importation or exportation of,"; and

(2) in subsection (b)(3), by striking out "importation from any country, or the exportation" and inserting in lieu thereof "importation or attempted importation from any country, or the exportation or attempted exportation".

SEC. 1324. CRIMINAL PENALTIES.

It is the sense of Congress that—

(1) the sentencing guidelines prescribed by the United States Sentencing Commission for the offenses of importation, attempted importation, exportation, and attempted exportation of nuclear, biological, and chemical weapons materials constitute inadequate punishment for such offenses; and

(2) Congress urges the United States Sentencing Commission to revise the relevant sentencing guidelines to provide for increased penalties for offenses relating to importation, attempted importation, exportation, and attempted exportation of nuclear, biological, or chemical weapons or related materials or technologies under—

(A) section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410);

(B) sections 38 and 40 the Arms Export Control Act (22 U.S.C. 2778 and 2780);

(C) the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(D) section 309(c) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 2156a(c).

SEC. 1325. INTERNATIONAL BORDER SECURITY.

(a) Secretary of Defense Responsibility.—The Secretary of Defense, in consultation and cooperation with the Commissioner of Customs, shall carry out programs for assisting customs officials and border guard officials in the independent states of the former Soviet Union, the Baltic states, and other countries of Eastern Europe in preventing unauthorized transfer and transportation of nuclear, biological, and chemical weapons and related materials. Training, expert advice, maintenance of equipment, loan of equipment, and audits may be provided under or in connection with the programs.

(b) Funding.—(1) Of the total amount authorized to be appropriated by section 301, $15,000,000 is available for carrying out the programs referred to in subsection (a).

(2) The amount available under paragraph (1) for programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such programs.

Subtitle C—Control and Disposition of Weapons of Mass Destruction and Related Materials Threatening the United States

SEC. 1331. PROTECTION AND CONTROL OF MATERIALS CONSTITUTING A THREAT TO THE UNITED STATES.

(a) Department of Energy Program.—Subject to subsection (c)(1), the Secretary of Energy may, under materials protection, control, and accounting assistance of the Department of Energy, provide assistance for securing from theft or other unauthorized disposition nuclear materials that are not so secured and are located at any site within the former Soviet Union where effective controls for securing such materials are not in place.

(b) Department of Defense Program.—Subject to subsection (c)(2), the Secretary of Defense may provide materials protection, control, and accounting assistance under the Cooperative Threat Reduction Programs of the Department of Defense for securing from theft or other unauthorized disposition, or for destroying, nuclear, radiological, biological, or chemical weapons (or related materials) that are not so secure and are located at any site within the former Soviet Union where effective controls for securing such weapons are not in place.

(c) Funding.—(1)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for materials protection, control, and accounting assistance of the Department of Energy for providing assistance under subsection (a).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated under title XXXI for materials protection, control, and accounting assistance of the Department of Energy.

(2)(A) Of the total amount authorized to be appropriated under section 301, $10,000,000 is available for the Cooperative Threat Reduction Programs of the Department of Defense for providing materials protection, control, and accounting assistance under subsection (b).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated by section 301 for materials protection, control, and accounting assistance of the Department of Defense.

SEC. 1332. VERIFICATION OF DISMANTLEMENT AND CONVERSION OF WEAPONS AND MATERIALS.

(a) Funding for Cooperative Activities for Development of Technologies.—Of the total amount authorized to be appropriated under title XXXI, $10,000,000 is available for continuing and expediting cooperative activities with the Government of Russia to develop and deploy—

(1) technologies for improving verification of nuclear warhead dismantlement;

(2) technologies for converting plutonium from weapons into forms that—

(A) are better suited for long-term storage than are the forms from which converted;

(B) facilitate verification; and

(C) are suitable for nonweapons use; and

(3) technologies that promote openness in Russian production, storage, use, and final and interim disposition of weapon-usable fissible material, including at tritium/isotope production reactors, uranium enrichment plants, chemical separation plants, and fabrication facilities associated with naval and civil research reactors.

(b) Weapons-Usable Fissile Materials To Be Covered by Cooperative Threat Reduction Programs on Elimination or Transportation of Nuclear Weapons.—Section 1201(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 469; 22 U.S.C. 5955 note) is amended by inserting ", fissile material suitable for use in nuclear weapons," after "other weapons".

SEC. 1333. ELIMINATION OF PLUTONIUM PRODUCTION.

(a) Replacement Program.—The Secretary of Defense, in consultation with the Secretary of Energy, shall develop a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium by modifying or replacing the reactor cores at Tomsk-7 and Krasnoyarsk-26 with reactor cores that are less suitable for the production of weapons-grade plutonium.

(b) Program Requirements.—(1) The program shall be designed to achieve completion of the modifications or replacements of the reactor cores within three years after the modification or replacement activities under the program are begun.

(2) The plan for the program shall—

(A) specify—

(i) successive steps for the modification or replacement of the reactor cores; and

(ii) clearly defined milestones to be achieved; and

(B) include estimates of the costs of the program.

(c) Submission of Program Plan to Congress.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress—

(1) a plan for the program under subsection (a);

(2) an estimate of the United States funding that is necessary for carrying out the activities under the program for each fiscal year covered by the program; and

(3) a comparison of the benefits of the program with the benefits of other nonproliferation programs.

(d) Funding for Initial Phase.—(1) Of the total amount authorized to be appropriated by section 301 other than for Cooperative Threat Reduction programs, $16,000,000 is available for the initial phase of the program under subsection (a).

(2) The amount available for the initial phase of the reactor modification or replacement program under paragraph (1) is in addition to amounts authorized to be appropriated for Cooperative Threat Reduction programs under section 301(20).

SEC. 1334. INDUSTRIAL PARTNERSHIP PROGRAMS TO DEMILITARIZE WEAPONS OF MASS DESTRUCTION PRODUCTION FACILITIES.

(a) Department of Energy Program.—The Secretary of Energy shall expand the Industrial Partnership Program of the Department of Energy to include coverage of all of the independent states of the former Soviet Union.

(b) Department of Defense Program.—The Secretary of Defense shall establish a program to support the dismantlement or conversion of the biological and chemical weapons facilities in the independent states of the former Soviet Union to uses for nondefense purposes. The Secretary may carry out such program in conjunction with, or separately from, the organization designated as the Defense Enterprise Fund (formerly designated as the "Demilitarization Enterprise Fund" under section 1204 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 22 U.S.C. 5953)).

(c) Funding for Department of Defense Program.—(1)(A) Of the total amount authorized to be appropriated under section

301, $15,000,000 is available for the program under subsection (b).

(B) The amount available under subparagraph (A) for the industrial partnership program of the Department of Defense established pursuant to subsection (b) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

(2) It is the sense of Congress that the Secretary of Defense should transfer to the Defense Enterprise Fund, $20,000,000 out of the funds appropriated for Cooperative Threat Reduction programs for fiscal years before fiscal year 1997 that remain available for obligation.

SEC. 1335. LAB-TO-LAB PROGRAM TO IMPROVE THE SAFETY AND SECURITY OF NUCLEAR MATERIALS.

(a) PROGRAM EXPANSION AUTHORIZED.—The Secretary of Energy is authorized to expand the Lab-to-Lab program of the Department of Energy to improve the safety and security of nuclear materials in the independent states of the former Soviet Union where the Lab-to-Lab program is not being carried out on the date of the enactment of this Act.

(b) FUNDING.—(1) Of the total amount authorized to be appropriated under title XXXI, $20,000,000 is available for expanding the Lab-to-Lab program as authorized under subsection (a).

(2) The amount available under paragraph (1) is in addition to any other amount otherwise available for the Lab-to-Lab program.

SEC. 1336. COOPERATIVE ACTIVITIES ON SECURITY OF HIGHLY ENRICHED URANIUM USED FOR PROPULSION OF RUSSIAN SHIPS.

(a) RESPONSIBLE UNITED STATES OFFICIAL.—The Secretary of Energy shall be responsible for carrying out United States cooperative activities with the Government of the Russian Federation on improving the security of highly enriched uranium that is used for propulsion of Russian military and civilian ships.

(b) PLAN REQUIRED.—(1) The Secretary shall develop and periodically update a plan for the cooperative activities referred to in subsection (a).

(2) The Secretary shall coordinate the development and updating of the plan with the Secretary of Defense. The Secretary of Defense shall involve the Joint Chiefs of Staff in the coordination.

(c) FUNDING.—(1) Of the total amount authorized to be appropriated by title XXXI, $6,000,000 is available for materials protection, control, and accounting program of the Department of Energy for the cooperative activities referred to in subsection (a).

(2) The amount available for the Department of Energy for materials protection, control, and accounting program under paragraph (1) is in addition to other amounts authorized to be appropriated by title XXXI for such program.

SEC. 1337. MILITARY-TO-MILITARY RELATIONS.

(a) FUNDING.—Of the total amount authorized to be appropriated under section 301, $2,000,000 is available for expanding military-to-military programs of the United States that focus on countering the threats of proliferation of weapons of mass destruction so as to include the security forces of independent states of the former Soviet Union, particularly states in the Caucasus region and Central Asia.

(b) RELATIONSHIP TO OTHER FUNDING AUTHORITY.—The amount available for expanding military-to-military programs under subsection (a) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

SEC. 1338. TRANSFER AUTHORITY.

(a) SECRETARY OF DEFENSE.—(1) To the extent provided in appropriations Acts, the Secretary of Defense may transfer amounts appropriated pursuant to this subtitle for the Department of Defense for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

(b) SECRETARY OF ENERGY.—(1) To the extent provided in appropriations Acts, the Secretary of Energy may transfer amounts appropriated pursuant to this subtitle for the Department of Energy for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

Subtitle D—Coordination of Policy and Countermeasures Against Proliferation of Weapons of Mass Destruction

SEC. 1341. NATIONAL COORDINATOR ON NONPROLIFERATION.

(a) DESIGNATION OF POSITION.—The President shall designate an individual to serve in the Executive Office of the President as the National Coordinator for Nonproliferation Matters.

(b) DUTIES.—The Coordinator shall have the following responsibilities:

(1) To be the principal adviser to the President on nonproliferation of weapons of mass destruction, including issues related to terrorism, arms control, and international organized crime.

(2) To chair the Committee on Nonproliferation established under section 1342.

(3) To take such actions as are necessary to ensure that there is appropriate emphasis in, cooperation on, and coordination of, nonproliferation research efforts of the United States, including activities of Federal agencies as well as activities of contractors funded by the Federal Government.

(c) RELATIONSHIP TO CERTAIN SENIOR DIRECTORS OF NATIONAL SECURITY COUNCIL.—(1) The senior directors of the National Security Council report to the Coordinator regarding the following matters:

(A) Nonproliferation of weapons of mass destruction and related issues.

(B) Management of crises involving use or threatened use of weapons of mass destruction, and on management of the consequences of the use or threatened use of such a weapon.

(C) Terrorism, arms control, and organized crime issues that relate to the threat of proliferation of weapons of mass destruction.

(2) Nothing in paragraph (1) shall be construed to affect the reporting relationship between a senior director and the Assistant to the President for National Security Affairs or any other supervisor regarding matters other than matters described in paragraph (1).

(d) ALLOCATION OF FUNDS.—Of the total amount authorized to be appropriated under section 201, [$2,000,000] is available for carrying out research referred to in subsection (b)(3). Such amount is in addition to any other amounts authorized to be appropriated under section 201 for such purpose.

SEC. 1342. NATIONAL SECURITY COUNCIL COMMITTEE ON NONPROLIFERATION.

(a) ESTABLISHMENT.—The Committee on Nonproliferation (in this section referred to as the "Committee") is established as a committee of the National Security Council.

(b) MEMBERSHIP.—(1) The Committee shall be composed of the following:

(A) The Secretary of State.

(B) The Secretary of Defense.

(C) The Director of Central Intelligence.

(D) The Attorney General.

(E) The Secretary of Energy.

(F) The Administrator of the Federal Emergency Management Agency.

(G) The Secretary of the Treasury.

(H) The Secretary of Commerce.

(I) Such other members as the President may designate.

(2) The National Coordinator for Nonproliferation Matters shall chair the Committee on Nonproliferation.

(c) RESPONSIBILITIES.—The Committee has the following responsibilities:

(1) To review and coordinate Federal programs, policies, and directives relating to the proliferation of weapons of mass destruction and related materials and technologies, including matters relating to terrorism and international organized crime.

(2) To make recommendations to the President regarding the following:

(A) Integrated national policies for countering the threats posed by weapons of mass destruction.

(B) Options for integrating Federal agency budgets for countering such threats.

(C) Means to ensure that the Federal, State, and local governments have adequate capabilities to manage crises involving nuclear, radiological, biological, or chemical weapons or related materials or technologies, and to manage the consequences of a use of such a weapon or related materials or technologies, and that use of those capabilities is coordinated.

(D) Means to ensure appropriate cooperation on, and coordination of, the following:

(i) Preventing the smuggling of weapons of mass destruction and related materials and technologies.

(ii) Promoting domestic and international law enforcement efforts against proliferation-related efforts.

(iii) Countering the involvement of organized crime groups in proliferation-related activities.

(iv) Safeguarding weapons of mass destruction materials and related technologies.

(v) Improving coordination and cooperation among intelligence activities, law enforcement, and the Departments of Defense, State, Commerce, and Energy in support of nonproliferation and counterproliferation efforts.

(vi) Ensuring the continuation of effective export controls over materials and technologies that can contribute to the acquisition of weapons of mass destruction.

(vii) Reducing proliferation of weapons of mass destruction and related materials and technologies.

SEC. 1343. COMPREHENSIVE PREPAREDNESS PROGRAM.

(a) PROGRAM REQUIRED.—The President, acting through the Committee on Nonproliferation established under section 1342, shall develop a comprehensive program for carrying out this title.

(b) CONTENT OF PROGRAM.—The program set forth in the report shall include specific plans as follows:

(1) Plans for countering proliferation of weapons of mass destruction and related materials and technologies.

(2) Plans for training and equipping Federal, State, and local officials for managing a crisis involving a use or threatened use of a weapon of mass destruction, including the consequences of the use of such a weapon.

(3) Plans for providing for regular sharing of information among intelligence, law enforcement, and customs agencies.

(4) Plans for training and equipping law enforcement units, customs services, and border security personnel to counter the smuggling of weapons of mass destruction and related materials and technologies.

(5) Plans for establishing appropriate centers for analyzing seized nuclear, radiological, biological, and chemical weapons, and related materials and technologies.

(6) Plans for establishing in the United States appropriate legal controls and authorities relating to the exporting of nuclear, radiological, biological, and chemical weapons, and related materials and technologies.

(7) Plans for encouraging and assisting governments of foreign countries to implement and enforce laws that set forth appropriate penalties for offenses regarding the smuggling of weapons of mass destruction and related materials and technologies.

(8) Plans for building the confidence of the United States and Russia in each other's controls over United States and Russian nuclear weapons and fissile materials, including plans for verifying the dismantlement of nuclear weapons.

(9) Plans for reducing United States and Russian stockpiles of excess plutonium, reflecting—

(A) consideration of the desirability and feasibility of a United States-Russian agreement governing fissile material disposition and the specific technologies and approaches to be used for disposition of excess plutonium; and

(B) an assessment of the options for United States cooperation with Russia in the disposition of Russian plutonium.

(10) Plans for studying the merits and costs of establishing a global network of means for detecting and responding to terroristic or other criminal use of biological agents against people or other forms of life in the United States or any foreign country.

(c) REPORT.—(1) At the same time that the President submits the budget for fiscal year 1998 to Congress pursuant to section 1105(a) of title 31, United States Code, the President shall submit to Congress a report that sets forth the comprehensive program developed under subsection (a).

(2) The report shall include the following:

(A) The specific plans for the program that are required under subsection (b).

(B) Estimates of the funds necessary for carrying out such plans in fiscal year 1998.

(3) The report shall be in an unclassified form. If there is a classified version of the report, the President shall submit the classified version at the same time.

SEC. 1344. TERMINATION.

After September 30, 1999, the President—

(1) is not required to maintain a National Coordinator for Nonproliferation Matters under section 1341; and

(2) may terminate the Committee on Nonproliferation established under section 1342.

Subtitle E—Miscellaneous

SEC. 1351. CONTRACTING POLICY.

It is the sense of Congress that the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State—

(1) in the administration of funds available to such officials in accordance with this title, should (to the extent possible under law) contract directly with suppliers in independent states of the former Soviet Union to facilitate the purchase of goods and services necessary to carry out effectively the programs and authorities provided or referred to in subtitle C; and

(2) to do so should seek means, consistent with law, to utilize innovative contracting approaches to avoid delay and increase the effectiveness of such programs and of the exercise of such authorities.

SEC. 1352. TRANSFERS OF ALLOCATIONS AMONG COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) FINDINGS.—Congress makes the following findings:

(1) The various Cooperative Threat Reduction programs are being carried out at different rates in the various countries covered by such programs.

(2) It is necessary to authorize transfers of funding allocations among the various programs in order to maximize the effectiveness of United States efforts under such programs.

(b) TRANSFERS AUTHORIZED.—Funds appropriated for the purposes set forth in subsection (a) of section 1202 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 409) may be used for any such purpose without regard to the allocation set forth in that section and without regard to subsection (b) of such section.

SEC. 1353. ADDITIONAL CERTIFICATIONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Cooperative Threat Reduction programs and other United States programs that are derived from programs established under the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102-484; 22 U.S.C. 2901 et seq.) should be expanded by offering assistance under those programs to other independent states of the former Soviet Union in addition to Russia, Ukraine, Kazakstan, and Belarus; and

(2) the President should offer assistance to additional independent states of the former Soviet Union in each case in which the participation of such states would benefit national security interests of the United States by improving border controls and safeguards over materials and technology associated with weapons of mass destruction.

(b) EXTENSION OF COVERAGE.—Assistance under programs referred to in subsection (a) may, notwithstanding any other provision of law, be extended to include an independent state of the former Soviet Union if the President certifies to Congress that it is in the national interests of the United States to extend the assistance to that state.

SEC. 1354. PURCHASE OF LOW-ENRICHED URANIUM DERIVED FROM RUSSIAN HIGHLY ENRICHED URANIUM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the allies of the United States and other nations should participate in efforts to ensure that stockpiles of weapons-grade nuclear material are reduced.

(b) ACTIONS BY THE SECRETARY OF STATE.—Congress urges the Secretary of State to encourage, in consultation with the Secretary of Energy, other countries to purchase low-enriched uranium that is derived from highly enriched uranium extracted from Russian nuclear weapons.

SEC. 1355. PURCHASE, PACKAGING, AND TRANSPORTATION OF FISSILE MATERIALS AT RISK OF THEFT.

It is the sense of Congress that—

(1) the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State should purchase, package, and transport to secure locations weapons-grade nuclear materials from a stockpile of such materials if such officials determine that—

(A) there is a significant risk of theft of such materials; and

(B) there is no reasonable and economically feasible alternative for securing such materials; and

(2) if it is necessary to do so in order to secure the materials, the materials should be imported into the United States, subject to the laws and regulations that are applicable to the importation of such materials into the United States.

SEC. 1356. REDUCTION IN AUTHORIZATIONS OF APPROPRIATIONS.

(a) NAVY RDT&E.—(1) The total amount authorized to be appropriated under section 201(2) is reduced by $150,000,000.

(2) The reduction in paragraph (1) shall be applied to reduce by $150,000,000 the amount authorized to be appropriated under section 201(2) for the Distributed Surveillance System.

(b) DEPARTMENT OF ENERGY.—(1) Notwithstanding any of the provisions of title XXXI, the total amount authorized to be appropriated for the Department of Energy for fiscal year 1997 under that title is reduced by $85,000,000.

(2) The reduction under paragraph (1) is not directed at any particular authorization of appropriations under title XXXI for any particular program, project, or activity.

GRASSLEY AMENDMENT NO. 4182

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of division A, insert the following new title:

TITLE XIII—WTO REVIEW COMMISSION

SEC. 1301. SHORT TITLE.

This title may be cited as the "WTO Dispute Settlement Review Commission Act".

SEC. 1302. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The United States joined the WTO as an original member with the goal of creating an improved global trading system and providing expanded economic opportunities for United States firms and workers, while preserving United States sovereignty.

(2) The American people must receive assurances that United States sovereignty will be protected, and United States interests will be advanced, within the global trading system which the WTO will oversee.

(3) The WTO's dispute settlement rules are meant to enhance the likelihood that governments will observe their WTO obligations, and thus help ensure that the United States will reap the full benefits of its participation in the WTO.

(4) United States support for the WTO depends on obtaining mutual trade benefits through the openness of foreign markets and

the maintenance of effective United States and WTO remedies against unfair or otherwise harmful trade practices.

(5) Congress passed the Uruguay Round Agreements Act based on its understanding that effective trade remedies would not be eroded. These remedies are essential to continue the process of opening foreign markets to imports of goods and services and to prevent harm to American industry and agriculture.

(6) In particular, WTO dispute settlement panels and the Appellate Body should—

(A) operate with fairness and in an impartial manner;

(B) not add to the obligations, or diminish the rights, of WTO members under the Uruguay Round Agreements; and

(C) observe the terms of reference and any applicable WTO standard of review.

(b) PURPOSE.—It is the purpose of this title to provide for the establishment of the WTO Dispute Settlement Review Commission to achieve the objectives described in subsection (a)(6).

SEC. 1303. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the WTO Dispute Settlement Review Commission (hereafter in this title referred to as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 5 members all of whom shall be judges of the Federal judicial circuits and shall be appointed by the President, after consultation with the Majority Leader and Minority Leader of the House of Representatives, the Majority Leader and Minority Leader of the Senate, the chairman and ranking member of the Committee on Ways and Means of the House of Representatives, and the chairman and ranking member of the Committee on Finance of the Senate.

(2) DATE.—The appointments of the initial members of the Commission shall be made no later than 90 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members of the Commission shall each be appointed for a term of 5 years, except of the members first appointed, 3 members shall be appointed for terms of 3 years and the remaining 2 members shall be appointed for terms of 2 years.

(2) VACANCIES.—

(A) IN GENERAL.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment and shall be subject to the same conditions as the original appointment.

(B) UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(d) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) AFFIRMATIVE DETERMINATIONS.—An affirmative vote by a majority of the members of the Commission shall be required for any affirmative determination by the Commission under section 1304.

(h) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a Chairperson and Vice Chairperson from among its members.

SEC. 1304. DUTIES OF THE COMMISSION.

(a) REVIEW OF WTO DISPUTE SETTLEMENT REPORTS.—

(1) IN GENERAL.—The Commission shall review—

(A) all adverse reports of dispute settlement panels and the Appellate Body which are—

(i) adopted by the Dispute Settlement Body, and

(ii) the result of a proceeding initiated against the United States by a WTO member; and

(B) upon the request of the Trade Representative, any adverse report of a dispute settlement panel or the Appellate Body—

(i) which is adopted by the Dispute Settlement Body, and

(ii) in which the United States is a complaining party.

(2) SCOPE OF REVIEW.—With respect to any report the Commission reviews under paragraph (1), the Commission shall determine in connection with each adverse finding whether the panel or the Appellate Body, as the case may be—

(A) demonstrably exceeded its authority or its terms of reference;

(B) added to the obligations, or diminished the rights, of the United States under the Uruguay Round Agreement which is the subject of the report;

(C) acted arbitrarily or capriciously, engaged in misconduct, or demonstrably departed from the procedures specified for panels and the Appellate Body in the applicable Uruguay Round Agreement; and

(D) deviated from the applicable standard of review, including in antidumping cases, the standard of review set forth in Article 17.6 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

(3) AFFIRMATIVE DETERMINATION.—The Commission shall make an affirmative determination under this paragraph with respect to the action of a panel or the Appellate Body, if the Commission determines that—

(A) any of the matters described in subparagraph (A), (B), (C), or (D) of paragraph (2) has occurred; and

(B) the action of the panel or the Appellate Body materially affected the outcome of the report of the panel or Appellate Body.

(b) DETERMINATION; REPORT.—

(1) DETERMINATION.—No later than 120 days after the date on which a report of a panel or the Appellate Body described in subsection (a)(1) is adopted by the Dispute Settlement Body, the Commission shall make a written determination with respect to the matters described in paragraphs (2) and (3) of subsection (a).

(2) REPORTS.—The Commission shall promptly report the determinations described in paragraph (1) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Trade Representative.

SEC. 1305. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold a public hearing to solicit views concerning a report of a dispute settlement panel or the Appellate Body described in section 1304(a)(1), if the Commission considers such hearing to be necessary to carry out the purpose of this title. The Commission shall provide reasonable notice of a hearing held pursuant to this subsection.

(b) INFORMATION FROM INTERESTED PARTIES AND FEDERAL AGENCIES.—

(1) NOTICE OF PANEL OR APPELLATE BODY REPORT.—The Trade Representative shall advise the Commission no later than 5 business days after the date the Dispute Settlement Body adopts a report of a panel or the Appellate Body that is to be reviewed by the Commission under section 1304(a)(1).

(2) SUBMISSIONS AND REQUESTS FOR INFORMATION.—

(A) IN GENERAL.—The Commission shall promptly publish in the Federal Register notice of the advice received from the Trade Representative, along with notice of an opportunity for interested parties to submit written comments to the Commission. The Commission shall make comments submitted pursuant to the preceding sentence available to the public.

(B) INFORMATION FROM FEDERAL AGENCIES AND DEPARTMENTS.—The Commission may also secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon the request of the Chairperson of the Commission, the head of such department or agency shall furnish the information requested to the Commission.

(3) ACCESS TO PANEL AND APPELLATE BODY DOCUMENTS.—

(A) IN GENERAL.—The Trade Representative shall make available to the Commission all submissions and relevant documents relating to a report of a panel or the Appellate Body described in section 1304(a)(1), including any information contained in such submissions identified by the provider of the information as proprietary information or information designated as confidential by a foreign government.

(B) PUBLIC ACCESS.—Any document which the Trade Representative submits to the Commission shall be available to the public, except information which is identified as proprietary or confidential.

(c) ASSISTANCE FROM FEDERAL AGENCIES; CONFIDENTIALITY.—

(1) ADMINISTRATIVE ASSISTANCE.—Any agency or department of the United States that is designated by the President shall provide administrative services, funds, facilities, staff, or other support services to the Commission to assist the Commission with the performance of the Commission's functions.

(2) CONFIDENTIALITY.—The Commission shall protect from disclosure any document or information submitted to it by a department or agency of the United States which the agency or department requests be kept confidential. The Commission shall not be considered to be an agency for purposes of section 552 of title 5, United States Code.

SEC. 1306. REVIEW OF DISPUTE SETTLEMENT PROCEDURES AND PARTICIPATION IN THE WTO.

(a) AFFIRMATIVE REPORT BY COMMISSION.—

(1) IN GENERAL.—If a joint resolution described in subsection (b)(1) is enacted into law pursuant to the provisions of subsection (c), the President should undertake negotiations to amend or modify the rules and procedures of the Uruguay Round Agreement to which such joint resolution relates.

(2) 3 AFFIRMATIVE REPORTS BY COMMISSION.—If a joint resolution described in subsection (b)(2) is enacted into law pursuant to the provisions of subsection (c), the approval of the Congress, provided for under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement shall cease to be effective in accordance with the provisions of the joint resolution.

(b) JOINT RESOLUTIONS DESCRIBED.—

(1) IN GENERAL.—For purposes of subsection (a)(1), a joint resolution is described in this paragraph if it is a joint resolution of the 2 Houses of Congress and the matter after the resolving clause of such joint resolution is as follows: "That the Congress calls upon the President to undertake negotiations to

amend or modify the matter relating to __________ that is the subject of the affirmative report submitted to the Congress by the WTO Dispute Settlement Review Commission on ____", the first blank space being filled with the specific provisions of the Uruguay Round Agreement with respect to which the President is to undertake negotiations and the second blank space being filled with the date that the affirmative report, which was made under section 1304(b) and which has given rise to the joint resolution, was submitted to the Congress by the Commission pursuant to section 1304(b).

(2) WITHDRAWAL RESOLUTION.—For purposes of subsection (a)(2), a joint resolution is described in this paragraph if it is a joint resolution of the 2 Houses of Congress and the matter after the resolving clause of such joint resolution is as follows: "That, in light of the 3 affirmative reports submitted to the Congress by the WTO Dispute Settlement Review Commission during the preceding 5-year period, and the failure to remedy the problems identified in the reports through negotiations, it is no longer in the overall national interest of the United States to be a member of the WTO, and accordingly the Congress withdraws its approval, provided under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement as defined in section 2(9) of that Act.".

(c) PROCEDURAL PROVISIONS.—

(1) IN GENERAL.—The requirements of this subsection are met if the joint resolution is enacted in accordance with this subsection, and—

(A) in the case of a joint resolution described in subsection (b)(1), the Congress adopts and transmits the joint resolution to the President before the end of the 90-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives an affirmative report from the Commission pursuant to section 1304(b)(2); or

(B) in the case of a joint resolution described in subsection (b)(2), the Commission has submitted 3 affirmative reports pursuant to section 1304(b)(2) during a 5-year period, and the Congress adopts and transmits the joint resolution to the President before the end of the 90-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives the third such affirmative report.

(2) PRESIDENTIAL VETO.—In any case in which the President vetoes the joint resolution, the requirements of this subsection are met if each House of Congress votes to override that veto on or before the later of the last day of the 90-day period referred to in subparagraph (A) or (B) of paragraph (1), whichever is applicable, or the last day of the 15-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives the veto message from the President.

(3) INTRODUCTION.—

(A) TIME.—A joint resolution to which this section applies may be introduced at any time on or after the date on which the Commission transmits to the Congress an affirmative report pursuant to section 1304(b)(2), and before the end of the 90-day period referred to in subparagraph (A) or (B) of paragraph (1), as the case may be.

(B) ANY MEMBER MAY INTRODUCE.—A joint resolution described in subsection (b) may be introduced in either House of the Congress by any Member of such House.

(4) EXPEDITED PROCEDURES.—

(A) GENERAL RULE.—Subject to the provisions of this subsection, the provisions of subsections (b), (d), (e), and (f) of section 152 of the Trade Act of 1974 (19 U.S.C. 2192 (b), (d), (e), and (f)) apply to joint resolutions described in subsection (b) to the same extent as such provisions apply to resolutions under such section.

(B) REPORT OR DISCHARGE OF COMMITTEE.—If the committee of either House to which a joint resolution has been referred has not reported it by the close of the 45th day after its introduction (excluding any day described in section 154(b) of the Trade Act of 1974), such committee shall be automatically discharged from further consideration of the joint resolution and it shall be placed on the appropriate calendar.

(C) FINANCE AND WAYS AND MEANS COMMITTEES.—It is not in order for—

(i) the Senate to consider any joint resolution unless it has been reported by the Committee on Finance or the committee has been discharged under subparagraph (B); or

(ii) the House of Representatives to consider any joint resolution unless it has been reported by the Committee on Ways and Means or the committee has been discharged under subparagraph (B).

(D) SPECIAL RULE FOR HOUSE.—A motion in the House of Representatives to proceed to the consideration of a joint resolution may only be made on the second legislative day after the calendar day on which the Member making the motion announces to the House his or her intention to do so.

(5) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a joint resolution (other than a joint resolution received from the other House), if that House has previously adopted a joint resolution under this section relating to the same matter.

(d) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 1307. DEFINITIONS.

For purposes of this title:

(1) ADVERSE FINDING.—The term "adverse finding" means—

(A) in a panel or Appellate Body proceeding initiated against the United States, a finding by the panel or the Appellate Body that any law or regulation of, or application thereof by, the United States is inconsistent with the obligations of the United States under a Uruguay Round Agreement (or nullifies or impairs benefits accruing to a WTO member under such an Agreement); or

(B) in a panel or Appellate Body proceeding in which the United States is a complaining party, any finding by the panel or the Appellate Body that a measure of the party complained against is not inconsistent with that party's obligations under a Uruguay Round Agreement (or does not nullify or impair benefits accruing to the United States under such an Agreement).

(2) AFFIRMATIVE REPORT.—The term "affirmative report" means a report described in section 1304(b)(2) which contains affirmative determinations made by the Commission under paragraph (3) of section 1304(a).

(3) APPELLATE BODY.—The term "Appellate Body" means the Appellate Body established by the Dispute Settlement Body pursuant to Article 17.1 of the Dispute Settlement Understanding.

(4) DISPUTE SETTLEMENT BODY.—The term "Dispute Settlement Body" means the Dispute Settlement Body established pursuant to the Dispute Settlement Understanding.

(5) DISPUTE SETTLEMENT PANEL; PANEL.—The terms "dispute settlement panel" and "panel" mean a panel established pursuant to Article 6 of the Dispute Settlement Understanding.

(6) DISPUTE SETTLEMENT UNDERSTANDING.—The term "Dispute Settlement Understanding" means the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16) of the Uruguay Round Agreements Act.

(7) TERMS OF REFERENCE.—The term "terms of reference" has the meaning given such term in the Dispute Settlement Understanding.

(8) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(9) URUGUAY ROUND AGREEMENT.—The term "Uruguay Round Agreement" means any of the Agreements described in section 101(d) of the Uruguay Round Agreements Act.

(10) WORLD TRADE ORGANIZATION; WTO.—The terms "World Trade Organization" and "WTO" mean the organization established pursuant to the WTO Agreement.

(11) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

REID AMENDMENT NO. 4183

(Ordered to lie on the table.)

Mr. REID submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXXI, add the following:

SEC. 3138. PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SITE.

Notwithstanding any other provision of law and effective as of September 30, 1997, the costs associated with operating and maintaining the infrastructure at the Nevada Test Site, Nevada, with respect to any activities carried out at the site by the Department of Defense shall be paid for by the Department of Energy from funds authorized to be appropriated to the Department of Energy for stockpile stewardship.

FEINSTEIN AMENDMENT NO. 4184

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. FUNDING FOR BASIC RESEARCH IN NUCLEAR SEISMIC MONITORING.

Of the amount authorized to be appropriated by section 201(3) and made available for arms control implementation for the Air Force (account PE0305145F), $6,500,000 shall be available for basic research in nuclear seismic monitoring.

KYL (AND BINGAMAN) AMENDMENTS NOS. 4185–4186

(Ordered to lie on the table.)

Mr. KYL (for himself and Mr. BINGAMAN) submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4185

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

AMENDMENT NO. 4186

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.— No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

KYL AMENDMENTS NOS. 4187–4188

(Ordered to lie on the table.)

Mr. KYL submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4187

At the end of subtitle B of title II, add the following:

SEC. 223. SURGICAL STRIKE VEHICLE FOR USE AGAINST HARDENED AND DEEPLY BURIED TARGETS.

Of the amount authorized to be appropriated by section 201(4) for counterproliferation support program, $3,000,000 shall be made available for research and development into the near-term development of a B52H system as a surgical strike vehicle for defeating hardened and deeply buried targets, including tunnels and deeply buried facilities for the production and storage of chemical, biological, and nuclear weapons and their delivery systems.

AMENDMENT NO. 4188

At the end of subtitle D of title X add the following:

SEC. 1044. SENSE OF THE SENATE CONCERNING EXPORT CONTROLS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Export controls are a part of a comprehensive response to national security threats. United States exports should be restricted where those threats exist to national security, nonproliferation, and foreign policy interests of the United States.

(2) The export of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technologies by those countries and end users whose actions or policies run counter to United States national security or foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies. The availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should be eliminated through deterrence, negotiations, and other appropriate means whenever possible.

(4) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(5) On November 5, 1995, President William J. Clinton extended Executive Order No. 12938 regarding "Weapons of Mass Destruction", and "declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons and the means of delivering such weapons".

(6) A successor regime to COCOM (the Coordinating Commission on Multilateral Controls) has not been established. Currently, each nation is determining independently which dual-use military items, if any, will be controlled for export.

(7) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of sensitive dual-use goods and technologies.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) establishing an international export control regime, empowered to control exports of dual-use technology, is critically important and should become a top priority for the United States; and

(2) the United States should strongly encourage its allies and friends to—

(A) adopt a commodity control list which governs the same or similar items as are controlled by the United States Commodity Control list;

(B) strengthen enforcement activities; and

(C) explore the use of unilateral export controls where the possibility exists that an export could contribute to proliferation.

THURMOND AMENDMENTS NOS. 4189–4190

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4189

At the end of subtitle B of title IV, add the following:

SEC. 413. PERSONNEL MANAGEMENT RELATING TO ASSIGNMENT TO SERVICE IN THE SELECTIVE SERVICE SYSTEM.

Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended—

(1) in subsection (b)(2), by inserting ", subject to subsection (e)," after "to employ such number of civilians, and"; and

(2) by inserting after subsection (d) the following:

"(e)(1) The number of armed forces personnel assigned to the Selective Service System under subsection (b)(2) may not exceed 745, except in a time of war declared by Congress or national emergency declared by Congress or the President.

"(2) Members of the Selected Reserve assigned to the Selective Service System under subsection (b)(2) shall not be counted for purposes of any limitation on the authorized strength of Selected Reserve personnel of the reserve components under any law authorizing the end strength of such personnel.".

AMENDMENT NO. 4190

At the end of title XI add the following:

Subtitle B—Defense Intelligence Personnel

SEC. 1131. SHORT TITLE.

This subtitle may be cited as the "Department of Defense Civilian Intelligence Personnel Reform Act of 1996".

SEC. 1132. CIVILIAN INTELLIGENCE PERSONNEL MANAGEMENT.

Section 1590 of title 10, United States Code, is amended to read as follows:

"§ 1590. Management of civilian intelligence personnel of the Department of Defense

"(a) GENERAL PERSONNEL MANAGEMENT AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of employees—

"(1) establish—

"(A) as positions in the excepted service, such defense intelligence component positions (including Intelligence Senior Level positions) as the Secretary determines necessary to carry out the intelligence functions of the defense intelligence components; and

"(B) such Intelligence Senior Executive Service positions as the Secretary determines necessary to carry out functions referred to in subparagraph (B);

"(2) appoint individuals to such positions (after taking into consideration the availability of preference eligibles for appointment to such positions); and

"(3) fix the compensation of such individuals for service in such positions.

"(b) BASIC PAY.—(1)(A) Subject to subparagraph (B) and paragraph (2), the Secretary of Defense shall fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that subpart which have corresponding levels of duties and responsibilities.

"(B) Except as otherwise provided by law, no rate of basic pay fixed under subparagraph (A) for a position established under subsection (a) may exceed—

"(i) in the case of an Intelligence Senior Executive Service position, the maximum rate provided in section 5382 of title 5;

"(ii) in the case of an Intelligence Senior Level position, the maximum rate provided in section 5382 of title 5; and

"(iii) in the case of any other defense intelligence component position, the maximum rate provided in section 5306(e) of title 5.

"(2) The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions for civilian employees in or under which the Department of Defense may employ individuals described by section 5342(a)(2)(A) of such title.

"(c) ADDITIONAL COMPENSATION, INCENTIVES, AND ALLOWANCES.—(1) Employees in defense intelligence component positions may be paid additional compensation, including benefits, incentives, and allowances, in accordance with this subsection if, and to the extent, authorized in regulations prescribed by the Secretary of Defense.

"(2) Additional compensation under this subsection shall be consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(3)(A) Employees in defense intelligence component positions, if citizens or nationals of the United States, may be paid an allowance while stationed outside the continental United States or in Alaska.

"(B) Subject to subparagraph (C), allowances under subparagraph (A) shall be based on—

"(i) living costs substantially higher than in the District of Columbia;

"(ii) conditions of environment which differ substantially from conditions of environment in the continental United States and warrant an allowance as a recruitment incentive; or

"(iii) both of the factors described in clauses (i) and (ii).

"(C) An allowance under subparagraph (A) may not exceed an allowance authorized to be paid by section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(d) INTELLIGENCE SENIOR EXECUTIVE SERVICE.—(1) The Secretary of Defense may establish an Intelligence Senior Executive Service for defense intelligence component positions established pursuant to subsection (a) that are equivalent to Senior Executive Service positions.

"(2) The Secretary of Defense shall prescribe regulations for the Intelligence Senior Executive Service which are consistent with the requirements set forth in sections 3131, 3132(a)(2), 3396(c), 3592, 3595(a), 5384, and 6304 of title 5, subsections (a), (b), and (c) of section 7543 of such title (except that any hearing or appeal to which a member of the Intelligence Senior Executive Service is entitled shall be held or decided pursuant to the regulations), and subchapter II of chapter 43 of such title. To the extent that the Secretary determines it practicable to apply to members of, or applicants for, the Intelligence Senior Executive Service other provisions of title 5 that apply to members of, or applicants for, the Senior Executive Service, the Secretary shall also prescribe regulations to implement those sections with respect to the Intelligence Senior Executive Service.

"(e) AWARD OF RANK TO MEMBERS OF THE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—The President, based on the recommendations of the Secretary of Defense, may award a rank referred to in section 4507 of title 5 to members of the Intelligence Senior Executive Service whose positions may be established pursuant to this section. The awarding of such rank shall be made in a manner consistent with the provisions of that section.

"(f) INTELLIGENCE SENIOR LEVEL POSITIONS.—The Secretary of Defense may, in accordance with regulations prescribed by the Secretary, designate as an Intelligence Senior Level position any defense intelligence component position that, as determined by the Secretary—

"(1) is classifiable above grade GS–15 of the General Schedule;

"(2) does not satisfy functional or program management criteria for being designated an Intelligence Senior Executive Service position; and

"(3) has no more than minimal supervisory responsibilities.

"(g) TIME LIMITED APPOINTMENTS.—(1) The Secretary of Defense may, in regulations, authorize appointing officials to make time limited appointments to defense intelligence component positions specified in the regulations.

"(2) An employee serving in a defense intelligence component position pursuant to a time limited appointment is not eligible for a permanent appointment to an Intelligence Senior Executive Service position (including a position in which serving) unless selected for the permanent appointment on a competitive basis.

"(3) In this subsection, the term 'time limited appointment' means an appointment for a period not to exceed two years. . . .

"(h) TERMINATION OF CIVILIAN INTELLIGENCE EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee in a defense intelligence component position if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense and the head of a defense intelligence component (with respect to employees of that component). An action to terminate employment of such an employee by any such official may be appealed to the Secretary of Defense.

"(i) REDUCTIONS AND OTHER ADJUSTMENTS IN FORCE.—(1) The Secretary of Defense, in consultation with the Director of the Office of Personnel Management, shall prescribe regulations for the separation of employees in defense intelligence component positions, including members of the Intelligence Senior Executive Service and employees in Intelligence Senior Level positions, in a reduction in force or other adjustment in force. The regulations shall apply to such a reduction in force or other adjustment in force notwithstanding sections 3501(b) and 3502 of title 5.

"(2) The regulations shall give effect to—

"(A) tenure of employment;

"(B) military preference, subject to sections 3501(a)(3) and 3502(b) of title 5;

"(C) the veteran's preference under section 3502(b) of title 5;

"(D) performance; and

"(E) length of service computed in accordance with the second sentence of section 3502(a) of title 5.

"(2) The regulations relating to removal from the Intelligence Senior Executive Service in a reduction in force or other adjustment in force shall be consistent with section 3595(a) of title 5.

"(3) The regulations shall provide a right of appeal regarding a personnel action under the regulations. The appeal shall be determined within the Department of Defense. An appeal determined at the highest level provided in the regulations shall be final and not subject to review outside the Department of Defense. A personnel action covered by the regulations is not subject to any other provision of law that provides appellate rights or procedures.

"(j) APPLICABILITY OF MERIT SYSTEM PRINCIPLES.—Section 2301 of title 5 shall apply to the exercise of authority under this section.

"(k) COLLECTIVE BARGAINING AGREEMENTS.—Nothing in this section may be construed to impair the continued effectiveness of a collective bargaining agreement with respect to an agency or office that is a successor to an agency or office covered by the agreement before the succession.

"(l) NOTIFICATION OF CONGRESS.—At least 60 days before the effective date of regulations prescribed to carry out this section, the Secretary of Defense shall submit the regulations to the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(m) DEFINITIONS.—In this section:

"(1) The term 'defense intelligence component position' means a position of civilian employment as an intelligence officer or employee of a defense intelligence component.

"(2) The term 'defense intelligence component' means each of the following components of the Department of Defense:

"(A) The National Security Agency.

"(B) The Defense Intelligence Agency.

"(C) The Central Imagery Office.

"(D) Any component of a military department that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(E) Any other component of the Department of Defense that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(F) Any successor to a component listed in, or designated pursuant to, this paragraph.

"(3) The term 'Intelligence Senior Level position' means a defense intelligence component position designated as an Intelligence Senior Level position pursuant to subsection (f).

"(4) The term 'excepted service' has the meaning given such term in section 2103 of title 5.

"(5) The term 'preference eligible' has the meaning given such term in section 2108(3) of title 5.

"(6) The term 'Senior Executive Service position' has the meaning given such term in section 3132(a)(2) of title 5.

"(7) The term 'collective bargaining agreement' has the meaning given such term in section 7103(8) of title 5.".

SEC. 1133. REPEALS.

(a) Defense Intelligence Senior Executive Service.—Sections 1601, 1603, and 1604 of title 10, United States Code, are repealed.

(b) National Security Agency Personnel Management Authorities.—(1) Sections 2 and 4 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) are repealed.

(2) Section 303 of the Internal Security Act of 1950 (50 U.S.C. 833) is repealed.

SEC. 1134. CLERICAL AMENDMENTS.

(a) Amended Section Heading.—The item relating to section 1590 in the table of sections at the beginning of chapter 81 of title 10, United States Code, is amended to read as follows:

"1590. Management of civilian intelligence personnel of the Department of Defense.".

(b) Repealed Sections.—The table of sections at the beginning of chapter 83 of title 10, United States Code, is amended by striking out the items relating to sections 1601, 1603, and 1604.

THURMOND (AND WARNER) AMENDMENT NO. 4191

(Ordered to lie on the table.)

Mr. THURMOND (for himself and Mr. Warner) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title V, add the following:

SEC. 523. PROHIBITION ON REORGANIZATION OF ARMY ROTC CADET COMMAND OR TERMINATION OF SENIOR ROTC UNITS PENDING REPORT ON ROTC.

(a) Prohibition.—Notwithstanding any other provision of law, the Secretary of the Army may not reorganize or restructure the Reserve Officers Training Corps Cadet Command or terminate any Senior Reserve Officer Training Corps units identified in the Information for Members of Congress concerning Senior Reserve Officer Training Corps (ROTC) Unit Closures dated May 20, 1996, until 180 days after the date on which the Secretary submits to the congressional defense committees the report described in subsection (b).

(b) Report.—The report referred to in subsection (a) shall—

(1) describe the selection process used to identify the Reserve Officer Training Corps units of the Army to be terminated;

(2) list the criteria used by the Army to select Reserve Officer Training Corps units for termination;

(3) set forth the specific ranking of each unit of the Reserve Officer Training Corps of the Army to be terminated as against all other such units;

(4) set forth the authorized and actual cadre staffing of each such unit to be termination for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(5) set forth the production goals and performance evaluations of each Reserve Officer Training Corps unit of the Army on the closure list for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(6) describe how cadets currently enrolled in the units referred to in paragraph (5) will be accommodated after the closure of such units;

(7) describe the incentives to enhance the Reserve Officer Training Corps program that are provided by each of the colleges on the closure list; and

(8) include the projected officer accession plan by source of commission for the active-duty Army, the Army Reserve, and the Army National Guard.

(9) describe whether the closure of any ROTC unit will adversely effect the recruitment of minority officer candidates.

THURMOND AMENDMENT NO. 4192

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of section 1061 add the following:

(c) Repeal of 13-Year Special Limit on Term of Transitional Judge of United States Court of Appeals for the Armed Forces.—(1) Subsection (d)(2) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1575; 10 U.S.C. 942 note) is amended by striking out "to the judges who are first appointed to the two new positions of the court created as of October 1, 1990—" and all that follows and inserting in lieu thereof "to the judge who is first appointed to one of the two new positions of the court created as of October 1, 1990, as designated by the President at the time of appointment, the anniversary referred to in subparagraph (A) of that paragraph shall be treated as being the seventh anniversary and the number of years referred to in subparagraph (B) of that paragraph shall be treated as being seven.".

(2) Subsection (e)(1) of such section is amended by striking out "each judge" and inserting in lieu thereof "a judge".

PELL (AND HELMS) AMENDMENT NO. 4193

(Ordered to lie on the table.)

Mr. PELL (for himself and Mr. Helms) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

On page 268, strike lines 12 through 22.

KOHL AMENDMENT NO. 4194

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

After section 3, add the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 under the provisions of this Act is $265,583,000,000.

CHAFEE AMENDMENT NO. 4195

(Ordered to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of section 348, add the following:

(c) Report on Compliance with Annex V to the Convention.—The Secretary of Defense shall include in each report on environmental compliance activities submitted to Congress under section 2706(b) of title 10, United States Code, the following information:

(1) A list of the ships types, if any, for which the Secretary of the Navy has made the determination referred to in paragraph (2)(C) of section 3(c) of the Act to Prevent Pollution from Ships, as amended by subsection (a)(2) of this section.

(2) A list of ship types which the Secretary of the Navy has determined can comply with Regulation 5 of Annex V to the Convention.

(3) A summary of the progress made by the Navy in implementing the requirements of paragraphs (2) and (3) such section 3(c), as so amended.

(4) A description of any emerging technologies offering the potential to achieve full compliance with Regulation 5 of Annex V to the Convention.

(d) Publication Regarding Special Area Discharges.—Section 3(e)(4) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(e)(4)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The amount and nature of the discharges in special areas, not otherwise authorized under this title, during the preceding year from ships referred to in subsection (b)(1)(A) of this section owned or operated by the Department of the Navy.".

THURMOND (AND NUNN) AMENDMENT NO. 4196

(Ordered to lie on the table.)

Mr. THURMOND (for himself and Mr. Nunn) submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. INCREASE IN PENALTIES FOR CERTAIN TRAFFIC OFFENSES ON MILITARY INSTALLATIONS.

Section 4 of the Act of June 1, 1948 (40 U.S.C. 318c) is amended to read as follows:

"Sec. 4. (a) Except as provided in subsection (b), whoever shall violate any rule or regulation promulgated pursuant to section 2 of this Act may be fined not more than $50 or imprisoned for not more than thirty days, or both.

"(b) Whoever shall violate any rule or regulation for the control of vehicular or pedestrian traffic on military installations that is promulgated by the Secretary of Defense, or the designee of the Secretary, under the authority delegated pursuant to section 2 of this Act may be fined an amount not to exceed the amount of a fine for a like or similar offense under the criminal or civil law of the State, territory, possession, or district where the military installation is located, or imprisoned for not more than thirty days, or both.”.

BYRD AMENDMENTS NOS. 4197–4198

(Ordered to lie on the table.)

Mr. BYRD submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4197

At the end of subtitle A of title V add the following:

SEC. 506. SERVICE CREDIT FOR SENIOR R.O.T.C. CADETS AND MIDSHIPMEN IN SIMULTANEOUS MEMBERSHIP PROGRAM.

(a) AMENDMENTS TO TITLE 10.—(1) Section 2106(c) of title 10, United States Code, is amended by striking out “while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve” and inserting in lieu thereof “performed on or after August 1, 1979, as a member of the Selected Reserve”.

(2) Section 2107(g) of such title is amended by striking out “while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve” and inserting in lieu thereof “performed on or after August 1, 1979, as a member of the Selected Reserve”.

(3) Section 2107a(g) of such title is amended by inserting “, other than enlisted service performed after August 1, 1979, as a member of Selected Reserve” after “service as a cadet or with concurrent enlisted service”.

(b) AMENDMENT TO TITLE 37.—Section 205(d) of title 37, United States Code, is amended by striking out “that service after July 31, 1990, that the officer performed while serving on active duty” and inserting in lieu thereof “for service that the officer performed on or after August 1, 1979.”.

(c) BENEFITS NOT TO ACCRUE FOR PRIOR PERIODS.—No increase in pay or retired or retainer pay shall accrue for periods before the date of the enactment of this Act by reason of the amendments made by this section.

AMENDMENT NO. 4198

At the end of title VII add the following:

SEC. 708. RESEARCH AND BENEFITS RELATING TO GULF WAR SERVICE.

(a) RESEARCH.—(1) The Secretary of Defense shall, by contract, grant, or other transaction, provide for scientific research to be carried out by entities independent of the Federal Government on possible causal relationships between the complex of illnesses and symptoms commonly known as “Gulf War syndrome” and the possible exposures of members of the Armed Forces to chemical warfare agents or other hazardous materials during Gulf War service.

(2) The Secretary shall prescribe the procedures for making awards under paragraph (1). The procedures shall—

(A) include a comprehensive, independent peer-review process for the evaluation of proposals for scientific research that are submitted to the Department of Defense; and

(B) provide for the final selection of proposals for award to be based on the scientific merit and program relevance of the proposed research.

(3) Of the amount authorized to be appropriated under section 301(19), $10,000,000 is available for research under paragraph (1).

(b) HEALTH CARE BENEFITS FOR AFFLICTED CHILDREN OF GULF WAR VETERANS.—(1) Under regulations prescribed by the Secretary of Defense, any child of a Gulf War veteran who has been born after August 2, 1990, and has a congenital defect or catastrophic illness not excluded from coverage under paragraph (2) is eligible for medical and dental care under chapter 55 of title 10, United States Code, for the congenital defect or catastrophic illness, and associated conditions, of the child.

(2) The administering Secretaries may exclude from coverage under this subsection—

(A) any congenital defect or catastrophic illness that, as determined by the Secretary of Defense to a reasonable degree of scientific certainty on the basis of scientific research, is not a defect or catastrophic illness that can result in a child from an exposure of a parent of the child to a chemical warfare agent or other hazardous material to which members of the Armed Forces might have been exposed during Gulf War service; and

(B) a particular congenital defect or catastrophic illness (and any associated condition) of a particular child if the onset of the defect or illness is determined to have preceded any possible exposure of the parent or parents of the child to a chemical warfare agent or other hazardous material during Gulf War service.

(3) No fee, deductible, or copayment requirement may be imposed or enforced for medical or dental care provided under chapter 55 of title 10, United States Code, in the case of a child who is eligible for such care under this subsection (even if the child would otherwise be subject to such a requirement on the basis of any eligibility for such care that the child also has under any provision of law other than this subsection).

(c) DEFINITIONS.—(1) In this section:

(A) The term “Gulf War veteran” means a veteran of Gulf War service.

(B) The term “Gulf War service” means service on active duty as a member of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(C) The term “Persian Gulf War” has the meaning given that term in section 101(33) of title 38, United States Code.

(D) The term “administering Secretaries” has the meaning given that term in section 1072(3) of title 10, United States Code.

(E) The term “child” means a natural child.

(2) The Secretary of Defense shall prescribe in regulations a definition of the terms “congenital defect” and “catastrophic illness” for the purposes of this section.

FEINSTEIN AMENDMENTS NOS. 4199–4200

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to proposed by her to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4199

At the appropriate place, insert the following:

SEC. . CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

“(8) For the purposes of this subsection:

“(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate. If a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and the intended recipient.

“(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

“(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

“(ii) the intermediary or conduit is—

“(I) a political committee with a connected organization, a political party, or an officer, employee, or agent of either;

“(II) a person whose activities are required to be reported under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to report the activities of such person;

“(III) a person who is prohibited from making contributions under section 316 or a partnership; or

“(IV) an officer, employee, or agent of a person described in subclause (II) or (III) acting on behalf of such person.

“(C) The term ‘contributions arranged to be made’ includes—

“(i)(I) contributions delivered directly or indirectly to a particular candidate or the candidate's authorized committee or agent by the person who facilitated the contribution; and

“(II) contributions made directly or indirectly to a particular candidate or the candidate's authorized committee or agent that are provided at a fundraising event sponsored by an intermediary or conduit described in subparagraph (B);

(D) This paragraph shall not prohibit—

“(i) fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

“(ii) the solicitation by an individual using the individual's resources and acting in the individual's own name of contributions from other persons in a manner not described in paragraphs (B) and (C).”.

AMENDMENT NO. 4200

At the appropriate place, insert the following:

SEC. . CANDIDATE EXPENDITURES FROM PERSONAL FUNDS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

“(i)(1)(A) Not later than 15 days after a candidate qualifies for a primary election ballot under State law, the candidate shall file with the Commission, and each other candidate who has qualified for that ballot, a declaration stating whether the candidate intends to expend during the election cycle an amount exceeding $250,000 from—

“(i) the candidate's personal funds;

“(ii) the funds of the candidate's immediate family; and

“(iii) personal loans incurred by the candidate and the candidate's immediate family in connection with the candidate's election campaign.

“(B) The declaration required by subparagraph (A) shall be in such form and contain such information as the Commission may require by regulation.

"(2) Notwithstanding subsection (a), the limitations on contributions under subsection (a) shall be modified as provided under paragraph (3) with respect to other candidates for the same office who are not described in subparagraph (A), (B), or (C), if the candidate—

"(A) declares under paragraph (1) that the candidate intends to expend for the primary and general election funds described in such paragraph in an amount exceeding $250,000;

"(B) expends such funds in the primary and general election in an amount exceeding $250,000; or

"(C) fails to file the declaration required by paragraph (1).

"(3) For purposes of paragraph (2)—

"(A) if a candidate described in paragraph (2)(B) expends funds in an amount exceeding $250,000, the limitation under subsection (a)(1)(A) shall be increased to $2,000; and

"(B) if a candidate described in paragraph (2)(B) expends funds in an amount exceeding $250,000, the limitation under subsection (a)(1)(A) shall be increased to $5,000.

"(4) If—

"(A) the modifications under paragraph (3) apply for a convention or a primary election by reason of 1 or more candidates taking (or failing to take) any action described in subparagraph (A), (B), or (C) of paragraph (2); and

"(B) such candidates are not candidates in any subsequent election in the same election campaign, including the general election,

paragraph (3) shall cease to apply to the other candidates in such campaign.

"(5) No increase described in paragraph (3) shall apply under paragraph (2) to non-eligible Senate candidates in any election if eligible Senate candidates are participating in the same election campaign.

"(6) A candidate who—

"(A) declares, pursuant to paragraph (1), that the candidate does not intend to expend funds described in paragraph (1) in excess of $250,000; and

"(B) subsequently changes such declaration or expends such funds in excess of that amount,

shall file an amended declaration with the Commission and notify all other candidates for the same office not later than 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending a notice by certified mail, return receipt requested.".

BRYAN AMENDMENTS NOS. 4201–4202

(Ordered to lie on the table.)

Mr. BRYAN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4201

At the end of subtitle F of title X, add the following new section:

SEC. 1072. FEDERAL RETIREMENT PROVISIONS RELATING TO MEMBERS OF CONGRESS AND CONGRESSIONAL EMPLOYEES.

(a) SHORT TITLE.—This section may be cited as the "Congressional Annuity Reform Act of 1996".

(b) RELATING TO THE MAXIMUM ANNUITY ALLOWABLE PURSUANT TO COST-OF-LIVING ADJUSTMENTS.—Section 8340(g)(1) of title 5, United States Code, is amended—

(1) in subparagraph (A) by striking "or" after the semicolon;

(2) in subparagraph (B)—

(A) by striking "employee or Member" and inserting "employee";

(B) by striking "employee or Member," and inserting "employee,";

(C) by striking "employee's or Member's" and inserting "employee's"; and

(D) by striking the period at the end of subparagraph (B)(ii) and inserting "; or"; and

(3) by adding at the end the following:

"(C) the final pay of the Member with respect to whom the annuity is paid.".

(c) RELATING TO THE YEARS OF SERVICE AS A MEMBER OF CONGRESS AND CONGRESSIONAL EMPLOYEES FOR PURPOSES OF COMPUTING AN ANNUITY.—

(1) CSRS.—Section 8339 of title 5, United States Code, is amended—

(A) in subsection (a) by inserting "or Member" after "employee";

(B) by striking subsections (b) and (c); and

(C) in subsection (h)—

(i) in the first sentence by striking out "subsections (a), (b)" and inserting in lieu thereof "subsections (a),"; and

(ii) in the second sentence by striking out "subsections (c) and (f)" and inserting in lieu thereof "subsections (a) and (f)".

(2) FERS.—Section 8415 of title 5, United States Code, is amended—

(A) by striking subsections (b) and (c);

(B) in subsections (a) and (g) by inserting "or Member" after "employee" each place it appears; and

(C) in subsection (g)(2) by striking out "Congressional employee".

(d) CONTRIBUTION RATES.—

(1) CSRS.—(A) Section 8334(a)(1) of title 5, United States Code, is amended—

(i) by striking out "of an employee, 7½ percent of the basic pay of a Congressional employee," and inserting in lieu thereof "of an employee, a Member,"; and

(ii) by striking out "basic pay of a Member," and inserting in lieu thereof "basic pay of".

(B) The table under section 8334(c) of title 5, United States Code, is amended—

(i) in the item relating to Member or employee for Congressional employee service by striking out

"	7½.......	After December 31, 1969."

and inserting in lieu thereof

"	7½.......	December 31, 1969 to (but not including) the effective date of the Congressional Annuity Reform Act of 1996.
"	7..........	On and after the effective date of the Congressional Annuity Reform Act of 1996.";

and (ii) in the item relating to Member for Member service by striking out

"	8..........	After December 31, 1969."

and inserting in lieu thereof

"	8..........	December 31, 1969 to (but not including) the effective date of the Congressional Annuity Reform Act of 1996.
"	7..........	On and after the effective date of the Congressional Annuity Reform Act of 1996.".

(2) FERS.—Section 8422(a)(2) of title 5, United States Code, is amended—

(A) in subparagraph (A) by striking out "employee (other than a law enforcement officer, firefighter, air traffic controller, or Congressional employee)" and inserting in lieu thereof "employee or Member (other than a law enforcement officer, firefighter, or air traffic controller)"; and

(B) in subparagraph (B)—

(i) by striking out "a Member,"; and

(ii) by striking out "air traffic controller, or Congressional employee," and inserting in lieu thereof "or air traffic controller,".

(e) ADMINISTRATIVE REGULATIONS.—The Office of Personnel Management, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations to carry out the provisions of this section and the amendments made by this section for applicable employees and Members of Congress.

(f) EFFECTIVE DATES.—

(1) SHORT TITLE.—Subsection (a) shall take effect on the date of the enactment of this Act.

(2) COLA ADJUSTMENTS.—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act and shall apply with respect to annuities commencing on or after such date.

(3) YEARS OF SERVICE; ANNUITY COMPUTATION.—(A) The amendments made by subsection (c) shall take effect on the date of the enactment of this Act and shall apply only with regard to the computation of an annuity relating to—

(i) the service of a Member of Congress as a Member or as a Congressional employee performed after such date; and

(ii) the service of a Congressional employee as a Congressional employee performed after such date.

(B) An annuity shall be computed as though the amendments made under subsection (c) had not been enacted with regard to—

(i) the service of a Member of Congress as a Member or a Congressional employee or military service performed before the date of the enactment of this Act; and

(ii) the service of a Congressional employee as a Congressional employee or military service performed before the date of the enactment of this Act.

(4) CONTRIBUTION RATES.—The amendments made by subsection (d) shall take effect on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act.

(5) REGULATIONS.—The provisions of subsection (e) shall take effect on the date of the enactment of this Act.

(6) ALTERNATIVE EFFECTIVE DATE RELATING TO MEMBERS OF CONGRESS.—If a court of competent jurisdiction makes a final determination that a provision of this subsection violates the 27th amendment of the United States Constitution, the effective date and application dates relating to Members of Congress shall be January 3, 1997.

AMENDMENT NO. 4202

At the end of subtitle F of title X, add the following new section:

SEC. 1072. CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE.

(a) SHORT TITLE.—This section may be cited as the "Congressional, Presidential, and Judicial Pension Forfeiture Act".

(b) CONVICTION OF CERTAIN OFFENSES.—

(1) IN GENERAL.—Section 8312(a) of title 5, United States Code, is amended—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or";

(C) by adding after paragraph (2) the following new paragraph:

"(3) is convicted of an offense named by subsection (d), to the extent provided by that subsection.";

(D) by striking "and" at the end of subparagraph (A);

(E) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(F) by adding after subparagraph (B) the following new subparagraph:

"(C) with respect to the offenses named by subsection (d) of this section, to the period after the date of the conviction.".

(2) IDENTIFICATION OF OFFENSES.—Section 8312 of title 5, United States Code, is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) The offenses under paragraph (2) are the offenses to which subsection (a) of this section applies, but only if—

"(A) the individual is convicted of such offense committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) the individual was a Member of Congress (including the Vice President), a congressional employee, or a Federal justice or judge at the time of committing the offense; and

"(C) the offense is punishable by imprisonment for more than 1 year.

"(2) The offenses under this paragraph are as follows:

"(A) An offense within the purview of—

"(i) section 201 of title 18 (bribery of public officials and witnesses);

"(ii) section 203 of title 18 (compensation to Members of Congress, officers, and others in matters affecting the Government);

"(iii) section 204 of title 18 (practice in United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Members of Congress);

"(iv) section 219 of title 18 (officers and employees acting as agents of foreign principals);

"(v) section 286 of title 18 (conspiracy to defraud the Government with respect to claims);

"(vi) section 287 of title 18 (false, fictitious, or fraudulent claims);

"(vii) section 371 of title 18 (conspiracy to commit offense or to defraud the United States;

"(viii) section 597 of title 18 (expenditures to influence voting);

"(ix) section 599 of title 18 (promise of appointment by candidate);

"(x) section 602 of title 18 (solicitation of political contributions);

"(xi) section 606 of title 18 (intimidation to secure political contributions);

"(xii) section 607 of title 18 (place of solicitation);

"(xiii) section 641 of title 18 (public money, property or records); or

"(xiv) section 1001 of title 18 (statements or entries generally).

"(B) Perjury committed under the statutes of the United States in falsely denying the commission of an act which constitutes an offense within the purview of a statute named by subparagraph (A).

"(C) Subornation of perjury committed in connection with the false denial of another individual as specified by subparagraph (B).".

(c) ABSENCE FROM THE UNITED STATES TO AVOID PROSECUTION.—

(1) IN GENERAL.—Section 8313 of title 5, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

"(b) An individual, or his survivor or beneficiary, may not be paid annuity or retired pay on the basis of the service of the individual which is creditable toward the annuity or retired pay, subject to the exceptions in section 8311(2) and (3) of this title, if the individual—

"(1) is under indictment, after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act, for an offense named by section 8312(d)(2) of this title, but only if such offense satisfies section 8312(d)(1)(C) of this title;

"(2) willfully remains outside the United States, or its territories and possessions including the Commonwealth of Puerto Rico, for more than 1 year with knowledge of the indictment or charges, as the case may be; and

"(3) is an individual described in section 8312(d)(1)(B).".

(2) CONFORMING AMENDMENT.—Subsection (c) of section 8313 of title 5, United States Code (as redesignated under paragraph (1)(A)) is amended by inserting "or (b)" after "subsection (a)".

(d) REFUND OF CONTRIBUTIONS AND DEPOSITS.—Section 8316(b) of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) if the individual was convicted of an offense named by section 8312(d) of this title, for the period after the conviction of the violation.".

(e) FORFEITURE OF PRESIDENTIAL ALLOWANCE.—Subsection (a) of the first section of the Act entitled "An Act to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (Public Law 85-745; 72 Stat. 838; 3 U.S.C. 102 note) is amended—

(1) by striking "Each former President" and inserting "(1) Subject to paragraph (2), each former President"; and

(2) by inserting at the end the following new paragraph:

"(2) The allowance payable to an individual under paragraph (1) shall be forfeited if—

"(A) the individual is convicted of an offense described under section 8312(d)(2) of title 5, United States Code, committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) such individual committed such offense during the individual's term of office as President; and

"(C) the offense is punishable by imprisonment for more than 1 year.".

GLENN (AND PELL) AMENDMENT NO. 4203

(Ordered to lie on the table.)

Mr. GLENN (for himself and Mr. PELL) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. STRENGTHENING CERTAIN SANCTIONS AGAINST NUCLEAR PROLIFERATION ACTIVITIES.

(a) IN GENERAL.—Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended—

(1) by inserting after "any country has willfully aided or abetted" the following: ", or any person has knowingly aided or abetted,";

(2) by striking "or countries" and inserting ", countries, person, or persons";

(3) by inserting after "United States exports to such country" the following: "or, in the case of any such person, give approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of, exports to or by any such person for a 12-month period,";

(4) by inserting "(A)" immediately after "(4)";

(5) by inserting after "United States exports to such country" the second place it appears the following ", except as provided in subparagraph (b),"; and

(6) by adding at the end the following:

"(B) In the case of any country or person aiding or abetting a non-nuclear-weapon state as described in subparagraph (A), the prohibition on financing by the Bank contained in the second sentence of that subparagraph shall not apply to the country or person, as the case may be, if the President determines and certifies in writing to the Congress that—

"(i) reliable information indicates that the country or person with respect to which the determination is made has ceased to aid or abet any non-nuclear-weapon state to acquire any nuclear explosive device or to acquire unsafeguarded special nuclear material; and

"(ii) the President has received reliable assurances from the country or person that such country or person will not, in the future, aid or abet any non-nuclear-weapon state in its efforts to acquire any nuclear explosive device or any unsafeguarded special nuclear material.

"(C) For purposes of subparagraphs (A) and (B)—

"(i) the term 'country' has the meaning given to 'foreign state' in section 1603(a) of title 28, United States Code;

"(ii) the term 'knowingly' is used within the meaning of the term 'knowing' in section 104 of the Foreign Corrupt Practices Act; and

"(iii) the term 'person' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.".

(b) EFFECTIVE DATE.—(1) The amendments made by paragraphs (1) through (5) of subsection (a) shall apply to persons, and the amendment made by subsection (a)(6), shall apply to countries and persons, aiding or abetting non-nuclear weapon states on or after June 29, 1994.

(2) Nothing in this section or the amendments made by this section shall apply to obligations undertaken pursuant to guarantees, insurance, and the extension of credits (and participation in the extension of credits) made before the date of enactment of this Act.

HARKIN AMENDMENT NO. 4204

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 305(a), strike out "may be made available to" and insert in lieu thereof "shall be made available to".

In section 305(b), strike out "search and rescue missions" and insert in lieu thereof "associated with Civil Air Patrol Emergency Services operations, including search and rescue missions, disaster relief missions, and other missions.”.

SARBANES AMENDMENTS NOS. 4205–4206

(Ordered to lie on the table.)

Mr. SARBANES submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4205

At the end of subtitle F of title X, add the following:

SEC. 1072. NATIONAL MILITARY MUSEUM FOUNDATION FOR THE PRESERVATION OF MILITARY TECHNOLOGY AND MATERIEL.

(a) ESTABLISHMENT.—There is established a nonprofit corporation to be known as the National Military Museum Foundation for the Preservation of Military Technology and Materiel (in this section referred to as the “Foundation”). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The Foundation shall have the following purposes:

(1) To encourage and facilitate the preservation of military materiel having historical or technological significance.

(2) To promote innovative solutions to the problems associated with the preservation of such military materiel.

(3) To facilitate research on and educational activities relating to military history.

(4) To promote voluntary partnerships between the Federal Government and the private sector for the preservation of such military materiel and of military history.

(5) To facilitate the display of such military materiel for the education and benefit of the public.

(6) To develop publications and other interpretive materials pertinent to the historical collections of the Armed Forces that will supplement similar publications and materials available from public, private, and corporate sources.

(7) To provide financial support for educational, interpretive, and conservation programs of the Armed Forces relating to such military materiel.

(8) To broaden public understanding of the role of the military in United States history.

(c) BOARD OF DIRECTORS.—(1) The Foundation shall have a Board of Directors (in this section referred to as the “Board”) composed of nine individuals appointed by the Secretary of Defense from among individuals who are United States citizens.

(2) Of the individuals appointed under paragraph (1)—

(A) at least one shall have an expertise in historic preservation;

(B) at least one shall have an expertise in military history;

(C) at least one shall have an expertise in the administration of museums; and

(D) at least one shall have an expertise in military technology and materiel.

(3)(A) The Secretary shall designate one of the individuals first appointed to the Board under paragraph (1) as the chairperson of the Board. The individual so designated shall serve as chairperson for a term of 2 years.

(B) Upon the expiration of the term of chairperson of the individual designated as chairperson under subparagraph (A), or of the term of a chairperson elected under this subparagraph, the members of the Board shall elect a chairperson of the Board from among its members.

(4)(A) Subject to subparagraph (B), members appointed to the Board shall serve on the Board for a term of 4 years.

(B) If a member of the Board misses three consecutive meetings of the Board, the Board may remove the member from the Board for that reason.

(C) Any vacancy in the Board shall not affect its powers but shall be filled, not later than 60 days after the vacancy, in the same manner in which the original appointment was made.

(5) A majority of the members of the Board shall constitute a quorum.

(6) The Board shall meet at the call of the chairperson of the Board. The Board shall meet at least once a year.

(d) ORGANIZATIONAL MATTERS.—The members of the Board first appointed under subsection (c)(1) shall—

(1) adopt a constitution and bylaws for the Foundation;

(2) serve as incorporators of the Foundation; and

(3) take whatever other actions the Board determines appropriate in order to establish the Foundation as a nonprofit corporation.

(e) OFFICERS AND EMPLOYEES.—(1) The Foundation shall have an executive director appointed by the Board and such other officers as the Board may appoint. The executive director and the other officers of the Foundation shall be compensated at rates fixed by the Board and shall serve at the pleasure of the Board.

(2) Subject to the approval of the Board, the Foundation may employ such individuals, and at such rates of compensation, as the executive director determines appropriate.

(3) Subject to the approval of the Board, the Foundation may accept the services of volunteers in the performance of the functions of the Foundation.

(4) A person who is a full-time or part-time employee of the Federal Government may not serve as a full-time or part-time employee of the Foundation and shall not be considered for any purpose an employee of the Federal Government.

(f) POWERS AND RESPONSIBILITIES.—In order to carry out the purposes of this section, the Foundation is authorized to—

(1) accept, hold, administer, invest, and spend any gift, devise, or bequest of real or personal property made to the Foundation;

(2) enter into contracts with individuals, public or private organizations, professional societies, and government agencies for the purpose of carrying out the functions of the Foundation; and

(3) enter into such other contracts, leases, cooperative agreements, and other transactions at the executive director of the Foundation considers appropriate to carry out the activities of the Foundation.

(g) AUDITS.—(1) The first section of the Act entitled “An Act to provide for the audit of accounts of private corporations established under Federal law,” approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end the following:

“(78) The National Military Museum Foundation for the Preservation of Military Technology and Materiel.”.

(2) The amendment made by paragraph (1) shall take effect on the date that the chairperson of the Board notifies the Secretary of Defense of the incorporation of the Foundation under this section.

(h) REPORTS.—As soon as practicable after the end of each fiscal year of the Foundation, the Board shall submit to Congress and to the Secretary of Defense a report on the activities of the Foundation during the preceding fiscal year, including a full and complete statement of the receipts, expenditures, investment activities, and other financial activities of the Foundation during such fiscal year.

(i) INITIAL SUPPORT.—(1) In addition to any other amounts authorized to be appropriated by this Act, there is authorized to be appropriated for the Department of Defense $1,000,000 for the purpose of making a grant to the Foundation in order to assist the Foundation in defraying the costs of its activities. Such amount shall be available for such purpose until September 30, 1998.

(2) For each of fiscal years 1997 through 1999, the Secretary of Defense may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

AMENDMENT NO. 4206

At the end of title XXI, add the following:

SEC. 2105. PLAN FOR REPAIRS AND STABILIZATION OF THE HISTORIC DISTRICT AT THE FOREST GLEN ANNEX OF WALTER REED MEDICAL CENTER, MARYLAND.

Not later than 30 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a comprehensive plan for basic repairs and stabilization measures throughout the historic district at the Forest Glen Annex of Walter Reed Army Medical Center, Maryland, together with a reprogramming request for funds necessary to implement the plan.

SIMON AMENDMENTS NOS. 4207–4208

(Ordered to lie on the table.)

Mr. SIMON submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4207

At the end of subtitle D of title II, add the following:

SEC. 243. DESALTING TECHNOLOGIES.

(a) FINDINGS.—Congress makes the following findings:

(1) Access to scarce fresh water is likely to be a cause of future military conflicts in the Middle East and has a direct impact on stability and security in the region.

(2) The Middle East is an area of vital and strategic importance to the United States.

(3) The United States has played a military role in the Middle East, most recently in the Persian Gulf War, and may likely be called upon again to deter aggression in the region.

(4) United States troops have used desalting technologies to guarantee the availability of fresh water in past deployments in the Middle East.

(5) Adequate, efficient, and cheap access to high-quality fresh water will be vital to maintaining the readiness and sustainability of United States troops, and those of our allies.

(b) SENSE OF SENATE.—It is the sense of the Senate that, as improved access to fresh water will be an important factor in helping prevent future conflicts in the Middle East, the United States should, in cooperation with its allies, promote and invest in technologies to reduce the costs of converting saline water into fresh water.

(c) FUNDING FOR RESEARCH AND DEVELOPMENT.—Of the amounts authorized to be appropriated by this title, the Secretary shall place greater emphasis on making funds available for research and development into efficient and economical processes and methods for converting saline water into fresh water.

AMENDMENT NO. 4208

At the end of subtitle C of title II, add the following:

SEC. 237. TEMPORARY PROHIBITION ON USE OF CERTAIN FUNDS FOR RESEARCH AND DEVELOPMENT RELATING TO NATIONAL MISSILE DEFENSE.

Of the funds authorized to be appropriated by section 201(4) for the Ballistic Missile Defense Organization for the purpose of research and development relating to national missile defense systems, $300,000,000 may not be obligated or expended for such research and development until the later of—

(1) the date of the enactment of an Act entitled "Defend America Act"; or

(2) the date of the enactment of this Act.

HELMS AMENDMENT NO. 4209

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place, add the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) President Clinton has repeatedly voiced the need for increased protection and strengthening of moral values among our children, including using school uniforms, curfews, and educational television;

(2) pornography and smut of the most indecent and offensive nature is proliferating on the Internet and thereby spreading around the electronic world, including sites often visited by children;

(3) increasing numbers of electronic pornographers are participating in the transmission of pornography and other indecent material that is easily accessible to children;

(4) pornographers are now targeting children as potential customers;

(5) Congress enacted the Communications Decency Act of 1996 (referred to in this resolution as "the Act") to protect our youngest and most vulnerable generation from the morally corrupting influence of depravity on computer networks by, among other measures, prohibiting the knowing transmission of indecent material to recipients known to be minors;

(6) Congress specifically described indecent communications in the Act by using language upheld by the Supreme Court in FCC v. Pacifica Foundation, 438 U.S. 726 (1978);

(7) on February 8, 1996, when the Act was signed into law, the American Civil Liberties Union and others filed suit in the United States District Court for the Eastern District of Pennsylvania, seeking a preliminary injunction against enforcement of the Act on the specious and erroneous grounds that the Act violates the first and fifth amendments to the Constitution;

(8) on June 11, 1996, the District Court granted such injunction based on the unworthy pretext, by the American Civil Liberties Union and others, contrary to applicable Supreme Court precedents, that the Act is "unconstitutional on its face";

(9) section 561(b) of the Act provides for direct appeal to the Supreme Court, as a matter of right, should any part of the Act be held unconstitutional by a District Court;

(10) the Department of Justice has hesitated to appeal the District Court's injunction;

(10) the Clinton Administration's 1993 failure to defend aggressively Federal child pornography statutes in the case of United States v. Knox, 32 F.3d 733 (3rd Cir. 1994) compelled the Senate to resolve that the Administration defend the statute, which calls into question the Administration's resolve in this case; and

(11) the Senate finds it imperative that the Department of Justice vigorously defend the Act before the Supreme Court.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Department of Justice should appeal directly to the Supreme Court the order of the District Court in ACLU v. Reno, No. 96-963 (E.D. Pa. June 11, 1996).

BINGAMAN AMENDMENTS NOS. 4210–4211

(Ordered to lie on the table.)

Mr. BINGAMAN submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4210

On page 398, after line 23, insert the following:

SEC. 2828. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

AMENDMENT NO. 4211

Strike out section 402 and insert in lieu thereof the following:

SEC. 402. REPEAL OF PERMANENT END STRENGTHS.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 691.

FEINGOLD AMENDMENTS NOS. 4212–4213

(Ordered to lie on the table.)

Mr. FEINGOLD submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4212

At the end of subtitle B of title II, adds the following:

SEC. 223. COST-BENEFIT ANALYSIS OF F/A-18E/F AIRCRAFT PROGRAM.

(a) REPORT ON PROGRAM.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A-18E/F aircraft program.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the F/A-18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the costs and benefits of the program with the costs and benefits of the F/A-18C/D aircraft program taking into account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No funds authorized to be appropriated by this Act may be obligated or expended for the procurement of F/A-18E/F aircraft before the date that is 90 days after the date on which the congressional defense committees receive the report required under subsection (a).

AMENDMENT NO. 4213

Strike out section 902 and insert in lieu thereof the following:

SEC. 902. TERMINATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) TERNMINATION.—(1) The Uniformed Services University of the Health Sciences is terminated.

(2)(A) Chapter 104 of title 10, United States Code, is repealed.

(B) The table of chapters at the beginning of subtitle A of such title, and at the beginning of part III of such subtitle, are each amended by striking out the item relating to chapter 104.

(b) EFFECTIVE DATE.—The termination referred to in subsection (a), and the amendments made by such subsection, shall take effect on the date of the graduation from the Uniformed Services University of the Health Sciences of the last class of students that enrolled in such university on or before the date of the enactment of this Act.

BINGAMAN AMENDMENT NO. 4214

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 402, strike out "5" in the last line and insert in lieu thereof "100".

LAUTENBERG AMENDMENT NO. 4215

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Beginning on page 90, strike line 1 and all that follows through page 91, line 17.

JOHNSTON (AND BREAUX) AMENDMENT NO. 4216

(Ordered to lie on the table.)

Mr. JOHNSTON (for himself and Mr. BREAUX) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND TRANSFER, VERNON RANGER DISTRICT, KISATCHIE NATIONAL FOREST, LOUISIANA.

(a) TRANSFER PURSUANT TO ADMINISTRATIVE AGREEMENT.—(1) Not later than six months after the date of the enactment of this Act, the Secretary of the Army and the Secretary of Agriculture shall enter into an agreement providing for the transfer to the Secretary of the Army of administrative jurisdiction over such portion of land currently owned by the United States within the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as the Secretary of the Army and the Secretary of Agriculture jointly determine appropriate for military training activities in connection with Fort Polk, Louisiana. The agreement shall allocate responsibility for land management and conservation activities with respect to the property transferred between the Secretary of the Army and the Secretary of Agriculture.

(2) The Secretary of the Army and the Secretary of Agriculture may jointly extend the deadline for entering into an agreement under paragraph (1). The deadline may be extended by not more than six months.

(b) ALTERNATIVE TRANSFER REQUIREMENT.—If the Secretary of the Army and the Secretary of Agriculture fail to enter into the agreement referred to in paragraph (1) of subsection (a) within the time provided for in that subsection, the Secretary of Agriculture shall, at the end of such time, transfer to the Secretary of the Army administrative jurisdiction over property consisting of approximately 84,825 acres of land currently owned by the United States and located in the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as generally depicted on the map entitled "Fort Polk Military Installation map", dated June 1995.

(c) LIMITATION OF ACQUISITION OF PRIVATE PROPERTY.—The Secretary of the Army may acquire privately-owned land within the property transferred under this section only with the consent of the owner of the land.

(d) USE OF PROPERTY.—(1) Subject to paragraph (2), the Secretary of the Army shall use the property transferred under this section for military maneuvers, training and weapons firing, and other military activities in connection with Fort Polk, Louisiana.

(2) The Secretary may not permit the firing of live ammunition on or over any portion of the property unless the firing of such ammunition on or over such portion is permitted as of the date of the enactment of this Act.

(e) MAP AND LEGAL DESCRIPTION.—(1) As soon as practicable after the date of the transfer of property under this section, the Secretary of Agriculture shall—

(A) publish in the Federal Register a notice containing the legal description of the property transferred; and

(B) file a map and the legal description of the property with the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Armed Services of the Senate and the Committee on Resources, the Committee on Agriculture, and the Committee on National Security of the House of Representatives.

(2) The maps and legal descriptions prepared under paragraph (1) shall have the same force and effect as if included in this subsection, except that the Secretary of Agriculture may correct clerical and typographical errors in the maps and legal descriptions.

(3) As soon as practicable after the date of the enactment of this Act, copies of the maps and legal descriptions prepared under paragraph (1) shall be available for public inspection in the following offices:

(A) The Office of the Secretary of Agriculture.

(B) Such offices of the United States Forest Service as the Secretary of Agriculture shall designate.

(C) The Office of the Commander of Fort Polk, Louisiana.

(D) The appropriate office in the Vernon Parish Court House, Louisiana.

(f) MANAGEMENT OF PROPERTY.—(1) If the transfer of property under this section occurs under subsection (a), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the agreement entered into under that subsection.

(2)(A) If the transfer of property under this section occurs under subsection (b), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the management plan under subparagraph (B) and the memorandum of understanding under subparagraph (C).

(B)(i) For purposes of managing the property under this paragraph, the Secretary of the Army shall, with the concurrence of the Secretary of Agriculture, develop a plan for the management of the property not later than two years after the transfer of the property. The Secretary of the Army shall provide for a period of public comment in developing the plan in order to ensure that the concerns of local citizens are taken into account in the development of the plan. The Secretary of the Army may utilize the property pending the completion of the plan.

(ii) The Secretary of the Army shall develop and implement the plan in compliance with applicable Federal law, including the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(iii) The plan shall provide for the management of the natural, cultural, and other resources of the property, including grazing, the management of wildlife and wildlife habitat, recreational uses (including hunting and fishing), and non-public uses of non-Federal lands within the property.

(C)(i) For purposes of managing the property under this paragraph, the Secretary of the Army and the Secretary of Agriculture shall enter into a memorandum of understanding in order to provide for—

(I) the implementation of the management plan developed under subparagraph (B); and

(II) the management by the Secretary of Agriculture of such areas of the property as the Secretary of the Army and the Secretary of Agriculture designate for use for non-military purposes.

(ii) The Secretary of the Army and the Secretary of Agriculture may amend the memorandum of understanding by mutual agreement.

(g) REVERSION.—If at any time after the transfer of property under this section the Secretary of the Army determines that the property, or any portion thereof, is no longer to be retained by the Army for possible use for military purposes, jurisdiction over the property, or such portion thereof, shall revert to the Secretary of Agriculture who shall manage the property, or portion thereof, as part of the Kisatchie National Forest.

MOSELEY-BRAUN AMENDMENT NO. 4217

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title VI, add the following:

SEC. 636. PREVENTION OF CIRCUMVENTION OF COURT ORDER BY WAIVER OF RETIRED PAY TO ENHANCE CIVIL SERVICE RETIREMENT ANNUITY.

(a) CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(4) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this subchapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.".

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking "Except as provided in paragraph (2)" and inserting "Except as provided in paragraphs (2) and (4)".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(5) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this chapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.".

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking "Except as provided in paragraph (2) or (3)" and inserting "Except as provided in paragraphs (2), (3), and (5)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1997.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 4218

(Ordered to lie on the table.)

Mr. LAUTENBERG (for himself, Mr. SIMON, Mrs. FEINSTEIN, and Mr. BUMPERS) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of title X, add the following;

SUBTITLE G—CIVILIAN MARKSMANSHIP

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the "Self Financing Civilian Marksmanship Program Act of 1996".

SEC. 1082. PRIVATE SHOOTING COMPETITIONS AND FIREARM SAFETY PROGRAMS.

Nothing in this subtitle prohibits any private person from establishing a privately financed program to support shooting competitions or firearms safety programs.

SEC. 1083. REPEAL OF CHARTER LAW FOR THE CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND SAFETY.

(a) REPEAL OF CHARTER.—The Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 515; 36 U.S.C. 5501 et seq.), except for section 1624 of such Act (110 Stat. 522), is repealed.

(b) RELATED REPEALS.—Section 1624 of such Act (110 Stat. 522) is amended—

(1) in paragraphs (1) and (2) of subsection (a), by striking out "and 4311" and inserting in lieu thereof "4311, 4312, and 4313";

(2) by striking out subsection (b); and

(3) in subsection (c), by striking out "on the earlier of—" and all that follows and inserting in lieu thereof "on October 1, 1996.".

BURNS AMENDMENTS NOS. 4219–4220

(Ordered to lie on the table.)

Mr. BURNS submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4219

At the end of subtitle E of title III add the following:

SEC. 368. MILITARY TRAFFIC MANAGEMENT COMMAND'S REENGINEERING PERSONNEL PROPERTY PILOT PROGRAM INITIATIVE.

(A) The Secretary of Defense will establish a military/industry working group to develop, within 60 days of enactment of this bill, an alternative pilot program to reengineer household goods moves.

(B) This working group shall be chaired by the Department of Defense and shall include equal representation of both military and industry not to exceed a combined total of 12 individuals. Industry representation within the working group shall be as follows:

(i) Small business shall comprise a percentage consistent with their participation within the industry;

(ii) There shall be at least one representative from each of the following industry groups: the American Movers Conference, the Household Goods Forwarders Association of America, the National Moving and Storage Association, and the Independent Movers Conference.

(C) The General Accounting Office shall conduct an independent analysis of this pilot program as well as the pilot program currently being proposed by DoD.

(D) GAO shall report back to the appropriate committees within 90 days of enactment of this bill on the impact of the following factors of both programs:

(i) quality of service to DoD;

(ii) cost savings to the government;

(iii) effect on industry infrastructure;

(iv) effect on small business; and,

(v) adoption of commercial contracting practices.

(E) The Secretary shall not proceed with the implementation of any aspect of any pilot program until the Congressional Committees of jurisdiction review and evaluate the GAO reports.

AMENDMENT NO. 4220

In section 2601(a)(1)(A), strike out "$79,628,000" and insert in lieu thereof "$92,899,000".

STEVENS AMENDMENTS NOS. 4221–4222

(Ordered to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4221

In the table in section 2401(a), strike out "$18,000,000" in the amount column in the item relating to Elmendorf Air Force Base, Alaska, and insert in lieu thereof "$21,000,000".

Strike out the amount set forth as the total amount at the end of the table in section 2401(a) and insert in lieu thereof "$530,590,000".

In section 2406(a), in the matter preceding paragraph (1), strike out "$3,421,366,000" and insert in lieu thereof "$3,424,366,000".

In section 2406(a)(1), strike out "$364,487,000" and insert in lieu thereof "$367,487,000".

AMENDMENT NO. 4222

At the end of title subtitle F of title X, add the following:

SEC. 1072. FACILITY FOR MILITARY DEPENDENT CHILDREN WITH DISABILITIES, LACKLAND AIR FORCE BASE, TEXAS.

(a) FUNDING.—Of the amounts authorized to be appropriated by this Act for the Department of the Air Force, $2,000,000 shall be available for the construction at Lackland Air Force Base, Texas, of a facility (and supporting infrastructure) to provide comprehensive care and rehabilitation services to children with disabilities who are dependents of members of the Armed Forces at the base.

(b) TRANSFER OF FUNDS.—Subject to subsection (c), the Secretary of the Air Force shall grant the funds available under subsection (a) to the Children's Association for Maximum Potential (CAMP) for use by the association to defray the costs of designing and constructing the facility referred to in subsection (a).

(c) LEASE OF FACILITY.—(1) The Secretary may not make a grant of funds under subsection (b) until the Secretary and the association enter into an agreement under which the Secretary leases to the association the facility to be constructed using the funds.

(2)(A) The term of the lease under paragraph (1) may not be less than 25 years.

(B) As consideration for the lease of the facility, the association shall assume responsibility for the operation and maintenance of the facility, including the costs of such operation and maintenance.

(3) The Secretary may require such additional terms and conditions in connection with the lease as the Secretary considers appropriate to protect the interests of the United States.

LEVIN AMENDMENTS NOS. 4223–4231

(Ordered to lie on the table.)

Mr. LEVIN submitted nine amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4223

At the end of title I add the following:

Subtitle E—Reserve Components

SEC. 141. RESERVE COMPONENT EQUIPMENT.

(a) APPLICABILITY OF MODERNIZATION PRIORITIES.—The selection of equipment to be procured for a reserve component with funds authorized to be appropriated under section 105 shall be made in accordance with the highest priorities established for the modernization of that reserve component.

(b) REPORTS.—(1) Not later than December 1, 1996, each officer referred to in paragraph (2) shall submit to the congressional defense committees an assessment of the modernization priorities established for the reserve component or reserve components for which that officer is responsible.

(2) The officers required to submit a report under paragraph (1) are as follows:

(A) The Chief of the National Guard Bureau.

(B) The Chief of Army Reserve.

(C) The Chief of Air Force Reserve.

(D) The Director of Naval Reserve.

(E) The Commanding General, Marine Forces Reserve.

AMENDMENT NO. 4224

At the end of subtitle F of title X add the following:

SEC. 1072. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT.

(a) STATUS OF EXCESS AIRCRAFT.—Operational support airlift aircraft excess to the requirements of the Department of Defense shall be placed in an inactive status and stored at Davis-Monthan Air Force Base, Arizona, pending the completion of any study or analysis of the costs and benefits of disposing of or operating such aircraft that precedes a decision to dispose of or continue to operate such aircraft.

(b) OPERATIONAL SUPPORT AIRLIFT AIRCRAFT DEFINED.—In this section, the term "operational support airlift aircraft" has the meaning given such term in section 1086(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 458).

AMENDMENT NO. 4225

In section 103(1), strike out "$7,003,528,000" and insert in lieu thereof "$6,958,028,000".

At the end of subtitle D of title I, add the following:

SEC. 132. F–16 AIRCRAFT PROGRAM.

None of the funds authorized to be appropriated under section 103(1) may be obligated or expended for more than six new production F–16 aircraft.

AMENDMENT NO. 4226

In section 103(1), strike out "$7,003,528,000" and insert in lieu thereof "$6,896,128,000".

At the end of subtitle D of title I, add the following:

SEC. 132. F–16 AIRCRAFT PROGRAM.

None of the funds authorized to be appropriated under section 103(1) may be obligated or expended for more than four new production F–16 aircraft.

AMENDMENT NO. 4227

In section 101(1), strike out "$1,508,515,000" and insert in lieu thereof "$1,388,515,000".

At the end of subtitle B of title I, add the following:

SEC. 113. CONVERSION OF OH–58A/C HELICOPTERS.

None of the funds authorized to be appropriated under section 101(1) may be obligated or expended for conversion of OH–58A/C helicopters to the OH–58D configuration.

AMENDMENT NO. 4228

In section 101(1), strike out "$1,508,515,000" and insert in lieu thereof "$1,388,515,000".

In section 103(1), strike out "$7,003,528,000" and insert in lieu thereof "$6,958,028,000".

At the end of subtitle B of title I, add the following:

SEC. 113. CONVERSION OF OH–58A/C HELICOPTERS.

None of the funds authorized to be appropriated under section 101(1) may be obligated or expended for conversion of OH–58A/C helicopters to the OH–58D configuration.

At the end of subtitle D of title I, add the following:

SEC. 132. F–16 AIRCRAFT PROGRAM.

None of the funds authorized to be appropriated under section 103(1) may be obligated or expended for more than six new production F–16 aircraft.

AMENDMENT NO. 4229

Strike out section 233.

AMENDMENT NO. 4230

Beginning with the section heading for section 231, strike out all through section 232.

AMENDMENT NO. 4231

Beginning with the section heading for section 231, strike out all through section 232, and insert in lieu thereof the following:

SEC. 231. DEMARCATION OF THEATER MISSILE DEFENSE SYSTEMS FROM ANTI-BALLISTIC MISSILE SYSTEMS.

(a) REAFFIRMATION OF SENSE OF CONGRESS CONCERNING COMPLIANCE POLICY.—Congress reaffirms the expression of the sense of Congress concerning compliance policy that is set forth in subsection (b) of section 235 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 232).

(b) EXTENSION OF PROHIBITION ON FUNDING.—Subsection (c) of section 235 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 232) is amended by inserting "or fiscal year 1997" after "fiscal year 1996".

KENNEDY AMENDMENT NO. 4232

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title X add the following:

SEC. . TRANSFERS FOR EDUCATION TECHNOLOGY PROGRAMS.

(a) EDUCATION PROGRAMS.—Of the total amount appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in the Act, the Secretary of Defense shall transfer to the Secretary of Education $325,000,000, to carry out technology programs as follows:

(1) $5,000,000, to carry out Section 3122 of subpart 1 of part A of title III of the Improving America's Schools Act of 1994 (20 U.S.C. 6832), relating to Federal Leadership in National Programs for Technology in Education;

(2) $250,000,000, to carry out Section 3132 of subpart 2 of part A of title III of the Improving America's Schools Act of 1994 (20 U.S.C. 6842), relating to School Technology Resource Grants;

(3) $60,000,000, to carry out Section 3136 of subpart 2 of part A of title III of the Improving America's Schools Act of 1994 (20 U.S.C. 6846), relating to National Challenge Grants for Technology in Education; and

(4) $10,000,000, to carry out Section 3141 of subpart 3 of part A of title III of the Improving America's Schools Act of 1994 (20 U.S.C. 6861), relating to Regional Technical Support and Professional Development.

KENNEDY (AND PELL) AMENDMENT NO. 4233

(Ordered to lie on the table.)

Mr. KENNEDY (for himself and Mr. PELL) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title X add the following:

SEC. . TRANSFERS FOR PELL GRANT MERIT BONUS.

(a) EDUCATION PROGRAMS.—Of the total amount appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense shall transfer to the Secretary of Education $250,000,000 to fund Pell grant merit bonus awards under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1970a), relating to Federal Pell Grants, as follows:

(1) Every secondary school student who has graduated in the top 20% of his or her high school class, is enrolled full time in the first year of an associate or baccalaureate degree program that is 2 years or longer at an eligible institution, and is eligible to receive a Pell grant, shall be entitled to a Pell Grant Merit Bonus Award in addition to such student's Pell grant in an amount equal to the grant for which the student is otherwise eligible, up to the cost of attendance at the institution at which the student is in attendance.

DODD AMENDMENT NO. 4234

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

TITLE XIII—FAMILY AND MEDICAL LEAVE

SEC. 1301. PARENTAL INVOLVEMENT LEAVE.

(a) LEAVE REQUIREMENT.—Section 102(a) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)) is amended by adding at the end the following:

"(3) ENTITLEMENT TO PARENTAL INVOLVEMENT LEAVE.—

"(A) IN GENERAL.—Subject to section 103(f), an eligible employee shall be entitled to a total of 4 hours of leave during any 30-day period, and a total of 24 hours of leave during any 12-month period, in addition to leave available under paragraph (1), to participate in or attend an activity that—

"(i) is sponsored by a school or community organization; and

"(ii) relates to a program of the school or organization that is attended by a son or daughter of the employee.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) COMMUNITY ORGANIZATION.—The term 'community organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and provides activities for individuals described in subparagraph (A) or (B) of section 101(12), such as a scouting or sports organization.

"(ii) SCHOOL.—The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.), and a child care facility licensed under State law.".

(b) SCHEDULE.—Section 102(b)(1) of such Act (29 U.S.C. 2612(b)(1)) is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule.".

(c) SUBSTITUTION OF PAID LEAVE.—Section 102(d)(2)(A) of such Act (29 U.S.C. 2612(d)(2)(A)) is amended by inserting before the period the following: ", or for leave provided under subsection (a)(3) for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 102(e)(1) of such Act (29 U.S.C. 2612(e)(1) is amended by adding at the end the following: "In any case in which an employee requests leave under subsection (a)93), the employee shall provide the employer with not less than 7 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection.".

(e) CERTIFICATION.—Section 103 of such Act (29 U.S.C. 2613) is amended by adding at the end the following:

"(f) CERTIFICATION FOR PARENTAL INVOLVEMENT LEAVE.—An employer may require that a request for leave under section 102(a)(3) be supported by a certification issued at such time and in such manner as the Secretary may by regulation prescribe.".

SEC. 1302. PARENTAL INVOLVEMENT LEAVE FOR CIVIL SERVANTS.

(a) LEAVE REQUIREMENT.—Section 6382(a) of title 5, United States Code, is amended by adding at the end the following:

"(3)(A) Subject to section 6383(f), an employee shall be entitled to a total of 4 hours of leave during any 30-day period, and a total of 24 hours of leave during any 12-month period, in addition to leave available under paragraph (1), to participate in or attend an activity that—

"(i) is sponsored by a school or community organization; and

"(ii) relates to a program of the school or organization that is attended by a son or daughter of the employee.

"(B) As used in this paragraph:

"(i) The term 'community organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and provides activities for individuals described in subparagraph (A) or (B) of section 6381(6), such as a scouting or sports organization.

"(ii) The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.), and a child care facility licensed under State law.".

(b) SCHEDULE.—Section 6382(b)(1) of such title is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule.".

(c) SUBSTITUTION OF PAID LEAVE.—Section 6382(d) of such title is amended by inserting before ", except" the following: ", or for leave provided under subsection (a)(3) any of the employee's accrued or accumulated annual leave under subchapter I for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 6382(e)(1) of such title is amended by adding at the end the following: "In any case in which an employee requests leave under subsection (a)(3), the employee shall provide the employing agency with not less than 7 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection.".

(e) CERTIFICATION.—Section 6383 of such title is amended by adding at the end the following:

"(f) An employing agency may require that a request for leave under section 6382(a)(3) be supported by a certification issued at such time and in such manner as the Office of Personnel Management may by regulation prescribe.".

COHEN AMENDMENT NO. 4235

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. INFORMATION TECHNOLOGY MANAGEMENT AMENDMENT.

(b)(2) The definition of "national security system" shall not be construed to include any system which involves storage, processing, or forwarding of classified information and is protected at all times by procedures established for the handling of classified information except to the extent that such system is covered by paragraphs (1) through (5) of subsection (a).

KYL AMENDMENT NO. 4236

(Ordered to lie on the table.)

Mr. KYL submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

On page ____, between lines ____ and ____, insert the following:

Subtitle ____—National Missile Defense

SEC. 261. SHORT TITLE.

This subtitle may be cited as the "Defend America Act of 1996".

SEC. 262. FINDINGS.

Congress makes the following findings:

(1) Although the United States possesses the technological means to develop and deploy defensive systems that would be highly effective in countering limited ballistic missile threats to its territory, the United States has not deployed such systems and currently has no policy to do so.

(2) The threat that is posed to the national security of the United States by the proliferation of ballistic missiles is significant and growing, both quantitatively and qualitatively.

(3) The trend in ballistic missile proliferation is toward longer range and increasingly sophisticated missiles.

(4) Several countries that are hostile to the United States (including North Korea, Iran, Libya, and Iraq) have demonstrated an interest in acquiring ballistic missiles capable of reaching the United States.

(5) The Intelligence Community of the United States has confirmed that North Korea is developing an intercontinental ballistic missile that will be capable of reaching Alaska or beyond once deployed.

(6) There are ways for determined countries to acquire missiles capable of threatening the United States with little warning by means other than indigenous development.

(7) Because of the dire consequences to the United States of not being prepared to defend itself against a rogue missile attack and the long-lead time associated with preparing an effective defense, it is prudent to commence a national missile defense deployment effort before new ballistic missile threats to the United States are unambiguously confirmed.

(8) The timely deployment by the United States of an effective national missile defense system will reduce the incentives for countries to develop or otherwise acquire intercontinental ballistic missiles, thereby inhibiting as well as countering the proliferation of missiles and weapons of mass destruction.

(9) Deployment by the United States of a national missile defense system will reduce concerns about the threat of an accidental or unauthorized ballistic missile attack on the United States.

(10) The offense-only approach to strategic deterrence presently followed by the United States and Russia is fundamentally adversarial and is not a suitable basis for stability in a world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(11) Pursuing a transition to a form of strategic deterrence based increasingly on defensive capabilities and strategies is in the interest of all countries seeking to preserve and enhance strategic stability.

(12) The deployment of a national missile defense system capable of defending the United States against limited ballistic missile attacks would (A) strengthen deterrence at the levels of forces agreed to by the United States and Russia under the START I Treaty, and (B) further strengthen deterrence if reductions below START I levels are implemented in the future.

(13) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(14) Articles XIII and XIV of the treaty establish means for the parties to amend the treaty, and the parties have in the past used those means to amend the treaty.

(15) Article XV of the treaty establishes the means for a party to withdraw from the treaty, upon six months notice "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests".

(16) Previous discussions between the United States and Russia, based on Russian President Yeltsin's proposal for a Global Protection System, envisioned an agreement to amend the ABM Treaty to allow (among other measures) deployment of as many as four ground-based interceptor sites in addition to the one site permitted under the ABM Treaty and unrestricted exploitation of sensors based within the atmosphere and in space.

SEC. 263. NATIONAL MISSILE DEFENSE POLICY.

(a) It is the policy of the United States to deploy by the end of 2003 a National Missile Defense system that—

(1) is capable of providing a highly-effective defense of the territory of the United States against limited, unauthorized, or accidental ballistic missile attacks; and

(2) will be augmented over time to provide a layered defense against larger and more sophisticated ballistic missile threats as they emerge.

(b) It is the policy of the United States to seek a cooperative transition to a regime that does not feature an offense-only form of deterrence as the basis for strategic stability.

SEC. 264. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) REQUIREMENT FOR DEVELOPMENT OF SYSTEM.—To implement the policy established in section 263(a), the Secretary of Defense shall develop for deployment an affordable and operationally effective National Missile Defense (NMD) system which shall achieve an initial operational capability (IOC) by the end of 2003.

(b) ELEMENTS OF THE NMD SYSTEM.—The system to be developed for deployment shall include the following elements:

(1) An interceptor system that optimizes defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks and includes one or a combination of the following:

(A) Ground-based interceptors.

(B) Sea-based interceptors.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

(2) Fixed ground-based radars.

(3) Space-based sensors, including the Space and Missile Tracking System.

(4) Battle management, command, control, and communications (BM/C^3).

SEC. 265. IMPLEMENTATION OF NATIONAL MISSILE DEFENSE SYSTEM.

The Secretary of Defense shall—

(1) upon the enactment of this Act, promptly initiate required preparatory and planning actions that are necessary so as to be capable of meeting the initial operational capability (IOC) date specified in section 264(a);

(2) plan to conduct by the end of 1998 an integrated systems test which uses elements (including BM/C^3 elements) that are representative of, and traceable to, the national missile defense system architecture specified in section 264(b);

(3) prescribe and use streamlined acquisition policies and procedures to reduce the cost and increase the efficiency of developing the system specified in section 264(a); and

(4) develop an affordable national missile defense follow-on program that—

(A) leverages off of the national missile defense system specified in section 264(a), and

(B) augments that system, as the threat changes, to provide for a layered defense.

SEC. 266. REPORT ON PLAN FOR NATIONAL MISSILE DEFENSE SYSTEM DEVELOPMENT AND DEPLOYMENT.

Not later than March 15, 1997, the Secretary of Defense shall submit to Congress a report on the Secretary's plan for development and deployment of a national missile defense system pursuant to this subtitle. The report shall include the following matters:

(1) The Secretary's plan for carrying out this subtitle, including—

(A) a detailed description of the system architecture selected for development under section 264(b); and

(B) a discussion of the justification for the selection of that particular architecture.

(2) The Secretary's estimate of the amount of appropriations required for research, development, test, evaluation, and for procurement, for each of fiscal years 1997 through 2003 in order to achieve the initial operational capability date specified in section 264(a).

(3) A cost and operational effectiveness analysis of follow-on options to improve the effectiveness of such system.

(4) A determination of the point at which any activity that is required to be carried out under this subtitle would conflict with the terms of the ABM Treaty, together with a description of any such activity, the legal basis for the Secretary's determination, and an estimate of the time at which such point would be reached in order to meet the initial operational capability date specified in section 264(a).

SEC. 267. POLICY REGARDING THE ABM TREATY.

(a) ABM TREATY NEGOTIATIONS.—In light of the findings in section 262 and the policy established in section 263, Congress urges the President to pursue high-level discussions with the Russian Federation to achieve an agreement to amend the ABM Treaty to allow deployment of the national missile defense system being developed for deployment under section 264.

(b) REQUIREMENT FOR SENATE ADVICE AND CONSENT.—If an agreement described in subsection (a) is achieved in discussions described in that subsection, the President shall present that agreement to the Senate for its advice and consent. No funds appropriated or otherwise available for any fiscal year may be obligated or expended to implement such an amendment to the ABM Treaty unless the amendment is made in the same manner as the manner by which a treaty is made.

(c) ACTION UPON FAILURE TO ACHIEVE NEGOTIATED CHANGES WITHIN ONE YEAR.—If an agreement described in subsection (a) is not achieved in discussions described in that subsection within one year after the date of the enactment of this Act, the President and Congress, in consultation with each other, shall consider exercising the option of withdrawing the United States from the ABM Treaty in accordance with the provisions of Article XV of that treaty.

SEC. 268. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, and signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SHELBY (AND HEFLIN) AMENDMENTS NOS. 4237–4240

(Ordered to lie on the table.)

Mr. SHELBY (for himself and Mr. HEFLIN) submitted four amendments intended to be proposed by them to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4237

In section 330, in the matter preceding paragraph (1), insert ", the Letterkenny Army Depot," after "Sacramento Air Logistics Center".

AMENDMENT NO. 4238

At the end of subtitle C of title I, add the following:

SEC. 125. PROCUREMENT OF MAIN FEED PUMP TURBINES FOR THE CONSTELLATION (CV–64).

(a) INCREASED AUTHORIZATION.—The amount authorized to be appropriated by section 102(4) is hereby increased by $4,200,000.

(b) AUTHORITY TO PROCURE.—Of the amount authorized to be appropriated by section 102(4), as increased by subsection (a), $4,200,000 shall be available for the procurement of main feed pump turbines for the Constellation (CV–64).

AMENDMENT NO. 4239

At the end of subtitle C of title II, add the following:

SEC. 237. DESIGNATION OF THE ARMY AS LEAD SERVICE IN THE NATIONAL MISSILE DEFENSE JOINT PROGRAM OFFICE FOR INITIAL DEPLOYMENT PHASE OF NATIONAL MISSILE DEFENSE PROGRAM.

The Director of the Ballistic Missile Defense Organization shall designate the Army as the lead service in the National Missile Defense Joint Program Office for the initial deployment phase of the national missile defense program.

AMENDMENT NO. 4240

At the end of subtitle B of title II add the following:

SEC. 223. DEPRESSED ALTITUDE GUIDED GUN ROUND.

Of the amount authorized to be appropriated under section 201(1), $5,400,000 is available for continued development and target intercept testing of the depressed altitude guided gun round.

THURMOND AMENDMENTS NOS. 4241–4242

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4241

At the end of subtitle C of title XXXI, add the following:

SEC. 3138. DISPOSAL OF CERTAIN ASSETS OF THE DEPARTMENT OF ENERGY.

(a) PROGRAM.—(1) In order to maximize the use of Department of Energy assets and to reduce costs related to asset management at the facilities and laboratories of the Department, the Secretary of Energy shall carry out a program to dispose of assets of the Department that the Secretary determines to be unnecessary for the discharge of the functions of the Department. The Secretary shall carry out the program so as to result in net receipts to the United States by September 30, 2002, of not less than $110,000,000.

(2) Not later than October 1 of each of 1997 through 2001, the Secretary shall submit to Congress an inventory of the assets of the Department that the Secretary proposes to dispose of under the program.

(3)(A) Notwithstanding any other law and subject to subparagraphs (B) and (C), the Secretary shall deposit the proceeds of the disposition of assets under the program in the General Fund of the Treasury. If the President so designates, amounts deposited in the General Fund under this subparagraph shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted for purposes of section 252 of that Act (2 U.S.C. 902).

(B) The Secretary shall exclude from deposit under subparagraph (A) an amount of the proceeds of a disposal under the program equal to the amount, if any, of appropriated funds expended in carrying out the disposal. Amounts excluded under this subparagraph shall be credited to the account from which the appropriated funds concerned were derived and merged with and available to the same and extent and for the same purposes as such appropriated funds.

(C) After making any deposit required under subparagraph (B) using the proceeds of disposal under the program, the Secretary may, instead of making the deposit of the remaining portion of such proceeds otherwise required under subparagraph (A), utilize all or a portion of such remaining portion for the decontamination or other clean-up of facilities, equipment, and materiel of the Department.

(b) PILOT PROGRAM.—(1) The Secretary shall carry out a pilot program in each fiscal year through fiscal year 2002 under which the Secretary disposes of assets of the Department that the Secretary determines to be unnecessary for the discharge of the functions of the Department so as to result in proceeds to the Department sufficient to cover the costs of carrying out the program under subsection (a).

(2) Not later than 90 days after the beginning of a fiscal year in which the Secretary carries out a pilot program under paragraph (1), the Secretary shall submit to Congress a list and description of the assets of the Department that the Secretary proposes to dispose of under the pilot program.

(c) DEFINITIONS.—(1) For the purposes of this section, the term "assets of the Department" means assets under the control of the Department to Energy, including chemicals and industrial gases, radiation sources, industrial, scientific, and commercial equipment tools and machinery, fuels, and precious and base metals.

(2) The term does not include real property, uranium, assets of any Federal Power Administration, oil in the Strategic Petroleum Reserve, and products from the Naval Petroleum Reserves and the Naval Shale Reserves.

(d) REPEAL OF REQUIREMENT FOR TRANSFER AND DISPOSAL OF EXCESS STRATEGIC AND CRITICAL MATERIALS OF DOE.—Section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) is amended by striking out subsections (a)(10) and (c).

AMENDMENT NO. 4242

In section 216, strike out the section heading and insert in lieu thereof the following:

SEC. 216. TIER III MINUS UNMANNED AERIAL VEHICLE.

PRESSLER (AND DASCHLE) AMENDMENT NO. 4243

(Ordered to lie on the table.)

Mr. PRESSLER (for himself and Mr. DASCHLE) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

On page 311, between lines 9 and 10, insert the following:

SEC. 1072. SENSE OF CONGRESS ON NAMING ONE OF THE NEW ATTACK SUBMARINES THE "SOUTH DAKOTA".

It is the sense of the Congress that the Secretary of the Navy should name one of the new attack submarines of the Navy the "South Dakota".

THURMOND (AND NUNN) AMENDMENT NO. 4244

(Ordered to lie on the table.)

Mr. THURMOND (for himself and Mr. NUNN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

After section 3, add the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 for the national defense function under the provisions of this Act is $265,583,000,000.

THURMOND AMENDMENT NO. 4245

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title I add the following:

SEC. 124. ADDITIONAL EXCEPTION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

Section 133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) is amended—

(1) in subsection (a), by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) COSTS NOT INCLUDED.—The previous obligations of $745,700,000 for the SSN-23, SSN-24, and SSN-25 submarines, out of funds appropriated for fiscal years 1990, 1991, and 1992, that were subsequently canceled (as a result of a cancellation of such submarines) shall not be taken into account in the application of the limitation in subsection (a).".

WARNER AMENDMENT NO. 4246

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bills, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. PERMANENT AUTHORITY TO CARRY OUT ARMS INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Initiative Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1996, the Secretary" and inserting in lieu thereof "The Secretary".

BROWN AMENDMENT NO. 4247

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bills, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. STUDY REGARDING NEUTRALIZATION OF THE CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to determine the cost of incineration of the current chemical munitions stockpile by building incinerators at each existing facility compared to the proposed cost of dismantling those same munitions, neutralizing them at each storage site and transporting the neutralized remains and all munitions parts to a centrally located incinerator within the United States for incineration.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the study carried out under subsection (a).

THURMOND AMENDMENT NO. 4248

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Strike out section 2812, relating to the disposition of proceeds of certain commissary stores and nonappropriated fund instrumentalities.

KYL (AND BINGAMAN) AMENDMENT NO. 4249

(Ordered to lie on the table.)

Mr. KYL (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION OF COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

THURMOND AMENDMENT NO. 4250

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 201(2), strike out "$9,041,534,000" and insert in lieu thereof "8,893,234,000".

In section 301(1) strike out "18,147,623,000" and insert in lieu therefore "$18,295,923,000".

COHEN (AND LOTT) AMENDMENT NO. 4251

(Ordered to lie on the table.)

Mr. COHEN (for himself and Mr. LOTT) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

Strike out section 124 and insert in lieu thereof the following:

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR MULTIYEAR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized, pursuant to section 2306b of title 10, United States Code, to enter into multiyear contracts for the procurement of a total of 12 Arleigh Burke class destroyers at a procurement rate of three ships in each of fiscal years, 1998, 1999, 2000, and 2001 in accordance with this subsection and subsections (a)(4) and (c), subject to the availability of appropriations for such destroyers. A contract for construction of one or more vessels that is entered into in accordance with this subsection shall include a clause that limits the liability of the Government to the contractor for any termination of the contract.

CHAFEE AMENDMENT NO. 4252

(Ordered to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of section 348, add the following:

(c) REPORT ON COMPLIANCE WITH ANNEX V TO THE CONVENTION.—The Secretary of Defense shall include in each report on environmental compliance activities submitted to Congress under section 2706(c) of title 10, United States Code, the following information:

(1) A list of the ships types, if any, for which the Secretary of the Navy has made the determination referred to in paragraph (2)(C) of section 3(c) of the Act to Prevent Pollution from Ships, as amended by subsection (a)(2) of this section.

(2) A list of ship types which the Secretary of the Navy has determined can comply with Regulation 5 of Annex V to the Convention.

(3) A summary of the progress made by the Navy in implementing the requirements of paragraphs (2) and (3) such section 3(c), as so amended.

(4) A description of any emerging technologies offering the potential to achieve full compliance with Regulation 5 of Annex V to the Convention.

(d) PUBLICATON REGARDING SPECIAL AREA DISCHARGES.—Section 3(e)(4) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(e)(4)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The amount and nature of the discharges in special areas, not otherwise authorized under this title, during the preceding year from ships referred to in subsection (b)(1)(A) of this section owned or operated by the Department of the Navy.".

THURMOND AMENDMENT NO. 4253

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 201(2), strike out "$9,041,534,000" and insert in lieu thereof "$8,893,234,000".

In section 301(1) strike out "18,147,623,000" and insert in lieu thereof "$18,295,923,000".

THURMOND (AND NUNN) AMENDMENT NO. 4254

(Ordered to lie on the table.)

Mr. THURMOND (for himself and Mr. NUNN) submitted an amendment intended to be proposed an amendment to the bill, S. 1745, supra; as follows:

Mr. THURMOND (for himself and Mr. NUNN) submitted an amendment intended to be proposed an amendment to the bill, S. 1745, supra; as follows:

On page 219, line 11, insert ", for the Secretary's consideration," after "of Defense".

On page 223, strike out lines 1 and 2 and insert in lieu thereof the following:

"(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is a combat support agency of the Department of Defense and has significant national missions.

On page 223, strike out line 17 and all that follows through page 224, line 2 and insert in lieu thereof the following:

"(3) If an officer of the armed forces is appointed to the position of Director under this subsection, the position is a position of importance and responsibility for purposes of section 601 of this title and carries the grade of lieutenant general, or, in the case of an officer of the Navy, vice admiral.

THURMOND AMENDMENTS NOS. 4255–4256

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bills, S. 1745, supra; as follows:

AMENDMENT NO. 4255

At the end of subtitle D of title III, add the following:

SEC. . AUTHORITY FOR AGREEMENTS WITH INDIAN TRIBES FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d) of title 10, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking out ", or with any State or local government agency," and inserting in lieu thereof ", with any State or local government agency, or with any Indian tribe,"; and

(2) by adding at the end the following:

"(3) DEFINITION.—In this subsection, the term 'Indian tribe' has the meaning given such term in section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).".

AMENDMENT NO. 4256

In section 3136(a), in the matter preceding paragraph (1), strike out "section 3102" and insert in lieu thereof "section 3102(b)".

In section 3136(a)(1), strike out "$43,000,000" and insert in lieu thereof "$65,700,000".

In section 3136(a)(2), strike out "$15,000,000" and insert in lieu thereof "$80,000,000".

In section 3136(a)(2), strike out "stainless steel" and insert in lieu thereof "non-aluminum clad".

LOTT AMENDMENTS NOS. 4257–4258

(Ordered to lie on the table.)

Mr. LOTT submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4257

At the end of subtitle E of the title X add the following:

SEC. 1054. REPORT ON FACILITIES USED FOR TESTING LAUNCH VEHICLE ENGINES.

(a) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Administrator of the National Aeronautics and Space Administration, shall submit to Congress a report on the facilities used for testing launch vehicle engines.

(b) CONTENT OF REPORT.—The report shall contain an analysis of the duplication between Air Force and National Aeronautics and Space Administration hydrogen rocket test facilities and the potential benefits of further coordinating activities at such facilities.

AMENDMENT NO. 4258

At the end of subtitle A of title V add the following:

SEC. 506. GRADE OF CHIEF OF NAVAL RESEARCH.

Section 5022(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) Unless appointed to higher grade under another provision of law, an officer, while serving in the Office of Naval Research as Chief of Naval Research, has the rank of rear admiral (upper half).".

THURMOND AMENDMENT NO. 4259

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Beginning on page 127, strike out line 20 and all that follows through page 129, line 10, and insert in lieu thereof the following:

"(2)(A) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.

"(B) In the administration of subparagraph (A), the following officers shall not be counted:

"(i) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(ii) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(iii) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.".

ROBB AMENDMENT NO. 4260

(Ordered to lie on the table.)

Mr. ROBB submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title X, add the following:

SEC. 1054. INFORMATION ON PROPOSED FUNDING FOR THE GUARD AND RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall specify in each future-years defense program submitted to Congress after the date of the enactment of this Act the estimated expenditures and proposed appropriations for the procurement of equipment and for military construction for each of the Guard and Reserve components.

(b) DEFINITION.—For purposes of this section, the term "Guard and Reserve components" means the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Naval Reserve.

(4) The Marine Corps Reserve.

(5) The Air Force Reserve.

(6) The Air National Guard of the United States.

McCAIN (AND OTHERS) AMENDMENT NO. 4261

(Ordered to lie on the table.)

Mr. MCCAIN (for himself, Mr. HATCH, Mr. BENNETT, and Mr. NUNN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

Strike out section 366 and insert in lieu thereof the following new section:

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS

(a) SECURITY AND SAFETY ASSISTANCE.—At the request of a Federal, State, or local government agency responsible for providing law enforcement services, security services, or safety services, the Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs.

(b) OTHER ASSISTANCE.—the Secretary may authorize a commander referred to in subsection (a) to provide assistance for a sporting event referred to in that subsection in support of other needs relating to such event, but only—

(1) to the extent that such needs cannot reasonably be met by a source other than the Department;

(2) to the extent that the provision of such assistance does not adversely affect the military preparedness of the Armed Forces; and

(3) if the organization requesting such assistance agrees to reimburse the Department for amounts expended by the Department in providing the assistance in accordance with the provisions of section 377 of title 10, United States Code, and other applicable provisions of law.

(c) INAPPLICABILITY TO CERTAIN EVENTS.—Subsections (a) and (b) do not apply to the following sporting events:

(1) Sporting events for which funds have been appropriated before the date of the enactment of this Act.

(2) The Special Olympics.

(3) The Paralympics.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the provision of assistance under this section as the Secretary considers necessary and appropriate to protect the interests of the United States.

(e) REPORT ON ASSISTANCE.—Not later than January 30 of each year following a year in which the Secretary provides assistance under this section, the Secretary shall submit to the congressional defense committees a report on the assistance provided. The report shall set forth—

(1) a description of the assistance provided;

(2) the amount expended by the Department in providing the assistance;

(3) if the assistance was provided under subsection (a), the certification of the Attorney General with respect to the assistance under that subsection; and

(4) if the assistance was provided under subsection (b)—

(A) an explanation why the assistance could not reasonably be met by a source other than the Department; and

(B) the amount the Department was reimbursed under that subsection.

(f) RELATIONSHIP TO OTHER LAWS.—Assistance provided under this section shall be subject to the provisions of sections 375 and 376 of title 10, United States Code.

DOMENICI AMENDMENT NO. 4262

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II add the following:

SEC. 237. SCORPIUS SPACE LAUNCH TECHNOLOGY PROGRAM.

Of the amount authorized to be appropriated under section 201(4) for the Ballistic Missile Defense Organization for Support Technologies/Follow-On Technologies (PE 63173C), up to $7,500,000 is available for the Scorpius space launch technology program.

GLENN (AND ABRAHAM) AMENDMENT NO. 4263

(Ordered to lie on the table.)

Mr. GLENN (for himself and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

In section 1022(a), strike out ". Such transfers" and insert in lieu thereof ", if the Secretary determines that the tugboats are not needed for transfer, donation, or other disposal under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.). A transfer made under the preceding sentence".

WELLSTONE AMENDMENTS NOS. 4264–4265

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4264

At the end of subtitle A of title X add the following:

SEC. . TRANSFERS FOR EDUCATION AND EMPLOYMENT ASSISTANCE PROGRAMS.

(a) EDUCATION PROGRAMS.—Of the total amount authorized to be appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense authorized to transfer to the Secretary of Education—

(1) $577,000,000, to carry out subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a), relating to Federal Pell Grants;

(2) $158,000,000, to carry out part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), relating to Federal Perkins Loans; and

(3) $71,000,000, to carry out part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), relating to Federal Direct Student Loans.

(b) EMPLOYMENT ASSISTANCE PROGRAMS.—Of the total amount appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense shall transfer to the Secretary of Labor—

(1) $193,000,000, to provide employment and training assistance to dislocated workers under title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.);

(2) $246,000,000, to carry out summer youth employment and training programs under part B of title II of the Job Training Partnership Act (29 U.S.C. 1630 et seq.);

(3) $25,000,000, to carry out School-to-Work Opportunities programs under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 2101 et seq.); and

(4) $40,000,000, to carry out activities, including activities provided through one-stop centers, under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

AMENDMENT NO. 4265

At the end of title VII add the following:

SEC. 708. PREVENTIVE HEALTH CARE SCREENING FOR COLON AND PROSTATE CANCER.

(a) MEMBERS AND FORMER MEMBERS.—(1) Section 1074d of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by inserting "(1)" before "Female"; and

(ii) by adding at the end the following new paragraph:

"(2) Male members and former members of the uniformed services entitled to medical care under section 1074 or 1974a of this title shall also be entitled to preventive health care screening for colon or prostate cancer at such intervals and using such screening methods as the administering Secretaries consider appropriate."; and

(B) in subsection (b), by adding at the end the following new paragraph:

"(8) Colon cancer screening, at the intervals and using the screening methods prescribed under subsection (a)(2).".

(2)(A) The heading of such section is amended to read as follows:

"§ 1074d. Primary and preventive health care services

(B) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1074d. Primary and preventive health care services.".

(b) DEPENDENTS.—(1) Section 1077(a) of such title is amended by adding at the end the following new paragraph:

"(14) Preventive health care screening for colon or prostate cancer, at the intervals and using the screening methods prescribed under section 1074d(a)(2) of this title.".

(2) Section 1079(a)(2) of such title is amended—

(A) in the matter preceding subparagraph (A), by inserting "the schedule and method of colon and prostate cancer screenings," after "pap smears and mammograms,"; and

(B) in subparagraph (B), by inserting "or colon and prostate cancer screenings" after "pap smears and mammograms".

WELLSTONE (AND HARKIN) AMENDMENT NO. 4266

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

After section 3, insert the following:

SEC. 4. GENERAL LIMITATION.

(a) LIMITATION.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated by this Act may not exceed the amount requested by the President for fiscal year 1997 for the national security activities of the Department of Defense and the Department of Energy in the budget submitted to Congress by the President for that fiscal year under section 1105 of title 31, United States Code.

(b) ALLOCATION OF REDUCTIONS.—The Secretary of Defense shall allocate reductions in authorizations of appropriations that are necessary as a result of the application of the limitation set forth in subsection (a) so as not to jeopardize the military readiness of the Armed Forces or the quality of life of Armed Forces personnel.

(c) EXCESS AUTHORIZATIONS TO BE USED FOR DEFICIT REDUCTION.—The reduction under subsection (a) of the total amount that, except for that subsection, would otherwise be authorized to be appropriated for fiscal year 1997 by this Act shall be applied to reduce the budget deficit for fiscal year 1997.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 4267

(Ordered to lie on the table.)

Mrs. FEINSTEIN (for herself, Mr. KYL, and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. SALE OF CHEMICALS USED TO MANUFACTURE CONTROLLED SUBSTANCES BY FEDERAL DEPARTMENTS OR AGENCIES.

A Federal department or agency may not sell from the stocks of the department or agency any chemical which, as determined by the Administrator of the Drug Enforcement Agency, could be used in the manufacture of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802) unless the Administrator certifies in writing to the head of the department or agency that there is no reasonable cause to believe that the sale of the chemical would result in the illegal manufacture of a controlled substance.

FEINSTEIN AMENDMENT NO. 4268

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. REVISION OF CERTAIN AUTHORITIES RELATING TO THE CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND FIREARMS SAFETY.

(a) USE OF PROCEEDS OF SALES FOR BREAST CANCER RESEARCH.—(1) Section 1614 of the Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 517; 36 U.S.C. 5504) is amended—

(A) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(B) by inserting after subsection (c) the following new subsection (d):

"(d) USE OF PROCEEDS OF SALES.—Proceeds from the sale of rifles, ammunition, targets, repair parts and accoutrements, and other supplies and appliances under this subsection shall be deposited in the Defense Health Program account and available for breast cancer research. Amounts so deposited shall be available for that purpose without fiscal year limitation.".

(2) Section 1618(a)(3) of that Act (110 Stat. 520; 36 U.S.C. 5508(a)(3)) is amended by striking out ", including the proceeds" and all that follows through "supplies and appliances,".

(b) TRANSFER OF FUNDS FOR BREAST CANCER RESEARCH.—Notwithstanding section 1621(a) of the Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 521; 36 U.S.C. 5521(a)), funds to be transferred to the Corporation for the Promotion of Rifle Practice and Firearms Safety in accordance with that section shall be transferred instead to the Defense Health Program and available only for breast cancer research. Funds so transferred shall be available for that purpose without fiscal year limitation.

(c) DETERMINATION OF FAIR MARKET VALUE OF ITEMS SOLD.—Section 1614(b) of the Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 517; 36 U.S.C. 5504(b)) is amended by adding at the end the following:

"(3) In determining the fair market value of rifles, ammunition, targets, repair parts and accoutrements, and other supplies and appliances sold under this subsection, the Corporation shall use the average price for such items at a variety of retail gun stores nationwide.".

SMITH AMENDMENT NO. 4269

(Ordered to lie on the table.)

Mr. SMITH submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place, insert:

SEC. . SENSE OF THE SENATE CONCERNING USS LCS 102.

It is the sense of the Senate that the Secretary of Navy should use existing authorities in law to seek the expeditious return of the former USS LCS 102 from the Government of Thailand in order for the ship to be transferred to the United States Shipbuilding Museum in Quincy, Massachusetts.

WARNER AMENDMENT NO. 4270

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows;

At the end of subtitle B of title II add the following:

SEC. 223. CYCLONE CLASS CRAFT SELF-DEFENSE.

(a) STUDY REQUIRED.—Not later than March 31, 1997, the Secretary of Defense shall—

(1) carry out a study of vessel self-defense options for the Cyclone class patrol craft; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(b) SOCOM INVOLVEMENT.—The Secretary shall carry out the study through the Commander of the Special Operations Command.

(c) SPECIFIC SYSTEM TO BE EVALUATED.—The study under subsection (a) shall include an evaluation of the BARAK ship self-defense missile system.

(d) FUNDING.—Of the amount authorized to be appropriated by section 104, $2,000,000 is available for carrying out this section.

HATFIELD (AND WYDEN) AMENDMENT NO. 4271

(Ordered to lie on the table.)

Mr. HATFIELD (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

Insert at the appropriate place the following:

SEC. . OPPORTUNITY FOR REVIEW AND COMMENT BY STATE OF OREGON ON CERTAIN REMEDIAL ACTIONS AT HANFORD RESERVATION.

(a) Except as provided in subsection (b), the Site Manager of the Hanford Reservation ("Site Manager") shall provide to the State of Oregon all written information required to be provided to the State of Washington on any matter covered by the Hanford Tri-Party Agreement.

(1) Any such information provided to the State of Washington shall be provided to the State of Oregon when it is provided to the State of Washington or as soon as practical thereafter.

(2) Except as provided in subsection (b), whenever an opportunity for review and comment is provided to the State of Washington on matters covered by the Hanford Tri-Party Agreement, the Site Manager shall also provide an opportunity for review and comment to the State of Oregon.

(b) Nothing in this section: (1) Requires the Site Manager to share enforcement sensitive information or information related to the negotiation, dispute resolution or State cost recovery provisions of the Hanford Tri-Party Agreement; (2) requires the Site Manager to provide confidential budget or procurement information under terms other than those provided in the Tri-Party Agreement for the transmission of such information to the State of Washington; (3) authorizes the State of Oregon to participate in enforcement, dispute resolution or negotiation actions conducted under provisions of the Hanford Tri-Party Agreement; (4) shall delay implementation of remedial or environmental management activities at the Hanford Reservation; or (5) obligates the Department of Energy to provide additional funds to the State of Oregon.

Insert at the appropriate place the following:

SEC. . SENSE OF THE SENATE ON HANFORD MEMORANDUM OF UNDERSTANDING

It is the sense of the Senate that the State of Oregon has the authority to and may enter into a joint memorandum of understanding with the State of Washington or a joint memorandum of understanding with the State of Washington and the Site Manager of the Hanford Reservation in order to address issues of mutual concern to such States regarding the Hanford Reservation.

THE SMALL BUSINESS JOB PROTECTION ACT OF 1996

BOND AMENDMENT NO. 4272

(Ordered to lie on the table.)

Mr. LOTT (for Mr. BOND) submitted an amendment intended to be proposed by him to the bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, and for other purposes; as follows:

Strike title II and insert the following:

TITLE II—PAYMENT OF WAGES

SEC. 2101. PROPER COMPENSATION FOR USE OF EMPLOYER VEHICLES.

(a) SHORT TITLE.—This section may be cited as the "Employee Commuting Flexibility Act of 1996".

(b) USE OF EMPLOYER VEHICLES.—Section 4(a) of the Portal-to-Portal Act of 1947 (29 U.S.C. 254(a)) is amended by adding at the end the following: "For purposes of this subsection, the use of an employer's vehicle for travel by an employee and activities performed by an employee which are incidental to the use of such vehicle for commuting shall not be considered part of the employee's principal activities if the use of such vehicle for travel is within the normal commuting area for the employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of such employee.".

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 to an employee in any civil action brought before such date of enactment but pending on such date.

SEC. 2102. MINIMUM WAGE INCREASE.

(a) SHORT TITLE.—This section may be cited as the "Minimum Wage Increase Act of 1996".

(b) AMENDMENT TO MINIMUM WAGE.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended by striking "(a) Every" and all that follows through "$4.25 an hour after March 31, 1991;" and inserting the following: "(a) An employer shall pay to an employee of the employer the following wage rate in accordance with the requirements of this subsection:

"(1)(A) in the case of an employee who in any workweek is employed in an enterprise engaged in commerce or in the production of goods for commerce, not less than $4.25 an hour during the period ending on December 31, 1996, not less than $4.75 an hour during the year beginning on January 1, 1997, and not less than $5.15 an hour after December 31, 1997;

"(B) in the case of an employee who in any workweek is engaged in commerce or in the production of goods for commerce, but is not employed in an enterprise engaged in commerce or in the production of goods for commerce, not less than $4.25 an hour;".

(c) CONSTRUCTION.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection;

"(h) Nothing in this section shall be construed as affecting any exemption provided under section 13.".

SEC. 2103. FAIR LABOR STANDARDS ACT AMENDMENTS.

(a) COMPUTER PROFESSIONALS.—Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(A)) is amended—

(1) by striking the period at the end of paragraph (16) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(17) any employee—

"(A) who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker;

"(B) whose primary duty is—

"(i) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(ii) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(iii) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

"(iv) a combination of duties described in clauses (i), (ii), and (iv) the performance of which requires the same level of skills; and

"(C) who is compensated on an hourly bases and is comp4ensated at a rate of not less than $27.63.".

(b) TIP CREDIT.—Section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended—

(1) by striking "(m) 'Wage' paid" and inserting "(m)(1) 'Wage' paid"; and

(2) by striking "In determining the war" and all that follows through "who customarily and regularly receive tips." and inserting the following:

"(2)(A) In determining the wage an employer is required to pay a tipped employee, the amount paid such employee by the employee's employer shall be an amount equal to—

"(i) the cash wage paid such employee which for purposes of such determination shall be not less than the cash wage required to be paid such an employee on the day proceeding the date of enactment of this paragraph; and

"(ii) an additional amount on account of the tips received by such employee which amount is equal to the difference between the wage specified in subclause (i) and the cash wage in effect under section 6(a)(1).

"(B) Subparagraph (A) shall not apply with respect to any tipped employee unless—

"(i) such employee has been informed by the employer of the provisions of this subsection; and

"(ii) all tips received by such employee have been retained by the employee, except that this subsection shall not be construed to prohibit the pooling of tips among employees who customarily and regularly receive tips."

"(c) OPPORTUNITY WAGE.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by inserting after subsection (f) the following new subsection:

"(g)(1) In lieu of the rate prescribed by subsection (a)(1), any employer may pay any employee of such employer, during the first 180 consecutive calendar days after such employee is initially employed by such employer, a wage which is not less than $4.25 an hour.

"(2) No employer may take any action to displace employees (including partial displacements such as a reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in paragraph (1).

"(3) Any employer who violates this subsection shall be deemed to have violated section 15(a)(3).".

KENNEDY AMENDMENT NO. 4273

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 3448, supra; as follows:

Strike Title II and replace with the following:

TITLE II—LABOR PROVISIONS

SEC. 1. INCREASE IN THE MINIMUM WAGE RATE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending July 4, 1996, not less than $4.70 an hour during the year beginning July 5, 1996, and not less than $5.15 an hour after July 4, 1997;".

(b) EMPLOYEES WHO ARE YOUTHS.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended—

(1) in paragraph (4), by striking "; or" and inserting a semicolon;

(2) in paragraph (5), by striking the period at the end thereof and inserting "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(6) if the employee—

"(A) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10)) without regard to subparagraph (B) of such paragraphs and is not a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)); and

"(B) has not attained the age of 20 years, not less than $4.25 an hour during the first 30 days in which the employee is employed by the employer, and, thereafter, not less than the applicable wage rate described in paragraph (1).".

(c) EMPLOYEES IN PUERTO RICO.—Section 6(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(c)) is amended to read as follows:

"(c) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico except an employee described in subsection (a)(2).".

SEC. 2. EXEMPTION OF COMPUTER PROFESSIONALS FROM CERTAIN WAGE REQUIREMENTS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended—

(1) by striking the period at the end of paragraph (16) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(17) any employee who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker, whose primary duty is—

"(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

(D) a combination of duties described in subparagraph (A), (B), and (C) the performance of which requires the same level of skills, and who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less then $27.63 an hour.".

SEC 3. USE OF AN EMPLOYER-OWNED VEHICLE.

(a) IN GENERAL.—Section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) is amended by inserting at the end the following:

"(e) For purposes of subsection (a), the use by an employee of an employer-owned vehicle to initially travel to the actual place of performance of the principal activity which such employee is employed to perform at the start of the workday and to ultimately travel to the home of the employee from the actual place of performance of the principal activity which such employee is employed to perform at the end of the workday shall not be considered an activity for which the employer is required to pay the minimum wage or overtime compensation if—

"(1) such employee has chosen to drive such vehicle pursuant to a knowing and voluntary agreement between such employer and such employee or the representative of such employee and such agreement is not a condition of employment;

"(2) such employee incurs no costs for driving, parking, or otherwise maintaining the vehicle of such employer;

"(3) the worksites to which such employee is commuting to or from are within the normal commuting area of the establishment of such employer; and

"(4) such vehicle is of a type that does not impose substantially greater difficulties to drive than the type of vehicle that is normally used by individuals for commuting.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) to an employee in any civil action brought before such date of enactment but pending on such date.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

BYRD AMENDMENT NO. 4274

Mr. BYRD proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VII add the following:

SEC. 708. RESEARCH AND BENEFITS RELATING TO GULF WAR SERVICE.

(a) RESEARCH.—(1) The Secretary of Defense shall, by contract, grant, or other transaction, provide for scientific research to be carried out by entities independent of the Federal Government on possible causal relationships between the complex of illnesses and symptoms commonly known as "Gulf War syndrome" and the possible exposures of members of the Armed Forces to chemical warfare agents or other hazardous materials during Gulf War service.

(2) The Secretary shall prescribe the procedures for making awards under paragraph (1). The procedures shall—

(A) include a comprehensive, independent peer-review process for the evaluation of proposals for scientific research that are submitted to the Department of Defense; and

(B) provide for the final selection of proposals for award to be based on the scientific merit and program relevance of the proposed research.

(3) Of the amount authorized to be appropriated under section 301(19), $10,000,000 is available for research under paragraph (1).

(b) HEALTH CARE BENEFITS FOR AFFLICTED CHILDREN OF GULF WAR VETERANS.—(1) Under regulations prescribed by the Secretary of Defense, any child of a Gulf War veteran who has been born after August 2, 1990, and has a congenital defect or catastrophic illness not excluded from coverage under paragraph (2) is eligible for medical and dental care under chapter 55 of title 10, United States Code, for the congenital defect or catastrophic illness, and associated conditions, of the child.

(2) The administering Secretaries may exclude from coverage under this subsection—

(A) any congenital defect or catastrophic illness that, as determined by the Secretary of Defense to a reasonable degree of scientific certainty on the basis of scientific research, is not a defect or catastrophic illness that can result in a child from an exposure of a parent of the child to a chemical warfare agent or other hazardous material to which members of the Armed Forces might have been exposed during Gulf War service; and

(B) a particular congenital defect or catastrophic illness (and any associated condition) of a particular child if the onset of the defect or illness is determined to have preceded any possible exposure of the parent or parents of the child to a chemical warfare agent or other hazardous material during Gulf War service.

(3) No fee, deductible, or copayment requirement may be imposed or enforced for medical or dental care provided under chapter 55 of title 10, United States Code, in the case of a child who is eligible for such care under this subsection (even if the child would otherwise be subject to such a requirement on the basis of any eligibility for such care that the child also has under any provision of law other than this subsection).

(c) DEFINITIONS.—(1) In this section:

(A) The term "Gulf War veteran" means a veteran of Gulf War service.

(B) The term "Gulf War service" means service on active duty as a member of the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(C) The term "Persian Gulf War" has the meaning given that term in section 101(33) of title 38, United States Code.

(D) The term "administering Secretaries" has the meaning given that term in section 1072(3) of title 10, United States Code.

(E) The term "child" means a natural child.

(2) The Secretary of Defense shall prescribe in regulations a definition of the terms "congenital defect" and "catastrophic illness" for the purposes of this section.

BINGAMAN (AND OTHERS) AMENDMENT NO. 4275

Mr. BINGAMAN (for himself, Mr. BRADLEY, and Mr. FEINGOLD) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 398, after line 23, insert the following:

SEC. 2828. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

BINGAMAN AMENDMENT NO. 4276

Mr. BINGAMAN proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out section 402 and insert in lieu thereof the following:

SEC. 402. REPEAL OF PERMANENT END STRENGTHS.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 691.

GREGG AMENDMENT NO. 4277

Mr. GREGG proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

SEC. . (a) the Congress finds that—

(1) Federal Bureau of Investigation background files contain highly sensitive and extremely private information;

(2) the White House is entrusted with Federal Bureau of Investigation background files for legitimate security purposes but it should ensure that any files requested are needed for such purposes and that these files remain confidential and private;

(3) the White House has admitted that the personnel security office headed by Mr. Livingstone inappropriately requested the files of over 400 former White House pass holders who worked under the past two Republican Presidents;

(4) Craig Livingstone, the director of the White House personnel security office, has been placed on paid administrative leave at his own request;

(5) the President has taken no action to reprimand those responsible for improperly collecting sensitive Federal Bureau of Investigation files; and

(6) the taxpayers of the United States should not bear the financial responsibility of paying Mr. Livingstone's salary.

(b) It is the sense of the Senate that the President should terminate Mr. Livingstone from his position at the White House immediately.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to receive testimony regarding S. 1678, a bill to abolish the Department of Energy, and for other purposes.

The hearing will be held on Tuesday, July 23, 1996, it will begin at 9:30 a.m., and will take place in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call Karen Hunsicker, counsel or Betty Nevitt, staff assistant.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, June 25, 1996, session of the Senate for the purpose of conducting a closed hearing on broadcast spectrum reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 25, 1996, at 10 a.m., to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 25, 1996, at 2 p.m., to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 25, 1996, at 2 p.m. to hold a nominations hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. McCONNELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on pending legislation at 10 a.m., on Tuesday, June 25, 1996. The markup will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Commerce on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, June 25, 1996 to hold hearings on security in cyberspace.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct an oversight hearing Tuesday, June 25, at 9:30 a.m., hearing room (SD–406) on the impact of Federal streamlining efforts on GSA leasing activities.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO THE MILFORD MIDDLE SCHOOL FIFTH-GRADE STUDENTS FOR SUPPORTING THE SHRINERS HOSPITAL

• Mr. SMITH. Mr. President, I rise today to pay tribute to the 80 fifth-grade students in Pam Moreau's math classes at Milford Middle School in New Hampshire. Pam and her students organized an elaborate recycling system and donated 80,000 metal pull-tabs from soft drink cans to the Shriners hospital in Springfield, MA. The Shriners Hospital sells the tabs and uses the money to buy medical and nonmedical supplies for the hospital's burn victims and orthopaedic patients, all of whom are children. I congratulate the Milford students who worked for so many months to collect and recycle the tabs.

These 80 fifth-graders and the 80,000 tabs they collected are an example of the type of goodwill exemplified all across the country for the Shriners hospital. The Shriners hospital in Massachusetts is one of 22 Shriner hospitals in the United States that provides high-quality medical care absolutely free of charge. The Shriners hospital network is the only hospital system in the Nation that provides 100-percent charitable care, accepting no government or insurance reimbursement for treating hundreds of thousands of children. The only way the Shriners are able to help so many young patients is due to the generous support of the American people like the Milford fifth-graders.

Since 1922, when the first Shriner hospital was founded, the Shriner hospital network has helped over 500,000 children. Last year, the hospitals treated close to 20,000 orthopaedic cases and conducted over 200,000 outpatient and outreach clinic visits.

Money raised from the tabs collected by the Milford students will help pay for x-ray film, children's books, and VCR tapes for the patients at the Springfield Shriners Hospital. This hospital and other Shriner hospitals make the largest single contribution on a continuing basis to the care of disabled children in the United States.

I have always been impressed with the number of children the Shriners hospital helps each year and have worked with them over the years to promote and assist their efforts. I am particularly pleased that a group of young students in New Hampshire worked so diligently to contribute to this outstanding institution. These young fifth-graders will help make a difference in the lives of the sick and disabled children at the Shriners hospital. They should be very proud of their volunteer effort.

Mr. President, I ask that this recently published article from the Telegraph describing the students' hard work be inserted into the RECORD.

[From the Telegraph]

PROJECT HAS KIDS PULLING FOR OTHER KIDS

Fifth-graders in Pam Moreau's math classes are getting a lesson in numbers while helping other kids.

About 80 pupils at the Milford Middle School in New Hampshire began collecting metal pull-tabs from soft drink cans last fall and donating them to the Shriners Hospital in Springfield, Mass., which treats orthopaedic patients; other Shriners Hospitals, such as one in Boston, treat child burns patients.

The hospital sells the tabs to an aluminum recycler and uses the money to purchase a variety of medical and nonmedical items, from X-ray film to children's books and VCR tapes patients use during their hospitalization.

As of mid-April, the Milford pupils had collected about 80,000 of the small metal objects—an average of 1,000 per pupil. The dollar value of their efforts is estimated to be $130, so far [price fluctuates daily].

"It's a project we got started for the fun of it . . . but the kids come in with thousands each week," said Moreau, who added they might expand the effort to include more pupils next year.

Many pupils involve their parents, aunts, and uncles in their collecting, said Moreau. One girl made a bin for employees at her father's workplace to donate the tabs. Each month, Moreau gives out a small prize to the pupils who collect the most.

She said their collecting efforts have translated well in the math classes—pupils keep track of their collecting by plotting numbers on graphs. They deposit them into empty five-gallon water bottles, and have filled about five since they began.

It has also spawned a sense of recycling, which for many Milford residents is already the norm. But she said pupils have taken to checking the family garbage and picking up cans littering local parks.

Moreau said she learned about the fund-raising project through a friend who saves the tabs and gives them to Chief Grayden, a Nashua Shriner active in Shriners Hospitals. Grayden regularly drives local patients to their treatments in Boston or Springfield, and he brings the tabs to Springfield when he has a bunch.

Moreau said they kicked off the volunteer effort by inviting Grayden in to speak about how collecting them would help other kids. Since then, pupils have been unstoppable.

"It's kids helping kids," she said. "Even though they never have met these kids, they think it's great to be helping out."•

DEATH OF RALPH H. GOODPASTEUR

• Ms. MOSELEY-BRAUN. Mr. President, on June 20, 1996, the First Church of Deliverance in Chicago lost a minister of music and music director who had brought great joy, great energy, and great spirituality to its services for over 48 years. On that same date, gospel music lost an innovator, and a tremendous talent, a singer, pianist, composer, and arranger who performed with such great artists as Mahalia Jackson, Ethel Waters, Earl "Fatha" Hines, Sally Martin, and Nat King Cole.

Ralph H. Goodpasteur died on June 20, 1996. His death is a great loss to the First Church of Deliverance, to its ministers, staff, and congregation, to gospel music, to his relatives, and to his legions of friends.

Ralph Goodpasteur was born on December 12, 1923, in Columbus, IN. He was educated in the public schools in Richmond, IN. He was a graduate of the University of Southern California, with a degree in English and music, and George Williams College, where he received a masters degree in music.

His musical ability was apparent at an early age, and he began a musical career at age 7. His church life dates back almost as long as his musical interests. He was baptized at the Second Baptist Church at age 7. His entire life was spent combining those two great loves. Religious music, songs of praise and spiritual uplifting, were all part of his special gift, one that he shared with millions.

In 1943, he became pianist and director of the gospel choir of the Grant A.M.E. Church in Los Angeles, CA. In 1948, however, my home town of Chicago, IL was fortunate enough to become Ralph Goodpasteur's home town.

In Chicago, he brought life and joy, not just to the congregation at the First Church of Deliverance, but to every life he touched. His impact on his community was enormous. The love, the admiration, and the respect his adopted home town of Chicago had for him was evidenced by the fact that Mayor Harold Washington of Chicago issued a proclamation making October 4, 1987, Ralph Goodpasteur day. He has been recognized for his many contributions by institutions ranging from the Chicago Historical Society to the Smithsonian Institution to academic institutions throughout the world.

His life was a life of service to others, through his work in the church, and through his music generally. He was a wonderful gospel singer and composer, and used gospel music to move people, and to bring them closer to God. He was the first African-American to have a song published as a hymn in the 1975 edition of the National Baptist Hymnal, Southern Baptist Convention.

He was a special friend to me personally. I called him Uncle Ralph, as did many others, and he gave of his time to help me in my election effort. "Uncle Ralph" helped in may ways, but most importantly, with campaign finance. He was good at that, and brought the same commitment to excellence to the task that he brought to every endeavor he undertook. I will miss him.

Ralph Goodpasteur lived a life filled with accomplishment. He will be long remembered by all those who knew him, or who heard him perform. He has left all of us something very enduring, however; his legacy of music will live on and on for generations to come.

I regret that all of my colleagues have not had the opportunity to come to know Ralph Goodpasteur. I urge every Member of this Senate to allow his wonderful music to become a part of their lives.●

TRIBUTE TO COL. STANLEY F. DAVIDSON

● Mr. D'AMATO. Mr. President, I rise today to honor Col. Stanley F. Davidson, who will retire from the U.S. Army on July 1, 1996 after completing a long and distinguished career of more than 30 years of service to our Nation, including 6 years of service in key assignments in the Office of the Secretary of Defense. I would like to take a few minutes to highlight some of his contributions and accomplishments.

Colonel Davidson joined the U.S. Army Reserve as a private on August 30, 1965 and rose to the rank of sergeant. After completing 4 years of enlisted service, he was selected to attend Officer Candidate School and was appointed a second lieutenant on June 16, 1969. He served in several Army Reserve units within the 77th U.S. Army Reserve Command and the 98th Division (Training) in the State of New York and in the Missouri Army National Guard. He subsequently rose through the commissioned ranks and was promoted to the grade of colonel on June 25, 1996.

Prior to entering on active duty, Colonel Davidson's military positions included supply sergeant, detachment commander, platoon leader, and company commander in various engineer and military police units. Colonel Davidson entered on active duty for the U.S. Army Reserve as a member of the Active Guard and Reserve Program on August 1, 1977. His initial active duty assignment was as a captain in the Office of Recruiting and Retention at Headquarters, U.S. Army Forces Command, Fort McPherson, GA. Following this assignment, he was transferred to the Pentagon where he served as a staff officer in the Office of the Deputy Chief of Staff for Personnel. He was later assigned as a manpower mobilization planner in the Office of the Assistant Secretary of Defense for Force Management and Personnel.

His subsequent assignments were in the Personnel Division of the Office of the Chief, Army Reserve and on Project Vanguard in the Office of the Chief of Staff of the Army. He was then transferred to the newly established U.S. Army Reserve Command in Atlanta, GA, where he served as Chief of the Personnel Management Division. Returning once again to the Pentagon, Colonel Davidson served as the Chief of the Office of Policy and Liaison in the Office of the Chief, Army Reserve.

Colonel Davidson also served as liaison officer to the Reserve Forces Policy Board in the Office of the Secretary of Defense; to the Army Reserve Forces Policy Committee in the Office of the Chief of Staff of the Army; and to the Reserve Components Coordination Council in the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs.

Colonel Davidson's current assignment is as a field representative on the staff of the National Committee for Employer Support of the Guard and Reserve in the Office of the Assistant Secretary of Defense for Reserve Affairs where he has served since October 1994.

His performance of duty in each of these assignments has been exemplary. His decorations include the Legion of Merit, the Defense Meritorious Service Medal, the Meritorious Service Medal with three Oak Leaf Clusters, the Joint Service Commendation Medal, the Joint Service Achievement Medal, the Selective Service Meritorious Service Award, the Army Commendation Medal, the National Defense Service Medal, the Army Reserve Components Achievement Medal with one Oak Leaf Cluster, the Armed Forces Reserve Medal with two 10-year Devices, the Army General Staff Identification Badge, the Office of Secretary of Defense Identification Badge, and numerous other awards and decorations.

Mr. President, Colonel Davidson is an extraordinary officer. I have been impressed by his outstanding service and contributions to our Nation by his service in our Armed Forces. As he prepares to retire from military service, I congratulate him and thank him for his many years of outstanding service to our Nation and extend my best wishes for his future endeavors.●

PORTRAIT OF HATTIE CARAWAY

● Mr. BUMPERS. Mr. President, last evening more than 200 folks braved the weather to pay tribute to a former Member of this body and a fellow Arkansan, Hattie Caraway

My colleague, Senator DAVID PRYOR, ably presided over a ceremony dedicating a portrait of Hattie Caraway, the first woman ever to place her name on a ballot and be elected to the Senate. This portrait is the second in the Senate art collection which honors a woman; the first is Pocahontas.

Members of the Caraway family, representatives from the Capitol historical and arts communities, congressional staffers, and a number of members of the Arkansas State Society heard Dr. David Malone and Prof. Diane Blair, both authors of books about this Arkansan, extol the many virtues of Hattie Caraway.

They heard Senator STROM THURMOND tell of her trailblazing accomplishments and Senator NANCY KASSEBAUM tell of how the example of Hattie Caraway was an inspiring one to her when she first entertained ideas of seeking a seat in the U.S. Senate.

Hattie Ophelia Wyatt Caraway was appointed to the U.S. Senate on November 13, 1931, to fill the vacancy caused by the death of her husband, Thaddeus Caraway. She was subsequently elected in a January 12, 1932, special election to complete the term. She ran for reelection to a full 6-year term later that year.

At first, Senator Caraway spoke so infrequently that she became known as "Silent Hattie." As she grew more comfortable in her new role, she emerged as a staunch supporter of the New Deal legislation, seconding the nomination of President Franklin Roosevelt at the 1936 Democratic Convention.

Senator Caraway was reelected in 1938. Thus, she served from November 13, 1931, to January 2, 1945. She was the first woman to preside over the Senate—on May 9, 1932—and the first to chair a Senate committee. Hattie died December 21, 1950, and is buried in her hometown, Jonesboro, AR.

Mr. President, I want to pay tribute to the Hattie Caraway Portrait Committee, so superbly chaired by Mary Ellen Jesson of Fort Smith. Members of the committee, which Senator PRYOR and I were proud to appoint to oversee this project—including raising the necessary funds—are: Diane Alderson, Diane Blair, Cassie Brothers, Irma Hunter Brown, Meredith Catlett, Gwen Cupp, Ann Dawson, Dorine Deacon, Mimi Dortch, Jacqueline Douglas, Lib Dunklin, Judy Gaddy, Jane Huffman, Dr. Charlott Jones, Chloe Kirksey, Karen Lackey, Bev Lindsey, Donna Kay Matteson, Susan Mayes, Clarice Miller, Betty Mitchell, Julia Mobley, Nancy Monroe, Sylvia Prewitt, Billie Rutherford, Irene Samuel, and Helen Walton.

Betty Bumpers and Barbara Pryor, were honorary co-chairs of the committee and had the honor of initially unveiling the portrait in Little Rock back in April.

Supporting the committee in this project were the Arkansas Humanities Council, the National Endowment for the Humanities, and the Arkansas Community Foundation. Special thanks also go to Thom Hall at the Arkansas Arts Center.

I also want to pay tribute to Senate Sergeant at Arms Howard Greene, Senate Historian Dick Baker, Assistant Senate Historian Jo Quatannens, Senate Registrar Melinda Smith, and Frank Wright, an artist and member of the advisory panel for the Senate Commission on Art, for their support and advice.

Kelly Johnston, Secretary of the Senate and executive secretary of the U.S. Senate Commission on Art, and Diane Skvarla, Senate Curator, were the guiding forces behind this project and instrumental in bringing us from initial approval of the project to dedication day.

The U.S. Senate Commission on Art selected J.O. Buckley, a Little Rock, AR, artist to paint the portrait. He was selected from among a number of fine Arkansas portraitists. I invite my colleagues to step outside the Senate Chamber and take a look at this magnificent portrait, which hangs at the end of the main corridor.

Mr. President, last evening was indeed a proud one for Arkansans as a portrait of one of our State's most famous citizens was added to the prestigious collection of art in these hallowed Halls.

Mr. President, I ask that a letter that Bob Nash, Assistant to the President and Director of Presidential Personnel, read on behalf of the President last evening, as well as a letter read on behalf of Congresswoman BLANCHE LINCOLN, be included in the RECORD at this point.

The letters follow:

THE WHITE HOUSE,
Washington, DC, June 20, 1996.

Warm greetings to everyone gathered for the unveiling of the portrait of Senator Hattie Caraway of Arkansas.

On August 26, 1920, a new era dawned in America. Recognizing that the right to vote is fundamental to democratic citizenship, suffragists succeeded in empowering women with the political voice that was their due. Elected to her seat in the Senate twelve years later in 1932, Hattie Caraway built on the important progress of the women's movement as America's first elected female senator. Since then, women like Hattie Caraway have carved out for themselves positions of leadership from industry and government to academia and the arts, proving time and again that society benefits immeasurably when all people enjoy equal rights and opportunities.

We must continue the progress she made and urge a new generation to follow the heroic example set by Senator Hattie Caraway and so many other pioneering women. As you install Hattie's portrait into the Senate's permanent art collection, let us dedicate ourselves to building on her legacy of opportunity and achievement.

Best wishes to all for a memorable event.

BILL CLINTON.

HOUSE OF REPRESENTATIVES,
Washington, DC, June 21, 1996.

Hon. DALE BUMPERS,
Hattie Caraway Portrait Committee, Dirksen Senate Office Building, Washington, DC.

DEAR FELLOW ARKANSANS AND HATTIE CARAWAY ADMIRERS: It is with deep regret that I cannot share in this historic occasion with you. As I am sure you are all aware, my new family has kept me home in Arkansas, but be assured I am with you in heart and spirit. I join with everyone gathered here today in honoring Senator Caraway for her service to our great state and for her courage to enter a profession which was dominated by men.

I have both a unique bond with and debt to Hattie Caraway. As the first woman ever elected to the Senate, first woman to chair a Senate committee, and the first woman to preside over the Senate, Mrs. Caraway paved the way for the women who would follow her. By blazing the trail over 60 years ago for other women to pursue a political career and by serving with distinction and diligence, she was an inspiration to me in becoming the first woman elected as Representative from the First District of Arkansas.

Without the tireless efforts of Senator and Mrs. Bumpers, Senator and Mrs. Pryor, and the members of the Hattie Caraway Portrait Committee, it would not have been possible to bring her portrait to the Capitol. This is a fitting tribute to a great and illustrious citizen whom we so proudly honor today. Many people are surprised to learn that Arkansas elected the first woman to the United States Senate. This dedication is indeed a celebration of the open-mindedness and fairness of the people of Arkansas.

When I return to Washington and resume my Congressional schedule, one of my first stops on the Hill will be to view the portrait of Hattie Caraway.

Thank you all for making this unveiling a reality.

Sincerely,

BLANCHE LAMBERT LINCOLN,
Member of Congress.●

TRIBUTE TO LT. GEN. GEORGE R. CHRISTMAS, U.S. MARINE CORPS—A MARINE'S MARINE

● Mr. NUNN. Mr. President, I would like to take a few moments today to offer a tribute to Lt. Gen. George R. Christmas, U.S. Marine Corps. General Christmas is currently the Deputy Chief of Staff for Manpower and Reserves Affairs at the Headquarters of the Marine Corps and will be retiring from the Corps in the very near future after more than 34 years of faithful and outstanding service.

General Christmas was commissioned as a second lieutenant in 1962. During the next 34 years, he served in command and staff assignments true to the Marine's Hymn—in every aspect of the Marine Corps:

He has been a student and an instructor;

He has served at the flagpole in the Marine Corps Headquarters as a Special Assistant to the Assistant Commandant of the Marine Corps and thousands of miles from the flagpole as the Director for Operations for the United States Pacific Command.

In peacetime, he has commanded an infantry platoon, a recruit training battalion, an infantry regiment, an expeditionary brigade, a Force Service Support Group, and a Marine Expeditionary Force.

In combat, he commanded an infantry company and participated in the now legendary Battle for Hue City. During this vicious fighting, General Christmas was seriously wounded. He was awarded the Navy Cross for his bravery and actions during this fighting.

In July of 1994, General Christmas assumed his current duties as the Deputy Chief of Staff for Manpower and Reserve Affairs for the Marine Corps.

General Christmas is no stranger to the Armed Services Committee having appeared before the committee on many occasions to help us work through the many challenging issues that have faced the military services in the post-cold war era.

He is, in every sense, a Marine's Marine—an eager student, a dedicated teacher, a superb resources manager, an outstanding leader, a combat warrior, a very talented professional and a true gentleman.

Most importantly, through the years, General Christmas has never lost sight of the importance of the individual Marine to our Nation's combat readiness. His concern for every Marine, for every family member and for every retiree was readily apparent each time the committee has sought his views.

The Marine Corps is a better place, a more ready force, and a greater national asset because Gen. Ron Christmas chose to dedicate his life to wearing the Globe and Anchor.

As Gen. Ron Christmas leaves active service, I would like to express my sincere appreciation and admiration for a job tremendously well done and, on behalf of those who have come to know him and to value his counsel, I would like to offer my very best wishes to him and to his wonderful family for every happiness and success in the future.●

UNANIMOUS-CONSENT AGREEMENT—S. 1219

Mr. GRAMS. Mr. President, I ask unanimous consent that S. 1219 not be considered the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JUNE 26, 1996

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Wednesday, June 26; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of S. 1745, the DOD authorization bill, and the cloture vote with respect to S. 1745 occur immediately.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I further ask unanimous consent that Senators have until 10 a.m. on Wednesday to file second-degree amendments to the DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRAMS. Mr. President, for the information of all Senators, there will be a rollcall vote on the motion to invoke cloture on the DOD authorization bill at 9:30 a.m. Regardless of the outcome of that vote, the Senate is expected to continue consideration of that bill throughout the day on Wednesday with rollcall votes expected. A late-night session is anticipated in order to make substantial progress on the DOD authorization bill.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRAMS. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 8:05 p.m., adjourned until Wednesday, June 26, 1996, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, June 25, 1996*

The House met at 10:30 a.m. and was called to order by the Speaker.

MORNING BUSINESS

The SPEAKER. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

The SPEAKER pro tempore (Mr. FOLEY). The Chair recognizes the gentleman from Georgia [Mr. GINGRICH] for 5 minutes.

TRIBUTE TO CONGRESSMAN BILL EMERSON

Mr. GINGRICH. Mr. Speaker, I thank the Chair for recognizing me.

I just want to take this moment to share with my colleagues briefly the sense of sadness that I think that we all feel at the passing away of Congressman BILL EMERSON of Missouri. BILL EMERSON was a tremendous human being who worked extraordinarily hard on the issue of hunger, reach out in a bipartisan way, and was recognized around the world as somebody who cared deeply about everyone on the planet having a chance to have a decent meal and to live a life which has good nutrition.

Congressman EMERSON was an expert on nutrition programs here and abroad. He was also a man who cared deeply. He cared deeply about his family, about his district, about representing the people of Missouri, and about serving in the U.S. Congress. I think that as all of us watched him struggle with cancer and we watched as he came to the floor with oxygen, he came to the floor in a wheelchair, but he was absolutely, totally dedicated to serving. He loved this House. He loved the process of dealing with issues and problems and helping people, and he loved the interaction between human beings.

I think all of us are a little poorer and all of us in the House I think on both sides of the aisle are certainly a little sadder at the loss of this fine, wonderful gentleman who passed away over the weekend. I simply wanted to share with the House those thoughts on behalf I think of all the Members of the House.

TIME TO PASS HEALTH INSURANCE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, I have taken to the floor many times in the last few months to talk about the need to pass health insurance reform, the bill that was originally sponsored by Senators KENNEDY and KASSEBAUM on a bipartisan basis that would try to achieve significant reform in the areas of portability and preexisting conditions.

I have also been very critical of the Republican leadership in the House which continues to press an amendment or an addition, if you will, to the Kennedy-Kassebaum bill that would include medical savings accounts.

I have referred to the medical savings accounts as the poison pill that basically will bring down health insurance reform this year and could very well make it impossible to pass any health insurance reform that would address the issues of portability and preexisting conditions.

I mention this today on the floor, Mr. Speaker, because there was an excellent editorial in the Star Ledger, which is New Jersey's largest circulation daily, which essentially addressed the issue of health insurance reform as well as medical savings accounts and pointed out how significant this legislation is in terms of providing additional health insurance for many Americans who lose their health insurance when they lose a job or because of a prior medical condition.

The editorial also details to some extent, I would say, why we should not include medical savings accounts if we ever want to see health insurance reform and to see more Americans covered by health insurance. So Mr. Speaker, I just wanted to read, if I could, some relevant sections of this editorial that was in the New Jersey Star Ledger today, because I think it really says it all in terms of where we are going or should be going with this health reform issue.

It starts out and it says:

> The latest census bureau study says that 66.6 million people, one of every five Americans, will lose their medical coverage for a month or more during any 28-month period. That means a huge part of the population is always vulnerable to a major health care problem. It also makes it clear why Congress must stop playing games and pass a bill that would help protect people who get caught between jobs and lose their health coverage.
>
> In the same time it takes for you to lose your coverage and get it back, your new insurance company can, and most likely will, stamp "prior and existing illness" on any condition you have, on anything that turns up within the first few months of the new coverage, whether it's pregnancy, cancer, heart disease, or your child's asthma—and the company will refuse to pay.
>
> So, to the list of the chronically uninsured, you can add those who have insurance that does a fat lot of good for the health problems they face. This addresses the problem of preexisting conditions.
>
> The most vulnerable are people who are laid off or switch jobs, including those who switch to better jobs where the health benefits may be improved but come with a waiting period before the coverage kicks in. It's the kind of thing that can make a bigger paycheck smaller faster tan you can say, "Why doesn't someone do something about this?"

Mr. Speaker, the Star Ledger says that, "Somebody is trying." They point out that, "the Kennedy-Kassebaum bill, sponsored by one Democrat and one Republican, would restrict the insurance companies' ability to impose waiting periods or deny coverage for existing health problems. The bill would give people who are caught between jobs a better change of holding on to health coverage that means something. It is a conservative and useful beginning to health care reform."

However, "the bill is bogged down because some of the same people who have been telling us we do not need to tinker with the health care system could not resist tinkering with this bill and they've added all sorts of amendments, including one that would allow medical savings accounts.

"Medical savings accounts are offered as a way for everyone to self-insure by putting money in tax-sheltered accounts as an alternative to buying coverage.

"Of course, since most people cannot afford health insurance premiums, it's not likely most can sock away as much cash as it would take to cover the family's medical needs. That is why medical savings accounts are nothing but a tax break that would cost the Government and benefit only the wealthy as well as a heavy Republican contributor pushing this approach."

What the Star Ledger is saying in this editorial, Mr. Speaker, is that it is time for us in the House of Representatives, as well as in the Senate, to push forward with health insurance reform that will help those who change jobs, the issue of portability, or help those who lose their job, or help those who have preexisting conditions.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Too many Americans, anywhere from 40 to 60 million Americans, could benefit from this legislation, and it is simply being held up because the Republican leadership insists on including these medical savings accounts simply because of special interests. They received something like $1.2 million in the last few years from the Golden Rule Insurance Co., which is pushing these accounts. It is time for real health insurance reform.

WHY CONSUMERS SHOULD SUPPORT MSA'S

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I hope the gentleman from New Jersey [Mr. PALLONE] will stay around for just a moment to listen to this.

In 1994, the then House majority leader, the gentleman from Missouri, DICK GEPHARDT, thought MSA's, medical savings accounts, were such a good idea that he included them in the Democrat leadership bill.

In 1994, all but one Democrat on the House Committee on Ways and Means voted in favor of medical savings accounts in the Clinton health care reform plan. So I think the gentleman from New Jersey, Mr. PALLONE, and others on the Democrat side who complain about medical savings accounts should realize that their leadership, not only in the House but in the Senate, when the Medical Cost Containment Act of 1992 was—which included medical savings accounts—presented to the Senate, even TOM DASCHLE, was there sponsoring it. So, Mr. Speaker, I think it is appropriate that I talk about medical savings accounts this morning.

We have heard a great deal from that side of the aisle, talk about how they are tax breaks for the rich, which is absolutely false, and I think we have all these Democrat leaders who have supported it, so I think the bottom line is, it is good for America. They were based upon the premise that the consumer, in this case the purchaser of health care, should have control over their health care dollars. This is important, because those of us who believe that by empowering people to have more control over their health care spending, they will become more cost conscious and in all likelihood would seek information to shop around, look at the marketplace.

Mr. Speaker, let us ask the basic question: What are medical savings accounts? During debate on the Clinton health care bill, we learned that Americans want health care reform that will provide consumers with the ability to choose the type of health care plans that best suit their needs. Medical savings accounts would provide consumers with just such an opportunity.

Under current tax law, third-party insurance is subsidized and self-insurance is penalized. Every dollar an employer pays for third-party insurance is excluded from employee income. When employees try to save that money, it is taxed. Medical savings accounts should be given the same tax incentive as currently given to third-party health insurance premiums.

Mr. Speaker, if we are to provide true health care reform, we must provide individuals with the options of being allowed to create medical savings accounts. On that side of the aisle, they have talked about giving retirement accounts for women who are at home and for working people. We had that in our American dream account. Medical savings accounts are under the same concept. They would enable consumers to use tax-free savings accounts to self-insure for routine, out-of-pocket medical expenses. The inclusion of a medical savings account would provide people with the opportunity to choose higher deductibles in the place of premium savings in individual medical savings accounts.

Mr. Speaker, our health care bill, which the gentleman from New Jersey [Mr. PALLONE] was talking about, provides that taxpayers would be permitted to have one account to make an annual deposit of no more than $2,000 if single, $4,000 if married. Under this bill, in order to make these contributions be tax deductible, an individual must be covered by a high deductible health care plan. By empowering consumers with choice and individual responsibility, healthy competition among insurance companies is created and it is better for all of us.

In 1994, in the issue of the Journal of American Health Policy article entitled, "Why Medical Savings Accounts Deserve a Closer Look," it said: "Research has shown that these accounts give lower health care expenditures markedly without any negative health effects on individuals with such coverage."

What are some of the advantages? They are portable, total freedom of choice, allows spending on long-term care premiums, will increase the number of insured Americans and, of course, Mr. Speaker, they create wealth through all of us increasing our savings rate.

Critics claim that health care has become too complicated and that consumers are no longer capable of making cost-conscious decisions. Several studies show that health care consumers do make cost-conscious decisions provided they are given the financial incentive to do so.

Critics also claim that consumers will not seek preventive care in order to save money for these accounts, but studies show that they do not deter preventive care. What we find is that savings result from a more discriminating use of optional services, and consumers select less expensive health care benefits.

Perhaps the criticism we hear the most is that these accounts would attract the healthy, leaving the sick with conventional insurance. In that case, the adverse selection or what is called cherry-picking, would cause an increase in the cost of traditional insurance. But this has not been shown to be true. Companies using this type of account have not experienced this problem. Several different groups and organizations have already established these accounts for their employees, and I believe the success they have met in so doing is a surprise for some of the critics.

What do the polls tell us about the public's reaction to medical savings accounts? Well, of the 1,000 workers responding to a survey conducted by the Marketing Research Institute, 87 percent said they would like to have medical savings accounts. Of course, when I mentioned earlier about the critics, we have the gentleman from Missouri [Mr. GEPHARDT], we have the gentleman from South Dakota [Mr. DASCHLE], we have all the Democrats on the Committee on Ways and Means voting for medical savings accounts, so it is clear it is bipartisan.

Mr. Speaker, let me close by also pointing out that 18 State legislatures have passed medical savings accounts legislation with overwhelming bipartisan support. Mr. Speaker, 68 million Americans already have access. We need to bring the rest of them in.

□ 1045

DO NOT KILL THE DEPARTMENT OF COMMERCE

The SPEAKER pro tempore (Mr. FOLEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from West Virginia [Mr. WISE] is recognized during morning business for 5 minutes.

Mr. WISE. Mr. Speaker, I am not here to speak about medical savings accounts, but I do have to respond to the gentleman from Florida.

Saying that Democrats who voted 2 or 3 years ago for medical savings accounts, in effect, support the medical savings account proposal today is like saying NEWT GINGRICH supports the Democratic agenda because he voted for one small piece of it.

I supported the Democratic health care plan 3 years ago, in which medical savings accounts were a very small piece of a very big puzzle, in which also there was guaranteed health care for all citizens as opposed to the present proposal, which is incremental, deals only with small numbers of the population, and medical savings accounts are the one piece that will sink the package that people do agree on. So there is a total difference.

Let us talk about something else that I have great concern about what the Gingrich leadership is doing because, Mr. Speaker, I ask you this: We just saw the basketball finals, the NBA finals. If you are heading into the playoffs, you have a tough schedule ahead of you, you are 2 to 2 in the series, would you pull Michael Jordan at that point? Of course, you would not.

Then why is it if we have an agency, a department, that has generated 80 billion dollars' worth of export contracts for the United States and created jobs, why would we then try to bench the Department of Commerce? And yet that is exactly what the Republican leadership intends to do in reform week that is coming up in the next few weeks.

That is right, they want to take apart the U.S. Department of Commerce, which, under Secretary Ron Brown and now Secretary Mickey Kantor, for the first time is really performing a valuable mission. What is the mission? To create jobs. To create jobs in America.

That is why I am coming to the floor today, to urge my colleagues now to rise up and to say, no we do not want to kill the Department of Commerce; we do not think we ought to, in the interest of saying we broke up an agency or a department, that we should move all these different departments around and shift boxes on the flow chart and thus take away the central element, the ability to coordinate our economic recovery efforts.

Because I think it is important to look at what the Department of Commerce does. First of all, the Department of Commerce works in partnership with local businesses and governments to provide much-needed infrastructure. I think everyone here has seen the benefits of an economic development administration enterprise, whether a grant for water and sewer or for a feasibility study.

I know in my own State of West Virginia, for instance, we have seen millions of dollars come in from EDA grants that has generated millions and millions of dollars worth of jobs in industrial parks and businesses. Because remember what EDA does, EDA only funds, in most cases, where it is a job-creating venture, where you create jobs as a result of it. We have seen $15 billion of EDA investment over 30 years, not only create infrastructure but to create jobs.

There is more that the Department of Commerce does. The National Weather Service. I think everybody has seen that firsthand and the need for that. That is economic development, too, because the farmer knows to protect his or her crops, the businessperson knows to get their equipment up on pallets because there is going to be flooding. The more advanced notice they get, the better they can plan their deliveries, plan their shipments. That is the National Weather Service.

There is more that the Department of Commerce does. The National Telecommunications and Information Administration, which provides grants to educational, health care, public safety, and social service agencies. All crucial activities. How about the International Trade Administration that many of our small businesses use? That is the one way that they get into the export market. Exports create jobs. The ITA in West Virginia as well as across the country is creating those jobs.

I talked to one small businessperson in my home just this last week who said that 40 percent of their business now comes through ITA-generated export opportunities. What do they want to do? They want to break this up and move it around. It makes no sense.

The Foreign Commercial Service, those are our hustlers out in every embassy. We do not have enough of them, but they want to move them someplace else. Makes no sense. The Department of Commerce has generated since 1992 more than $80 billion in foreign contracts for American businesses. That is Secretary Ron Brown going out with CEO's of major Fortune 500 companies and others as well nailing down those contracts and Secretary Mickey Kantor now doing the same thing.

We have the Advanced Technology Program, 220 public-private partnerships, joining more than $1.5 billion of Federal and private funds.

Mr. Speaker, I am urging businesses across the country now to let their Members of Congress know this is not a good idea. You do not pull Michael Jordan in the middle of the game, and you do not pull the Department of Commerce in a time when we are facing increased, not decreased, increased international competition.

I hope the CEO's of those Fortune 500 companies will stand up and say, yes, we do happen to think the Department of Commerce is important, and I hope all those who understand the importance of the Department of Commerce realize the next few weeks are crucial to saving this agency.

THE FBI FILE SCANDAL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1996, the gentleman from Illinois [Mr. EWING] is recognized during morning business for 5 minutes.

Mr. EWING. Mr. Speaker, I come here today to talk about a topic which is not new in the press, but I think I would like to talk about it in a little different way. I want to talk about how we are looking at the file scandal that affects our Government.

Many in the press and in this Congress have focused their attention on the actions of the White House staff with regard to the FBI files. They are correct to ask why the White House was rooting through most of this confidential and secretive information about hundreds of private citizens and whether the President's staff was digging for dirt on political opponents.

However, I believe that the media and the Congress are failing to adequately question the role for the Federal Bureau of Investigation in this matter. The FBI has been given tremendous responsibility by this Congress to investigate criminals and guarantee the security of our country. There is no excuse for the FBI to allow the White House staff to request highly confidential files without even asking the White House why they needed them. The FBI handling of this matter appears to me to be very irresponsible and negligent. This Congress needs to seriously question the FBI's role in this whole matter and how the agency would allow this breach of confidentiality.

Mr. Speaker, it really is not any wonder that so many Americans have lost faith with their Government when the most powerful investigative agency can be used to snoop around in the private lives of American people for no apparent reason. And I refer to a recent editorial in the Wall Street Journal which talks about an FBI agent who was, until 2 months ago, the top FBI agent working in the White House, and when he raised questions about the White House personnel security office and its director, Craig Livingstone, this FBI agent was transferred out by his superiors. I think that is a question that needs to be answered by this Congress.

In addition, we are now learning that these files may have contained IRS information about the individuals, and if we go back to the post-Watergate era, we know that this Congress passed laws to protect that from happening again. There are, indeed, some Members left in this Congress from the post-Watergate era and certainly to them the actions which they took to try to protect the rights of the American people from having their very sensitive and secret tax files made available for political reasons needs to be investigated.

The chairman of the Committee on Ways and Means has suggested that felonies may have occurred in the handling of these files at the White House, and I think we have every right to look into that. We know that there is no good reason that anyone at the White House has any need to be involved and looking through the files, the IRS files, of people who may need entrance or clearance to visit the White House. No one, I would repeat, no one, is authorized to look at taxpayers' files and they should not at the White House think they have that right.

Now, I believe that Attorney General Reno, and I commend her for seeking someone outside of her department to investigate themselves in this matter, but that is a pretty shrewd move politically also, because Ms. Reno knows that once Mr. Starr is authorized to look into this matter, that that will probably prevent this Congress from holding hearings, this Congress from calling Mr. Livingstone up here and answering to us what his actions were about.

Initially, I think that Ms. Reno's efforts to broaden the inquiry were well received, but I am not sure that the American people or that any of us ought to sleep very comfortably knowing that we are going to be frozen out of the process of looking into this matter.

WE MUST FIND A WAY TO REDUCE THE POLARIZATION AND RACIAL CONFLICT IN OUR SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, this House was so shocked by church burnings in recent weeks that it last week passed a bill to add to Federal law enforcement authority, and I want to commend the gentleman from Illinois, Chairman HYDE, and the gentleman from Michigan, ranking member CONYERS, of the Committee on the Judiciary, for the leadership they took and also Chairman CONYERS for the Congressional Black Caucus hearing that shed additional light on this matter, including the need for prevention.

In my years as a youngster in the civil rights movement, I never saw this kind of systematic racist church burning. This House's response does it honor. A few high-profile prosecutions are now in order, but, Mr. Speaker, I have come to the floor because I want something more.

Martin Luther King would have wanted us to use his life amidst the polarization and balkanization that has contributed to these burnings. I come to the floor to call the House's attention to two events and to two people, both youngsters, who deserve the notice of this House. One is Billy Shawn Baxley, a 17-year-old white youngster who has confessed to burning a church; and the other is Keshia Thomas, an 18-year-old black girl who saved a pro-Klan white man at an anti-Klan rally a few days ago. Both are reported in the papers, and I know nothing more than what the papers tell me, but the Nation ought to know more.

In the small rural community of East Howellsville, NC, Billy Shawn Baxley, 17 years old, burned the church across the road from him, and he confessed on television. People in the community said, well, he did not know what he was doing, he is only a kid. The State's attorney said he was not willing to concede that race was not involved. The youngster could have burned a McDonald's; he burned a church. But the response of the two churches involved is what deserves special notice, and I want to tell it unvarnished by reading from the New York Times.

> He confessed to it in a televised interview. On Thursday night the teenager and about 12 members of his white church, Zion Tabernacle Baptist Church, joined about eight members of the Pleasant Hill congregation for bible study at the church that Mr. Baxley is accused of setting ablaze. After an hour of singing and scripture, the group stood in front of the pews, held hands and prayed. Mr. Baxley wiped a tear from his eye after prayer, and several members of both congregations hugged him and said they forgave him.

This is a story out of these tragic racial burnings that deserves the mention and the notice of Americans throughout this country. It is in the tradition of Martin Luther King. It reminds us that after the prosecutions are over, we are still one people, and we have to find a way to reduce the polarization and the racial conflict in this society.

□ 1100

Then perhaps you saw this picture; this young woman was interviewed on television last night. Keshia Thomas was a protester against the Ku Klux Klan at a Klan rally. There a white man who had a Confederate flag on his jacket and who appeared to support the Klansmen came forward. The crowd lunged at him and started to beat him. It looked as though they might beat him to death.

This is 18-year-old girl did what Martin Luther King told us must be done, except she was not here when he lived or when he died. Her instinctive decency was such that she threw herself on the racist white men and fended off those who were beating him. Finally, taking blows herself, they moved back and then she got up with him and led him away.

She was no admirer of this man, but she was a decent human being. She said, and I quote her, "Just because you beat somebody doesn't mean you are going change his mind." She has not had time to develop a very deep philosophy, but what she is is a decent black girl who happens to be a decent American.

These two youngsters, the 17-year-old who could not hold the crime in himself and confessed on television and the 18-year-old black girl who could not bear to see a man beat to death because of his views, these are the heroes of this ordeal. These are the people who have learned from it.

STEAL AMERICAN TECHNOLOGIES ACT

The SPEAKER pro tempore (Mr. FOLEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. ROHRABACHER] is recognized during morning business for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, I would like to associate myself with the remarks that we just heard from my colleague from Washington, DC. I thought they were articulate. I thought they were from the heart. I think they speak to every American that we should be standing together for those principles of decency and honor and love that should be the basis of the relationship between free people. Let us hope that there will not be racists that need to be protected and that we do not have to protect ourselves from church burnings and crowds because that will be exorcised from the hearts of every American. That should not be there in the first place. I thought those remarks were something to touch the hearts of all of us and help that process and make for all of us a better country.

Today we need to stand together as never before as Americans, whether it is black or white or yellow or whatever race or ethnic background, because America is under attack as never before. We went through the cold war and we stood together. Now we are facing a world of economic competition. Our national well-being and the rights of the American people are under attack in a more insidious way.

There will be a bill that will reach this floor shortly after the 4th of July called H.R. 3460. It is the Moorhead-Schroeder Act. I like to call it the Steal American Technologies Act because it will, if passed, result in the greatest rip-off of American technology in the history of this country and leave our people with a declining standard of living. They will never know what hit them because the fundamental rules that have provided us our technological superiority over our economic adversaries and, yes, over our military adversaries is being changed to the detriment of the United States.

Again, most Americans will not understand what hit them. Even today it is hard to understand this piece of legislation. But let us remember, if people want to understand what this bill is all about, all the changes to date proposed in the patent law and the changes proposed in H.R. 3460, the Steal American Technologies Act, are part of an effort to enact into law a hushed agreement that was made between the head of the United States Patent Office and the Japanese patent office. I have a copy of that back in January 1994. I am now submitting this agreement that almost no American knows about between the head of our Patent Office and the head of the Japanese patent office to harmonize American law with that of Japan, meaning trashing the constitutional protections we have had on patent rights since the founding of our country and harmonizing our law with theirs, bringing down the rights of the American people in the name of harmonizing Japanese-American law.

I will also submit a copy of a 1993 Japanese patent association recommendation list for the United States Patent Office. Here it is. I submit that for the RECORD as well.

Guess what? Everything included in these recommendations are the things, are the provisions of H.R. 3460, which we are proposing, which this body will be voting on in the name of improving our patent law, making it exactly like Japan's. We are being told that these changes that are being proposed in our law are to prevent submarine patenting.

They say that is the driving force behind H.R. 3460. How come then, if that is the driving force, it is the Japanese that are demanding that we make those changes in our law? These changes will put a stranglehold on American innovation and help bring down the American leadership in technology that has protected the well-being of our own people. What does it do?

What are these recommendations? How is our law going to be changed? An American inventor who applies for a patent from this moment on after this law passes, up until now it has been secret what his patent application is until that patent is granted to that inventor. Now because of the Japanese request, we are going to publish every detail of every American patent, whether or not the patent has been issued to the inventor. That means every inventor, the details of every invention, every creative idea will be made public to every thief, every pirate, every Asian copycat in the world to use against us to bring our standard of living down.

Proponents of the publication say, well, 75 percent of all the patents are already patented overseas anyway. That is an inaccurate figure that has been given to this body, and we will soon be giving the Small Business Administration and GAO figures on that. But what is more important is that overseas patent applications, unlike American patent applications, are only small in detail. What they want to do is publish every one of our secrets so that we can be destroyed economically.

We must oppose H.R. 3460 and support the Rohrabacher substitute.

Mr. Speaker, I include for the RECORD the following information:

[From the Japan Patent Association, Sept. 1993]

THE UNITED STATES PATENT SYSTEM AND PRACTICES VIEWED FROM JAPAN: NOBODY IS PERFECT

BACKGROUND FOR PREPARING THIS DOCUMENT

Intellectual property is drawing attention world-wide in recent years, and there are a number of developments in various countries including revision of their patent legislation, in parallel with the progress in the discussions on harmonization of patent systems proposed by the World Intellectual Property Organization (WIPO) which is in the center of these developments.

The U.S., where the trend for protection of intellectual property intensified during the 80's, amended her IP related legislation and at the same time has been demanding the countries of the world, taking every opportunity and arena available to review their legislation towards strengthened IP protection. The United States expressed her very strong dissatisfaction especially against Japanese patent system, combined with the issue of trade imbalance between the two countries. The U.S. perception is expressed, for example, in the recent report from U.S.G.A.O. entitled "Intellectual Property Rights. U.S. Companies' Patent Experiences in Japan".

On the other hand, U.S. patent system which has a number of marked differences from the patent systems in other industrialized countries of the world, embraces numerous problems both in its statute and practices which are found of concern from the point of view of Japanese IP practitioners. In this document you will find the major points the members of IPA, who are users of U.S. IP system have found unsatisfactory in the U.S. legislation and practices through their daily involvement with that system, and which they would like to see changed.

1. First-to-invent

(1) The point at issue and general comments—Under first-to-invent system, the date of invention is established by means of interference process. But because the proof of date of invention made in a foreign country is not legally recognized even when the date of filing in the U.S. of the U.S. party is later than the date of filing in the country of the foreign party which is the basis of priority for the foreign party, the foreign parties in many cases give up their claim for their patent right, the cost factor involved also being a reason to do so. United States is now the only country in the world adopting first-to-invent system, and her early transition to first-to-file system is desired.

(2) Specific problems—

A. 35 U.S.C. §104—Establishment of invention date made in a foreign country is not recognized except for the case with convention priority right. This article provides de facto for discrimination against foreigners.

B. Interference—Interference requires a long and complicated process before the decision. Apart from the issue of time consumed in the process, the delay in patent grant caused by interference inflicts a serious inconvenience to the public in relation to patent term as explained in the following item 2. An applicant can intentionally modify the pending claim after looking at an issued patent, and apply for interference. A large amount of money is involved in interference leading to cases where the poorer party give up.

2. Submarine patents

(1) The point at issue and general comments—Because there is no provision of public disclosure of applications, there is no way to know about a patent application currently pending, no matter how long time ago the application may have been filed. This creates a situation whereby it is never predictable when or what kind of patent should suddenly come up to the surface.

Also because there is substantially unlimited patent term from the filing date, it is possible that those patents emerging from the oblivion of twenty or thirty years ago can exist for seventeen years from the date of grant causing, depending on the content of the patent, serious damages to the industry as well as to the public interest because of the characteristics of patent which can exclude uses of the invention by a third party.

Industrialized countries in the world all have the systems for public disclosure of patent applications and ceiling for patent term from the filing date. The U.S. is urged to adopt these systems as soon as possible.

(2) Specific problems—

A. The lack of the public disclosure system of applications—It causes inefficient double investments and disrupts effective employment of capital investments.

B. The lack of ceiling for patent term from the filing date—As the delay in examination has no effect on the patent term, sometimes applicants intentionally delay examination inducing de facto extension of patent term, and effect substantial modification to the claims watching the trend in the industry.

C. The lack of limits on the number of times or for the time-frame for division, continuation, or continuation in part of patent applications. This facilitates intentional prolongation of examination.

D. On top of above item C, addition of a new manner which was not disclosed in the original specification is allowed with continuation-in-part application. No judgement is passed on what is a new matter or which claims are relevant to the added new matter during examination process. This in turn makes establishment of reference dates for novelty and non-obviousness difficult, causing the determination on the effectiveness of patent extremely difficult. (This problem raises major difficulty in practice as mentioned in item 4, below, in connection with the determination of patent effectiveness.)

3. Patent practice

(1) The point at issue and general comments—Generally speaking, the level of examination on patentability could be improved, and the standards for judgement on non-obviousness vary widely. This is possibly due to budgetary problem. Many specifications demonstrate a large gap between the essence of invention and the expression of claims. In the practical area of examination process, improvements are due for requirement for selection of invention and the lack of clear definition for the extent of duty of prior art disclosure.

(2) Specific problems—

A. The standards for judgement on non-obviousness vary widely, and there are noticeable cases where the level of judgement is extremely inconsistent. Many patents have been granted for inventions with doubtful non-obviousness, such as those for sheer numerical limitations without criticality, etc.

B. Unclear patentability judgement on software related inventions. There are many patents that seem to claim practically algorithm per se.

C. Restriction requirement to applications which are essentially contained in the unity of invention. Standard for issuing restriction requirement is unclear, causing financial and administrative burdens to the applicant.

D. Unclear stipulation for duty of prior art disclosure. To try to construe on the safe side results in heavy administrative burden. It is especially true financially, when examination of corresponding foreign application, for instance, revealed prior art at approximately the same time for the U.S. patent grant, forcing the applicant to apply for continuation or to request for reexamination.

4. Review of patent validity

(1) the point at Issue and general comments—Because there is variation in the

quality of examination, many patents are granted with questionable patentability. It is difficult to confirm patentability (or non-patentability) of these patents without recourse to litigations. Although reexamination system has been introduced as a means of reviewing patentability of patents after grant, the system is not structured to function sufficiently. Aan improvement is promptly needed off reexamination system. Although it is possible to review validity of patents in court, there are various practical problems as described in item 5, litigation and patent infringement below.

(2) Specific problems—

A. Imperfection in the system of request for reexamination—Under the current legislation, there are imperfections such as, only prior patents or publications can trigger a request for reexamination, the requesting person can only be partially involved in the reexamination, or no request for appeal is allowed in case of an unfavorable decision. Under these circumstances, an action with the objective of invalidating certain patents may end up in fortifying the patents in question, if the request for reexamination is rejected, of if the patentability is confirmed.

5. Litigation and patent infringement

(1) The point at issue and general comments—It is said that U.S. society is a litigation society and patent disputes are also brought relatively easily to court. From our point of view, there are many disadvantageous aspects and problems including excessive discovery and the jury system. We will not elaborate on this however, and concentrate on patent litigation and patent infringement issues.

The pressure for reconciliation, instead of going all the way seeking a just decision, is so strong because of the complexity of litigation processes, expensive lawyers' fee, unpredictable results due to the jury system, a very wide margin in the estimated damages in case of a lost case, etc. Also, it is difficult to predict a decision on patentability or infringement, especially a judgement on infringement based on doctrine of equivalents. Improvements in all these areas are desired.

(2) Specific problems—

A. Discovery system—The coverage for discovery demanded by the opponent party is often too broad causing gross burden in manpower, time and money.

B. Jury system—In case of trials highly technical in content as parent disputes, there are often instances where responsible results are hard to be achieved.

C. Scope of infringement of process patent ill-defined—The acts constituting process patent infringement as described in the text introduced by the Omnibus Trade and Competitiveness Act of 1988 are ill-defined, facilitating an excessive demand for damages from the patent holder.

D. Inappropriate determination of damages—There is no clear principle to base the calculation of damages. In case of willful infringement, 35 USC §284 rules that damages may be increased up to three times. The criteria for judging willfulness are not clear.

E. Excessive patent marking obligations—It is stipulated that a patent holder who has not been marking patented products cannot demand damages to the infringing party on infringements occurred prior to issuance of a warning.

According to precedents, patent markings must be applied promptly after the patent is granted, and a license must also adhere to this rule and the markings must be directly applied to product as much as possible. Such interpretations make the requirements extremely severe ones from the view point of business practice.

6. Other points

(1) The point at issue and general comments—Patent legislation in the U.S. is markedly heterogeneous from the legislation in other industrialized countries of the world. Numerous resultant obstacles are observed in addition to those mentioned in the above items 1 to 5, obstructing effective patent activities in the United States in the daily patent management and application works carried out as a matter of course by average career patent staffs. There are also de facto discriminatory handlings of foreign applicants, and numerous regulations that are against the spirit of the Paris Convention. It is desired that the U.S. will promptly amend these points and have her patent legislation harmonized with that of the rest of the world.

(2) Specific problems—

A. Discrimination of foreign nationals regarding determination of priority—An application filed in the U.S. with the application for right of priority in foreign countries may not guaranty the convention right, as it may not be possible to eliminate an application filed by a third party in the U.S. between the date of that foreign application and the date of U.S. patent filing.

B. Assignee application not permitted—This restriction is causing major inconvenience in practice. Prior use should be recognized as a means of refutation in infringement dispute.

C. Prior use not recognized—Prior use should be recognized as a means of refutation in infringement dispute.

D. Complicated payments of post-issuance fee—Payment terms of post-issuance fees is too complicated. For example they become due by 3.5 years, 7.5 years, and 11.5 years after the original grant. If post-issuance fee becomes payable yearly as in the case of other countries, management on the patent holder's side will become much easier, and besides, reduction in the sum payable should become feasible.

MUTUAL UNDERSTANDING BETWEEN THE JAPANESE PATENT OFFICE AND THE UNITED STATES PATENT AND TRADEMARK OFFICE

ACTIONS TO BE TAKEN BY JAPAN

1. By July 1, 1995, the Japanese Patent Office (JPO) will permit foreign nationals to file patent applications in the English language, with a translation into Japanese to follow within two months.

2. Prior to the grant of a patent, the JPO will permit the correction of translation errors up to the time allowed for the reply to the first substantive communication from the JPO.

3. After the grant of a patent, the JPO will permit the correction of translation errors to the extent that the correction does not substantially extend the scope of protection.

4. Appropriate fees may be charged by the JPO for the above procedures.

ACTIONS TO BE TAKEN BY THE U.S.

1. By June 1, 1994, the United States Patent and Trademark Office (USPTO) will introduce legislation to amend U.S. patent law to change the term of patents from 17 years from the date of grant of a patent for an invention to 20 years from the date of filing of the first complete application.

2. The legislation that the USPTO will introduce shall take effect six months from the date of enactment and shall apply to all applications filed in the United States thereafter.

3. Paragraph 2 requires that the term of all continuing applications (continuations, continuations-in-part and divisionals), filed six months after enactment of the above legislation, be counted from the filing date of the earliest-filed of any applications invoked under 35 U.S.C. 120.

WATARU ASOU,
Commissioner Japanese Patent Office.
BRUCE A. LEHMAN,
Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, United States Patent and Trademark Office.

REPUBLICAN STUMBLING BLOCK ON WOMEN—THEIR RECORD

The SPEAKER pro tempore (Mr. ROHRABACHER). Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, first, let me say to the gentleman who was just speaking, if that bill were as he casts it, my name would not be on it. That bill is about making our patent office uniform with both the one in Europe and the one in Japan so our patents will be recognized all over the world. It will do a tremendous amount to increase the protection.

But that is not why I came here today. I came here today to talk about what I tried to do when I heard that the Republican women today were getting ready to launch their get out the vote drive for women. I was very frustrated by this so I decided it was time to talk to Eleanor. Eleanor lives in my office, Eleanor Roosevelt. And I went over and I said to her, what are we going to do about this? They are getting ready to try and bridge the gender gap with all sorts of slick press kits, with all sorts of warm fuzzy rhetoric. Eleanor said, Do you know what, PAT, do not worry; they have got a big stumbling block. It is called their record, their record. So as they go around desperately seeking female votes, they were very apt to trip over their record if the American people know it.

So today at 1, the Congresswomen, the Democratic Congresswomen are releasing a report on the Republican war against women. That is what we call it. It has been a war, and let us be very clear about it. We have seen more backsliding on progress than I have seen in my entire 24 years here. When we look at this, it is truly an unmatched record. The other side says they have an unmatched record for women. They have an unmatched record all right, but it is not for women. It is undoing things we had done for women.

First of all, I think the arrogance of power on that side has been very difficult to deal with. The arrogance of power when they said, We will shut down Government rather than talk to people or deal with people or compromise or negotiate. I do not think women like that kind of arrogance of power and they are not going to forget the constant Government shutdowns and all the waste of money that went on during that period.

But let me talk about some of the other things this report is going to show. It is talking about family planning. Family planning survived in this Congress by one vote. That is about as close as you can get. Increasing the minimum wage. The majority of the people on the minimum wage happen to be women, many of them single women trying to support a family. We have been for raising it and they have not.

Domestic violence: The prior Congress we had a unanimous vote to start trying to do something about domestic violence and violence against women in this country. One of the first things that they attempted to do this year was cut the funding, cut it very severely. We got some of it back; we did not get all of it back. But it tells you where they really want to go, if they could.

Let us talk about the extreme cuts in Medicare and Medicaid that were attempted that would really gut those programs and leave an awful lot of people hanging out there. And then there was the launch on the school lunch program. I could not believe anybody would launch on school lunches. Everybody knows that children do much better if they are fed and if they have strong nutrition.

And then Head Start. My city of Denver got forced with Head Start cuts and they had to make a decision, did they throw kids out that were in the Head Start Program so they would have enough money to do the whole year or did they leave all the kids in that were in and then just go until they ran out of money? They opted for B, and they have already had to shut Head Start down. It did not make it until the end of the year. They ran out of money.

I cannot believe we are doing that to 3-year-olds. Three-year-olds are our future; they are the 21st century. Yet in Denver we had to tell them, no.

So women, I think, according to Eleanor, as she says it, it is up to the women, have got to hold Members accountable for their votes. We cannot let Members go around and say, we know we voted against women but after all, we are women, so do not hold it against us. I think you could hold it against them all the more. Because I think that women should be the particular advocates on this floor explaining why day care choices are needed, why dependent care choices for elderly family members who may need adult supervision during the day are needed, why families need more tax relief, why families need family medical leave, which is something Members on the other side did not want to back, why families need help, not a lot of help but they need some relief in lifting the pressure that they are feeling come down on them in this new global economy we are in.

I hope many people can get to that press conference. We are going to be talking back because Eleanor told us to.

SIDS INTERNATIONAL CONFERENCE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. FOLEY] is recognized during morning business for 5 minutes.

Mr. FOLEY. Mr. Speaker, yesterday, I had the pleasure of speaking before the fourth SIDS international conference taking place in Bethesda, MD.

This conference brought together researchers, health professionals, and parents from around the world to discuss recent and future efforts in the fight against sudden infant death syndrome.

SIDS is the No. 1 cause of death among infants between the ages of 1 week and 1 year, striking infants of all countries and cultures.

This tragic disease is responsible for the death of over 6,000 babies in the United States each year.

The sudden death of a child is a painful experience for any parent, especially when the infant is otherwise healthy and there is no apparent explanation for the child's death.

The good news is we have found ways to lower the risks of SIDS and we are now closer than ever to understanding the underlying causes of this condition.

My personal interest in SIDS stems from my work as a Florida State Senator when I met Stephanie Quick, a mother who had lost her son, Michael, to SIDS.

Michael was just 2 months old when he passed away. At the time of his death, there were few, if any, services in Florida available to families such as Stephanie's who had suffered such a tragic and unexplainable loss.

Since that meeting when I first learned about SIDS, I have worked on State legislation and public education efforts promoting research, support services for grieving families, training for first responders, and guidelines for death scene protocol.

Last year in Congress I, along with Senators HOLLINGS and STEVENS, sponsored the first congressional SIDS briefing to promote SIDS awareness by educating our colleagues and their staff about research and prevention efforts.

This even focused attention on the national "Back to Sleep" campaign which encourages the placement of healthy babies on their back or side to sleep.

Today, more and more parents are taking preventive steps such as this to lower the risks of SIDS.

Preliminary studies of the Back to Sleep campaign indicate the number of SIDS deaths in the United States is declining.

This is an important finding that reflects similar reports from other countries which have also seen a drop in SIDS deaths when babies are placed on their back to sleep.

While this news is very encouraging, more work is necessary if we are to reach our goal of eliminating SIDS.

The National Institute of Child Health and Human Development is the Federal agency responsible for health care research in the area of SIDS.

A recent study revealed that a brain defect in some SIDS babies could interfere with normal respiratory activity in infants and play a part in SIDS deaths.

This important finding underscores the critical need for congressional support of federally funded research and will provide us with valuable knowledge in the fight against SIDS.

It is my hope that our continued commitment to SIDS research will shed new light on the mystery behind SIDS and bring us closer to finding a cure to this cruel and tragic condition.

□ 1115

I would like to take a moment to especially thank my legislative aid, Cherie Lott, who has worked so tirelessly on bringing this issue to the forefront of the U.S. Congress. I think it can prove, without question, that this Congress is committed to caring for our children, caring for our parents and to maintain the best possible health care for all Americans.

RECESS

The SPEAKER pro tempore (Mr. ROHRABACHER). Pursuant to clause 12 of rule I, the House stands in recess until 12 noon.

Accordingly (at 11 o'clock and 17 minutes a.m.), the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LINDER) at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray for the gift of vision, O God, for we know that when there is no vision, individuals and families and institutions do not thrive. Just as the flower receives its nourishment from the

Sun and the soil, so the human spirit is nourished by a vision of Your presence in our lives and the support we receive from Your abiding care. We pray, O gracious God, that whatever our concerns or whatever our needs or whatever our hopes and dreams, we may realize the strength and comfort that comes when we open our hearts to Your love. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Missouri [Mr. HANCOCK] come forward and lead the House in the Pledge of Allegiance.

Mr. HANCOCK led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

TRIBUTE TO THE LATE HONORABLE BILL EMERSON

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, over the weekend we were saddened to learn of the death of one of our colleague, BILL EMERSON. from the great State of Missouri. Many of the Members know that BILL had been fighting a battle with cancer over the last 10 months. BILL lost that battle over the weekend.

BILL served here in Congress for almost 16 years, having first started in 1954 as a page here in the House, then going on to work for various Members as a staffer here on Capitol Hill. He served on the Committee on Agriculture, he served on the Committee on Transportation and Infrastructure, and he had a career-long interest in the issue of hunger, serving as the ranking minority member on the Select Committee on Hunger, and then going on to be the cochairman of the Hunger Task Force here in the Congress. His interest in hunger was certainly for those in a domestic purpose here in our country and also around the world.

I share with all of our Members our grief in losing our dear friend BILL. We send our condolences to Jo Ann and BILL's four children, and ask them to remember that BILL EMERSON was our friend, our colleague, and someone we dearly loved.

TRIBUTE TO THE LATE U.S. REPRESENTATIVE, BILL EMERSON

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, I rise today to pay tribute to my friend BILL EMERSON, who died Saturday night at the Bethesda Naval Hospital.

BILL was a truly outstanding legislator who was a great credit to Missouri and to our Nation. He made public service his life. He reflected all that is good in the political arena. Although he was of one political party and I of another, this fact never interfered with our friendship.

He stood by his principles and fought hard, but political differences never became personal with him.

He was a person filled with honor, one whose word was good. He reflected the people in his district. He was so proud of Missouri. He was also so very proud of his alma mater, Westminster College in Fulton, MO.

The country lost an excellent Congressman, Missouri lost an excellent Representative, and I lost a warm friend.

I know that all of my colleagues join me in extending condolences to his wife, Jo Ann, and to his daughters Elizabeth, Abigail, Victoria, and Katharine.

IN MEMORY OF THE LATE BILL EMERSON

(Mr. HANCOCK asked and was given permission to address the House for 1 minute.)

Mr. HANCOCK. Mr. Speaker, one minute to express my personal feelings concerning the passing of our colleague, the Honorable BILL EMERSON from Missouri, is very difficult.

BILL EMERSON was a good friend, a trusted confidant, and a great American. He was dedicated to his maker, his family, and to the institution of the U.S. Congress where he served for almost 6 years.

BILL exemplified the qualities of honor and integrity that some would say is now lacking in public elected officials. BILL accepted people as they are and overlooked the frailties of human nature. This is why he will be sorely missed as a voice of reasonable accommodation.

All of us who had the privilege of knowing and working with BILL EMERSON will remember his positive attitude.

My sincerest regrets and sympathy to Jo Ann Emerson and all his family. They will be remembered in our prayers.

TRIBUTE TO THE LATE HONORABLE BILL EMERSON

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, I have known BILL EMERSON for nearly 20 years. I worked with BILL closely for the past 12 years. He was one of the most solid people that I know. He was common sense, he was decency. He exemplified the principle of integrity in this body and in his life as much as anyone I have ever known.

Some years ago, BILL and I shared a problem between our districts. We needed to keep an old bridge open to Chester, IL, over the troubled waters of the Mississippi River. We worked together. The bridge is still open today, still serving the basic needs of the people of our districts.

The old bridge symbolizes for me in many ways the life of BILL EMERSON. BILL was always reaching out, always trying to help, always building bridges over troubled waters somewhere in his life. I do not know that BILL ever really demanded a political solution. He was too interested in practical solutions to help his people and to help this country. I will forever be grateful for his true sense of bipartisanship.

I offer my condolences to his family on this day. We will miss BILL a great deal in this body.

TRIBUTE TO THE LATE HONORABLE BILL EMERSON

(Mr. CHAMBLISS asked and was given permission to address the House for 1 minute.)

Mr. CHAMBLISS. Mr. Speaker, I rise today to salute my dear friend, BILL EMERSON. BILL EMERSON represented honesty, decency and integrity in this body in a very bipartisan way. Through my many conversations with BILL EMERSON, I learned to understand that BILL had his priorities in order. BILL loved this institution and he loved his country. But above all else, BILL loved his God, and he loved his family. I thank God for the opportunity to have served with BILL EMERSON in this body for the past 18 months. Because of the opportunity to serve with BILL EMERSON, those of us who knew BILL will be better Members of this body. But above all else, we will be better citizens.

REMEMBERING BILL EMERSON

(Mr. POMEROY asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. POMEROY. Mr. Speaker, I came down here with a text on one of the many issues before this country. I am putting that text away, because I too want to reflect upon BILL EMERSON and publicly express my deep sympathy to his family.

I served on the Agriculture Committee with BILL EMERSON for the last two sessions. He was without question a tough Republican and we banged heads. Sometimes we banged heads hard. But BILL EMERSON was a man with a very big heart. He has left me with three impressions that I will particularly remember:

The first, he was a man of strong faith. I remember vividly when he presided over the National Prayer Breakfast in 1993, my first year in Congress.

Second, he was a man that approached the duties of a legislator with professionalism. When we would bang heads, we would walk out of committee, and that would be the end of it. We were each trying to do the best we could, we understood that about each other, and our policy differences never came between our friendship. We have too little of that in this Chamber. I hope we remember the example of BILL EMERSON and do a better job, each of us, going forward in the tough debates that are ahead.

Third, he was a man of incredible courage. We all watched as he maintained his perfect voting record this year in a state of obviously disintegrating health. It was terrible to watch someone we love like BILL grow sick and obviously failing right in front of us. But he hung in there and there was never any talk of retreat or surrender from BILL EMERSON. He was going to beat this cancer and he was going to be reelected. He was not done serving the people of Missouri. That courage and never, ever stopping, looking forward, and doing his best is something that I will never forget from my friend BILL.

Rest in peace, old buddy.

MOURNING THE PASSING OF BILL EMERSON

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I, too, rise to mourn the passing of our friend and colleague, BILL EMERSON. Being a newcomer to the Congress, I reflected on the words of our colleague from Missouri, Mr. SKELTON, on bipartisanship and actions speak louder than words. So it has been on many occasions when I would see both Mr. SKELTON and Mr. EMERSON sharing a ride across the river to work. In our Cloakroom, there is a picture of a younger Mr. EMERSON and our colleague from Pennsylvania, Mr. KANJORSKI, when they served as pages in this institution, helping to bear the stretcher of a wounded Member in a terrible episode in our Nation's history. So, yes, this is a time of remembrance. It is also a time for true bipartisanship.

Mr. Speaker, I recall that in the middle of some troubled times, one political adversary gave his partisan foe some very good advice. It was Hubert Humphrey who told President Richard Nixon to lay out all the facts, and to come clean on certain issues. I daresay, had Mr. Nixon followed Mr. Humphrey's advice, a lot of the problems we faced in this country would have been eased.

In that spirit, Mr. Speaker, without venom or vitriol, in the spirit of true bipartisanship, I would call on this President to release the pertinent documents needed to bring the investigations to a resolute and clear conclusion, so that we may move forward in a bipartisan fashion to clear up questions and to work in a constructive manner in this body.

IN MEMORY OF BILL EMERSON

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute.)

Mr. HALL of Ohio. Mr. Speaker, my friend died on Saturday.

BILL EMERSON and I knew each other for many years, traveled together, supported one another in our endeavors in Congress—especially in humanitarian work.

We served the Congressional Hunger Center as cochairmen, and BILL's support during my fast—and during the startup of this nonprofit organization—made a very real, very personal difference to me.

We got to know each other's families, and my family already feel the loss of our good friend. And we all extend our deepest sympathy to his family: to BILL's mother, Marie Hahn; to BILL's wife, Jo Ann; and to their daughters—Elizabeth, Abigail, Victoria, and Katherine.

In the Washington Post this weekend, David Broder wrote that "the companionship that once crossed party lines in Congress * * * has been replaced by a tone of unremitting enmity." That was never true with BILL EMERSON. He nurtured his relationships with both Democrats and Republicans alike.

Mr. Broder was right in lamenting a political climate that too often is hostile. "It is the personal relationships that determine how much the group will get done," he said—and he is right. But people like BILL EMERSON showed us all that we can work together to make a difference for the people who send us to Washington—and especially for children.

My friend was a decent, wonderful man. He will be missed by many of us, and I will never forget him.

□ 1215

WE DO NOT REALIZE THE TRUE WORTH OF A GREAT MAN UNTIL HE IS GONE

(Mr. TALENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALENT. Mr. Speaker, we do not realize the true worth of a great man until he is gone. The networks of which he is a part, the man of which he is the hub, slip and shake and tremble. We all feel the insecurity of things if even the strongest among us can be so quickly taken from us. Yet we all realize the impact for good that a good man can have.

So it is, Mr. Speaker, with our dear colleague, BILL EMERSON. Much will be said of BILL in the coming days. I wish to say this now. He was my friend, faithful and just and charitable to me. He served his country. He loved his family. He is now most certainly with his Savior, and I will miss him more than I can say.

AMERICA WILL MISS BILL EMERSON, I MOST OF ALL

(Mr. KANJORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to my oldest and dearest friend, BILL EMERSON. BILL and I knew each other for 43 years. We met in this Chamber as 15-year-olds when both of us were young. BILL was an exceptional young man, very bright, very focused and very dedicated. As a matter of fact, I used to think of him as an American Churchill or a Midwestern Lincoln: a person of great potential ready to be molded, with a big heart and an understanding love for America and what this great democracy is all about. You know, a lot of my friends on both sides of the aisle will miss BILL because he was truly bipartisan in most everything he ever did.

A lot of us know him and know him in different ways, but one does not know BILL EMERSON unless one knows he was not really BILL EMERSON. When I first met him, he struck out his hand and he introduced himself as Norville William Emerson of Missouri. Being a young man from Pennsylvania, I had never heard of a Norville William Emerson from Missouri before, particularly one who talked with a Midwestern twang and almost had hayseed in his hair. But clearly the light and brightness of his mind reflected through his eyes, and he and I became the dearest of friends, roommates for 2 years and fellow pages. And it did not stop there. We spent time together. He visited my home and I visited his, and our families became the closest of friends from my childhood days. We went on to colleges; we shared the hopes of young men and the witnesses of the great sacraments in marriage. And as we went on through life, we gave advice and thoughts to one another and always remained friends.

We even shared the history of the 90th anniversary of Gettysburg together. I drove through the battlefield yesterday. That is 43 years ago that we stood up there, and I remember BILL well, telling me about his understanding of this great Civil War, this great battle that preserved democracy for America and individual rights for every American then and unborn into the future. He had such a fundamental understanding of it that truly I thought that he could be the next Lincoln coming along.

Well, BILL and I went through life together and shared all those years between then and 1980. He and I ran in 1980 for the House. He was a better politician than I. He got elected, I did not. But we remained close friends and in 1984 I had the good fortune of winning my seat, and we joined each other again after a period of 40 years of having known each other as very close friends.

In this House we tried with other Members, Mickey Leland being one, to form an organization uniting Members across the aisle. We tried to put Republicans and Democrats together as human beings, as friends, and as Americans, rather than as politicians interested in short-term advantage. BILL was a great bridge builder. BILL had that magnificence to reach out and be understood and trusted. It was not until recently, when I saw him afflicted with his last challenge that I understood the reason why: he had a profound understanding of the basic good nature of man, and that was reflected in his every action.

And, Mr. Speaker, people trusted him rightly so. He had a wonderful grandfather. We shared a love for him together. He has a beautiful mother, a wonderful wife and four beautiful daughters. They will all miss him. We will miss him. America will miss him. But I think, Mr. Speaker, I will miss him most of all.

TRIBUTE TO CONGRESSMAN BILL EMERSON

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I also stand here in the well to remember our dear colleague, BILL EMERSON from Missouri. I can still see him in the back row, all the way in the back in the last aisle, standing there talking. And many of us used to go back to talk to him and ask him, BILL, what are the nuances of this vote and would he explain it. He was very knowledgeable about different bills on the House floor. But he would also give you a sense of humor, a point about the bill that would make you chuckle and laugh, knowing that sometimes Members were forced to vote on things they did not like, because within the whole bill there would be a small something you did like. But BILL EMERSON had that way.

And I also want to tell you, Mr. Speaker, that many times I spoke to him during his illness and encouraged him and gave him several articles, articles which talked about other Americans suffering from cancer and how they met this disease and the type of mind frame they put themselves in and tried to encourage it. But he did not need to be encouraged in terms of a positive attitude because his entire relationship that I had with him and saw on the House floor was one of optimism, one of being a positive American and showing other Americans, through his leadership and through his personality, the purpose of all of us is that we are to be caring and helpful for our fellow man.

So I tell you, Mr. Speaker, when I come here to the well, I can almost still see BILL in the back there, laughing, encouraging all of us, and giving that light chuckle he has, together with the sparkle in his eyes. So I bid him adieu and wish him and his family well and with deepest sympathy remind my colleagues of the great Congressman BILL EMERSON.

TRIBUTE TO CONGRESSMAN BILL EMERSON

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I rise to associate myself with the remarks of all of those who have spoken here. I have sat here and I wanted to listen to all of the things about the life of BILL EMERSON, because I never was to his house. I did not know his family. But I knew BILL EMERSON, the man, and I knew him as the Congressman, and like each and every one of you, I liked him very much.

We served together on a couple of key issues, one of them the issue of smoking. BILL EMERSON was never one to involve himself in denial. He always was straightforward. He was legitimate. He told you what he felt on an issue. He backed it up and corroborated it with sound fact, data, and analysis.

I just simply want to rise today to say to Missouri, to the family of this fine man, that you elected a great Congressman. He paid attention to detail, he never forgot the constituent matters that are most important. Ladies and gentlemen, we are representatives of the people. Representation is what we shall do, and a prime example of that was BILL EMERSON.

My condolences to the family. I would hope that after all of this, we would reflect on the life of BILL EMERSON, and all of us may be a little better in our service as representatives of the American people.

MY FRIEND AND COLLEAGUE BILL EMERSON

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, there is an empty seat in the House of Representatives today, and there is a great void that will never be filled, and that is the void created by the death of my friend and our colleague, BILL EMERSON. We will miss him. We send our condolences to his family.

Some of the previous speakers have reflected on BILL and his many contributions. I am not sure if the pages and Members all know about BILL's great legacy, but BILL came here as a page and served in the Congress. I remember seeing back in the Cloakroom, there is a photo of BILL as a young man helping when the shooting occurred in the House of the Representatives. When nationalists fired into the House Chamber, BILL was one of the young pages helping Members back then who were wounded. That picture still hangs in the Cloakroom.

Mr. Speaker, I came here as a freshman just several years ago, and BILL was doing the same thing, helping Members along the way, new Members like myself, to learn more about the House of Representatives and its procedures and how to go forward. He never changed his role.

BILL EMERSON was a tough bird, too. I remember talking to him as he was undergoing his treatment and giving him encouragement and also asking about some of my own dealings here. Should I move forward? Should I proceed? Sometimes I am pretty aggressive in my service. BILL, whether he was in the wheelchair taking chemotherapy or whether he was advising me as a new Member, he always said, "MICA, give 'em hell." I always admired his counsel and his advice and his determination that we should serve this body with every ounce of vigor that we can muster, and he did that right to almost his last days. Now he has been taken from us.

I remember him coming into this Chamber in his wheelchair and his concern was, and he expressed it to me, was not about his treatment but he said: "Oh, darn it." He did not use those exact terms. His concern was that he did not want to miss his obligations to this body, his service to the House of Representatives. That was his concern right to the end, that he complete his service. We have an example by a life of an individual who served first his family, and then his State, Missouri, and this is a great loss also for our Nation to not having his service here. This Congress has a great void without the BILL EMERSON who had a tough veneer but had a warm heart and a great record of service to this body that will never be matched.

BILL, we miss you. But I want to tell you that I will be out here, BILL, and I will continue to "give 'em hell," as you directed, and do the best I can to serve the constituents of my State like you served your State and our Nation. So long, BILL.

REMEMBERING OUR GREAT COLLEAGUE, BILL EMERSON

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise to join with my colleagues in remembering our great colleague, BILL EMERSON. I was downstairs listening to a number of the remarks made about BILL's great contribution to the process of representative government, and I would like to take a brief period of time to talk about a very special relationship that I had with BILL.

Back in 1993, following some of the scandals that surrounded this place, in a bipartisan way, we saw the Democratic leadership put together the Joint Committee on the Organization of Congress. It was the first time in a half a century that a bipartisan, bicameral effort to look at institutional reform was assembled. I will tell Members that of the large number of Senators and House Members who were part of this organization, no one was more active and participated at a higher level than BILL EMERSON.

□ 1230

There is a very important reason for that, Mr. Speaker. BILL EMERSON, as I am sure was stated by my colleagues earlier, loved and revered this institution. He understood the fact that it was the greatest deliberative body known to man. He is one who spent a great deal of time trying to see the view held by the American people shift from what is tragically a corrosive cynicism back to what Will Rogers had, which is really a healthy skepticism. Thomas Jefferson wanted the American people to have a skeptical view of us, he thought that to be very healthy, and Will Rogers, again, said that time and time again.

BILL EMERSON, as one who loved and revered this institution, wanted us very much to get back to that, and that is the reason that BILL EMERSON spent so much time working with us on trying to make this institution more accountable to the American people and trying to make this institution as deliberative as it should be.

So, Mr. Speaker, I would simply like to say that I, of course, had a long and very warm personal relationship with him. I am a native of the "Show Me" State and in fact was just there yesterday. And on several occasions I had the opportunity to visit BILL in his southeastern Missouri district, and I spent time with him here in the Capitol because we were elected together back in 1980, the 97th Congress, a large group of 54 new Republicans to come, and Bill and I were among the two who defeated Democrat incumbent Members of the House of Representatives. So he will be sorely missed.

I have had great opportunities to spend personal time with BILL and his wife Jo Ann and other members of their family and it is a very sad day as we note his passing, and I wish all of his relatives and other friends Godspeed.

TRIBUTE TO BILL EMERSON

(Mr. COX of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX of California. Mr. Speaker, there is hanging in the Republican Cloakroom a photograph of BILL EMERSON taken on March 1, 1954, when he was a page here. As all of us know, he served as a page on that fateful day when the House of Representatives was attacked by terrorists, and the photograph shows BILL EMERSON carrying on his shoulders the prone body of Alben Barkley, a Representative here, who was in fact shot during that attack. That was very early on in BILL's congressional career.

When the first Republican House of Representatives, the first Republican majority in 40 years, was sworn in and the gavel was banged in 1995, in January, it was BILL EMERSON who was in the chair. He was the only current Member of the House of Representatives who had been here during the last Republican majority because he had been here as a page. Probably, as a result, no one had more knowledge of this institution; and as so many speakers have pointed out this morning, more care for it, more understanding, and more love for the Congress of the United States.

It is natural for each of us to express ourselves at a time like this by giving a speech on the floor of the House. That is what we do. BILL himself gave many speeches. He was a fine speaker, but, more important than the CONGRESSIONAL RECORD, a history of what BILL EMERSON did here, was what those of us who worked with him saw and watched. His example is a powerful one. I am sure BILL would want us all, on the occasion of his death, to do more than to remember him; to do this, to follow his example, to be like him.

Perhaps he would not have thought so highly of himself, as we do, that he would have held himself up as an example for all of us in that way, but BILL had a special quality of being able to disagree, which we do here on the floor every day when we engage one another in debate, without being disagreeable. So each of us can pay tribute to BILL EMERSON today, and all the rest of our days, in no better way than by trying to be a little bit more like him.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. STEARNS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule:

Committee on Government Reform and Oversight; Committee on International Relations; Committee on National Security; Committee on Resources; Committee on Science; Committee on Small Business; and Committee on Transportation and Infrastructure.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from Florida?

There was no objection.

BUCK DOES NOT STOP WITH CRAIG LIVINGSTONE ON FILEGATE

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, the buck on Filegate does not stop with White House political hack Craig Livingstone, who is now being paid not to work. As William Safire has pointed out, the problem extends to a White House counsel's office bent on stonewalling. But the obstruction goes even higher. On May 9 President Clinton directed his counsel to invoke Executive privilege and thereby conceal certain documents, including the White House request for FBI files on Billy Dale, months after he was fired.

Now, get that, Mr. Speaker. By his own admission, the President knew about the smoking gun document at least as early as May 9, when he invoked Executive privilege for the first time since Watergate, yet he did absolutely nothing at that point to surrender the improperly requested FBI files. They remained in the custody of the White House for weeks after that time.

Of course, Mr. Speaker, there was no justification whatsoever for the assertion of Executive privilege with regard to the FBI file request. And although that document eventually was turned over to the Committee on Government Reform and Oversight, the President continues to assert the privilege with regard to some 2,000 additional documents.

Mr. Speaker, the buck does not stop with Mr. Livingstone, not by a long shot.

SAFE DRINKING WATER ACT AMENDMENTS OF 1996

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3604) to amend title XIV of the Public Health Service Act—the "Safe Drinking Water Act"—and for other purposes, as amended.

The Clerk read as follows:

H.R. 3604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Safe Drinking Water Act Amendments of 1996".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. References; effective date; disclaimer.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

Sec. 101. Selection of additional contaminants.
Sec. 102. Disinfectants and disinfection byproducts.
Sec. 103. Limited alternative to filtration.
Sec. 104. Standard-setting.
Sec. 105. Ground water disinfection.
Sec. 106. Effective date for regulations.
Sec. 107. Risk assessment, management, and communication.
Sec. 108. Radon, arsenic, and sulfate.
Sec. 109. Urgent threats to public health.
Sec. 110. Recycling of filter backwash.
Sec. 111. Treatment technologies for small systems.

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

Sec. 121. State primacy.

Subtitle C—Notification and Enforcement

Sec. 131. Public notification.
Sec. 132. Enforcement.
Sec. 133. Judicial review

Subtitle D—Exemptions and Variances

Sec. 141. Exemptions.
Sec. 142. Variances.

Subtitle E—Lead Plumbing and Pipes

Sec. 151. Lead plumbing and pipes.

Subtitle F—Capacity Development

Sec. 161. Capacity development.

TITLE II—AMENDMENTS TO PART C

Sec. 201. Source water quality assessment.
Sec. 202. Federal facilities.

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

Sec. 301. Operator certification.
Sec. 302. Technical assistance.
Sec. 303. Public water system supervision program.
Sec. 304. Monitoring and information gathering.
Sec. 305. Occurrence data base.
Sec. 306. Citizens suits.
Sec. 307. Whistle blower.
Sec. 308. State revolving funds.
Sec. 309. Water conservation plan.

TITLE IV—MISCELLANEOUS

Sec. 401. Definitions.
Sec. 402. Authorization of appropriations.
Sec. 403. New York City watershed protection program.
Sec. 404. Estrogenic substances screening program.
Sec. 405. Reports on programs administered directly by Environmental Protection Agency.
Sec. 406. Return flows.
Sec. 407. Emergency powers.
Sec. 408. Waterborne disease occurrence study.
Sec. 409. Drinking water studies.
Sec. 410. Bottled drinking water standards.
Sec. 411. Clerical amendments.

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

Sec. 501. General program.
Sec. 502. New York City Watershed, New York.
Sec. 503. Rural and Native villages, Alaska.
Sec. 504. Acquisition of lands.
Sec. 505. Federal share.
Sec. 506. Condition on authorizations of appropriations.
Sec. 507. Definitions.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

Sec. 601. Drinking water research authorization.
Sec. 602. Scientific research review.

SEC. 2. REFERENCES; EFFECTIVE DATE; DISCLAIMER.

(a) REFERENCES TO SAFE DRINKING WATER ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act, 42 U.S.C. 300f et seq.).

(b) EFFECTIVE DATE.—Except as otherwise specified in this Act or in the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

(c) DISCLAIMER.—Nothing in this Act or in any amendments made by this Act to title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) or any other law shall be construed by the Administrator of the Environmental Protection Agency or the courts as affecting, modifying, expanding, changing, or altering—

(1) the provisions of the Federal Water Pollution Control Act;

(2) the duties and responsibilities of the Administrator under that Act; or

(3) the regulation or control of point or nonpoint sources of pollution discharged into waters covered by that Act.

The Administrator shall identify in the agency's annual budget all funding and full-time equivalents administering such title XIV separately from funding and staffing for the Federal Water Pollution Control Act.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

SEC. 101. SELECTION OF ADDITIONAL CONTAMINANTS.

(a) IN GENERAL.—Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended to read as follows:

"(3) REGULATION OF UNREGULATED CONTAMINANTS.—

"(A) LISTING OF CONTAMINANTS FOR CONSIDERATION.—(i) Not later than 18 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 5 years thereafter, the Administrator, after consultation with the scientific community, including the Science Advisory Board, after notice and opportunity for public comment, and after considering the occurrence data base established under section 1445(g), shall publish a list of contaminants which, at the time of publication, are not subject to any proposed or promulgated national primary drinking water regulation, which are known or anticipated to occur in public water systems, and which may require regulation under this title.

"(ii) The unregulated contaminants considered under clause (i) shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(iii) The Administrator's decision whether or not to select an unregulated contaminant for a list under this subparagraph shall not be subject to judicial review.

"(B) DETERMINATION TO REGULATE.—(i) Not later than 5 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, and every 5 years thereafter, the Administrator shall, by rule, for not fewer than 5 contaminants included on the list published under subparagraph (A), make determinations of whether or not to regulate such contaminants.

"(ii) A determination to regulate a contaminant shall be based on findings that—

"(I) the contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at a level of public health concern; and

"(II) regulation of such contaminant presents a meaningful opportunity for public health risk reduction for persons served by public water systems.

Such findings shall be based on the best available public health information, including the occurrence data base established under section 1445(g).

"(iii) The Administrator may make a determination to regulate a contaminant that does not appear on a list under subparagraph (A) if the determination to regulate is made pursuant to clause (ii).

"(iv) A determination under this subparagraph not to regulate a contaminant shall be considered final agency action and subject to judicial review.

"(C) PRIORITIES.—In selecting unregulated contaminants for consideration under subparagraph (B), the Administrator shall select contaminants that present the greatest public health concern. The Administrator, in making such selection, shall take into consideration, among other factors of public health concern, the effect of such contaminants upon subgroups that comprise a meaningful portion of the general population (such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations) that are identifiable as being at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(D) REGULATION.—For each contaminant that the Administrator determines to regulate under subparagraph (B), the Administrator shall promulgate, by rule, maximum contaminant level goals and national primary drinking water regulations under this subsection. The Administrator shall propose the maximum contaminant level goal and national primary drinking water regulation not later than 24 months after the determination to regulate under subparagraph (B), and may publish such proposed regulation concurrent with the determination to regulate. The Administrator shall promulgate a maximum contaminant level goal and national primary drinking water regulation within 18 months after the proposal thereof. The Administrator, by notice in the Federal Register, may extend the deadline for such promulgation for up to 9 months.

"(E) HEALTH ADVISORIES AND OTHER ACTIONS.—The Administrator may publish health advisories (which are not regulations) or take other appropriate actions for contaminants not subject to any national primary drinking water regulation.".

(b) APPLICABILITY OF PRIOR REQUIREMENTS.—The requirements of subparagraphs (C) and (D) of section 1412(b)(3) of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) as in effect before the enactment of this Act, and any obligation to promulgate regulations pursuant to such subparagraphs not promulgated as of the date of enactment of this Act, are superseded by the amendments made by subsection (a) to such subparagraphs (C) and (D).

SEC. 102. DISINFECTANTS AND DISINFECTION BY-PRODUCTS.

Section 1412(b)(3) (42 U.S.C. 300g-1(b)(3)) is amended by adding at the end the following subparagraph:

"(F) DISINFECTANTS AND DISINFECTION BY-PRODUCTS.—

"(i) INFORMATION COLLECTION RULE.—Not later than December 31, 1996, the Administrator shall, after notice and opportunity for public comment, promulgate an information collection rule to obtain information that will facilitate further revisions to the national primary drinking water regulation for disinfectants and disinfection byproducts, including information on microbial contaminants such as cryptosporidium. The Administrator may extend the December 31, 1996, deadline under this clause for up to 180 days if the Administrator determines that progress toward approval of an appropriate analytical method to screen for cryptosporidium is sufficiently advanced and approval is likely to be completed within the additional time period.

"(ii) ADDITIONAL DEADLINES.—The time intervals between promulgation of a final information collection rule, an Interim Enhanced Surface Water Treatment Rule, a Final Enhanced Surface Water Treatment Rule, a Stage I Disinfectants and Disinfection Byproducts Rule, and a Stage II Disinfectants and Disinfection Byproducts Rule shall be in accordance with the schedule published in volume 59, Federal Register, page 6361 (February 10, 1994), in table III.13 of the proposed Information Collection Rule. If a delay occurs with respect to the promulgation of any rule in the timetable established by this subparagraph, all subsequent rules shall be completed as expeditiously as practicable but no later than a revised date that reflects the interval or intervals for the rules in the timetable.".

SEC. 103. LIMITED ALTERNATIVE TO FILTRATION.

Section 1412(b)(7)(C) is amended by adding the following after clause (iv):

"(v) As an additional alternative to the regulations promulgated pursuant to clauses (i) and (iii), including the criteria for avoiding filtration contained in CFR 141.71, a State exercising primary enforcement responsibility for public water systems may, on a case-by-case basis, and after notice and opportunity for public comment, establish treatment requirements as an alternative to filtration in the case of systems having uninhabited, undeveloped watersheds in consolidated ownership, and having control over access to, and activities in, those watersheds, if the State determines (and the Administrator concurs) that the quality of the source water and the alternative treatment requirements established by the State ensure greater removal or inactivation efficiencies of pathogenic organisms for which national primary drinking water regulations have been promulgated or that are of public health concern than would be achieved by the combination of filtration and chlorine disinfection (in compliance with paragraph (8)).".

SEC. 104. STANDARD-SETTING.

(a) IN GENERAL.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended as follows:

(1) In paragraph (4)—

(A) by striking "(4) Each" and inserting the following:

"(4) GOALS AND STANDARDS.—

"(A) MAXIMUM CONTAMINANT LEVEL GOALS.—Each";

(B) in the last sentence—

(i) by striking "Each national" and inserting the following:

"(B) MAXIMUM CONTAMINANT LEVELS.— Except as provided in paragraphs (5) and (6), each national"; and

(ii) by striking "maximum level" and inserting "maximum contaminant level"; and

(C) by adding at the end the following:

"(C) DETERMINATION.—At the time the Administrator proposes a national primary drinking water regulation under this paragraph, the Administrator shall publish a determination as to whether the benefits of the maximum contaminant level justify, or do not justify, the costs based on the analysis conducted under paragraph (12)(C).".

(2) By striking "(5) For the" and inserting the following:

"(D) DEFINITION OF FEASIBLE.—For the".

(3) In the second sentence of paragraph (4)(D) (as so designated), by striking "paragraph (4)" and inserting "this paragraph".

(4) By striking "(6) Each national" and inserting the following:

"(E) FEASIBLE TECHNOLOGIES.—

"(i) Each national".

(5) In paragraph (4)(E)(i) (as so designated), by striking "this paragraph" and inserting "this subsection".

(6) By inserting after paragraph (4) (as so amended) the following:

"(5) ADDITIONAL HEALTH RISK CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), the Administrator may establish a maximum contaminant level for a contaminant at a level other than the feasible level, if the technology, treatment techniques, and other means used to determine the feasible level would result in an increase in the health risk from drinking water by—

"(i) increasing the concentration of other contaminants in drinking water; or

"(ii) interfering with the efficacy of drinking water treatment techniques or processes that are used to comply with other national primary drinking water regulations.

"(B) ESTABLISHMENT OF LEVEL.—If the Administrator establishes a maximum contaminant level or levels or requires the use of treatment techniques for any contaminant or contaminants pursuant to the authority of this paragraph—

"(i) the level or levels or treatment techniques shall minimize the overall risk of adverse health effects by balancing the risk from the contaminant and the risk from other contaminants the concentrations of which may be affected by the use of a treatment technique or process that would be employed to attain the maximum contaminant level or levels; and

"(ii) the combination of technology, treatment techniques, or other means required to meet the level or levels shall not be more stringent than is feasible (as defined in paragraph (4)(D)).

"(6) ADDITIONAL HEALTH RISK REDUCTION AND COST CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), if the Administrator determines based on an analysis conducted under paragraph (12)(C) that the benefits of a maximum contaminant level promulgated in accordance with paragraph (4) would not justify the costs of complying with the level, the Administrator may, after notice and opportunity for public comment, promulgate a maximum contaminant level for the contaminant that maximizes health risk reduction benefits at a cost that is justified by the benefits.

"(B) EXCEPTION.—The Administrator shall not use the authority of this paragraph to promulgate a maximum contaminant level for a contaminant, if the benefits of compliance with a national primary drinking water regulation for the contaminant that would be promulgated in accordance with paragraph (4) experienced by—

"(i) persons served by large public water systems; and

"(ii) persons served by such other systems as are unlikely, based on information provided by the States, to receive a variance under section 1415(e) (relating to small system assistance program);

would justify the costs to the systems of complying with the regulation. This subparagraph shall not apply if the contaminant is found almost exclusively in small systems (as defined in section 1415(e), relating to small system assistance program).

"(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator may not use the authority of this paragraph to establish a maximum contaminant level in a Stage I or Stage II national primary drinking water regulation for contaminants that are disinfectants or disinfection byproducts (as described in paragraph (3)(F)), or to establish a maximum contaminant level or treatment technique requirement for the control of cryptosporidium. The authority of this paragraph may be used to establish regulations for the use of disinfection by systems relying on ground water sources as required by paragraph (8).

"(D) JUDICIAL REVIEW.—A determination by the Administrator that the benefits of a maximum contaminant level or treatment requirement justify or do not justify the costs of complying with the level shall be reviewed by the court pursuant to section 1448 only as part of a review of a final national primary drinking water regulation that has been promulgated based on the determination and shall not be set aside by the court under that section unless the court finds that the determination is arbitrary and capricious.".

(b) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator of the Environmental Protection Agency may use the authority of section 1412(b)(5) of the Public Health Service Act (as amended by this Act) to promulgate the Stage I and Stage II rules for disinfectants and disinfection byproducts as proposed in volume 59, Federal Register, page 38668 (July 29, 1994). The considerations used in the development of the July 29, 1994, proposed national primary drinking water regulation on Disinfection and Disinfection Byproducts shall be treated as consistent with such section 1412(b)(5) for purposes of such Stage I and Stage II rules.

(c) REVIEW OF STANDARDS.—Section 1412(b)(9) (42 U.S.C. 300g–1(b)) is amended to read as follows:

"(9) REVIEW AND REVISION.—The Administrator shall, not less often than every 6 years, review and revise, as appropriate, each national primary drinking water regulation promulgated under this title. Any revision of a national primary drinking water regulation shall be promulgated in accordance with this section, except that each revision shall maintain, or provide for greater, protection of the health of persons.".

SEC. 105. GROUND WATER DISINFECTION.

Section 1412(b)(8) (42 U.S.C. 300g–1(b)(8)) is amended by striking the first sentence and inserting the following: "At any time after the end of the 3-year period that begins on the date of enactment of the Safe Drinking Water Act Amendments of 1996, but not later than the date on which the Administrator promulgates a Stage II rulemaking for disinfectants and disinfection byproducts (as described in paragraph (3)(F)(ii)), the Administrator shall also promulgate national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems, including surface water systems and, as necessary, ground water systems. After consultation with the States, the Administrator shall (as part of the regulations) promulgate criteria that the Administrator, or a State that has primary enforcement responsibility under section 1413, shall apply to determine whether disinfection shall be required as a treatment technique for any public water system served by ground water. A State that has primary enforcement authority shall develop a plan through which ground water disinfection determinations are made. The plan shall be based on the Administrator's criteria and shall be submitted to the Administrator for approval.".

SEC. 106. EFFECTIVE DATE FOR REGULATIONS.

Section 1412(b)(10) (42 U.S.C. 300g–1(b)(10)) is amended to read as follows:

"(10) EFFECTIVE DATE.—A national primary drinking water regulation promulgated under this section (and any amendment thereto) shall take effect on the date that is 3 years after the date on which the regulation is promulgated unless the Administrator determines that an earlier date is practicable, except that the Administrator, or a State (in the case of an individual system), may allow up to 2 additional years to comply with a maximum contaminant level or treatment technique if the Administrator or State (in the case of an individual system) determines that additional time is necessary for capital improvements.".

SEC. 107. RISK ASSESSMENT, MANAGEMENT, AND COMMUNICATION.

Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by inserting after paragraph (11) the following:

"(12) RISK ASSESSMENT, MANAGEMENT AND COMMUNICATION.—

"(A) USE OF SCIENCE IN DECISIONMAKING.—In carrying out this section, and, to the degree that an Agency action is based on science, the Administrator shall use—

"(i) the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and

"(ii) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).

"(B) PUBLIC INFORMATION.—In carrying out this section, the Administrator shall ensure that the presentation of information on public health effects is comprehensive, informative and understandable. The Administrator shall, in a document made available to the public in support of a regulation promulgated under this section, specify, to the extent practicable—

"(i) each population addressed by any estimate of public health effects;

"(ii) the expected risk or central estimate of risk for the specific populations;

"(iii) each appropriate upper-bound or lower-bound estimate of risk;

"(iv) each significant uncertainty identified in the process of the assessment of public health effects and studies that would assist in resolving the uncertainty; and

"(v) peer-reviewed studies known to the Administrator that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology used to reconcile inconsistencies in the scientific data.

"(C) HEALTH RISK REDUCTION AND COST ANALYSIS.—

"(i) MAXIMUM CONTAMINANT LEVELS.—When proposing any national primary drinking water regulation that includes a maximum contaminant level, the Administrator shall, with respect to a maximum contaminant level that is being considered in accordance with paragraph (4) and each alternative maximum contaminant level that is being considered pursuant to paragraph (5) or (6)(A), publish, seek public comment on, and use for the purposes of paragraphs (4), (5), and (6) an analysis of:

"(I) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur as the result of treatment to comply with each level.

"(II) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur from reductions in co-occurring contaminants that may be attributed solely to compliance with the maximum contaminant level, excluding benefits resulting from compliance with other proposed or promulgated regulations.

"(III) Quantifiable and nonquantifiable costs for which there is a factual basis in the rulemaking record to conclude that such costs are likely to occur solely as a result of compliance with the maximum contaminant level, including monitoring, treatment, and other costs and excluding costs resulting from compliance with other proposed or promulgated regulations.

"(IV) The incremental costs and benefits associated with each alternative maximum contaminant level considered.

"(V) The effects of the contaminant on the general population and on groups within the general population such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(VI) Any increased health risk that may occur as the result of compliance, including risks associated with co-occurring contaminants.

"(VII) Other relevant factors, including the quality and extent of the information, the uncertainties in the analysis supporting subclauses (I) through (VI), and factors with respect to the degree and nature of the risk.

"(ii) TREATMENT TECHNIQUES.—When proposing a national primary drinking water regulation that includes a treatment technique in accordance with paragraph (7)(A), the Administrator shall publish and seek public comment on an analysis of the health risk reduction benefits and costs likely to be experienced as the result of compliance with the treatment technique and alternative treatment techniques that are being considered, taking into account, as appropriate, the factors described in clause (i).

"(iii) APPROACHES TO MEASURE AND VALUE BENEFITS.—The Administrator may identify valid approaches for the measurement and valuation of benefits under this subparagraph, including approaches to identify consumer willingness to pay for reductions in health risks from drinking water contaminants.

"(iv) AUTHORIZATION.—There are authorized to be appropriated to the Administrator, acting through the Office of Ground Water and Drinking Water, to conduct studies, assessments, and analyses in support of regulations or the development of methods, $35,000,000 for each of fiscal years 1996 through 2003.".

SEC. 108. RADON, ARSENIC, AND SULFATE.

Section 1412(b) is amended by inserting after paragraph (12) the following:

"(13) CERTAIN CONTAMINANTS.—

"(A) RADON.—Any proposal published by the Administrator before the enactment of the Safe Drinking Water Act Amendments of 1996 to establish a national primary drinking water standard for radon shall be withdrawn by the Administrator. Notwithstanding any provision of any law enacted prior to the enactment of the Safe Drinking Water Act Amendments of 1996, within 3 years of such date of enactment, the Administrator shall propose and promulgate a national primary drinking water regulation for radon under this section, as amended by the Safe Drinking Water Act Amendments of 1996. In undertaking any risk analysis and benefit cost analysis in connection with the promulgation of such standard, the Administrator shall take into account the costs and benefits of control programs for radon from other sources.

"(B) ARSENIC.—(i) Notwithstanding the deadlines set forth in paragraph (1), the Administrator shall promulgate a national primary drinking water regulation for arsenic pursuant to this subsection, in accordance with the schedule established by this paragraph.

"(ii) Not later than 180 days after the date of enactment of this paragraph, the Administrator shall develop a comprehensive plan for study in support of drinking water rulemaking to reduce the uncertainty in assessing health risks associated with exposure to low levels of arsenic. In conducting such study, the Administrator shall consult with the National Academy of Sciences, other Federal agencies, and interested public and private entities.

"(iii) In carrying out the study plan, the Administrator may enter into cooperative agreements with other Federal agencies, State and local governments, and other interested public and private entities.

"(iv) The Administrator shall propose a national primary drinking water regulation for arsenic not later than January 1, 2000.

"(v) Not later than January 1, 2001, after notice and opportunity for public comment, the Administrator shall promulgate a national primary drinking water regulation for arsenic.

"(vi) There are authorized to be appropriated $2,000,000 for each of fiscal years 1997 through 2001 for the studies required by this paragraph.

"(C) SULFATE.—

"(i) ADDITIONAL STUDY.—Prior to promulgating a national primary drinking water regulation for sulfate, the Administrator and the Director of the Centers for Disease Control and Prevention shall jointly conduct an additional study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to sulfate in drinking water, including the health effects that may be experienced by groups within the general population (including infants and travelers) that are potentially at greater risk of adverse health effects as the result of such exposure. The study shall be conducted in consultation with interested States, shall be based on the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices.

"(ii) PROPOSED AND FINAL RULE.—Notwithstanding the deadlines set forth in paragraph (1), the Administrator may, pursuant to the authorities of this subsection and after notice and opportunity for public comment, promulgate a final national primary drinking water regulation for sulfate. Any such regulation shall include requirements for public notification and options for the provision of alternative water supplies to populations at risk as a means of complying with the regulation in lieu of a best available treatment technology or other means.".

SEC. 109. URGENT THREATS TO PUBLIC HEALTH.

Section 1412(b) is amended by inserting the following after paragraph (13):

"(14) URGENT THREATS TO PUBLIC HEALTH.—The Administrator may promulgate an interim national primary drinking water regulation for a contaminant without making a determination for the contaminant under paragraph (4)(C) or completing the analysis under paragraph (12)(C) to address an urgent threat to public health as determined by the Administrator after consultation with and written response to any comments provided by the Secretary of Health and Human Services, acting through the director of the Centers for Disease Control and Prevention or the director of the National Institutes of Health. A determination for any contaminant in accordance with paragraph (4)(C) subject to an interim regulation under this subparagraph shall be issued, and a completed analysis meeting the requirements of paragraph (12)(C) shall be published, not later than 3 years after the date on which the regulation is promulgated and the regulation shall be repromulgated, or revised if appropriate, not later than 5 years after that date.".

SEC. 110. RECYCLING OF FILTER BACKWASH.

Section 1412(b) is amended by adding the following new paragraph after paragraph (14):

"(15) RECYCLING OF FILTER BACKWASH.—The Administrator shall promulgate a regulation to govern the recycling of filter backwash water within the treatment process of a public water system. The Administrator shall promulgate such regulation not later than 4 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 unless such recycling has been addressed by the Administrator's 'enhanced surface water treatment rule' prior to such date.".

SEC. 111. TREATMENT TECHNOLOGIES FOR SMALL SYSTEMS.

(a) LIST OF TECHNOLOGIES FOR SMALL SYSTEMS.—Section 1412(b)(4)(E) (42 U.S.C. 300g-1(b)(4)(E)), is amended by adding at the end the following:

"(ii) The Administrator shall include in the list any technology, treatment technique, or other means that is affordable for small public water systems serving—

"(I) a population of 10,000 or fewer but more than 3,300;

"(II) a population of 3,300 or fewer but more than 500; and

"(III) a population of 500 or fewer but more than 25;

and that achieves compliance with the maximum contaminant level or treatment technique, including packaged or modular systems and point-of-entry or point-of-use treatment units. Point-of-entry and point-of-use treatment units shall be owned, controlled and maintained by the public water system or by a person under contract with the public water system to ensure proper operation and maintenance and compliance with the maximum contaminant level or treatment technique and equipped with mechanical warnings to ensure that customers are automatically notified of operational problems. If the American National Standards Institute has issued product standards applicable to a specific type of point-of-entry or point-of-use treatment unit, individual units of that type shall not be accepted for compliance with a maximum contaminant level or treatment technique requirement unless they are independently certified in accordance with such standards.

"(iii) Except as provided in clause (v), not later than 2 years after the date of the enactment of this clause and after consultation with the States, the Administrator shall issue a list of technologies that achieve compliance with the maximum contaminant level or treatment technique for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii) for each national primary drinking water regulation promulgated prior to the date of the enactment of this paragraph.

"(iv) The Administrator may, at any time after a national primary drinking water regulation has been promulgated, supplement the list of technologies describing additional or new or innovative treatment technologies that meet the requirements of this paragraph for categories of small public water systems described in subclauses (I), (II) and (III) of clause (ii) that are subject to the regulation.

"(v) Within one year after the enactment of this clause, the Administrator shall list technologies that meet the surface water treatment rules for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii).".

(b) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—Section 1445 (42 U.S.C. 300j-4) is amended by adding after subsection (g):

"(h) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—For purposes of sections 1412(b)(4)(E) and 1415(e) (relating to small system assistance program), the Administrator may request information on the characteristics of commercially available treatment systems and technologies, including the effectiveness and performance of the systems and technologies under various operating conditions. The Administrator may specify the form, content, and submission date of information to be submitted by manufacturers, States, and other interested persons for the purpose of considering the systems and technologies in the development of regulations or guidance under sections 1412(b)(4)(E) and 1415(e).".

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

SEC. 121. STATE PRIMACY.

(a) STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 1413 (42 U.S.C. 300g-2) is amended as follows:

(1) In subsection (a), by amending paragraph (1) to read as follows:

"(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations promulgated by the Administrator under subsections (a) and (b) of section 1412 not later than 2 years after the date on which the regulations are promulgated by the Administrator, except that the Administrator may provide for an extension of not more than 2 years if, after submission and review of appropriate, adequate documentation from the State, the Administrator determines that the extension is necessary and justified;".

(2) By adding at the end the following subsection:

"(c) INTERIM PRIMARY ENFORCEMENT AUTHORITY.—A State that has primary enforcement authority under this section with respect to each existing national primary drinking water regulation shall be considered to have primary enforcement authority with respect to each new or revised national primary drinking water regulation during the period beginning on the effective date of a regulation adopted and submitted by the State with respect to the new or revised national primary drinking water regulation in accordance with subsection (b)(1) and ending at such time as the Administrator makes a determination under subsection (b)(2)(B) with respect to the regulation.".

(b) EMERGENCY PLANS.—Section 1413(a)(5) is amended by inserting after "emergency circumstances" the following: "including earthquakes, floods, hurricanes, and other natural disasters, as appropriate".

Subtitle C—Notification and Enforcement

SEC. 131. PUBLIC NOTIFICATION.

Section 1414(c) (42 U.S.C. 300g-3(c)) is amended to read as follows:

"(c) NOTICE TO PERSONS SERVED.—

"(1) IN GENERAL.—Each owner or operator of a public water system shall give notice of each of the following to the persons served by the system:

"(A) Notice of any failure on the part of the public water system to—

"(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

"(ii) perform monitoring required by section 1445(a).

"(B) If the public water system is subject to a variance granted under subsection (a)(1)(A), (a)(2), or (e) of section 1415 for an inability to meet a maximum contaminant level requirement or is subject to an exemption granted under section 1416, notice of—

"(i) the existence of the variance or exemption; and

"(ii) any failure to comply with the requirements of any schedule prescribed pursuant to the variance or exemption.

"(C) Notice of the concentration level of any unregulated contaminant for which the Administrator has required public notice pursuant to paragraph (2)(E).

"(2) FORM, MANNER, AND FREQUENCY OF NOTICE.—

"(A) IN GENERAL.—The Administrator shall, by regulation, and after consultation with the States, prescribe the manner, frequency, form, and content for giving notice under this subsection. The regulations shall—

"(i) provide for different frequencies of notice based on the differences between violations that are intermittent or infrequent and violations that are continuous or frequent; and

"(ii) take into account the seriousness of any potential adverse health effects that may be involved.

"(B) STATE REQUIREMENTS.—

"(i) IN GENERAL.—A State may, by rule, establish alternative notification requirements—

"(I) with respect to the form and content of notice given under and in a manner in accordance with subparagraph (C); and

"(II) with respect to the form and content of notice given under subparagraph (D).

"(ii) CONTENTS.—The alternative requirements shall provide the same type and amount of information as required pursuant to this subsection and regulations issued under subparagraph (A).

"(iii) RELATIONSHIP TO SECTION 1413.—Nothing in this subparagraph shall be construed or applied to modify the requirements of section 1413.

"(C) VIOLATIONS WITH POTENTIAL TO HAVE SERIOUS ADVERSE EFFECTS ON HUMAN HEALTH.—Regulations issued under subparagraph (A) shall specify notification procedures for each violation by a public water system that has the potential to have serious adverse effects on human health as a result of short-term exposure. Each notice of violation provided under this subparagraph shall—

"(i) be distributed as soon as practicable after the occurrence of the violation, but not later than 24 hours after the occurrence of the violation;

"(ii) provide a clear and readily understandable explanation of—

"(I) the violation;

"(II) the potential adverse effects on human health;

"(III) the steps that the public water system is taking to correct the violation; and

"(IV) the necessity of seeking alternative water supplies until the violation is corrected;

"(iii) be provided to the Administrator or the head of the State agency that has primary enforcement responsibility under section 1413 as soon as practicable, but not later than 24 hours after the occurrence of the violation; and

"(iv) as required by the State agency in general regulations of the State agency, or on a case-by-case basis after the consultation referred to in clause (iii), considering the health risks involved—

"(I) be provided to appropriate broadcast media;

"(II) be prominently published in a newspaper of general circulation serving the area not later than 1 day after distribution of a notice pursuant to clause (i) or the date of publication of the next issue of the newspaper; or

"(III) be provided by posting or door-to-door notification in lieu of notification by means of broadcast media or newspaper.

"(D) WRITTEN NOTICE.—

"(i) IN GENERAL.—Regulations issued under subparagraph (A) shall specify notification procedures for violations other than the violations covered by subparagraph (C). The procedures shall specify that a public water system shall provide written notice to each person served by the system by notice (I) in the first bill (if any) prepared after the date of occurrence of the violation, (II) in an annual report issued not later than 1 year after the date of occurrence of the violation, or (III) by mail or direct delivery as soon as practicable, but not later than 1 year after the date of occurrence of the violation.

"(ii) FORM AND MANNER OF NOTICE.—The Administrator shall prescribe the form and manner of the notice to provide a clear and readily understandable explanation of the violation, any potential adverse health effects, and the steps that the system is taking to seek alternative water supplies, if any, until the violation is corrected.

"(E) UNREGULATED CONTAMINANTS.—The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the concentration levels of an unregulated contaminant required to be monitored under section 1445(a).

"(3) REPORTS.—

"(A) ANNUAL REPORT BY STATE.—

"(i) IN GENERAL.—Not later than January 1, 1998, and annually thereafter, each State that has primary enforcement responsibility under section 1413 shall prepare, make readily available to the public, and submit to the Administrator an annual report on violations of national primary drinking water regulations by public water systems in the State, including violations with respect to (I) maximum contaminant levels, (II) treatment requirements, (III) variances and exemptions, and (IV) monitoring requirements determined to be significant by the Administrator after consultation with the States.

"(ii) DISTRIBUTION.—The State shall publish and distribute summaries of the report and indicate where the full report is available for review.

"(B) ANNUAL REPORT BY ADMINISTRATOR.—Not later than July 1, 1998, and annually thereafter, the Administrator shall prepare and make available to the public an annual report summarizing and evaluating reports submitted by States pursuant to subparagraph (A) and notices submitted by public water systems serving Indian Tribes provided to the Administrator pursuant to subparagraph (C) or (D) of paragraph (2) and making recommendations concerning the resources needed to improve compliance with this title. The report shall include information about public water system compliance on Indian reservations and about enforcement activities undertaken and financial assistance provided by the Administrator on Indian reservations, and shall make specific recommendations concerning the resources needed to improve compliance with this title on Indian reservations.

"(4) CONSUMER CONFIDENCE REPORTS BY COMMUNITY WATER SYSTEMS.—

"(A) ANNUAL REPORTS TO CONSUMERS.—The Administrator, in consultation with public water systems, environmental groups, public interest groups, risk communication experts, and the States, and other interested parties, shall issue regulations within 24 months after the date of the enactment of this paragraph to require each community water system to mail to each customer of the system at least once annually a report on the level of contaminants in the drinking water purveyed by that system (hereinafter in this paragraph referred to as a 'consumer confidence report'). Such regulations shall provide a brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level' and brief statements in plain language regarding the health concerns that resulted in regulation of each regulated contaminant. The regulations shall also provide for an Environmental Protection Agency toll-free hot-line that consumers can call for more information and explanation.

"(B) CONTENTS OF REPORT.—The consumer confidence reports under this paragraph shall include, but not be limited to, each of the following:

"(i) Information on the source of the water purveyed.

"(ii) A brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level', as provided in the regulations of the Administrator.

"(iii) If any regulated contaminant is detected in the water purveyed by the public water system, a statement setting forth (I) the maximum contaminant level goal, (II) the maximum contaminant level, (III) the level of such contaminant in such water system, and (IV) for any regulated contaminant for which there has been a violation of the maximum contaminant level during the year concerned, the brief statement in plain language regarding the health concerns that resulted in regulation of such contaminant, as provided by the Administrator in regulations under subparagraph (A).

"(iv) Information on compliance with national primary drinking water regulations.

"(v) Information on the levels of unregulated contaminants for which monitoring is required under section 1445(a)(2) (including levels of cryptosporidium and radon where States determine they may be found).

"(vi) A statement that more information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency hot line.

A public water system may include such additional information as it deems appropriate for public education. The Administrator may, for not more than 3 regulated contaminants other than those referred to in subclause (IV) of clause (iii), require a consumer confidence report under this paragraph to include the brief statement in plain language regarding the health concerns that resulted in regulation of the contaminant or contaminants concerned, as provided by the Administrator in regulations under subparagraph (A).

"(C) COVERAGE.—The Governor of a State may determine not to apply the mailing requirement of subparagraph (A) to a community water system serving fewer than 10,000 persons. Any such system shall—

"(i) inform its customers that the system will not be complying with subparagraph (A),

"(ii) make information available upon request to the public regarding the quality of the water supplied by such system, and

"(iii) publish the report referred to in subparagraph (A) annually in one or more local newspapers serving the area in which customers of the system are located.

"(D) ALTERNATIVE FORM AND CONTENT.—A State exercising primary enforcement responsibility may establish, by rule, after notice and public comment, alternative requirements with respect to the form and content of consumer confidence reports under this paragraph.".

SEC. 132. ENFORCEMENT.

(a) IN GENERAL.—Section 1414 (42 U.S.C. 300g-3) is amended as follows:

(1) In subsection (a):

(A) In paragraph (1)(A)(i), by striking "any national primary drinking water regulation in effect under section 1412" and inserting "any applicable requirement", and by striking "with such regulation or requirement" in the matter following clause (ii) and inserting "with the requirement".

(B) In paragraph (1)(B), by striking "regulation or" and inserting "applicable".

(C) By amending paragraph (2) to read as follows:

"(2) ENFORCEMENT IN NONPRIMACY STATES.—

"(A) IN GENERAL.—If, on the basis of information available to the Administrator, the Administrator finds, with respect to a period in which a State does not have primary enforcement responsibility for public water systems, that a public water system in the State—

"(i) for which a variance under section 1415 or an exemption under section 1416 is not in effect, does not comply with any applicable requirement; or

"(ii) for which a variance under section 1415 or an exemption under section 1416 is in effect, does not comply with any schedule or other requirement imposed pursuant to the variance or exemption;

the Administrator shall issue an order under subsection (g) requiring the public water system to comply with the requirement, or commence a civil action under subsection (b).

"(B) NOTICE.—If the Administrator takes any action pursuant to this paragraph, the Administrator shall notify an appropriate local elected official, if any, with jurisdiction over the public water system of the action prior to the time that the action is taken.".

(2) In subsection (b), in the first sentence, by striking "a national primary drinking water regulation" and inserting "any applicable requirement".

(3) In subsection (g):

(A) In paragraph (1), by striking "regulation, schedule, or other" each place it appears and inserting "applicable".

(B) In paragraph (2), by striking "effect until after notice and opportunity for public hearing and," and inserting "effect,", and by striking "proposed order" and inserting "order", in the first sentence and in the second sentence, by striking "proposed to be".

(C) In paragraph (3), by striking subparagraph (B) and inserting the following:

"(B) In a case in which a civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a public hearing (unless the person against whom the penalty is assessed requests a hearing on the record in accordance with section 554 of title 5, United States Code). In a case in which a civil penalty sought by the Administrator under this paragraph exceeds $5,000, but does not exceed $25,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.".

(D) In paragraph (3)(C), by striking "paragraph exceeds $5,000" and inserting "subsection for a violation of an applicable requirement exceeds $25,000".

(4) By adding at the end the following subsections:

"(h) RELIEF.—

"(1) IN GENERAL.—An owner or operator of a public water system may submit to the State in which the system is located (if the State has primary enforcement responsibility under section 1413) or to the Administrator (if the State does not have primary enforcement responsibility) a plan (including specific measures and schedules) for—

"(A) the physical consolidation of the system with 1 or more other systems;

"(B) the consolidation of significant management and administrative functions of the system with 1 or more other systems; or

"(C) the transfer of ownership of the system that may reasonably be expected to improve drinking water quality.

"(2) CONSEQUENCES OF APPROVAL.—If the State or the Administrator approves a plan pursuant to paragraph (1), no enforcement action shall be taken pursuant to this part with respect to a specific violation identified in the approved plan prior to the date that is the earlier of the date on which consolidation is completed according to the plan or the date that is 2 years after the plan is approved.

"(i) DEFINITION OF APPLICABLE REQUIREMENT.—In this section, the term 'applicable requirement' means—

"(1) a requirement of section 1412, 1414, 1415, 1416, 1417, 1441, or 1445;

"(2) a regulation promulgated pursuant to a section referred to in paragraph (1);

"(3) a schedule or requirement imposed pursuant to a section referred to in paragraph (1); and

"(4) a requirement of, or permit issued under, an applicable State program for which the Administrator has made a determination that the requirements of section 1413 have been satisfied, or an applicable State program approved pursuant to this part.".

(b) STATE AUTHORITY FOR ADMINISTRATIVE PENALTIES.—Section 1413(a) (42 U.S.C. 300g-2(a)) is amended as follows:

(1) In paragraph (4), by striking "and" at the end thereof.

(2) In paragraph (5), by striking the period at the end and inserting "; and".

(3) By adding at the end the following:

"(6) has adopted authority for administrative penalties (unless the constitution of the State prohibits the adoption of the authority) in a maximum amount—

"(A) in the case of a system serving a population of more than 10,000, that is not less than $1,000 per day per violation; and

"(B) in the case of any other system, that is adequate to ensure compliance (as determined by the State);

except that a State may establish a maximum limitation on the total amount of administrative penalties that may be imposed on a public water system per violation.".

SEC. 133. JUDICIAL REVIEW

Section 1448(a) (42 U.S.C. 300j–7(a)) is amended as follows:

(1) In paragraph (2), in the first sentence, by inserting "final" after "any other".

(2) In the matter after and below paragraph (2):

(A) By striking "or issuance of the order" and inserting "or any other final Agency action".

(B) By adding at the end the following: "In any petition concerning the assessment of a civil penalty pursuant to section 1414(g)(3)(B), the petitioner shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General. The court shall set aside and remand the penalty order if the court finds that there is not substantial evidence in the record to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.".

Subtitle D—Exemptions and Variances

SEC. 141. EXEMPTIONS.

(a) SYSTEMS SERVING FEWER THAN 3,300 PERSONS.—Section 1416 is amended by adding the following at the end thereof:

"(h) SMALL SYSTEMS.—(1) For public water systems serving fewer than 3,300 persons, the maximum exemption period shall be 4 years if the State is exercising primary enforcement responsibility for public water systems and determines that—

"(A) the public water system cannot meet the maximum contaminant level or install Best Available Affordable Technology ('BAAT') due in either case to compelling economic circumstances (taking into consideration the availability of financial assistance under section 1452, relating to State Revolving Funds) or other compelling circumstances;

"(B) the public water system could not comply with the maximum contaminant level through the use of alternate water supplies;

"(C) the granting of the exemption will provide a drinking water supply that protects public health given the duration of exemption; and

"(D) the State has met the requirements of paragraph (2).

"(2)(A) Before issuing an exemption under this section or an extension thereof for a small public water system described in paragraph (1), the State shall—

"(i) examine the public water system's technical, financial, and managerial capability (taking into consideration any available financial assistance) to operate in and maintain compliance with this title, and

"(ii) determine if management or restructuring changes (or both) can reasonably be made that will result in compliance with this title or, if compliance cannot be achieved, improve the quality of the drinking water.

"(B) Management changes referred to in subparagraph (A) may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve capacity.

"(C) Restructuring changes referred to in subparagraph (A) may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.

"(D) If the State determines that management or restructuring changes referred to in subparagraph (A) can reasonably be made, it shall require such changes and a schedule therefore as a condition of the exemption. If the State determines to the contrary, the State may still grant the exemption. The decision of the State under this subparagraph shall not be subject to review by the Administrator, except as provided in subsection (d).

"(3) Paragraphs (1) and (3) of subsection (a) shall not apply to an exemption issued under this subsection. Subparagraph (B) of subsection (b)(2) shall not apply to an exemption issued under this subsection, but any exemption granted to such a system may be renewed for additional 4-year periods upon application of the public water system and after a determination that the criteria of paragraphs (1) and (2) of this subsection continue to be met.

"(4) No exemption may be issued under this section for microbiological contaminants.".

(b) LIMITED ADDITIONAL COMPLIANCE PERIOD.—At the end of section 1416(h) insert:

"(5)(A) Notwithstanding this subsection, the State of New York, on a case-by-case basis and after notice and an opportunity of at least 60 days for public comment, may allow an additional period for compliance with the Surface Water Treatment Rule established pursuant to section 1412(b)(7)(C) in the case of unfiltered systems in Essex, Columbia, Greene, Dutchess, Rennsselaer, Schoharie, Saratoga, Washington, and Warren Counties serving a population of less than 5,000, which meet appropriate disinfection requirements and have adequate watershed protections, so long as the State determines that the public health will be protected during the duration of the additional compliance period and the system agrees to implement appropriate control measures as determined by the State.

"(B) The additional compliance period referred to in subparagraph (A) shall expire on the earlier of the date 3 years after the date on which the Administrator identifies appropriate control technology for the Surface Water Treatment Rule for public water systems in the category that includes such system pursuant to section 1412(b)(4)(E) or 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1416(b)(1) is amended by striking "prescribed by a State pursuant to this subsection" and inserting "prescribed by a State pursuant to this subsection or subsection (h)".

(2) Section 1416(c) is amended by striking "under subsection (a)" and inserting "under this section" and by inserting after "(a)(3)" in the second sentence "or the determination under subsection (h)(1)(C)".

(3) Section 1416(d)(1) is amended by striking "3-year" and inserting "4-year" and by amending the first sentence to read as follows: "Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a comprehensive review of the exemptions granted (and schedules prescribed pursuant thereto) by the States during the 4-year period beginning on such date.".

(4) Section 1416(b)(2)(C) is repealed.

(d) SYSTEMS SERVING MORE THAN 3,300 PERSONS.—Section 1416(b)(2)(A)(ii) is amended by striking "12 months" and inserting "4 years" and section 1416(b)(2)(B) is amended by striking "3 years after the date of the issuance of the exemption" and inserting "4 years after the expiration of the initial exemption".

SEC. 142. VARIANCES.

(a) BAAT VARIANCE.—Section 1415 (42 U.S.C. 300g–4) is amended by adding the following at the end thereof:

"(e) SMALL SYSTEM ASSISTANCE PROGRAM.—

"(1) BAAT VARIANCES.—In the case of public water systems serving 3,300 persons or fewer, a variance under this section shall be granted by a State which has primary enforcement responsibility for public water systems allowing the use of Best Available Affordable Technology in lieu of best technology or other means where—

"(A) no best technology or other means is listed under section 1412(b)(4)(E) for the applicable category of public water systems;

"(B) the Administrator has identified BAAT for that contaminant pursuant to paragraph (3); and

"(C) the State finds that the conditions in paragraph (4) are met.

"(2) DEFINITION OF BAAT.—The term 'Best Available Affordable Technology' or 'BAAT' means the most effective technology or other means for the control of a drinking water contaminant or contaminants that is available and affordable to systems serving fewer than 3,300 persons.

"(3) IDENTIFICATION OF BAAT.—(A) As part of each national primary drinking water regulation proposed and promulgated after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT in any case where no 'best technology or other means' is listed for a category of public water systems listed under section 1412(b)(4)(E). No such identified BAAT shall require a technology from a specific manufacturer or brand. BAAT need not be adequate to achieve the applicable maximum contaminant level or treatment technique, but shall bring the public water system as close to achievement of such maximum contaminant level as practical or as close to the level of health protection provided by such treatment technique as practical, as the case may be. Any technology or other means identified as BAAT must be determined by the Administrator to be protective of public health. Simultaneously with identification of BAAT, the Administrator shall list any assumptions underlying the public health determination referred to in the preceding sentence, where such assumptions concern the public water system to which the technology may be applied, or its source waters. The Administrator shall provide the assumptions used in determining affordability, taking into consideration the number of persons served by such systems. Such listing shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of such listing, including the applicability of BAAT to surface and underground waters or both.

"(B) To the greatest extent possible, within 36 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT for all national primary drinking water regulations promulgated prior to such date of enactment where no best technology or other means is listed for a category of public water systems under section 1412(b)(4)(E), and where compliance by such small systems is not practical. In identifying BAAT for such national primary drinking water regulations, the Administrator shall give priority to evaluation of atrazine, asbestos, selenium, pentachlorophenol, antimony, and nickel.

"(4) CONDITIONS FOR BAAT VARIANCE.—To grant a variance under this subsection, the State must determine that—

"(A) the public water system cannot install 'best technology or other means' because of the system's small size;

"(B) the public water system could not comply with the maximum contaminant level through use of alternate water supplies or through management changes or restructuring;

"(C) the public water system has the capacity to operate and maintain BAAT; and

"(D) the circumstances of the public water system are consistent with the public health assumptions identified by the Administrator under paragraph (3).

"(5) SCHEDULES.—Any variance granted by a State under this subsection shall establish a schedule for the installation and operation of BAAT within a period not to exceed 2 years after the issuance of the variance, except that the State may grant an extension of 1 additional year upon application by the system. The application shall include a showing of financial or technical need. Variances under this subsection shall be for a term not to exceed 5 years (including the period allowed for installation and operation of BAAT), but may be renewed for such additional 5-year periods by the State upon a finding that the criteria in paragraph (1) continue to be met.

"(6) REVIEW.—Any review by the Administrator under paragraphs (4) and (5) shall be pursuant to subsection (a)(1)(G)(i).

"(7) INELIGIBILITY FOR VARIANCES.—A variance shall not be available under this subsection for—

"(A) any maximum contaminant level or treatment technique for a contaminant with respect to which a national primary drinking water regulation was promulgated prior to January 1, 1986; or

"(B) a national primary drinking water regulation for a microbial contaminant (including a bacterium, virus, or other organism) or an indicator or treatment technique for a microbial contaminant.".

(b) TECHNICAL AND CONFORMING CHANGES.—Section 1415 (42 U.S.C. 300g–4) is amended as follows:

(1) By striking "best technology, treatment techniques, or other means" and "best available technology, treatment techniques or other means" each place such terms appear and inserting in lieu thereof "best technology or other means".

(2) By striking the third sentence and by striking "Before a schedule prescribed by a State pursuant to this subparagraph may take effect" and all that follows down to the beginning of the last sentence in subsection (a)(1)(A).

(3) By amending the first sentence of subsection (a)(1)(C) to read as follows: "Before a variance is issued and a schedule is prescribed pursuant to this subsection or subsection (e) by a State, the State shall provide notice and an opportunity for a public hearing on the proposed variance and schedule.".

(4) By inserting "under this section" before the period at the end of the third sentence of subsection (a)(1)(C).

(5) By striking "under subparagraph (A)" and inserting "under this section" in subsection (a)(1)(D).

(6) By striking "that subparagraph" in each place it appears and insert in each such place "this section" in subsection (a)(1)(D).

(7) By striking the last sentence of subsection (a)(1)(D).

(8) By striking "3-year" and inserting "5-year" in subsection (a)(1)(F) and by amending the first sentence of such subsection (a)(1)(F) to read as follows: "Not later than 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a review of the variances granted under this section (and the schedules prescribed in connection with such variances).".

(9) By striking "subparagraph (A) or (B)" and inserting "this section" in subsection (a)(1)(G)(i).

(10) By striking "paragraph (1)(B) or (2) of subsection (a)" and inserting "this section" in subsection (b).

(11) By striking "subsection (a)" and inserting "this section" in subsection (c).

(12) By repealing subsection (d).

Subtitle E—Lead Plumbing and Pipes

SEC. 151. LEAD PLUMBING AND PIPES.

Section 1417 (42 U.S.C. 300g–6) is amended as follows:

(1) In subsection (a)—

(A) by striking paragraph (1) and inserting the following:

"(1) PROHIBITIONS.—

"(A) IN GENERAL.—No person may use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, after June 19, 1986, in the installation or repair of—

"(i) any public water system; or

"(ii) any plumbing in a residential or nonresidential facility providing water for human consumption,

that is not lead free (within the meaning of subsection (d)).

"(B) LEADED JOINTS.—Subparagraph (A) shall not apply to leaded joints necessary for the repair of cast iron pipes.".

(2) In subsection (a)(2)(A), by inserting "owner or operator of a" after "Each".

(3) By adding at the end of subsection (a) the following:

"(3) UNLAWFUL ACTS.—Effective 2 years after the date of enactment of this paragraph, it shall be unlawful—

"(A) for any person to introduce into commerce any pipe, or any pipe or plumbing fitting or fixture, that is not lead free, except for a pipe that is used in manufacturing or industrial processing;

"(B) for any person engaged in the business of selling plumbing supplies, except manufacturers, to sell solder or flux that is not lead free; or

"(C) for any person to introduce into commerce any solder or flux that is not lead free unless the solder or flux bears a prominent label stating that it is illegal to use the solder or flux in the installation or repair of any plumbing providing water for human consumption.".

(4) In subsection (d)—

(A) by striking "lead, and" in paragraph (1) and inserting "lead;";

(B) by striking "lead." in paragraph (2) and inserting "lead; and"; and

(C) by adding at the end the following:

"(3) when used with respect to plumbing fittings and fixtures, refers to plumbing fittings and fixtures in compliance with standards established in accordance with subsection (e).".

(5) By adding at the end the following:

"(e) PLUMBING FITTINGS AND FIXTURES.—

"(1) IN GENERAL.—The Administrator shall provide accurate and timely technical information and assistance to qualified third-party certifiers in the development of voluntary standards and testing protocols for the leaching of lead from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion.

"(2) STANDARDS.—

"(A) IN GENERAL.—If a voluntary standard for the leaching of lead is not established by the date that is 1 year after the date of enactment of this subsection, the Administrator shall, not later than 2 years after the date of enactment of this subsection, promulgate regulations setting a health-effects-based performance standard establishing maximum leaching levels from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion. The standard shall become effective on the date that is 5 years after the date of promulgation of the standard.

"(B) ALTERNATIVE REQUIREMENT.—If regulations are required to be promulgated under subparagraph (A) and have not been promulgated by the date that is 5 years after the date of enactment of this subsection, no person may import, manufacture, process, or distribute in commerce a new plumbing fitting or fixture, intended by the manufacturer to dispense water for human ingestion, that contains more than 4 percent lead by dry weight.".

Subtitle F—Capacity Development

SEC. 161. CAPACITY DEVELOPMENT.

Part B (42 U.S.C. 300g et seq.) is amended by adding at the end the following:

"SEC. 1419. CAPACITY DEVELOPMENT.

"(a) STATE AUTHORITY FOR NEW SYSTEMS.—Each State shall obtain the legal authority or other means to ensure that all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each national primary drinking water regulation in effect, or likely to be in effect, on the date of commencement of operations.

"(b) SYSTEMS IN SIGNIFICANT NONCOMPLIANCE.—

"(1) LIST.—Beginning not later than 1 year after the date of enactment of this section, each State shall prepare, periodically update, and submit to the Administrator a list of community water systems and nontransient, noncommunity water systems that have a history of significant noncompliance with this title (as defined in guidelines issued prior to the date of enactment of this section or any revisions of the guidelines that have been made in consultation with the States) and, to the extent practicable, the reasons for noncompliance.

"(2) REPORT.—Not later than 5 years after the date of enactment of this section and as part of the capacity development strategy of the State, each State shall report to the Administrator on the success of enforcement mechanisms and initial capacity development efforts in assisting the public water systems listed under paragraph (1) to improve technical, managerial, and financial capacity.

"(c) CAPACITY DEVELOPMENT STRATEGY.—

"(1) IN GENERAL.—Not later than 4 years after the date of enactment of this section, each State shall develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.

"(2) CONTENT.—In preparing the capacity development strategy, the State shall consider, solicit public comment on, and include as appropriate—

"(A) the methods or criteria that the State will use to identify and prioritize the public water systems most in need of improving technical, managerial, and financial capacity;

"(B) a description of the institutional, regulatory, financial, tax, or legal factors at the Federal, State, or local level that encourage or impair capacity development;

"(C) a description of how the State will use the authorities and resources of this title or other means to—

"(i) assist public water systems in complying with national primary drinking water regulations;

"(ii) encourage the development of partnerships between public water systems to enhance the technical, managerial, and financial capacity of the systems; and

"(iii) assist public water systems in the training and certification of operators;

"(D) a description of how the State will establish a baseline and measure improvements in capacity with respect to national primary drinking water regulations and State drinking water law; and

"(E) an identification of the persons that have an interest in and are involved in the development and implementation of the capacity development strategy (including all appropriate agencies of Federal, State, and local governments, private and nonprofit public water systems, and public water system customers).

"(3) REPORT.—Not later than 2 years after the date on which a State first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the State agency that has primary responsibility to carry out this title in the State shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State.

"(4) REVIEW.—The decisions of the State under this section regarding any particular public water system are not subject to review by the Administrator and may not serve as the basis for withholding funds under section 1452(a)(1)(H)(i).

"(d) FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Administrator shall support the States in developing capacity development strategies.

"(2) INFORMATIONAL ASSISTANCE.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator shall—

"(i) conduct a review of State capacity development efforts in existence on the date of enactment of this section and publish information to assist States and public water systems in capacity development efforts; and

"(ii) initiate a partnership with States, public water systems, and the public to develop information for States on recommended operator certification requirements.

"(B) PUBLICATION OF INFORMATION.—The Administrator shall publish the information developed through the partnership under subparagraph (A)(ii) not later than 18 months after the date of enactment of this section.

"(3) PROMULGATION OF DRINKING WATER REGULATIONS.—In promulgating a national primary drinking water regulation, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, financial, and managerial capacity of public water systems.

"(4) GUIDANCE FOR NEW SYSTEMS.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish guidance developed in consultation with the States describing legal authorities and other means to ensure that all new community water systems and new nontransient, noncommunity water systems demonstrate technical, managerial, and financial capacity with respect to national primary drinking water regulations.".

TITLE II—AMENDMENTS TO PART C

SEC. 201. SOURCE WATER QUALITY ASSESSMENT.

(a) GUIDELINES AND PROGRAMS.—Section 1428 is amended by adding "**and source water**" after "**WELLHEAD**" in the section heading and by adding at the end thereof the following:

"(l) SOURCE WATER ASSESSMENT.—

"(1) GUIDANCE.—Within 12 months after enactment of the Safe Drinking Water Act Amendments of 1996, after notice and comment, the Administrator shall publish guidance for States exercising primary enforcement responsibility for public water systems to carry out directly or through delegation (for the protection and benefit of public water systems and for the support of monitoring flexibility) a source water assessment program within the State's boundaries.

"(2) PROGRAM REQUIREMENTS.—A source water assessment program under this subsection shall—

"(A) delineate the boundaries of the assessment areas in such State from which one or more public water systems in the State receive supplies of drinking water, using all reasonably available hydrogeologic information on the sources of the supply of drinking water in the State and the water flow, recharge, and discharge and any other reliable information as the State deems necessary to adequately determine such areas; and

"(B) identify for contaminants regulated under this title for which monitoring is required under this title (or any unregulated contaminants selected by the State in its discretion which the State, for the purposes of this subsection, has determined may present a threat to public health), to the extent practical, the origins within each delineated area of such contaminants to determine the susceptibility of the public water systems in the delineated area to such contaminants.

"(3) APPROVAL, IMPLEMENTATION, AND MONITORING RELIEF.—A State source water assessment program under this subsection shall be submitted to the Administrator within 18 months after the Administrator's guidance is issued under this subsection and shall be deemed approved 9 months after the date of such submittal unless the Administrator disapproves the program as provided in subsection (c). States shall begin implementation of the program immediately after its approval. The Administrator's approval of a State program under this subsection shall include a timetable, established in consultation with the State, allowing not more than 2 years for completion after approval of the program. Public water systems seeking monitoring relief in addition to the interim relief provided under section 1418(a) shall be eligible for monitoring relief, consistent with section 1418(b), upon completion of the assessment in the delineated source water assessment area or areas concerned.

"(4) TIMETABLE.—The timetable referred to in paragraph (3) shall take into consideration the availability to the State of funds under section 1452 (relating to State Revolving Funds) for assessments and other relevant factors. The Administrator may extend any timetable included in a State program approved under paragraph (3) to extend the period for completion by an additional 18 months. Compliance with subsection (g) shall not affect any State permanent monitoring flexibility program approved under section 1418(b).

"(5) DEMONSTRATION PROJECT.—The Administrator shall, as soon as practicable, conduct a demonstration project, in consultation with other Federal agencies, to demonstrate the most effective and protective means of assessing and protecting source waters serving large metropolitan areas and located on Federal lands.

"(6) USE OF OTHER PROGRAMS.—To avoid duplication and to encourage efficiency, the program under this section shall, to the extent practicable, be coordinated with other existing programs and mechanisms, and may make use of any of the following:

"(A) Vulnerability assessments, sanitary surveys, and monitoring programs.

"(B) Delineations or assessments of ground water sources under a State wellhead protection program developed pursuant to this section.

"(C) Delineations or assessments of surface or ground water sources under a State pesticide management plan developed pursuant to the Pesticide and Ground Water State Management Plan Regulation (subparts I and J of part 152 of title 40, Code of Federal Regulations), promulgated under section 3(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)).

"(D) Delineations or assessments of surface water sources under a State watershed initiative or to satisfy the watershed criterion for determining if filtration is required under the Surface Water Treatment Rule (section 141.70 of title 40, Code of Federal Regulations).

"(7) PUBLIC AVAILABILITY.—The State shall make the results of the source water assessments conducted under this subsection available to the public.".

(b) APPROVAL AND DISAPPROVAL OF STATE PROGRAMS.—Section 1428 is amended as follows:

(1) Amend the first sentence of subsection (c)(1) to read as follows: "If, in the judgment of the Administrator, a State program or portion thereof under subsection (a) is not adequate to protect public water systems as required by subsection (a) or a State program under subsection (l) or section 1418(b) does not meet the applicable requirements of subsection (l) or section 1418(b), the Administrator shall disapprove such program or portion thereof.".

(2) Add after the second sentence of subsection (c)(1) the following: "A State program developed pursuant to subsection (l) or section 1418(b) shall be deemed to meet the applicable requirements of subsection (l) or section 1418(b) unless the Administrator determines within 9 months of the receipt of the program that such program (or portion thereof) does not meet such requirements.".

(3) In the third sentence of subsection (c)(1) and in subsection (c)(2) strike "is inadequate" and insert "is disapproved".

(4) In subsection (b), add the following before the period at the end of the first sentence: "and source water assessment programs under subsection (l)".

(5) In subsection (g)—

(A) insert after "under this section" the following: "and the State source water assessment programs under subsection (l) for which the State uses grants under section 1452 (relating to State Revolving Funds)"; and

(B) strike "Such" in the last sentence and inserting "In the case of wellhead protection programs, such".

SEC. 202. FEDERAL FACILITIES.

(a) IN GENERAL.—Part C (42 U.S.C. 300h et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1429. FEDERAL FACILITIES.

"(a) IN GENERAL.—Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government—

"(1) owning or operating any facility in a wellhead protection area,

"(2) engaged in any activity at such facility resulting, or which may result, in the contamination of water supplies in any such area, or

"(3) owning or operating any public water system,

shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting the protection of such wellhead areas and respecting such public water systems in the same manner and to the same extent as any person is subject to such requirements, including the payment of reasonable service charges. The Federal, State, interstate, and local substantive and procedural requirements referred to in this subsection include, but are not limited to, all administrative orders and all civil and administrative penalties and fines, regardless of whether such penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations. The United States hereby expressly waives any immunity otherwise applicable to the United States with respect to any such substantive or procedural requirement (including, but not limited to, any injunctive relief, administrative order or civil or administrative penalty or fine referred to in the preceding sentence, or reasonable service charge). The reasonable service charges referred to in this subsection include, but are not limited to, fees or charges assessed in connection with the processing and issuance of permits, renewal of permits, amendments to permits, review of plans, studies, and other documents, and inspection and monitoring of facilities, as well as any other nondiscriminatory charges that are assessed in connection with a Federal, State, interstate, or local regulatory program respecting the protection of wellhead areas or public water systems. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. No agent, employee, or officer of the United States shall be personally liable for any civil penalty under any Federal, State, interstate, or local law concerning the protection of wellhead areas or public water systems with respect to any act or omission within the scope of the official duties of the agent, employee, or officer. An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State requirement adopted pursuant to this title, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction. The President may exempt any facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

"(b) ADMINISTRATIVE PENALTY ORDERS.—

"(1) IN GENERAL.—If the Administrator finds that a Federal agency has violated an applicable requirement under this title, the Administrator may issue a penalty order assessing a penalty against the Federal agency.

"(2) PENALTIES.—The Administrator may, after notice to the agency, assess a civil penalty against the agency in an amount not to exceed $25,000 per day per violation.

"(3) PROCEDURE.—Before an administrative penalty order issued under this subsection becomes final, the Administrator shall provide the agency an opportunity to confer with the Administrator and shall provide the agency notice and an opportunity for a hearing on the record in accordance with chapters 5 and 7 of title 5, United States Code.

"(4) PUBLIC REVIEW.—

"(A) IN GENERAL.—Any interested person may obtain review of an administrative penalty order issued under this subsection. The review may be obtained in the United States

District Court for the District of Columbia or in the United States District Court for the district in which the violation is alleged to have occurred by the filing of a complaint with the court within the 30-day period beginning on the date the penalty order becomes final. The person filing the complaint shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General.

"(B) Record.—The Administrator shall promptly file in the court a certified copy of the record on which the order was issued.

"(C) Standard of review.—The court shall not set aside or remand the order unless the court finds that there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.

"(D) Prohibition on additional penalties.—The court may not impose an additional civil penalty for a violation that is subject to the order unless the court finds that the assessment constitutes an abuse of discretion by the Administrator.

"(c) Limitation on State Use of Funds Collected From Federal Government.—Unless a State law in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 or a State constitution requires the funds to be used in a different manner, all funds collected by a State from the Federal Government from penalties and fines imposed for violation of any substantive or procedural requirement referred to in subsection (a) shall be used by the State only for projects designed to improve or protect the environment or to defray the costs of environmental protection or enforcement.".

(b) Citizen Enforcement.—(1) The first sentence of section 1449(a) (42 U.S.C. 300j-8(a)) is amended—

(A) in paragraph (1), by striking ", or" and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(3) for the collection of a penalty by the United States Government (and associated costs and interest) against any Federal agency that fails, by the date that is 18 months after the effective date of a final order to pay a penalty assessed by the Administrator under section 1429(b), to pay the penalty.".

(2) Subsection (b) of section 1449 (42 U.S.C. 300j-8(b)) is amended, by striking the period at the end of paragraph (2) and inserting "; or" and by adding the following new paragraph after paragraph (2):

"(3) under subsection (a)(3) prior to 60 days after the plaintiff has given notice of such action to the Attorney General and to the Federal agency.".

(c) Conforming Amendments.—Section 1447 (42 U.S.C. 300j-6) is amended as follows:

(1) In subsection (a):

(A) In the first sentence, by striking "(1) having jurisdiction over any federally owned or maintained public water system or (2)".

(B) In the first sentence, by striking out "respecting the provision of safe drinking water and".

(C) In the second sentence, by striking "(A)", "(B)", and "(C)" and inserting "(1)", "(2)", and "(3)", respectively.

(2) In subsection (c), by striking "the Safe Drinking Water Amendments of 1977" and inserting "this title" and by striking "this Act" and inserting "this title".

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

SEC. 301. OPERATOR CERTIFICATION.

Section 1442 is amended by adding the following after subsection (e):

"(f) Minimum Standards.—(1) Not later than 30 months after the date of enactment of the Safe Drinking Water Act Amendments of 1996 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of the operators of community and nontransient noncommunity public water systems. Such regulations shall take into account existing State programs, the complexity of the system and other factors aimed at providing an effective program at reasonable cost to States and public water systems, taking into account the size of the system.

"(2) Any State exercising primary enforcement responsibility for public water systems shall adopt and implement, within 2 years after the promulgation of regulations pursuant to paragraph (1), requirements for the certification of operators of community and nontransient noncommunity public water systems.

"(3) For any State exercising primary enforcement responsibility for public water systems which has an operator certification program in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the regulations under paragraph (1) shall allow the State to enforce such program in lieu of the regulations under paragraph (1) if the State submits the program to the Administrator within 18 months after the promulgation of such regulations unless the Administrator determines (within 9 months after the State submits the program to the Administrator) that such program is not substantially equivalent to such regulations. In making this determination, such existing State programs shall be presumed to be substantially equivalent to the regulations, notwithstanding program differences, based on the size of systems or the quality of source water, providing State programs meet overall public health objectives of the regulations. If disapproved the program may be resubmitted within 6 months after receipt of notice of disapproval.".

SEC. 302. TECHNICAL ASSISTANCE.

Section 1442(e) (42 U.S.C. 300j-1(e)), relating to technical assistance for small systems, is amended to read as follows:

"(e) Technical Assistance.—The Administrator may provide technical assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable national primary drinking water regulations. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. There is authorized to be appropriated to the Administrator to be used for such technical assistance $15,000,000 for fiscal years 1997 through 2003. No portion of any State revolving fund established under section 1452 (relating to State revolving funds) and no portion of any funds made available under this subsection may be used either directly or indirectly for lobbying expenses. Of the total amount appropriated under this subsection, 3 percent shall be used for technical assistance to public water systems owned or operated by Indian tribes.".

SEC. 303. PUBLIC WATER SYSTEM SUPERVISION PROGRAM.

Section 1443(a) (42 U.S.C. 300j-2(a)) is amended as follows:

(1) Paragraph (7) is amended to read as follows:

"(7) Authorization.—For the purpose of making grants under paragraph (1), there are authorized to be appropriated $100,000,000 for each of fiscal years 1997 through 2003.".

(2) By adding at the end the following:

"(8) Reservation of funds by the Administrator.—If the Administrator assumes the primary enforcement responsibility of a State public water system supervision program, the Administrator may reserve from funds made available pursuant to this subsection, an amount equal to the amount that would otherwise have been provided to the State pursuant to this subsection. The Administrator shall use the funds reserved pursuant to this paragraph to ensure the full and effective administration of a public water system supervision program in the State.

"(9) State loan funds.—For any fiscal year for which the amount made available to the Administrator by appropriations to carry out this subsection is less than the amount that the Administrator determines is necessary to supplement funds made available pursuant to paragraph (8) to ensure the full and effective administration of a public water system supervision program in a State, the Administrator may reserve from the funds made available to the State under section 1452 (relating to State revolving funds) an amount that is equal to the amount of the shortfall. This paragraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Amendments of 1996.".

SEC. 304. MONITORING AND INFORMATION GATHERING.

(a) Review of Existing Requirements.—Paragraph (1) of section 1445(a) (42 U.S.C. 300j-4(a)(1)) is amended to read as follows:

"(1)(A) Every person who is subject to any requirement of this title or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in establishing regulations under this title, in determining whether such person has acted or is acting in compliance with this title, in administering any program of financial assistance under this title, in evaluating the health risks of unregulated contaminants, or in advising the public of such risks. In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.

"(B) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require, after consultation with the State in which such person is located if such State has primary enforcement responsibility for public water systems, on a case-by-case basis, to determine whether such person has acted or is acting in compliance with this title.

"(C) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require to assist the Administrator in establishing regulations under section 1412 of this title, after consultation with States and suppliers of water. The Administrator may not require under this subparagraph the installation of treatment equipment or process changes, the testing of treatment technology, or the analysis or processing of monitoring samples, except where the Administrator provides the funding for such activities. Before exercising this authority, the Administrator shall first seek to obtain the information by voluntary submission.

“(D) The Administrator shall not later than 2 years after the date of enactment of this sentence, after consultation with public health experts, representatives of the general public, and officials of State and local governments, review the monitoring requirements for not fewer than 12 contaminants identified by the Administrator, and promulgate any necessary modifications.”.

(b) MONITORING RELIEF.—Part B is amended by adding the following new section after section 1417:

“SEC. 1418. MONITORING OF CONTAMINANTS.

“(a) INTERIM MONITORING RELIEF AUTHORITY.—(1) A State exercising primary enforcement responsibility for public water systems may modify the monitoring requirements for any regulated or unregulated contaminants for which monitoring is required other than microbial contaminants (or indicators thereof), disinfectants and disinfection byproducts or corrosion byproducts for an interim period to provide that any public water system serving 10,000 persons or fewer shall not be required to conduct additional quarterly monitoring during an interim relief period for such contaminants if—

“(A) monitoring, conducted at the beginning of the period for the contaminant concerned and certified to the State by the public water system, fails to detect the presence of the contaminant in the ground or surface water supplying the public water system, and

“(B) the State, (considering the hydrogeology of the area and other relevant factors), determines in writing that the contaminant is unlikely to be detected by further monitoring during such period.

“(2) The interim relief period referred to in paragraph (1) shall terminate when permanent monitoring relief is adopted and approved for such State, or at the end of 36 months after the enactment of the Safe Drinking Water Act Amendments of 1996, whichever comes first. In order to serve as a basis for interim relief, the monitoring conducted at the beginning of the period must occur at the time determined by the State to be the time of the public water system's greatest vulnerability to the contaminant concerned in the relevant ground or surface water, taking into account in the case of pesticides the time of application of the pesticide for the source water area and the travel time for the pesticide to reach such waters and taking into account, in the case of other contaminants, seasonality of precipitation and contaminant travel time.

“(b) PERMANENT MONITORING RELIEF AUTHORITY.—(1) Each State exercising primary enforcement responsibility for public water systems under this title and having an approved wellhead protection program and a source water assessment program may adopt, in accordance with guidance published by the Administrator, and submit to the Administrator as provided in section 1428(c), tailored alternative monitoring requirements for public water systems in such State (as an alternative to the monitoring requirements for chemical contaminants set forth in the applicable national primary drinking water regulations) where the State concludes that (based on data available at the time of adoption concerning susceptibility, use, occurrence, wellhead protection, or from the State's drinking water source water assessment program) such alternative monitoring would provide assurance that it complies with the Administrator's guidelines. The State program must be adequate to assure compliance with, and enforcement of, applicable national primary drinking water regulations. Alternative monitoring shall not apply to regulated microbiological contaminants (or indicators thereof), disinfectants and disinfection by-products, or corrosion by-products. The preceding sentence is not intended to limit other authority of the Administrator under other provisions of this title to grant monitoring flexibility.

“(2)(A) The Administrator shall issue, after notice and comment and at the same time as guidelines are issued for source water assessment under section 1428(l), guidelines for States to follow in proposing alternative monitoring requirements under paragraph (1) of this subsection for chemical contaminants. The Administrator shall publish such guidelines in the Federal Register. The guidelines shall assure that the public health will be protected from drinking water contamination. The guidelines shall require that a State alternative monitoring program apply on a contaminant-by-contaminant basis and that, to be eligible for such alternative monitoring program, a public water system must show the State that the contaminant is not present in the drinking water supply or, if present, it is reliably and consistently below the maximum contaminant level.

“(B) For purposes of subparagraph (A), the phrase ‘reliably and consistently below the maximum contaminant level’ means that, although contaminants have been detected in a water supply, the State has sufficient knowledge of the contamination source and extent of contamination to predict that the maximum contaminant level will not be exceeded. In determining that a contaminant is reliably and consistently below the maximum contaminant level, States shall consider the quality and completeness of data, the length of time covered and the volatility or stability of monitoring results during that time, and the proximity of such results to the maximum contaminant level. Wide variations in the analytical results, or analytical results close to the maximum contaminant level, shall not be considered to be reliably and consistently below the maximum contaminant level.

“(3) The guidelines issued by the Administrator under paragraph (2) shall require that if, after the monitoring program is in effect and operating, a contaminant covered by the alternative monitoring program is detected at levels at or above the maximum contaminant level or is no longer reliably or consistently below the maximum contaminant level, the public water system must either—

“(A) demonstrate that the contamination source has been removed or that other action has been taken to eliminate the contamination problem, or

“(B) test for the detected contaminant pursuant to the applicable national primary drinking water regulation.

“(c) TREATMENT AS NPDWR.—All monitoring relief granted by a State to a public water system for a regulated contaminant under subsection (a) or (b) shall be treated as part of the national primary drinking water regulation for that contaminant.

“(d) OTHER MONITORING RELIEF.—Nothing in this section shall be construed to affect the authority of the States under applicable national primary drinking water regulations to alter monitoring requirements through waivers or other existing authorities. The Administrator shall periodically review and, as appropriate, revise such authorities.”.

(c) UNREGULATED CONTAMINANTS.—Section 1445(a) (42 U.S.C. 300j–4(a)) is amended by striking paragraphs (2) through (8) and inserting the following:

“(2) MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—

“(A) ESTABLISHMENT.—The Administrator shall promulgate regulations establishing the criteria for a monitoring program for unregulated contaminants. The regulations shall require monitoring of drinking water supplied by public water systems and shall vary the frequency and schedule for monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found.

“(B) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—

“(i) INITIAL LIST.—Not later than 3 years after the date of enactment of the Safe Drinking Water Amendments of 1996 and every 5 years thereafter, the Administrator shall issue a list pursuant to subparagraph (A) of not more than 40 unregulated contaminants to be monitored by public water systems and to be included in the national drinking water occurrence data base maintained pursuant to subsection (g).

“(ii) GOVERNORS' PETITION.—The Administrator shall include among the list of contaminants for which monitoring is required under this paragraph each contaminant recommended in a petition signed by the Governor of each of 7 or more States, unless the Administrator determines that the action would prevent the listing of other contaminants of a higher public health concern.

“(C) MONITORING PLAN FOR SMALL AND MEDIUM SYSTEMS.—

“(i) IN GENERAL.—Based on the regulations promulgated by the Administrator, each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve a population of 10,000 or fewer. The plan shall require monitoring for systems representative of different sizes, types, and geographic locations in the State.

“(ii) GRANTS FOR SMALL SYSTEM COSTS.—From funds appropriated under subparagraph (H), the Administrator shall pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring under the plan.

“(D) MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this paragraph shall provide the results of the monitoring to the primary enforcement authority for the system.

“(E) NOTIFICATION.—Notification of the availability of the results of monitoring programs required under paragraph (2)(A) shall be given to the persons served by the system and the Administrator.

“(F) WAIVER OF MONITORING REQUIREMENT.—The Administrator shall waive the requirement for monitoring for a contaminant under this paragraph in a State, if the State demonstrates that the criteria for listing the contaminant do not apply in that State.

“(G) ANALYTICAL METHODS.—The State may use screening methods approved by the Administrator under subsection (i) in lieu of monitoring for particular contaminants under this paragraph.

“(H) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $10,000,000 for each of the fiscal years 1997 through 2003.”.

(d) SCREENING METHODS.—Section 1445 (42 U.S.C. 300j–4) is amended by adding the following after subsection (h):

"(i) SCREENING METHODS.—The Administrator shall review new analytical methods to screen for regulated contaminants and may approve such methods as are more accurate or cost-effective than established reference methods for use in compliance monitoring.".

SEC. 305. OCCURRENCE DATA BASE.

Section 1445 is amended by adding the following new subsection after subsection (f):

"(g) NATIONAL DRINKING WATER OCCURRENCE DATA BASE.—

"(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a)(1)(A) or subsection (a)(2) and reliable information from other public and private sources.

"(2) PUBLIC INPUT.—In establishing the occurrence data base, the Administrator shall solicit recommendations from the Science Advisory Board, the States, and other interested parties concerning the development and maintenance of a national drinking water occurrence data base, including such issues as the structure and design of the data base, data input parameters and requirements, and the use and interpretation of data.

"(3) USE.—The data shall be used by the Administrator in making determinations under section 1412(b)(3) with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

"(4) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences and the States, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed under subsection (a)(2). Any recommendation submitted under this clause shall be accompanied by reasonable documentation that—

"(A) the contaminant occurs or is likely to occur in drinking water; and

"(B) the contaminant poses a risk to public health.

"(5) PUBLIC AVAILABILITY.—The information from the data base shall be available to the public in readily accessible form.

"(6) REGULATED CONTAMINANTS.—With respect to each contaminant for which a national primary drinking water regulation has been established, the data base shall include information on the detection of the contaminant at a quantifiable level in public water systems (including detection of the contaminant at levels not constituting a violation of the maximum contaminant level for the contaminant).

"(7) UNREGULATED CONTAMINANTS.—With respect to contaminants for which a national primary drinking water regulation has not been established, the data base shall include—

"(A) monitoring information collected by public water systems that serve a population of more than 3,300, as required by the Administrator under subsection (a);

"(B) monitoring information collected by the States from a representative sampling of public water systems that serve a population of 3,300 or fewer; and

"(C) other reliable and appropriate monitoring information on the occurrence of the contaminants in public water systems that is available to the Administrator.".

SEC. 306. CITIZENS SUITS.

Section 1449 (42 U.S.C. 300j-8) is amended by inserting ", or a State" after "prosecuting a civil action in a court of the United States" in subsection (b)(1)(B).

SEC. 307. WHISTLE BLOWER.

(a) WHISTLE BLOWER.—Section 1450(i) is amended as follows:

(1) Amend paragraph (2)(A) by striking "30 days" and inserting "180 days" and by inserting before the period at the end "and the Environmental Protection Agency".

(2) Amend paragraph (2)(B)(i) by inserting before the last sentence the following: "Upon conclusion of such hearing and the issuance of a recommended decision that the complaint has merit, the Secretary shall issue a preliminary order providing the relief prescribed in clause (ii), but may not order compensatory damages pending a final order.".

(3) Amend paragraph (2)(B)(ii) by inserting "and" before "(III)" and by striking "compensatory damages, and (IV) where appropriate, exemplary damages" and inserting "and the Secretary may order such person to provide compensatory damages to the complainant".

(4) Redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively, and insert after paragraph (2) the following:

"(3)(A) The Secretary shall dismiss a complaint filed under paragraph (1), and shall not conduct the investigation required under paragraph (2), unless the complainant has made a prima facie showing that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(B) Notwithstanding a finding by the Secretary that the complaint has made the showing required by paragraph (1)(A), no investigation required under paragraph (2) shall be conducted if the employer demonstrates, by clear and convincing evidence, that it would have taken the same unfavorable personnel action in the absence of such behavior.

"(C) The Secretary may determine that a violation of paragraph (1) has occurred only if the complainant has demonstrated that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(D) Relief may not be ordered under paragraph (2) if the employer demonstrates clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of such behavior.".

(5) Add at the end the following:

"(8) This subsection may not be construed to expand, diminish, or otherwise affect any right otherwise available to an employee under Federal or State law to reduce the employee's discharge or other discriminatory action taken by the employer against the employee. The provisions of this subsection shall be prominently posted in any place of employment to which this subsection applies.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to claims filed under section 1450(i) of the Public Health Service Act on or after the date of the enactment of this Act.

SEC. 308. STATE REVOLVING FUNDS.

Part E (42 U.S.C. 300j et seq.) is amended by adding the following new section after section 1451:

"SEC. 1452. STATE REVOLVING FUNDS.

"(a) GENERAL AUTHORITY.—

"(1) GRANTS TO STATES TO ESTABLISH REVOLVING FUNDS.—(A) The Administrator shall enter into agreements with eligible States to make capitalization grants, including letters of credit, to the States under this subsection solely to further the health protection objectives of this title, promote the efficient use of fund resources, and for such other purposes as are specified in this title.

"(B) To be eligible to receive a capitalization grant under this section, a State shall establish a drinking water treatment revolving loan fund and comply with the other requirements of this section.

"(C) Such a grant to a State shall be deposited in the drinking water treatment revolving fund established by the State, except as otherwise provided in this section and in other provisions of this title. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State revolving fund.

"(D) Such a grant to a State shall be available to the State for obligation during the fiscal year for which the funds are authorized and during the following fiscal year, except that grants made available from funds provided in Public Law 103–327, Public Law 103–124, and Public Law 104–134 shall be available for obligation during each of the fiscal years 1997 and 1998.

"(E) Except as otherwise provided in this section, funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to this section in accordance with—

"(i) for each of fiscal years 1995 through 1997, a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 in fiscal year 1995, except that the minimum proportionate share established in the formula shall be 1 percent of available funds and the formula shall be adjusted to include a minimum proportionate share for the State of Wyoming; and

"(ii) for fiscal year 1998 and each subsequent fiscal year, a formula that allocates to each State the proportional share of the State needs identified in the most recent survey conducted pursuant to section 1452(h), except that the minimum proportionate share provided to each State shall be the same as the minimum proportionate share provided under clause (i).

"(F) Such grants not obligated by the last day of the period for which the grants are available shall be reallotted according to the appropriate criteria set forth in subparagraph (E).

"(G) The State allotment for a State not exercising primary enforcement responsibility for public water systems shall not be deposited in any such fund but shall be allotted by the Administrator as follows: 20 percent of such allotment shall be available to the Administrator as needed to exercise primary enforcement responsibility under this title in such State and the remainder shall be reallotted to States exercising primary enforcement responsibility for public water systems for deposit in such funds. Whenever the Administrator makes a final determination pursuant to section 1413(b) that the requirements of section 1413(a) are no longer being met by a State, additional grants for such State under this title shall be immediately terminated by the Administrator.

This subparagraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Act Amendments of 1996.

"(H)(i) Beginning in fiscal year 1999, the Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section to a State if the State has not met the requirements of section 1419 (relating to capacity development).

"(ii) The Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section if the State has not met the requirements of subsection (f) of section 1442 (relating to operator certification).

"(iii) All funds withheld by the Administrator pursuant to clause (i) shall be reallotted by the Administrator on the basis of the same ratio as is applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of section 1419 (relating to capacity development).

"(iv) All funds withheld by the Administrator pursuant to clause (ii) shall be reallotted by the Administrator on the basis of the same ratio as applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of subsection (f) of section 1442 (relating to operator certification).

"(2) USE OF FUNDS.—Except as otherwise authorized by this title, amounts deposited in such revolving funds, including loan repayments and interest earned on such amounts, shall be used only for providing loans, loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State revolving fund established under paragraph (1), or other financial assistance authorized under this section to community water systems and nonprofit noncommunity water systems, other than systems owned by Federal agencies. Such financial assistance may be used by a public water system only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Such funds may also be used to provide loans to a system referred to in section 1401(4)(B) for the purpose of providing the treatment described in section 1401(4)(B)(i)(III). Such funds shall not be used for the acquisition of real property or interests therein, unless such acquisition is integral to a project authorized by this paragraph and the purchase is from a willing seller. Of the amount credited to any revolving fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons.

"(3) LIMITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no assistance under this part shall be provided to a public water system that—

"(i) does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this title; or

"(ii) is in significant noncompliance with any requirement of a national primary drinking water regulation or variance.

"(B) RESTRUCTURING.—A public water system described in subparagraph (A) may receive assistance under this part if—

"(i) the owner or operator of the system agrees to undertake feasible and appropriate changes in operations (including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures) if the State determines that such measures are necessary to ensure that the system has the technical, managerial, and financial capability to comply with the requirements of this title over the long term; and

"(ii) the use of the assistance will ensure compliance.

"(b) INTENDED USE PLANS.—

"(1) IN GENERAL.—After providing for public review and comment, each State that has entered into a capitalization agreement pursuant to this part shall annually prepare a plan that identifies the intended uses of the amounts available to the State loan fund of the State.

"(2) CONTENTS.—An intended use plan shall include—

"(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the expected terms of financial assistance, and the size of the community served;

"(B) the criteria and methods established for the distribution of funds; and

"(C) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

"(3) USE OF FUNDS.—

"(A) IN GENERAL.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

"(i) address the most serious risk to human health;

"(ii) are necessary to ensure compliance with the requirements of this title (including requirements for filtration); and

"(iii) assist systems most in need on a per household basis according to State affordability criteria.

"(B) LIST OF PROJECTS.—Each State shall, after notice and opportunity for public comment, publish and periodically update a list of projects in the State that are eligible for assistance under this part, including the priority assigned to each project and, to the extent known, the expected funding schedule for each project.

"(c) FUND MANAGEMENT.—Each State revolving fund under this section shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in each such fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations.

"(d) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

"(1) LOAN SUBSIDY.—Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) to a disadvantaged community or to a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization (including forgiveness of principal).

"(2) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by a State pursuant to paragraph (1) may not exceed 30 percent of the amount of the capitalization grant received by the State for the year.

"(3) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The Administrator may publish information to assist States in establishing affordability criteria.

"(e) STATE CONTRIBUTION.—Each agreement under subsection (a) shall require that the State deposit in the State revolving fund from State moneys an amount equal to at least 20 percent of the total amount of the grant to be made to the State on or before the date on which the grant payment is made to the State, except that a State shall not be required to deposit such amount into the fund prior to the date on which each grant payment is made for fiscal years 1994, 1995, 1996, and 1997 if such State deposits the State contribution amount into the State fund prior to September 30, 1998.

"(f) COMBINED FINANCIAL ADMINISTRATION.—Notwithstanding subsection (c), a State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a revolving fund established under this section with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which such revolving fund was established and if the Administrator determines that—

"(1) the grants under this section, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in this section; and

"(2) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413.

"(g) ADMINISTRATION.—(1) Each State may annually use up to 4 percent of the funds allotted to the State under this section to cover the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs expended to establish such a fund which are incurred after the date of enactment of this section, and to provide technical assistance to public water systems within the State. For fiscal year 1995 and each fiscal year thereafter, each State with primary enforcement responsibility for public water systems within that State may use up to an additional 10 percent of the funds allotted to the State under this section—

"(A) for public water system supervision programs which receive grants under section 1443(a);

"(B) to administer or provide technical assistance through source water protection programs;

"(C) to develop and implement a capacity development strategy under section 1419(c); and

"(D) for an operator certification program for purposes of meeting the requirements of section 1442(f),

if the State matches such expenditures with at least an equal amount of State funds. At least half of such match must be additional to the amount expended by the State for public water supervision in fiscal year 1993.

An additional 1 percent of the funds annually allotted to the State under this section shall be used by each State to provide technical assistance to public water systems in such State. Funds utilized under section 1452(g)(1)(B) shall not be used for enforcement actions or for purposes which do not facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of this title.

"(2) The Administrator shall publish such guidance and promulgate such regulations as may be necessary to carry out the provisions of this section, including—

"(A) provisions to ensure that each State commits and expends funds allotted to the State under this section as efficiently as possible in accordance with this title and applicable State laws,

"(B) guidance to prevent waste, fraud, and abuse, and

"(C) guidance to avoid the use of funds made available under this section to finance the expansion of any public water system in anticipation of future population growth.

Such guidance and regulations shall also insure that the States, and public water systems receiving assistance under this section, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

"(3) Each State administering a revolving fund and assistance program under this subsection shall publish and submit to the Administrator a report every 2 years on its activities under this subsection, including the findings of the most recent audit of the fund and the entire State allotment. The Administrator shall periodically audit all revolving funds established by, and all other amounts allotted to, the States pursuant to this subsection in accordance with procedures established by the Comptroller General.

"(h) NEEDS SURVEY.—The Administrator shall conduct an assessment of water system capital improvements needs of all eligible public water systems in the United States and submit a report to the Congress containing the results of such assessment within 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 4 years thereafter.

"(i) INDIAN TRIBES.—1½ percent of the amounts appropriated annually to carry out this section may be used by the Administrator to make grants to Indian Tribes and Alaskan Native Villages which are not otherwise eligible to receive either grants from the Administrator under this section or assistance from State revolving funds established under this section. Such grants may only be used for expenditures by such tribes and villages for public water system expenditures referred to in subsection (a)(2).

"(j) OTHER AREAS.—Of the funds annually available under this section for grants to States, the Administrator shall make allotments in accordance with section 1443(a)(4) for the District of Columbia, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau. The grants allotted as provided in this subsection may be provided by the Administrator to the governments of such areas, to public water systems in such areas, or to both, to be used for the public water system expenditures referred to in subsection (a)(2). Such grants shall not be deposited in revolving funds. The total allotment of grants under this section for all areas described in this paragraph in any fiscal year shall not exceed 1 percent of the aggregate amount made available to carry out this section in that fiscal year.

"(k) SET-ASIDES.—

"(1) IN GENERAL.—Notwithstanding subsection (a)(2), a State may take each of the following actions:

"(A) Provide assistance, only in the form of a loan to one or both of the following:

"(i) Any public water system described in subsection (a)(2) to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with national primary drinking water regulations.

"(ii) Any community water system to implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to section 1428(l), in order to facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Funds authorized under this clause may be used to fund only voluntary, incentive-based mechanisms.

"(B) Provide assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1419(c).

"(C) Make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1428(l), except that funds set aside for such expenditure shall be obligated within 4 fiscal years.

"(D) Make expenditures from the fund for the establishment and implementation of wellhead protection programs under section 1428.

"(2) LIMITATION.—For each fiscal year, the total amount of assistance provided and expenditures made by a State under this subsection may not exceed 15 percent of the amount of the capitalization grant received by the State for that year and may not exceed 10 percent of that amount for any one of the following activities:

"(A) To acquire land or conservation easements pursuant to paragraph (1)(A)(i).

"(B) To provide funding to implement voluntary, incentive-based source water quality protection measures pursuant to paragraph (1)(A)(ii).

"(C) To provide assistance through a capacity development strategy pursuant to paragraph (1)(B).

"(D) To make expenditures to delineate or assess source water protection areas pursuant to paragraph (1)(C).

"(E) To make expenditures to establish and implement wellhead protection programs pursuant to paragraph (1)(D).

"(3) STATUTORY CONSTRUCTION.—Nothing in this section creates or conveys any new authority to a State, political subdivision of a State, or community water system for any new regulatory measure, or limits any authority of a State, political subdivision of a State or community water system.

"(l) SAVINGS.—The failure or inability of any public water system to receive funds under this section or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this title.

"(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $599,000,000 for the fiscal year 1994 and $1,000,000,000 for each of the fiscal years 1995 through 2003. Sums shall remain available until expended.

"(n) HEALTH EFFECTS STUDIES.—From funds appropriated pursuant to this section for each fiscal year, the Administrator shall reserve $10,000,000 for health effects studies on drinking water contaminants authorized by the Safe Drinking Water Act Amendments of 1996. In allocating funds made available under this subsection, the Administrator shall give priority to studies concerning the health effects of cryptosporidium, disinfection byproducts, and arsenic, and the implementation of a plan for studies of subpopulations at greater risk of adverse effects.

"(o) DEMONSTRATION PROJECT FOR STATE OF VIRGINIA.—Notwithstanding the other provisions of this subsection limiting the use of funds deposited in a State revolving fund from any State allotment, the State of Virginia may, as a single demonstration and with the approval of the Virginia General Assembly and the Administrator, conduct a program to demonstrate alternative approaches to intergovernmental coordination to assist in the financing of new drinking water facilities in the following rural communities in southwestern Virginia where none exists on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and where such communities are experiencing economic hardship: Lee County, Wise County, Scott County, Dickenson County, Russell County, Buchanan County, Tazewell County, and the city of Norton, Virginia. The funds allotted to that State and deposited in the State revolving fund may be loaned to a regional endowment fund for the purpose set forth in this paragraph under a plan to be approved by the Administrator. The plan may include an advisory group that includes representatives of such counties.

"(p) SMALL SYSTEM TECHNICAL ASSISTANCE.—The Administrator may reserve up to 2 percent of the total funds appropriated pursuant to subsection (m) for each of the fiscal years 1997 through 2003 to carry out the provisions of section 1442(e), relating to technical assistance for small systems.".

SEC. 309. WATER CONSERVATION PLAN.

Part E is amended by adding at the end the following:

"SEC. 1453. WATER CONSERVATION PLAN.

"(a) GUIDELINES.—Not later than 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall publish in the Federal Register guidelines for water conservation plans for public water systems serving fewer than 3,300 persons, public water systems serving between 3,300 and 10,000 persons, and public water systems serving more than 10,000 persons, taking into consideration such factors as water availability and climate.

"(b) SRF LOANS OR GRANTS.—Within 1 year after publication of the guidelines under subsection (a), a State exercising primary enforcement responsibility for public water systems may require a public water system, as a condition of receiving a loan or grant from a State revolving fund under section 1452, to submit with its application for such loan or grant a water conservation plan consistent with such guidelines.".

TITLE IV—MISCELLANEOUS

SEC. 401. DEFINITIONS.

(a) ALTERNATIVE QUALITY CONTROL AND TESTING PROCEDURES.—Section 1401(1)(D) (42 U.S.C. 300f(1)(D)) is amended by adding the following at the end thereof: "At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.''.

(b) PUBLIC WATER SYSTEM.—

(1) IN GENERAL.—Section 1401(4) (42 U.S.C. 300f(4)) is amended—

(A) in the first sentence, by striking "piped water for human consumption" and inserting "water for human consumption through pipes or other constructed conveyances";

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking "(4) The" and inserting the following:

"(4) PUBLIC WATER SYSTEM.—

"(A) IN GENERAL.—The"; and

(D) by adding at the end the following:

"(B) CONNECTIONS.—

"(i) IN GENERAL.—For purposes of subparagraph (A), a connection to a system that delivers water by a constructed conveyance other than a pipe shall not be considered a connection, if—

"(I) the water is used exclusively for purposes other than residential uses (consisting of drinking, bathing, and cooking, or other similar uses);

"(II) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative water to achieve the equivalent level of public health protection provided by the applicable national primary drinking water regulation is provided for residential or similar uses for drinking, cooking, and bathing; or

"(III) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for residential or similar uses for drinking, cooking, and bathing is centrally treated or treated at the point of entry by the provider, a pass-through entity, or the user to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations.

"(ii) IRRIGATION DISTRICTS.—An irrigation district in existence prior to May 18, 1994, that provides primarily agricultural service through a piped water system with only incidental residential or similar use shall not be considered to be a public water system if the system or the residential or similar users of the system comply with subclause (II) or (III) of clause (i).

"(C) TRANSITION PERIOD.—A water supplier that would be a public water system only as a result of modifications made to this paragraph by the Safe Drinking Water Act Amendments of 1996 shall not be considered a public water system for purposes of the Act until the date that is two years after the date of enactment of this subparagraph. If a water supplier does not serve 15 service connections (as defined in subparagraphs (A) and (B)) or 25 people at any time after the conclusion of the two-year period, the water supplier shall not be considered a public water system.''.

(2) GAO STUDY.—The Comptroller General of the United States shall undertake a study to—

(A) ascertain the numbers and locations of individuals and households relying for their residential water needs, including drinking, bathing, and cooking (or other similar uses) on irrigation water systems, mining water systems, industrial water systems or other water systems covered by section 1401(4)(B) of the Safe Drinking Water Act that are not public water systems subject to the Safe Drinking Water Act;

(B) determine the sources and costs and affordability (to users and systems) of water used by such populations for their residential water needs; and

(C) review State and water system compliance with the exclusion provisions of section 1401(4)(B) of such Act.

The Comptroller General shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of such study.

SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL.—Part A (42 U.S.C. 300f) is amended by adding the following new section after section 1401:

"SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title for the first 7 fiscal years following the enactment of the Safe Drinking Water Act Amendments of 1996. With the exception of biomedical research, nothing in this Act shall affect or modify any authorization for research and development under this Act or any other provision of law.''.

(b) CRITICAL AQUIFER PROTECTION.—Section 1427 (42 U.S.C. 300h–6) is amended as follows:

(1) Subsection (b)(1) is amended by striking "not later than 24 months after the enactment of the Safe Drinking Water Act Amendments of 1986".

(2) The table in subsection (m) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.''.

(c) WELLHEAD PROTECTION AREAS.—The table in section 1428(k) (42 U.S.C. 300h–7(k)) is amended by adding at the end the following:

"1992–2003 .... 30,000,000.''.

(d) UNDERGROUND INJECTION CONTROL GRANT.—The table in section 1443(b)(5) (42 U.S.C. 300j–2(b)(5)) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.''.

SEC. 403. NEW YORK CITY WATERSHED PROTECTION PROGRAM.

Section 1443 (42 U.S.C. 300j–2) is amended by adding at the end the following:

"(d) NEW YORK CITY WATERSHED PROTECTION PROGRAM.—

"(1) IN GENERAL.—The Administrator is authorized to provide financial assistance to the State of New York for demonstration projects implemented as part of the watershed program for the protection and enhancement of the quality of source waters of the New York City water supply system, including projects necessary to comply with the criteria for avoiding filtration contained in 40 CFR 141.71. Demonstration projects which shall be eligible for financial assistance shall be certified to the Administrator by the State of New York as satisfying the purposes of this subsection. In certifying projects to the Administrator, the State of New York shall give priority to monitoring projects that have undergone peer review.

"(2) REPORT.—Not later than 5 years after the date on which the Administrator first provides assistance pursuant to this paragraph, the Governor of the State of New York shall submit a report to the Administrator on the results of projects assisted.

"(3) MATCHING REQUIREMENTS.—Federal assistance provided under this subsection shall not exceed 35 percent of the total cost of the protection program being carried out for any particular watershed or ground water recharge area.

"(4) AUTHORIZATION.—There are authorized to be appropriated to the Administrator to carry out this subsection for each of fiscal years 1997 through 2003 *$8,000,000* for each of such fiscal years for the purpose of providing assistance to the State of New York to carry out paragraph (1).''.

SEC. 404. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

Part F is amended by adding the following at the end thereof:

"SEC. 1466. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

"(a) DEVELOPMENT.—Not later than 2 years after the date of enactment of this section, the Administrator shall develop a screening program, using appropriate validated test systems and other scientifically relevant information, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

"(b) IMPLEMENTATION.—Not later than 3 years after the date of enactment of this section, after obtaining public comment and review of the screening program described in subsection (a) by the scientific advisory panel established under section 25(d) of the Act of June 25, 1947 (chapter 125) or the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

"(c) SUBSTANCES.—In carrying out the screening program described in subsection (a), the Administrator—

"(1) shall provide for the testing of all active and inert ingredients used in products described in section 103(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9603(e)) that may be found in sources of drinking water, and

"(2) may provide for the testing of any other substance that may be found in sources of drinking water if the Administrator determines that a substantial population may be exposed to such substance.

"(d) EXEMPTION.—Notwithstanding subsection (c), the Administrator may, by order, exempt from the requirements of this section a biologic substance or other substance if the Administrator determines that the substance is anticipated not to produce any effect in humans similar to an effect produced by a naturally occurring estrogen.

"(e) COLLECTION OF INFORMATION.—

"(1) IN GENERAL.—The Administrator shall issue an order to a person that registers, manufactures, or imports a substance for which testing is required under this subsection to conduct testing in accordance with the screening program described in subsection (a), and submit information obtained from the testing to the Administrator, within a reasonable time period that the Administrator determines is sufficient for the generation of the information.

"(2) PROCEDURES.—To the extent practicable the Administrator shall minimize duplicative testing of the same substance for the same endocrine effect, develop, as appropriate, procedures for fair and equitable sharing of test costs, and develop, as necessary, procedures for handling of confidential business information.

"(3) FAILURE OF REGISTRANTS TO SUBMIT INFORMATION.—

"(A) SUSPENSION.—If a person required to register a substance referred to in subsection (c)(1) fails to comply with an order under paragraph (1) of this subsection, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the person. Any suspension proposed under this paragraph shall become final at the end of the 30-day period beginning on the date that the person receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the person referred to in paragraph (1) has complied fully with this subsection.

"(B) HEARING.—If a person requests a hearing under subparagraph (A), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the person has failed to comply with an order under paragraph (1) of this subsection. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

"(C) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this paragraph issued with respect to a person if the Administrator determines that the person has complied fully with this subsection.

"(4) NONCOMPLIANCE BY OTHER PERSONS.—Any person (other than a person referred to in paragraph (3)) who fails to comply with an order under paragraph (1) shall be liable for the same penalties and sanctions as are provided under section 16 of the Toxic Substances Control Act (15 U.S.C. 2601 and following) in the case of a violation referred to in that section. Such penalties and sanctions shall be assessed and imposed in the same manner as provided in such section 16.

"(f) AGENCY ACTION.—In the case of any substance that is found, as a result of testing and evaluation under this section, to have an endocrine effect on humans, the Administrator shall, as appropriate, take action under such statutory authority as is available to the Administrator, including consideration under other sections of this Act, as is necessary to ensure the protection of public health.

"(g) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this section, the Administrator shall prepare and submit to Congress a report containing—

"(1) the findings of the Administrator resulting from the screening program described in subsection (a);

"(2) recommendations for further testing needed to evaluate the impact on human health of the substances tested under the screening program; and

"(3) recommendations for any further actions (including any action described in subsection (f)) that the Administrator determines are appropriate based on the findings.

"(h) SAVINGS CLAUSE.—Nothing in this section shall be construed to amend or modify the provisions of the Toxic Substances Control Act or the Federal Insecticide, Fungicide, and Rodenticide Act.".

SEC. 405. REPORTS ON PROGRAMS ADMINISTERED DIRECTLY BY ENVIRONMENTAL PROTECTION AGENCY.

For States and Indian Tribes in which the Administrator of the Environmental Protection Agency has revoked primary enforcement responsibility under part B of title XIV of the Public Health Service Act (which title is commonly known as the Safe Drinking Water Act) or is otherwise administering such title, the Administrator shall provide every 2 years, a report to Congress on the implementation by the Administrator of all applicable requirements of that title in such States.

SEC. 406. RETURN FLOWS.

Section 3013 of Public Law 102-486 (42 U.S.C. 13551) shall not apply to drinking water supplied by a public water system regulated under title XIV of the Public Health Service Act (the Safe Drinking Water Act).

SEC. 407. EMERGENCY POWERS.

Section 1431(b) is amended by striking out "$5,000" and inserting in lieu thereof "$15,000".

SEC. 408. WATERBORNE DISEASE OCCURRENCE STUDY.

(a) SYSTEM.—The Director of the Centers for Disease Control and Prevention, and the Administrator of the Environmental Protection Agency, shall jointly establish—

(1) within 2 years after the date of enactment of this Act, pilot waterborne disease occurrence studies for at least 5 major United States communities or public water systems; and

(2) within 5 years after the date of enactment of this Act, a report on the findings of the pilot studies, and a national estimate of waterborne disease occurrence.

(b) TRAINING AND EDUCATION.—The Director and Administrator shall jointly establish a national health care provider training and public education campaign to inform both the professional health care provider community and the general public about waterborne disease and the symptoms that may be caused by infectious agents, including microbial contaminants. In developing such a campaign, they shall seek comment from interested groups and individuals, including scientists, physicians, State and local governments, environmental groups, public water systems, and vulnerable populations.

(c) FUNDING.—There are authorized to be appropriated for each of the fiscal years 1997 through 2001, $3,000,000 to carry out this section. To the extent funds under this section are not fully appropriated, the Administrator may use not more than $2,000,000 of the funds from amounts reserved under section 1452(n) for health effects studies for purposes of this section. The Administrator may transfer a portion of such funds to the Centers for Disease Control and Prevention for such purposes.

SEC. 409. DRINKING WATER STUDIES.

(a) SUBPOPULATIONS AT GREATER RISK.—The Administrator of the Environmental Protection Agency shall conduct a continuing program of studies to identify groups within the general population that are at greater risk than the general population of adverse health effects from exposure to contaminants in drinking water. The study shall examine whether and to what degree infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that can be identified and characterized are likely to experience elevated health risks, including risks of cancer, from contaminants in drinking water.

(b) BIOLOGICAL MECHANISMS.—The Administrator shall conduct studies to—

(1) understand the biomedical mechanisms by which chemical contaminants are absorbed, distributed, metabolized, and eliminated from the human body, so as to develop more accurate physiologically based models of the phenomena;

(2) understand the effects of contaminants and the biomedical mechanisms by which the contaminants cause adverse effects (especially noncancer and infectious effects) and the variations in the effects among humans, especially subpopulations at greater risk of adverse effects, and between test animals and humans; and

(3) develop new approaches to the study of complex mixtures, such as mixtures found in drinking water, especially to determine the prospects for synergistic or antagonistic interactions that may affect the shape of the dose-response relationship of the individual chemicals and microbes, and to examine noncancer endpoints and infectious diseases, and susceptible individuals and subpopulations.

(c) STUDIES ON HARMFUL SUBSTANCES IN DRINKING WATER.—

(1) DEVELOPMENT OF STUDIES.—The Administrator shall, after consultation with the Secretary of Health and Human Services, the Secretary of Agriculture, and, as appropriate, the heads of other Federal agencies, conduct the studies described in paragraph (2) to support the development and implementation of the most current version of each of the following:

(A) Enhanced surface water treatment rule (59 Fed. Reg. 38832 (July 29, 1994)).

(B) Disinfectant and disinfection byproducts rule (59 Fed. Reg. 38668 (July 29, 1994)).

(C) Ground water disinfection rule (availability of draft summary announced at (57 Fed. Reg. 33960; July 31, 1992)).

(2) CONTENTS OF STUDIES.—The studies required by paragraph (1) shall include, at a minimum, each of the following:

(A) Toxicological studies and, if warranted, epidemiological studies to determine what levels of exposure from disinfectants and disinfection byproducts, if any, may be associated with developmental and birth defects and other potential toxic end points.

(B) Toxicological studies and, if warranted, epidemiological studies to quantify the carcinogenic potential from exposure to disinfection byproducts resulting from different disinfectants.

(C) The development of dose-response curves for pathogens, including cryptosporidium and the Norwalk virus.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $12,500,000 for each of fiscal years 1997 through 2003.

SEC. 410. BOTTLED DRINKING WATER STANDARDS.

Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended as follows:

(1) By striking "Whenever" and inserting "(a) Except as provided in subsection (b), whenever".

(2) By adding at the end thereof the following new subsection:

"(b)(1) Not later than 180 days before the effective date of a national primary drinking water regulation promulgated by the Administrator of the Environmental Protection Agency for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g-1), the Secretary shall promulgate a standard of quality regulation under this subsection for that contaminant in bottled water or make a finding that such a regulation is not necessary to protect the public health because the contaminant is contained in water in public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4))) but not in water used for bottled drinking water. The effective date for any such standard of quality regulation shall be the same as the effective date for such national primary drinking water regulation, except for any standard of quality of regulation promulgated by the Secretary before the date of enactment of the Safe Drinking

Water Act Amendments of 1996 for which (as of such date of enactment) an effective date had not been established. In the case of a standard of quality regulation to which such exception applies, the Secretary shall promulgate monitoring requirements for the contaminants covered by the regulation not later than 2 years after such date of enactment. Such monitoring requirements shall become effective not later than 180 days after the date on which the monitoring requirements are promulgated.

"(2) A regulation issued by the Secretary as provided in this subsection shall include any monitoring requirements that the Secretary determines appropriate for bottled water.

"(3) A regulation issued by the Secretary as provided in this subsection shall require the following:

"(A) In the case of contaminants for which a maximum contaminant level is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall establish a maximum contaminant level for the contaminant in bottled water which is no less stringent than the maximum contaminant level provided in the national primary drinking water regulation.

"(B) In the case of contaminants for which a treatment technique is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall require that bottled water be subject to requirements no less protective of the public health than those applicable to water provided by public water systems using the treatment technique required by the national primary drinking water regulation.

"(4)(A) If the Secretary does not promulgate a regulation under this subsection within the period described in paragraph (1), the national primary drinking water regulation referred to in paragraph (1) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the regulation applicable under this subsection to bottled water.

"(B) In the case of a national primary drinking water regulation that pursuant to subparagraph (A) is considered to be a standard of quality regulation, the Secretary shall, not later than the applicable date referred to in such subparagraph, publish in the Federal Register a notice—

"(i) specifying the contents of such regulation, including monitoring requirements, and

"(ii) providing that for purposes of this paragraph the effective date for such regulation is the same as the effective date for the regulation for purposes of title XIV of the Public Health Service Act (or, if the exception under paragraph (1) applies to the regulation, that the effective date for the regulation is not later than 2 years and 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996).".

SEC. 411. CLERICAL AMENDMENTS.

(a) PART B.—Part B (42 U.S.C. 300g and following) is amended as follows:

(1) In section 1412(b)(2)(C) by striking "paragraph (3)(a)" and inserting "paragraph (3)(A)".

(2) In section 1412(b)(8) strike "1442(g)" and insert "1442(e)".

(3) In section 1415(a)(1)(A) by inserting "the" before "time the variance is granted".

(b) PART C.—Part C (42 U.S.C. 300h and following) is amended as follows:

(1) In section 1421(b)(3)(B)(i) by striking "number or States" and inserting "number of States".

(2) In section 1427(k) by striking "this subsection" and inserting "this section".

(c) PART E.—Section 1441(f) (42 U.S.C. 300j(f)) is amended by inserting a period at the end.

(d) SECTION 1465(b).—Section 1465(b) (42 U.S.C. 300j–25) is amended by striking "as by" and inserting "by".

(e) SHORT TITLE.—Section 1 of Public Law 93-523 (88 Stat. 1600) is amended by inserting "of 1974" after "Act" the second place it appears and title XIV of the Public Health Service Act is amended by inserting the following immediately before part A:

"SEC. 1400. SHORT TITLE AND TABLE OF CONTENTS.

"(a) SHORT TITLE.—This title may be cited as the 'Safe Drinking Water Act'.

"(b) TABLE OF CONTENTS.—

"TITLE XIV—SAFETY OF PUBLIC WATER SYSTEMS

"Sec. 1400. Short title and table of contents.

"PART A—DEFINITIONS

"Sec. 1401. Definitions.
"Sec. 1402. Authorization of appropriations.

"PART B—PUBLIC WATER SYSTEMS

"Sec. 1411. Coverage.
"Sec. 1412. National drinking water regulations.
"Sec. 1413. State primary enforcement responsibility.
"Sec. 1414. Enforcement of drinking water regulations.
"Sec. 1415. Variances
"Sec. 1416. Exemptions.
"Sec. 1417. Prohibition on use of lead pipes, solder, and flux.
"Sec. 1418. Monitoring of contaminants.
"Sec. 1419. Capacity development.

"PART C—PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

"Sec. 1421. Regulations for State programs.
"Sec. 1422. State primary enforcement responsibility.
"Sec. 1423. Enforcement of program.
"Sec. 1424. Interim regulation of underground injections.
"Sec. 1425. Optional demonstration by States relating to oil or natural gas.
"Sec. 1426. Regulation of State programs.
"Sec. 1427. Sole source aquifer demonstration program.
"Sec. 1428. State programs to establish wellhead and source water protection areas.
"Sec. 1429. Federal facilities.

"PART D—EMERGENCY POWERS

"Sec. 1431. Emergency powers.
"Sec. 1432. Tampering with public water systems.

"PART E—GENERAL PROVISIONS

"Sec. 1441. Assurance of availability of adequate supplies of chemicals necessary for treatment of water.
"Sec. 1442. Research, technical assistance, information, training of personnel.
"Sec. 1443. Grants for State programs.
"Sec. 1444. Special study and demonstration project grants; guaranteed loans.
"Sec. 1445. Records and inspections.
"Sec. 1446. National Drinking Water Advisory Council.
"Sec. 1447. Federal agencies.
"Sec. 1448. Judicial review.
"Sec. 1449. Citizen's civil action.
"Sec. 1450. General provisions.
"Sec. 1451. Indian tribes.
"Sec. 1452. State revolving funds.
"Sec. 1453. Water conservation plan.

"PART F—ADDITIONAL REQUIREMENTS TO REGULATE THE SAFETY OF DRINKING WATER

"Sec. 1461. Definitions.
"Sec. 1462. Recall of drinking water coolers with lead-lined tanks.
"Sec. 1463. Drinking water coolers containing lead.
"Sec. 1464. Lead contamination in school drinking water.
"Sec. 1465. Federal assistance for State programs regarding lead contamination in school drinking water.
"Sec. 1466. Estrogenic substances screening program.".

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

SEC. 501. GENERAL PROGRAM.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Administrator may provide technical and financial assistance in the form of grants to States (1) for the construction, rehabilitation, and improvement of water supply systems, and (2) consistent with nonpoint source management programs established under section 319 of the Federal Water Pollution Control Act, for source water quality protection programs to address pollutants in navigable waters for the purpose of making such waters usable by water supply systems.

(b) LIMITATION.—Not more than 30 percent of the amounts appropriated to carry out this section in a fiscal year may be used for source water quality protection programs described in subsection (a)(2).

(c) CONDITION.—As a condition to receiving assistance under this section, a State shall ensure that such assistance is carried out in the most cost-effective manner, as determined by the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 502. NEW YORK CITY WATERSHED, NEW YORK.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants for a source water quality protection program described in section 501 for the New York City Watershed in the State of New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 503. RURAL AND NATIVE VILLAGES, ALASKA.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants to the State of Alaska for the benefit of rural and Alaska Native villages for the development and construction of water systems to improve conditions in such villages and to provide technical assistance relating to construction and operation of such systems.

(b) CONSULTATION.—The Administrator shall consult the State of Alaska on methods of prioritizing the allocation of grants made to such State under this section.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use not to exceed 4 percent of the amount granted to such State under this section for administrative expenses necessary to carry out the activities for which the grant is made.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000. Such sums shall remain available until expended.

SEC. 504. ACQUISITION OF LANDS.

Assistance provided with funds made available under this title may be used for the acquisition of lands and other interests in lands; however, nothing in this title authorizes the acquisition of lands or other interests in lands from other than willing sellers.

SEC. 505. FEDERAL SHARE.

The Federal share of the cost of activities for which grants are made under this title shall be 50 percent.

SEC. 506. CONDITION ON AUTHORIZATIONS OF APPROPRIATIONS.

An authorization of appropriations under this title shall be in effect for a fiscal year only if at least 75 percent of the total amount of funds authorized to be appropriated for such fiscal year by section 308 are appropriated.

SEC. 507. DEFINITIONS.

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) WATER SUPPLY SYSTEM.—The term "water supply system" means a system for the provision to the public of piped water for human consumption if such system has at least 15 service connections or regularly serves at least 25 individuals and a draw and fill system for the provision to the public of water for human consumption. Such term does not include a for-profit system that has fewer than 15 service connections used by year-round residents of the area served by the system or a for-profit system that regularly serves fewer than 25 year-round residents and does not include a system owned by a Federal agency. Such term includes (A) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (B) any collection or pretreatment facilities not under such control that are used primarily in connection with such system.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

SEC. 601. DRINKING WATER RESEARCH AUTHORIZATION.

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, in addition to—

(1) amounts authorized for research under section 1412(b)(13) of the Safe Drinking Water Act (title XIV of the Public Health Service Act);

(2) amounts authorized for research under section 409 of the Safe Drinking Water Act Amendments of 1996; and

(3) $10,000,000 from funds appropriated pursuant to this section 1452(n) of the Safe Drinking Water Act (title XIV of the Public Health Service Act),

such sums as may be necessary for drinking water research for fiscal years 1997 through 2003. The annual total of the sums referred to in this section shall not exceed $26,593,000.

SEC. 602. SCIENTIFIC RESEARCH REVIEW.

(a) IN GENERAL.—The Administrator shall assign to the Assistant Administrator for Research and Development (in this section referred to as the "Assistant Administrator") the duties of—

(1) developing a strategic plan for drinking water research activities throughout the Environmental Protection Agency (in this section referred to as the "Agency");

(2) integrating that strategic plan into ongoing Agency planning activities; and

(3) reviewing all Agency drinking water research to ensure the research—

(A) is of high quality; and

(B) does not duplicate any other research being conducted by the Agency.

(b) REPORT.—The Assistant Administrator shall transmit annually to the Administrator and to the Committees on Commerce and Science of the House of Representatives and the Committee on Environment and Public Works of the Senate a report detailing—

(1) all Agency drinking water research the Assistant Administrator finds is not of sufficiently high quality; and

(2) all Agency drinking water research the Assistant Administrator finds duplicates other Agency research.

The SPEAKER pro tempore (Mr. LINDER). Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] and the gentleman from California [Mr. WAXMAN] each will control 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that the time for debate on this bill be extended by 30 minutes, such time to be equally divided between the gentleman from California [Mr. WAXMAN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] and the gentleman from California [Mr. WAXMAN] each will control 35 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself such time as I my consume.

Mr. Speaker, I am pleased to rise in support of H.R. 3604, the Safe Drinking Water Act Amendments of 1996.

More than 3 years ago, at the urging of States and local governments, I sat down with former Congressman Jim Slattery to consider how the Safe Drinking Water Act could be fixed.

Both Congressman Slattery and I recognized that the act was not working. Under the existing law, EPA was on a regulatory treadmill.

We also recognized that the Safe Drinking Water Act afforded no flexibility in implementation—the act incorporated a one-size-fits-all philosophy towards monitoring and technology. Unfortunately, if you weren't the right size—meaning a large public water system—well, that was your problem.

I regret that we were not able to finish our work in the previous Congress. But if there is any consolation in the delay—I believe that we have a far better bill today.

H.R. 3604 contains a balanced package of reforms. The bill gives the EPA the ability to use common sense in establishing new drinking water standards. The Agency, for the first time, can set a drinking water standard which balances the risk of one contaminant against another and directs limited resources toward those contaminants which present the greatest threat to public health.

In addition, the bill contains new emphasis on source water protection, provisions to ensure that operators of public water systems are properly trained, and a new program to help public water systems maintain the capacity to meet drinking water standards.

We have also incorporated consumer-right-to-know provisions and have provided for estrogenic screening.

Importantly, we do not impose all these new requirements on States and local water systems without providing a source of funding. The State Revolving Fund—which provides $1 billion per year—is explicitly tied to Safe Drinking Water Act requirements.

Altogether, I believe we have delivered on our commitment to bring a consensus bill forward which Members from both sides of the aisle can support. We have incorporated the concerns of two other committees and have attempted to put together the broadest possible agreement.

The goal of our effort has been—and always will be—the provision of safe drinking water to our homes and our communities. I believe the bill produced by the Commerce Committee lives up to our historic responsibility to provide for the public health and welfare.

Mr. Speaker, I include the following material for the RECORD:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 25, 1996.

Hon. THOMAS J. BLILEY, Jr.
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed intergovernmental and private sector mandates cost estimates for H.R. 3604, the Safe Drinking Water Act Amendments of 1996, as reported by the House Committee on Commerce on June 24, 1996. CBO provided a federal cost estimate for this bill on June 24, 1996.

This bill would impose new intergovernmental and private sector mandates as defined in Public Law 104-4. The costs of these mandates, however, would not exceed the thresholds established in that law.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

CONGRESSIONAL BUDGET OFFICE ESTIMATED COST OF INTERGOVERNMENTAL MANDATES

1. Bill number: H.R. 3604.

2. Bill title: Safe Drinking Water Act Amendments of 1996.

3. Bill status: As reported by the House Committee on Commerce on June 24, 1996.

4. Bill purpose: H.R. 3604 would amend the Safe Drinking Water Act (SDWA) to authorize the Environmental Protection Agency (EPA) to make grants to states for capitalizing state revolving loan funds (SRFs). These

SRFs would provide low-cost financing for the construction of facilities to treat drinking water. In addition, the bill would change the process for selecting drinking water contaminants for regulation and would allow costs and benefits to be considered when setting standards for those contaminants. The bill would also alter requirements for monitoring, treatment, and public notification, and would authorize other kinds of assistance for states and water systems.

5. Intergovernmental mandates contained in bill: H.R. 3604 would impose new mandates on both state and local governments, but would also change the federal drinking water program in ways that would lower the costs to public water systems of complying with existing and future federal requirements.

The bill would require public water systems, many of which are publicly owned and operated, to:

adhere to new public notification requirements, including a requirement to distribute an annual "consumer confidence report" to the customers,

comply with operator certification requirements established by the states pursuant to EPA regulations, and

provide requested information to EPA on regulated and unregulated contaminants for a new national drinking water database.

In addition, the bill would require states to obtain the legal authority or "other means" to ensure that all new community water systems and new non-transient, non-community water systems demonstrate technical, managerial, and financial capacity to comply with federal drinking water regulations. Within four years of the bill's enactment, states would have to develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity. State agencies would be required to write reports about their efforts and submit them to either the Environmental Protection Agency (EPA) or the governor of the state.

The bill would ease drinking water requirements on public water systems by:

changing the procedures that EPA uses to identify contaminants for regulation under the SDWA in ways that would likely result in fewer contaminants being regulated.

delaying the effective date of new regulations,

directing EPA to define treatment technologies that are feasible for small drinking water systems when the agency issues new contaminant regulations,

allowing operators of small drinking water systems to obtain variances from drinking water standards under certain conditions, and

allowing states to establish alternative monitoring requirements for contaminants in drinking water.

6. Estimated direct costs of mandates to State, local, and tribal governments:

(a) *Is the $50 Million Threshold Exceeded?* No.

(b) *Total Direct Costs of Mandates:* CBO estimates that the annual costs of new mandates imposed by the bill on state and local governments would total $30 million to $40 million. CBO projects that publicly owned water systems would incur costs of $15 million to $25 million per year to comply with requirement to mail annual "consumer confidence reports" to their customers. Publicly owned water systems would also incur annual direct costs of $5 million to $10 million to comply with the operator-certification requirement, beginning in fiscal year 2001. CBO further estimates that state governments would incur costs totaling several million dollars per year to comply with the requirement to develop and implement capacity development strategies for water systems.

These additional costs to state and local governments would be at least partially offset by a number of other changes to the federal drinking water program that would significantly lower the costs of complying with future requirements. Specifically, the bill would reduce public water systems' likely costs by changing the federal standard-setting process, delaying the effective date of new regulations, allowing operators to obtain variances, and allowing states to establish alternative monitoring requirements.

(c) *Estimate of Necessary Budget Authority:* Not applicable.

7. Basis of estimate; The new mandates in the bill would affect both state and local governments. Municipal water systems would have to send annual "consumer confidence reports" to their customers and would have to comply with new operator certification requirements. They would also be subject to new reporting and information requirements. State governments would be required to develop and implement strategies to improve the technical, financial, and managerial capacities of public water systems. The estimated impact of each of these provisions on state and local governments is discussed below.

New mandates of local governments

New Public Notification Requirements.—Section 131 would require EPA to issue regulations to rural community water systems to mail an annual "consumer confidence report" to each customer. The reports would contain:

information about the source of the water supplies by the system,

the levels of any regulated contaminants detected in the water,

the levels of unregulated contaminants for which monitoring is required, and in some cases, a brief statement explaining the health concerns that prompted the regulation of a contaminant.

The governor of a state could exempt systems serving fewer than 10,000 people from the requirement to mail the report. Systems not required to mail the report would instead have to publish it in local newspapers and make the information available upon request.

CBO estimates that this new requirement would apply to about 23,000 publicly owned community water systems that are not already complying with similar state laws. These systems serve about 54 million households. Based on information from water system operators in those states with similar laws, CBO concluded that most larger systems would be able to insert the report into a billing statement without incurring additional postage costs. For smaller systems, CBO assumed that some systems could use bulk mail and that others would have to use first-class postage. Including the cost of printing and staff time needed to write the reports, we estimate the aggregate national cost to be $15 million to $25 million annually for publicly owned systems.

Based on a small survey of small circulation daily newspapers, CBO estimates that providing the option for small systems to publish their report in newspapers would not significantly reduce the aggregate cost of the requirement. CBO estimates that, in general, the printing and postage costs for a system serving 10,000 or fewer people would be similar to the cost of a display advertisement or legal notice.

New Operator Certification Requirements.—H.R. 3604 would require EPA to issue regulations specifying minimum standards for the certification of operators of community water systems. This mandate would impose costs totaling $5 million to $10 million annually on publicly owned systems, primarily on very small ones. While almost every state now has an operator certification program, many of them exempt these small systems. CBO estimates that approximately 33,000 additional systems would be subject to operator certification requirements as a result of this bill and that about 10,000 of those are owned and operated by local governments.

Based on information provided by EPA officials, state officials, and associations of state and local officials, CBO assumed that many of the smallest water systems would utilize contractors rather than employ certified operators. Other systems would incur costs for training and testing their employees.

This estimate is based on a number of factors that are highly uncertain. The bill would give EPA considerable latitude in establishing minimum standards, and CBO cannot predict what those standards would be. Further, we cannot predict the extent to which EPA would allow states to continue their current programs in lieu of adopting the new standards. We have assumed that EPA would not require substantial changes in existing state requirements for larger systems. The cost of this mandate could be greater if that were not the case. Part of the cost we have attributed to the public sector could be shifted to the private sector if some small water systems require individual operators to bear the cost of obtaining their certification.

Information Requirements.—The bill would allow EPA, after consultation with the states and with water systems, to require water systems to provide information for use in establishing new standards for contaminants. Under current law, EPA can only require this information through a formal rule-making. The bill would limit the kinds of information EPA could require without providing funding and would require the agency to first try to obtain the information voluntarily. Because of these limitations, CBO does not expect reporting costs for public water systems to increase significantly as a result of this change.

New mandate on State governments

H.R. 3604 would require each state to obtain the legal authority or "other means" to ensure that all new community water systems and new non-transient, non-community water systems demonstrate technical, managerial, and financial capacity to comply with federal drinking water regulations. Within four years of the bill's enactment, states would have to develop and implement a "capacity development strategy" to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity. State agencies would be required to submit periodic reports to EPA or to the governor of the state about the success of the strategy.

Although some states are already providing this kind of assistance to new and existing water systems, CBO expects that most states would have to devote additional resources to meet this requirement. Many state agencies that oversee drinking water systems (usually environmental or public health agencies) do not currently have expertise in managerial or financial operations of drinking water systems. Therefore CBO estimates that as a whole states would have to spend several million dollars per year to develop and implement these strategies. How much states spend would depend on what standard EPA applies in carrying out the bill's instruction to withhold 20 percent of a state's SRF grant if it has not complied with this mandate. In any case, states receiving SRF grants from EPA would be allowed to use some of the grant money to defray this cost. This funding would probably offset most of the additional costs to the states.

Changes likely to reduce compliance costs

Other provisions, discussed individually below, would reduce the likely costs of complying with future drinking water regulations. These future regulations, which would be required under current law, would impose significant costs, primarily on local public water systems. The number and stringency of these regulations are likely to be less under H.R. 3604, and associated cost savings would at least partially offset the additional costs of new mandates contained in the bill. However, CBO cannot estimate these savings on the basis of information we currently have.

New standard-setting procedure.—H.R. 3604 would change the procedures for selecting drinking water contaminants for regulation and for determining permissible levels of those contaminants in ways that would likely lower future compliance costs for public water systems. First, it would rescind the requirement that EPA issue rules for 25 drinking water contaminants every three years. Thus, EPA would not have to regulate a specific number of contaminants. Although it is possible that, with this change, EPA would regulate more contaminants than current law dictates, CBO expects that the agency would regulate fewer contaminants than currently required.

Second, the bill would require EPA to conduct a cost-benefit analysis for national primary drinking water regulations before they are proposed. The bill also would require EPA, when proposing a maximum contaminant level, to determine whether the benefits of the proposed MCL justify the costs of complying with it. EPA would be given the discretionary authority to establish less stringent standards when it determines that the benefits of an MCL set at the feasible level would not justify the cost of compliance or when it determines that the contaminant occurs almost exclusively in small systems. If EPA uses this discretionary authority, it would have to set the MCL at a level that maximizes the reduction in health risk at a cost justified by the benefits. While current law requires EPA to perform cost/benefit analyses of new regulations, it does not give the agency the discretion to use those analyses as justification for changing the standards contained in new regulations. This change would give EPA greater discretion to set less stringent standards in future regulations. Any use of that discretion would lower the cost of compliance for public water systems.

Effective date of regulations.—The bill would change the date that primary drinking water regulations become effective from eighteen months to three years after the date of promulgation, unless EPA determines that an earlier date is practicable. This change would give water systems more time to install new equipment or take other steps necessary to comply with the new regulation.

Small system technologies and variances.—Current law allows EPA and the states to provide variances to small systems if it is too costly for them to meet a standard. Such provisions are almost never used, however. The bill would create a Best Available Affordable Technology (BAAT) variance. States would be allowed to grant BAAT variances to small systems that can not otherwise afford to meet the standard. If this variance option is widely used, it could provide financial relief to small systems, many of which are publicly owned.

Changes to monitoring requirements.—H.R. 3604 would change monitoring requirements for local water systems in ways that probably would lower compliance costs. First, the section would allow states with primary enforcement authority (primacy) to modify temporarily the monitoring requirements for most regulated and unregulated contaminants. States with primacy would be allowed to relieve water systems serving 10,000 or fewer people of monitoring for a contaminant for up to three years if certain conditions are met.

Second, the bill would allow states with primary enforcement authority, in some circumstances, to alter monitoring requirements for most regulated contaminants permanently. Third, the section would cap the number of unregulated contaminants for which EPA could require monitoring. Under current law, which has no such cap, EPA requires testing for 33 unregulated contaminants.

Fourth, under "representative monitoring plans" developed by states with primary enforcement authority, public water systems serving 10,000 or fewer people would probably monitor for unregulated contaminants less frequently than they do now. Current law requires all systems to do such monitoring, but under these plans, only a representative sample of water systems would have to monitor. Finally, this section would direct the EPA Administrator to pay the reasonable costs of testing and analysis that small systems (those serving 3,300 or fewer people) incur by carrying out the representative monitoring plans.

8. Appropriation or other Federal financial assistance provided in bill to cover mandate costs:

New Federal Grant Program to Set Up State Revolving Funds.—The bill would authorize appropriations of $8.4 billion for state and local governments over fiscal years 1997 to 2003. The largest authorization would be $7 billion for the creation of state revolving funds. In addition, the bill would make available for spending $725 million that was appropriated for the SRFs in fiscal years 1994–1996. If the authorized funds are appropriated, these SRFs would be a significant source of low-cost infrastructure financing for many public water supply systems.

In order to receive a federal SRF grant, states would have to deposit matching funds of 20 percent into their revolving fund. The bill would instruct EPA to withhold 20 percent of an SRF grant to a state if the state has not met EPA's requirements for an operator certification program. EPA would also be instructed to withhold 20 percent of an SRF grant to a state if the state has not met federal requirements for capacity development programs.

The bill would allow states to use a portion of their SRF grants to help pay for the cost of developing and implementing capacity development strategies. However, in order to use that funding, states would have to take steps to become eligible for an SRF grant and provide the required 20 percent state match to receive the grant.

The bill would allow a state to spend up to 15 percent of its SRF grant on certain activities, but only up to 10 percent on any one activity. The allowable activities would include providing assistance to water systems for developing technical, managerial, and financial capacity. The bill would also allow a state with primary enforcement authority to spend up to 10 percent of its SRF grant on four different kinds of activities, one of which is developing and implementing a capacity development strategy. In order to do so, states would have to match such expenditures with an equal amount of state funds, at least half of which would have to exceed the amount the state spent supervising public water systems in fiscal year 1993.

CBO expects that most, if not all, states would apply to EPA for SRF grant funding and thus would be able to use a portion of their grant for funding state activities, including developing and implementing their capacity development strategies.

Assuming appropriation of the full amounts authorized, CBO estimates that, if states claim the maximum amounts available for these activities, about $1.6 billion in SRF funds would be available to states over the fiscal years 1997 through 2003. While states would be required to provide matching funds to receive SRF grants and, in some cases, to use the grant money for purposes other than capitalizing their SRF, CBO estimates that they would be able to pay for most of their capacity development activities with federal funding.

Other Authorizations of Appropriations.—Section 302 of the bill would authorize appropriations of $15 million for fiscal years 1997 through 2003 to be used by EPA to provide technical assistance to small public water systems. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. The purpose of such assistance would be to enable small public water systems to achieve and maintain compliance with national primary drinking water regulations.

Section 303 would extend the authorization for grants to the states for public water system supervision (PWSS) programs through fiscal year 2003 at $100 million per year and in some situations would allow states to supplement their PWSS grant with money from their SRF capitalization grant. The PWSS programs implement the Safe Drinking Water Act at the level through enforcement, staff training, data management, sanitary surveys, and certification of testing laboratories.

Section 304 would authorize appropriations of $10 million annually for fiscal years 1997 through 2003 for EPA to carry out a monitoring program for unregulated contaminants. Based on regulations promulgated by EPA, each state would have to develop a plan for representative sampling of small systems serving a population of 10,000 or less. The bill would require EPA to use some of the appropriated funds as grants for these small systems to pay for the costs of monitoring unregulated contaminants.

Section 402 would extend the authorization of appropriations for EPA's sole source aquifer demonstration program at $15 million for each of fiscal years 1997 through 2003. This program provides 50 percent matching grants to states and localities for projects to protect critical aquifers. This section would also extend the authorization of appropriations for EPA's wellhead protection program at $30 million through fiscal year 2003. This program provides matching grants to states to fund their efforts to protect the areas around water wells.

Section 403 would authorize appropriations of $15 million annually through fiscal year 2003 to help fund a watershed protection program for the city of New York, Federal assistance for this program would be capped at 35 percent.

9. Other impacts on State, local, and tribal governments: Several sections of the bill would increase the responsibilities of states only if they have chosen to accept primary enforcement responsibility for national drinking water regulations. Every state except Wyoming currently has primary enforcement authority. To receive primacy for a particular regulation, a state must adopt its own regulation that is at least as stringent as the federal regulation, and it must have adequate procedures for enforcing that regulation. If states do not accept primacy, EPA will enforce the provisions of the SDWA in that state. These additional responsibilities are not mandates as defined in Public Law 104-4 because states have the option of not accepting primary enforcement responsibility.

Operator Certification Requirements.—H.R. 3604 would require state agencies that exercise primary enforcement responsibility to adopt and implement EPA regulations requiring the certification of water system operators. Based on information provided by the Association of State Drinking Water Administrators, CBO estimates that states could incur costs totaling about $5 million to comply with this requirement. These costs would be incurred by the 37 states that now exempt very small systems from their certification programs.

The bill would allow states with primary enforcement authority to use a portion of their SRF grant to defray the cost of this new primacy condition, but states would still be required to commit some of their own resources. The bill would also allow a state with primary enforcement authority to spend up to 10 percent of its SRF grant on four different kinds of activities, one of which is implementing an operator certification program. In order to do so, however, states would have to match such expenditures with an equal amount of state funds, at least half of which would have to exceed the amount the state spent supervising public water systems in fiscal year 1993.

Representative Monitoring Plan.—The bill would require states with primary enforcement authority to develop a "representative monitoring plan" to assess the occurrence of unregulated contaminants in small and medium water systems (those serving 10,000 or fewer people). Under these plans, only a representative sample of water systems in each state would be required to monitor for unregulated contaminants. Current law requires all systems to do such monitoring. While these plans could reduce the cost of monitoring for the water systems, they would require extra effort by the states.

10. Previous CBO estimate: None.

11. Estimate prepared by: Pepper Santalucia.

12. Estimate approved by: Robert A. Sunshine (for Paul N. Van de Water, Assistant Director for Budget Analysis).

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS OF PRIVATE-SECTOR MANDATES

1. Bill number: H.R. 3604.

2. Bill title: Safe Drinking Water Act Amendments of 1996.

3. Bill status: As reported by the House Committee on Commerce on June 24, 1996.

4. Bill purpose: H.R. 3604 would amend and reauthorize the Safe Drinking Water Act (SDWA). The purpose of the SDWA is to protect the public drinking water supplies from harmful contaminants. The SDWA is administered through regulatory programs that establish standards and treatment requirements for drinking water and ground water. SDWA regulations apply to both privately and publicly owned systems that serve at least 25 people (or 15 service connections) at least 60 days per year. H.R. 3604 would authorize the Environmental Protection Agency (EPA) to make grants to states for capitalizing state revolving loan funds (SRFs). These SRFs would provide low-cost financing for the construction of facilities to treat drinking water. Other major provisions of the bill would:

amend the procedures used for the selection of contaminants for regulation based on an analysis of costs, benefits and relative risk,

authorize variances for small systems that cannot afford to comply with national standards,

direct EPA to define treatment technologies that are feasible for small drinking water systems when the agency issues new contaminant regulations,

allow states to establish an alternative monitoring program for contaminants in drinking water,

require states to ensure that new public water systems have the technical expertise and financial resources to implement the SDWA, and

authorize appropriations of $100 million a year for state public water system supervision (PWSS) programs, $15 million a year for protecting underground drinking water sources, $30 million a year for protecting drinking water wellhead areas, and $15 million a year for assisting small drinking water systems.

5. Private-sector mandates contained in bill: H.R. 3604 would impose new mandates on public water systems, businesses in the plumbing industry, manufacturers of certain chemical products, and manufacturers of bottled drinking water. However, the bill also would change the federal drinking water program in ways that would lower the costs to public water systems of complying with existing federal requirements and that would lower the likely cost of complying with future requirements. Over 50 percent of public water systems are privately owned. A large portion of privately owned water systems are relatively small, serving less than 10,000 households. Many provisions of the bill would directly reduce the compliance costs of these systems and provide for grants and technical assistance.

The bill contains several new mandates on public water system. Specifically, the bill would require water systems to:

comply with operator certification requirements established by the states pursuant to EPA regulations.

adhere to new public notification requirements, including a requirement to distribute an annual "consumer confidence report" to their customers, and

provide requested information to EPA for use in establishing new standards for contaminants.

The bill also contains new mandates on the bottled-water industry, certain segments of the plumbing industry, and manufacturers of certain chemicals. H.R. 3640, if enacted, would:

impose the standards set for tap water under the SDWA as regulations on the quality of bottled water if the Food and Drug Administration has not acted within 180 days of the issuance of the tap water standards by EPA,

expand the ban on the use of materials containing lead in drinking water systems and home plumbing, and

require businesses that register, manufacture, or import certain products to screen for substances that may have an effect on humans that is similar to an effect produced by naturally occurring estrogen, or other endocrine effects as directed by EPA.

The bill would reduce public water systems' likely cost of complying with future regulations by:

changing the procedures that EPA uses to identify contaminants for regulation under the SDWA in ways that would likely result in fewer contaminants being regulated,

delaying the effective date of new regulations,

directing EPA to define treatment technologies that are feasible for small drinking water systems when the agency issues new contaminant regulations,

allowing operators of small drinking water systems greater flexibility to obtain variances from drinking water standards under certain conditions, and

allowing states to establish alternative monitoring requirements for contaminants in drinking water.

6. Estimated direct cost to the private sector: The net direct costs of the private-sector mandates identified in this bill would not likely exceed the $100 million threshold established in Public Law 104-4. Although mandates become effective at different dates, CBO estimates that the aggregate direct cost of mandates in this bill for which we were able to obtain data would range from $40 million to $60 million annually for the first five years. Greater uncertainty exists for mandates that become effective in later years. Specifically, costs for estrogenic testing under Section 404 could exceed the threshold if more expensive tests become required. We further estimate that the costs of these new mandates on the private sector would be at least partially offset by savings from changes the bill would make in the standard-setting process and in other aspects of the federal drinking water program. These changes, which are the same as those resulting in savings to publicly owned systems, would significantly lower the costs privately owned systems would incur to comply with future regulatory requirements.

CBO estimates that privately owned water systems would incur direct costs of $10 million to $15 million per year to comply with a new requirement to mail annual "consumer confidence reports" to their customers. Privately owned water systems would also incur annual direct costs of $15 million to $20 million to comply with the new operator-certification requirement, beginning in fiscal year 2001. CBO estimates that the costs to manufacturers and importers of substances that would be subject to estrogen testing would initially range from $15 million to $25 million annually. (In later years, after an initial period of testing, the costs could be more than $100 million as more sophisticated tests may be required to determine longer term effects). The incremental costs of expanding the ban on lead materials to the plumbing industry would be negligible, as most in the industry have already started to comply with the increased ban on lead in plumbing fittings and fixtures. CBO also estimates that the incremental costs to the bottled-water industry would be negligible as most manufacturers attempt to comply with EPA standards for tap water where appropriate for bottled water.

New mandates on the private sector

New Operator Certification Requirements.—H.R. 3604 would require EPA to issue regulations specifying minimum standards for the certification of operators of community water systems. This mandate would impose costs totaling $25 million to $30 million annually on publicly and privately owned systems, primarily on very small water systems. While almost every state now has an operator certification program, many of them exempt these small systems. CBO estimates that approximately 33,000 additional public water systems would be subject to operator certification requirements as a result of this bill and about 23,000 of those are privately owned. Thus, CBO estimates that the incremental costs to privately owned water systems would range from $15 million to $20 million per year to comply with the new federal requirements for operator certification.

Based on information provided by EPA officials, state officials, and associations of state and local officials, CBO assumed that many of the smallest water systems would utilize contractors rather than employ certified operators. Other systems would incur costs for training and testing of their employees.

This estimate is based on a number of factors that are highly uncertain. The bill would give EPA considerable latitude in establishing minimum standards, and CBO cannot predict what those standards would be. Further, we cannot predict the extent to which EPA would allow states to continue their programs in lieu of adopting the new standards. We have assumed that EPA would not require substantial changes in existing state requirements for large systems. The cost of this mandate could be greater if that were not the case. Part of the cost we have attributed to the public sector could be shifted to the private sector if some small water systems require individual operators to bear the cost of obtaining their certification.

New Public Notification Requirements.—Section 131 would require EPA to issue regulations to require community water systems to mail an annual "consumer confidence report" to each customer. The reports would contain:

information about the source of the water supplied by the system,

the levels of any regulated contaminants detected in the water,

the levels of unregulated contaminants for which monitoring is required, and

in some cases, a brief statement explaining the health concerns that prompted the regulation of a contaminant.

The governor of a state could exempt systems serving fewer than 10,000 people from the requirement to mail the report. Systems not required to mail the report would instead have to publish it in local newspapers and make the information available upon request.

CBO estimates that this new requirement would apply to about 30,000 privately owned community water systems that are not already complying with similar state laws. These systems serve about 15 million households. Based on information from water system operators in those states with similar laws, CBO estimates that it would cost $10 million to $15 million annually for these privately owned systems to prepare and mail these reports. The estimate includes: the cost of printing a report, the cost of staff time to develop a report, and the cost of mailing reports to customers. CBO does not expect that providing the option for small systems (serving under 10,000) to publish the report in local newspapers would significantly reduced the aggregate cost of the requirement.

Information Requirements.—The bill would allow EPA, after consultation with the states and with water systems, to require water systems to provide information for use in establishing new standards for contaminants. Under current law, EPA can only require this information through a formal rule-making process. The bill would limit the kinds of information EPA could require without providing funding and would require the agency to first try to obtain the information voluntarily. Because of these limitations, CBO does not expect reporting costs for public water systems to increase significantly as a result of this change.

New Bottled Drinking Water Standards.—Section 410 of the bill would direct the Federal Drug Administration (FDA) to establish regulations for bottled water for each contaminant for which the EPA has promulgated a rule for drinking water. The regulations are to be issued no later than 180 days after tap water standards have been set and are to be no less stringent. If FDA fails to act within the 180-day period, the maximum contaminant levels established for tap water and would apply to bottled water. Industry representatives claim that they already meet and most likely exceed federal standards for drinking water. The likely incremental effect of this provision would be to influence how quickly federal rules are promulgated for bottled water. The incremental compliance costs to the industry of this provision would be negligible.

New Ban on Lead Plumbing Fixtures.—Section 141 of the bill would ban the use of plumbing fittings and fixtures that exceed established lead leaching rates and prohibit the use and sale of leaded solder and flux unless it is clearly labeled to prevent its use in plumbing delivering water for human consumption. Current law already bans the use of pipe, solder or flux containing lead in public water systems and residential plumbing intended for human consumption. H.R. 3604 would add a ban on the use of lead plumbing fittings and fixtures and defines "lead free" to be based on a consensus standard to be established by The National Sanitation Foundation (a private certifier). Industry experts consulted by CBO indicate that these provisions codify current activity in the industry and would not create significant incremental compliance costs.

New Estrogenic Substances Screening Program.—Section 404 would direct EPA to establish a screening program to determine whether certain pesticides and other chemicals may affect the endocrine system in ways similar to the natural hormone estrogen. After a two-year period to develop appropriate validated test systems, EPA would require persons who register pesticides and chemicals, or who manufacture or import targeted substances to conduct testing in accordance with the screening program. Based on information provided by research scientists, industry experts and EPA officials, CBO assumed that an initial screening period would be necessary to begin separating out those pesticides and chemicals from the substances targeted by EPA that would not likely have an effect on the endocrine system. Experts consulted by CBO indicated that the initial stage of the screening program would probably involve a set of short-term tests designed to screen for an indication of an endocrine-like effect at the cellular level.

Cost estimates for a set of these tests range from $10,000 to $15,000, depending on the number and types of tests that would be validated by EPA to be included in an initial screening program. The group of substances eligible for testing include active and inert ingredients from pesticides and industrial chemicals. Experts consulted by CBO indicate that a range of 1,500 to 1,700 substances could be tested in an initial screening program. Based on these data, CBO estimates the cost of testing to manufacturers and importers could range from $15 million to $25 million. After a period of initial screening, scientists and EPA officials indicated that more sophisticated tests would probably be required to analyze the longer-term effects of the substances that remain of importance. These tests could be similar in nature to the multi-generational tests conducted under current law (FIFRA and TSCA) and could cost on average about $500,000 per test. If such additional screening were required by EPA, the costs to the private sector could increase to over $100 million in years after the initial testing has been completed.

Changes likely to reduce compliance costs

Several provisions in H.R. 3604 should result in savings to the private sector relative to current law. The additional costs to the private sector of mandates in the bill would be at least partially offset by a number of other changes to the federal drinking water program that would significantly lower the costs of complying with future requirements. Specifically, the bill would reduce public water systems' likely costs by changing the federal standard-setting process, delaying the effective date of new regulations, allowing operators to obtain variances, and allowing states to establish alternative monitoring requirements. Major provisions that have potential to result in savings are discussed below.

New Standard-Setting Procedure.—H.R. 3604 would change the procedures for selecting drinking water contaminants for regulation and for determining permissible levels of those contaminants in ways that would likely lower future compliance costs for public water systems. The bill would rescind the requirement that EPA issue rules for 25 drinking water contaminants every three years. Thus, EPA would not have to regulate a specific number of contaminants. Although it is possible that, with this change, EPA would regulate more new contaminants than current law dictates, CBO expects that the agency would actually regulate fewer new contaminants than currently required.

Second, the bill would require EPA to conduct a cost-benefit analysis for national primary drinking water regulations before they are proposed. The bill also would require EPA, when proposing a maximum contaminant level (MCL), to determine whether the benefits of the proposed MCL justify the costs of complying with it. EPA would be given the discretionary authority to establish less stringent standards when it determines that the benefits of an MCL set at the feasible level would not justify the cost of compliance or when it determines that the contaminant occurs almost exclusively in small systems. If EPA uses this discretionary authority, it would have to set the MCL at a level that maximizes the reduction in health risk at a cost justified by the benefits. While current law requires EPA to perform cost/benefit analyses of new regulations, it does not give the agency the discretion to use those analyses as justification for changing the standards contained in new regulations. This change in current law would give EPA greater discretion to set less stringent standards in future regulations. Any use of that discretion would lower the cost of compliance for public water systems.

Effective Date of Regulations.—The bill would change the date that primary drinking water regulations become effective from eighteen months to three years after the date of promulgation, unless EPA determines that an earlier date is practicable. This change would give water systems more time to install new equipment or take other steps necessary to comply with the new regulation.

Small System Technologies and Variances.—Current law allows EPA and the states to provide variances to small systems if it is too costly for them to meet a standard. Such provisions are almost never used, however. Section 142 of the bill would create a Best Available Affordable Technology (BAAT) variance. States would be allowed to grant BAAT variances to small systems that can not otherwise afford to meet the standard. If this variance option is widely used, it could provide financial relief to small systems, many of which are privately owned.

Changes to Monitoring Requirements.—H.R. 3604 would change monitoring requirements for local water systems in ways that probably would lower compliance costs. First, the section would allow states with primary enforcement authority (primacy) to modify temporarily the monitoring requirements for most regulated and unregulated contaminants. States with primacy would be allowed to relieve water systems serving 10,000 or fewer people of monitoring for a contaminant for up to three years if certain conditions are met.

Second, the bill would allow states with primacy, in some circumstances, to alter monitoring requirements for most regulated contaminants permanently. Third, the bill would cap the number of unregulated contaminants for which EPA could require monitoring. Under current law, which has no such cap, EPA requires testing for 33 unregulated contaminants.

Fourth, the bill would require states with primacy to develop a "representative monitoring plan" to assess the occurrence of unregulated contaminants in small and medium water systems (those serving 10,000 or fewer people). Under these plans, only a representative sample of water systems in each state would be required to monitor for unregulated contaminants. Because current law requires all systems to do such monitoring, these plans could reduce the cost of monitoring for the water systems. Finally, this section would direct the EPA Administrator to pay the reasonable costs of testing and analysis that small systems incur by carrying out the representative monitoring plans.

7. Appropriations or other Federal financial assistance:

New Federal Grant Program to Set Up State Revolving Funds.—The bill would authorize appropriations of $7.8 billion for state and local governments over fiscal years 1997 to 2003 in part to be used in various programs to assist publicly and privately owned water systems. The largest authorization would be $7 billion for the creation of state revolving funds (SRFs). In addition, the bill would make available for spending $725 million that was appropriated for the SRFs in fiscal years 1994–1996. If the authorized funds are appropriated, these SRFs would be a significant source of low-cost infrastructure financing for many public water supply systems.

The bill, under section 308, would establish a new State Revolving Fund (SRF) program for drinking water infrastructure. The bill authorizes $1 billion per year through fiscal year 2003 for capitalization grants. The federal government would provide capitalization grants to state-run SRFs. States would use these funds to make grants and loans to public water systems to facilitate compliance with the Safe Drinking Water Act. Further, the bill would authorize EPA to reserve up to 2 percent of its annual grant to provide technical assistance to small water systems serving a population of 10,000 or less. Assistance may include financial management, planning and design, source water protection, or system restructuring.

In order to receive a federal SRF grant, states would have to deposit matching funds of 20 percent into their revolving fund. The bill would instruct EPA to withhold 20 percent of an SRF grant to a state if the state has not met EPA's requirements for an operator certification program. EPA would also be instructed to withhold twenty percent of an SRF grant to a state if the state has not met federal requirements for capacity development programs.

Other Authorizations of Appropriations.—Section 302 of the bill would authorize $15 million for fiscal years 1997 through 2003 to be used by EPA to provide technical assistance to small public water systems. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. The purpose of such assistance would be to enable small public water systems to achieve and maintain compliance with national primary drinking water regulations.

Section 303 of the bill would extend the authorization for grants to the states for public water system supervision (PWSS) programs through fiscal year 2003 at $100 million per year and in some situations would allow states to supplement their PWSS grant with money from their SRF capitalization grant. The PWSS programs implement the Safe Drinking Water Act at the state level through enforcement, staff training, data management, sanitary surveys, and certification of testing laboratories. Some of these funds may be used to pay for training operators of privately owned systems.

Section 304 of the bill would authorize appropriations of $10 million annually for fiscal years 1997 through 2003 for EPA to carry out a monitoring program for unregulated contaminants. Based on regulations promulgated by EPA, each state would have to develop a plan for representative sampling of small systems serving a population of 10,000 or less. The bill would require EPA to use some of the appropriated funds as grants for these small systems to pay for the costs of monitoring unregulated contaminants.

8. Previous CBO estimate: None

9. Estimate prepared by: Terry Dinan and Patrice Gordon.

10. Estimate approved by: Jan Acton, Assistant Director for Natural Resources and Commerce.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, June 11, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, Washington, DC.

DEAR MR. CHAIRMAN: I applaud your work and the efforts of other key members of the Committee on Commerce to reach bipartisan agreement on a strengthened Safe Drinking Water Act (SDWA). As you prepare for Full Committee mark-up and future steps in the legislative process, I would like to provide you with the Environmental Protection Agency's (EPA) initial views on the bill reported by the Subcommittee on health and Environment, as well as an assessment of EPA's ability to implement provisions of the bill.

Ensuring the safety of the water we drink every day is one of the most fundamental responsibilities of government, and one of President Clinton's top environmental priorities. In September 1993, the Administration sent to Congress ten recommendations for SDWA reauthorization. We seek a reauthorized Act that provides responsible regulatory improvements coupled with stronger 'preventive" approaches and public information along with increased State and local funding—all of which will improve public health protection.

The Committee's bill achieves these goals by drawing on many of the strongest elements of the Senate bill, S. 1316, while making essential improvements in several key areas. The Committee's improvements in the area of "prevention" are perhaps the most significant. The bill reflects the Administration's recommendations to fundamentally improve the ability of water systems and States to prevent drinking water safety problems and avoid public health endangerment in the future. Preventing pollution of drinking water sources in the first place can reduce the cost of treating water "after the fact." The bill provides for the delineation and assessment of source water areas, as in the Senate bill, but provides States with extensive flexibility to develop and fund their own source water protection programs and local protection projects. We strongly support this flexibility; State and local initiatives should not be stifled by overly prescriptive statutory requirements. In addition, the bill strengthens small system assistance, operator training and certification, and State programs to encourage greater technical, financial, and managerial capacity among the nation's water systems.

We applaud the Commerce for including provisions to improve consumer awareness. Public access to information on drinking water safety is long overdue. We are pleased to see the Committee has included an estrogen screening program that will advance our understanding of endocrine disrupters and their potential health effects. These provisions and the stronger prevention focus in the bill, if passed into law, would signal a revitalized national commitment to meet the challenge of safe and affordable drinking water long into the future.

The Committee's bill, like the Senate bill, includes several provisions that address current implementation problems faced by water systems, States, and EPA—most notably, monitoring flexibility, workable exemptions, small system assistance, small system technology variances, and more funding for States. The bill also establishes the Drinking Water State Revolving Fund (SRF) proposed by President Clinton, which will provide funding to communities to improve drinking water safety. I am concerned, however, that the total level of "taps" from the SRF to fund specific activities will limit the availability of dollars needed for building a permanent source of revolving funds.

Finally, the Committee's bill builds upon the Senate's balanced framework for selecting contaminants and setting standards, but eliminates duplicative procedural hurdles that could cause unnecessary delays in future safety standards. The bill also has a special provision to preserve the balanced framework that was agreed upon as part of a negotiated rulemaking for setting future standards for disinfection byprodudcts and Cryptosporidium.

The Administration has steadfastly supported improvements to SDWA along the lines of the bill reported by the Subcommittee, and EPA has taken a number of steps to prepare for these improvements. Over the last year we have worked hard with stakeholders to realign our resources to reflect priority drinking water concerns. We believe our extensive outreach effort will bolster future partnerships for implementing SDWA. In addition, our planned reorganization of the drinking water program should improve the Agency's ability to strengthen its scientific work in drinking water while maintaining other priority activities.

EPA's responsibilities in the bill will present significant implementation challenges. Important new efforts to boost stakeholder involvement and strengthen science will undoubtedly make some time frames difficult and strain current Agency resources. Timely implementation is achievable, however, depending on adequate levels of future funding. We look forward to working together to assure there are resources necessary to allow implementation of the important public health protections in this bill.

I appreciate the opportunity to provide comments on the bill. We may have additional comments as we conduct a more detailed review of individual provisions. I look forward to working with the Committee to secure final passage of SDWA reauthorization that provides balanced regulatory improvements, new funding, strong prevention, and public information.

Sincerely,

CAROL M. BROWNER.

JUNE 11, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We write to express our appreciation for your hard work in developing H.R. 3604, the bipartisan bill to reauthorize the Safe Drinking Water Act reported by the Health and Environment Subcommittee on June 6. We urge the Commerce Committee and the House to approve that bill as expeditiously as possible to keep the legislative process moving forward.

First and foremost, H.R. 3604 improves the protection of public health. It represents a significant advance over current law and over the bill approved by the House in 1994. Among other significant changes, the measure approved in subcommittee eliminates the requirement for the Environmental Protection Agency to regulate 25 new contaminants every three years and instead focuses attention on contaminants that actually occur or are likely to occur in drinking water. The bill improves the current standard setting process by allowing EPA to balance risks and to consider costs and benefits in setting most new standard. It also addresses the technology needs of small water systems, allows some relief from monitoring requirements when contaminants do not occur in the drinking water in a given community, and authorizes a new state revolving fund for much needed investments in drinking water infrastructure. These changes and others are important improvements over the current law.

As you know, the bill also includes several expanded federal authorities and new mandates on states, local governments, and water suppliers about which we have some concerns. We await the Congressional Budget Office analysis of the costs of these mandates.

We will continue to work with you and your colleagues in the Senate to assure that the Safe Drinking Water Act reauthorization bill is enacted into law this year, providing the public with both safe and affordable drinking water.

Sincerely,

Governor Tommy G. Thompson, Chairman, National Governors' Association;
Gregory S. Lashutka, President, National League Cities;
Norman B. Rice, President, The U.S. Conference of Mayors;
Douglas R. Bovin, President, National Association of Countries;
James J. Lack, President, National Conference of State Legislature;
David L. Tippin, President, Association of Metropolitan Water Agencies;
Karl F. Kohlhoff, President, American Water Works Association;
Ronald S. Dugan, President, National Association of Water Companies;
James K. Cleland, President, Association of State Drinking Water Administrators;
Fred N. Pfeiffer, President National Water Resources Association.

CAMPAIGN FOR SAFE AND
AFFORDABLE DRINKING WATER,
June 21, 1996.

Hon. THOMAS BLILEY,
House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: We are writing to thank you for your leadership in negotiating and achieving unanimous Committee passage of the "Safe Drinking Water Act of 1996," H.R. 3604, and to express our appreciation for your attention to our views in the legislative process. We do not agree with all of the decisions that the Committee reached, but we do believe that our concerns received full and fair consideration.

Although we did not support S. 1316 as it was passed by the Senate, we are pleased to be able to endorse H.R. 3604. We support it on balance because it provides a number of important public health protections, including:

The right-to-know provision, which requires water systems to issue drinking water quality reports to consumers.

Prevention provisions, including an improved source water assessment, operator certification, and capacity development sections.

A reasonable radon provision that establishes a rational process for setting a standard for this important cancer-causing contaminant.

More workable small system provisions. Small system exemptions and variances would be limited to water systems serving less than 3,300 customers. These provisions would encourage and facilitate compliance rather than needlessly waiving public health protection requirements.

Improved monitoring provisions for unregulated contaminants, tying monitoring relief to source water assessments, and requiring a disease monitoring study.

We continue to have, of course, objections to some of the language included in H.R. 3604, particularly the provisions affecting citizen suits, standard setting (although we recognize that the House language improves upon the Senate proposal), source water program funding, and information gathering. Accordingly, our continued support for H.R. 3604 will be predicated upon maintaining the important improvements the Commerce Committee adopted.

Sincerely,

20/20 Vision;
Gary Rose, Aids Action Council;
Susan Polan, American Cancer Society;
Ted Morton, American Oceans Campaign;
Dr. Fernando Treviño, American Public Health Association;
Beth Norcross, American Rivers;
Michael Hirshfield, PhD., Chesapeake Bay Foundation;
Roberta Hazen-Aranson, Childhood Lead Action Project, RI;
Winonah Hauter, Citizen Action;
Mary Clark, Citizen Action of New York;
Paul Schwartz, Clean Water Action;
Ginny Yingling, Clean Water Action Alliance of Minnesota;
Beth Blissman, Lorain Grenado, Steering Committee, COPEEN, Colorado People's Environmental and Economic Network;
Diana Neidle, Consumer Federation of America;
Donald Clark, Cornicopia Network of New Jersey, Inc.;
James K. Wyerman, Defenders of Wildlife;
Phil Clapp, Environmental Information Center;
Brian Cohen, Environmental Working Group;
Velma Smith, Friends of the Earth;
Joanne Royce, Government Accountability Project;
Tom FitzGerald, Kentucky Resources Council;
Jan Conley, Lake Superior Greens;
Judy Pannullo, Long Island Progressive Coalition;
Dr. Edward B. Smart, Metropolitan Ecumenical Ministry;
Aisha Ikramuddin, Mothers & Others;
Mary Marra, National Wildlife Federation;
Cleo Manual, National Consumers League;
Erik Olson, Natural Resources Defence Council;
Rev. Albert G. Cohen, Network for Environmental & Economic Responsibility;
Amy Goldsmith, New Jersey Environmental Federation;
Bruce R. Carpenter, New York Rivers United;
Todd Miller, North Carolina Coastal Federation;
Debbie Ortman, Northern Environmental Network;
Alfonso Lopez, Physicians for Social Responsibility;
Rabbi David Sapperstein; Religious Action Center;
Alison Walsh, Save the Bay, Rhode Island;
Mark Pelavin, Union of American Hebrew Congregations;
Daniel Rosenberg, U.S. PIRG;
Parker Blackmun, WashPIRG;
Robert Hudek, Wisconsin Citizen Action.

CLEAN WATER COUNCIL,
May 29, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, House Commerce Committee, Washington, DC.

DEAR MR. CHAIRMAN: The undersigned members of the Clean Water Council represent employers and independent professionals who finance, design, construct, and maintain drinking water delivery and treatment facilities. We urge you to support timely action on legislation to reauthorize the Safe Drinking Water Act and create a State Revolving Loan Fund (SRF) Program to help states finance capital investment and improvements in drinking water infrastructure.

The proposed drinking water SRF program would be an efficient and cost-effective means of providing capital for the construction of drinking water delivery and treatment facilities. The need for the program is well documented. Growing demands on our aging and sometimes nonexistent infrastructure often force cash-strapped communities to patch the leaks and stretch the infrastructure to unsafe limits for lack of financial resources. Water main breaks, boil water orders, and dry fire hydrants are routine occurrences and pose unacceptable risks to our families. A 1990 report published by the Clean Water Council demonstrated a $2-billion annual drinking water infrastructure deficit above and beyond what the states themselves are expected to invest.

Furthermore, clean water infrastructure is essential to environmental protection, private sector productivity and profitability, and job creation. Half of the estimated 57,000 jobs created for every $1 billion invested are permanent jobs. Clean water construction, rehabilitation, and maintenance also increase the local tax base. A dependable network of pipes and treatment facilities attracts new homes and businesses to a community. This is an area where environmental protection and economic growth go hand-in-hand.

Your efforts to move safe drinking water legislation this year are an investment in America's clean water future.

Sincerely,

The Clean Water Council,
American Consulting Engineers Council;
American Portland Cement Alliance;
American Road and Transportation Builders Association;
American Society of Civil Engineers;
American Subcontractors Association;
Associated Equipment Distributors;
Associated General Contractors of America;
Constructed Industry Manufacturers Association;
Council of Infrastructure Financing Authorities;
Equipment Manufacturers Institute;
International Spiral Rib Pipe Association;
National Aggregates Association;
National Constructors Association;
National Precast Concrete Association;
National Ready Mixed Concrete Association;
National Stone Association;
National Utility Contractors Association;
Uni-Bell PVC Pipe Association;
Water and Sewer Distributors of America;
Water and Wastewater Equipment Manufacturers Association.

COUNCIL OF INFRASTRUCTURE
FINANCING AUTHORITIES,
Washington, DC, June 13, 1996.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Commerce Committee, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We want to extend our congratulations to you, the members of your Committee and staff for your skillful legislative effort in fashioning a bi-partisan consensus bill that moved swiftly through your Committee to reauthorize the Safe Drinking Water Act. H.R. 3604 is a good and carefully constructed piece of legislation that deserves to be adopted by the House.

We are pleased to advise you of our support for this legislation, as reported out of your Committee, and appreciate the extensive effort that you and the other members of the Commerce Committee devoted to fashioning the several compromises that have allowed this bill to move forward. The provisions in the bill creating a new State Revolving Loan fund will authorize critically needed funds to finance water system improvements and if expeditiously enacted, will make already appropriated funds available for state lending. We are especially appreciative of the continued efforts by the Committee staff to work with us to accommodate changes in the State Revolving Loan Fund financing provisions which will make them more workable when the bill becomes law.

We look forward to the passage of this legislation, and offer our support and assistance through the continuation of the legislative process.

With appreciation,
Sincerely,

PAUL MARCHETTI,
President.

Mr. BLILEY. Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the bill.

Mr. Speaker, I am astounded to hear myself say I am speaking in opposition to this bill. I have here in my hand a statement in support of the bill, a statement that commends, appropriately, the gentleman from Virginia [Mr. BLILEY], the gentleman from Michigan [Mr. DINGELL], and the gentleman from Florida [Mr. BILIRAKIS], and the members of our committee for the very long period of negotiations entered into in good faith to resolve the differences on the Safe Drinking Water Act.

This was a negotiation that literally took place over a matter of years and the result of our negotiations was a bill supported by everyone, the water systems, the State and local governments, the agricultural interests, and the environmentalists. Everybody was satisfied that the legislation that was reported unanimously out of the Committee on Commerce was a good bill and this legislation appeared to be heading to conference and to the President's desk as one of the rare accomplishments of this legislative session.

The unfortunate fact is I cannot make that statement that ordinarily is made on a suspension bill, urging all our colleagues to support it. The reason I cannot make that statement is that this bill was changed last night. An important part of the drinking water legislation is a revolving fund that would help drinking water systems throughout this country to able to draw on money so that they could upgrade their systems, so that we could be assured that those water systems will be delivering water that meets the standard to protect the public health.

In the bill now before us, as a result of negotiations behind closed doors that did not involve any of us on the Democratic side, money has been earmarked for certain projects to be paid for out of this revolving fund; $375 million is earmarked for specific areas, specific water projects. Now, that means there is less money for the rest of the country. It means that the revolving fund will not be used for the highest priorities, where we need to clean those systems up or allow the systems to be modernized so that the water can be cleaned.

This bill should not be coming to the floor under those kinds of circumstances. We all believe, and the reason we entered the negotiations is we wanted to accomplish something through a bipartisan agreement. In accomplishing a bipartisan agreement, there has to be understandings and the bill was delicately balanced. It certainly was not the bill I wanted completely. It was not the bill the gentleman from Virginia [Mr. BLILEY] or the gentleman from Florida [Mr. BILIRAKIS] wanted in its entirety, but we balanced out the different concerns and had a compromise bill we all felt we could stand behind.

Part of that balancing out was an understanding that we would all negotiate with each other, we would all have to agree to changes all the way through conference. Well, we are not even off the House floor and changes are being made in this bill without our agreeing to it.

□ 1245

In fact, without even knowing about it. Bipartisanship and working to accomplish something in this House has to involve relying on each other to keep commitments, to be able to rely on each other's understandings of where we are going with any legislation.

The provisions in this bill now that have been added are arbitrary. These projects are arbitrarily designated as being ahead of everybody else, every other water system in the country. It is not for public health reasons. It is for political reasons that some projects are being given special treatment.

I feel very sad to have to come here to the floor after all this effort and urge my colleagues not to support this legislation. It seems to me a very poor way for us to be moving legislation that should be a proud accomplishment that all of us should look with pride as having done something in the public interest.

Mr. Speaker, I will yield to others who may want to speak on this legislation, but, while we have in the past told all our colleagues to support the bill, now we have to urge opposition to it. If these projects are meritorious, let us have a vote on them. Let Members have a discussion as to those specific projects. If they were presented to us on the House floor and the Members wanted to go along with it, then I would really have no complaint, even if I were to oppose it. But to have special projects that amount to political pork inserted in the bill and then we have to vote for the whole bill and move those projects along with a bill that everybody wanted seems to me the improper way for us to proceed.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. BOEHLERT], chairman of the Subcommittee on Water Resources and Environment.

Mr. BOEHLERT. Mr. Speaker, we are getting smarter as we go along. We have developed a very good bill that responds to a legitimate need of the American people. That is to deal in a responsible manner with safe drinking water.

The American people have said to us they want smaller, less costly, less intrusive government, and we are responding. But they do not want us to dismantle government and they for darn sure want us to be responsible in protecting the air we breathe and the water we drink, and the food we eat. This measure, the Safe Drinking Water Act, does just that.

I would point out to my distinguished colleague from California this bill does not, let me repeat, this bill does not contain any earmarks. The bill does not include any site-specific provisions. EPA and the States have the authority to select their own priorities. Let me make that abundantly clear. This bill does not have any earmarks. This bill has some language making recommendations to the Environmental Protection Agency, but the Environmental Protection Agency is given free rein to make the best possible judgments consistent with the objectives of this legislation.

Let me also point out that, if Congress fails to appropriate at least 75 percent of the authorization for the grants program and if the States and localities do not come up with at least a 50/50 cost sharing match, two very responsible ways to deal with the legislation, then all bets are off.

It is important for all my colleagues following this debate very closely to understand this bill does not include any earmarks. What it does include is hope for communities all across this country who have said to us in no uncertain terms, please help us, please give us some resources so that we can do the job that our constituents have every right to expect us to do; that is, to protect the water we drink.

We can go all around the world, and there are very few countries where you can do what I am about to do, reach over and grab a glass of water from a public water system. This is not any fancy imported water. This is from the Washington public water system. I can drink it knowing full well that I am not placing my health in jeopardy. Do you want to know why? Because we have the Environmental Protection Agency, because we have Federal employees implementing Federal regulations, operating under Federal law. Here is to you America. And we are going to do something more. We are going to protect that water supply.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

I do want to take this opportunity to tell the gentleman from New York that he has played a very important role in fashioning a Safe Drinking Water Act that we can be proud of. The right-to-know provisions in this legislation are just one of the areas from an environmental perspective that we have in this legislation due to his enormous efforts. On this bill and any others that affect the environment, the public health, he has been a champion, and I want to commend him for it.

We do not have a disagreement over this legislation and the substance of this legislation. My only complaint, and it is not with the gentleman from New York, is that on our side we were never consulted about the specific projects. We were never consulted about it. We did not know about it until it was put in this legislation.

I do want to underscore the points my colleague has made that, after all the work that has been done, we have a drinking water bill on substance that is one we should proudly support. My only objections are the changes were made.

Mr. BOEHLERT. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Speaker, I would like to point out that in our Committee on Transportation and Infrastructure, which, incidentally, is the largest committee of this Congress or, for that matter, any Congress in the history of the Republic, it passed by unanimous vote, Republicans and Democrats alike. And we did have some very thorough consultation.

I can only speak for my committee. We did have some consultation about our section of the bill, and I see some of my colleagues from the committee who were very much a part of that consultation on the other side of the aisle. The point is we have striven mightily to make this not a partisan thing, although we proudly claim an initiative here, but to work in concert with our good friends who are Democrats who share the same vision for America that we all have; that is, we want cleaner water.

I would further point out that I am very mindful of the fact that the gentleman has some special needs in Santa Monica, and we have talked about this and we have exchanged correspondence. This is the ideal vehicle to go forward with the improvements that my colleague needs for the water system in Santa Monica.

Mr. WAXMAN. Mr. Speaker, reclaiming my time, I do not believe that anything in Santa Monica is in this legislation. That was on another matter. The fact of the matter is, my colleague's committee made some decisions. My complaint is not about that committee making decisions within its jurisdiction.

My complaint is that, when we agreed in our committee on a drinking water bill, we agreed that everybody, the gentleman from Michigan [Mr. DINGELL], myself, the gentleman from Florida [Mr. BILIRAKIS], and the gentleman from Virginia [Mr. BLILEY], had to sign off on any changes in the bill that we had. We feel we were not consulted in the changes that were made. That is our complaint. Our complaint is not with my colleague and not with the members of his committee, as to what he may have pursued within his own committee as it affected the bill that we all agreed to and had mutual commitments would not be changed.

Mr. BOEHLERT. Mr. Speaker, if the gentleman will continue to yield, I know time is precious, just let me say that we are about today something that I think is going to make the American people very happy. They watch what goes on down here and they wonder why we cannot come together, Republicans and Democrats, on something so important as safe drinking water. We can look the American people in the eye and say, we have come up with a good program that is going to protect the water supply for America. I think that is a day's deed well done.

I think the gentleman for his help and for his guidance. He was here before I. He has been my inspiration on some occasions. We have been partners dealing with some legislation like acid rain. We are partners here again today. I hope we march forward together and pass this very important legislation.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for his comments and I hope that we will be together on this legislation, if not today, down the road, because we have been consistently fighting the battle on the same side.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS], chairman of the subcommittee that has worked very hard on this bill.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding time to me, my full committee chairman.

Over 5 months ago, I chaired the Health and Environment Subcommittee hearing concerning priorities for the reauthorization of the Safe Drinking Water Act.

The subcommittee heard testimony from public officials, private water systems, and the environmental community. And, while opinions varied, no one disputed the essential task before us—the need to overhaul a well-intentioned, 10-year-old statute which has served us well, but which has not aged gracefully.

Many have cited the need for flexibility in the administration of the law.

EPA has also estimated that the capital expenditures needed to comply with current requirements total $8.6 billion. So the question has not been whether to act, but how to best correct identified problems.

At first, I must admit the job looked easy, especially given the action of the other body to vote unanimously in favor of reforms. The careful review of the Commerce Committee, however, has helped to shape legislative provisions which are improved and which I believe will stand the test of time.

We have improved the standard setting language which lies at the heart of the act, making it more workable and efficient.

In addition, the bill strengthens certain provisions regarding capacity development and operator training. The bill will directly improve the human factor in the safe drinking water act.

All of these changes are not universally popular with every interested party. But a careful balance has been struck in this legislation between flexibility in administration and certainty in regulation.

I believe we have a good bill before us. It is a bill which bears the imprint and hard work of many Members too numerous to mention. I would urge its approval to help ensure the continued safety of the Nation's drinking water supply.

Mr. BOEHLERT. Mr. Speaker, will the gentleman yield?

Mr. BILIRAKIS. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Speaker, the chairman of the full Committee on Transportation and Infrastructure is presiding over some very important hearings at this very hour dealing with aviation safety. Otherwise, he would be here.

The SPEAKER pro tempore (Mr. LINDER). The gentleman from Michigan [Mr. DINGELL] has 25 minutes remaining, and the gentleman from Virginia [Mr. BLILEY] has 27 minutes remaining.

Without objection, the gentleman from Michigan [Mr. DINGELL] controls the remainder of the time of the gentleman from California [Mr. WAXMAN].

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, first of all I want to pay my respects and my compliments to my dear friends, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Florida [Mr. BILIRAKIS]. They have tried hard to work with us on a fair and a decent bill. I believe that it had in that effort a real seed of careful and good legislative work. For that I commend them and for that I thank them.

But between the time that Mr. BLILEY and Mr. BILIRAKIS, the gentleman from California, Mr. WAXMAN, and I agreed with regard to the substance of the bill, something peculiar happened. All of a sudden, we have found that the Committee on Transportation and Infrastructure, well known for its ability to seize pork wherever that pork might be found, has done so again.

So we do not bring Members a bill which is going to make safe the waters only. We bring here a bill which through some curious process between the time the bill left our committee and the time it came to the floor came to contain 375 million dollars' worth of pork.

My staff informs me that perhaps a couple of the projects which are in this area of pork have some merit. Most of them are, quite frankly, nothing more or less than shameless raids by the Committee on Transportation and Infrastructure. Not only are they quite shameless raids, but they are for projects which are quite lacking in merit. More importantly, they are an attempt to raid a small fund which is going to help communities all across this country to make safe the drinking water upon which their people are dependent.

□ 1300

They are things for parks and for rehabilitation of water systems, improvement and restoration of an aquatic system at Pennypack Park. They are other wonderful programs for water line extensions. They are programs for construction and activities at a reservoir.

There are other infrastructure water assistance programs, not for making water safe for the public at large, not for carrying out the purposes for which this program was set up, but simply to take care of some political things so that we now have a safe drinking water bill where the moneys available to assist communities in addressing the problem of safety of their water simply are being perverted by the Committee on Public Works to seize a wonderful opportunity to convert meaningful public expenditures into pork to benefit the members of that committee and to get around the constraints that are put on by Republican colleagues over here with regard to how public moneys have been spent.

This is a sneaky, dishonest effort to get around the requirements of the Budget Act and the budget. That is all it is. This is not good, honest, carefully thought-out legislation at all. It has been perverted by the Committee on Transportation and Infrastructure in a fashion which is unique to that committee, and it manifests in a splendid way fiscal irresponsibility on that side of the aisle from which Members over here were totally excluded. It also manifests splendid irresponsibility in seizing and converting funds which should have gone to communities for making water safe, into pork. Thus has the Committee on Transportation and Infrastructure served this body.

Every Member of this body could look at this piece of legislation and say my district would have had a chance to get real and meaningful assistance in terms of cleaning up our water supply, making it safe, but the Committee on Transportation and Infrastructure has stolen $375 million out of that fund for their own peculiar, unreported purposes for which there have been neither hearings nor reports, and they have done so in a way which evades the Budget Act.

Now, the bill started out to be a responsible effort to clean up the drinking waters of this country, to avoid the kind of things that struck Milwaukee where they had a major infestation of an intestinal parasite which caused a large number of deaths and an even larger number of sicknesses and illness. It is an attempt to see to it that water systems in places like Washington, DC, where we have been told that the waters of this city that are used by the citizens of this city should be boiled because they are unsafe. But, no, we have gone to steal money from the State-controlled drinking water fund to fatten pork projects suggested not on the basis of need, but on the basis of congressional politics and in a splendid way to escape the constraints that my Republican colleagues would put on the budget for the Committee on Public Works.

I think this is clearly wrong. The revolving fund which is raided to the tune of $375 million is an important assistance to communities across this country, which desperately need those moneys to carry out important projects. But some 14 members of the Committee on Public Works and their friends have decided, no, those moneys are going to be shortstopped, those moneys are going to be taken off to take care of their own peculiar special nice interests at the expense of all the other Members of this body and at the expense of a program which is already far too small for the cleaning up of the drinking water supplies of the people of this country.

The only source of money, apparently, that the Committee on Public Works could find from which they could filch this money was the funding which is included in this bill for the protection of drinking water supplies and for the restoration of the safety of those drinking water supplies. Those moneys are limited, but they are essential, and they are important to the public health to the safety of the people of this country, Mr. Speaker, and they are a public expenditure which is very important to all the people.

Now, Mr. Speaker, I will be happy to yield to the gentleman from New York [Mr. BOEHLERT] briefly.

Mr. BOEHLERT. Mr. Speaker, I thank my distinguished colleague for yielding, and I do not wish to interrupt his fun, but I do appreciate his giving me a time to respond to some of his comments. The gentleman from Michigan is suggesting that what used to be called the Committee on Public Works which is now called the Committee on Transportation and Infrastructure, this is the new era——

Mr. DINGELL. I know it by the old name, and they are still up to their old practices which is pork, pork at all costs, pork at any cost, pork without responsibility, pork without need, pork. We perhaps should change their name to the committee on pork.

Mr. BOEHLERT. As my colleagues know, I have only been here 14 years, so I am still learning, but I am talking now to the master because, as I look here at the River Rouge project over the past few years, I notice there are $320 million that has been earmarked at the direction of the gentleman from Michigan.

Mr. DINGELL. That was a wise expenditure, and I thank the gentleman.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. Boehlert].

Mr. BOEHLERT. I say that in a spirit, the good spirit of the day. I just want to point out as we are talking about something, just because he says it is so does not mean it is so. Let me stress this bill does not have any earmarks; earmarks, that is, directing the expenditure of a certain amount of money for any particular project. That is very important for all my colleagues to understand.

Second, the preceding speaker, the gentleman from Michigan, for whom I have the greatest respect, could teach us all a lesson on how to get pork because, as I look at the appropriations from 1992 through 1997, I notice $320 million specifically earmarked for the Rouge River National Wet Weather project. Now, in 1992 it was $46 million; he was modest that year. In 1993 he got a little more energized, was up to $82 million, and keep going up. In 1994, $85 million. In 1995, in the spirit of the day, modestly went back to $75 million. In 1996, well, there have been some changes around here, was only $11⅝ million, but in 1997 the committee report already includes $20 million.

The point is, and I have no quarrel; I used to live in Michigan. I can understand the importance of cleaning up the Rouge River, and I want to work with the gentleman to do just that.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. Bereuter].

Mr. BEREUTER. Mr. Speaker, I rise in support of the legislation that was reported out of the Committee on Commerce.

Mr. Speaker, this Member would like to engage the distinguished gentleman from Virginia [Mr. Bliley] in colloquy regarding the provisions of the bill relating to ground water disinfection.

Nebraska is by far the most ground water-dependent State in the Nation. As this Member made clear in the statement submitted for the Record, the ground water disinfection rule could place an absolutely unworkable and untenable burden upon many of our local communities unless reason prevails. In fact, chlorination of community drinking water from ground water sources, which may present some health risks, could be requiring a solution to a nonproblem in most Nebraska communities.

Is it the committee's intent that communities using groundwater as a drinking water source will not be required to disinfect the water unless an actual health threat is present?

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, as the gentleman is aware, the bill provides in section 105 that EPA must issue criteria which a State would be required to use to determine whether disinfection is necessary for any public water system served by ground water. In developing such criteria, the administrator is authorized to use the new authority in the bill to set a different level if she determines that the benefits of the regulation do not justify the costs, provided that the level she establishes maximizes health risk reduction benefits at a cost that is justified by the benefits.

Mr. BEREUTER. Mr. Speaker, reclaiming my time, would this legislation also ensure that the potential health risks associated with chlorination, as well as the costs associated with disinfection be taken into account when developing the ground water disinfection rule?

Mr. BLILEY. If the gentleman would yield, the answer is "yes." Under this legislation, the administrator is required to conduct an analysis of the costs and benefits of a proposed regulatory level. This analysis must include a review of health risk reduction benefits as well as compliance costs.

Mr. BEREUTER. Reclaiming my time, this gentleman thanks the distinguished gentleman for this clarification.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. Burr], a member of the committee.

Mr. BURR. Mr. Speaker, I thank the gentleman from Virginia [Mr. Bliley] for yielding, and I also thank him and the gentleman from Florida [Mr. Bilirakis] for their leadership on this bill.

This bill seeks to protect public safety by improving the outdated law that regulates tap water. It is not a perfect bill, but it is a good bill, it is a bill my colleagues should support. The safe drinking water bill is well negotiated, bipartisan agreement grounded in three vital principles:

First, targeting the most dangerous contaminants in our tap water; second, providing greater resources to small water treatment plants; and third, making sure consumers know more about the tap water that they use more so than ever before.

I want to personally thank those people in North Carolina who had faith in this process. I want to thank key individuals in North Carolina: Linda Sewall and Rick Durham from the North Carolina Department of Environmental Health and Natural Resources for their help and their understanding as we went through the process; and I want to thank Terry Henderson in North Carolina, who heads up the North Carolina League of Municipalities for his support.

I urge my colleagues' support for the Safe Drinking Water Act. It is the right thing.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. Pallone].

Mr. PALLONE. Mr. Speaker, I just listened to what my colleague from North Carolina said, and I agree with everything he said, but the problem is that the bill, as it came out of the Committee on Commerce on a bipartisan basis, was appropriate this morning for action on the suspension list. Normally, as we all know, we put bills on the suspension list if they had been agreed to on both sides, if they are good government and we want to get them moving in an expedited fashion. The problem is that somehow when this bill left the Committee on Commerce, all these pork projects were added to it, and that now jeopardizes the legislation, which is really sad.

This was a bill that we was to be a model for a bill that we could get together on a bipartisan basis that would help from an environmental point of view, that would help with the public health. We had the President's support. the legislation that came out of the Committee on Commerce was very similar to what passed the Senate. So we were expediting it because we felt we could get it to the President's desk and be signed into the law.

All of that is out the window now because of the action that was taken by the Republican leadership. And I think it is a real shame because, because of the addition of these particular projects which are earmarked in the bill and not on an objective basis, that means now that we jeopardize the possibility of it passing the House on an expedited basis, we jeopardize the possibility of coming to an agreement quickly with the Senate and also getting the President to sign the bill.

And I just wanted to say for those who are saying that it is not true that there are specific earmarks or pork in this bill, I am just reading from the report language that says that the administrator is directed to provide priority consideration to the following projects, and then 13 or 14 projects are specifically listed as having to be prioritized.

That goes against the objective criteria that were put in the bill in the Committee on Commerce. Basically, the money in this fund was supposed to be divided between the States on an objective formula, and they would decide to focus the money on projects that address the most serious health risks. This is no longer the case, and that is why we have to oppose this bill on the suspension list.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. SAXTON], who has been very helpful on the right-to-know provision on this bill.

Mr. SAXTON. Mr. Speaker, I appreciate the opportunity to just take 1 minute to say to my friends on the other side of the aisle we have worked together so well through this process I would certainly hope that we could bring it to a successful conclusion here today.

The gentleman, the chairman of the subcommittee, the gentleman from California [Mr. WAXMAN], and I in particular worked together on the community right-to-know provisions so that everyone who reaches up and turns on the tap water in their home or in their place of business will know that it is good, clean water without contaminants that will be harmful to them or their families. This is a consumer-friendly bill, therefore, which will provide our constituents with more information than ever before.

□ 1315

When this bill become law, violations of the water standards will be reviewed and be reported to customers within 24 hours of any violation, and every year every member of the community, every consumer in the community, will be provided with a consumer confidence report listing all foreign materials. I think this is an excellent bill and I urge passage today.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

I would point out, Mr. Speaker, that some of the groups supporting this bill are the National Governors Association, National League of Cities, U.S. Council of Mayors, National Association of Counties, National Conference of State Legislatures, Association of Metropolitan Water Agencies, and the list goes on and on.

Mr. Speaker, I include for the RECORD the following list of organizations in support of the legislation.

The material referred to is as follows:

GROUPS SUPPORTING H.R. 3604

The National Governors' Association.
National League of Cities.
U.S. Conference of Mayors.
National Association of Counties.
National Conference of State Legislatures.
Association of Metropolitan Water agencies.
American Water Works Association.
National Association of Water Companies.
Association of State Drinking Water Administrators.
National Water Resources Association.
Association of Metropolitan Water Agencies.
Clean Water Action Project.
National Wildlife Federation.
Natural Resources Defense Council.
U.S. PIRG.
Citizen Action.
Physicians for Social Responsibility.
Consumer Federation of America.
Friends of the Earth.
AIDS action Council.
Environmental Working Group.
American Public Health Association.
American Cancer Society.
American Oceans Campaign.
American Rivers.
Chesapeake Bay Foundation.
Childhood Lead Action Project, RI.
Citizen Action of New York.
Clean Water Action.
Clean Water Action Alliance of Minnesota.
Colorado People's Environmental and Economic Network.
Consumer Federation of America.
Cornicopia Network of New Jersey, Inc.
Defenders of Wildlife.
Environmental Information Center.
Government Accountability Project.
Kentucky Resources Council.
Lake Superior Greens.
Long Island Progressive Coalition.
Metropolitan Ecumenical Ministry.
Mothers & Others.
National Consumers League.
Network for Environmental & Economic Responsibility.
New Jersey Environmental Federation.
New York Rivers United.
North Carolina Coastal Federation.
Northern Environmental Network.
Religious Action Center.
Save the Bay, RI.
Union of American Hebrew Congregations.
WashPIRG.
Wisconsin Citizen Action.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I thank the ranking Member for yielding time to me.

Mr. Speaker, I want to say to the gentleman from New Jersey [Mr. SAXTON] what an important contribution he played in this bill. One of the very significant features of this bill is the right to know section that will give people clear information about any risks they are taking. I think that is important for people to have. We ought to empower people with that kind of information. I want the Members of this body to know that the gentleman from New Jersey, who introduced his own legislation, has worked with me and others and was responsible for this.

Mr. BLILEY. Mr. Speaker, it gives me pleasure to yield 1 minute to the gentleman from Iowa [Mr. GANSKE], a valuable member of the committee.

Mr. GANSKE. Mr. Speaker, I speak in favor of this bill. This legislation not only protects the environment and human health, but it does so in a way that is smarter and better than before. Gone are many of the costly and inflexible command and control mandates. For the first time, true risk assessment and cost-benefit analysis is brought to this statute. We have made more manageable the requirements of the EPA in determining new contaminants. Greater flexibility has been given to local systems, which have vastly different needs and concerns from each other. We have increased the technical assistance provided to smaller systems in order to ensure that they can deliver the best and safest drinking water possible.

One area of particular concern to me in my home State of Iowa is adequate and fair source water protection. The measure we are debating today contains an honest and fair source water program. Up to 10 percent of the State revolving fund can be used by water systems to enter into voluntary incentive-based source water protection programs with willing upstream neighbors, whether they are farmers or businesses. This is a very good addition. I urge its prompt adoption.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to take a few moments to address the merits of the Safe Drinking Water Act, which we are discussing today. I am very concerned about the continued ability of rural parts of this country to have access to water. This might come as a surprise to some, but there are many areas in this country, including central and southeastern Illinois, that are just now being reached by rural water cooperatives, just now receiving the benefits of full water service. This has not happened overnight. It has taken a lot of hard work by people at the local, State, and Federal level.

Mr. Speaker, I am a cosponsor of this bill, H.R. 3406, because it strikes a necessary balance between environmental protection and relief from brudensome regulations for many of our small communities. There are provisions that recognize the particular needs and constrictions of these locales, and I would hate to see an opportunity for such forward-thinking legislation be missed. The Safe Drinking Water Act has received bipartisan support throughout the committee process and has been endorsed by the administration as well as environmental groups. Moreover, our cities, towns, and constituents have repeatedly voiced their support for this action. Let us do the right thing, the necessary thing, and pass this legislation and ensure the ability of all Americans to drink clean water.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I thank the distinguished chairman and my colleague for yielding time to me.

Mr. Speaker, I wish to come back to something that is very important, that we repeat several times to make certain all clearly understand this. This bill does not have any earmarks. That is very important. The funding for the grants program, incidentally, is in response to the demand, the cry, the plea from our Governors, our county officials, and our mayors that we come up with a grants program.

The grants program is contingent on Congress first appropriating at least 745 percent of the amount authorized for the revolving loan fund. They are intended for hardship communities. Mr. Speaker, I think my colleagues on both sides of the aisle should be working hand in glove, as the gentleman from Pennsylvania [Mr. BORSKI] has with me on this subcommittee as we have brought this out on a bipartisan basis, because we recognize there are communities that have legitimate needs and just do not have the wherewithal to address those needs. Thus, the creation of this grants program. It is a good program, and I urge my colleagues, on a bipartisan basis, to join me in supporting it.

Mr. DINGELL. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I sit on the Subcommittee on Health and Environment of the Committee on Commerce, and this bill has been held up repeatedly as an example of bipartisanship. That is the way it started. That is the way it started. It went through the Senate 99 to nothing. It went through our full committee 44 to 0.

Then, a funny thing happened as it came over here. There are 375 pages that have been added, that no one has had a chance to see. I ask every Member, have they read the 375 pages? No, they have not. They are going to vote on something they have never read, they have never seen, we have never had a hearing on, we never had a chance to debate. I worked long and hard with the Members on this bill. We had a good bill. It has now gone down the drain.

Take a look at it. Title V, go to title V. That is where all the changes are. This bill was a good bill. Title V will now jeopardize the public health, and I believe it will undermine the State revolving fund by limiting the States' flexibility to prioritize. That flexibility we have heard about for the last 2 years, giving it back to the States, has just gone out the window in the last 24 hours. There is no flexibility.

Mr. Speaker, the bill at the current level of funding, with the set-asides for designated, we do not want to say earmarked projects, let us call them designated activities, continue to limit the availability of funds needed for a permanent revolving fund. We worked so hard to get the money in there, the State revolving fund, the technical assistance program with the EPA. It was all in here to help areas, small areas like mine in northern Michigan.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding, Mr. Speaker.

Let us not overstate this revolving fund. We are offended by it. But this bill is a good bill. One of the reasons it is a good bill is the provision the gentleman has authored to be sure we had estrogenic review of any impurities in the drinking water, any kind of pollutants that would have a causal effect on breast cancer. This is a very good bill. Let us not forget it is a very good bill. Let us not ignore that we have something we can be very proud of.

It is unfortunate that we have the disagreement, and we are stating our disagreements about the result of putting in these earmarkings of the water systems. That is something we will debate and will go to conference on and talk further about, but I wanted, while the gentleman is speaking, to make the point that his contribution led to this being a much better bill in a very fundamental way.

The American people are worried about impacts on them from chemicals. The idea that in their drinking water there might be something that could be a cause of breast cancer is a horrifying thought. We will now measure that, we will screen for it, and make sure that does not happen.

Mr. STUPAK. Mr. Speaker, my question to the gentleman from New York is, there have been a lot of questions about the State revolving loan fund. The gentleman from California [Mr. WAXMAN] has pointed out a number of parts about it.

I would ask the gentleman from New York, can we agree and promise the American people and Members of this body that when it goes to the conference committee, that the 57-percent trigger that protects the State revolving loan fund will stay in there? Because without that trigger, this thing becomes more a pork barrel project than what has been added to it. The only way to protect this bill and those 375 earmarks that are there is that we have some protection that that 75 trigger remains in. I know the gentleman will be in the conference committee. Can he promise that to the Members and the American people?

Mr. BOEHLERT. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Speaker, let me tell my colleagues I helped author that provision, so I am going to be very supportive.

Just let me say, despite what anyone might suggest, no one can convince me that this is a glass of vintage wine. This is a glass of water. We may call it vintage wine, we may repeat it over and over, but it does not change the fact it is still water. The fact of the matter is there is no pork in this bill. There are no earmarks.

Mr. STUPAK. Mr. Speaker, I include for the RECORD this statement of administration policy.

The statement referred to is as follows:

STATEMENT OF ADMINISTRATION POLICY

H.R. 3604—SAFE DRINKING WATER ACT AMENDMENTS OF 1995

The Administration strongly supports H.R. 3604 as reported by the House Commerce Committee. Ensuring the safety of the Nation's drinking water is one of the Administration's top environmental priorities.

H.R. 3604, which is the result of a bipartisan effort, reflects the Administration's recommendations for strengthening public health protections by: (1) establishing a State Revolving Fund (SRF) to subsidize community efforts to improve drinking water safety; (2) providing a flexible framework to promote the protection of drinking water sources; (3) providing responsible regulatory reforms including the appropriate use of cost-benefit analysis in standards setting; and (4) strengthening State programs for improving the capability of water systems to provide safe water. These provisions coupled with the bill's improved consumer awareness provisions will help meet the challenge of providing safe and affordable drinking water.

The Administration, however, strongly opposes the provisions added in Title V which jeopardize public health and undermine the SRF by limiting the States' flexibility to prioritize project funding. Furthermore, the Administration recommends that H.R. 3604 be modified in conference to minimize the number of earmarks on State Revolving Funds. The bill's current level of Fund set-asides for designated activities would limit the availability of funds needed for a permanent revolving fund. The Administration may also propose several technical corrections in conference.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. BORSKI] to speak on behalf of pork.

Mr. BORSKI. Mr. Speaker, let me thank the gentleman for yielding time to me.

Mr. Speaker, I am pleased to support H.R. 3604, the Safe Drinking Water Act Amendments of 1996, as amended by Chairman BLILEY.

I wish to commend the chairman and the ranking Democrat of the Commerce Committee for their fine work in developing this important, bipartisan legislation for the benefit of States and local water suppliers and the customers they serve. This bill demonstrates the way in which we in the House can work on a bipartisan basis to resolve a serious need facing the States and local interests.

Mr. Speaker, while the Transportation Committee has been very interested in the financing provisions of this bill, I also wish to indicate my support for the regulatory reforms contained in the bill. The bill makes important modifications to the drinking water programs. The bill modifies the way in which EPA sets drinking water standards to better meet the needs of local communities. It also enhances State flexibility on monitoring requirements and assures improved capacity to meet drinking water standards. I am also pleased that the bill includes provisions on right to know. I have always strongly supported measures to assure that citizens are adequately informed about the condition of their environment.

Mr. Speaker, I know that there have been issues raised about additions which have been made to the Commerce Committee bill as ordered reported. Several of these changes were made to accommodate the interests and concerns of the Transportation Committee. I am particularly pleased that the bill includes the Transportation Committee provisions to establish a separate grant program to aid communities in developing adequate water supply infrastructure.

These provisions were developed in the Transportation Committee on a bipartisan basis, and reflect the fair and full consideration of the committee. The separate grant program represents the Transportation Committee's view, based upon numerous hearings, of how to best meet the overall drinking water needs of the Nation. While I support the intent of the Commerce Committee bill to assure that funds are used toward compliance with the Safe Drinking Water Act, the overall needs of States and local governments to provide a safe and reliable source of drinking water dwarf the needs solely related to that act. We on the Transportation Committee have determined that there is a Federal role in responding to those greater needs as well.

The infrastructure needs of the country are enormous, and no less so in the area of drinking water. Recent estimates of need for drinking water infrastructure are as high as $23 billion, just to meet needs which are known to exist over the next 5 years. While it has been fashionable of late to blame water supply infrastructure needs on so-called unfunded Federal mandates, the truth is that only about $3 billion of the $23 billion in needs, or less than 15 percent of the needs are associated with Federal drinking water standards. The vast majority of needs are associated with basic infrastructure which is necessary to provide adequate water supplies to the public.

These needs are great and know no political or regional boundaries. In my State there are needs to remove harmful pollutants from what should be pristine waters. In older urban areas, the water supply infrastructure is badly in need of rehabilitation and repair.

Mr. Speaker, this bill demonstrates the good which the Congress can do if it works together, in a bipartisan manner to address the Nation's problems. It also demonstrates the ability for multiple committees in the House to work to reach a common goal.

When President Clinton first proposed Federal assistance to assist States and localities in providing safe, reliable drinking water supplies, the Public Works and Transportation Committee responded by quickly drafting and reporting to the House legislation which would establish such a program. We modeled it after the highly successful State revolving loan fund program of the Clean Water Act. I am pleased that the bill before us includes many of the same elements as were in that proposal.

With Chairman BLILEY's amendment, this bill now also includes the very important authority for the Administrator to make grants, in addition to the State revolving loan fund program, for drinking water needs.

Mr. Speaker, this additional grant-making authority is crucial to meeting the Nation's overall drinking water needs. In our committee's experience with the Clean Water Act, we have learned that there are times when even very low or no interest loans are just not sufficient to provide affordable, adequate basic infrastructure. While the overwhelming majority of assistance under this bill will be provided through the revolving loan program, the modest grant program fashioned in the Transportation Committee, and which has been included in the chairman's amendment, will help complete the package of financial assistance for communities who need such assistance. By way of example, the Appropriations Committee just completed action on legislation for EPA which will provide grant assistance for a variety of projects such as the Texas Colonias, Boston, Massachusetts, New Orleans, Louisiana, and the Rouge River in Michigan.

This bill promises much in the way of meeting drinking water infrastructure needs. I hope that the majority will be committed to assuring the authorizations in this bill do not become illusory. If this bill is to be the success which it should be, we must assure that the appropriation levels match the authorization levels. Unfortunately, that very same appropriations bill which will fund this legislation provides less than one-half of the authorized amount for fiscal year 1997. I hope that before there are too many congratulatory remarks about meeting infrastructure needs for drinking water, that the majority revisits their priorities in responding to local needs. A $1 billion authorization, appropriated at only $450 million, is still only a $450 million program. Let's watch what the majority does, as well as what they say. I am prepared to work on a bipartisan basis to achieve full funding for this important program.

Mr. Speaker, this legislation is the culmination of a proposal first made by the Clinton administration more than 3 years ago. It is time to get this bill to the President for his signature. I hope that we will be able to resolve quickly any differences with the Senate and assure its speedy enactment.

I am pleased to support the bill, as modified by the chairman. I urge my colleagues to join me with their support as well.

□ 1330

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BILBRAY].

Mr. BILBRAY. Mr. Speaker, I rise in strong support of this bipartisan bill, and I would like to thank the gentleman from Virginia [Mr. BLILEY] and the gentleman from Florida [Mr. BILIRAKIS] for addressing this issue in such an open manner.

This bill represents a triumph for commonsense and science-based environmental strategies; it focuses on the product, rather than the process, and values the outcome of the regulations above the regulations themselves.

Our bill will refocus our priorities toward the most immediate threats to the public health, provide EPA and local water authorities with greater flexibility in how they can administer this act, and place new emphasis on making sure that public water systems have the technical and financial resources they need to meet the standards of the Safe Drinking Water Act.

I can't emphasize enough the progressiveness of this bipartisan bill—we moving forward toward a need and outcome-based strategy, and working together in cooperation instead of confrontation. This will help us to better serve the public health needs of the American people, and provide us all with a cleaner and safer environment.

Mr. Speaker, I ask that my statement be included in the RECORD and I urge my colleagues to support this bill.

Mr. Speaker, I am pleased to rise in strong support of H.R. 3604, the bipartisan Safe Drinking Water Act Amendments of 1996, which will achieve for the American people vast improvements over the existing inflexibilities of the existing outdated Safe Drinking Water Act [SDWA]. This reauthorization of the SDWA will provide a commonsense, science-based blueprint for how to most effectively determine and implement the regulation and protection of our drinking water supply.

This bill will be a significant step forward, away from an outdated and ineffective process that places higher value on the regulation itself, toward a more progressive and outcome-based process which will allow us to best serve the public health needs of the American people. I am very proud to have been able to play a close role in strengthening and improving such an important statute as the SDWA. These amendments will provide for sensible and much-needed reforms in how the SDWA is implemented. H.R. 3604 will help to refocus EPA's resources toward those contaminants which present the greatest and most immediate threat to public health, provide EPA and local water authorities with greater flexibility in administering the law, and place new emphasis on ensuring that public water systems have the necessary technical, managerial, and financial resources available to comply with the SDWA.

Mr. Speaker, this also marks a significant achievement in our ability to recognize and address flaws or gaps in our existing environmental or public health strategies. Laws such as the SDWA were clearly well-meant at the time of their inception—in this case, the 1972-era SDWA has not been reauthorized since 1986. However, the passage of time invariably exposes weaknesses or shortcomings in the strongest of our statutes. In the past, it has often been easier to confront problems by simply blaming a law, instead of focusing closely on whether the law in question is being properly implemented, or whether it is still effective in serving its intended purpose. These laws need to be as dynamic and flexible as the rapidly changing environments we intend for them to protect.

This means that occasionally such laws must be revisited and renewed, in order to reflect its original goals. I firmly believe that we ought not to cling to the conventional wisdom that our public health and environmental laws are "set in stone," and incapable of being improved. In order to maintain their effectiveness, we have the responsibility to see to it that when modern science and technology can be applied to improve these laws, we act to do so. Many of our crown jewel environmental laws were written over 20 years ago, and it is incumbent upon us to make these needed improvements when necessary. With this comprehensive reauthorization, we complete a challenging but needed task on behalf of all of our constituents nationwide, and I commend my chairman, Mr. BLILEY and Mr. BILIRAKIS and my other colleagues who worked hard together, in a bipartisan manner, to bring us to this point.

There are two aspects of this bill which are of particular interest to me, and upon which I would like to elaborate. Under current law, there is no standard for radon that occurs in drinking water. H.R. 3604 requires that, within 3 years, EPA must promulgate a standard for radon in drinking water using the new standard setting provisions of the bill, which require the use of the best available science and the risk assessment process. I had several specific concerns about this provision, due to the unique challenges radon presents as a contaminant in our environment. Radon is an odorless, colorless gas which occurs naturally, and rises from the soil. Man has been exposed to varying levels of radon since the beginning of time, which makes it more difficult to focus on ample margins of safety within the context of the SDWA. Because it is a natural element, there is no way to alter its occurrence level in outdoor air, which is where humans receive their greatest exposure to radon.

My concerns were that under this provision, it could be feasible for the EPA to promulgate a standard for radon which would require water systems to treat for radon in drinking water at a level well below the level of radon which is already occurring in ambient air; in other words, focusing considerable financial resources on mitigating a relatively small percentage of our total overall exposure to radon. For small water systems especially, such a scenario could result in scarce financial resources being diverted from other, more pressing health considerations, such as crytosporidium and other microbial contaminants. Additionally, since radon occurs at widely varying levels across the country, I was concerned that by allowing up to 3 years for the EPA to set a standard, areas which might have a more immediate need to address radon occurrence might not be provided with a standard as swiftly as could be.

During our committee's consideration of the SDWA bill, I prepared an amendment to assist in these discussions with my colleagues, and which I was prepared to offer to the bill. It would have required EPA to link its level of treatment of radon occurring in water to the level of radon occurrence in ambient air; as mentioned previously, I believe it is important to consider the overall exposure risk of any potential contaminant, including radon. Additionally, providing EPA with this kind of direction would enable them to establish a standard faster, for areas that might have higher occurrence levels. Finally, my amendment would have specified that States may set more restrictive levels for radon, if it were determined that such a level would provide more health protection than the Federal standard. I ultimately chose to not offer the amendment, opting to focus instead on working on a dialog to address this with other of my colleagues who shared my concerns, and which I am confident will continue as this bill moves into conference.

Clearly, radon is a complicated part of the SDWA puzzle. I worked closely with several Members, including my California colleague, HENRY WAXMAN, to try and find a solution which would address these radon question adequately. We were able to recognize and identify several potential alternatives, and discussions as to how to best implement them will no doubt continue as we move into the conference committee. I would point out that these discussions were on several occasions mistakenly and inaccurately labeled as attempts to weaken the bill's radon standards. In truth, those of us here in Congress who have some experience in administering public health programs, myself included, are intent on providing the best possible strategies for protecting the public health, and our dialog was focused on that goal alone.

Additionally, Mr. Speaker, there is one section of the bill of which I am particularly proud. Section 410 of H.R. 3604 consists of language from a bill I introduced last year—H.R. 2601—to require that Federal standards for bottled water keep pace with our standards for tapwater. Because bottled water is considered a food item, the Food and Drug Administration [FDA] regulates its production and sale to protect the public health. The EPA, on the other hand, has jurisdiction over public drinking water standards. However, the FDA has not always been timely in issuing its regulations for elements in bottled water, after EPA has published its regulations for the same elements in public drinking water. As an example, on December 1, 1994, FDA published a final rule for 35 elements in bottled water; however, nearly 4 years earlier, EPA had issued its regulations for the same elements in public drinking water.

My language will simply require that any EPA regulation which sets a maximum contaminant level for tapwater, and any FDA regulation setting a standard of quality for bottled water for the same contaminant take effect at the same time. If the FDA does not promulgate a regulation within a realistic timeframe established by section 410, the regulation established by the EPA for that element in tapwater will be considered the applicable regulation for the same element in bottled water. This will provide consumers with the health assurances that the water they can purchase off the shelf meets at least the same standards as their tapwater.

Mr. Speaker, I have several supporting documents which I would like to have inserted into the RECORD along with my statement.

In conclusion, Mr. Speaker, in my hometown of San Diego, we are fortunate to already enjoy an extremely high standard of quality in our drinking water; a study by a national environmental group found that water systems in the San Diego region reported zero health advisories over the last 3 years. By comparison, the same study found that an alarmingly high percentage of water systems in some regions of the country—including Washington, D.C.—reported health advisories or compliance failures during the same time period. Our safe drinking water amendments will strengthen existing law, and help bring these high levels of health and environmental quality which we appreciate in San Diego to other communities nationwide. Again, and I can't emphasize it enough, this is a progressive step forward, away from a 1970's-era process which places higher value on process and regulation itself, toward a more responsible and outcome-based approach which focuses on the product that is generated. This will help us reinforce our common goals of better serving the public health needs of the American people, and providing us with a cleaner and safer overall environment.

COUNTY OF SAN DIEGO, DEPARTMENT
OF ENVIRONMENTAL HEALTH,
San Diego, CA, June 24, 1996.

Hon. BRIAN P. BILBRAY,
Congressman, 49th District,
Washington, DC.

DEAR CONGRESSMAN BILBRAY: This letter is in response to your request to provide technical input regarding draft language that you may propose related to the maximum contaminant level [MCL] for radon in drinking water. The Department of Environmental Health supports efforts to establish a maximum contaminant level [MCL] for radon in drinking water that is based on an analysis of the hazards that radon poses to human health.

Your proposed amendment is based on the Conference of Radiation Control Program's recommendation to establish a realistic standard for radon in drinking water. We concur with this recommendation. It has been estimated that the nationwide average concentration of radon in groundwater is 351 pci, but ranges from 24 pci to 10,000 pci. Establishing the level at 200 pci is not practical. In order to reduce radon levels to 200 pci, the water must be treated. One treatment method, using granulated activated carbon filters, produces a radioactive waste. The cost of homeowners and water districts could be significant.

The significant routes of exposure, the risks of those exposures, and the available water treatment technologies to reduce those risks should all be considered in the establishment of an MCL that protects public health. The literature is lacking information on the ingestion health effects of radon. Therefore, we recommend that further studies be conducted to define this hazard.

If you have any questions, or need additional information, please call me at (619) 338–2211.

Sincerely,

DANIEL J. AVERA,
Director,
Department of Environmental Health.

ALLIANCE FOR RADON REDUCTION,
Washington, DC, June 25, 1996.

DEAR REPRESENTATIVE BILBRAY: On behalf of the Alliance for Radon Reduction, I would like to express our appreciation for your recent public statements regarding radon in drinking water. As you stated during committee consideration, humans have been exposed to varying levels of radon since the beginning of time, and radon presents unique challenges from a public health perspective.

Our national organization is comprised of water agencies and municipalities with members from fourteen states. Since 1992, we have been working with the Environmental Protection Agency [EPA] and Congress to formulate as reasonable and cost-effective "radon in drinking water" strategy that protects the public health.

The House Safe Drinking Water Act [SDWA] reauthorization bill takes the approach that radon should be regulated like other drinking water standards and directs EPA to promulgate a standard within 3 years. Under the House bill, the radon standard would be based on the standard setting and risk/benefit cost analysis process that is being established for all other drinking water contaminants. The House bill also directs EPA "to take into account the costs and benefits of control programs for radon from other sources."

The Senate SDWA reauthorization bill would direct EPA to promulgate a standard for radon in drinking water no later than 180 days after enactment at a concentration level of 3,000 pCi/L. This level was selected to assure that the risk from radon in drinking water was comparable to the risk from radon in outdoor air. (A level of 3,000 pCi/L equates to the lower end of the range of national average outdoor radon concentrations as determined by EPA.)

While the Senate bill recognizes the need for radon to be regulated under a framework different than the standard setting process applicable for all other drinking water contaminants, the House bill does not make this distinction except with respect to recognizing the importance of non-drinking water sources of exposure.

The primary question for Congress to consider is: Should radon be regulated directly from other drinking water contaminants?

1. EPA has been trying to set a radon standard for more than fifteen years. EPA's difficulty in setting a standard has been largely rooted in the challenges of using the standard setting process applicable to all other drinking water contaminants. Given that radon is unique among drinking water contaminants, traditional standard setting approaches should not be applied.

2. Radon is naturally occurring and the public is continuously exposed to radon. While compounds such as lead and arsenic are also naturally occurring and therefore the public may be exposed, there is not the continuous, passive, unavoidable exposure that the public experiences with radon.

3. The risk from radon exposure at the naturally occurring unavoidable level can not be assessed from the same vantage point as other drinking water contaminants, or for that matter other environmental hazards. According to EPA estimates, the cancer risk from exposure to radon in outdoor air is in the 1/1,000 risk range. The risk from indoor air exposure has been estimated to be in the 1/100 risk range. These risks are orders of magnitude greater than the risks from other environmental pollutants. EPA's policy has been to set standards in the 1/100,000 to 1/1,000,000 risk range. Such a framework for standard setting should not be applied to radon because the natural background level for radon in air is orders of magnitude greater than the level found in water.

4. The establishment of an unnecessarily stringent radon drinking water standard will divert resources away from other radon public health programs. The Conference of Radiation Control Program Directors [CRCPD], a national organization of state radiation protection directors, recently stated support for the approach taken in S. 1316 because "it would roughly result in water contributing no more radon to indoor air than is present in outdoor air" (May 3, 1996 CRCPD letter to the Alliance for Radon Reduction). In an earlier August 30, 1990, letter to then EPA Administrator Reilly, CRCPD notes that:

"A low MCL for radon in water will probably have an adverse effect on the overall effort of EPA to reduce deaths from radon exposure because resources that would otherwise be used to address the much more serious problems of radon in air will be diverted to address the much less serious problems of radon in water. It is difficult to conceive of a cost/benefit analysis which would support this decision."

In conclusion, we believe that radon should not be regulated like other drinking water contaminants. Radon's characteristics suggest that a non-traditional approach is needed for the establishment of a standard that considers the public's overall exposure to radon from all sources. The approach adopted by the U.S. Senate would provide the public health protection necessary to address radon in drinking water and allow the EPA to move forward expeditiously to estalish a standard. If the Agency is compelled to use a traditional risk/cost-benefit approach for controlling radon in drinking water, it is likely that we will be without a radon standard for many years.

We hope that the conferees will consider these points during the process of reconciling the House and Senate versions. If you need further information regarding radon in drinking water, please do not hesitate to contact us.

Sincerely,

DAVID REYNOLDS,
Executive Director.

CONFERENCE OF RADIATION
CONTROL PROGRAM DIRECTORS, INC.,
Frankfort, KY, May 3, 1996.

DAVID REYNOLDS,
Executive Director, Alliance for Radon Reduction, Washington, DC.

DEAR MR. REYNOLDS: I understand that your organization is interested in a radon provision that would be included in the House Safe Drinking Water Act (SDWA) legislation. I would like to provide you with the perspective of the Board of Directors of the Conference of Radiation Control Program Directors, Inc. (CRCPD).

The CRCPD is comprised of the program directors and their staffs who are responsible for radiation protection matters in each of the states (excluding Wyoming), and certain local radiation control agencies. These radiation control programs have primary responsibility for protecting the public from unnecessary exposure from all man-made and certain naturally occurring sources of radiation, including those which occur through the various environmental pathways.

In the past we have expressed our concerns with the EPA proposed Maximum Contaminant Level [MCL] for radon. Under the SDWA, as currently written, the EPA has maintained it would be required to set a standard as low as 200 or 300 pCi/1.

As radiation control professionals, members of our organizations are committed to protecting human life and the environment from the harmful effects of radiation. However, we must be practical in our approach to providing this protection and we therefore question EPA's proposed MCL for radon in drinking water. In addition to placing an unacceptable financial burden on individual homeowners without providing commensurate health benefits, the EPA's proposed MCL would result in significant administrative and financial burdens on affected state programs.

Simply stated, we believe that an MCL in the range of 200 pCi/1 is neither practical nor justified. A more realistic standard would be in the range of 5,000 to 10,000 pCi/1. The Senate bill would set a water standard at 3,000 pCi/1 that could be revised based on sound science. This is a reasonable approach because it would roughly result in water contributing no more radon to indoor air than is present in outdoor air.

On behalf of the CRCPD, I would appreciate your consideration of our concerns. If you have any questions, please feel free to contact me directly.

Sincerely,

RUTH E. MCBURNEY,
Chairperson.

CONFERENCE OF RADIATION
CONTROL PROGRAM DIRECTORS, INC.,
Frankfort, KY, August 30, 1990.

WILLIAM REILLY,
Administrator, U.S. Environmental Protection Agency, Washington, DC.

DEAR MR. REILLY: This letter relates to U.S. Environmental Protection Agency's [EPA] consideration of appropriate standards for acceptable radon levels in drinking water and is written on behalf of the Executive Board of the Conference of Radiation Control Program Directors, Inc. [CRCPD].

The CRCPD is made up of the program directors and their staffs who are responsible for radiation protection matters in each of the fifty states. These radiation control programs have primary responsibility for protecting the public health from all sources of avoidable radiation exposure, including those which occur through the various environmental pathways.

The EPA has proposed (Advanced Notice for Proposed Rulemaking, FR 51,189, 34836) revisions to regulations under the Safe Water Drinking Act which would provide for a Maximum Contaminant Level [MCL] for public drinking water systems. The MCL suggested for radon in water is in the range of 200–2,000 pCi/1. The Executive Board of the CRCPD is concerned with the rationale being used by EPA in proposing these radon limits for drinking water. To illustrate these concerns, I bring to your attention the following points:

The Radon Abatement Act of 1988 has the goal of lowering indoor radon concentration to the same as ambient levels. The EPA Citizen's Guide to Radon uses 0.2pCi/1 as the background for ambient radon. Using the rule-of-thumb of 10,000 to 1 for dissolved radon going from water to house air, one would calculate a radon in water concentration of no less than 2,000 pCi/1.

EPA estimates that 5% of the general population's exposure to radon progeny comes from radon derived from water. The number of deaths prevented per year is 18 from an MCL of 2,000 pCi/1 and 94 for an MCL of 200 pCi/1 respectively. However, EPA estimates that 21,000 deaths per year are caused by exposure to airborne radon progeny derived from soil, but there is no effort to develop an equivalent MCL for radon in air. The public will be totally confused in trying to compare the EPA airborne radon action level of 4 pCi/1 with the suggested MCL radon in water level of 200–2,000 pCi/1.

An MCL of 2,000 pCi/1 will cost an estimated 35 million dollars per year for public water suppliers. For this 35 million dollars the total estimated general public exposure from radon in water will be reduced by less than 1%, or approximately 18 lives saved.

An MCL for public water supplies will likely become a defacto standard for homeowners with private wells.

An estimated 30% of private well water owners (approximately 3 million homes) would exceed an MCL of 2,000 pCi/1. The typical cost to each homeowner to correct his or her well to meet the suggested standard is estimated at $2,000. To correct the problem nationally is estimated to require over 1 billion dollars annually. Correcting all private wells which are estimated to exceed 2,000 pCi/1 would reduce the total estimated exposure from radon in water to the general public by less than 10%.

A routine and inexpensive analytical method for dissolved radon is not available.

A low MCL for radon in water will probably have an adverse effect on the overall effort of EPA to reduce deaths from radon exposure because resources that would otherwise be used to address the more serious problems of radon in air will be diverted to address the much less serious problems of radon in water. It is difficult to conceive of a cost/benefit analysis which would support this decision.

The approximate indoor radon in air level across the nation is 1.0 pCi/1. It is assumed that this is the risk, or exposure level, which the public is willing to accept for the benefit of living in a home. This risk would equate to having a radon in water value of 10,000 pCi/1, assuming all the radon in water would become airborne.

A panel of radiation protection experts, assembled by EPA at the National Workshop for Radioactivity in Drinking Water, 1985, made the following recommendation:

"Based on these considerations of estimated Rn exposures in the United States, a derived practical limit on radon concentrations in water is not less than 10,000 pCi/1. A 20,000 pCi/1 value is reasonable and conservative from the standpoints of limiting cost of remedial action to a more manageable number of houses."

Under the Inactive Uranium Processing Sites Regulations, EPA standards for buildings specify the objective is to achieve an indoor Rn-progeny concentration of 0.02 WL. This would equate to an MCL of 40,000 pCi/1, assuming all radon would become airborne.

These two standards, which are both designed to address risks from radon and its progeny, would place the EPA in a position of making inconsistent risk management decisions.

As radiation control professionals we are committed to protecting human life and the environment from the harmful effects of radiation. However, we must be practical in our approach to providing this protection, and we have much concern that the MCL's under discussion (200–2000 pCi/1) will place an unacceptable financial burden on individual homeowners, e.g., $2,000 per system. These limits would also place large administrative and financial burdens on affected state programs. A major concern to regulatory agencies is the shear magnitude of addressing a regulatory issue in every household in the land.—Resources just do not exist for such an endeavor.

Based on the above discussion, the recommendations of the Executive Board of the CRCPD are as follows:

1. An MCL in the range of 200 pCi/1 is neither practical nor justified, and the MCL should be no less than 2,000 pCi/1. A more realistic standard is in the range of 5,000 to 10,000 pCi/1.

2. EPA should be consistent in its risk management decisions to the maximum extent possible.

3. Since the entire radon issue is bound up with an extended statistical argument based upon epidemiological findings (for underground miners) which may or may not give a true picture for a low level indoor environment, EPA should carefully evaluate any proposed MCL's for radon in air or water.

Attached with this letter is a report prepared by the CRCPD Radon Program Implementation Committee which addresses these concerns in more detail.

On behalf of the Executive Board of the CRCPD, I would appreciate your consideration of our concerns and request your response to these concerns at your earliest convenience.

Yours very truly,

DIANE E. TEFFT,
Chairperson.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. MINGE] to speak against pork.

Mr. MINGE. Mr. Speaker, I would like to join in the chorus of others who are praising the work of the committees in reporting out a bill that actually addresses problems that many communities around this country have had in maintaining a safe drinking water system and doing so in a way that fits within a budget and reasonable mandates.

There are two issues here that affect the legislation that I would like to briefly address. The first is the issue of pork, and I only wish that I had time to read 300 pages and know exactly what the architecture of the grant arrangement is. Let me say, if there is a 75 percent trigger figure or level that has to be reached before any earmarks are implemented, that does not detract, in my opinion, from the adverse nature of earmarking in legislation.

Mr. Speaker, I would certainly hope that in the conference committee process this matter is cleaned up. It is nice to have safe drinking water. We want clean drinking water; let us have a clean bill.

A second point that I would like to raise has to do with the public right to know. In a community that is in my congressional district, we ran into a rather unfortunate situation. In the context of transferring a home, there was a test of tap water that was run. It was discovered that there was lead in the tap water. The State agency administrating the Federal program at that point told the municipality: You must publish a notice in the local and the regional paper that you have lead in the drinking water in your city.

The municipality said: This is not the case. the lead came from that home, and we can show from other tests that this lead was not from our municipal system, it is from the home itself.

I would like to ask the distinguished chairman of the committee if he is aware if there is anything in this legislation that would simplify the situation so a municipality would be able to distinguish in any right-to-know publication between lead that comes from its system as opposed to lead that may came from household plumbing.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. MINGE. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I understand the gentleman's frustration. As a former mayor, I know that the contaminant is just as likely to come from household plumbing as from the public water system itself. I must advise the gentleman, however, that the bill does not change the way in which lead violations are determined. The bill does give States more flexibility in how the public is notified about violations. I would be happy to work with the gentleman to make sure in the conference as best I can that his concerns are addressed.

Mr. MINGE. Mr. Speaker, I appreciate that greatly, and I would like to again compliment the distinguished chairman of the committee and the ranking member for the work that they have done in bringing to the floor of his House a substantive measure which truly meets the needs of this Nation with respect to preserving the safe drinking water supply.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time.

I grew up 3 miles out of a small town in North Dakota, and our water was not fit to drink. We literally carried water to our town. This is the state of thousands and thousands of homes today. The happy news is that literally thousands and thousands of homes that did not have drinkable water now do have because of the reach of rural water systems and improvements in small town water systems that afford them drinkable water where they did not have drinkable water before.

Mr. Speaker, the present law needs to be changed because it is threatening the viability of some of these rural water systems imposing too many one-size-fits-all requirements out of Washington, most notoriously the requirement that 25 new contaminants be identified to be tested for every single year, which is ludicrous, and not even having a requirement that that be related to the public health concerns of the area. This is a bad law and needs to be changed.

The bill before us makes positive changes. Specifically, the new revolving loan fund will help small communities fund improvements, huge improvements. There is greater flexibility to allow localities to address local concerns and special treatment recognizing the difficulties small systems have in maintaining absolutely sound water, but dealing with the high costs of treatment.

One the other hand, I must note two great disappointments about this bill. The bill coming out of committee by unanimous vote was one I think we all could have been proud to vote for. To have the revolving loan fund earmarked by the Committee on Transportation and Infrastructure in the fashion that has unfolded in the legislation before us is a bitter disappointment. I think all systems ought to compete for that money fair and square, not have some public works earmarks grafted in by report language, and I think that that amendment has indeed been highly regrettable.

The Senate passed their safe drinking water bill unanimously. We could have on the House side. It is unfortunate that this change was made.

Mr. Speaker, I rise today in support of this legislation but also to express my disappointment about the recent controversy surrounding this bill. It is unfortunate that once again the normal committee process has been circumvented and in the process, passage of this bill—which enjoyed broad bipartisan support—is in jeopardy. In the interest of providing desperately needed relief to rural water systems throughout the country, I will be supporting this bill.

Mr. Speaker, since my election to Congress, I have visited with mayors and community leaders who consider reform of the Safe Drinking Water Act to be one of their top priorities. It is no wonder. The Safe Drinking Water Act is one of the most expensive unfunded mandates facing North Dakota communities.

Water systems throughout the country are forced to test for an arbitrary number of contaminants regardless of the threat to public health. Many small and rural water systems simply cannot comply with these madates—they don't have the technology and they don't have the resources. This law has driven the water systems of some communities to the edge of viability, while others have had to ignore the law in order to survive financially.

A National Rural Water Association report found that rural communities will spend over $639 million for redundant monitoring between 1994 and 1996. In order to comply with these regulations, 80 percent of small communities surveyed will be forced to forego plans to hookup more families, improve water treatment, operate wells, and other critical functions.

In order to help move this issue forward, I introduced the unanimously passed Senate version in March. Many of the provisions contained in that bill are also contained in this legislation. It reduces the regulatory burden imposed on States and public water systems, increases State flexibility, provides financial assistance for unfunded mandates, and requires that the EPA consider costs and benefits when setting new standards.

The fundamental flaw of the current law is its one-size-fits-all approach. What makes more sense is allowing water systems to focus their scarce resources on the real risks to human health in their communities. With passage of this bill, what is affordable will no longer be governed by what Chicago or New York can afford—system size will be taken into consideration when determining affordability.

In this case, less regulation can actually mean safer drinking water. This legislation will not undermine the importance of the current drinking water laws. Rather, it will ensure safe drinking water without bankrupting our communities.

I am concerned about the expansion of EPA autority into operator certification programs. I believe the North Dakota Department of Health should retain primacy over this program, because they are better suited to understand the certification needs of North Dakota system operators.

As this legislation goes to conference, I will continue to work to see that this and other issues impacting small and rural water systems are addressed. I remain hopeful that we can enact a reform bill still this session.

Mr. DINGELL. Mr. Speaker, I yield myself the remainder of my time.

It was observed to me that pigs cannot fly, but they can swim, and they are in our drinking water. The Committee on Public Works, or now, I gather, the Committee on Transportation and Infrastructure is it, has never forgotten how to put pigs in the drinking water. They have never forgotten how to take a fund which would benefit all of the Members of Congress, all of the people of the country and convert it into a proposal which will take care of just a few congressional districts, with, quite frankly, a very shameless raid upon a fund which is already too small to do what it has to do.

Now, I am not going to defend the situation which triggered this. I am sure the natural instinct of, that committee was to do exactly what they did, regardless of how large or how small the fund is. Because the Committee on Transportation and Infrastructure, is it, yes, the Committee on Transportation and Infrastructure has never seen a pile of money that they did not want to use for pork, and that is what has transpired here.

So I would say to my colleagues in the House, if we do not have money to deal with the problems of clean water and safe drinking water in our districts, it is the Committee on Transportation and Infrastructure which has very carefully extorted from us and from our districts the funds which would make that possible.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Speaker, I am pleased that the House is considering this bipartisan environmental legislation.

The existing Safe Drinking Water Act's intent is important and vitally necessary—ensuring the public has a clean water supply. Unfortunately, the existing law provides this public health protection through unnecessarily rigid mandates.

This bipartisan legislation validates that the same level of public health protection can be provided, but at a lower financial cost to the public and those who operate water systems.

I would like to take this chance to specifically address the Federal facilities provisions in title II of the bill. Ensuring the Federal Government's compliance with environmental laws has been a longtime campaign of mine.

Historically, the Federal Government has been the Nation's biggest polluter. It has sought to assert sovereign immunity to escape accountability for its environmental violations. This is simply wrong.

Not only does the Federal Government have the duty to follow the laws it enacts, but citizens living on or near Federal facilities deserve the same environmental protections afforded to those on private lands.

Congress has sought to hold the Federal Government accountable in the context of other environmental statutes. In 1992, after years of effort, we won enactment of the Federal Facilities Compliance Act, which gave States the ability to enforce Resource and Conservation Recovery Act standards at Federal facilities. And, last year, we were able to incorporate similar provisions in the Clean Water Act amendments now pending in the Senate.

I am pleased that H.R. 3604 contains the parallel provisions necessary to ensure that Federal facilities will adhere to the Safe Drinking Water Act.

Mr. Speaker, I am pleased to be an original cosponsor of this legislation. I am specifically encouraged that Congress is taking another step toward ensuring full compliance by Federal facilities with environmental laws.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. SCHAEFER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Speaker, just by way of observation, the Safe Drinking Water Act amendments were reported from the Committee on Transportation and Infrastructure on a bipartisan basis. We concur in the language in the bill, and we support the legislation and urge its adoption by the House.

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman very much. I am also pleased to be an original cosponsor and encouraged that Congress has taken another step forward in fulfilling compliance by the Federal facilities in this country the same that private industry does.

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Speaker, I rise in strong support of the Safe Drinking Water Act reform and urge its passage.

Mr. BEREUTER. Mr. Speaker, I rise in support of the legislation which was originally reported out of the Commerce Committee. Indeed, there is general agreement that the current drinking water law is badly broken and needs to be fixed. There is an urgent need to make the Safe Drinking Water Act's regulations more flexible, and common sense in orientation, and less costly. Although certainly not perfect, H.R. 3604 represents a very large improvement over the current law and this Member hopes that it can be further improved in conference with the other body.

In particular, this Member is concerned about the Federal approach, H.R. 3604 takes with regard to issues such as operator certification and capacity development. A Federal one-size-fits-all approach is not the proper way to address these concerns. These are clearly matters better left to the States.

This Member is further concerned with this bill's radon provisions. It is critical for communities throughout Nebraska and the rest of the country that a reasonable radon standard be developed. Without a common sense approach, communities across the Nation will be forced to spend billions of dollars to implement a regulation which would result in minimal health benefits since water contributes very little to the public exposure to radon. This Member expresses his strong desire that the conference acquiesce to the other body's more reasonable radon provisions which would provide adequate protection without unnecessarily burdening communities.

Despite these flaws, this Member believes H.R. 3604 helps correct some of the serious problems and reduces the substantial local costs created by the current law. Clearly, many of the current SDWA requirements result in prohibitive costs without any real health benefit or increase in water quality. This is an issue on which this Member has been speaking out and seeking corrective actions by the EPA for some time, but without results. However, in large part, it is Congress which is to blame for the statutory direction we have given to the EPA.

H.R. 3604 injects more reasonableness and common sense on this issue and allows States and communities to identify and focus on those contaminants which present an actual health risk in a particular area. Legislation enacted by Congress simply must take into account the economic and budgetary realities faced by States and communities. Blanket Federal legislation for this yet very diverse Nation is usually ineffective, overreaching, inflexible, and expensive for States and communities of all sizes. That surely is the case with various parts of the current Safe Drinking Water Act.

Clearly, most Members and the informed American public now support an assessment of risks during the regulatory process. Clearly, some applications of environmental regulation has entered a phase of diminishing returns. Although great progress has been made in meeting threats to health and safety, a point has been reached where each new environmental regulation should undergo a cost/benefit estimate based on an analysis of risk.

H.R. 3604 gives State and local officials greater responsibility in tailoring a safe drinking water program based on sound science. These officials certainly have a powerful incentive to provide safe drinking since they and their constituents will be drinking that water and they know full well where the buck stops. They certainly would not subject themselves and their family and friends to harmful water. Instead, they will focus their time and money on the problems unique to their community.

Mr. Speaker, there is a growing financial crisis for small communities that becomes more evident each year as new testing and treatment deadlines are imposed. This Member's experience in visiting with local officials and listening to constituents at town hall meetings indicates that the regulations promulgated to enforce the Safe Drinking Water Act have become a major Federal irritant to local government officials and terribly expensive—for no real benefit. These regulations often result in diverting scarce local dollars to address problems or contaminants which do not exist.

It costs nearly as much for a very small community to go through the mandated testing procedures as it does for a large community. In most cases, therefore, residents in smaller communities will be forced to pay much more per person, since the costs cannot be spread out over a larger population. Without changes in the current law, though, communities of all sizes will be severely impacted.

This bill also removes many of the rigid and arbitrary requirements of the current safe drinking water law. For instance, it eliminates the notorious and ridiculous current statutory mandate that EPA identify 25 contaminants every 3 years for regulation and replaces it with a system based on contaminants that, first, represent a public health concern, and second, actually occur in drinking water. The legislation also allows States to tailor monitoring requirements to particular circumstances, with responsible flexibility and reasonable exemptions made more easily available.

Mr. Speaker, while everyone certainly recognizes the importance of providing safe drinking water for everyone, this Member believes it should be done in a realistic manner which does not inappropriately burden the communities affected. As stated previously, this Member does not support taking any action that will cause drinking water to become unsafe. For instance, where there is a problem with biological contamination, yes; treatment is obviously necessary. However, the Federal Government should provide more discretion to States so that they can use common sense and not be subject to arbitrary nationwide standards that have no relevance in a particular State. For instance, the nature of water testing in Nebraska should reflect the State's uniquely strong ground water dependency. This Member has consistently conveyed these views to current and former EPA administrators.

Mr. Speaker, Nebraska relies far more heavily on ground water sources for both drinking water and commercial uses than any other State in the Nation. For example, only 6 or 7 of the more than 1,395 public water supply entities in the State use any surface water. In a great many Nebraska communities, individual wells are located at various points in a community without being interconnected. Since most Nebraska communities incorporate water from their wells directly into their distribution systems, a requirement for chlorination would have the effect of requiring centralization of their water supply systems or chlorination would sometimes have to be provided at each separate well site—an action which would be almost economically impossible for many Nebraska communities.

It is also important to note that Nebraska has not had a water-borne disease outbreak attributed to a public water supply system since at least 1969. That particular situation involved a transient population with an undetermined source or cause of illness.

Mr. Speaker, this Member is pleased that the House is taking action on this important issue and hopes that the legislation will be further improved in conference and that includes a deletion of the earmarked or recommended projects which were added after the legislation was reported originally from the Commerce Committee.

Mrs. LINCOLN. Mr. Speaker, I rise today to congratulate all parties, particularly Messrs. BLILEY, DINGELL, BILIRAKIS, and WAXMAN, in reaching an agreement on the reauthorization of the Safe Drinking Water Act. This is a truly bipartisan bill which establishes good public policy.

I am only sorry that in the final days before today's vote that the bipartisan nature of this bill was strained by jurisdictional disagreements. This bill should have passed by a unanimous vote with praise from both sides of the aisle. Instead, the debate exhibited the partisan nature that has become all too familiar during the 104th Congress—all over some additional district-specific provisions that could diminish the State revolving fund [SRF] as much as $375 million in grants.

I hope that we can resolve the differences that were outlined today to ensure the enactment of a comprehensive Safe Drinking Water Act this year. This is a good bill that sets forth solid public policy. H.R. 3604 grants long needed regulatory relief for small systems and provides needed financial resources for rural water circuit rider programs and for purely voluntary, incentive-based, and community-driven source water protection programs.

Let's resolve the remaining controversies and move towards a conference with the Senate. Because this bill has broad-based support, it would be terrible to lose this opportunity to pass comprehensive legislation into law this Congress.

Mr. SHUSTER. Mr. Speaker, I rise in strong support of H.R. 3604, the Safe Drinking Water Act Amendments of 1996. This bill, as amended by the Transportation and Infrastructure Committee, will help meet the mandates for environmental infrastructure and a cleaner, safer, and healthier environment.

First, I must congratulate and thank the leadership of the Commerce Committee, particularly the gentleman from Virginia, Chairman TOM BLILEY, and the gentleman from Florida, Subcommittee Chairman MICHAEL BILIRAKIS, for their efforts regarding H.R. 3604 and their willingness to work with the Transportation and Infrastructure Committee. Working together, we have combined provisions from their bill and from our bill, H.R. 2747, the Water Supply Infrastructure Assistance Act of 1996, to produce a strong, bipartisan package.

A lot of the credit also goes to the membership of the Transportation and Infrastructure Committee, particularly the gentleman from Minnesota, Ranking Democrat JAMES OBERSTAR, the gentleman from New York, chairman of the Water Resources and Environment Subcommittee, SHERRY BOEHLERT, and the gentleman from Pennsylvania, Ranking Democrat of the Water Resources and Environment Subcommittee, ROBERT BORSKI. Our efforts resulted in a broadly-supported, bipartisan bill authorizing a new State revolving fund [SRF] for drinking water and source water quality protection, as well as grants for additional, related assistance. The bill also helped build momentum for broader legislation reauthorizing and reforming the Safe Drinking Water Act within the Commerce Committee.

Last week, with the assistance of the House Republican leadership, the two committees combined portions from both bills—H.R. 2747 and H.R. 3604—to help move improved legislation to the floor as soon as possible.

The resulting package of amendments contains the regulatory and financing provisions, including the SRF, from H.R. 3604 and certain water infrastructure and watershed protection provisions from H.R. 2747. The bill's new title V, Additional Assistance for Water Infrastructure and Watersheds, is straight from H.R. 2747 and authorizes $50 million a year to EPA for grants to States for drinking water infrastructure and source water quality protection. The authorization is contingent on Congress appropriating 75 percent or more of the amount authorized each year for the SRE—reflecting the policy that Congress should give priority to capitalizing the SRF. The package also includes provisions from H.R. 2747 to address regional needs in Alaska and the New York City watershed. Provisions and concepts from H.R. 2747 on the makeup and use of a national SRF are also either already part of H.R. 3604 or part of the Senate-passed drinking water bill.

Mr. Speaker, because the legislative history may not be entirely clear, it is important to elaborate on some of the bill's provisions—particularly those from the Transportation and Infrastructure committee's bill, H.R. 2747. House Report 104–515, the committee report accompanying H.R. 2747, describes the provisions in and intent behind section 15 of H.R. 2747. Essentially the only changes from section 15 and the new title V of H.R. 3604 relate to the authorization dates and levels. The generic grants program is now authorized through fiscal year 2003, rather than fiscal year 2000, to be consistent with authorization dates throughout the reported version of H.R. 3604. Authorization dates and levels for the New York City watershed program are also slightly modified: The program is authorized through fiscal year 2003, like comparable provisions in the reported version of H.R. 3604, and the authorization level is reduced to $8 million per year to reflect a comparable change made to the reported version of H.R. 3604.

There has been considerable discussion surrounding the generic grants program and the mention of projects in the committee report. The committee believes the Administrator of EPA and the affected States should determine their own priorities under this program. Based on testimony and other information submitted to the committee, however, the committee urges that priority consideration be given to communities listed in the committee report. In no way, however, is this intended to preclude assistance for other communities. In fact, since the filing of the report, additional needs have come to our committee's attention. For example, Madison, OH, has waterline replacement and booster station needs. These, like other infrastructure projects throughout the Nation, could benefit from the program.

The Transportation and Infrastructure Committee report also adds important language regarding land acquisition provisions and the requirement that they be from willing sellers. Page 17 of the report elaborates further on the committee's intent; all of those provisions continue to apply to the provisions added from H.R. 2747 to H.R. 3604.

Some additional comments on the eligibilities and uses of the new SRF might be helpful. Both H.R. 2747 and H.R. 3604 have SRF's with provisions on eligibilities. From the perspective of the Transportation and Infrastructure Committee, our intent is that the construction, rehabilitation, and improvement of water systems could certainly include work related to pipes and that, in limited circumstances, assistance from the SRF and from title V could be used to refinance loans as described in the report on H.R. 2747.

I congratulate members of both committees, as well as the members of the Science Committee, for working together on this bipartisan legislation. Beyond a doubt, it will significantly improve our country's water infrastructure and drinking water protection efforts.

I look forward to working with my colleagues in both the House and the Senate as H.R. 3604 moves further down the road toward enactment.

Mr. WALKER. Mr. Speaker, I rise today in support of H.R. 3604, the Safe Drinking Water Act Amendments of 1996. H.R. 3604 is a sound bill, and I would like to compliment Chairman BLILEY on his committee's fine work.

H.R. 3604 was referred to the Committee on Science for consideration of its drinking water research provision. The Science Committee has for the last two decades authorized drinking water research as part of the Environmental Research, Development, and Demonstration Authorization Act.

During this Congress, the committee authorized the Environmental Protection Agency's [EPA] drinking water research in both the Omnibus Civilian Science Authorization Act of 1995, H.R. 2405, and 1996, H.R. 3322. Both these measures passed the House of Representatives.

It was my intent, Mr. Speaker, to have the Science Committee mark up H.R. 3604 in order to reconcile its drinking water research provisions with those which passed the House on May 30, 1996, as part of H.R. 3322. However, due to the looming August 1, 1996, deadline for the enactment of a Safe Drinking Water Act reauthorization, and based on a request from Chairman BLILEY, the Science Committee has agreed to discharge H.R. 3604.

In exchange, the Commerce Committee has agreed to include a new research title in the bill, title VI, and support the appointment of Science Committee conferees to the House-Senate conference for those House or Senate provisions which involve drinking water research. Title VI reconciles the drinking water research provisions in H.R. 3604 with the authorization level in H.R. 3322.

As amended by the Science Committee's new title, H.R. 3604 authorizes $26,593,000 a year for fiscal years 1997 through 2003 for drinking water research. Contained within this authorization are specific authorizations for section 1412(b)(13) of the Safe Drinking Water Act, arsenic research, section 409 of H.R. 3604, drinking water research on harmful substances, and section 1452(n) of the Safe Drinking Water Act, research on the health effects of pathogens such as cryptosporidium and disinfection byproducts.

Title VI also places the Assistant Administrator for Research and Development in charge of the quality of all drinking-water-related research conducted by the agency. Under the provision, the Assistant Administrator will be required to report to Congress on any duplicative or low-quality drinking water research conducted by the agency. Centralizing the responsibility for the quality of all drinking water research conducted by EPA should help ensure that the agency relies on the highest quality science when it promulgates future drinking water regulations.

Mr. Speaker, title VI makes a good bill better, and I encourage all my colleagues to suspend the rules and pass H.R. 3604.

Mr. TATE. Mr. Speaker, today I rise in strong support of the Safe Drinking Water Act amendments. I commend my colleagues for their strong bipartisan cooperation, continuing the tradition of bipartisanship that has characterized the Safe Drinking Water Act since it was originally signed into law by President Ford and reauthorized during the Reagan Presidency.

Today, the Safe Drinking Water Act is revitalized by a Republican Congress that has put policies aside, rolled up its collective sleeves, and gone to work to deliver to the American people safe and pure drinking water. Governors, State and county legislators and mayors, alongside local and State water authorities, have endorsed the Safe Drinking Water Act amendments as representing a significant advance over current law.

In Washington State, there are over 4,000 separate water systems impacted by the Safe Drinking Water Act and approximately 2,000 of these have less than 100 families connected to them. Local authorities can and will find effective ways of providing safe drinking water to their residents—if they are allowed to do so.

The Safe Drinking Water Act amendments establish clear priorities, concentrating safe drinking water programs on those contaminants that pose the greatest threat to human health. No longer will local water systems be forced to test for contaminants that responsible authorities have never found, and are unlikely ever to find, in the water supply. Instead, local water authorities will be able to harness their knowledge, expertise, and dedication, and focus their resources where it is needed the most.

Arbitrary requirements calling for regulations on 25 new contaminants every 3 years are removed. Instead, the best available scientific evidence will be utilized to target real and documented threats to the public, including enhanced testing for estrogenic substances and a screening program for pesticides and chemicals.

Mr. Speaker, this legislation ensures that water systems will be able to obtain the financial and technical expertise they need to implement Federal water standards. The EPA is required to proactively assist water systems as they struggle to comply with Federal regulations by identifying new technologies best suited to meet their needs. Special technical assistance is also extended to small water systems.

This legislation provides the resources our drinking water systems need. A State revolving fund of $7.6 billion is established to help public water systems implement drinking water standards. Funding for the public water State supervision grants, for use in the implementation and enforcement of State drinking water programs, is more than doubled to $100 million annually. Also, $80 million is provided for scientific research on the health affects and treatment of arsenic, radon, and cryptosporidium.

Most important, the Safe Drinking Water Act amendments vigorously enforces the public's right to know. The EPA is required to track unregulated contaminants and annually provide a consumer confidence report detailing each water system's compliance with safe drinking water standards. In addition, the public must be notified of violations within 24-hours rather than the current 14 days.

The Safe Drinking Water Act amendments harnesses sound and objective scientific practices, local expertise, and common sense in order to produce real public health benefits. Science, local flexibility, and common sense—rather than redtape—will help ensure the purity and safety of our Nation's drinking water. I urge all my colleagues to vote in support of the Safe Drinking Water Act amendments.

Mrs. FOWLER. Mr. Speaker, I rise today in support of these important reforms to the Safe Drinking Water Act. The fact that we need to protect our environment and ensure the public health is indisputable, and this debate focuses on how best to achieve these goals.

H.R. 3604 demonstrates a commitment to effective, commonsense regulations that will guarantee safe drinking water within the confines of achieving a balanced budget. The bill focuses attention on those contaminants that pose the great risk to health and requires public notification of water safety violations.

Equally important is the bill's addition of a State revolving loan fund to provide capitalization grants to States to further the health protection objectives of this bill. Without this funding source, many municipalities and States would face environmental mandates with which they could not possibly comply. I was pleased to be an original cosponsor of the portion of this legislation that established this revolving loan fund and strongly support its inclusion as part of our overall proposal to ensure safe drinking water.

This legislation takes an important step beyond the campaign-oriented rhetoric that we have been hearing on environmental issues and moves toward actually ensuring the protection of our environment and health.

Mr. CAMP. Mr. Speaker, I strongly support H.R. 3604, the Safe Drinking Water Act amendments, and will vote for passage of the bill. Under our current Safe Drinking Water Act, communities do not have adequate resources, both financial and technical, to comply with Federal water standards. This legislation will provide $7.6 billion for grants and loans to local water authorities for compliance, activities, training of new operators, and development of solutions to water pollution. These measures will help our communities provide clean, safe drinking water to their residents.

The legislation also includes a community right-to-know provision, requiring water systems to mail every consumer an annual report concerning the levels of regulated contaminants in their water. Consumers need to know that their water is clean and pure. Parents need to know that the water they give their children is safe to drink. These reports will put more information into the hands of consumers and parents, and allow them to better monitor the resources in their communities.

This bill ends the one-size-fits-all safe drinking water policies that our current law dictates. It returns the decisionmaking power to the State and local water authorities, who know best the needs of their community water system. Communities will be better able to monitor the purity of their water than bureaucrats in Washington, DC. Rural water system officials in mid-Michigan have contacted me in support of this bill, because they realize that less Federal control means more local control, and ultimately cleaner water for Michigan's communities.

This legislation is the product of over 2 years of negotiations between Congress, State, and local officials, and representatives of virtually every public water system in the country. The Commerce Committee deserves credit for fashioning a bipartisan bill that reforms a Safe Drinking Water Act that is broken. This legislation will go far toward insuring safe drinking water and efficient allocation of Federal, State, and local resources. I urge my colleagues to vote for this important piece of environmental legislation.

Mr. ENSIGN. Mr. Speaker, I would like to express my strong support and intent to vote for H.R. 3604, the Safe Drinking Water Act amendments. Despite the inclusion of nonrelated grants under the Safe Drinking Water Act, I feel that it is vital to the American people that we pass this legislation. It will enhance the safety of Americans' drinking water by focusing regulatory efforts on the most dangerous health contaminants and giving States and local water systems the financial and technical resources they need.

H.R. 3604 provides $7.6 billion in direct grants and loans to public water systems for compliance activities, enhancement of water system capacities, operator training, and development of solutions to source water pollution. It also authorizes $80 million for scientific research on the health effects of cryptosporidium, as well as radon and arsenic, and to develop new methods for its treatment. In addition, H.R. 3604 includes a community right-to-know provision which requires water systems to mail an annual report to every consumer concerning the levels of regulated contaminants.

The safe drinking water amendments is a carefully crafted, bi-partisan bill that deserves support. It provides ample resources and power to local communities to provide safe and clean water to their residents. It provides local control over local issues.

I commend the Commerce Committee for their hard work. I am hopeful that differences between the Senate-passed bill can be worked out quickly to send this important environmental legislation to the President.

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LINDER). The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 3604, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3604, as amended.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise today to express my support for H.R. 3604, the Safe Drinking Water Act amendments. This bill will assure the safety of our drinking water. The American public will no longer have to worry that the water they drink might contain harmful contaminants.

H.R. 3604 will provide State and local water systems with the resources they will need to ensure the safety of our drinking water. The bill creates a $7.6 billion State revolving fund. This fund will provide direct loans and grants that will allow water systems to make the improvements needed to ensure safe drinking water.

Under the provisions of the bill water, systems will have to comply with standards that will ensure that our drinking water is free of the most dangerous contaminants, like cryptosporidium, a microbe that killed over 100 people in Milwaukee in 1993.

Mr. Speaker, H.R. 3604 will ensure that every community in the country has clean and safe drinking water. I encourage my colleagues to support passage of this bill.

Ms. HARMAN. Mr. Speaker, I rise today in strong support of H.R. 3604, the Safe Drinking Water Act Amendments. This bill is supported by environmentalists, industry, State and local governments, and consumer advocates. This bill is proof that Congress can pass strong environmental legislation if it works together on a bipartisan basis.

In my view, keeping our water clean is one of our Nation's most pressing environmental concerns. A strong Clean Water Act is necessary to keep our oceans, lakes, and rivers clean for all to enjoy. Similarly, a strong Safe Drinking Water Act is essential to keep harmful pollutants out of our drinking water, which is literally our lifeblood.

This legislation will do just that. The bill, for the first time, authorizes $7.6 billion for the State drinking water revolving loan fund, which is used by our communities to build and improve drinking water treatment facilities. Equally as important, the legislation guarantees that Americans will be informed of exactly which pollutants are in their drinking water. My State of California already has a successful right-to-know statute—I'm glad that the rest of the Nation has again followed our lead.

This legislation also proves that there is an effective way to balance environmental protection with economic concerns. The bill reforms rigid regulations by providing EPA with more flexibility in setting standards for drinking water contaminants. I'm pleased that the bill will allow EPA to consider costs and benefits in establishing standards for new contaminants.

Mr. Speaker, this bill represents a reasonable, responsible approach to environmental protection. It is evidence of how successful we can be if we put partisanship behind us.

Mr. REED. Mr. Chairman, I rise in support of H.R. 3604, the Safe Drinking Water Act amendments. This bill includes an important provision: H.R. 3280, the Water Quality Right-To-Know Act of 1996, of which I am a cosponsor. I am pleased that the House will pass this bipartisan piece of legislation, which will continue to protect our Nation's drinking water. While I remain concerned about the last-minute inclusion of projects which threaten to diminish the State revolving fund [SRF], overall I believe this is a good bill. It is my hope that this issue will be resolved in the House-Senate conference.

This bill takes many important steps to improve the Safe Drinking Water Act. It authorizes the SRF, which is essential to our communities in providing safe drinking water; it gives the EPA more flexibility in issuing regulations; it requires that standards be set for arsenic and radon; and it requires the EPA to conduct studies on sulfates.

One of the most important provisions would require water systems to public information annually on the status of drinking water and notify consumers of any contaminants. While the United States has one of the safest drinking water supplies in the world, there have, unfortunately, been incidents of contamination. I have heard from many constituents who expressed support for this provision because Americans have a right to know what is in their drinking water. I agree with them, and that is why I am a cosponsor of this provision.

I commend my colleagues who kept negotiations on this bill open and involved all interested parties to produce a sound piece of legislation that will establish good public policy. It is a relief to support a commonsense, bipartisan bill that will ensure that Americans have clean, safe drinking water. This bill will allow our communities to meet the goals of the act cost effectively and responsibly without sacrificing the quality of our drinking water.

Mr. Speaker, again, I urge my colleagues to work in the House-Senate conference to ensure that funding for the SRF is not cut, and I look forward to passage of this important piece of legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3666, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

Mr. QUILLEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 456 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H.RES. 456

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3666) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI, clause 7 of rule XXI, or section 302(f) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill (other than sections 204 and 205) for failure to comply with clause 2 or 6 of rule XXI are waived. The amendment printed in section 2 of this resolution shall be considered as adopted in the House and in the Committee of the Whole. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The amendment considered as adopted in the House and in the Committee of the Whole is as follows:

Page 68, line 23, strike "future legislation" and insert in lieu thereof "future appropriations legislation".

□ 1345

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Tennessee [Mr. QUILLEN] is recognized for 1 hour.

Mr. QUILLEN. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 456 is an open rule providing for the consideration of H.R. 3666, making appropriations for the Departments of Veterans Affairs, Housing and Urban Development and independent agencies for fiscal year 1997.

The rule waives points of order against the bill for failure to comply with clause 2(l)(6) of rule XI and clause 7 of rule XXI, which require the 3-day availability of the printed hearings and committee reports on appropriations bills. However, I'd like to inform Members that the committee report has been available since last Wednesday.

The rule additionally waives clause 2 of rule XXI prohibiting unauthorized appropriations and legislation on an appropriations bill, and clause 6 of rule XXI, prohibiting transfers of unobligated balances, against the bill with the exception of sections 204 and 205. These two sections pertain to housing matters, and have been left unprotected at the request of the chairman of the authorizing committee, Mr. LEACH.

Section 302(F) of the Budget Act is waived against consideration of the bill, and the rule provides for adoption of the amendment printed in section 2 of this resolution to remedy the Budget Act violation.

The rule allows for 1 hour of general debate, and provides priority in recognition to those amendments that are preprinted in the CONGRESSIONAL RECORD. Under the rule, the Chair may postpone and cluster rollcall votes, and may reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

This rule allows the majority leader or his designee to offer a motion to rise and report the bill after the final lines of the bill have been read.

Finally, the rule allows one motion to recommit, with or without instructions.

Mr. Speaker, once again, Chairman JERRY LEWIS and Ranking Minority Member LOU STOKES have done an outstanding job of addressing the needs of our country's veterans by ensuring adequate funding to provide compensation and pension benefits, educational and vocational training, housing credit assistance, and medical care for over 70 million recipients of veterans benefits. There is a VA medical center located in my district in Johnson City, TN, and I've seen first hand the critical medical needs of our veterans and I'm proud of the excellent medical care provided by all of the VA medical centers across the country.

Mr. Speaker, I'm pleased to see that this bill provides an increase in spending for veterans programs—these funds are desperately needed to ensure that our veterans get the benefits they deserve for their unselfish devotion and sacrifice to their country.

H.R. 3666 also provides funding to meet the housing needs of the poor, the elderly, the disabled, and the homeless. Additionally, the bill funds various independent agencies, including the Environmental Protection Agency, NASA, FEMA, and others.

The Appropriations Committee did a remarkable job at funding all of these important programs at sufficient levels while still contributing toward the ultimate goal of achieving a balanced budget. I applaud their bipartisan spirit and I urge my colleagues to support this open rule and this important appropriations bill.

Mr. Speaker, I include the following material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 19, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open [2]	46	44	75	60
Structured/Modified Closed [3]	49	47	33	26
Closed [4]	9	9	17	14
Total	104	100	125	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 19, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 19, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109 H.R. 2491	Social Security Earnings Reform Seven-Year Balanced Budget	PQ: 228–191 A: 235–185 (10/26/95).
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC MC	H.R. 3448 H.R. 1227	Small Bus. Job Protection Employee Commuting Flexibility	A: 219–211 (5/22/96).
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	A: voice vote (6/19/96).
H. Res. 456 (6/19/96)	O	H.R. 3666	VA/HUD Approps	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule. This is an open rule which will allow for amendment and ample debate on the important issues related to funding for the Veterans' Administration and the Department of Housing and Urban Development. However, many of my colleagues will oppose this rule and during the debate, it is my intention to yield to opponents in order to allow them the opportunity to explain their position.

Mr. Speaker, I also rise in support of H.R. 3666. This bill reflects a spirit of cooperation between the majority and minority to craft an appropriation for these agencies that was not present in the last funding cycle. I commend the subcommittee chairman, Mr. LEWIS, for working closely with his ranking minority member, Mr. STOKES, to create this bill.

Mr. Speaker, the programs funded by this appropriation affect a wide range of essential Government services and projects—everything from low-income housing, to health care for our Nation's veterans, to our space program. Reconciling the funding needs of all these programs within the limits established by the budget resolution is no easy task. While this bill is not perfect and many Members may disagree with the priorities it establishes, this bill does reflect an honest attempt to fashion a bipartisan agreement.

I would also like to thank the Appropriations Committee for providing the funds necessary to begin construction of a new national veterans cemetery for the Dallas/Fort Worth area. For nearly 10 years I have worked closely with north Texas veterans to establish this cemetery. The Dallas/Fort Worth area is home to one of the most concentrated veterans' populations in the country—more than 1 million people eligible for burial in a veterans cemetery live within 100 miles of the site of this new cometary, yet there are currently no burial facilities for eligible veterans in this area. The Veterans' Administration has cited the North Texas region as one of the top 10 areas in the Nation most in need of additional burial space.

This funding, a total of $16.2 million, will change this situation and will enable this facility to open by the spring of 1999. For the veterans of the north Texas region who have worked so diligently on this project, the inclusion of these funds is the culmination of years of work. I want to thank them for all of their assistance in seeing this project through, from start to finish. I also want to especially thank Chairman LEWIS and Mr. STOKES for ensuring that this project was included in this appropriations bill.

Mr. Speaker, while this bill does not adequately fund many programs that are of vital importance to many Americans, we all understand that funding levels for domestic programs are rapidly shrinking. Given that fact, this bill represents an honest effort to fund the programs encompassed by the VA-HUD appropriations bill, and I urge support of this rule so that the House may move on to the consideration of this appropriation.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank the distinguished chairman emeritus, Mr. QUILLEN, for yielding me the time. I rise in support of this open rule. I'd like to commend Chairman LEWIS and ranking member STOKES for demonstrating that, even in this charged partisan environment, Republicans and Democrats can work together for the good of our citizens. The bipartisan cooperation that is evident in this VA-HUD appropriations bill is certainly a welcome breath of fresh air in Washington.

I am pleased to point out that this legislation provides funding for some of this Nation's highest priority commitments—those that we have made to our veterans. For too many years we have seen precious veterans' dollars parceled out to support projects in areas of the country where veterans' populations are declining, while those regions with growing populations of veterans made do on shoestring budgets. I am pleased to note that we have reversed that trend, and this legislation continues the effort to send the dollars where the veterans are. Veterans in southwest Florida know that we spent years seeking the modest funding needed to expand our dreadfully overworked and under-resourced Fort Myers Outpatient Veterans Clinic. This year, as part of the omnibus spending bill we passed a few months ago, we finally got the funding secured and the leasing effort is currently underway—so that in short order we will be able to provide more services to more people in our area. I wish to once again thank Chairman LEWIS and Ranking Member STOKES, as well as Chairman STUMP and Chairman LIVINGSTON for their assistance in making that a promise kept—at long last—to our more than 150,000 southwest Florida veterans.

Mr. Speaker, there is a "Dear Colleague" going around that talks about some turf fight going on with regard to this matter. I would suggest that the rule we have is a good, open rule and will get the job done, and I urge support for this rule from all colleagues.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise in opposition to the rule because the rule contains language that would amend the appropriation legislation to make $861 million of Superfund money contingent upon a future appropriation.

Mr. Speaker, basically what happened is about a week ago, many of the Republicans involved in this legislation and some of the projects announced that they were going to provide significant funds for the Superfund program in this appropriations bill. But what we found out is that a significant part of that money, as I said, $861 million, is essentially not real. It was put in with a contingency that the Superfund bill would be reauthorized. Apparently the parliamentarian correctly ruled that that would have to be scored as an allocation under the appropriation which would raise the appropriation to a level that was unacceptable based on the allocations that had been provided by the Republican leadership. And so now in the rule the language is changed to say that this money is contingent upon a future appropriation. Well, when an appropriation is contingent upon a future appropriation, essentially there is no appropriation at all. What that means is that in a sense we are being told that money for the Superfund program will be made available that is not going to be made available. The level of funding for the Superfund program is actually about $50 million less than what the administration proposed.

In addition to that, there is every reason to believe that the idea behind this $860 million is to ultimately give it back to polluters in the forms of rebates, because the Superfund reauthorization bill that has been proposed by the Republican leadership would require the Federal Government to rebate to the polluters for moneys that they have already spent in cleaning up Superfund programs. That is not the way to go. The principle of the Superfund program is that the polluter pays, not the taxpayer. It would be wrong to sneak into this bill this kind of contingency that would suggest that that money would be going back to the polluters.

Mr. Speaker, I am going to have some amendments later with the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Pennsylvania [Mr. BORSKI] to address these problems, and I would hope that I could get support from my colleagues.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I do wish to point out to the gentleman from New Jersey [Mr. PALLONE] that the retroactive liability discount that concerned him also concerned me. That is off the table. That is not part of our proposal. That is history, as it should be.

Mr. Speaker, I do want my colleagues to know that I rise in support of the rule and in support of H.R. 3666. This bill increases the funding for the Environmental Protection Agency over the fiscal year 1996 spending levels. This is a good bill for the environment, and I urge Members to support it.

I would like to commend Chairman LEWIS and Chairman LIVINGSTON for providing $1.339 billion in funding for the current Superfund Program. I appreciate the constraints we face in this era of declining Federal spending. However, the cleanup of uncontrolled hazardous waste sites is very important and it must continue even though the statute that governs those programs is in desperate need of a major overhaul.

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I wish my colleagues on the other side of the aisle, and we could get together and have that meeting for Superfund reform. What our Committee on the Budget and the Committee on Appropriations have done is provide a mechanism that will allow increased funding for Superfund when we get a bill. Let me stress that: when we get a bill that overhauls Superfund in a way that requires additional funding and when the Superfund taxes go back into effect.

In the budget resolution, the gentleman from Ohio, [Mr. KASICH] provided a Superfund reserve account that allows him to increase the allocations of spending authority when new money is brought into the Treasury through the extension of those business taxes that fund the Superfund Programs. This reserve account will allow Chairman LEWIS and Chairman LIVINGSTON to appropriate $2.2 billion, $861 million more than the current funding level for Superfund, without busting the budget. That is a responsible way to proceed.

What the VA-HUD appropriations bill before us does is make the firm commitment that our Committee on Appropriations will appropriate that additional money after all the conditions are met. We are all committed to fully funding any reforms we make to the Superfund Program, and this bill demonstrates that we are ready, willing, and able to make good on those promises.

Now, the gentleman from New Jersey [Mr. PALLONE] and the gentleman from Pennsylvania [Mr. BORSKI], and I love them dearly, we work so well together, would like to call this promise smoke and mirrors. Well, it is not. The commitment to provide additional funding for a reformed Superfund is right there in black and white in the bill. All we need to do is agree on a Superfund reform package and reauthorize the Superfund taxes. So what are we waiting for? We are waiting for the administration and the leadership of the Democrat Party and the leadership of the Committee on Commerce from the Democrat side and the Democrat leadership of the Committee on Transportation to make good on their promises to work with us to achieve a fair and a responsible and fully funded reform of Superfund.

Last year I was very hopeful that we could achieve a bipartisan agreement. I really felt good about it. As a matter of fact, in July 1995, I issued a proposal to reform Superfund liability by allowing the most complex sites to proceed to clean up directly without waiting for years of litigation and negotiation among hundreds of parties. I wanted to get out of the courts and get in the field and clean up these toxic waste sites. As a matter of fact, the EPA Administrator, Carol Browner, and I would love to call her Madam Secretary because I think that agency should be at Cabinet level, she called this proposal a very attractive proposal. Those are her words, not mine, but I was flattered. I agreed with her, as a matter of fact. She said it was one that the Clinton administration would feel very, very comfortable with, but the Administrator was pulled back by the political types at the White House.

Quite frankly, I think somebody is whispering in the President's ear, shhh, do not do it. Do not do that Superfund reform. If you dare do it, then the Republicans will claim credit because they are in charge and they are the one that proposed it. Do not do it, Mr. President.

Now, I am not one to question motivation, and I am not sure I have the inside track to the inside of the White House, but I think that is probably what happened.

Now, if I were cynical, I would say there is a conscious effort to deny the Republicans, which are trying to go forward with responsible Superfund reform, with an opportunity to claim that we have done something meaningful in this very sensitive area. I would like to see us move ahead with Superfund reform. I think we are, I know we are very serious about it. We have been working very hard, long and hard, people like my good friend from Pennsylvania, Mr. BORSKI, and I, have had hearings on this subject, extensive discussions. I know my friend, the gentleman from Michigan [Mr. DINGELL], who represents the southern part of the downriver area of Detroit is interested. We all are. Why are we not moving ahead with Superfund reform? We should be. Now is the opportunity. Let us do it, but this bill has the money to fund the program if we have the get up and go to do it.

Mr. FROST. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I am sorry my friend, the gentleman from New York [Mr. BOEHLERT], has left the floor, because the remarks I am about to make would have been of some use to him.

This is a wonderful day for scams and shams, and we are seeing them hard at work. I would like to first begin by telling the gentleman that they have the votes on that side. You want a Superfund bill? Report it out. If you want Democratic cooperation on a Superfund bill, talk to us, we will be glad to work with you.

What is at stake now in the committee is that my Republican colleagues want a Superfund bill which pays the polluter. They want to pay the polluter. They do not want to have the polluter pay. Now, this is nothing more or less than conversion of Superfund into a fine polluter entitlement program.

Now, having set the record straight, if the gentleman wants to support that kind of bill, I would urge him to work with Republican members of the Committee on Commerce, who are diligently working towards that end. The simple fact of the matter is that my Republican colleagues on the Committee on Commerce recognize that that stinks so bad that they cannot bring it to the floor. That is the problem.

Now that I have enlightened my good friend, I want to talk about some other matters which are of concern here. We have heard that there are precious few dollars available for Superfund cleanup. Citizens have been waiting for cleanup for a long time, yet my Republican colleagues have spent much of the time of this Congress in crafting what I have already described as a polluter entitlement program and other mechanisms to spend money for paying polluters instead of paying for cleanup.

Mr. Speaker, I recognize that the Superfund is a seriously flawed program, and I will support reasonable changes in it which will make it necessary for industry, which will reduce the enormous volume of litigation which that program contributes. I would remind my colleagues that when I was the chairman of the conference, I did everything I could to prevent that kind of situation obtaining with regard to Superfund. If I would have had more help from the gentleman from New York, and some of the other people that are now complaining about this, perhaps we would be discussing a different kind of Superfund package.

I would like to think that this rule, which includes a self-executing amendment making $861 million available for the Superfund program contingent on the enactment of a subsequent appropriation bill extraordinary. I want to commend my good friend, the gentleman from New York, Closed Rule SOLOMON, the chairman of the Committee on Rules, for the innovation that has gone into that step, that it might provide more money for cleanup. Unfortunately, the rule here is just meaningless from the standpoint of providing any real money for the program.

In short, we have no assurance that this money will ever be available. It is a wonderful paper entry, and what happened is my friends on the Republican side suddenly found that they had spent money which was going to break the budget, so they went then to the Committee on Rules to get that problem cured by converting the whole thing into what, frankly, is nothing more or less than a sham.

In any event, if this money then becomes available under the legislation that the gentleman from New York [Mr. BOEHLERT] was speaking about, I can assume that the money will then be make available not for the cleanup of pollution but rather for paying polluters along the lines of the splendid ideas that my colleagues on the Republican side have been setting forth today.

Last week we read with interest reports that the Committee on Appropriations had approved an additional $861 million for the Superfund program contingent on the enactment of a Superfund reauthorization bill. This now makes the appropriations of this money contingent on the passage of an appropriation bill. But the passage of the appropriation bill is not contingent on the passage of an authorization bill. So in point of fact, what is going to transpire here today is a great deal of nothing and probably a lot of subsequent finger pointing, but certainly nothing significant with regard to cleanup of pollution or Superfund site.

The plan, I would note, which was put together was foiled when appropriators realized that CBO would have to score that money and, in the process, blow the caps off the VA-HUD bill and subject it to a fatal point of order under the budget act. So the Committee on Rules provided this wonderful and I say adroit self-executing amendment making the $861 million contingent on the enactment not of a future authorization bill but on the enactment of a subsequent appropriations bill, something I have never seen before in the few years that I have had the pleasure of serving this body.

In other words, the new money will be appropriated in the future if new money is appropriated in the future. I hope that my colleagues on the Republican side have listened to that, because if there ever was a pea under the walnut shell game, this is it here.

Let us see who is being fooled here. CBO does not have to score these additional funds because they are not being appropriated now. So all the claims we have heard from our chairmen that more money is available to finance their proposed Superfund reform are false. There is no money.

What about the VA-HUD subcommittee's ability to appropriate these funds in the future? They cannot do that without an increased allocation or authorization. Between the budget resolution, the Superfund bill, and the VA-HUD appropriation bills, there is almost $900 million waiting to spill out, blowing an even bigger hole in the fiscal 1997 budget deficit that most of my colleagues have found reason to be distressed about.

Mr. Speaker, I would urge my colleagues to defeat this rule. It is a scam. It is a pea under the walnut shell, and I would urge my colleagues to look around and try and figure out under which walnut shell the pea is. I suspect that they will not be able to find the pea. In the great traditions of the carny showmen and scam artists who engage in that, I am certain that they will find that there is probably no pea at all here. Not a pea which has fallen under the table through a hole in the table, but it is probably in the hands of one of my good Republican colleagues who is even at this minute clutching that pea with a hard grasp.

I would simply urge my colleagues to vote no. This is a scam, this is a sham, this is a game. My Republican colleagues are not approving money for Superfund. They want to complain about the fact that the Democrats do not want to pass a bill on Superfund which will pay the polluter instead of causing the polluters to pay.

Mr. Speaker, I include a communication to the chairmen for the RECORD.

Hon. THOMAS J. BLILEY, Jr.
Chairman, Committee on Commerce,
Washington, DC.

Hon. BUD SHUSTER,
Chairman, Committee on Transportation and Infrastructure, Washington, DC.

Hon. MICHAEL G. OXLEY,
Chairman, Subcommittee on Commerce, Trade, and Hazardous Materials,
Washington, DC.

Hon. SHERWOOD L. BOEHLERT,
Chairman, Subcommittee on Water Resources and Environment,
Washington, DC.

DEAR CHAIRMEN BLILEY, SHUSTER, OXLEY, AND BOEHLERT: We are writing concerning the status of Superfund reform legislation. We greatly appreciate your efforts to seek a bipartisan consensus on this issue. Democrats and Republicans alike, as well as President Clinton and Administrator Browner, agree on the need for Superfund reform. Thus, your agreement in February to commence bipartisan negotiations was a welcome departure from last year's divisive and partisan proceedings. Since we commenced negotations in March, your staffs and ours have spent significant time and energy, as has the Administration, reviewing and analyzing scores of issues, proposals, and counterproposals. These activities have yielded a better understanding of each other's positions and a narrowing of our disagreements in certain areas.

Despite out mutual efforts, however, fundamental differences continue to separate us. Perhaps the most obvious example is our conviction that any responsible legislation must conform to the basic "polluter pays" principle underpinning the Superfund law. Upon careful analysis, we have concluded that all of your liability proposals are premised on some notion of "paying the polluter." Your rejection of the fundamental "polluter pays" principle fails to meet our mutual objective of responsible reform.

Regrettably, we view the three "options" that you presented to us in your latest counterproposals as a mere reiteration of positions taken by the Majority before our negotiations began. Prior to our negotiations, Administrator Browner and others testified before House and Senate committees, and otherwise expressed their grave concerns about the site carve-outs contained in H.R. 2500 as introduced, and the wholesale exemptions for generators and transporters of hazardous substances set forth in Mr. Bliley's February 21 draft. Yet, we have been asked to choose among three options based entirely upon these same carve-outs and exemptions.

Our inability to reach an agreement with one another on this fundamental principle is particularly disappointing in light of the amount of time and energy we all have expended in the Superfund reform effort to date. During the 103rd Congress, Democrats and Republicans worked together to produce Superfund legislation that was approved unanimously by the Energy and Commerce Committee and on a voice vote in the Public Works and Transportation Committee. Seeking to build on this bipartisan compromise, the Democratic leadership of the two committees introduced H.R. 228 in January 1995. It was a great disappointment to see our compromise bill languish for ten months without so much as a hint of bipartiship. The contentious Commerce subcommittee markup in November confirmed the wide gulf between our vastly different approaches to cleaning up toxic waste sites and assuring that responsible parties and pay the costs of cleanup. Unfortunately, it wasn't until February 1996, well after the subcommittee vote, that you agreed to commerce bipartisan negotiations.

In the spirit of compromise, our April 1 proposals went significantly beyond H.R. 228 to address the liability of certain classes of parties, all within the framework of Mr. Bliley's February 21 proposal. These proposals were a significant step for us and for the Administration. We sought to address the liability of the same responsible parties that you specifically identified as most in need of relief, such as small businesses, municipalities, and contributors of minimal amounts of waste. Given the great deal of interest which we share in affording relief to these parties, reducing transaction costs, and most importantly expediting site cleanup, we are most disappointed that we have progressed no further toward achieving these mutual goals. We believe our proposal, as summarized below, can be signed by the President and will establish a fairer Superfund liability regime, including the allocation of liability and costs.

Our proposal significantly changes current law to create a fair share allocation system for parties who are not exempt from liability. This proposal essentially eliminates third party contribution lawsuits and was unanimously supported by the Commerce Committee and overwhelming supported by the Public Works and Transportation Committee in the 103rd Congress. However, in a genuine effort to find common ground, our proposal addresses many of your stated concerns and also contains the following additional liability relief provisions:

Our proposal would exempt small businesses with 25 or fewer employees and earning less than $2 million in annual gross revenues that are liable under Superfund as generators or transporters of hazardous substances from liability for activities prior to the date the legislation is enacted. Consistent with Mr. Oxley's stated desired to "get the little guys, the small businesses whose margins are razor-thin to begin with, out of the system," this proposal recognizes the practical reality that these very small companies typically do not have the financial means to contribute meaningfully to the costs of a cleanup.

Our proposal would exempt from liability all businesses with fewer than 100 employees, residential homeowners, and small non-profit organizations that are liable under Superfund as generators and transporters of municipal solid waste. This provision would exempt thousands of parties from liability, including the Girl Scouts and the people who disposed of things like "pizza boxes"—two types of generators frequently cited by Mr. Oxley as examples of those who should be relieved of Superfund liability.

In addition to businesses with fewer than 100 employees, residential homeowners and small non-profit organizations, our proposal also would exempt all other generators and transporters of municipal solid waste from Superfund liability at NPL sites for activities prior to the date of enactment. For activities after the date of enactment, the proposal limits liability at 10% of the total response costs at the site, so long as the generators and transporters participate in a qualified household waste collection program.

Our proposal would cap the liability of municipal owners and operators of landfills that accepted predominantly municipal waste.

Our proposal would double the "de micromis" exemption contained in H.R. 228 to exempt parties that, as generators or transporters, contributed less than 110 gallons of liquid materials containing hazardous substances or 200 pounds of solid materials containing hazardous substances.

Our proposal provides for expedited *de minimis* settlements for parties at National Priorities List sites who contributed a small volume of waste, presumed to be 1% or less of the total waste at the site, unless EPA determines that site specific conditions indicate that another greater or lesser amount constitutes a small volume.

Altogether, the Administration estimates that our proposal would provide relief from Superfund liability and a shield from contribution litigation for more than 40,000 parties. For the parties who remain liable under Superfund under our proposal, the process would be greatly streamlined, transaction costs would be reduced, and settlements would be expedited. Our proposal improves fairness and takes numerous smaller parties out of the liability net, but still preserves fundamental principles of corporate responsibility, which require as a general rule that companies responsible for hazardous substance contamination pay their fair share of the cleanup costs. This concept was endorsed by a wide range of industry and other stakeholders in the compromise bill in the 103rd Congress.

The principal difference we have identified between our proposals and yours is that your broader liability exemptions (and consequent allowance of fair share funding) will exempt those generators and transporters of significant amounts of hazardous substances that in most cases are driving up the cost of the remedy and the health hazards at Superfund sites, as well as the owners (in your second and third options) who profited from the disposal of hazardous substances. We believe the additional parties you are proposing to exempt from liability generally are able and should be willing to pay their fair share of response costs in order to clean up the contamination for which they are responsible.

We were informed by Commerce Committee Majority staff that Mr. Bliley's February 21 proposal had rejected site carve-outs in favor of retaining liability for the "true polluters," *i.e.*, the owners and operators. Nevertheless, your latest counterproposal contains two options for site carve-outs which would exempt owners and operators. The Administration has informed us that of the approximately 250 codisposal sites, about seventy percent contain predominantly hazardous waste that is contributing significantly to the type of remedy selected or cost of the response action, and that was disposed of by generators or transporters. We believe that neither the Fund, which needs to be preserved for cleaning up abandoned sites, nor the citizen taxpayer, who contributes to the $250 million General Treasury portion of the Superfund budget and who will pay substantially more if the Fund cannot cover the cost of cleanup, should assume the responsibility of those who created the mess.

It is no answer in our view to say that the polluters pay because the Superfund into which they deposit taxes would bear the costs of your proposals. Superfund taxes are imposed on corporate taxpayers regardless of whether they are responsible for contamination at any site, and the greatest source of Superfund revenues, the Environmental Income Tax, is imposed regardless of the type of business in which the corporation is engaged. Revenues from these taxes should be used to support the cleanup program and to fund cleanup of sites where insolvent, defunct, or recalcitrant parties are responsible for the contamination.

Quite apart from these fundamental policy considerations, we are troubled by recent developments in the Appropriations and Rules Committees relating to the Superfund appropriation. At our meeting on April 25, you sought to persuade us that the Appropriations and Budget Committees had signed off on, and would make available, hundreds of millions of new dollars for Superfund cleanups that would fund your liability proposals. Apart from our philosophical differences over whether the Fund should be used to let polluters off the hook, we expressed our skepticism that such funds could in fact be appropriated without offsetting reductions in other important environmental programs and priorities. Although it appeared at first that the Appropriations Committee last week would indeed make an additional $861 million available subject to enactment of a reauthorization bill, it quickly became clear that such a provision ran afoul of the Budget Act, would exceed the VA-HUD-Independent Agencies Subcommittee's allocation, and would be subject to a fatal point of order. The Rules Committee's self-confessed remedy for this Budget Act violation has been to make the $861 million subject instead to passage of a future appropriation. In other words, the additional money is either completely illusory and provides no independent justification for support of your liability proposals—or, the money may be appropriated at some indeterminate future time if the Appropriations Committee can figure out how to blow the top off the Subcommittee's allocation. This does not inspire great confidence.

For all these reasons, we cannot agree to proceed on the basis of any of the three options outlined in your letter. We are, however, willing to consider compromises that work within a basic framework consistent with the "polluter pays" principle. With productive and creative attention to these issues, perhaps a bipartisan compromise on liability remains possible. In this context, we would be willing to discuss additional funding, pursuant to the Administrator's discretionary mixed funding authority, for the purpose of facilitating comprehensive settlements at codisposal facilities that accepted predominantly municipal waste.

Your April 30 letter also presents a number of proposals on other issues that merit our response. Our review of your remedy selection proposals persuades us that they would result in a significant and unacceptable rollback of human health and environmental protection. During Subcommittee hearings on H.R. 2500, Administrator Browner testified that the bill inadequately protects human health and the environment and lacks sufficient emphasis on reliable, long-term protection at a reasonable cost. We support your efforts to make cleanup decisions based upon reasonably anticipated future use of property and to eliminate "relevant and appropriate" (as opposed to legally applicable) state standards. But any new remedy selection provisions must in our view meet the same test the industrial community and other key stakeholders used to favorably judge H.R. 228—the provisions must consider costs and risks "realistically, fairly, and pragmatically."

In particular, we believe that legally applicable state standards should apply to cleanups as they do in current law. Subjecting such standards to an incremental cost-benefit test weakens current law at the expense of human health and the environment. Moreover, preserving legally applicable state standards in remedy selection is an issue of vital importance to the overwhelming majority of states. We also believe, based upon staff discussions, that your groundwater proposals fail to provide adequate protection even for aquifers that may provide drinking water supplies, in part because your proposals maintain the prerequisite for establishing a "substantial probability" that groundwater may be used for drinking water in the future. Further, the proposals do not contain the necessary emphasis on restoration of precious groundwater resources that are of increasing importance to our communities' economic development. And we are finding it increasingly difficult to reconcile your Leadership's professed support for returning power to the states in some areas—for example, Medicaid and welfare reform—with the apparent willingness in so many other areas to override state laws when they are inconvenient for the business community.

Many of your proposals threaten to mire the cleanup process in litigation and delay. Under a process even more cumbersome than initially introduced in H.R. 2500, your proposal allows for reopening records of decision and eliminating the current law's bar on preenforcement review of remedies. This promises more delay and litigation, as past decisions are reconsidered and judges are asked to second-guess cleanup choices that were previously made by EPA or states. We fail to understand how these provisions can be reconciled with the overarching concern about reducing transaction costs that you have expressed in our liability discussions. Under these provisions of your proposal, bulldozers will be idled, health risks will remain unaddressed, and affected communities will have to wait for cleanup, while lawyers and consultants clean up with hundreds of new fee-generating opportunities.

While we could support limiting the preference for treatment in current law to the most contaminated and highly mobile toxic waste (hot spots), we cannot support a complete elimination of the preference for treatment. Rejection of this fundamental tenet of the President's Superfund reform proposal would create more brownfield sites that, for all practical purposes, could never be suitable for redevelopment or other productive future use.

Changing long-standing concepts, such as the definition of environment and minimum health standards (even as modified in your latest proposal), creates ambiguous and ill-defined terms and certainly will result in a litigation bonanza. These changes are, in our view, ill-advised and unnecessary.

While we are willing to consider adding a Governors' concurrence provision for new additions to the NPL, we cannot support the arbitrary constraints, or "caps," contained in your proposals. Both the General Accounting Office and the Association of State and Territorial Solid Waste Management Officials have concluded that many states do not have the funding to address sites within their boundaries that otherwise would be placed on the NPL.

We also are highly concerned about your proposals for natural resource damages, a set of issues that are as important to us as liability and remedy. In our view, your proposals would dramatically limit the ability of federal, state, and tribal natural resource trustees to restore natural resources injured by releases of hazardous substances and allow losses to remain uncompensated. As you proposed, we are pleased to have our staff participate in stakeholder discussions on natural resource damages which commenced this week.

In summary, H.R. 2500—and the proposals you have made based on it—seeks to create a regime that abandons the "polluter pays" principle, rewards egregious and recalcitrant behavior, delays cleanups, drastically minimizes health and environmental standards, jeopardizes restoration of natural resources, encourages litigation (even to the extent of opening up previously settled decisions governing cleanups), and leaves states responsible for enormous financial obligations for cleanup. We cannot support such an approach.

If we are to achieve our shared goal of Superfund reform this year, we urge you to consider an approach that addresses concerns about further liability relief within the bounds of genuinely available fiscal resources and at the same time adheres to the basic "polluter pays" framework that always has been central to Superfund.

If you conclude that a comprehensive Superfund reform bill is not achievable this year, perhaps we can achieve some success yet. With a little futher work, we feel that we can reach agreement on issues relating to federal facilities, clarification of lender liability, grants to local government to assist in redeveloping brownfields, and providing liability relief to bona fide prospective purchasers of property.

The Commerce Committee's recent achievement of a comprehensive safe drinking water reauthorization bill makes clear that we can achieve consensus, even on highly contentious issues surrounding protection of human health and the environment. We look forward to continuing to work with you in that spirit.

Sincerely,

JOHN D. DINGELL,
Ranking Member, Committee on Commerce.

THOMAS J. MANTON,
Ranking Member, Subcommittee on Commerce, Trade, and Hazardous Materials.

JAMES L. OBERSTAR,
Ranking Member, Committee on Transportation and Infrastructure.

ROBERT A. BORSKI,
Ranking Member, Subcommittee on Water Resources and Environment.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington DC, June 24, 1996.

Hon. THOMAS J. BLILEY,
Chairman, Committee on Commerce, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the commitment EPA Assistant Administrator Elliott Laws made in May, I am writing in response to your proposal on liability issues, presented to us in your past letter.

I recognize that much hard work has been devoted to achieving our shared goal of Superfund reform in this Congress. We believe that the past several months of legislative negotiations have been productive in identifying issues where we may achieve a common understanding and clarifying issues where we still remain divided on substantive policy differences.

It is my firm believe that we can achieve responsible Superfund reform only through a genuine commitment to a bipartisan legislative process by you and the House leadership. I had hoped our negotiations would have helped revive the bipartisan dialogue that existed in the House Commerce and House Transportation Committees during the Superfund legislative process in the 103rd Congress.

At the start of the 104th Congress, we expected to build on the consensus developed in the bipartisan bill passed 44-0 by the House Commerce Committee and by near unanimous voice vote by the House Transportation Committee in the prior year. The bill was reintroduced as H.R. 228 with the hope that we could begin a bipartisan dialogue and finish our earlier work in the first session of this Congress.

We were disappointed when Superfund reform legislation was introduced that departed significantly from the bipartisan bill supported by a broad coalition of industry, small business, state and local governments, community groups, and environmental organizations that was crafted in the preceding Congress. H.R. 2500 as introduced did not reflect this consensus nor the Superfund reform principles supported by the Administration. My testimony on H.R. 2500 reflected the Administration's strong opposition to provisions that would compromise the "polluter pays" principle; increase litigation and delay cleanups; compromise cleanup standards at the expense of human health and environmental protection; and devastate the natural resource damage (NRD) programs administered by federal, state, and tribal natural resource trustees.

Unfortunately, the lack of a genuine process of bipartisan negotiation in which to resolve our differences resulted in a highly divisive Commerce subcommittee markup, and a significant delay in progress toward responsible Superfund reform.

Liability. In congressional testimony before both the House Commerce and House Transportation Committees in 1995, I urged that we begin a bipartisan process to pass responsible Superfund reform legislation. Regrettably, it was not until March of 1996 that you initiated bipartisan negotiations on H.R. 2500. You asked us to be open to compromise on all issues, and to base our liability and allocation discussions on a new liability repeal proposal that had not been the subject of a subcommittee hearing or markup. In an effort to further address your stated concerns that the current Superfund liability system generated too much litigation that resulted in large transaction costs, we improved upon the compromise liability proposal that we had all developed in the 103rd Congress, and offered a new liability proposal that would increase fairness and reduce transaction costs.

The Administration liability proposal offered on April 2, 1996, moved significantly beyond the compromise we had developed in the prior Congress. We eliminated parties from the system—such as small businesses—whose actual responsibility for contamination at a site, or whose limited ability to pay cleanup costs, was disproportional to the litigation generated and transaction costs associated with bringing them into the liability scheme. In these cases, the polluter pays principle is best served by eliminating the inefficiency associated with retaining these parties in the liability scheme, while preserving incentives for responsible behavior. We also sought to reduce transaction costs and promote certainty for other parties by capping or eliminating liability for parties whose liability is based on disposal of municipal solid waste (MSW).

Taken together, we estimate that the relief provided by these proposals would remove more than 40,000 parties from Superfund liability and provide transaction cost relief for many more parties that otherwise could be entangled in Superfund litigation. For the parties who remain in the system, the process would be simplified and settlements would be expedited. Our proposals would still preserve the polluter pays principle and maintain the principle of corporate responsibility that those companies responsible for hazardous waste contamination pay their fair share of the cleanup costs.

When we met in April, Chairman Bliley indicated that we could expect a counteroffer that would show "substantial movement toward" our position. Notwithstanding this suggestion, your letter of April 30 effectively rejected our proposal with no discussion as to the policy reasons for the rejection. As Assistant Administrator Elliott Laws outlined in his letter of May 2, the three liability options you proposed were essentially variations on prior liability repeal proposals made by the three Chairmen over the course of the past year. Your decision not to address our proposal of April 2, other than one small addition to your liability options, failed to provide the impetus for moving the discussions forward.

I have given careful and serious consideration to each of these options, evaluating each according to three criteria: fairness; efficiency, and the polluter pays principle in current law and our proposed administrative and legislative reforms. Under these criteria, I believe that all three of your options compare unfavorably to the Administration's liability proposal.

Option 1 consists primarily of a repeal of liability for generators and transporters of hazardous substances. This proposal replaced the fifty percent "retroactive liability discount" adopted at the Commerce subcommittee markup. This approach would exempt many large hazardous waste contributors who can afford to pay for cleanup, while retaining liability for owners and operators of those same sites. This disparate treatment of parties is unjustified, would significantly increase the transaction costs associated with determining the time of disposal; and would violate the polluter pays principle. By repealing liability for so many parties, this proposal would require a massive transfer of cleanup responsibility from private parties to the federal government, resulting in lost efficiencies and cleanup delays as sites are transferred to EPA.

Option 2 proposes a "site carve-out" that would exempt from Superfund liability all parties at certain co-disposal and recycling sites which together account for approximately twenty-five percent of the hazardous waste sites on the National Priorities List. There appears to be no principled basis or coherent policy rationale for eliminating these sites from the liability scheme while retaining others. Any purported reduction in transaction costs will be more than overwhelmed by other budgetary and social costs of the proposal, including the transaction and inefficiency costs of a massive transfer of sites into a government-conducted cleanup program under Superfund.

In addition, an analysis of the sites and parties who would be exempted from liability under this scheme has made clear that this proposal would exempt very contaminated sites, and would exempt from liability many large industrial generators of hazardous waste who should be called upon to pay for the cleanup before resorting to Federal

Trust Fund dollars. Our review of these sites has also found that the recycling sites that would be carved out under your proposal include a number of sites at which serious environmental contamination has resulted from egregiously irresponsible conduct.

Option 3 is essentially similar to Option 2, except that it would append a portion of our liability counterproposal on top of the broad site carve-out in Option 2. While I acknowledge the attempt to accommodate our counterproposal in some small manner, combining Option 2 with our proposal fails to alter in any way the flaws we have identified in Option 2.

I also remain concerned by the lack of any assurance that adequate funding will be available for these proposals without rolling back remedy standards, compromising the pace of cleanup, or cutting funding for other environmental programs that are essential to protecting public health and the environment. Our analysis suggests that the cost of Option 1, for example, will far exceed the increases in funding proposed in your letter. Should any additional funds over and above the current Superfund appropriation be actually appropriated for the Superfund program, they should not be spent on proposals that delay cleanup, reduce protectiveness or violate the polluter pays principle.

Other Issues. You also placed other, non-liability issues on the table in your letter. Unfortunately, many of the proposals are so general in nature that it is difficult to respond in a meaningful manner. However, the proposals appear to remain far short of meeting our fundamental principles that Superfund cleanups remain protective of public health and the environment and that the current pace of cleanup be maintained or increased.

Your proposals still appear to place too much emphasis on cost as opposed to public health and environmental protection in the balancing test used for selecting cleanup remedies. There remains far too many qualifiers on when, if ever, groundwater would be cleaned up as opposed to selecting exposure control remedies. There is no requirement for treatment of the most highly toxic and mobile hazardous waste at Superfund sites. Hundreds of RODs would still be reopened under your proposals, potentially costing years of delay at Superfund sites. The arbitrary cap on listing NPL sites will undoubtedly leave hundreds of hazardous waste sites unaddressed by states that simply do not have the resources to clean them up.

In addition, your proposals to limit the ability of Federal, state and tribal natural resource trustees to restore damaged natural resources is unacceptable public and environmental policy.

Next Steps. I feel I must also respond to the letter sent by Chairmen Bliley and Oxley dated June 17, 1996. I am deeply disappointed that the Commerce Committee Chairs would question my commitment to enacting Superfund reform legislation. EPA has worked for more than three and one half years to secure a Superfund reform bill, while at the same time implementing significant and successful administrative reforms. No one has worked harder than this Administration to make Superfund faster, fairer, and more efficient. In my congressional testimony and private discussions with congressional committee chairs and ranking members, I have steadfastly urged that a bipartisan legislative process be developed so that we can build the consensus necessary to secure passage of a responsible Superfund reform bill. I remain committed to that goal. If you genuinely share that goal, I challenge you to offer responsible Superfund reform proposals that protect public health and the environment and that do not violate the polluter pays principle. Working together, we can enact Superfund reform legislation in this Congress.

Sincerely,

CAROL M. BROWNER.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the House Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the chairman emeritus and would ask the gentleman from Michigan, JOHN DINGELL, if he would stand around just for a minute.

"This is a scam, this is a sham." Now, all of the Democrats voted for this. "This is a scam, this is a sham," and I would just say to my good friend, and he is a very good friend and one of the most respected Members of the body, nobody came to complain. We work in the Committee on Rules 18 hours a day. We were up there the other evening putting this rule out, finally, and nobody complained. As a matter of fact, I think the rule, this open rule, incidentally, passed by a unanimous vote.

I would just say to my good friend, too, he ought to be careful about how he refers to Members because you could have your words taken down. I would never do that to one of my best friends, but we should be accurate. The gentleman, I happen to know, has served under former Democrat chairmen by the name of MOAKLEY and Pepper and Boland and Delaney and Madden and Colmer and Howard Smith of Virginia, and if you want to talk about closed rules, you ought to see them. We have turned that around where now we have mostly open rules, thank goodness.

Mr. Speaker, let me just talk about this thing that seems to be bothering some people. We have done one thing up in the Committee on Rules at the request, I think, of the Congress; it was not the request of any one particular person. But we changed one word. We did not change one word, we simply added a word, and that word was "appropriations." We say "future appropriation legislation," instead of "future legislation." We simply add the word "appropriation."

Why did we do that? We do it because the Congressional Budget Office requires us to do it. We do it because the Committee on the Budget requires it of us. But let me tell you why we really did it. Because JERRY SOLOMON, this Member of Congress, requires it of us, because we are not going to do anything that is going to get us off that glidepath to a balanced budget.

The gentleman from Ohio, JOHN KASICH, the chairman of the Committee on the Budget, is sitting in the back of the room. He has got us on that glidepath for the second consecutive year, and we are going to continue for the next 5 years and we are not going to veer off it, no matter what. The most serious problem facing this Government today is these unconscionable deficits that are turning this Nation into a debtor nation, no better than a third-world debtor nation, and the American people have had it and we have had it.

Let me get back on to the bill itself, because I want everybody to come over here and I want Members to vote for this rule, then I want Members to vote for the bill. The major part of this bill is the funding of the Department of Veterans Affairs, and it is funded at a level that is going to take care of the veterans of this Nation. Why is that necessary? Because we have a contract with them. This is not some kind of welfare program or social program we are dealing with in funding the hospital medical care delivery system under the Veterans' Administration, the Department of Veterans Affairs now. In other words, that is an earned benefit and that is what we are doing here today. As a matter of fact, we are going to have an amendment by a good Democrat, the gentleman from Mississippi, SONNY MONTGOMERY, and a good Republican, the gentleman from New York, JERRY SOLOMON, and the gentleman from Arizona, BOB STUMP, and we are going to increase that a little bit.

We are going to take less than one-half of 1 percent out of all these other bureaus and agencies and offices that are funded under this complex little bill here, and we are going to take that $50 billion plus $15 million and we are going to add it into the Veterans' Administration hospital care delivery system because that is what it is going to take to keep that solvent and keep it going so that we do not loose ground.

So that is really what this entire debate is all about today. Let us not quibble over one word. We are doing it because we cannot afford to violate the Budget Act and then have CBO and all of these other people come down on us. We are going to change that one word, but then we are going to pass this, one of the most important appropriation bills that we have coming before this Congress this year.

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Mr. FROST. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I want to make it clear that no man holds the distinguished chairman of the Committee on Rules in greater esteem than do I or has greater affection for him, but he has just admitted, just admitted that there is no money in that $861 million. It is illusion. It is blue smoke and mirrors.

I want to compliment the gentleman because never before have I seen this so adroitly done, even in the Committee on Rules, where he reigns supreme and issues closed rules and handles the business of this House up there behind closed doors.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume, and in partial response to my friend, the chairman of the committee, I would like to insert some material in the RECORD.

Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process.

I would like to point out that 60 percent of the legislation this session has been considered under a restrictive process.

Mr. Speaker, additional information for the RECORD follows:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 63	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
PROCEDURE IN THE 104TH CONGRESS 2D SESSION				
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.
H.R. 3662	Interior Appropriations FY 1997	H. Res. 455	Open	N/A.
H.R. 3666	VA/HUD Appropriations	H. Res. 456	Open	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 53% restrictive; 47% open. ***All legislation 2d Session, 60% restrictive; 40% open. ****All legislation 104th Congress, 56% restrictive; 44% open. *****NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ******PQ Indicates that previous question was ordered on the resolution. *******Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the VA-HUD appropriations bill, as reported to the House, allocates, apparently, $2.2 billion for Superfund, but of that amount $861 million is contingent upon future legislation to make the funds available for obligation. Actually, we are talking about $1.3 billion that is really available for Superfund.

The majority clearly is trying to point to this appropriation of $2.2 billion as evidence of their commitment to Superfund and their commitment to environmental protection, but the Committee on the Budget, Congressional Budget Office, and the Parliamentarian scored the provision as exceeding the budget allocation and subject to a point of order. The Committee on Rules therefore included a self-executing provision in the rule that makes the additional $861 million available only upon a subsequent appropriation.

Now, I view that as a form of doublespeak intended to make Superfund appropriations seem larger than they really are. The appropriations provision does not include any money above $1.3 billion. So what is the status of that $861 million? That money is available only if subsequently appropriated. And what does that mean? There will be no additional money for Superfund unless Congress acts a second time to appropriate it. And then, at that time, the appropriation will be subject to budgetary ceilings. And that further means that at that subsequent time the Committee on Appropriations will have to come back and find $861 million to cut someplace else in these programs. Otherwise, they will run up against the caps. They will have exceeded their cap.

Now, that is not being candid and fair and open and honest about this process. We need real money to clean up hazardous wastesites, we need real money to protect human health and the environment, and doublespeak is not going to get us there.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. WELLER].

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding me this time to address the House and rise in support of the rule and in support of this VA-HUD appropriations bill.

I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago, the south suburbs in Cook and Will Counties, bedroom communities, farm towns, and a lot of corn fields. When I represent a very diverse district, I always look for things where there is a very common consensus, and in my district there is one item where there is unanimous consensus and that is for redevelopment of the Joliet Arsenal, a former military facility, largest single piece of property in northern Illinois, to redevelop that for peacetime uses.

Frankly, I am very pleased that this effort, which has been a bipartisan effort, continues to move forward. The President signed our legislation in February to accomplish our goal setting aside 19,000 acres for conservation, 3,000 acres for job creation, 985 acres to create the second largest national veterans cemetery. The VA-HUD appropriation bill continues that effort by working to make this veterans cemetery a reality.

The Chicago area is now facing a shortage. We need new places to honor and bury our veterans. This legislation provides $18.4 million in funding for redevelopment and complete construction of this new veterans cemetery. I want to point out that the funding that is in this bill is exactly what the VA says they need in order to have this veterans cemetery in place and honoring our veterans by 1999.

Again, I want to thank the chairman, my friend, the gentleman from California, Congressman LEWIS, for his assistance, and the gentleman from Ohio, Mr. STOKES, the ranking member, for making this project, which has been a bipartisan project, to redevelop the Joliet Arsenal a reality. This legislation funds our veterans cemetery, and again I want to thank the House and urge bipartisan support and passage of this appropriations bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, in last year's appropriations bill the Republicans attacked the EPA and the Superfund Program, and they attempted to slash the Superfund Program by 25 percent.

When President Clinton refused to go along because of our success in highlighting this issue, the President vetoed the bill. The Republicans, because of Superfund and other programs, shut the Government of the United States down twice because they wanted to see programs like Superfund gutted. The truth of the matter is that there were furloughed Superfund Program workers all over the country and delays in the cleanup of toxic waste sites all over our country.

Now, in this bill the Republicans contend they are putting in $2.2 billion for Superfund. Sounds really great, but the truth is that this is really kind of a legislative sneak preview of coming attractions. But, like many Hollywood movie trailers, it is very deceptive, because while they are advertising that their bill is "Rebecca of Sunnybrook Farms," the truth is that their actual bill is more like "Nightmare on Elm Street," because in reality the $862 million which they contend is being put in the bill is not going to be appropriated this year in this bill. They are not putting the money in.

So, here they are today saying, well, we are going to add in an extra $860 million or so, but we are not putting it in this year; we are going to put it in sometime in the future. And by the way, when we put the money in, it is going to be to give rebates to polluters. That is right. Instead of the polluter who messed up a particular neighborhood paying to clean up the site, we, the American taxpayers, we are going to pay the polluter.

Now, what kind of program is this? This is the Ed McMahon Polluters Rebate Sweepstakes program. That is right, the Ed McMahon Polluters Sweepstakes van pulls up in front of your corporate headquarters and announces that you may be a winner. If you have already been accused and accept responsibility for polluting and for cleaning up a hazardous waste site in your community, you may be eligible for million of dollars of taxpayers' money as the taxpayer pays the polluter for having cleaned up a site which they polluted.

Rather than using these hundreds of millions of dollars to clean up orphan sites, to clean up sites that would not be cleaned up otherwise, no, the money in the Republican bill will be used to hand it over to the polluters.

We must vote "no" on this proposal. It, in fact, represents just the opposite of where the American people want our Superfund Program to be headed.

Mr. Speaker, I rise in opposition to the rule. In last year's appropriations bill for VA–HUD–independent agencies, the Republicans attacked EPA and the Superfund Program. They tried to slash funding for Superfund by almost 25 percent. And, when President Clinton refused to go along with their radical proposals, they shut down the Government twice. They furloughed Superfund workers and delayed the cleanup of toxic waste sites in dozens of communities around the Nation, including several in Massachusetts.

This year, instead of mounting a direct assault on the program's funding, the Gingrich Republicans are claiming to provide Superfund with $2.2 billion in funding, nearly a billion dollars more than they provided last year. But when you look at the bill—and especially when you look at the convoluted rule they have crafted—it is clear this sham increase is really only an advertisement for future money. It's a special legislative sneak preview of coming attractions. Unfortunately, like so many Hollywood movie trailers, the preview is much different than the actual film. In this case, we've been offered previews of a legislative "Rebecca of Sunnybrook Farm" when the actual bill is more like a "Nightmare on Elm Street."

The sad truth is that the Republican Superfund appropriations bill is still mean and still extreme. Instead of trying to slash Superfund funding, however, the GOP is trying to turn the Superfund program on its head by replacing the polluter pays principle with a new program of paying the polluter. The extra $861 million—if it is ever really appropriated—will be set aside in a polluter's slush fund, where it could be used to fund the new polluter's entitlement program contained in H.R. 2500, the Republican's Superfund reform bill which was approved last November by the House Commerce Committee's Subcommittee on Hazardous Materials. That bill replaces the polluter pays principle of the Superfund law with a requirement that taxpayer dollars and trust fund moneys be used to pay polluters rebate checks for cleaning up Superfund sites that they contaminated and may already have agreed to clean up themselves.

Under the Republican proposal, Superfund will be tansformed into the Ed McMahon Polluter's Clearinghouse Sweepstakes. Superfund polluters will be getting letters in the mail announcing the good news:

> Congratulations, polluters, you may have already won millions of dollars in fabulous cash rebates. All you have to do is wait for Congress to pass this Superfund "Reform" bill. Then, our Superfund Sweepstakes prize van will be pulling up to your corporate suite—with a big ol' rebate check in hand to pay you for cleaning up sites that you polluted!

We should oppose such radical and extreme proposals. Those who polluted the environment with hazardous wastes should bear personal responsibility for their actions. During House floor consideration of this bill I will be offering an amendment later in the debate, along with the gentleman from New Jersey [Mr. PALLONE] and the gentleman from Pennsylvania [Mr. BORSKI] that would preserve the current policy of polluter pays and prevent taxpayer dollars and Superfund trust fund moneys from being misused to pay rebate checks to polluters. Those who are liable for contaminating a Superfund site or have entered into a court-approved consent decree to pay the costs of such a cleanup should pay these costs themselves. At the same time, our amendment will not impair mixed funding for cleanups in those circumstances where EPA has reached a consent agreement with a polluter that a portion of the clearnup will be funded from Superfund moneys.

This amendment has the support of the Clinton administration, as well as a broad range of environmental and public interest groups, including the U.S. Public Interest Research Group, the Natural Resources Defense Council, Friends of the Earth, Taxpayers for Common Sense, and the Environmental Information Center. It will be one of the key environmental votes of the year, and we look forward to the floor debate on this critical issue.

At this time, I urge my colleagues to defeat this rule. We should not be passing rules which transform appropriations bills into advertising promos for future appropriations bills. Let's be honest about how much funding Superfund will receive this year, and let's be honest about how these funds will be spent.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I rise in support of the rule and congratulate the gentleman from California, [Mr. LEWIS], the chairman of the committee, and the chairman and members of the Committee on Rules for putting together a very effective rule.

Let me answer my friend from Massachusetts, who was so concerned about the reform of Superfund becoming the "Nightmare on Elm Street." I would say the "Nightmare on Elm Street" has been running for the last 15 years, and it is called the existing Superfund law that has fostered litigation to the point where we are spending half of the money on lawyers and we have only cleaned up about 5 percent of the sites.

Anybody who knows anything about the Superfund Program knows what a disaster it has been. Whether they are the most green of green environmentalists or whether they are an evil corporate polluter, they know that the Superfund Program as exists today is not working. We are trying to change that program.

Now, the gentleman from Michigan talked about scams. Let me show my colleagues what a scam is. I have a program there that shows how the cleanup of the Superfund sites takes place under today's program. Now, that is probably the lead-in to the "Nightmare on Elm Street," and it may be the cartoon, but look at all the hoops one has to jump through. And meanwhile, meanwhile, the program has cost some $30 billion. That is billion with a "B."

We are here to change the program and make a lousy program work. I am disappointed with my friend from Massachusetts and others who apparently want to stay in a position where they are defending the status quo. I do not think that is defensible.

I see my friend from California, the chairman of the committee, and I would like to ask him a question. If, in fact, we pass a Superfund reform bill, I want to know what is going to happen to the funding of the Superfund Program under the rule that we are debating today.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague yielding. This bill is a bill that funds some 20 Federal programs including the EPA. The Superfund Program is a piece of the EPA. Presently, within this measure is $1.33 billion for the Superfund Program.

If we see a reauthorization bill, and the kind of work that will allow this program to go forward in a positive measure, we would add back the $861 million that is the subject of this discussion.

If the gentleman will continue to yield, I was a bit astonished by the comments of the gentleman from Massachusetts [Mr. MARKEY]. Almost since I have been here in the House, I have sat back in wonderment as the gentleman has been a member of the committee responsible for authorizing Superfund. The Administrator of EPA 1½ years ago told us this program was broken. I have never seen the gentleman's proposed legislation. I do not see fixes coming out of the committee. I do not see fixes coming from the department.

I hope that the authorizing committee will go forward with the bipartisan effort and support necessary for the program to work.

Mr. OXLEY. Mr. Speaker, reclaiming my time, I thank the gentleman and I think that is really the point here. This is a big carrot out for the members to work in a bipartisan way to get a reauthorization of the Superfund Program so that that extra money is available and we can take that money, instead of giving it to the lawyers, and we can put it into cleanup.

That is really what the essence of this is all about. I am just disappointed with my friend from Massachusetts, who will be offering an amendment, as I understand during the title III of this bill, that apparently just says, hey, the status quo is fine. We can just continue on our merry way and pour money down a rat hole instead of really solving the problem. That is why I say I am disappointed with my friend.

Mr. MARKEY. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, I just want to remind my good friend, the gentleman from California, that in fact we passed the bill 44 to nothing out of the Committee on Commerce reforming Superfund in 1994. And just to let the gentleman know, as he remembers, it died there in the waning bitter days of the end of the 1994 Congress. We had reformed Superfund on a bipartisan basis out of our committee on 1994, Democrat and Republican alike, unanimously.

The larger question is where is this $850 million going to come from in subsequent years unless we lift the cap on the VA bill without increasing the deficit in other places?

Mr. OXLEY. Mr. Speaker, reclaiming my time, I yield to the gentleman from California [Mr. LEWIS] because I think this puts it into light in terms of the budget caps and the flexibility therein. The gentleman knows a lot more about it than I do.

Mr. LEWIS of California. Mr. Speaker, let me say that, first, we are about appropriating funds that are available under the lids that dramatically impact all of these agencies, VA, HUD, EPA, et cetera. Within that limitation, we are attempting to produce as much money as possible and can be meaningful insofar as the Superfund is concerned.

I remind the gentleman that the other party controlled the House and both Houses during the last Congress. They controlled this House for 40 years. They controlled the House since the Superfund was created. Everybody has known that the program has not worked almost from the beginning. It seems to me it is long past due that a bill was passed and sent to the President that changed this.

Indeed, they produced a bill last year that supposedly was going to work. For some reason, the director, Ms. Browner, has not chosen to take that bill up and send it up here and said, yes, this is the answer.

There is no doubt this is a complicated process. There has to be a reauthorization, hopefully to make this process make sense. There has to be appropriations. That is our job. There also has to be ways and means work that reexercises the tax in order to provide the fund in the first place. So it is a complex issue. We have to get on with it, indeed, instead of pointing fingers at other Members.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Speaker, I thank my friend for yielding the time, and I rise in opposition to this unique rule. It is a rule which appears to say that about $860 million is appropriated but it is not appropriated. It is not counted.

This is and of itself is sort of strange. Then we have a strange provision in the Budget Act with says this money can be allocated to the Committee on Appropriations if certain things happen.

Mr. Speaker, I think it is just sort of a method of hiding the fact that many of the discretionary limits set by the majority simply were not working, are not workable and they are trying to find a variety of ways to get around the fact that their top dollar numbers simply do not work for discretionary spending. But this money appears to be very unique.

If the committee acts and the Congress acts to reenact some taxes that relate to the Superfund, it appears that money can be spent twice, once for the chairman of the Committee on the Budget to increase the allocation to the Committee on Appropriations so the money can be spent on the Superfund; but the revenue base was not increased, so these same dollars can be counted as offsets to other tax cuts for pay-as-you-go purposes.

So it would appear under the Budget Act we have these dollars in this bill now which are appropriated but we are going to be told have to be reappropriated again in some future time in a special budget allocation which makes some money available, if a tax increase for Superfund is enacted, but that can be both spent and used to offset other tax cuts.

Mr. Speaker, this is a very unique type of rule, very unique type of budget process that is the ultimate in game playing.

Mr. QUILLEN. Mr. Speaker, I ask the Chair the time remaining on both sides.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Tennessee [Mr. QUILLEN] has 7 minutes remaining, and the gentleman from Texas [Mr. FROST] has 11 minutes remaining.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in opposition to the rule allowing for the consideration of H.R. 3666, the VA-HUD-Independent Agencies appropriation for fiscal year 1997.

My problem with this rule should come as no surprise to anyone, because it embodies precisely the shortcomings which are inevitable when supporters try to make a bill be all things to all people. The price of being less than forthright, the cost of refusing to decide what your priorities are, is always a dependency on gimmicks and parliamentary gymnastics, employed in the hopes that our colleagues, first, and our constituents, second, will fail to see through the ruse.

I stand here as one who wants to see the Superfund Program reauthorized. I largely support the majority in their efforts to reform the Superfund Program. I commend Mr. OXLEY and Mr. LEWIS for the work they have done in reforming the Superfund Program. I also stand here as one who believes we must be honest about the cost of those things which we say are a priority and then we must pay for those priorities by finding savings elsewhere.

This rule attempts to have it both ways when it comes to the cost of the Superfund Program. To those who support the $861 million appropriation, the bill says, "Sure, we'll take care of you—here's your money." To those who are concerned about how this additional spending will add to the deficit, the rule says, "Not to worry—you don't have to count this $861 million. We'll take care of that later on in a supplemental appropriation."

Back home we call that being "too cute by half." Not only is it dishonest; it also insults the people who are expected to buy off on a rationale that conflicting goals can be accommodated without sacrifice being made anywhere else.

There were many times during the previous Congresses that I spoke out against rules which abused a sense of democratic fairness. I especially protested the regular waiving of the Budget Act, an act designed to protect the integrity of the legislative process and impose a measure of fiscal discipline. But I have to say we are testing new depths of parliamentary gimmickry in this Congress with this rule. We have now waived the Budget Act over 700 times since its enactment. In addition to making a mockery of the act, this sort of behavior adds to the skepticism and cynicism which continues to undermine the credibility of this institution.

There are simple questions to be answered here: Are we appropriating funds or aren't we? If we are appropriating funds, are they adding to the deficit or have we made cuts elsewhere to support this priority? Are we honoring allocations and appropriation caps or are we attempting to spend nearly a billion dollars outside of the normal budget disciplines?

These are questions that should be easy to answer in a bipartisan way if legislation is being presented in a strightforward way.

Unfortunately, today's rule is anything but straightforward. Vote "no".

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I rise to speak about two amendments that I have filed which deal with modernizing the FHA single family mortgage program. I rise now because I expect that these amendments would be ruled out of order as legislating an appropriations bill. Therefore, I will not offer these amendments during the consideration of the bill, but let me explain them.

One of the most successful Government programs is the FHA single family loan program. Since its inception, it has provided over 50 million mortgages and has played an important role in increasing home ownership. In fact 40 percent of first-time home buyers use FHA. And it has been successful at no cost to the taxpayer.

Two years ago, the House enacted a housing bill which included important provisions to improve and modernize the FHA program. Unfortunately, these proposals died when the other body failed to act on that bill. With the end of the 104th Congress in sight, it is frustrating that there has been no legislative vehicle in the Committee on Banking and Financial Services to revisit these proposals.

Therefore, the first amendment I filed is an end to the law which prohibits parents from lending money to their children for a down payment on a home financed by FHA. This prohibition is antifamily and anti-home ownership. Why should the Government be telling parents they cannot lend money to their children?

The second amendment is an effort to simplify FHA regulations, reduce costs, reduce bureaucracy, and ultimately lower closing costs for FHA borrowers. It contains two parts: The first is a simplification of the unnecessarily complex two-part down payment calculation, which is a nightmare. This provision would greatly simplify the process, maintaining the same general down payment levels.

The second part allows designated FHA lenders to issue their own mortgage certificates. This change would remove a bureaucratic roadblock to the execution of FHA mortgages ending costly delays faced while waiting for HUD to issue certificates. Since such lenders have already been giving designated underwriting authority, this change will not affect the quality of loans approved. But it will reduce the need for HUD personnel and will eliminate unnecessary delays.

All three of these provisions passed the House 2 years ago with bipartisan support. They are supported by HUD, and they pose no additional risk to the solvency of the FHA reserve fund. They ought to be enacted into law, and we should find a way to do it before we adjourn this year.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I rise in opposition to this rule.

Mr. Speaker, the majority's self-proclaimed love affair with an open and fair rules process appears to have soured. They apparently reserve the right to shamelessly use the rule to subvert the legislative process and fool the American people.

In crafting this rule for the VA-HUD appropriations bill, they have elevated legislative deception to a new height. This rule contains self-executing amendments that circumvent the majority's own budget caps and waives points of order against the bill for exceeding spending limits. Why? So the majority can claim they are spending more money on Superfund cleanup when, in fact, the money simply does not exist.

Clearly, the majority wants to improve their image on the environment. They have been severely battered by the public and the press for their aggressive attempts to dismantle environmental legislation and reverse the real progress that has been made on this front over the last 25 years. This has led to all types of proenvironment shenanigans, including today's attempt to paint themselves green with claims of substantial funding for the Superfund Program, an imaginary $2.2 billion.

But, therein lies the hoax, $861 million of that total is contingent not only on reauthorization of the Superfund Program, but more importantly, it is dependent on an appropriation that would potentially occur at a later date.

Last year, the majority shut down the Government demanding a budget based on honest numbers using CBO projections. But the so-called funding the majority has included in this measure for the Superfund Program is so illusory, CBO wouldn't even score it.

The blue smoke is getting thick. I urge my colleagues to defeat the rule.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], distinguished chairman of the House Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I really am just, I am sort of shocked at what I am hearing here. I am going to tell my colleagues something, they defeat this rule, this bill does not come to the floor, they better look out when it comes back the next time. As a matter of fact, I have a list of cutting amendments over there in the drawer. We might just offer all 75 of them.

I am getting a little fed up with this. We could have brought this rule to the floor and did what the Democrats have done for the last 40 years. That is, just waive the Budget Act, and let the deficits go up. We did not do that, my colleagues. What we did in order to get this bill to the floor, we waived the Budget Act, but then we self-executed the correction of the violation so that, when the bill comes to the floor, there is no violation.

Let us get something straight. President Clinton vetoed the Superfund business taxes that now have expired. If he had not vetoed them, they would now be in effect. So where we stand now is that the Committee on the Budget created a Superfund reserve fund in the fiscal year 1997 budget resolution. I see the chairman standing over there, the former chairman, the ranking member. But this reserve fund allows the gentleman from Ohio, Chairman KASICH, to increase the committee allocations when the Superfund Program is reformed and new money is provided by an extension, and this is the key, by an extension of the Superfund business taxes.

This is neutral and has nothing to do now that we have self-executed this portion out, has nothing to do with unbalancing the budget. That is where we stand.

I want my colleagues to come over here and vote for this rule. It is an open rule. If they have a problem with it, come over here and offer amendments. They are all in order, anything they want to offer that is germane, come over here and do it. Let us have it out, and have an even and fair debate. That is what this is all about, fairness.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise to oppose the rule. This Congress's continued attack on our Nation's environment is unforgivable. If this rule passes, the air we breath and the water we drink will become dirtier.

The American people need to know that more than $800 million included in this bill for cleaning up toxic waste dumps does not exist. How can this be, you ask? Even though this amount of funding is printed in the bill, the congressional majority has attached strings to the legislation that will prevent the money from becoming available.

The rule is bad for two reasons. First, it is budgetary smoke and mirrors. It contains money that doesn't exist. And second, it will prevent a vote on an amendment by Representatives MARKEY, PALLONE, and BORSKI that would make this $800 million for toxic cleanups available at the beginning of the 1997 funding period. The rule for the VA-HUD bill prevents this vote, and that's why I oppose it.

In my congressional district, children and families will continue to be threatened by a toxic waste dump because this trick of the light money for the Federal Superfund Program will not be available at the beginning of next year. For more than 80 years, Raymark Industries sent asbestos, lead, dioxins, and PCB's into the air. Stratford, CT became a dumping ground for Raymark's toxic waste. Children's parks and schools were contaminated.

The Environmental Protection Agency has made great strides in cleaning up the Raymark site. It is on the verge of being a model of success, with development proposed for the site that will create jobs and bring in tax revenue. But this bill both cuts the cleanup program and prevents the expenditure of $800 million.

If any American believes that these cuts will not prevent the cleanup of toxic sites like Raymark, they are being misled. I ask my Republican colleagues to help defeat the budget gimmickry and the antienvironmental extremism this bill represents.

□ 1445

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Speaker, I rise to call attention to the need to provide fair and adequate housing for our Nation's poor and to recognize the importance of support for our veterans and, as well, for us to stay ahead in space exploration. But however we find ourselves with a rule, once again, on appropriation legislation that helps some and hurts many.

A cornerstone of this country's public housing is affordability. The elitist notion that $25 a month is not too much to ask for rent is the same notion that resulted in the underfunding of this Nation's public and affordable housing. I believe it is important that public housing authorities have few requirements in creating a voice for residents of public housing, the decision-making process that affects their homes. It is important that when one is poor, the poor have the opportunity to have good housing.

I would simply like to add as well that we have a rule that has a funny mechanism that allows Republicans to pretend they are providing an additional $861 million for Superfund cleanups when, in fact, the funds cannot be spent until a second appropriation bill is approved.

So we have a rule that in fact disallows us helping some and hurts many. I would like to also add that because of what we face in my community that I will add an amendment to this process to give more flexibility to adding one-for-one replacement where there are waiting lists of 6,000 or more.

We need to confront the issues of this appropriations bill in a fair manner. This rule disallows that, and I ask my colleagues to not support this rule.

Mr. FROST. I have no remaining requests for time, and I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume to say this is an open rule and for the life of me I cannot understand why people would, any Member of this body would, oppose it, and I urge the adoption of the rule and passage of the bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 249, nays 166, not voting 21, as follows:

[Roll No. 269]

YEAS—246

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clay
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dixon
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stokes
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NAYS—166

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Blumenauer
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Dooley
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Frank (MA)
Gejdenson
Gephardt
Geren
Gibbons
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Velazquez
Vento
Visclosky
Volkmer
Ward
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zimmer

NOT VOTING—21

Andrews
Boucher
Browder
Bryant (TX)
Chrysler
Coleman
Cubin
Fields (TX)
Ford
Furse
Houghton
Istook
Lincoln
Longley
McDade
Ney
Peterson (FL)
Roth
Roukema
Schumer
Towns

☐ 1509

Mr. MORAN changed his vote from "yea" to "nay."

Mr. JONES of North Carolina changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DEATH OF THE HONORABLE BILL EMERSON

Mr. CLAY. Mr. Speaker, I offer a privileged resolution (H. Res. 459) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 459

Resolved, That the House has heard with profound sorrow of the death of the Honorable Bill Emerson, a Representative from the State of Missouri.

Resolved, That a committee on such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The SPEAKER pro tempore (Mr. DREIER). The gentleman from Missouri [Mr. CLAY], the dean of the delegation, is recognized for 1 hour.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as dean of the Missouri delegation, I rise today to pay tribute to a great man from Missouri, a thoughtful and pragmatic Member of this body, a widely respected colleague, a friend, and a man who truly loved this institution and all the good that it represents.

To know BILL EMERSON was to respect BILL EMERSON. I know of no other more likable Member of this institution. On many political issues, he and I had genuine disagreements. But it is not those differences of opinion that I remember as I recall the life of BILL EMERSON. Rather what I remember is that BILL EMERSON was a man who was not limited by ideology and party label. If a compromise could be reached, BILL would reach for it. If BILL EMERSON thought that political differences could be bridged in the best interest of the people of his district, his home State, or the people of this great Nation, BILL would help erect that bridge.

As we bid farewell to BILL EMERSON, let us be forever mindful of his gallant leadership to eradicate world hunger. As vice-chairman of the Select Committee on Hunger, BILL walked the walk by placing his own personal comfort and safety on the line. He traveled to Somalia in 1992 to gain firsthand knowledge of the horrors of mass starvation going on in that far-off land. Later, when that Select Committee was targeted for elimination, BILL joined our colleague TONY HALL, in his fast to bring attention to that regrettable decision by this institution. And, finally, BILL EMERSON made his own pledge to contribute $10,000 to the hunger caucus formed to fill part of the void left by elimination of the hunger committee.

On behalf of my family and the people of the First Congressional District of Missouri, let me express deepest sympathy to BILL's wife Jo Ann, his daughters, and other members of BILL's family. Thank you for sharing this decent and compassionate human being with our Nation. Rest well, BILL. All of us who serve in this institution that you loved so dearly will miss you.

☐ 1515

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise with great sadness to join in the sorrow of this institution at the loss of our dear friend and colleague, BILL EMERSON. As our friend and leader from Missouri stated so aptly, BILL was one of our colleagues who was always there to work in a bipartisan way on the priorities of this country. Whether it would be the problem of hunger in the world or in this country, or agricultural problems that affect so many districts, or whether it be our relations with Germany, where BILL was so instrumental in starting the Bundestag, the congressional effort to strengthen ties, BILL EMERSON was in fact this institution's leader.

However, I knew BILL EMERSON in a different light, Mr. Speaker. In the last session of Congress he was named to be a bipartisan cochair of a task force dealing with disaster issues with our friend and colleague, the gentleman from Illinois [Mr. DURBIN]. Having had the pleasure of serving with both of them, we worked for 6 months on looking at ways that we could improve the response to handle those disasters that affect all of our districts, and in BILL's case the terrible floods that ravaged the people of Missouri and the central part of this great Nation. Again, BILL EMERSON rose to the task and was a leader in this institution and helped us craft a bipartisan bill that now enjoys the support of over 260 of our colleagues.

As a matter of fact, Mr. Speaker, last month BILL EMERSON was recognized by the 1.5 million men and women of this Nation's fire and emergency services as the 1995–1996 legislator of the year. That is because of BILL EMERSON's tireless efforts on behalf of those people who have to face the problems and tragedies associated with disasters in this great Nation.

On behalf of all of those people who have suffered and all of those 1.5 million people who day in and day out respond to disasters, I rise to pay tribute to our friend and colleague. I can think of no more fitting tribute, Mr. Speaker, than if this body would take up the Natural Disaster Protection Partnership Act, BILL EMERSON's bill, in this session to pay tribute and homage to this great American leader.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I had the opportunity and the privilege for some 7 to 8 years to ride to and from McLean, VA to the Capitol with my fellow Missourian, BILL EMERSON. We would start out the day, we would solve all of the problems of the world and, unfortunately, by the time we went back to our houses in the evening together, all of the problems would fall apart. He was a wonderful companion, a wonderful friend.

Memory and friendship are funny things. They go hand-in-hand. I will long remember the discussions we had: Political, legislative, Missouri, Westminster College, where he went to school; families, angels, agriculture, Fort Leonard Wood, the gamut of subjects was nearly covered by our conversations. It was always in a spirit of warmth, joviality, kindness, and yes, vision, that he spoke of things we discussed.

This is a fitting tribute, and I compliment the gentleman from St. Louis, MO, Mr. CLAY for bringing it to the floor, for BILL EMERSON will long be remembered in this body, but he will long be remembered at home where he really cared for the people that he represented.

He talked about them. He told me stories about them. He was proud of them. He liked to talk about the unusual legislation that he had from time to time, the wild horses bill and how the bureaucrats were trying to do them in and how he won that here on the floor. How proud he was of his family, those wonderful four young ladies and his lovely wife, Jo Ann. BILL EMERSON will long be remembered, not just as a legislator, not just as one who was a child of this House, knowing that he started out as a page here, but he will long be remembered by so many of us as a warm and good and decent friend. I am so pleased and honored to have walked along life's pathway with him through those years.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I guess it was about 7½ years ago I was sworn in as a Member of the U.S. Congress. I had known BILL EMERSON for quite some time. He had been up here for about 8 years. BILL and I used to stand back there at the back row and I would ask him for his advice and counsel, but I remember long about February 1989, the first substantive vote that we actually had up here in the Congress, and I do not remember what the vote was, but I was green as a gourd and I did not really understand the process.

I had never held a public office, I had never held a legislative position. I was back there kind of scratching my head and BILL walked up to me and said, he said, what is the matter, MEL? He said, you have a problem? And I said, well, I do not know for sure how to vote on this. He said, well, he said, here in the Congress you have one of two choices. You can either vote politics or you can vote what is right. Sometimes they are the same, sometimes they are not. But he said, I know you, and I know southwest Missouri, and I know the people of the State of Missouri. And he said, MEL, if you will just vote your gut feeling on anything that comes up here in Washington, DC, that we are voting on, he said, you will probably be right about 99 percent of the time.

Following that conversation, I went ahead and voted, and I thought about it regularly when some of these tough decisions come up. The only time, and there has only been once or twice that I did not follow his recommendation, and I went home at night and could not sleep about it. I decided that that was not going to happen.

So for the past roughly 7½ years when the tough decisions come up, I think back to what BILL EMERSON told me right back there at the rail about 6 weeks after I became a Member of the U.S. Congress. With the conversations we had, his loyalty to this organization, the House is going to seriously miss the institutional memory that BILL EMERSON had.

It is with deep regret that I think all of us mourn the passing of BILL EMERSON, but I also think we can be positive because of the way BILL did pass. He stayed here, he did his job, he was concerned right up to the very day that he went to the hospital about maintaining a voting record, and one of the things BILL EMERSON used to say is, the vote I cast here in the Congress does not belong to me, it belongs to the people that I represent. A great American, a great individual.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I wish to join my colleagues today in honoring a person who to me was not just a colleague, but like many others was a friend. It is a day of sadness for us all, and it was a great day of sadness when I heard Sunday of the death of my friend BILL EMERSON.

Mr. Speaker, BILL and I go back. I was here a few years before he came, but when he came in 1981 and began his service on the Committee on Agriculture, and I was a member also of the Committee on Agriculture, we worked together, he for the people of southeast Missouri and I for the people of northeast Missouri.

Our districts border along that same Mississippi River, he in Cape Girardeau and I in Hannibal. We had a lot of similar interests in our districts and then we had some differences. We discussed them not only during meetings of the Committee on Agriculture, but as our colleague, the gentleman from Missouri [Mr. HANCOCK], has said before, back behind the rail many times discussing things, whether sitting on the floor, other times in our offices. Either he would visit me or I would visit him, and we would discuss legislation and what was good for our districts.

Just to give you some examples of things that we worked together on, back in the 1993 flood, it hit the northeast part of Missouri before it hit the southeast, but it hit the southeast just as hard as it did the northeast. We worked together working with the Corps of Engineers and others to bring about some relief for the flood victims.

One of the things that when I came up with the buyout bill so that people would be able to move out of that floodplain. It was his efforts in the Committee on Public Works, when that bill had to go through the Committee on Public Works, along with others on the committee, but primarily BILL, that he was able to move that bill within a few short weeks out of the House, through the Senate and on to the President's desk.

He not only had a love for the House of Representatives, he had a love for government in general, and he knew government. He believed firmly, strongly, in a government of the people, by the people, and for the people, and I too wish to join in saying to the people of the great State of Missouri and of the United States, we have lost a leader. To his wife, Jo Ann, who has lost a great husband, his four daughters who have lost a great father, I offer sincere condolences, to Jo Ann and the children, and I also wish that all of us would be able to attend the funeral, but I know that is not going to be possible. But I know that all of our hearts are with the family at this time, and to his mother who awaits him now in Cape Girardeau, I send my condolences also.

□ 1530

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Mr. Speaker, a good friend passed away the other day. BILL EMERSON was a friend of the Congress, a friend of the people of Missouri, and a friend of mine.

BILL was the type of individual whom others hope or aspire to become like. His interest was the public interest. His concerns were the public concerns, and his conscience was indeed the public conscience.

One of the many reasons BILL was so beloved by the people of Missouri and the other Members of Congress, both Democrats and Republicans alike, is because of his unique genuineness of character. People know that when they met BILL EMERSON, the candidate or the legislator, that they were first and foremost meeting BILL EMERSON, the man.

He always had a very clear understanding of where campaigning ended and when the business of legislating and serving began. If we had more public servants like BILL EMERSON, I have no question that the cynicism many Americans hold toward their Government would evaporate and be quickly replaced by the hope and optimism that was so evident in BILL EMERSON.

BILL was a man of enormous kindness and thoughtfulness, traits that even the scourge of cancer could not take away.

BILL worked diligently, he worked hard, and he worked faithfully right up until the very end. The very first day I noticed that he was not on the floor and was missing his first vote, I learned it was because one of his daughters was graduating from high school. Until the very, very end, he was on the floor voting for his constituents.

At a time here in the Congress, and in our United States, when the shifting demographics raised serious concerns that the voice of rural America, an area many of us represent, among others, would be reduced to a whisper, BILL stood as a giant for our small towns, farms, and the entire agricultural community.

All the while, he also stood as a bastion of civility, using reason and friendship to accomplish what others had failed to do through bombastic rhetoric and political gamesmanship.

I consider it a very real personal privilege to have worked so closely with BILL in prior weeks on some bipartisan legislation he supported so strongly, one that would provide more food for the hungry in our Nation, an effort that was ever foremost in his mind, that of nutrition and feeding the hungry amongst us.

I will miss BILL's friendship, BILL'S leadership, BILL'S compassion, as will innumerable others. He departs our world leaving the State of Missouri and the U.S. Congress infinitely better because of his presence.

The career we honor in fitting ceremony today, the people of Missouri will remember in more everyday ways for years to come as their lives have been enriched by BILL EMERSON, an American treasure and one of the best and brightest ever to serve our State of Missouri.

BILL, we will miss you.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise today to pay tribute to a dear friend of mine, and a fellow Missourian, who dies this week after a lifetime of service to his country and to his community. Of course we are talking today about our dear friend, Representative BILL EMERSON.

BILL's passing is a tremendous loss for me personally and for all of us who came from his State. We worked very closely over the years, and I always knew him as a man of quiet peace and decency to every person that he ever met. He was simply one of the finest human beings to ever pass through these halls. How he did love this institution of the House of Representatives in which he spent most of his life.

But his passing is also a tremendous loss for the entire U.S. Congress. He was someone who could always reach across the aisle and work with both Democrats and Republicans for the sake of his beloved Missouri and the entire country.

He had more accomplishments than we have time today to list, like his dedication at home to improving Highway 32 or fighting for a new bridge across the Mississippi River, or just fighting for his constituents, in so many ways. All of this will serve as monuments to his life and to his work.

We all came to respect BILL's levelheadedness, even in the most tumultuous debates. His courage in the face of his illness is something that will stay with all of us for our entire lives. He missed only five votes in this Congress. His was a record of constant and consistent achievement.

Mr. Speaker, I ask my colleagues to join all of us in a celebration of the life of BILL EMERSON. His mark on this institution will forever be remembered. Our thoughts and our prayers and our wishes are today with his dear family, his dear friends, and all the loved ones who so much grieve today his passing.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Speaker, I want to join my colleagues on both sides of the aisle in paying tribute to my fellow Missourian, the gentle man from Missouri, BILL EMERSON, and to thank the gentleman from Missouri [Mr. CLAY] for bringing this resolution before the House.

I joined the Congress a year and a half ago, but I have long admired Mr. EMERSON's ability to build bridges between this aisle, which oftentimes is very wide. He made friends with his engaging personality and he kept them with his honest and fair approach to lawmaking.

I had the opportunity to serve with him on the Committee on Transportation and Infrastructure where he was a wonderful mentor to me. We worked together to bring Federal assistance to Missouri, to three grossly deteriorated bridges across the State, the Chouteau Bridge in my district and Representative DANNER's district, the Hannibal Bridge in Representative VOLKMER's district, and a bridge in Cape Girardeau, which I hope will one day bear his name in tribute to his great efforts in this Congress.

We must never forget Representative EMERSON's commitment to upholding the integrity of this body, and we must embrace his cooperative spirit, which I hope will guide us through the remainder of this 104th Congress and the challenges that face us.

It has been an honor to have served with him, and he will be missed by all of us. I envy those who served with him far longer than I did. I will treasure those quiet, witty, thoughtful conversations, so rich in history and so full of wisdom.

I send my heartfelt condolences to his family, to the citizens of the 8th

District, and to this great Nation, and I join with my leader in celebration of his goodness.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. I thank the gentleman for yielding me the time.

Mr. Speaker, BILL EMERSON was loved by all of us in this body and he will be missed by all of us.

We all knew BILL EMERSON was a skillful legislator who represented the best in public service. I always knew BILL EMERSON the person. He was one of my closest friends here. I knew the loving, caring, honest guy BILL was. He cared deeply about people, all people, from all walks of life. But his passion, Mr. Speaker, was to reach out to people like me, people recovering from alcoholism. Until his cancer incapacitated him, BILL held meetings in his office every Wednesday noon, always there, for all of us, always there with a listening ear, always there to help others still suffering the ravages of alcoholism and drug addiction, always there setting up interventions for families, always there to talk to spouses of Members who are in trouble with this disease of alcoholism. BILL EMERSON was a true inspiration to all of us who care about this disease of alcoholism. I am not breaching his anonymity because BILL EMERSON has given this talk before, publicly. He was a true profile in courage, a true profile in courage for the way he lived and the way he died.

I talked to BILL EMERSON a week before he passed on. He said, "JIM, if I'm not going to make it, I'm going to go sober." BILL left us sober, and he left us a wonderful, wonderful legacy, those of us recovering and all of us as well as those still suffering from this disease. To Jo Ann and BILL's four wonderful daughters, thank you for sharing this truly wonderful human being with all of us. BILL, we love you.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, that moving speech by the gentleman from Minnesota is certainly one that is not going to be equaled for me to repeat, because I did not know Congressman EMERSON in the same sense that Mr. RAMSTAD did. In this fast and furious pace, Members touch us in different ways. While I am not a member of the Missouri delegation, Mr. EMERSON taught many of us by example a number of things. One was courage.

Mr. EMERSON was wheeled into this body about 2 weeks ago in his wheelchair with his oxygen on and I went over to say hello to him and asked if there was anything I could do. He removed the oxygen from his nose and he started to get up out of his wheelchair, and he said, "TIM, you make sure you go around telling all my colleagues and all my friends that I'm going to beat this thing. This wheelchair only helps me get back and forth from my office to the floor to cast my votes."

This place where BILL EMERSON started as a page was not just the House of Representatives. It was like BILL EMERSON's home. BILL EMERSON taught me the lesson not just of courage in casting votes up until the end, he taught me about civility and about being kind, to Democrats and Republicans, and treating everybody the same here. My heart goes out to Jo Ann and the four daughters and I will thank BILL EMERSON for the lessons that he taught me from farther away.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, I join my friends from Missouri and thank them for giving all of our friends in the Congress and the friends of BILL EMERSON a chance to say how much we loved and respected our colleague.

I had the privilege of coming to this Congress with BILL EMERSON in 1980. We sat next to each other on PAT ROBERTS' Agriculture Committee and we reminisced and we talked and we went through so much.

The three things that I think come to mind: It is the courage, it is the basic decency, and it is the commitment to governing. The courage of commitment, the courage of the fight, the courage to be above it all and to be gracious in the most difficult of times.

The basic decency. He was, as few have talked about here, the chairman of the Subcommittee on Nutrition. He was the one who said in the midst of all of this effort to reduce the budget, "Let's not forget our commitment to the hungry and to those on food stamps."

It was his courage, I think, and his partnership with PAT ROBERTS that made sure that as we block-granted these programs, we kept a Federal commitment on the food stamps.

And then the final issue is the basic commitment to governing. No one would ever call BILL EMERSON a revolutionary, because BILL EMERSON believed in this institution and he believed in this Government and he believed in this country. It was his goal to preserve them and to make them work and to make them something that all of us could be proud of.

Ralph Waldo Emerson defined success as to laugh often and much; to win the respect of intelligent people and the affection of children; to earn the appreciation of honest critics and endure the betrayal of false friends; to enjoy beauty; to find the best in others; to leave the world a bit better place, whether by a healthy child, a garden patch, or a redeemed social condition.

□ 1545

To know that even one person has breathed easier because you have lived, is to succeed. Ralph Waldo Emerson did not know it at the time, but he wrote the eulogy for our friend, BILL EMERSON.

Mr. CLAY. Mr. Speaker, I yield 2 minute to the gentleman from Ohio [Mr. HALL].

Mr. HALL of Ohio. Mr. Speaker, I want to thank the gentleman from Missouri [Mr. CLAY] for this resolution and a chance to get up and say something about our friend, BILL EMERSON. He died Saturday night. I had the chance to visit with him Saturday morning at the hospital. It was very heard to see. It was excruciatingly hard to see how sick he really was, but there was peace about him in that room that in a way was a lovely thing to see. My heart goes out to him and his wife and his children, his mother. They loved him deeply. He was a great friend of so many of us, Republicans and Democrats alike. As a matter of fact, if he had any enemies, I would not know who they would be. He loved people and he cared for them deeply, both in his own district and in this country and overseas. He was a great humanitarian, and he had a wealth of knowledge about many subjects.

He was kind of a historian, especially about Lincoln and about the history of this place. As a matter of fact, the last time I had a long talk with him, he was again in his hospital room getting chemotherapy, and I asked him to tell me about Lincoln. An hour and a half later he was still talking about Lincoln. He did not take a breath. It was fascinating, it was exciting to hear about Lincoln and hear things I had never heard before, and that is the kind of person he was. He was enjoyable to be with, fun to be with, and a great man.

He is doing OK now. He is with his Lord. It is us that are really hurting. He was a great friend of all of us.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank my colleague for yielding me the time and for introducing this resolution commemorating the service and the life and times of our good friend, BILL EMERSON.

We have talked a lot about BILL's beliefs and his enthusiasm, his principles and his character. I speak from the perspective of one who regarded BILL EMERSON not just as a friend and a colleague but as a mentor. From the moment I became involved in running for Congress, all through my service in the Congress, he was always available on a very practical level to help me; and he always did, and you knew you could trust him.

Another great Missourian, Harry Truman, said one time, "If you want a friend in Washington, buy a dog." Well, that was not true with regard to BILL EMERSON. I look around at the people here on this floor and I know everybody regarded him as a friend and somebody that you could trust and confide in. I walked up to him in the Cloakroom one time. It was my first year here, and I was going through a bout of freshmanitis. I just felt like I was carrying the weight of the world around. I said, BILL, can I talk to you for a minute? He said sure. I said I am just so uptight. It is kind of vague anxiety. He says, "Well, what is it? What is wrong, TALENT?" I said, I just feel like it is hard for me to keep going day after day, there is so much going on that I do not understand. He said, "What do you mean?" He kept drawing me out. I finally said, it is like my neck is all tight. It is like I just cannot seem to move it. He said, "Well, what you need, TALENT, are neck exercises." He started moving his head back and forth, and then he started laughing and I started laughing. By the time we were finished, my depression was gone. He knew exactly what I needed. He looked right down into my soul and he gave me the help that I needed.

He was a big fan, we have mentioned here, of Abe Lincoln. I do not know if anybody before I came talked about what a fan he was of Winston Churchill's. Winston Churchill said one time in a speech about Neville Chamberlain, and I think everybody in public life can relate to it, he said:

> At the end of the day, history is going to judge what we do, and we do not know what it is going to say. But at the end of the day, at the end of a life, the only shield you really have is the rectitude of your conscience.

Mr. Speaker, by that shield, our friend BILL EMERSON will do very well in the reckoning of history. He lived by his principles. He was faithful to his beliefs in his constituents. He fought the good fight. He finished the race. He kept the faith. It was a privilege to have known him.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MCNULTY].

Mr. MCNULTY. Mr. Speaker, I thank my good friend, the gentleman from Missouri, BILL Clay, for yielding me the time.

BILL EMERSON was one of my best friends, not just this Congress, but in life. When I first met him, it was not on the floor of the House of Representatives. It was not in Washington, DC. It was not even in this country. We were in the Horn of Africa and BILL was working with Mickey Leland and GARY ACKERMAN and others to try to see to it that the tragedy of 1988, when 250,000 people in Sudan died of starvation, did not recur. He was successful, along with Mickey, in that effort.

He came to the House of Representatives as a page, and he loved this institution until the day of his death. He was an outstanding legislator, an expert on agricultural issues, a great family man, a man of deep religious conviction, and he was a great friend to all of his constituents, to all of his colleagues, and especially to the hungry and the homeless of the world and all of those who had special needs.

I extend my deepest condolences to his wife Jo Ann, to his four children, to his lovely mother whom I had the opportunity to meet at the hospital last week, and I join with all of my colleagues in expressing the hope that our good friend BILL will continue to watch over all of us.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I thank the gentleman from Missouri [Mr. CLAY] for yielding me the time.

Mr. Speaker, all of us feel the loss of BILL EMERSON because he was a friend to most of us and our condolences go out not only to his family, for which it is such a loss, but for the members of his constituency who could not have been better represented in this Chamber than he represented them. We all know BILL as a kindly person, a great sense of humor and a fine storyteller. He was a wise person.

He was truly a man of the House. I recall when I joined the committee on which he served, besides Agriculture, then called the Committee on Public Works and Transportation, he took me in hand and showed me a lot of the ropes.

Most of us have seen the photo which is in the Republican Cloakroom of a young page helping to carry Members off the floor who had been shot at and wounded. BILL was a hero as a page. He was a hero to all of us in his legislative craftsmanship, not only in Agriculture, in nutrition, but on our committee, now the Committee on Transportation and Infrastructure.

It was first the Mineta-Emerson Act, and then the Emerson Act—the Natural Disaster Act, H.R. 1856. I hope that in his memory during this session or perhaps the coming session that we can bring that legislation to the floor and pass it in his name because that measure meant so much to him. He had the constituency, as many of us do, that had suffered from a number of major disasters, and he thought the Federal Government could do better.

As has been said many times today, BILL EMERSON believed in governing, and this craftsmanship was certainly a good example of it. So our condolences to all of his family and to all of his constituents. A great man has been taken from us.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I want to thank the gentleman from Missouri [Mr. CLAY] for organizing this resolution so all of us can speak.

I did not know BILL EMERSON as well as most but had the opportunity to work with him on agriculture, and I also had the opportunity to know one of this pet concerns; that is, feeding the hungry. We also worked on a number of issues. BILL EMERSON was a man who cared about people deeply. I disagreed with BILL EMERSON on some issues, but even in his disagreement, he taught us how to disagree with activity.

He taught us how to have an advocacy for a position that differed from others, but yet respect. I was honored along with BILL EMERSON on two different occasions, so we got to be friends about the issue of hunger.

We should celebrate the life of someone who deeply cared about people. We also should share and celebrate the life of someone who had very strong positions that differed with others, but he could be an advocate for those positions with a sense of civility and respect. He will leave us a standard for the rest of us to be good legislators, to be advocates for our position, but also to honor this position.

His life brings honor to this House. If we could emulate that, we would honor the life that he has served.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank my friend for yielding me the time and taking out this time to talk about BILL. STEVE HORN just left and spoke about the picture. I would ask all colleagues who have not seen it to take a look at that picture of BILL EMERSON carrying the stretcher on which resided a Congressman who was shot up in, I believe it was, the 1954 shooting in the House Chamber when several Members were hit.

The picture of BILL EMERSON in that picture, I think, is representative of what we saw in our association with him in the House as a Member of Congress, because there was BILL EMERSON, the lead carrier on that stretcher. He was pointing out the direction in which they should go with that thing. As usual, he was big, he was fearless, he had a lot of courage. Just as he was in his career in Congress, he was right in the middle of things and that represented BILL.

BILL was a real fighter, and when he took on a cause, whether he had two people on his side or a majority, it did not make any difference. He believed in the good fight and yet he was also very forgiving. He was forgiving to us, his colleagues, when we disagreed with him on issues. On a personal basis, he was very forgiving, too.

We were sworn in in 1980, and as the Speaker knows, I was holding my son in my arms, little Dunk. BILL had his daughters on the floor. Incidentally, little Dunk held me in his arms the other day and would not put me down and it upset me. But BILL decided to buy firewood from the Hunter firewood organization. My boys would go up to the Blue Ridge Mountains with me. We would cut firewood, load it in a horse trailer and find victims, I mean customers, for that firewood in Washington, DC. I see the gentleman from Texas, LARRY COMBEST, back here is one of our victim purchasers.

I asked BILL after I delivered him about three loads of firewood, most of which daddy cut and the boys handled a little bit, but after I delivered that wood to him for several weeks and he had paid my sons, I asked him how it was burning. He said it is wonderful. He said, "If you will just reimburse me for the gasoline I am having to put on it, everything will be fine, HUNTER. But that represented BILL EMERSON, big hearted, forgiving to his friends and all of his colleagues.

The Founding Fathers, in putting together this great structure for a government, for a democracy, needed one important ingredient, and that was to have people in this Chamber who were compassionate, who had courage, and were forgiving and would relentlessly represent the ideas and the philosophies of their constituents. BILL EMERSON was such a man.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Speaker, it is a real sad time for me to have to reflect on the life of BILL EMERSON, but BILL is the kind of person I think that I will never, ever forget. If there has ever been a person who represents what is stated in the 25th chapter of Matthew:

> When I was hungry, you gave me meat.
> When I was thirsty, you gave me drink.
> When I was naked, you gave me clothing.
> When I was in prison, you came unto me.
> When I was sick, you ministered to me.

BILL EMERSON was such a person.

BILL EMERSON was bipartisan. He was a leader. He was my subcommittee chairman on the Subcommittee on Department Operations, Nutrition, and Foreign Agriculture. He gave me the assurances that everything would be all right when we were worried about those people that were hungry and what would happen to them in this Congress.

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He gave me the assurance that it would be OK, and I am happy that BILL EMERSON was there. I am happy that BILL EMERSON was subcommittee chairman, and I am just happy to have been able to call BILL EMERSON my friend and my leader.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Speaker, I want to thank the gentleman from Missouri, Mr. CLAY, for yielding this time to me and also for setting up this effort on behalf of Mr. EMERSON.

It seems like we spend a lot of time on this floor berating each other and talking down the institution of Congress. I think it is wonderful that we are able to spend a little time now remembering some of the good things that happen here, and especially I think it has been interesting to me to sit here and listen to the many good things said about Mr. EMERSON.

He has been a real inspiration to me. I think he has been to many of us, and that is why so many of us are here on the floor today. I kind of thought that I had a special relationship with him, and so many of my colleagues have talked about instances that they had with him. I do not know how he was able to spread himself around so much.

I first saw him when he fought hard against our leadership last year to preserve the task force on hunger. As the gentleman from California [Mr. HUNTER] said, there were times that he fought if he only had two on his side. I think he was alone at that time., and he fought very hard because he believed in helping the underdog, those who needed help.

Later I had the opportunity of serving on the task force on disaster that was set up by the Speaker, and he and the gentleman from Illinois [Mr. DURBIN] headed up that task force. In serving with him on that, I had the opportunity to go to his office, and it is full of memorabilia. If Members have not visited his office, they should go do it. He has the picture there of him and the gentleman from Pennsylvania [Mr. KANJORSKI] when they were helping carry the Congressmen out of here when they served as pages.

He also served here as a staff member and then served as a Member of the House. And he loved the House and he loved each of the Members of the House and he loved all his constituents and his family. He had a great capacity for love.

When we had our kickoff for the 104th Congress, I had the opportunity of setting up some of the day's activities, and the first thing we started with was the prayer service in the morning. I asked him if he would head that up and he did a fantastic job. He did not suffer from ego. He was just here to serve, and it was just a wonderful thing to work with him.

I think the thing that hit me the most about BILL EMERSON was the last few months here when he was fighting this illness, and every time I have talked to him he has been an encouragement to me. He did not talk about his suffering. I know he was going through great pain, but he always had a big smile and always was uplifting. Fantastic. Reminds me of the words of John Donne:

> No man is an island. No man stands alone. Each man's joy is joy to me. Each man's grief is my own. We need one another, so I will defend each man as my brother, each man as my friend.

He was a great friend. He epitomized those words. We will miss him greatly, but I will always remember BILL EMERSON.

MR. CLAY. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Speaker, I thank the gentleman for yielding me this time. BILL EMERSON was a friend of mine with strength, his compassion and his dedication to the ideals of America.

I met BILL on a CODEL to Somalia, where we both flew into a small town to witness the hunger and the lines of women and children to get nourishment. I did not know that BILL EMERSON was a Republican because he was not the kind of person who was Republican or who was Democrat; he was an American.

In spite of all his trials and tribulations, he still found time to give me words of encouragement, and I would like to share those words with my colleagues because, to me, they personify the strength of BILL EMERSON.

He said, "Barbara Rose, you must be strong to persevere and resolute to overcome." And he repeated that to me three times. "You must be strong to persevere and resolute to overcome."

I will never forget those words of encouragement and I think that those words describe BILL EMERSON and his work in the House. A good friend to America.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I thank my friend for yielding me this time, and I rise in tribute to a great guy and a good friend, BILL EMERSON, the third of my friends to pass away in the last 2 months, all under 58 years of age.

We would all like to think we can make a difference in this world when we go. BILL EMERSON can certainly say he made a difference, whether as a page with the gentleman from Pennsylvania, PAUL KANJORSKI, when this place was shot up, as memorialized in the photograph that has been mentioned earlier, or as a graduate of Westminster College, where earlier Winston Churchill gave his famous Iron Curtain speech; whether through his efforts to travel to Africa and elsewhere to exhibit his concern for the hungry and the needy, to try to feed those who were most in need; whether through his dedicated and devoted representation of his constituents, or his guidance and oversight of the Mississippi watershed, taking trips to New Orleans with the wonderful people along the Mississippi River, go down there and try to make sure that those who needed flood protection were able to have that protection from the devastation of floods, and at the same time to partake of a little bit of New Orleans jazz and seafood, which he deeply loved and enjoyed with his wife Jo Ann.

In fact, he will be remembered for the love that he bore for his wife Jo Ann and his four daughters. BILL EMERSON, in fact, did make a difference. He was a good man and we will all remember him fondly, and we wish his family well.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas, [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for yielding me this time and for his effort and leadership. As has been indicated many times, there is a picture of BILL EMERSON when he was a page in the Republican cloakroom leading the way in regards to assisting the wounded Members that were shot back in 1955, and he has been leading the way ever since.

We have had a virtual outpouring of affection and love for BILL here on the floor, as was the case a week ago Wednesday when the Jefferson Island Club, made up of many Members on both sides, named BILL their man of the year.

I think the word that really applies to BILL more than anything else is courage. I know the gentleman from California [Mr. HUNTER] and myself were there when he took that very courageous step to go to the Betty Ford Center, and he has been such a leader and has exhibited even more courage in such a manner to those, as expressed by the gentleman from Minnesota [Mr. RAMSTAD].

BILL was a back rail troop, as has been indicated by the gentleman from Missouri, Mr. VOLKMER, and the gentleman from Missouri, Mr. TALENT, and others. He would be back there as of today probably saying this is going on a little too much. In that regard, we had many discussions about Eisenhower and Taft and Lincoln and politics and Kansas and Missouri and family and everything else.

We are family in the House Committee on Agriculture, and we said this as of last Monday, "We suffered a deep loss both professionally and personally at the passing of our dear friend and colleague, BILL EMERSON."

From a personal standpoint, we came to Congress together back in 1981. We have served side-by-side on the Committee on Agriculture ever since. Four farm bills, countless legislative battles, he has been a unique champion for farmers and ranchers.

The gentleman from Texas [Mr. DE LA GARZA] the distinguished chairman emeritus of the Committee on Agriculture, has a statement as well, but I think it is interesting that at 1:30 in the morning when we finally finished the farm bill, BILL did not comment on some of the amendments, he did not comment on the farm bill, but when it came time to pay tribute to Mr. DE LA GARZA, the longest serving chairman of the Committee on Agriculture, BILL got up, and even though he was sick and had lost his voice, he paid tribute to KIKA It was at that time that I turned and said, BILL EMERSON, we love you.

Something has already been said about his motto for living. It was only a week ago Thursday he was sitting right over there looking very much like Winston Churchill, and he was in the process of making all those votes, and he got this quorum call card and he gave it to me, and as has been said before, he wrote on it, "ROBERTS, I want you to be strong to endure and resolute to overcome." How many Members did he say that to? It is what the Prince of Wales said to the troops prior to World War I, and I have kept it. I have kept it ever since and I will keep it.

My colleagues, Helen Steiner Rice said this on such occasions.

> When I must leave you for a little while, please go on bravely with a gallant smile. And for my sake and in my name, live on and do all things the same. Spend not your life in empty days, but fill each waking hour in useful ways. Reach out your hand in comfort and in cheer, and I in turn will comfort you and hold you near.

That is BILL EMERSON. God bless you, BILL, and we miss you.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, the last image that we have of BILL is one of courage and strength, an oxygen tube in his mouth, confined to a wheelchair. But the BILL EMERSON that will live on in our minds and our hearts is a gregarious man, just full of energy and goodness and pride that he was part of this institution.

I had the privilege of representing BILL and Jo Ann and their four daughters at their home-away-from-home in McLean, VA. In fact, I had a wonderful day one day when his daughter Tori shadowed me for the full day. And I will never forget when BILL joined us for lunch of seeing the pride in his eyes as he looked at his daughter, so beautiful, so bright, so accomplished, and he knew that this was largely because of his investment of time and caring and love in her and the rest of his family.

He lives on in that family, as he does in this body. He invested so much of himself in making this the kind of legislative organization that is the pride of Western civilization. He spent most of his life here. He loved this body. He loved its Members and we loved him.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me this time and for introducing this resolution.

I join with my colleagues in sending our condolences and love to Jo Ann and the entire Emerson family. Much has been said here today about the selfless individual that served among us as the Representative from Missouri. There are two things I would just like to remember with my colleagues about him that stand out for me.

Eight months ago, when we were considering whether or not we should continue the Select Committee on Hunger, BILL EMERSON asked me to go to lunch with him and a couple of staff people. He wanted to talk about this, just one-on-one, to talk about the passion he felt for that select committee and the work that it was doing.

I did not have to ask him, "BILL, why are you doing this; what is in it for you?" I knew there was nothing in it for him, but I knew how much he believed in it; that he took the time to meet with Members one by one to talk to them about this.

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The other thing was his service as chairman of the page board. I had the privilege these last 2 years of serving with him on the page board. Like him, I started here as a page, though in the other body. Like him, I loved this institution of Congress. BILL EMERSON loved the institution of Congress that he started serving at such a young age, but he also loved the pages. He loved the young people that worked in that program. He took the time to talk to them. He took the time to understand what the program was about and how important it was.

Just 3 weeks ago when the group of pages that had served us for this last year left, he came to the floor. He wanted so much to lead the tribute to the pages, but he was taking oxygen, he was in a wheelchair. And he said: JIM, would you take this 5-minute special order to do this? He said: I really want to do it, but I just cannot.

But he stayed here on the floor. He listened to what was being said because he really cared about it, and he put his remarks in the RECORD so that they would appear there. BILL ended his life as he lived it, with courage, with love, and with caring. Sometimes we have to have a sad event like this to remind us that this body is not about Republicans or Democrats, conservatives or liberals, urban or rural, northerners, southerners. It is about people, flesh and blood who love and laugh and cry and hope and grieve.

Bill's life demonstrated that, and his leaving reminds us of it.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I join in the sadness of the loss of BILL EMERSON, and I join my colleagues in the joy of celebrating his life and all that he did. As a Member of Congress, as a citizen, as a husband, as a father, as a friend, I had the fortunate opportunity to serve with him in the committee, to work on many of his endeavors, to share with him the zest for the underprivileged, for the hungry, not only here but around the world.

He dedicated his effort and his life, but for the grace of God, he was not on the plane with Micky Leland. He traveled to all of the corners of the world where most Members do not go. He traveled to where there was hunger, to where there was famine, to where there was a problem. We had a very pleasant relationship because I never could spell, and I do not think that I can spell now Cape Girardeau, so that was a constant thing with us.

As we recalled some of the personal relationships, my wife made me a present of a beautiful tie with continental type drums. The day that I wore it with great pride, he came straight to it and said, that is a beautiful tie, about three times. That evening I told my wife, I said: Do you know who liked your tie? BILL EMERSON. Can we get him one. She said: I got this in New York someplace. It was the last one. I do not know if we can. And I said: Well, if you do not mind, I am going to give it to him. And she said: Well, I think it would be nice.

We already knew that he had this ailment. So the next day I gave him the tie. May you wear it in good health. That afternoon he was on the floor showing me the tie. Those are the things that we will remember.

What we cannot forget is that we cannot say all these things about BILL EMERSON today and forget him tomorrow. We need to dedicate our lives, our service here to that which was his first interest, beyond his family, beyond his country, were those that needed nutrition, the hungry of the world, the hungry of our country.

I hope that we as a House and we as individuals dedicate ourselves and remember BILL EMERSON when we work, not necessarily on the budget or the priorities but that there are people hungry who need to be fed. That is what his purpose in life turned out to be. I hope we honor that.

I thank the gentleman from Missouri [Mr. CLAY] for allowing me the time.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Mr. Speaker, BILL EMERSON and I came to Congress together in 1980. We were in a great class of Congressmen. We were fast friends over a long period of time. I ran a number of leadership races. He supported me in every one of those, very committed through thick and thin, even those where I did not do so well.

I can remember on projects the hours he would spend actually making those telephone calls personally or rounding up whatever votes either for leadership or for a bill on the floor where necessary. Whenever BILL EMERSON made a commitment, he lived up to those commitments.

I remember a few years ago he made a tough decision that he consulted with me on more than one occasion about whether he should run again for Congress. He thought about retiring. I encouraged him strongly to continue. I knew his love for this institution, and I knew what he gave to his country and what it meant to all of us. He made the right decision to stay. In fact, it was not too many days ago that he reminded me of that and told me so. I was pleased that I was party to helping make that decision.

I also know that he had friends elsewhere. He was involved with the Interparliamentary Group with some of us with the German Parliament, the Bundestag. Just about 10 days ago I was reminded of that by a friend in that group from over in Germany where we spent a week together a year ago who asked me to be remembered to him, and I did that here on the floor of this House. BILL EMERSON was my friend. I wish him well. If there is a heaven, he is there.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding me this time.

BILL EMERSON never gave up that he would not whip his cancer. That is the way he was in life. If he had a strong matter he was interested in, he would try and try.

He felt so much love for his wife Jo Ann and his family. Really, he knew that the good Lord would protect him and take BILL home when the Lord was ready for BILL.

At the House prayer breakfast every Thursday morning, we saw him gradually get weaker and weaker. He missed a few times, when he was taking chemo, from the prayer breakfast. he would call one of us the day before: "I will not be at the prayer breakfast today but just think about me." Then we saw him come with a breathing apparatus, but he kept coming. Then soon he was coming in a wheelchair to the prayer breakfast but he kept coming.

As has been said here today, BILL EMERSON was one of the most beloved Members of the Congress. He was such a part of this House.

Now, BILL, you will be buried in the rolling hills of Missouri on Thursday. And as someone said earlier, if there is a haven, there is a heaven and BILL is looking down on us today.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, it is with genuine shock and sadness that I rise to join our colleagues in memorializing the passage of and honoring an outstanding Member of this body, BILL EMERSON of Missouri. We have all been aware for some time that BILL was grievously ill. However, this did not lessen the shock of his passing.

We all recall how he remained courageously active until the very end and, in fact, did not miss any rollcall votes, even though in a wheelchair just until a week before his passing. BILL EMERSON loved this institution from the time he served as a page until the present days. He was beloved back in his home district, the Eight of Missouri, and he served on the Agriculture and Transportation and Infrastructure Committees of the House. His dedication on both of those committees earned him the respect of his colleagues on both sides of the aisle.

In addition, BILL was a productive member of the Joint Committee on the Organization of the Congress and in may ways the reforms adopted by this House are a living memorial to BILL EMERSON. He was a 28-year veteran of the Air Force Reserves and his dedication to the needs of our veterans and our Nation is well known.

BILL leaves behind his widow Jo Ann and their four beautiful children. Hopefully Jo Ann and the children may receive some small solace from the knowledge that many share their loss, both here in the Congress and at home in Missouri.

Mr. Speaker, I shall never forget the efforts BILL EMERSON made to enhance the work of our Select Committee on Hunger a few years ago. As a member of our Hunger Select Committee, he became one of our more energetic, productive, and dedicated members. We shall all miss BILL EMERSON. His shoes will be difficult to fill.

Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. CLAY. Mr. Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore (Mr. DREIER). The gentleman from Missouri [Mr. CLAY] has 6½ minutes remaining.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I thank our colleague, BILL CLAY for this opportunity to give testimony to our friendship and the admiration that we have for our departed friend, BILL EMERSON.

I came to Congress with BILL EMERSON in the same class, but it was not that alone that drew us together. A few short years later Bob Michel appointed us to the Select Committee on Hunger, I, as the ranking member. and BILL as my strong right arm. And I will tell you, it was not long after that that Micky Leland brought us to Ethiopia at the height of the worst famine in history ravaging the country and it was also war torn and enduring a civil war. I will tell Members, once you go to Ethiopia together, you are bonded in friendship forever. It was an extraordinary character-building experience.

We saw children, women, and men dying in the streets from starvation.

And BILL and I determined then that we would be in a partnership forever to help wherever that help was needed. I must tell you, even this year, when it came to food stamps and the school lunch program, and maintaining the agriculture nutrition standards, we always knew that BILL EMERSON was there. No children would go hungry while BILL EMERSON was on the job.

I must agree with what Mr. DE LA GARZA has stated. We in this Congress must continue that dedication in BILL's memory. No child should go hungry on our watch.

To his daughters, Liz and Abigail, with whom my daughter Meg went to school back in Ridgewood, NJ, I want to say to Liz and Abigail, cherish the memory of your wonderful father and always remember the hope, the faith, the dedication, and the valor that he brought not only to life but to his death.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding the time to me.

BILL EMERSON, we will miss you and yet your influence will continue to inspire all of us.

BILL EMERSON was a man of commitment, compassion, civility, and courage. What an example he set for us. He was fair-minded, bipartisan and, as Members have attested, he never did complain. The House and Congress was his life, from the time he was a high school student and was a page here, and then as he worked for someone who became my mentor, Senator Mac Mathias, which is when I first met BILL EMERSON many years ago.

BILL then was elected in 1979 to Congress himself. And he then married into a family that are very close to me. His father-in-law is the late Ab Hermann, who became a political sage of mine. His mother-in-law, Sylvia Hermann, continues to be a leader in Montgomery County, MD. He married a beautiful Jo Ann Hermann and has raised four wonderful children who have all been inspired by their mother and indeed by their father.

He is a man who cared very much about the community. We know how he cared about the fact that people needed to be nourished, to be nourished in many ways, spiritually as well as physically nourished, and he was there. He does inspire us.

I am reminded of, as BILL EMERSON leaves, the Tin Man in the Wizard of Oz. The Tin Man was looking for a heart. When he meets the Wizard, he says, "Now I know I have a heart, because it is broken." And the hearts of all of us in this House and in this Chamber are broken.

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Mr. CLAY. Mr. Speaker, I yield 1½ minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Speaker, the wound of this loss is so fresh for all of us that it is difficult to place into words the kind of love and respect and admiration that we held for our friend, and truly BILL EMERSON was a personal friend. He was not just a friend, he was a personal friend to all of us.

Mr. Speaker, it is rare that we will find this many Members of Congress from both sides of the aisle that would take the time and feel compelled to come here and say these words, whatever we say, to our friend, BILL, and yet that was the kind of magnetism that this personality, this loving, kind person, held for all of us.

There was always something personal that he would find between himself and another person that bound them together. He and I came here together. He always bragged that he was one day younger than me, born just the next day after I was, and that was his way of forming that friendship. All of my colleagues had some kind of connection in that respect with BILL.

And yet it was much more than that because BILL EMERSON, as has been said here, was a patriot. He loved history, was a great student of history and felt extremely and highly honored that he was serving in this body because it represented, so much, the history of our Nation and his participation in it.

As has been said many times here today, BILL EMERSON loved this House. As my colleagues know, it is fashionable these days, it seems, for many of our Members to be critical of the House, hoping, I guess, to find some sort of sympathy from the public in criticizing this body. But you never heard that from BILL EMERSON. We only heard respect and love for this body.

His greatest achievement in life, outside his family, I think, was presiding there in that chair, and he did it so wonderfully well, none better, and I always picture BILL EMERSON sitting in the Speaker's chair because I think that was the height of his professional life in his own mind.

It has been said that duty makes us do things well, but love makes us do them beautifully, and, BILL EMERSON, you made things so beautiful.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Speaker, I thank the gentleman for yielding this time to me, and I thank him for bringing this resolution today, and I send my condolences to the family of BILL EMERSON.

I came here in a special election, so friendship is very important, and BILL EMERSON showed me that friendship. I came here, and I was invited to the prayer breakfast by BILL EMERSON, and it became a very important part of my existence here in this Capitol. I come here today because I need to express my grief and my loss for this friend, and I say to all of my colleagues.

Let us look at what BILL EMERSON has given to us. He has shown us the way, love of country, love of family, love of each other, and finally he had such a deep love for his God that I know he is in good hands, and we should learn from his lessons.

Mr. CLAY. Mr. Speaker, I yield back the balance of my time.

Mr. SKELTON. Mr. Speaker, I ask that we continue for 1 hour and that I control the remainder of the time.

The SPEAKER pro tempore (Mr. DREIER). The gentleman from Missouri [Mr. SKELTON] is recognized for 1 hour.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, I was a real admirer of BILL EMERSON, and there was an old former gospel singer I just happened to draw upon memory from, a gospel song writer from Missouri, Albert E. Bromley, who is one of the greatest gospel song writers in the world, and I think this just fits BILL EMERSON, and the words go something like this:

> I'll meet you in the morning with a how do you do, and we'll sit down by the river and with rapture our acquaintance renew, and you're going to know me in the morning by the smile that I wear, when I meet you in the morning in the city that is built four square.

If anybody is going to make it, BILL EMERSON is going to make it. He was one of the finest men that I have met, ever met, in this body, and he, and Bill Natcher, and men of that statute are going to make making it to Heaven worthwhile working for and something to look forward to.

And, BILL EMERSON, we are going to miss you more than you will ever know.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, our hearts and our prayers go to BILL's wife and daughter, certainly to all of his constituents, as well as his good friends.

BILL was my big brother when I came into Congress in 1993, and he just contributed so much time and so many hours in helping me learn how to adjust to Washington and to Congress.

So I wanted to be part of, if my colleagues will, this honor guard, thanking BILL again for all that he has done for many of us, certainly all that he did for me personally. BILL was a friend.

I served with BILL on the Committee on Agriculture. I mean his dedication, his willingness to study and learn and work with both Republicans and Democrats is not only to be admired, it is to be a good lesson for all of us.

BILL EMERSON was a great American.

BILL, we hope you continue to guide us, and our prayers are with you.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. BRYANT].

Mr. BRYANT of Tennessee. Mr. Speaker, I thank the gentleman from Missouri [Mr. SKELTON] for yielding time to me.

As a new Member of this body, it is wonderful just to sit here and listen to the more senior Members who have known BILL EMERSON longer than I have come before this body and lift up praises to him for the outstanding, not only the outstanding work that he did while he was in Congress and the outstanding family man that he was, but just the type of person; all those wonderful characteristics that we all look up to, that we all want to emulate, and I can verify from the 18 months that I knew BILL EMERSON that he certainly was that type of person and certainly led by example. I know when I was selected to join the Committee on Agriculture, he was one of the first folks I sought out, and he gave me wonderful advice and counsel throughout the entire time.

I also had the special occasion to go to Missouri with him one time and attend a hearing that he was conducting, and I know for a fact that BILL EMERSON loved his district, he loved it very strongly. He stood very strongly for he was a man of commitment for that district, and I know during the 18 months that I was here he displayed it very strongly. But having the occasion to go to Missouri and visit people there, I know that Missouri loved BILL EMERSON.

BILL was a wonderful congressman, a wonderful man, a wonderful father, a wonderful husband, a wonderful role model to many of us in Congress, and I know that he has gone on to better things, and I know that we are certainly going to miss him, I know that Missouri is certainly going to miss his presence here in Congress, and all we can do at this point is just add our appreciation to his family for what he did and continue to lift up his family in prayer because these are difficult circumstances, and I know all those Members here would agree with me on that, and we will continue to hold his family at this special time of their bereavement.

Mr. SKELTON. Mr. Speaker, I will yield 2 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, it was a young but brave BILL EMERSON who as a page helped move the mortally wounded Members of this body from the floor on a stretcher after a terrorist assassination attempt. Even as a teenager BILL EMERSON saw his duty, and he did it without any thought for his own safety.

BILL EMERSON and I had many things in common, our careers paralleling one another, we both worked here in Washington before returning home at young ages and being elected as Members of this body. BILL's personal office and staff is located next to mine in the Rayburn Building. Our families were neighbors in McLean, VA, and we were neighbors and colleagues on the House Transportation and Infrastructure Committee. Only four doors down from my family in McLean were BILL EMERSON, his wife Jo Ann and his four children. Our children attended school together, were often found in each other's homes, and participated in school and church activities together. BILL was a devoted family member and a devoted church member.

I know that my daughter Suzanne will never forget the times when BILL's daughter, Tori, and later Katherine, who we later called, "Kat," would babysit. They loved having each other over, spending the night together, doing their home work together, baking cookies together.

I recall one instance when we noted in the neighborhood a large truck outside of BILL and Jo Ann's home. It was a huge delivery truck, and they had just unloaded hundreds of cartons in front of BILL's driveway. So we strolled over to see what was going on. Could not imagine what was being delivered to their home.

"These are my books," BILL said very proudly with a sense of excitement.

"Where on earth will you put them all," we asked him.

His wife Jo Ann laughed and said, "That's a good question."

The cartons went inside, and Jo Ann and BILL found a space for quite a library of their beloved history books.

So, BILL was not only a great team player here in this body, he was a great team player in his neighborhood. Theirs was a close-knit family. Their strength, their hopes, their faith over these past months as BILL struggled to "beat this thing," as he put it, never faltered.

BILL, his wife Jo Ann and his four daughters are a source of love and stability for each other throughout this ordeal, but amazingly they took time to reassure and give strength to their neighbors as well, showing their deep and abiding Christian faith at all times.

So as we say goodbye, for a short time anyway, to our friend BILL EMERSON, we say it to a very honored, respected, and beloved friend of all of us, and while he is gone from us for a short time, he will live on through his wife Jo Ann and his four daughters and his mother, but more, he will live on through all of us in this body who had the great good luck and good fortune to have known BILL EMERSON and to have served with him.

MR. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I rise to pay tribute and honor to the memory of a good man, a special man, Congressman BILL EMERSON. BILL was a good Congressman, a good friend and more than anything else a good human being. He was a man who truly cared about his fellow man, here at home and across the world. BILL EMERSON was a gentle man.

In 1992 I had the great privilege of cochairing a congressional delegation to Somalia with BILL. It was a dangerous trip. Somalia was still filled with gangs of armed warlords and we had to wear flak jackets as we drove through the streets. But BILL EMERSON was committed to the starving people of Somalia. He put their health and their welfare above his own personal security. that was the kind of man BILL EMERSON was.

BILL had a warm, caring and sharing spirit. His sense of humor was able to overcome any situation, to break down any barrier.

I will miss BILL EMERSON. I will miss his wit and his wisdom. I will miss his caring and his compassion. More than anything else I will miss his companionship. BILL EMERSON was my friend and I will miss him, as we all will, greatly.

My condolences and my love go out to BILL's family and friends.

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Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, to those watching this debate, whether by television or in the gallery or wherever, think it is obvious that they can see that this is not just an ordinary Member, this is an extraordinary Member that is being remembered here today; not in a flashy, necessarily charismatic sense, but as a solid, stable, and caring legislator who touched so many of us in so many different ways. He was a Member in the finest way, not a Democrat and not a Republican, necessarily, but a solid Member.

He brought me, as he brought so many of you, into a new experience. BILL recruited me to join with him when he was chair of the Congressional Study Group in Germany. He sort of brought me up through the ranks and made sure I was ready to handle the responsibilities. He made me the vice chair and this year, the chair. I got to visit BILL's district. A lot of us are used to visiting Members' districts with Members. I got to see BILL's district without BILL being present, because at the time that the Congressional Study Group on Germany was holding its meeting, and it was holding it in Cape Girardeau, BILL was not able to be there because of his chemo treatment. He hated that. He had arranged the whole trip. He wanted very much to be with the group. He had been with it for many years. It was being held in his district. He could not be there. Yet he carried on, his staff carried on marvelously.

I got to then represent BILL, so I saw firsthand the love and respect and caring that his constituents had. Of course, BILL checked in daily and did a phone conference with us. He wanted to make sure everything was running fine. We hear a lot about Republicans and we hear a lot about Democrats. I understand why BILL always won so handily, because I got to meet another party: Emercrats. These were folks who were voting for BILL, no matter what happened. I got to meet a lot of them, too.

One of the memories that I have most about that several-day visit was that at the end of it there was a function that BILL had arranged for the visiting German parliamentarians in a large hall. It was to be a reception and dinner with a lot of citizens in that area. They knew BILL was not going to be there. BILL had been very open about that. They still came. They came out and packed that hall. They came out for BILL EMERSON, because they knew that is what BILL wanted to do. Of course, every one of them was asking how BILL was doing.

If we could all live our lives as openly as BILL lived his, whether here on the House floor, fighting every day his fight against cancer, not asking for any sympathy, but just being here, and that being a message in itself; the struggles that he has fought openly. His constituents knew him and they loved him. They lived with him, they suffered with him, and they prayed with him.

Mr. Speaker, we all live through our children. As we all seek some balm for BILL's death, the balm that there is that BILL left four wonderful children that he talked about with me, as I know he talked about with you. But to Jo Ann and his four daughters, BILL lives through you, and for that we are all very lucky.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, this is not a happy occasion for me to be standing here before my colleagues and to pay a special tribute to the late Congressman BILL EMERSON from the State of Missouri.

BILL EMERSON, I think, can adequately be described as stubborn as those Missouri mules, as I understand it, but BILL EMERSON also had a heart. He had a heart full of compassion, and one of real appreciation for the needs of America's elderly and the poor and the hungry.

It was my privilege to serve as a member of the Select Committee on Hunger, where BILL EMERSON was also one of the senior members of the committee. The occasions that I have had in having hearings with him and to listen to this man, I certainly have respected him very highly for his opinions about the needs of America's hungry.

It was also my privilege, Mr. Speaker, to attend or to be a member of the delegation that went to Somalia, as it was cochaired by the gentleman from Georgia [Mr. LEWIS]. BILL EMERSON was a member of that delegation. It was not until that trip that I felt the real sense of compassion that this man had for those who are really in need.

As my good friend, the gentleman from Georgia, indicated earlier, we had to wear jackets for our safety because of the dangerous situation that the people of Somalia were confronted with at that time. BILL EMERSON was there because he had compassion. I believe personally that it was because of his strong convictions that he was able and was one of the forces which led President Bush to send the troops that were needed from the resources that America had, that he wanted for humanitarian reasons to help the needs of that nation.

BILL EMERSON was a dear friend because he helped me, and I am sure this was true of so many of my colleagues here. For my elderly people and the disabled in my district, BILL EMERSON was one of the key players who helped me provide the legislation for their needs. I certainly would like to convey my heartfelt condolences to Jo Ann and to the members of his family and to this great gentleman, not because he was a Republican, but because he was a great American.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise as the representative of the 18th Congressional District in Texas, a district that was previously represented by the Honorable Mickey Leland. I know that if Mickey was here, he would have wanted to offer just a word of thanks for the life of BILL EMERSON.

BILL EMERSON and Mickey Leland were very good friends. They were good friends, but as well, they were committed to a singular cause. That cause was to ensure that there was no more hunger in this world and in this Nation, particularly as it relates to children.

As a freshman, let me say to BILL EMERSON's family, Jo Ann and his four daughters, that we can only wish that others would follow in the tradition of the friendship of BILL and Mickey, and that they would also follow the cause, to ensure that all would be able to live free in this world, in this Nation, without hunger and hopelessness.

Let me also say as a freshman, just watching BILL EMERSON on the floor, knowing what he was dealing with physically, all I could see was a genteel and sincere individual, committed to public service, with a love for his country. Just a moment ago I was with Joe Hillings, a constituent who served as a page with BILL EMERSON. He offered his grief and his concern for a man who did nothing more than to give to his fellow man. He was a servant, he was a lover of people, and I do believe if Mickey was here, he would say to his friend, BILL EMERSON, "Well done, good and faithful servant."

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, when I first came here in 1993, I, like most Members of Congress, was somewhat intimidated by everything and everybody, and I needed a friend, just as we all need friends during that period of time, and certainly as we continue our career. BILL EMERSON was one of those guys that I found to be open and friendly to new Members, and always helpful.

I could go to BILL for advice on agriculture. I served on the Committee on Agriculture with him. All those agriculture issues, as we know, are very complicated; understanding the milk program, the peanut program, the wheat program. They are just endless. I do not think anybody knew as much about those programs on the committee, who had the time to sit there and share with you, and so forth. I would go to BILL and I would say, okay, what is going on on this? He would explain the intricate USDA policy on that.

One could also go to BILL and ask him, about the political side, and he could tell us which groups and which committees and which people here, Members of the House, how they stood and what would probably happen. He could predict what was going to be the outcome of legislation many weeks before it ever got on the floor.

If you only knew BILL in that political sense, as a guy who could give advice on agriculture issues and politics, you were missing something entirely more important to him. That was BILL EMERSON, the person. Because as a man, he was one who was philosophical. He could sit there and with a sense of humor sort of say, well, this is where we Republicans are going to line up on this, but those old Democrats, they have a good point here, and here is where I agree with them, and here is where we disagree. He could just rise above the rough edges of this institution and deliver somewhat of a balm, an ointment to the Members, so we could all feel a little bit better, not just about ourselves but about the legislation and about service in Washington. That is the kind of guy BILL EMERSON was.

I, Mr. Speaker, am going to miss BILL EMERSON. He always would stand back there and kind of peer over the banister, and I believe in many respects he will continue to peer down on us, just as he sat back there. You could always reach him. I think now we can look high up in the heaven and BILL EMERSON is in good company with all of the other angels of the Lord.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I thank the gentleman from Missouri for allowing me this time to speak this morning.

Mr. Speaker, I have seen so many of our classmates that came to orientation back in 1980 with BILL EMERSON, as I was privileged to come to this Congress at the same time. And in thinking about the life of BILL EMERSON which we celebrate today, and of course, his passing, which we mourn today, I think all of us feel a little richer for having been with him and a little poorer for now missing him from this body.

But when we think of his lifespan, starting as a page in this body and ending over the last year with his sitting here and presiding as Speaker of this House and working in this House, I do not think that any man has ever been loved more that served in this House, or any man has loved this House more than BILL EMERSON loved this House. He loved the process and he loved its Members. I think that is something we need to think about more today as we see that things are becoming more tense here on the floor of this House, and as we work through our legislative process.

We often think of Tip O'Neill as being the man of this House. I think we certainly can also refer to BILL EMERSON as being the man of this House from the Republican side, as Tip O'Neill was from the Democrat side. As speakers ahead of me have said, he seemed to have a way to cut through the politics and make things happen. He was very practical in wanting to make good legislation. We have heard about his concern for the hungry, not only of this country, but also of the world. His great heart, that no longer beats, had such compassion for his fellow men, had compassion for the people that he served with.

I remember just a few weeks ago BILL was on the floor and he was standing right over to my left, where we remember seeing him for the last time in a wheelchair. And he was walking. He was still walking over for each vote, carrying a little tube of oxygen with him, and losing his breath. He was concerned about his losing his energy. When he came over here, he had lost his breath.

I mentioned to him that perhaps he ought to think about getting a wheelchair. and he said, my goodness, I do not want to do that. People will look at me and think I am dying. BILL fought right up to the very, very end.

Of course, then he decided that he would save his energy so he cold spend his time in a productive way when he was on the floor, and the last few days of his life here on the floor he would appear here in the wheelchair. What a wonderful man BILL was. We are certainly going to miss him. Our hearts and our feelings go out to his wonderful wife Jo Ann, who is a wonderful friend of my wife Emily, and of course BILL EMERSON, who was a wonderful friend of all of us.

I think it would be a great tribute for each one of us in our hearts and in our daily work to think of BILL EMERSON when we try to get together and pass meaningful legislation; as we go through the last months of this 104th Congress, that we dedicate each day to a greater understanding of each other, in the true memory of BILL EMERSON.

Mr. LAUGHLIN. Mr. Speaker, I am proud to have this opportunity to pay tribute to BILL EMERSON, a great man, a great Congressman, a great Christian, a great friend, and, as we have all heard, a great family man, which is so important, and was so important to BILL.

I had the privilege of serving with BILL on the Committee on Transportation and Infrastructure for 6½ years. When I was on that committee with him, I was a Democrat while he was a Republican, and so I have heard a number of the speakers talk about the bipartisan way that BILL would work with Members.

Having been a Member of both political parties last year, I can vouch firsthand that Bill was such a wonderful individual. He treated each Member, regardless of party or ideology, with great respect and would work with them on finding solutions to problems. Being senior to me on the committee, I respected his advice. There were countless times when he said: "GREG, think about taking this approach; why do we not work at it this way?"

So it is no wonder that so many people have come to the floor today to talk about what a wonderful individual BILL EMERSON was, because we were all proud.

As the gentleman from Missouri, [Mr. SKELTON] would vouch, as I asked for 30 minutes to an hour to talk about BILL EMERSON, every Member of this body could do that. As we would talk about him, we would always want to put the word great in front of friend, great in front of Congressman, great in front of family man, because BILL EMERSON was that kind of individual. So we in this body who count BILL as our friend are blessed to have had BILL EMERSON.

This Nation was blessed to have had Bill Emerson as a citizen and as a Congressman. We know from his love and the way he expressed his love and affection for his family, his family was blessed, as we all were, that BILL EMERSON was a part of their lives as we were in our lives. So America has been blessed, as his family was, by the good Lord that BILL EMERSON was a part of their lives, as ours.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, first of all, I would like to thank the gentleman from Missouri, Mr. SKELTON, arguably the best friend that BILL EMERSON had in the House, for yielding me this time.

We have heard a lot today about BILL EMERSON, about his commitment as a public servant, his friendship to Members on this floor on both sides of the aisle. I want to talk just very briefly about something, a little gift that BILL EMERSON passed on to me, and that was BILL EMERSON's faith.

BILL EMERSON was diagnosed with what he must have known was a terminal condition. It was amazing to me how calm BILL EMERSON was in the face of staring death square in the eye. I went to BILL EMERSON, and I said: "BILL, what about this peace? You do not seem to be struggling, you do not seem to be angry. What about this?"

He said: "Well, JOHN, you have to understand, a number of years ago I started working on my faith, my faith in God and my faith in Jesus Christ." And he said: "JOHN, at some point in our lives we have to decide whether it is just a game or whether it is real. I have decided that it is real. My faith is real. I will see my Lord in heaven. And either way it goes, I am going to be a winner. Either I am going to recover and I am going to be able to be a servant of God right here on earth, or I am going to go and meet my Lord and Savior in heaven. So, JOHN, everybody has to decide, for those that go to church, for those that read the Bible, is this just a game that we play with ourselves, or is it something that we accept and believe and practice, and believe as real as my talking to you."

That is why BILL EMERSON had such an incredible struggle with his cancer. That is what BILL EMERSON passed on to me, a giant piece of his personal faith.

Mr. Speaker, we can always tell whether people really practice their faith, really believe wholly in their faith when the chips are down, when their backs are up against the wall. BILL EMERSON never got angry, BILL EMERSON never was frustrated, and he never blinked when he went eyeball to eyeball with death. BILL EMERSON believed in his heart and in his mind that death was nothing more than a transition to a promised land that he has believed in.

Today, I have to tell my colleagues, that face shines bright in my mind. He gave me a piece of it. He made me more peaceful in my heart about the future and what a terrific, tremendous, wonderful gift the faith of BILL EMERSON that he passed on to many of his friends, his family, and his colleagues.

God bless you, BILL. God bless you. We will miss you.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank my friend for yielding me this time.

Like so many of my colleagues, BILL EMERSON was a personal friend of mine. So many nice things have been said about him on the floor today and rightly so, he deserves all of them. I do have many pleasant memories of BILL EMERSON like my colleagues do.

I remember the last time we were over with Bob Dole over at the Cannon Caucus Room. So many remember Bob Dole took a few minutes to talk about BILL EMERSON in his last speech in the Congress, and I thought that was a wonderful tribute that Bob Dole did.

I noticed every speaker spoke about BILL EMERSON's attitude, and that is the thing that struck me. I do not think I would have had nearly the courage that BILL EMERSON had. I remember the last time I saw him here. I shook hands with him, and I said: "You have a strong handshake." He said: "I am strong, I just cannot get enough oxygen." There was never any doubt that this man just had 100 percent confidence.

The gentleman from West Virginia [Mr. WISE] spoke here on the floor. He said that he was in Cape Girardeau, I was at Cape Girardeau with you and some others, and it is true he was really loved and respected.

When I first came to Congress here, we had a Congressman by the name of Bill Steiger. He died just before we were sworn in. Tip O'Neill was the Speaker. And Tip O'Neill summed up Bill Steiger's life in four words. He said: "This man had respect." And that is what I would say about BILL EMERSON, this man had respect. That is the best I think we can say when a man leaves this Congress, a man or woman leaves this Congress.

We also remember when BILL EMERSON was in the chair. No one did a better job in the chair than BILL EMERSON. Not only was he fair, but he had total command of what was going on on the floor. But BILL EMERSON left a legacy to you and to me, and that legacy was courage. I mean real courage. We saw that courage daily here in his wheelchair; his attitude was always 100 percent.

I think the thing that we can remember about him, when we think things are tough here on the floor, let us remember BILL EMERSON, and things will be made easy.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. WHITFIELD].

Mr. WHITFIELD. Mr. Speaker, I want to thank the gentleman from Missouri for yielding me this time.

As it has been said all afternoon BILL EMERSON truly was a remarkable man. I had the opportunity to come to know him just since 1994 when he became involved in my race for the U.S. Congress. My district is right across the river from his. And he came to my district on one occasion to help out my constituents in a matter that they were concerned about.

A couple of weeks ago I was driving through my rural district of western Kentucky. I came across a small church. There was a bulletin board out there and it simply said: You cannot make a success of life without making a gift of it.

Subsequent to that, I thought that that certainly applied to BILL EMERSON. BILL EMERSON was a husband, he was a father, he was a son, he was a politician, and in all of those roles he made a success of those roles because he made a gift of his life.

At this time when there is so much cynicism and apathy around the country about politics, I genuinely wish that people from all across America would have had an opportunity to sit down and talk to BILL EMERSON about government, about a democracy, because he was truly committed to it. He believed in this body, he believed in our democracy and in our process, and all of us will miss him. We will be thinking about his wife Jo Ann and his four children.

I had the opportunity to meet his mother just a couple of days ago, and in looking in her eyes, I saw that twinkling in her eye that all of us saw when we talked and looked into BILL EMERSON's face, and we will all miss him. But he was a gift to us, and I, for one, will always cherish that.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have spoken a great deal about our friend BILL EMERSON this afternoon. I would be remiss if I did not say a word or two about loyalty, loyalty to those about him and those about him were extremely loyal to him.

At this time I would like to say a word of thanks to the D.C. staff and to the district staff of the late BILL EMERSON for the wonderful work that they did for him to help him serve the people of Missouri: Tricia Schade, David LaVallee, Julie Pickett, Pete Jeffries, Glenn Kelly, Lisa Johnson, Julia Kertz, Seaver Sowers, Neil Moseman, Jess Sharp. Those are the ones who composed the staff here in the Rayburn Building.

In the district: Lloyd Smith, Kacky Garner, Pat Pecuat, Greg Branum, Carol Goldsmith, Alan Heath, Mike Chitwood, Iris Bernhardt, and Carlene May.

Each of these staff members served so ably and so well. And on behalf of all of us, we thank them.

Mr. Speaker, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding me this time to speak on behalf of the loss of his great friend.

It is so sad to be here today and not have BILL here. He has been in this Chamber, I guess, as much as anybody else over the years. His spirit has always been here and hopefully will always be here.

I got to know BILL a little bit differently than some other people. Back when I was the Governor of Delaware, he came to Delaware to look at some programs we were running involving food stamps and nutrition and delivery of services. He liked these programs, and I liked BILL EMERSON. We were not used to having Congressmen come to Delaware, quite frankly, if they were not from Delaware. He took the time to come up there, and when I came to Congress he was my friend. He was one person I knew, and he was one person who spent time with me.

I did not realize he was the friend of 434 of us here in this Congress. We have heard more fascinating stories in these last 2 hours about this wonderful man and the way he reached out to different individuals, be they neighbors or committee members or classmates or whatever it was. But BILL EMERSON was bigger than that. He was almost bigger than anyone else who ever served in this Congress. He was for all humanity.

He was the one who reached out for those who had problems with hunger around this world. He was the one who reached across the aisle to Democrats as well as to Republicans. He was the one who virtually made a friend of everybody he dealt with. He was the one who was so popular in his district that he just won by overwhelming margins there.

He was the one with a wonderful family. He is the one that we are offering our condolences for here today because he meant so very much to so many people in the United States of America.

There may have been finer Members of Congress, but I do not know if I could name who they were or who they might be. I do not know of anyone who has served his fellow man as well as BILL EMERSON did over all of the years that he represented us in this Congress.

So we will miss you, BILL. We will miss your spirit. We will miss all that you stood for, particularly at the end when you were so brave and so courageous.

Frankly, I did not think it would ever end. It just came as a surprise, even though we all knew that ultimately it had to be fatal. So we will miss you, BILL. God bless you.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE].

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Mr. CRANE. Mr. Speaker, I thank the gentleman from Missouri for yielding me this time.

With regard to all of the comments made about BILL EMERSON, I can only say amen. As a very dear person, a caring person, though, I would like to share an anecdote.

I have my No. 5 daughter suffering from cancer and she has been going through chemotherapy since last October. She was over here visiting on the floor with me and we ran into BILL. He told her that he was going through the same experience. He really lifted her spirits. He told her, "Hang in there, you're going to beat this," and he reassured her. Then he asked me further for her telephone number when she was in the hospital, getting chemo, and when she was home, he called her, just lifting her spirits.

BILL, of course, had that amazing quality for maintaining high spirits even when he knew what the prospects were.

I share this as an anecdote only because it was so personal and meaningful to me. As a father, of course, you anguish over your little ones through that kind of experience, but you cannot help but anguish over those who suffer the loss most, and, that is, his lovely wife Jo Ann and his daughters, his mother.

But remember that the pain and suffering and the anguish of that loss is experienced only by we survivors. BILL is home free and he is looking down smiling upon all of us and he probably feels a little embarrassed at times over some of these revelations of our affections for him.

When my dad passed away last year and we all attended, it was family reunion time, I reassured my brothers, my sister, and the family that, hey, the big reunion time is right up there now, and his parents were waiting for him and all the loved ones that preceded him.

It is time for BILL to enjoy his celebration. He pulled his tour of duty. We can only look forward to the time when we can participate in that joyful experience and recognize that in the interim, though, we are here to try and bolster one another and to carry on the good fight and in the best tradition that BILL did. God bless you, BILL EMERSON.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman from Missouri for yielding this time to me as we pay tribute to one of the great men of the U.S. Congress.

BILL EMERSON truly was a man of the House. His participation in this body extends far back beyond when he was first elected to the Congress in 1980. In fact, in our Republican cloakroom, we have a picture of BILL dating back to March 1, 1954. It is a fitting tribute in memory to him. He played a part in the history of this Congress, because on that day some terrorists burst into the Chamber through those doors up there to my left in the gallery and sprayed the entire House Chamber with gunfire.

BILL EMERSON was here because at that time he was the chief page on the Democratic side, because in 1954 that was the last time the Republicans were the majority in the Congress, and he was responsible for the pages on the Democratic side. He was over in that corner. I can remember him as vividly as possible telling me this story, just a couple of years ago, explaining that picture to me, back in that corner, he hit the floor, there are bullet holes in the wall back there for anybody who wishes to examine it, bullet holes here in the desks on the Republican side, and the photograph in the back shows BILL EMERSON carrying out Congressman Alvin Bentley, a Republican of Michigan, one of five Members of the House who was wounded that day. So BILL EMERSON's part in the history of this House extends back virtually all of my lifetime.

I had the honor of serving on the Committee on Agriculture with him for the past 3½ years, and serving on the Department Operations and Nutrition Subcommittee with him. He truly was a caring man who cared a great deal about the people that he was serving in his district, about the people who benefited from the Government programs under his auspices, and the taxpayer whose dollar he always looked after as he represented his constituents very wisely.

BILL EMERSON is truly someone we can all be proud of, someone who represented his district and who represents all of us in the Congress as a legacy in the history of this country.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. LATHAM].

Mr. LATHAM. I thank the gentleman very much, and I thank the Speaker for this opportunity to honor a very, very special person in my life, BILL EMERSON.

First of all, I want to extend my most sincere sympathy to Jo Ann, the daughters, and the entire family.

Mr. Speaker, I came here 18 months ago, a freshman. BILL EMERSON took me under his wing and was my mentor here. I was very fortunate to have the unique opportunity to serve with BILL not only on the Ag Committee, the full committee, and Transportation and Infrastructure, but each of the four subcommittees that we served on together. I sincerely cherish the time that I had with BILL here.

BILL was always there to answer what had to seem like my endless questions. He was always there with stories about his experiences in Congress, in this body, and with stories about his beloved Missouri. And he was always there as a true friend. My only regret here is that I only had 18 months to be with BILL and to learn from him.

In the past few months, it seems that BILL wanted to teach me as much as possible as quickly as possible, somehow knowing that maybe his time was running short. I will never forget just 2 weeks ago when we were marking up the food stamp bill in the Ag Committee, that I was honored that he asked me to give his statement because he was too weak and it would be very, very difficult for him to do so.

As BILL continued to battle his illness, he continually asked me to pray for him, and I think he asked many of us here to do that. He kept telling us that the prayers were working and that he could feel our prayers.

I will never forget what BILL EMERSON meant to me. Someday I would hope to be half as food in this body as BILL was.

Also, I will never forget his faith in God. When BILL EMERSON came here, he did take me under his wing, and I know today that BILL EMERSON has been taken under God's wing. Knowing that, I can celebrate both his life and his death today.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, when I came to the House of Representatives, one of the first people I met was BILL EMERSON. BILL was a gentleman in every sense of the word, and I will never forget it. We took a trip several years ago to Israel. He was such a good will ambassador, not only for this country and for his congressional district and for the great State of Missouri, but for the world. I think all of us know of his emphasis and focus on hunger in the world. It truly is a great, great problem. BILL EMERSON was out there on the front lines.

When we were in Israel, Mickey Leland was killed in that terrible airplane crash in Africa. BILL EMERSON dropped everything to try to find out about Congressman Leland and even tried to get to Africa to see if there was any way he could help. That is the kind of person BILL EMERSON WAS.

Life works in strange ways, but you can have a difference of opinion without having a difference of principle. That is what BILL EMERSON was all about. He did not care whether you were a Democrat or a Republican. He cared whether you cared about America. He always attacked the issue. He did not attack the individual. He did not try in any way to destroy the institution. He did everything he could to build the institution and build faith and confidence in this great country. BILL, you are going to be really missed. To your lovely wife Jo Ann and to your wonderful family, we will never forget you.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I thank the gentleman from Missouri for yielding me this time. I want to extend my sympathies to the Emerson family. When I first came to Congress 14 years ago, BILL EMERSON was my neighbor in the Cannon Office Building. He was also my neighbor across the Mississippi River from Illinois in Missouri. We talked a lot about our similar backgrounds and similar districts. Of course we were of different political parties. I am a Democrat, and he was a Republican. We are very proud of our partisan heritage but it never stood in the way of a good friendship. Over the years I came to know BILL and respect him very, very much. He fought some classic battles, both personal and political. In each one of them he showed a level of class which is rare in this institution. It is really unfortunate but true that from time to time we let politics get too personal in this institution and we forget that we are in fact colleagues and all quite honored to have this opportunity to serve in the U.S. House of Representatives. BILL never forgot it. I think it goes back to his experience as a young man serving as a page in the House and then coming back to be a Member of this institution. He loved the House so much.

There were times when the rhetoric around here and the debate would become so partisan and so personal that BILL would take it on himself to go and meet with the Democrats on the other side of the aisle and say, let's start bringing Members together for informal dinners so that people become friends again and realize that we still have so much more in common.

Then the year before last Speaker Tom Foley appointed BILL EMERSON and myself to serve as co-chairs of a bipartisan task force on Federal disaster assistance. It was a great experience, because I literally sat shoulder to shoulder with BILL EMERSON for months as we went through hearings and came up with a joint report that we both agreed on. We completely trusted one another, we worked together closely on a bipartisan basis, and I think did good work for this Nation and for this House of Representatives.

BILL EMERSON is going to be missed but what he brought to this House of Representatives we will remember for a long, long time. It was a certain level of class which we should all aspire to.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. I thank the gentleman from Missouri [Mr. SKELTON] for yielding me this time.

Mr. Speaker, what BOB CLEMENT said earlier I thought was very apropos; that is, that people can disagree without being disagreeable. BILL EMERSON was truly a man of the House, a man of this institution.

I had the privilege of working with BILL a lot, because part of my district is right across the river from the Missouri boot heel. I can tell Members from personal experience, BILL EMERSON was loved in the Missouri boot heel. We did a lot of work together on the Mississippi River. both of us served as president of the Lower Mississippi Valley Flood Control Association and had a lot of common interests that we were pursuing to help the folks that lived along the river up and down.

My heart goes out to Jo Ann and the family because BILL EMERSON was truly a gentleman. I never heard him say a harsh remark about someone personally on this floor. It happens all too often, as some of the other speakers have said. That is what I mean about being able to disagree in an agreeable way. That is really what this institution ought to be about. BILL EMERSON lived his life in furtherance of that goal.

I just hope his memory, and I think it will, will permeate this place for many years to come. He was a good man and true gentleman and we will miss him greatly.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

□ 1730

Mr. STENHOLM. Mr. Speaker, I would just like to say that the BILL EMERSON that I knew was a very, very special person. BILL loved his God. He loved his country. He loved his family. He loved his district, his State, and he loved this House of Representatives. The last conversation that I had with BILL, he was looking ahead to next year and wanting to be a part of making the constructive changes that he tried all of his life, from, I think, since serving as a page in this institution the first time.

Having sat by BILL every Thursday morning in the House prayer breakfast group, I was blessed many times by having him share his ideas about life and what it meant, and even during these last several weeks when it clearly was becoming more and more of a severe problem for BILL, he never lost his faith.

I would just, too, like to say to Jo Ann and to the family and to all of his many other friends back home, I know everyone will miss him, but so will we. We know now that BILL is in Heaven and I know he is smiling down and appreciating the nice things that many of us have said when perhaps he would say, "You could have done a little better job when we were here, too, Charlie." But BILL, we miss you. God bless you.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I wish to join my colleagues in mourning the passing BILL EMERSON, the gentleman from Missouri, truly the gentleman from Missouri. We all talk about when we first got to know Bill, and I did in his work with Mickey LeLand on the Committee On Hunger. I was not a member. I wanted to be. The two of them were so enthusiastic, and is it not sad that we have lost both of them.

Others have reminisced about when Mickey's plane went down and how BILL reacted to that and redoubled his already boundless efforts to end world hunger. We had a few chuckles over the fact that we were working together on disaster relief when of course everyone knows that we are earthquake prone in California and San Francisco, but when Missouri was identified as a potential site, again with all the gusto in the world, as the gentleman from Illinois [Mr. DURBIN] mentioned he launched into the disaster relief issue.

I want to extend my sympathy to Jo Ann and the Emerson family. I hope it is a comfort to them that BILL is mourned by every single one of his colleagues, that this House that he dearly loved and served so well is diminished by our loss of BILL, and that all who know him pray for the family at this very difficult time.

As has been mentioned, BILL was very concerned about his staff and we all are, too BILL. But I want to say that as has been mentioned, BILL was a person of faith. He was a man of faith. With that faith, he helped all of us here reinforce our own faith and be kinder to each other.

In his work to end world hunger, BILL EMERSON worked on the side of the angels, and now he is with them.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I had spoken yesterday and I was not going to speak again today, but something came up, I wanted to speak. BILL EMERSON and TONY HALL and a few of us are part of a covenant group. We met every Tuesday in the chapel. In fact, as we just broke up, a group of us, the whole meeting was on BILL. Somebody sent flowers that were on the altar today for BILL. Somebody else brought and put on all the chairs a jersey for all of us in the group from BILL.

BILL was a committed Christian. BILL loved Jesus as much as he loved anything else. So I just want people to know, and I can speak personally from having listened to BILL for the last several years, he loved Christ. He knew that when he died, where he was going, that he was going to Heaven to be with the Lord. BILL was somebody whom everyone loved on both sides, and those in our group, TONY HALL and our group, kind of transcend it. In fact, we had greater loyalty in our group to the individuals in the group than we actually had to our parties. We worked together on many issues, and we are going to miss BILL an awful, awful lot.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, it is a tribute to BILL EMERSON that we are here in going on now 2½ hours eulogizing him and remembering him. He was a Member of my class, the 97th class, even though I caught up with him about 7 months later because I came in a special election in 1981. BILL was one of the first people to come over and extend a hand and help me with this great transition from the State legislature to the Congress.

Recently I had an opportunity to participate in a congressional study group on Germany meeting in BILL's district in Cape Girardeau and, unfortunately, BILL was unable to attend because he was having treatment back here at Georgetown. As a result, some of the Members that were out there listened to BILL call in, and we were there with members of the German Bundestag, and it was so evident what pride BILL took in his district and his constituency. He even gave us a book from Mark Twain that had a specific part of the book marked where Mark Twain talks about Cape Girardeau and that area, and the German members of the Bunderstag were so impressed with BILL's commitment and his strong feeling about German-American relationships and the strong number of German-Americans that were in his district.

He was a person who everybody in this House could look up to and yet feel that they were a friend on an equal basis. We will miss his great honesty, his humor. We wish the very best to his family and Jo Ann, his wife, for someone we will miss greatly, a real leader in this House and one who loved this House of Representatives, BILL EMERSON.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I did not know BILL EMERSON as well as some of my colleagues, but what I did not know of him, when I think of him and remember him, I will think of the words decency, commitment, honesty, collegiality, civility, which is sometimes in this body something that we have lacked.

The last word I ever heard him say was "good". I remember seeing him in his wheelchair and I asked him, BILL, how are you doing? And he said, "I'm good." He was fighting till the end. A class guy, an honorable guy, a guy that when individuals think of this Congress, they see somebody in the best traditions of the men and women that serve here.

Sometimes we speak ill of each other and speak ill of this institution. BILL EMERSON loved this institution. He would be upset at those that reviled it, and I will always remember him as a man with class, a bipartisan person who cared deeply, a person who cared deeply by about this country, about hunger, about foreign policy, about his farming district, about where he came from, and I will always have that very good feeling about BILL EMERSON.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Speaker, I guess the politics of BILL EMERSON and myself were 180 degrees apart. We were diagonally opposite. He is a conservative, I am a liberal. He was for a constitutional amendment against flag burning, I was against that. He was for English only, I was against that. He was pro-life, I am pro-choice. But BILL EMERSON is pro-life in the ultimate sense. Without him, without FRANK, who just spoke, without TONY HALL, a lot of Africans would die this year of starvation. BILL EMERSON interceded, and FRANK WOLF and he went to the leadership and got food aid put back in the budget last year.

He was a close friend, and I personally will miss him.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have witnessed this afternoon tributes to a wonderful American, great Missourian, BILL EMERSON. I have not seen such an outpouring in my time here in the Congress of the United States. Habit is a funny thing. Habits sometimes become a ritual. To and from work, driving from McLean, as we did nearly every day, in the morning when he would come by the House, "Billy," "Mr. Ike," then the conversation was off and we would visit all the way down, trying to solve problems, discussing everything from family to friends to work for the people we represented.

Then at night we would drive back and getting ready to get out, the conversation would be, "What time tomorrow?" "7:20." "7:20." "Good night, Bill. 7:20." We will always fondly remember that wonderful Missourian, BILL EMERSON.

I also wish to thank the gentleman from St. Louis, MO, [Mr. CLAY], for initiating this resolution. It is certainly thoughtful of him to do so and to allow us to participate.

Mr. FRELINGHUYSEN. I am pleased to rise to honor the memory of my friend and colleague, the gentleman from Missouri, the late BILL EMERSON.

For the past 18 months, he has been a friend and periodic advisor. He has generously shared his love of Congress as an institution with me and his deep knowledge and interest in American history, most especially the role of Abraham Lincoln and his family.

BILL EMERSON touched the lives of two generations of Frelinghuysen's in Congress. He was a congressional page in 1954 when my father, Peter H.B. Frelinghuysen was a Member of this body. He was on the floor, as my father was, on the fateful day when Puerto Rican nationalists shot and wounded several Members of Congress from the spectators gallery.

He was a special person and one who had an immediate impact on those he met. Perhaps the greatest indication of his impact on this House and those who work in it is the testament that we've heard today—from Republicans and Democrats, liberals and conservatives, men and women, old friends and new who all respected this honorable man.

At a time when it is fashionable to criticize government and Congress, BILL EMERSON was always unabashed in his defense of this institution. He served as an example to us all that quiet leadership, an open mind, and a strong commitment to constituent service is the best way to earn the public trust and the respect of our colleagues.

We can honor his service by practicing these virtues. And through this effort by each and every one of us, the House of Representatives that BILL EMERSON loved so much will bear his grand imprint for many years to come.

Mr. FRANKS of Connecticut. Mr. Speaker, it is with a great degree of sadness that we, today, mark the passing of a true, distinguished public servant, and a fine human being, Congressman BILL EMERSON of Missouri.

Mr. Speaker, we will always remember BILL for his wonderful sense of institutional history, his championing of the hungry and downtrodden of the world, his tireless work for the agricultural interests of the United States, and his longtime service to his country.

Mr. Speaker, the immense love BILL EMERSON displayed for his family, his friends, his Missouri, his country, and his God should always resonate with us. We were truly blessed to have such a wonderful man serving among us.

To BILL, I say "So long, good friend. You are going to be missed by a lot of people down here. It was an honor to know you."

Mr. SENSENBRENNER. Mr. Speaker, I rise today to pay tribute to the late Representative BILL EMERSON, a distinguished American who served his country with unsurpassed dignity and an inspiring fighting spirit.

Representative EMERSON began his public service as a teenaged House page in 1954. He later served on the staffs of Representative Bob Ellsworth and Senator Charles Mathias.

In 1980, Representative EMERSON sacrificed a lucrative lobbying career to run for Congress. Through his dogged determination and exemplary integrity, BILL EMERSON defeated the Democratic incumbent, becoming the first Republican in 50 years to represent the Cape Girardeau-Bootheel region.

During his 16 years in Congress and throughout his life, BILL EMERSON earned the respect and admiration of his colleagues and the public. He was able to rise above politics and work together with Members on the other side of the aisle to pass legislation benefiting our country. As a compassionate leader on the Agriculture Committee, BILL EMERSON dedicated much of his efforts to food stamps and nutrition programs.

No matter what challenge life threw at him, BILL EMERSON attacked it with every fiber in his body. He fought and defeated alcohol dependency and never gave up his fight against cancer. Since being diagnosed with cancer last November, BILL's spirit and zeal for life never wavered.

This House and our country has lost a great American patriot. I offer my condolences to the family and friends of the Honorable BILL EMERSON.

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise today to join my colleagues in mourning the death of BILL EMERSON.

I was privileged to have worked with BILL on the Agriculture Committee for the 10 years that I have served in the House, including having him as my ranking member on the General Commodities Subcommittee during my time as chairman of that subcommittee. As was the nature of the Agriculture Committee in previous years, we worked on a bipartisan basis to ensure the competitiveness of American agriculture on many occasions.

He was a tireless advocate of those less fortunate in our country, particularly the hungry in this Nation. With the bounty produced by his congressional district, I know it was frustrating for him to think that in this day and age that children still go to bed hungry. We are also aware that this concern spanned the continents as he joined our late colleague Mickey Leland and Congressman HALL in working to stamp out hunger in foreign lands as well.

He served the constituents of his district well on the Public Works and Transportation Committee and on the Agriculture Committee. He, like I, represented a district which has a wide variety of agricultural commodities grown, sometimes with divergent views. He was always an advocate for the farmers in his district above all else and fought relentlessly to ensure that their interests were heard. His work on the Public Works Committee also underscored his understanding of the issues of importance to his district—safe drinking water and adequate transportation systems to allow his rural district to complete on an equal basis with their urban neighbors and enjoy the same quality of life.

Mr. thoughts and prayers are with his family, his staff, and the constituents of the Eighth District of Missouri as they mourn their loss and remember the life and times that they shared with him. His death is a loss for all of us and for this institution that he loved, the U.S. Congress.

Mr. STOKES. Mr Speaker, I want to thank my colleague, the distinguished dean of the Missouri congressional delegation, Congressman BILL CLAY, for allowing us this time to pay tribute to our departed colleague, BILL EMERSON. We join the members of the Missouri congressional delegation and, in particular, the people of the Eighth Congressional District in mourning the recent passing of a distinguished lawmaker, a dedicated politician, and a good friend.

I am proud to have served in this legislative Chamber with BILL EMERSON. He came to Washington, DC, with a sense of dedication and the highest level of commitment to public service. Throughout his career, he worked hard and fought for issues which he believed in. Many of us recall that when the Hunger Caucus was abolished, BILL EMERSON joined my colleague from Ohio, TONY HALL, in fasting to bring attention to the issue. On other issues of importance to the Nation, BILL EMERSON was the voice of reason and compassion. He was a courageous lawmaker and a gentleman at all times.

Mr. Speaker, I saw BILL just a few nights ago when he was coming into this Chamber in his wheelchair. I recall that he was in good spirits, and told me at that time than he was still fighting hard and doing all right. BILL EMERSON was that type of champion. The fact that despite his battle, he was here in this Chamber just a few days ago carrying out his legislative duties, is a reflection of his strength of character and commitment to duty. He did his very best and he served with the highest level of integrity and dignity.

I will miss our colleague, BILL EMERSON. I join my colleagues in extending my sympathy to his wife and members of the Emerson family. We have lost a good friend and America has lost a champion.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague from Missouri, Mr. CLAY, for yielding.

Mr. Speaker, this week the people of Missouri, the House of Representatives, and the United States lost a great man—and I lost a friend.

I want to extend my condolences to his daughters and his wife Jo Ann and thank them for sharing BILL with us.

BILL EMERSON's loss will be sorely felt in the Chambers of this House which he so loved.

BILL wrote the book on kindness and decency. He was a warm, gentle, good person—the kind we need more of these days.

He loved this institution, he loved the people who work here, and he loved representing Missouri's Eighth Congressional District.

BILL EMERSON worked hard and he worked well. Thanks to BILL, the 25 million Americans who rely on food stamps for sustenance will continue to get the Federal help they need to make it from day to day. And that's quite a legacy.

As Malcolm Forbes said, "You can easily judge the character of others by how they treat those who can do nothing for them or to them."

BILL EMERSON treated everyone well—from the Speaker of the House to the congressional pages, and everyone in between.

I am honored to have worked with him and I join the thousands of others in mourning his loss today.

Mr. COSTELLO. Mr. Speaker, I want to rise today to praise my colleague and good friend, BILL EMERSON, who died last Saturday after a brave struggle against lung cancer. BILL EMERSON was a true public servant, who cared deeply about his congressional district as well as issues of global concern.

BILL served with me on the House Transportation and Infrastructure Committee, and we worked together on issues of regional concern for both Illinois and Missouri. Many of those problems which affect the boot heel of Missouri are also endemic to southern Illinois; the need for new infrastructure, good jobs and public health which is accessible and affordable for the people who live there. One project in particular which BILL and I recently worked on was Federal funding for the new Cape Girardeau Bridge; I join my colleagues in asking the House to name this bridge in BILL'S honor.

We had the opportunity to serve together for 8 years, and over those years I learned from BILL's way of working in a bipartisan fashion. BILL EMERSON knew that progress is not made with just one side of the coin; it takes balance to keep moving forward. By working with both Republicans and Democrats, BILL EMERSON was able to accomplish things for the people of his congressional district as well as the Nation.

And the world. BILL EMERSON, along with our former colleague Mickey Leland, fought for those people who could not fight for themselves—people in Ethiopia, Somalia, and other countries where citizens starved and were too weak to make their case to those who could help. BILL fought for food and nutrition programs, to provide essential sustenance to keep people alive.

His legacy will not soon be forgotten. But his kind manner, his decency, his bipartisanship, and his commitment to caring for other people will never be forgotten.

Mr. BILIRAKIS. Mr. Speaker, I rise today to say goodbye to a friend. Although many Members of this body have risen and recounted what kind of man, legislator, and public servant Bill Emerson was, I believe it certainly cannot be said enough.

I always thought that one of Bill's most outstanding qualities was that he held passionate beliefs about how to improve the lives of our Nation's citizens, while at the same time possessing the innate quality to debate divisive issues in an honest and straightforward manner. Bill was one of the driving forces behind the formation of the Alliance, a group of Republicans who believe that we must return civility and respect to the debates in the House of Representatives.

Unfortunately, we did not serve on the same committees in Congress, in fact, our congressional districts were in very different parts of this country. I was, however, pleased to have the opportunity to serve as a member of the Alliance with Bill, and to see him working at our weekly meetings. I also was able to work with Bill several years ago as cochairs of the House Task Force on Fair Trade and Open Markets.

There is no question that he served the Eighth District of Missouri and the citizens of our country very well. I know he will be missed by all those who were fortunate to come into contact with him over the years.

We were all heartened at the way Bill remained strong during his last days in this institution which he loved so much. Whenever I walked on the floor and saw him following the debate, even though it was obvious that lesser men would have been unable to do so, I realized just what kind of devotion and commitment he had for his service to his constituents and to his country.

Mr. Speaker, we will all miss Bill Emerson. I know, however, that his work in this body will serve as a lasting tribute to a man who devoted his life to public service.

The SPEAKER pro tempore (Mr. DREIER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 459.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1903. An act to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge", and for other purposes.

BILL EMERSON MEMORIAL BRIDGE

Mr. PETRI. Mr. Speaker, I ask unanimous consent to take from the speaker's table the Senate bill (S. 1903) to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri Highway 74 spanning from East Cape Girardeau, IL, to Cape Girardeau, MO, as the "Bill Emerson Memorial Bridge", and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. RAHALL. Mr. Speaker, reserving the right to object, I certainly do not mean to object, but I would yield to the gentleman from Wisconsin for the purposes of explaining the bill.

Mr. PETRI. Mr. Speaker, the bill would designate the bridge to be constructed to replace the Cape Girardeau Bridge in Missouri in honor of our late colleague, BILL EMERSON, who passed away last weekend.

BILL truly was a man of the House. He first came to Washington at the age of 15 when he was appointed to serve as a House page. He returned in 1961 and worked on the staff of several Members. After working in the private sector, Bill was elected to the House in 1980 and has won each election since, serving on both the Agriculture and Transportation and Infrastructure Committees.

I had the honor of serving with BILL on the Transportation Committee and always found him to be hardworking, and dedicated to his beliefs and serving his constituents in Missouri. He was never afraid to state his views or take on an issue, and it was one of many traits that we admired about BILL. I remember well his good humor and straightforward manner, even when the committee was considering controversial or difficult matters. But make no mistake, you always knew exactly how he felt about an issue.

In the end, BILL demonstrated extraordinary courage in the face of his illness this year, and he would not, and did not, let it interfere with his daily responsibilities here and in his district.

We extend our condolences to his wife, Jo Ann, to his children, Elizabeth, Abigail, Victoria, and Katharine, and to his staff who worked with him over the years. The Transportation Committee and this House have suffered a great loss and we will truly miss BILL EMERSON.

I urge passage of S. 1903.

Mr. RAHALL. Reclaiming my time, I thank the gentleman for his explanation and I join him in supporting this bill.

It is indeed fitting that the least we can do to honor BILL EMERSON is to name the bridge that is to be constructed in Cape Girardeau in his memory.

Sine 1980, BILL EMERSON served with great distinction on the Public Works and Transportation Committee, now known as the Committee on Transportation and Infrastructure, working on behalf of the people of the Eighth Congressional District of Missouri.

In fact, a particular bridge we are naming in his honor today has been a priority transportation improvement project for him, and funds were earmarked for it in the National Highway System designation bill that I managed in the last Congress when I served as chairman of the Surface Transportation Subcommittee.

As we all know and have heard today, Mr. EMERSON, our dear friend, was a gentleman, a great legislator, a family man and a friend to all of us. His memory will stay with us for many years.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Missouri.

□ 1745

Mr. VOLKMER. This is something that BILL EMERSON worked on for about 10 years, and working together, he with a bridge in Cape Girardeau, I with a bridge in Hannibal, both across the Mississippi, and also with the Chouteau Bridge in Kansas City. Bill was instrumental in bringing this all about and this is a very appropriate designation in his honor.

I can remember back when I was out at the Cape with others in April, his mom made me promise that when we got the bridge in Hannibal they would have a bridge in Cape Girardeau, and that is happening. And BILL is going to have the best view of anybody. As his mother said, "Bill will have the best view of this bridge than anybody else." Bill, good luck.

Mr. RAHALL. Continuing my reservation of objection, Mr. Speaker, I yield to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Speaker, I thank the gentleman for yielding, and I am delighted this bridge is going to be built and now named after BILL EMERSON. I did not know BILL EMERSON real well up until last year. We did not serve on the same committees, we were not neighbors and things, but let me just tell my colleagues a little bit. We both got cancer at the same time. Mine was operable and, thank goodness, I am just about cured and doing well. But our friendship developed over this. We compared notes on getting chemotherapy. It is strange.

He used to tell me all the time, "You are going to get better, NORM; you are going to get better." Thank God, he was right. And I kept telling him he was going to get better. He did not get better.

There is something here that I want Members to understand. At one time I made a speech on the floor and started crying that I was very fortunate that I was able to get prescreening, and when they were taking the prescreening out of the Medicare it did not bother me because I could afford to get prescreening. But it is so important to find this dreaded disease early. We put it back in now, the leadership put it back into the budget, which I am very grateful for, and it should have been basically in honor of BILL EMERSON. It is a dread disease.

But I would like to say something else. I know we are not supposed to talk about some of the things that we get in the House, but there is a doctor downstairs, a Dr. Eisold, who came up here every night to check on BILL and I to see how we were doing at the late hours. And BILL and I talked about that and were go grateful just for the caring. They cared, and that was important. And BILL cared.

I used to tell him sometimes at 10 o'clock at night, I said, "BILL, why don't you go home?" He said, "Why don't you go home? I said, "Well, you know, people are paying me." He said, "They are paying me, too, and I am going to stay here. I am going to stay here." And I tell my colleagues he stayed when he could hardly breathe, and it showed courage. I just cannot say what a loss this is.

I give my sympathy to his family, to a very great and courageous person.

Mr. RAHALL. Mr. Speaker, continuing under my reservation of objection, I yield to the gentlewoman from Missouri [Ms. DANNER], a member of our Committee on Transportation and Infrastructure.

Ms. DANNER. Mr. Speaker, it is and has been my privilege to serve on the Committee on Transportation and Infrastructure with our late friend BILL EMERSON. Many of us will remember the song that was so popular some years ago called "Bridge Over Troubled Waters," and figuratively speaking a lot of times troubled waters seem to trickle down this center aisle separating the two sides of this chamber. BILL served as such an effective bridge when that would happen.

By definition bridges are structures that stretch over divided areas that are best linked together. I believe that is an apt metaphor for BILL EMERSON's service to our Nation. He brought Democrats and Republicans together on so many issues where we really never should have been apart.

It was a real pleasure to have the opportunity to work with him in committee on funding and working on these authorization bills for the three bridges, one which serves his district, one which serves my district, and one which serves the district of the gentleman from Missouri, Congressman VOLKMER.

What really more fitting structure to name after BILL EMERSON than a bridge; he, who, as I said earlier, served as a bridge, and a bridge named in his honor over his beloved Mississippi River serving his deeply loved Cape Girardeau.

Mr. RAHALL. Mr. Speaker, continuing under my reservation of objection, I yield to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I thank the gentleman very much for yielding, and I would like to take this moment to stand and give my sympathy to BILL EMERSON'S family.

As the gentlewoman from Missouri, Ms. DANNER, just said, when I think of BILL I can think of a bridge also. A bridge is strong. It can carry people from one part to the other over the turbulent waters. We could not help but watch BILL EMERSON and know that he was a strong man, physically strong and mentally strong. He was strong like a bridge. He could take any weight and he did not complain.

As we sit and watch each other on the floor of the House, we cannot help but look at people and get to know them, and we understand what makes them. I loved to watch BILL EMERSON, because he was a strong man, a determined man, a proud man. BILL EMERSON liked what he was doing. He was proud to be the Representative from Missouri to the Congress of the United States of America. He was proud to represent his constituents and he was proud to do it in a frame that was positive.

How perfect a bridge is for a man like BILL EMERSON. BILL could take that side of the aisle and this side of the aisle and make a complete bridge going back and forth, working with his people on his side, working with Democrats on this side. I think we all know from what has been said this afternoon, BILL EMERSON was a bridge, a bridge that we all would like to be so that this body could work.

I think BILL EMERSON is the kind of man that all of us want to be, men and women; a woman wants to be like that as a woman and man as a man, because he understood this body. He understood what made it work. He understood one had to go to the committee meetings; he understood one had to do the homework; he understood that a bill was brought to the floor of the House and Members argued what they believed in and what they thought was right, and that was how the work got done. BILL EMERSON represents this body in its very finest form.

As a woman who lost her husband just this year, I want to say to Mrs. Emerson and to BILL'S daughters, right now he is still with you. It is too soon. He has really not gone from you, but you will miss him so, so much. And you have no idea how much you will miss him. But let me say to you today, as we all thank you for letting us know BILL EMERSON, letting him be part of us, as he was you, let me say to you that if it was not for people like you, Mrs. Emerson, and if it was not for BILL'S daughters, we could not have Members of Congress like BILL EMERSON.

Because it is only when a family lets somebody go to Congress and lets them do their thing, lets them submerge themselves in this work, because to be a Member of Congress, to work here and to work at home takes incredible hours, hours away from a beloved wife or husband, hours away from children.

So let me say to the Emerson family, we do appreciate what you did. We do appreciate your letting BILL be with us. He did wonderful things for this country, and you were very kind and generous to let him serve in this body as long as he did. He loved this body as he loved you, and it was all one, as he was a magnificent Member of Congress.

Mr. RAHALL. Mr. Speaker, continuing my reservation of objection, I am glad to yield to the gentleman from Florida, [Mr. DIAZ-BALART].

Mr. DIAZ-BALART. Mr. Speaker, on Sunday at church I mentioned to some ladies before mass began that a dear colleague in Congress was gravely ill and that it seemed that he would soon leave us. I knew not then that BILL EMERSON had passed away the day before, on Saturday. I told those ladies at church that our colleague was a very special man, a very, very good man, who always uplifted our spirits even if by exchanging just a few passing words on the floor of this House.

Mr. Speaker, what a privilege it was to have been able to work with BILL EMERSON. I know that we all pray for him in the firm belief that he is now in paradise and I am truly thankful for the opportunity to have know him.

Mr. SHUSTER. Mr. Speaker, I rise in strong support of this bill to designate the "Bill Emerson Memorial Bridge" in honor of our colleague who passed away this past, Saturday June 22.

BILL was a valuable member of the Transportation and Infrastructure Committee who understood the critical role of infrastructure in our society today. So it is particularly appropriate that this replacement bridge in Cape Girardeau, MO—which BILL worked to secure funding for—is to be named in his memory.

Over the many years we served together on the Transportation Committee, I came to appreciate BILL's dedication to our issues. He was a hard worker and a Member you knew you could count on when the chips were down.

BILL always spoke his mind and was not afraid to take a stand on tough issues that he believed in. He remained true to this convictions and yet knew how to compromise in order to achieve his goals.

BILL first came to Washington at the age of 15 when he was appointed a page in the House. After serving as a congressional staffer and in the private sector, he ran for Congress and won the 1980 election. While in the House, he also served on the Agriculture Committee, which was of great importance to his southeastern Missouri district.

The quick action on the part of both the Senate and the House in passing this legislation is a true indication of the respect and admiration we all feel for BILL.

I want to express my sympathies to BILL's family—his wife, Jo Ann, and his daughters, Elizabeth, Abigail, Victoria, and Katharine.

BILL will be missed here in the House. In recognition of his many years of dedicated service, I urge the House to approve this bill to name the "Bill Emerson Memorial Bridge."

Mr. RAHALL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MCINNIS). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BILL EMERSON BRIDGE.

The bridge, estimated to be completed in the year 2000, that replaces the bridge on highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, shall be known and designated as the "Bill Emerson Memorial Bridge".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in section 1 shall be deemed to be a reference to the "Bill Emerson Memorial Bridge".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1903, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3675, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Ms. GREENE of Utah, from the Committee on Rules, submitted a privileged report (Rept. No. 104-633) on the resolution (H. Res. 460) providing for consideration of the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PRIVILEGES OF THE HOUSE—INSTRUCTING COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO IMMEDIATELY TRANSMIT REMAINING CHARGES AGAINST SPEAKER GINGRICH TO OUTSIDE COUNSEL

Mr. JOHNSTON of Florida. Mr. Speaker, pursuant to rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas the Constitution of the United States places upon the House of Representatives the responsibility to regulate the conduct of its own Members;

Whereas the House has delegated that responsibility, in part, to the Committee on Standards of Official Conduct, which is charged with investigating alleged violations of any law, rule, regulation or other standard of conduct by a Member of the House;

Whereas the Committee on Standards of Official Conduct has failed to discharge that duty with regard to serious allegations of wrongdoing by the Speaker of the House;

Whereas, although an outside counsel has been appointed to investigate the Speaker, the Committee has failed to allow that outside counsel to investigate serious charges concerning the Speaker's political action committee, GOPAC, and its relationship to several tax-exempt organizations;

Whereas a formal complain concerning these charges has been languishing before the Committee for more than six months;

Whereas new evidence of violations of federal tax law—in addition to the information contained in the formal complaint—has also been recently reported by investigative journalists around the country;

Whereas the failure to take action on these matters has raised serious questions about the impartiality of the Committee on Standards of Official Conduct, now, therefore, be it

Resolved, That the Committee on Standards of Official Conduct is hereby instructed to immediately transmit the remaining charges against Speaker Gingrich to the outside counsel for his investigation and recommendations.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Chair in the legislative schedule within 2 legislative days of its being properly noticed. The Chair will announce that designation at a later time. In the meantime, the form of the resolution proffered by the gentleman from Florida will appear in the Record at this point.

The Chair is not at this point making a determination a to whether the resolution constitutes a question of privilege. That determination will be made at the time designated by the Chair for consideration of the resolution.

GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commission, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, and that I be permitted to include tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3666.

□ 1759

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, with Mr. Combest in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California [Mr. Lewis] and the gentleman from Ohio [Mr. Stokes] each will control 30 minutes.

The Chair recognizes the gentleman from California [Mr. Lewis].

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

As we begin this evening's debate relative to the fiscal year 1997 VA-HUD and independent agencies appropriations bill, I ask my colleagues' indulgence for just a moment so I might offer a few thoughts myself regarding our dear friend, Bill Emerson. It occurred to both the gentleman from Ohio, Louis Stokes, my ranking member, and myself, that Bill Emerson would very much appreciate the work that has been done by this subcommittee and the fashion in which this bill will be discussed in the House this evening.

Above and beyond all things in the House, Bill Emerson cared about public policy and solving problems with a spirit of nonpartisanship. Indeed, my colleagues, I can say, as we have gone forward with the work of this subcommittee, that spirit has been alive and well and it is the likes of Bill Emerson who indeed have created an environment that will hopefully extend itself throughout the rest of this legislative year.

As was evident by the remarks of a number of our colleagues this evening, Bill Emerson certainly was a man who was loved and respected by both sides of the aisle. He loved the Members on both sides and they loved him. That quality is especially rare in this day and age where partisanship almost for the sake of partisanship too often dominates the scene in our Nation's Capital. Bill Emerson was first and foremost, as has been said by colleague after colleague, a man of the House.

He began his work here, in 1954, as a page. He was on this floor the day bullets rang out on the House floor, a bullet hole remains in one of these drawers to this very day. Any Member who wishes can come and examine one of Bill's experiences.

Through the years, Bill Emerson helped to shape the history of this place as Members see the House of Representatives as an esteemed body. Most importantly, he never forgot his roots or the people who elected him overwhelmingly to represent them for 8 terms.

Beyond that, BILL was a Member who recognized that partisanship indeed should have its limits. He could be tough as nails, either within the committee or here on the floor, engaging in debate, defending his point of view, but BILL EMERSON recognized that partnership should always stop either at the committee room door or, indeed, when all of us leave this floor.

That is a lesson we can all learn from. I must say that BILL EMERSON has been one of my best and truest friends in the House, in spite of the struggles that he personally has been facing. Through the good times and these most difficult times, BILL has always been there to offer his heartfelt support. Regardless of his problems, he had time for yours.

Over the years, our families have grown to be very close. It was past 2 a.m. Sunday morning that his daughter Abby called Arlene and I to share the news of his passing with us. To say the least, our hearts and prayers go out to Jo Ann and Abby and the rest of their wonderful family.

Mr. Chairman, it is my hope and wish that as we consider this bill today, we will conduct ourselves in a manner that is worthy of the legacy of BILL EMERSON.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I thank my distinguished chairman of the subcommittee for yielding to me.

Mr. Chairman, I would like to associate my remarks at this time with those of my distinguished chairman. BILL EMERSON was truly one of the finest men I have ever been privileged to serve with in this body. In the words of the gentleman from California [Mr. LEWIS] he was truly the epitome of what bipartisanship represented in a body of this sort.

BILL was the type of person who you knew loved this institution, who was devoted to it and to its Members. He had had a very distinguished career here, having served both as a page and then as a very distinguished legislator in this body.

I recall last week that I saw him on about three different occasions. I recall late one night, when we were working, that he came in in a wheelchair and we came in on the first floor level, and took the elevator up together. And I asked him, I said, Bill, how are you doing? He said, "Oh, I am doing OK." And he said he was on a new type of chemotherapy and taking the radiation. He said, "But I am going to be all right."

And I think it was that type of formidable fortitude that BILL represented. He was always in good spirits, always of a positive demeanor and someone who never gave up.

In the same sense that the gentleman from California has mentioned, the way Mr. EMERSON approached his responsibilities here in a bipartisan basis, I think that is the way we think of him. BILL put the institution first and he devoted himself to policies of the institution and to the people who serve here. Whenever one passed by him, or had a chance to talk with him, he was cheerful. He was someone who you grew to not only like but really respect highly and to love and admire and respect.

So not only has this institution lost one of the finest men to ever serve here, the Nation has indeed encountered a great loss. All of us who served with him in this body will certainly remember him.

I appreciate the gentleman giving us the opportunity to share our thoughts about BILL EMERSON.

Mr. LEWIS of California. I thank my colleague, the gentleman from Ohio, LOU STOKES.

Let me say, Mr. Chairman, that indeed my work with LOUIS STOKES this year on this bill has been a return to a spirit that he and I have experienced for a number of years working together. As we all know, there was a very significant change after the last election; some of us were surprised at it. LOU may have been, but I can tell you that I was too in many a way. Having the privilege to serve as chairman of the subcommittee, I was both excited, but also I found it very difficult, and challenging. In many ways it was a painful process.

Indeed with the revolution came a difficult adjustment that caused all of us in our new roles to look at where we had been. To suggest that last year's appropriations process was comfortable for either Mr. STOKES or myself would be to suggest some kind of fantasy land. It was a painful process, especially for me.

I want Members to know that this year we have been operating in a different environment. LOU STOKES and I have long been very, very close friends and are most pleased to say that we have produced a product that very much reflects the bipartisan spirit that was a part of the life of our colleague who we have all shared thoughts about today.

So, Mr. Chairman, I am very pleased to present H.R. 3666, the VA-HUD independent agencies appropriations bill for the fiscal year 1997. I do not intend to speak very long today because this bill, as it did in the subcommittee and the full committee markup, should draw wide bipartisan support on the floor.

As most of my colleagues know, this is a departure, as I have suggested, from last year's process. But in a different spirit, we bring this bill to you tonight. As it stands, the bill provides $64.3 billion, that is billion dollars, in discretionary budgetary authority and is $3.2 billion less than the administration's request for the 20 agencies that fall within the subcommittee's jurisdiction. It is a fair and equitable bill.

This legislation reaffirms our commitment to serving our veterans as they have served us, to protecting the environment, to caring for the poorest of the poor, to ensuring America's future leadership in space. Most importantly, it keeps the appropriations process on track for meeting the objective clearly stated by both the Congress and the administration of balancing the budget by the year 2002.

This is a bill that the President can and should sign. Like last year, we begin the process this year by reviewing every program and every budget from the bottom up. We examine what works and what has not worked in every agency under our responsibility. We asked NASA to begin prioritizing its programs, for example. We began to scrutinize the manner in which the VA is delivering care and services to our veterans. We did all of this and more and have succeeded in identifying many areas where we could make reductions in the rate of growth of spending, a key ingredient towards balancing the budget shortly after the turn of the century.

Through this long and sometimes difficult process, this subcommittee alone has identified some $14.8 billion, $14.8 billion of taxpayers' savings since we began looking at these agencies and the responsibilities and their spending levels stemming back to the year 1995.

It has been well advertised in the press that this subcommittee received a large increase in our 602(b) allocation relative to last year. What has not been well advertised is the fact that our prior year outlays over which we have virtually no control have also been increased some $1.8 billion between 1996 and 1997. In addition, the Congressional Budget Office has rescored a number of major accounts, particularly VA and EPA, which has resulted in large outlay increases even though budget authority has remained relatively constant.

All of this is to say that we have looked at each program as carefully as possible and are attempting to make slight but meaningful reductions where appropriate while providing as close to the 1996 or budget request levels wherever possible.

With the indulgence of our colleagues, I would like to take just a moment to detail the highlights of this bill. We have provided the full budget request of over $17 billion for VA medical care. This represents an increase of $444 million over the 1996 level and is the only substantial increase over the 1996 level in the entire bill. One of our amendments will make some adjustment in that.

We have also provided the budget request of 1996 levels for elderly and disabled housing, housing for people with

AIDS, drug elimination grants, public operating subsidies, severely distressed public housing, and virtually every other major program at HUD.

In addition, I will be offering shortly an amendment to restore $300 million to the Community Development Block Grant Program, bringing CDBG funding to the full budget request level. We have provided $19 million over the 1996 level for EPA's programs, including increases for science and technology, their programs and management and Superfund. The clean water State revolving fund and the environmental grant programs available to the States and tribal governments are also fully funded.

The space station and the shuttle program under NASA are fully funded. In addition, we are providing $1.2 billion for the Mission to Planet Earth Program.

Mr. Chairman, this subcommittee has made a concerted effort to refrain from including controversial legislative provisions in spending bills this year. I am sure the chairman will be pleased to hear that.

In this vein, all of my colleagues know of the struggle we went through regarding language in last year's bill. And they, too, will be pleased to know that there are no environmental legislative provisions which will draw controversy to this bill.

In spite of a number of difficult challenges in putting this measure together, our final product represents a balance of common interests as well as tough choices. Let me repeat for the record: On its merits, this is a bill the President can and should sign.

In closing, I want to commend my ranking member, Mr. STOKES, for his willingness to work closely with me in crafting a bill that we can both support. I want further to thank and commend his very capable staff, particularly Leslie Atkinson and Del Davis, for their work. I also want to recognize my own staff, Frank Cushing, Paul Thompson, Tim Peterson, Valerie Baldwin, Doug Disrud, Jeff Shockey, Alex Heslop, and Dave LesStrang, for their many hours of work in putting this package together.

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Together, the gentleman from Ohio [Mr. STOKES] and I have worked to prepare a balanced bill in the name of comity and in the truest sense of bipartisanship. I must say that our colleagues will find before we are through with this process that we believe, and I am sure our colleagues will agree, that the work of this subcommittee does indeed reflect the best of the spirit of our friend and colleague, BILL EMERSON.

Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3666, the fiscal year 1997 appropriations bill for the Departments of VA-HUD-independent agencies. The bill being considered in the House today is a far cry from the bill considered last year for the fiscal year 1996. At the outset, I want to express my appreciation to the gentleman from California. [Mr. LEWIS], my friend, the distinguished chairman of the subcommittee, for the good faith efforts and bipartisan spirit in which he approached this year's deliberations. This was central to our ability to work together to produce a bill which each of us can point to and find a basis to support.

One of the major concerns I had with last year's process was the fact that the traditional bipartisan approach to fashioning appropriations bills in the Committee or Appropriations was basically nonexistent. I am pleased to state to the House that at least on this subcommittee, we have brought this bill to the floor as a cooperative bipartisan measure. I also want to express my appreciation to the subcommittee staff, Frank Cushing, Paul Thomson, Tim Peterson, Valerie Baldwin, Bud Dezrine, and Jeff Shockey, for the cooperation they have accorded me and my staff. I also want to express my appreciation to Del Davis and Leslie Atkinson, my staff, for their outstanding work.

Mr. Speaker, as the chairman noted, this is not an easy bill to bring to the floor. It never is. It is a tough bill. There are several areas of this bill which are troublesome, and these are the areas in which the chairman and I are not in agreement. However, the chairman and I are committed to continuing to work together as this bill moves through the entire legislative process.

Now, let me speak to a few of the areas in this bill that I believe are important to highlight. As it relates to veterans, the bill provides the President's request for medical care, and medical and prosthetic research. Additional funds have been granted for the construction of State extended care facilities, and the National Cemetery System receives necessary funds for its operations.

As my colleagues are well aware, over the years no area has caused me greater concern in this bill than that of housing. I feel very strongly about our commitment to these programs, and I considered some areas to be deficient after markup. Among those areas lacking sufficient funding was the Community Development Block Grant Program, and, as the gentleman has already mentioned, we will consider the chairman's amendment which addresses our mutual concern in this area.

Another issue for which I have expressed my concern is the proposal to restructure section 8 contract renewals that are oversubsidized and whose contracts expire in fiscal year 1997. There is no doubt that this issue will be key to how much funding HUD programs receive overall in the future, not to mention all other programs in this bill. After numerous meetings, discussions with the Department and outside groups, and debate at markup, the chairman has decided to withdraw the proposed legislative provision on this issue. We will discuss this action during the debate on amendments.

With regard to housing, there are also the issues of no new section 8 incremental vouchers, and reduced funding for section 202 elderly and section 811 disabled housing.

One main difference in this year's bill is the absence of antienvironmental riders that created contentiousness and, later, floor motions and ultimately a veto of last year's bill. The Environmental Protection Agency [EPA] is funded at 93 percent of the budget request, compared with 67 percent of the request recommended last year.

There are, however, some concerns over the reductions to important administration priorities, like the toxic release inventory, the environmental technological initiative, and climate programs. These troublesome areas hopefully will be changed as the bill moves forward.

Other areas in this bill that are problematic and that the administration deems objectionable are the reductions To the President's request for the Community Development Financial Institutions Program, NASA's Mission to Plant Earth, and the Corporation for National and Community Service. There is also the elimination of the Office of Consumer Affairs. These are all areas I hope to see improved.

I want to again thank the gentleman from California [Mr. LEWIS] for his leadership on this bill. It is my intention to support the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], the majority whip.

Mr. DeLAY. Mr. Chairman, I thank the gentleman from California [Mr. LEWIS] for yielding this time to me, and I appreciate all the work that he has done and the ranking member has done in bringing this bipartisan bill to the floor. So, I rise in support of the fiscal year 1997 VA-HUD appropriations bill. As is the case each year, the diversity of programs in this bill requires many difficult funding choices, from veterans' medical care, to housing for the elderly, to Superfund, and the exploration of space.

Once again, the chairman and ranking member of this subcommittee have done yeoman's work in crafting a bill that addresses many of the priorities of the American people and of the members of this House.

One of those very important priorities is NASA. NASA is one of the few agencies in this bill where our taxpayer dollars are invested in the future of this country. So, I am very pleased that the space station and the shuttle programs are fully funded. The shuttle program is in the process of transitioning to the private sector under a prime contract structure to the United Space Alliance and eventually to privatization.

The space station is now at a very exciting point; it is just 16 months away from launch of the first element. Undoubtedly, however, we will continue to see misguided attempts to kill or wound this program later as we consider some of the amendments to this bill, but I am confident that these attempts will fail by the same large margins demonstrated by the House on the authorization bill just a few weeks ago because the American people are solidly behind this critical program.

So, Mr. Chairman, this is a good bill, and it deserves the support of the members of this House. I urge my colleagues to join me in approving its passage.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. GONZALES], the ranking minority member of the Committee on Banking and Financial Services.

Mr. GONZALEZ. Mr. Chairman, I rise in qualified support for H.R. 3666 which makes the appropriations for the fiscal year 1997 for VA, HUD, and independent agencies. I offer qualified support because I continue to be deeply troubled by the severe budgetary limitations on domestic discretionary spending, particularly for the most vulnerable and working families in favor of providing tax cuts for the wealthy. These rigid and mean-spirited limitations sadly find me and many of my colleagues cheering when the housing programs in H.R. 3666 simply hold their own and do not face any deeper cuts than they faced last year.

That is the situation. Thankfully, the circumstances surrounding consideration of the bill today are vastly different from those last year. In a strange twist, I actually commend this bill to my colleagues. It takes a very bad hand dealt from a shorted deck to the Committee on Appropriations and turns it into a winning hand so far. I hope that as the legislative process continues that this bill will improve. I say this because funding for critical housing and community development programs remains level or slightly increased from last year. That includes public housing operating subsidies, severely distressed public housing so that public housing eyesores can be demolished and public housing and neighborhoods revitalized; drug elimination grants, the modernization program, the HOME program, and the CDBG program. However, I must note that modernization, HOME, and CDBG funds have to cover programs that previously had their own line items.

It also provides section 8 assistance to cover families displaced from public and assisted housing and for replacement housing. The bill also provides funding to renew section 8 tenant-based assistance contracts, although for just 1-year terms.

H.R. 3666 is devoid of authorizing language that should be developed by the Banking Committee. Indeed, the chairman of the HUD–VA Appropriations Subcommittee has graciously agreed to strike some 17 pages of legislation that had been reported by the committee on the very complicated issue of section 8 portfolio restructuring because he knows that only the authorizing committee can do this important legislation justice. Only the Banking Committee can balance all the disparate interests of the tenants, the owners, the communities, and the Federal Government in preserving as much affordable housing as possible, reducing the costs to the Federal Government, reasonably protecting the financial investments of the owners, and protecting the tenants from unnecessary displacement.

That having been said, there are, however, I must say, two glaring deficiencies in this bill. For the second year in a row there is absolutely no new money for incremental section 8 housing assistance, even in the face of continued evidence that greater numbers of very low income families and the working poor are finding it ever more difficult to find affordable housing. Some 5.3 million Americans have "worst case" housing needs, so I find this unconscionable.

The bill also fails to provide sufficient funding for homeless assistance programs. Requests for emergency shelter beds rises each year, but families are turned away because of a lack of resources. Of course, the real answer is providing sufficient funding for affordable housing, permanent housing as well as transitional and supportive housing, which of course this Republican Congress is unwilling to fund.

On balance, however, this bill is about as good as we can get it under our severe and unnecessary budget constraints, and I urge my colleagues to support H.R. 3666.

Mr. LEWIS of California. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KNOLLENBERG], a member of the committee.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of the bill. I also thank the gentleman from California [Mr. LEWIS] for yielding, and I want to begin by commending the gentleman from California for all of his hard work. Shepherding an appropriations bill through this legislative process is not easy, and yet he has done it with diligence and impartiality. I would also like to thank my good friend, the gentleman from Ohio [Mr. STOKES], and his subcommittee staff for all the extraordinary work that they have done on behalf of getting this bill on the floor.

Mr. Chairman, the VA–HUD bill is by its very nature a difficult piece of legislation to move. It is the catchall bill that contains many diverse and competing priorities within its jurisdiction. Its provisions lend themselves more to rumbling acceptance than to enthusiastic support. Some Members will think this bill spends too much, others too little. But I believe that this bill is right on target and was forged in a bipartisan fashion. The bill reflects fiscal realities, but it also leaves room for necessary expansion.

In discretionary spending the bill provides $64.4 billion in budget authority and $78.8 billion in outlays.

☐ 1830

Those who would succumb to complaining about what is not in the bill should think about what is in the bill. For the most part, the bill fully funds the President's request in the areas of health, housing, and education. In fact, roughly $38.8 billion will go to the Department of Veterans Affairs. We can all agree that taking care of our Nation's veterans and their dependents should be our No. 1 priority, and this budget demonstrates our commitment to this end.

During the process of forging the bill, housing has prompted a great deal of heated debate. But I believe that the chairman, the gentleman from California [Mr. LEWIS], again has done his level best to resolve this matter within the ever present fiscal constraints that face the entire subcommittee and Congress as a whole.

While we all have strong opinions about a number of programs, let us not let a heated discussion about this or that program keep us from the business at hand. Instead, let us all agree to maintain the civility that has marked the shaping of this bill, and vote on a good and fair bill.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from California [Mr. BROWN], the ranking member of the Committee on Science.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me this time.

I wanted to take just a minute or two, Mr. Chairman, to make a few comments about the impact of this bill on our Nation's investment in research and development. As we all know, the funding for NASA, NSF, and EPA research within this bill represents a third or more of all the civilian R&D that this Government funds. In general, I want to say that I am satisfied with the balance this bill has struck for the competing priorities which the appropriators have had to deal with. Overall for NASA, NSF, and EPA research, the bill provides $17.4 billion, about $300 million below the request level, which in these times I would consider to be reasonable.

Although the continuing decline in Federal support for R&D is a matter of great concern to me, as it should be to all Members, I am very cognizant that this subcommittee had to deal with a very restrictive allocation. I hope that in the coming year, both sides of the aisle and the White House can come to grips with how we can reverse the spiraling decline in our Nation's R&D development and better use our Federal dollars to stimulate economic growth and productivity in the future.

In fact, there is in my opinion an inadequate understanding in the House, which I have been unable to change, as to the importance of these investments in the future ability of our country to compete in world markets. I think most of us can agree as to the value of research and development in the abstract, but we must actually find a way to accomplish this in the budget process. There are several specific areas that I would like to call attention to in the bill and in the report. First, this bill provides, for the first time, much needed funding for the U.S.-Mexico Foundation.

This is a program authorized some years ago, yet it is only now receiving the funding which was intended. There are many other notable provisions of this bill that certainly deserve recognition.

Despite my overall satisfaction with the bill, I am disturbed over the major reduction to NASA's Mission to Planet Earth Program and the elimination of EPA's environmental technology initiative. I am hopeful that the conference version of this bill will treat these programs more favorably.

Finally, I want to restate my opposition to the practice of unauthorized academic earmarking which I believe subverts the peer review process and erodes the buying power of our science agencies. Unfortunately, we are seeing a resurgence in this practice this session of Congress. I plan on offering an amendment at the conclusion of consideration of this bill which will eliminate one such earmark in NASA for the Museum of Natural History in New York.

I bear no hostility towards this fine institution nor the concept of providing Federal dollars to science educational initiatives. Indeed I am reintroducing legislation that would make this a fair and equitable process and allow it to operate within the guidelines of the Federal procurement process. In this case, however, this project was not requested, it was not authorized, it has not been peer reviewed, it will not go through the competitive award process, and it bears no relationship to the NASA mission. It is also a sizeable sum which I believe can be better used for other more legitimate purposes. I hope my amendment receives the support of my colleagues.

Once again, I want to commend the chairman, the ranking member, and the members of the Subcommittee for their work on this bill.

Mr. LEWIS of California. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN], a very diligent and loyal member of our subcommittee.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in support of the bill.

Mr. Chairman, I want to thank the gentleman from California [Mr. LEWIS], the chairman of the committee, the ranking member, the gentleman from Ohio [Mr. STOKES], and the subcommittee staff for their leadership and guidance. Our bill contains funding for many vital programs for our Nation's veterans to protect and preserve our environment, to help house the needy and disabled, and for scientific research and discovery. It has been a difficult task balancing all the national priorities contained in this bill. However, I believe we have achieved this goal, and I am proud to support the final agreement.

In total, our bill provides over $848 billion for the Department of Veterans Affairs, Housing and Urban Development, and 17 independent agencies and offices. Specifically, the bill provides funding for two very important programs that I am very pleased to support and that I have actively worked on throughout the hearing process: first, the Superfund Program; and second, the program dealing with housing for people with disabilities.

This bill dedicates $1.3 billion for the Superfund Program. All of us know, especially those of us from New Jersey, how important this program is. For the second time in the 104th Congress, this committee has earmarked the most money ever for remediation, over $900 million. This money will go a long way towards our commitment to clean up these priority sites, and should be adequate funding to move the sites through to completion. The time has come to reauthorize this program and move the process forward. This bill allows this to happen.

In addition, Mr. Chairman, this bill recognizes the importance of providing housing for people with disabilities. The committee has, for the first time, earmarked $50 million for tenant-based rental assistance to ensure that there is decent, safe, and affordable housing in the community for low-income people with disabilities. Access to housing in the community is the cornerstone for independence, integration, and productivity for people with disabilities, the three hallmarks of the philosophy of the disability community. This bill strongly supports these principles, and I believe these extra dollars will empower the community and help them achieve their goal of living with dignity and independence.

Mr. chairman, I am proud, as a member of this committee, of the work of this committee and I am pleased with the final product. I urge all my colleagues to support it.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Texas [Mr. EDWARDS], the ranking member of the Subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs.

Mr. EDWARDS. Mr. Chairman, I would first like to commend the chairman of the committee, the gentleman from California, Mr. LEWIS, and the ranking member, the gentleman from Ohio, Mr. STOKES, for carrying on the spirit of decency and civility from the life and spirit of BILL EMERSON, whom we honored just a few moments ago on the floor of this House.

Mr. Chairman, I rise in support of this bipartisan legislation, and I also want to pay special note to my support of the Hefner amendment, which will be discussed in a few moments, dealing with the Office of the Secretary of Veterans Affairs. A number of major veterans service organizations have endorsed this amendment, and that is one reason why I hope it will pass on a bipartisan basis. Without this amendment, this bill, in my opinion, would micromanage the Office of the Secretary of Veterans Affairs.

This amendment, the Hefner amendment, simply lets the VA Secretary manage his own office in a responsible manner within his given budget. I believe Secretary Jesse Brown has earned that right. He is a combat-wounded veteran, a marine who has served his Nation with honor and dignity. In time of war he put his life on the line for his country. In time of peace he has served our Nation's veterans.

I understand that some Members of Congress, and I respect this, feel that Secretary Brown has sometimes been too strong or perhaps too partisan in his advocacy for veterans. Personally, I believe Secretary Brown has been an outstanding leader and voice on behalf of veterans, but I believe the Secretary would be the first to say that he fought in combat to defend our right to debate his service. Mr. Speaker, I believe that debate should occur in the Presidential campaign of 1996 and not in the management of the VA Secretary's office, and in a way that, intentionally or not, could hurt our Nation's veterans.

I would like to include for the RECORD letters from a number of the veterans service organizations supporting the Hefner amendment, including letters from the VFW, the Disabled American Veterans, letters from the Paralyzed Veterans of America, and the Vietnam Veterans of America.

The material referred to is as follows:

VETERANS OF FOREIGN WARS,
THE EXECUTIVE DIRECTOR,
Washington Office, June 24, 1996.

Hon. BILL HEFNER,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN HEFNER: On behalf of the more than two million members of the Veterans of Foreign Wars of the United States, I wish to thank you for offering an amendment to the Department of Veterans Affairs' FY '97 Appropriations, which will bring the funding level for the "Office of the Secretary" to that of the Administration's request.

The language to the FY '97 appropriations bill limits salary and travel costs for the Office of the Secretary—at the FY '96 restricted levels of $50,000 for travel and $3.026 million for personal compensation. These restrictions have placed an unprecedented burden on the Secretary's office. The personnel ceiling does not permit the Centers for Women Veterans and Minority Veterans to fill critical vacant positions. Reducing the travel budget by two-thirds would undermine the Secretary's ability to manage and lead the second largest department in the government.

Also, as an advocate for veterans, the Secretary would be unable to attend activities and events associated with medical centers, regional offices, and veterans service organizations, which ultimately impacts on employees, veterans and their families. In addition, the Deputy Secretary, VA's Chief Operations Officer, is also affected by these travel cuts limiting his ability to carry out his oversight responsibilities. Six mandated advisory committee meetings totaling $158,000 in travel funds cannot be scheduled under this restriction.

Again, the VFW thanks you for offering this crucial amendment.

Sincerely,

JAMES R. CURRIEO,
Executive Director.

DISABLED AMERICAN VETERANS,
Washington, DC, June 24, 1996.

Hon. W.G. (BILL) HEFNER,
House of Representatives
Washington, DC.

DEAR CONGRESSMAN HEFNER: The Disabled American Veterans strongly supports your efforts to amend the fiscal year 1997 appropriations bill for VA, HUD and Independent Agencies to strike out travel restrictions the bill would impose on the Secretary of Veterans Affairs.

Presumably, these travel restrictions were placed on Secretary Brown because of his outspoken opposition to the Republican balanced budget plan which he characterized as devastating for the VA health care system. More recently, Secretary Brown likewise characterized the Administration's balanced budget proposal as devastating for VA's health care system. Obviously, Secretary Brown's singular purpose is that of advocacy for our Nation's veterans, and such advocacy is bipartisan in nature.

These travel restrictions severely hamper Secretary Brown's ability to execute his duty to oversee VA's nationwide operations. In addition to the Secretary's inability to attend many veterans' service organizations' National Conventions, because of these cuts, activities of the Center for Minority Affairs and the Center for Women Veterans have also been significantly curtailed.

Naturally, this Nation's veterans are very concerned when members of Congress attempt to squelch the voice of those who speak for veterans' interests.

The DAV has prepared a draft letter to be sent to the Republican leadership in the House and Senate expressing objections to this ill-advised action. This letter has been provided to the other Congressionally chartered veterans' organizations along with a request that they join the DAV as signatories.

The DAV sincerely appreciates your efforts to correct this injustice against Secretary Brown and America's veterans. Please feel free to share this letter with your colleagues.

Sincerely,

THOMAS A. MCMASTERS III,
National Commander.

PARALYZED VETERANS OF AMERICA,
Washington, DC, June 24, 1996.

Hon. W. G. (BILL) HEFNER,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HEFNER: On behalf of the members of the Paralyzed Veterans of America (PVA), I strongly support your amendment to H.R. 3666, the Fiscal Year 1997 VA, HUD, Independent Agencies Appropriations bill which will provide that the Secretary of Veterans Affairs expend travel funds beyond the arbitrary limit, $50,000, established for fiscal year 1996.

It is essential that the VA Secretary have the ability to travel throughout the VA system, beyond an imposed cap but within the limits of appropriated funds, if the Secretary is to ensure that the VA is addressing the needs of veterans. Regardless of the rationale for the current cap, *it is incumbent that the head of a system comprised of 171 hospitals, hundreds of outpatient clinics, a nation-wide system of benefits offices and cemeteries, and over 220,000 employees is not restricted from personal contact and oversight of operations.*

Again, on behalf of the members of PVA and all veterans, I commend your efforts to amended H.R. 3666 and encourage all members of the House of Representatives to support your actions to afford the Secretary of Veterans Affairs adequate access to funding for travel to ensure that the operations of the VA and the needs of veterans are adequately addressed.

Sincerely,

GORDON H. MANSFIELD,
Executive Director.

VIETNAM VETERANS OF AMERICA, INC.,
Washington, DC, June 24, 1996.

Hon. BILL HEFNER,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HEFNER: On behalf of Vietnam Veterans of America, I commend you for your initiative in proposing an amendment to the FY 1997 VA, HUD and Independent Agencies Appropriation bill to eliminate the limit on the Secretary of Veterans Affairs' travel. VVA shares your concern for the programmatic effects this restriction poses.

As the primary advocate for the establishment of the VA Center for Minority Veterans and the Center for Women Veterans, VVA has serious concerns about the restriction of the Secretary of Veterans Affairs Affairs' travel. Travel activities for these Centers falls under the Secretary of Veterans travel account. The current bill/report language will have the unfortunate effect of debilitating these programmatic activities. Both offices aim to direct policy and outreach efforts to their respective unique, under served veterans communities. VVA is very concerned that the hard-fought efforts to create these offices will be fruitless if there is insufficient funding.

Additionally, the VA Advisory Committees on Minority Veterans and Women Veterans also require funds from the Secretary's travel accounts in order to meet and do business. These consumer panels were established by Congress to advise the Department on policy matters. Unless the language restricting the Secretary of Veterans Affairs' travel is stricken, these committees will likely be unable to meet their statutory reporting obligations.

VVA supports your amendment, Representative Hefner, and would further advocate that additional funds be allocated to the VA General Operating Expense (GOE) accounts. Without additional funding, the Secretary of Veterans Affairs will continue to face these travel restrictions—not by law, but by lack of funding. Eliminating the restrictive language will provide additional flexibility, but may force the Secretary to make difficult choices, such as cutting funding for the aforementioned programs or cutting Veterans Benefits Administration (VBA) staffing which would result in an increase in the already unconscionable claims backlog.

Thank you again for your efforts to improve services to our nation's 27 million veterans.

Sincerely,

KELLI WILLARD WEST,
Director of Government Relations.

In conclusion, Mr. Chairman, I hope this amendment will be supported on a bipartisan basis. I want to thank the chairman of the committee for his leadership on this legislation, for his support for veterans, and for his consideration of the Hefner amendment.

Mr. STOKES. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY], the distinguished ranking member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services, one of the leading voices and leaders in the field of housing.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all let me thank my good friend, the gentleman from Ohio [Mr. STOKES], for his kind words. I also want to pay tribute to my friend, the gentleman from California [Mr. LEWIS], the chairman of the committee, for their attempts to try to fashion a compromise on this very, very tough piece of legislation.

I also want to take a brief moment to acknowledge the tremendous contributions, as the gentleman from Georgia, Mr. LEWIS, did to BILL EMERSON, who was an individual I, as well as many other people in this Chamber, thought the world of. He obviously told me, and even in his most recent days, talked about the fact that some of the care he got came from some of the doctors that took care of members of my family, and he shared that with me and other members of our family. He was just one of the finest and most caring individuals that I think we have all had the pleasure of serving with, and we will all very, very much miss him. I wish the best to his wife and to all of his family.

I think BILL would also understand the fact that there are still going to be differences and divisions, and as a fighter, BILL EMERSON was second to none. We have to continue the fights that are going to be taking place in this country, particularly I think as a result of some of the things that go on in this bill.

I do commend both the chairman of the committee, the gentleman from California [Mr. LEWIS], and the ranking member, the gentleman from Ohio [Mr. STOKES], for their efforts to deal with a very, very bad situation. The situation is very clear. In this legislation we see the HUD budget cut by over $2 billion, the VA budget cut by over $40 million, the EPA cut by $500 million, the science portion by $72 million , and the CDFI Community Development Financial Institutions, by over $80 million.

The long and short of it is that both sides of the aisle have done a good job at trying to deal with an impossible situation. The truty is that if we look at what this bill does to housing, it debastates housing. It devastates a budget that was cut by over $8 billion last year cut an additional $2 billion this year. We essentially are saying to the poor, whose numbers are growing, by every single major study that has been done, whose housing needs are critical, we no longer are providing shelters to csome of the most volunerable people in this society. The number of homeless people are rising. Yet this bill cuts the funding for homeless programs.

This is a crazy situation. We cannot sit here and pump $13 billion more into the defense bill than the Joint Chiefs even request and then come to the chairman of the committee and the gentleman from Ohio and ask them to deal with a budget that just simply does not have enough mony in it.

People say, well, you are against the space station or against FEMA, because they are the only funds left to take any money out of to support housing programs. I am not against the space station. I am not against FEMA, and I am sure the two gentleman are not, either, but the truth of the matter is that there is just simply not enought money to get the job done to look after the housing needs of the most vulnerable Americans.

Mr. STOKES. Mr. Chairman, I am pleased to yield 1 minute to my distinguished colleague, the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I rise to thank Chairman LEWIS and the ranking member, the gentleman from Ohio, Mr. STOKES, and the gentlewoman from Ohio, MARCY KAPTUR, on the Committee on Appropriations, and most importantly, the 600,000 veterans and their families in northeastern Ohio for their support for a new veterans cemetery in Guilford Township, Medina County, OH.

Ohio has only one national cemetery. It is located in Dayton, in southwestern Ohio, over 200 miles from the 600,000 veterans who live in northern Ohio. The Dayton cemetery is expected to reach its 35,000 gravesite capacity in less than 2 years. Once filled, Ohio will be without an active national cemetary. These veterans and their families will be faced with a choice of cemeteries in Pennsylvania, Indiana, or Michigan, all places too far to visit the gravesites of loved ones.

The veterans of northeastern Ohio who braved fire on the beaches of Normandy and the jungles of Vietnam risked everything so our children and grandchildren could live free. By providing the necessary funds to begin the work on this cemetery, we can offer a small down payment on the tremendous debt we owe these people.

Again, special thanks to the chairman of the committee, the gentleman from California [Mr. LEWIS], and the ranking member, the gentleman from Ohio [Mr. STOKES], for their support of this cemetery.

Mr. STOKES. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I thank the ranking member, the gentleman from Ohio [Mr. STOKES], for yielding time to me.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Ohio [Mr. LEWIS], chairman of the committee. First of all, I want to thank both the chairman and the ranking member, the gentleman from Ohio, for including language in the committee report highlighting the situation that exists in my district in the D.J. Jacobetti home for veterans located in Marquette, MI.

As Members know, I testified before the chairman's subcommittee last month on a serious situation at the Jacobetti Center due to the antiquated and undependable boiler and heating systems. Over the past few winters veterans residing at the Jacobetti home have had to be moved from their rooms because the temperature in their rooms would often drop to as low as 40 degrees. It is almost ironic that the same veterans who nearly froze during World War II will now be virtually frozen out of their rooms at a veterans' home. This is no way to treat our country's veterans. With outside temperatures in my district which can drop as low as 30 degrees to 40 degrees below zero during winter in the Upper Peninsula in Michigan, and snow levels at times exceeding 300 inches of snow in a season, I thank our colleagues and I thank them for understanding the need to make these badly needed repairs at the Jacobetti State Veterans Home a priority project.

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Clearly, such situations occurring year after year present a serious problem when it comes to the health and safety of veterans who reside at this home.

I am pleased that funding for this fiscal year 1997 calls on the Department of Veterans Affairs to place projects involving health and safety concerns on a higher priority. This change in priority is the right thing to do for countless numbers of veterans.

I am also pleased with the level of funding being provided, over $47 million, which is equal to the funding provided in fiscal year 1996 for State extended home care construction.

I would say to the gentleman from California [Mr. LEWIS] that I seek the support of his panel in working with Secretary Jesse Brown and the authorizing committee in assuring that the VA's review of State extended medical care facilities follow through on the mandate contained in this funding measure.

I am asking for or the support of the chairman of the subcommittee, the gentleman from California [Mr. LEWIS], and the gentleman from Ohio [Mr. STOKES], the ranking member, in working with Secretary Brown and the authorizing committee to assure that the VA's follow through on this.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, first, let me say to the gentleman that I very much appreciate his concern as well as his support for the work that we are trying to do in this committee. I will certainly be glad to work with the gentleman regarding this matter.

I appreciate the gentleman's commitment. I want the gentleman to know that I also want to extend my thanks beyond his effort to his colleagues, the gentleman from Ohio [Mr. STOKES], of course, and the gentleman from Michigan [Mr. KNOLLENBERG], for their assistance on this important matter for veterans in the State of Michigan. We appreciate the participation and help of the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I thank the gentleman from California [Mr. LEWIS].

Mr. STOKES. Mr. Chairman, I am pleased to yield 3 minutes to the gentlewoman from Ohio [Ms. KAPTUR], the very distinguished and hard-working member of the Subcommittee on VA, HUD and Independent Agencies.

Ms. KAPTUR. Mr. Chairman, I wish to thank the dean of the Ohio delegation and the ranking member on the subcommittee for yielding me this time. I want to acknowledge his diligence and wise counsel during consideration of the entire measure, and I would also like to commend the distinguished chairman of our committee, the gentleman from California [Mr. LEWIS], for being so very easy to work with during the last several weeks on this bill.

I ask unanimous consent that my entire set of remarks be placed in the RECORD.

Mr. Chairman, I want to commend this distinguished chairman of our committee, the gentleman from California [Mr. LEWIS], for his cordial handling of this very complicated bill. I also want to acknowledge the diligence and wise counsel of the ranking member, the gentleman from Ohio [Mr. STOKES], on this bill.

INTRODUCTION

The programs under our committee's jurisdiction provide assistance and benefits that help millions of Americans achieve a better life. Included are programs for medical care and benefits for our Nation's veterans, affordable and decent housing for families and individuals of all incomes and circumstances, a safe and clean environment, and investments in technology and science. In addition, this bill also continues to fund one very big-ticket item, the space station, at the expense of other programs under the committee's jurisdiction, including ones designed to assist the poorest, the neediest, and the most vulnerable among us.

For the second year in a row, two programs, which I strongly support and will vigorously work to ensure the task for which they were intended, are carried out by the corresponding agency have not been funded in this bill: the John Heinz Neighborhood Development Program and the Health Professional Scholarship Program.

JOHN HEINZ NEIGHBORHOOD DEVELOPMENT PROGRAM

The John Heinz Neighborhood Development Program was authorized in the Housing & Community Development Act of 1992. It awarded Federal matching funds to nonprofit community-based organizations involved in neighborhood revitalization and economic development activities.

The program spurred local initiatives by hundreds of community-based development organizations in concert with the private sector and empowered local communities to address specific needs of their neighborhoods. Typically, 90 percent of the financing needed by the nonprofit neighborhood organizations is raised within the community itself by creating a partnership between the nonprofit neighborhood organizations and the business community. And most importantly, it built the technical capacity for small nonprofit neighborhood organizations to assist in the revitalization of their community. There are no narrowly delineated directives from the Federal Government about what specific projects qualify for the matching funds.

National competition assured that Federal help was based on merit. For every grant received there were four applications submitted. The maximum grant awarded is $75,000. Currently under HUD, there is no one program designed to perform the task of the JHNDP—to assist small nonprofit neighborhood organizations revitalize their own communities. In this age of empowering our communities to make decisions at the local level, this program does exactly that. It devolves responsibility in the hands of those who can make the differences. The JHNDP allows nonprofit neighborhood organizations the flexibility to tell us in Washington what is important to them, not vice versa.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Last year, I was grateful for the chairman's willingness to work with me to fund the Health Professional Scholarship Program. This program assisted in assuring an adequate supply of trained health care personnel for the VA and the Nation. To date, the program has awarded more than 4,000 scholarships to students in nursing, occupation therapy, physical therapy, respiratory therapy, and nurse anesthesia. It was successful in providing a continuous stream of academically prepared health care professionals for VA employment. Upon graduation, students are required to complete 2 years of service in the VA health system, and the retention rate of scholarship recipients in VA medical centers is greater than 50 percent.

The flexibility to provide scholarships for the education of a variety of health professionals made this program particularly useful as changes have occurred in the delivery of health care services. As the program identified shortages in particular categories of health professionals, the numbers and types of scholarship awards have been shifted accordingly.

The restoration of this program is vital to the recruitment and retention of scarce health professionals in the VA, and it is necessary to be responsive to the health care needs of veterans who have courageously defended this Nation. The men and women who have served in our Armed Forces deserve nothing less. Unfortunately, once again this vital program has been eliminated. I am hopeful that I can work with the VA to maintain the concept of this vital program.

OHIO VA CEMETERY

I am pleased to note that the bill funds the completion of the design phase of the VA cemetery in Guilford Township, OH, for the over 600,000 veterans and their family members, who are eligible for burial in a national veterans cemetery, who live in northeastern Ohio. Many of these individuals are World War II and Korean war veterans. The closest veterans cemetery is located near Dayton approximately 2 hours south of Cleveland. With this cemetery nearing capacity, many veterans groups believe that with the construction of a new cemetery, that Ohio veterans and their families will better be served by our Nation.

DRUG ELIMINATION GRANTS

I am pleased this year the subcommittee was able to fully fund the drug elimination grants for public housing. Drug elimination grants, which were pioneered by Jack Kemp while he was HUD Secretary, are provided to public housing agencies and Indian housing authorities to promote safe housing communities by ridding them of drugs and drug-related crime. In my own district, the Toledo, OH, Police Department saw a dramatic decrease in drug activity in areas with public housing as a result of these grants.

CONCLUSION

I also want to point out the excellent job that some of our smaller independent agencies are doing like Neighborhood Reinvestment Corporation and American Battle Monuments Commission.

I would merely say here that there is no question that the jurisdiction of this committee provides assistance and benefits that help millions of Americans achieve a better way of life, whether it is veterans, whether it is affordable housing, whether it is a clean environment; also investments in new technology and science, including space science.

I want to thank the chairman also and the ranking member for including the drug elimination grants which we fought so very hard for, making sure that those were incorporated in this year's measure, certainly for the veterans cemetery in Ohio, and I do wish to express concern about the Health Professional Scholarship Program and its importance.

I would like to engage the chairman in a colloquy regarding the importance of the activities that had been funded under the John Heinz Neighborhood Development Program. This program, which has not been authorized, spurred local initiatives by hundreds of community-based development organizations in concert with our private sector, as well as provided technical assistance for small nonprofit neighborhood organizations to assist in the revitalization of their community. Though the administration has not requested funds for this program, nor has it requested authorization for this program, nevertheless, in this age of empowering our communities and their people to make decisions at the local level, this program devolved responsibility into the hands of those who can really make a difference.

The John Heinz Neighborhood Development Program allowed nonprofit neighborhood organizations the flexibility to tell us in Washington what is important to them, not vice versa, and I know that the chairman agrees with this philosophy and would like to encourage it.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, let me say that I very much appreciate the gentlewoman's expression of concern about the items that are part of this bill, but particularly the commitment and direction she is attempting to have us all give to the John Heinz Program.

The gentlewoman is correct about my own view regarding that work as we have seen it demonstrated so far. I know that this program has done a very credible job in empowering local communities to address the specific needs of their neighborhoods. I believe it is very important to move in precisely that direction.

The CHAIRMAN. the time of the gentlewoman from Ohio has expired.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

The HOME Program and the Neighborhood Reinvestment Corporation are two programs that cater to nonprofits and Community Development Corporations that have successfully changed neighborhoods in tangible, real ways.

The CDC's that utilize the John Heinz Program are eligible to apply for these funds.

Additionally, the CDC's are eligible also for funding from CDBG, a program that we will be replenishing further later in our discussions this evening.

Despite its popularity and flexibility, however, the CDBG program should be more aggressive bout encouraging these very types of partnerships and monitoring whether CDBG funds are spent on eligible activities and assist low and moderate income families.

I pledge to the gentlewoman that I intend to address this concern as this legislation moves through the appropriations process. I want to thank her very much for brining this matter to our attention.

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Chairman, I thank the chairman and look forward to working with him to find a solution to assist nonprofit entrepreneurial neighborhood organizations and the revitalization of their communities across our country.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, before the gentlewoman leaves the podium let me say that beyond just the John Heinz Program, in which we both see a good deal of promise, I want my colleagues to know that the gentlewoman has been a very helpful member of our subcommittee and has made considerable contribution to our work. We appreciate that same spirit of which we have felt a reflection this evening. It is pleasure to work with the gentlewoman.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman, and I thank the ranking member for yielding me time.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Minnesota [Mr. VENTO], the distinguished ranking member of the Subcommittee on Financial Institutions and Consumer Credit.

Mr. VENTO. Mr. Chairman, I thank the ranking member for yielding me this time.

Mr. Chairman, I rise in support of H.R. 3666, the VA, HUD, and independent agencies appropriations bill. This fiscal year 1997 bill is an improved bill in comparison to the radical bill passed by the majority party of the House last year. The measure carries forward the long sought compromise that extended debate midway into this 1996 fiscal year. I remain concerned, however, that it remains wholly out of step with people, priorities and shared sacrifice which should characterize reductions in spending necessary to achieve sound fiscal balance. I do pragmatically understand, however sadly, that the votes in this Congress simply do not reflect American public opinion and values much less the need.

On the whole, the bill basically maintains the status quo with 1996 levels of spending; that is levels established after serious cuts of between 20 and 30 percent were made to housing and homeless programs in 1995–96. I am pleased at the continued funding for the drug elimination grant program for public and assisted housing. EPA funding is below the administration's request by nearly half a billion dollars. A strong and cost effective community program, AmeriCorp, is not eliminated but is severely underfunded by this appropriations bill. Perhaps the only "safe" programs are those within the Department of Veterans Affairs which has available most $39 billion. Even in this instance, we must acknowledge the greater needs for veterans and these programs. Despite funding less than administration requested, positive increases in VA medical care and major construction of VA facilities are achieved.

As a senior member of the authorizing committee for housing programs, I have grave concerns about a bill that maintains about $4 billion worth of cuts from fiscal year 1995 levels and undercuts the administration's request by $2.3 billion while at the same time continuing to provide $5.3 billion to NASA for human space flight, the space station, in its 10th reincarnation. Like so many before it, this appropriations bill continues to place deficit reduction on the backs of the most vulnerable Americans—the poor, the homeless, and even our elderly.

Later, I will join my colleague, Mr. JOSEPH KENNEDY, the ranking member of the Housing Subcommittee, in offering two amendments: one to restore funds to the McKinney homeless assistance programs at HUD to the pre-rescission 1995 level, and the other to restore a long-time policy to have incremental—or new—section 8 assistance in place to serve new housing and shelter needs. Each amendment is a good faith attempt to put a dent in the number of households that have worst case housing needs. HUD reports to us that some 5.3 million people who do not receive housing assistance are underhoused or are paying much too much of their income to be housed. By treading water, this bill's allocation for HUD espouses a policy of inadequate and limited help for people in need of housing assistance. The Kennedy/Vento amendments should be supported if we are to reverse course for homeless and housing assistance spending.

Although total spending for the Environmental Protection Agency is slightly higher than last year's level, the proposed sum is nearly half a billion dollars under than the President's request. In addition, funding is cut by $1.5 million for the key Community Right to Know Program, which makes information about toxic pollutants available to the public. I will certainly support the Durbin amendment to restore that funding and give the American people access to information about pollution affecting their communities.

As this bill is written, $861 million appropriated for Superfund money can be used only if the Superfund Program is reauthorized. Reauthorization looks unlikely at this time, so I will also support efforts to ensure that all the funds designated for Superfund toxic waste clean ups are available without conditions. We must continue the clean up now, not delay it. The American people want clean air and pure water, and EPA Superfund funding is the one of the most important means by which we achieve those goals.

I do want to note my strong support for the $50 million of funding for the Neighborhood Reinvestment Corporation and for the continued funding, albeit limited, of the Community Development Financial Institutions Program. Both of these represent good public private partnerships that would be penny wise and pound foolish to further cut or deny. I also note that the FEMA Emergency Food and Shelter Program has been level funded at $100 million for fiscal year 1997. Here again is an essential program that is a very successful partnership that should be pursued as vigorously as possible.

Mr. Chairman, while this bill is a better bill, a less contentious bill, than last year's initial House-passed measure, I am concerned that this bill could have far reaching effects as cuts are masqueraded as level funding amounts. The trick is seeing the reality of those cuts compared to a 1995 baseline. What I see is a continued reality of human deficits and environmental tragedies that will not be assuaged or fooled by the funding in this bill.

The infamous series of dozens of riders, environmental mostly, has not reappeared for the most part. Apparently the majority has backed off for now. We should completely scrub this final measure of such policy changes. Although I do not support every aspect of the bill and have grave misgivings about some of the programs funded, I will support the bill based on where we have been and the realization that further changes will be made in the House, Senate and in the final form that is presented to the President.

Mr. LEWIS of California. Mr. Chairman. I yield 3 minutes to the gentleman from Maryland [Mr. GILCHREST] for the purpose of a colloquy.

Mr. GILCHREST. I thank the chairman for yielding me time.

Mr. Chairman, I rise to engage in a colloquy with the gentleman from California [Mr. LEWIS]. As the chairman knows, my concern is for the construction funding for Perry Point VA Medical Center in Maryland. It has been quite exemplary in treating some of our tragic victims of war. Many of them, as a result of the conflicts they have experienced, have come down with very serious psychiatric problems.

The facility was made up of buildings that were designed and constructed during the 1930's and 1940's. Many of these buildings have received little renovation since then. This much-needed construction will address concerns of appearance, quality and efficiency, while meeting serious handicap accessibility standards, patient privacy standards, and replacing these aging utilities.

More importantly, there are current fire and safety deficiencies that will be corrected as a result of this project. Unfortunately, funds for this project are not included in the bill before us, despite its being a longstanding priority. These funds are needed for renovation of psychiatric wards that care for some of the most vulnerable veterans in our society, some who suffer from dementia-related illnesses.

It is my understanding that the omission of Perry Point as a major construction project has nothing to do with the merit of the project, and it would be my hope that the chairman might give this project further consideration now and before the conference.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. GILCHREST. I yield to the gentleman from California.

Mr. LEWIS of California. The gentleman is correct. The Perry Point VA Medical Center was a priority in fiscal year 1996. However, it never received any funding. The administration did not include Perry Point VA in its fiscal year 1997 budget. I recognize the gentleman's concern and I can assure the gentleman that I will work with him to seek funds for this project as we continue in the process.

Mr. GILCHREST. I thank the gentleman.

Mr. BARR of Georgia. Mr. Chairman, I rise in strong support of the amendment of the distinguished chairman of the subcommittee on Veterans, Housing and Urban Development, Mr. LEWIS, to increase total funding for the Community Development Block Grant Program [CDBG] in the fiscal year 1997 VA-HUD appropriation to $4.6 billion. Raising the overall appropriation to $4.6 billion is consistent with the commitment to the CDBG Program undertaken in the last session when it was spared from difficult budget cuts.

Last year during consideration of the fiscal year 1995 rescissions appropriations bill, working with Chairman LEWIS, I agreed to withdraw amendments designed to restore funding to the CDBG Program with the understanding the funding would be restored in the conference committee with the Senate. Chairman LEWIS was instrumental in seeing to it that commitment was met. Similarly, during negotiations on the fiscal year 1996 appropriation, and graciously accepting input from me and others supportive of the $4.6 billion funding level for the CDBG Program, Chairman LEWIS ensured that the fiscal year 1996 program was approved without cuts.

I am proud today to support Chairman LEWIS again in our joint efforts to maintain funding for this important program. For 22 years the Community Development Block Grant Program has been recognized as a model for success. It has been one of a precious few, Federal programs, that has successfully moved people from dependency to productivity and independence.

The CDBG Program has provided a flexible mechanism for channeling Federal funds for local investments in community development and revitalization activities. The point is local officials are making their own decisions about local priorities, and achieving far greater success than had those decisions been mandated by Washington bureaucrats.

In my own district, the CDBG Program has been instrumental in the provision of many much-needed projects such as senior citizens centers, public health facilities, mental health centers, shelters for abused children, day care centers, job training and housing improvement activities. Without CDBG, most of these critically important facilities and services would simply not be available today.

The people of Georgia and local officials have made great use of the CDBG Program over the years, and they will continue to do so. It is among the most successful of all block grant programs and perfectly in keeping with our efforts to take power and money from the Washington bureaucrats and return both to local officials, who know the needs of their communities and who are directly accountable to the people they serve.

In closing, let me once again thank the distinguished Chairman for his leadership on this issue and for hearing the support of people of Georgia's Seventh District in offering this amendment. I urge my colleagues to support the chairman and pass this amendment. CDBG funding makes it possible for people back home to break cycles of dependency and to provide for themselves and their families.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to remind the Republican majority of the people who will be forgotten in this appropriation measure.

The 15,000 homeless families and the 20,000 families on the waiting list for public housing for the city of Houston need more than this legislation offers. The 23,641 students taught, and the 49,632 youth helped through violence prevention programs run by thousands of AmeriCorps workers is a testament to the vital role they play in our communities around the country. Breathable air and safe clean drinking water are our Nation's greatest undervalued resources. The important scientific and technological resource that NASA represents for our future is underfunded.

On the streets of our Nation's cities reside thousands of homeless people, but this legislation would expand housing certificate programs with no guarantee of recipients finding an affordable place to live. With the documented reality of housing discrimination and red lining, this appropriation bill does not provide sufficient funding for programs to educate the general public on identifying housing discrimination and the penalties for violating these laws or enough funding for enforcement of this Nation's fair housing laws.

According to the Coalition for the Homeless of Houston (and) Harris County, women and children comprise 49 percent of the 1996 emergency shelter population in the city of Houston. The coalition also reported that the number of emergency shelter beds increased by 0.4 percent from 2,338 in 1995 to 2,438 in 1996. A study on homelessness conducted by the McKinsey & Company, revealed that on any given night about 10,000 people in Houston and Harris County are literally homeless. In Harris County alone, the McKinsey Report further asserted that there are 150,000 individuals who are marginally homeless who depend on family friends to keep them from falling into hopelessness. However this legislation forces programs like the Space Station to be pitted on Homeless Funds. We simply need more funding for the homeless without cutting space station jobs. It can be done.

AmeriCorp is another issue that concerns me. It is the one and only chance for many of its participants to obtain a college education. It has been under attack from the early days of the 104th Congress for being inefficient. The truth is that among the numerous independent studies this year, including the one by the conservative Chicago School economists sponsored by three private foundations confirmed that investments in national service programs are sound, yielding from $1.54 to $3.90 for every dollar invested. In fact, a 1995 GAO report concluded that AmeriCorps almost tripled the amount $31 million that Congress directed them to raise by raising $91 million.

We must also carefully review this bill because there are Members of this body who have had photo-ops painting themselves green by planting trees, using recycled paper, adopting a highway, or visiting zoos when their true environmental legislative color are closer to a rusk colored brown, evidenced by the treatment of Environment Protection Agency [EPA] funding.

The record of the 104th Congress, the first Republican-controlled Congress in 40 years, has proposed reduced funding for water improvement grants and elimination of funding for environmental technology initiative [ETI]. This type of legislative approach to the environment would decimate our Nation's need to stay ahead of the threats to clean, safe drinking water.

The ETI was announced by President Clinton in his first State of the Union address on February 17, 1993. The ETI is an intergovernmental effort led by the Environmental Protection Agency with a mission of improving the levels of health and environmental protection by accelerating the development and use of innovative environmental technologies.

Elimination of this program means that this Government will not be active in the development of environmental technologies. According to the Environmental Business International [EBI], a private industry analyst, there was an estimated $134 billion generated domestically in 1992. The global market will grow from a 1992 sum of nearly, $300 billion, to as much as $500 billion by the year 2000.

This industry could mean billions for our economy if this body had the backbone to say "no" to political convenience.

Exports of environmental technology create high-wage jobs. Research shows that for every $1 billion worth of exports, 15,000 U.S. jobs are created; with a 5 percent increase in U.S. environmental technology exports, and estimated 362,000 new jobs would be created.

Clean, safe drinking water is one of the most precious commodities this country can own. With the passage of the EPA appropriation bill, as it is written, that sad refrain "water, water everywhere but not a drop to drink," could become one step closer to reality for too many residents of our Nation. Further two areas in my district, Kennedy Heights and Pleasantville, need Super Fund help and EPA monitoring of toxic contamination in their neighborhoods.

Lastly, NASA allowed our Nation to see the future and say that it was ours. It is the program that made national heroes out of America's engineers and scientists. NASA gave us the will to follow our own creative zeal which resulted in special projects that have lead to technological innovation in food preservation, medical research, and the environmental sciences.

I would like to say that I am not opposed to a reasoned well-planned appropriations process where the benefits and costs are weighted carefully before legislation is brought to the floor for action. The taxpayers of this Nation deserve no less than our best efforts.

I urge my colleagues to carefully consider their vote on this bill.

Mr. BEREUTER. Mr. Chairman, this Member rises to express his thanks to the distinguished subcommittee chairman, Mr. LEWIS, and the distinguished ranking Member, Mr. STOKES, For their efforts in bringing this bill before us today.

This Member is particularly pleased that H.R. 3666 includes $3 million in funding for the Indian Housing Loan Guarantee program at HUD. This very modest sum will guarantee the private financing of nearly $37 million in housing loans for Indian families. As you know, Mr. Chairman, there is a severe lack of decent, affordable housing in Indian country, due in large part to the lack of private financing in Indian country. This program provides a substantial means of bringing much needed private financing to Indian country. This very limited Federal funding is money well spent, and this Member commends the appropriators for including it in this measure.

The appropriators also should be commended for increasing an inadequate initial allocation for VA and HUD programs. However, this Member is still seriously concerned with a number of provisions in the HUD portion of this bill, specifically first, the restructuring of the section 8 project-based housing program which is also know as mark-to-market, which should be subject to hearings and legislation in the appropriate authorizing Committee second, the dramatically reduced funding levels for the section 202 and section 811 housing programs, and third, the reduction in Community Development Block Grant [CDBG] funding levels. This Member is pleased to learn that Chairman LEWIS is planning on striking the mark-to-market provisions during consideration of the bill. This will allow the authorizing committee adequate opportunity to investigate the issues.

Mr. Chairman, this Member is supportive of the amendment to be offered by Chairman LEWIS to raise the funding for CDBG to the fiscal year 1996 enacted level. CDBG is a Federal program which provides grant funds directly to large cities or indirectly to other communities through a State agency, for community development projects. The House Committee on Banking and Financial Services, on which I serve, has the oversight and authorization responsibilities for all HUD programs, including CDBG; therefore, I am interested to see these funds used effectively for eligible purposes.

Additionally, this Member would like to express his support for the amendments to be offered by Representative LAZIO increasing funding to the section 202 and section 811 programs. Although inadequate levels were requested by the administration for these programs, Congress must ensure sufficient funding to protect America's seniors and disabled.

Mr. Chairman, this Member is pleased that the legislation includes $12.5 million for rural water training and technical assistance. This is clearly a most cost-effective and beneficial Federal program aimed at assisting small and rural water systems to comply with Federal regulations and improve public health. In every State, on-site technical assistance is the backbone of small system compliance. Small systems have limited funds to operate and to comply with the Safe Drinking Water Act [SDWA]. Through technical assistance, small communities work together to conduct a statewide, peer-oriented, grassroots assistance program. In addition, through rural community assistance programs, multistate regional technical assistance providers provide assistance to small communities across the country on drinking water and waste water compliance issues.

Small communities simply do not have the engineers, the laboratories, and the other necessary technical and financial resources of large cities that are needed to meet Federal requirements. Such technical assistance allows America's small communities to help each other outside of the regulatory bureaucracy. This results in a growing number of small systems moving into SDWA compliance. This leads to steady improvement in water quality and a long-term solution to public health problems.

Mr. OLVER. Mr. Chairman, I rise in support of the Lewis amendment to restore $300 million to community development block grants [CDBG] which would bring this account back up to last year's funding level and the level of President Clinton's request for fiscal year 1997.

CDBG funds are very important to the larger communities in my district. My district is mostly rural. The largest city, Pittsfield, has a population under 50,000. CDBG money is critical for my [CDBG] entitlement communities of Fitchburg, Holyoke, Leominster, Pittsfield and Westfield.

But Massachusetts has also created a great new system for funding called [CDBG] mini-entitlements.

Under this plan, 16 additional communities will be able to count on CDBG funds for 2 years. These communities do not automatically receive annual funds under the Federal block grant. But they have received competitive CDBG money through the State for at least 3 out of the last 5 years.

Under this new plan, the communities of Gardner, Greenfield, North Adams and West Springfield, in my district, will receive up to $600,000 each to carry out projects that make or create jobs, improve infrastructure or provide better housing or social services to the community. These projects could be, for example, water and sewer upgrades, handicapped accessibility, development of downtown areas, housing rehabilitation, revolving loan funds for business development, or the creation of child care facilities.

These communities hope to have a 2-year CDBG commitment to carry out their improvement plans. But that commitment depends on the Federal level of CDBG funding.

I urge my colleagues to support this amendment and to support sound community development.

Mr. EWING. Mr. Chairman, I rise in strong support of language included in the committee report on H.R. 3666, the fiscal year 1997 VA–HUD appropriations bill, concerning activities within the U.S. Department of Housing and Urban Development to move toward Federal regulation of the property insurance industry. I strongly oppose any effort to weaken or delete this report language and urge the Appropriations Committee to keep this language during negotiations with the Senate.

HUD has undertaken several activities to involve the Federal Government in the so-called issue of redlining, including investigations of insurance companies and providing funds to liberal special interest groups to prepare studies, which I believe are highly questionable, concerning redlining. HUD has no statutory authority to be involved in this area, and under the McCarran/Ferguson Act regulation of insurance is the responsibility of the States. Furthermore, the Fair Housing Act never mentions discrimination in property insurance and does not give HUD the authority to get involved in this area. The States are exercising the authority they were given under McCarran-Ferguson to address redlining problems where they exist, and Illinois in particular has been vigilant in this matter. There is no reason for HUD to get involved in this State matter.

I strongly support the committee's report language concerning HUD's involvement in redlining issues and thank Chairman LEWIS and Rep. JOE KNOLLENBERG for their continued work on this matter.

Mrs. VUCANOVICH. Mr. Chairman, I rise today in strong support of H.R. 3666, the VA-HUD-independent agencies appropriations bill for fiscal year 1997. Preparation of this bill took a lot of sweat and tears and I thank the chairman and his tireless staff for putting this bill together.

Why is this a good bill? It's a good bill because it provides $84.3 billion in new budget authority, but keeps us on track toward reaching a balanced budget.

It's a good bill because it increases funding by $444 million for medical care for veterans. The bill also fully funds veterans compensation and pensions, readjustment benefits, insurance and several other veteran programs.

H.R. 3666 also ensures funding for housing of our Nation's elderly and disabled. It maintains funding for severely distressed public housing, homeless assistance grants, and drug elimination grants.

In addition, the bill makes a commitment to our communities, providing $1.4 billion for the clean water State revolving fund and $450 million for safe drinking water grants.

Last, this bill maintains our Nation's commitment to exploration in space. Like the Sun coming up every day, we tend to take space exploration for granted. Yet, NASA continues to make great strides, including a liftoff last week of the space shuttle *Columbia* where experiments are being conducted to study changes in the human body in weightlessness.

Mr. Speaker, this bill is not perfect—but then again—nothing is. The chairman and the subcommittee are committed to continue working to see improved funding levels for the community development block grant program which is important to localities. I offer my assistance to the chairman in this effort.

This year was a challenging year, but one which brought forth good results. H.R. 3666 is one of these results, and I urge my colleagues to support this bill.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise to again voice strong objections over rampant Republican extremism manifested in proposed cuts and decreased spending levels for the Departments of Veterans Affairs and Housing Urban Development.

There is little doubt that most of us want a more streamlined and efficient Government. We want to make sure that our Government spends taxpayers' resources responsibly and frugally, but some of my colleagues on the other side of the aisle are being remiss in their duty as legislators as they continue their efforts to force the restructuring the Government services—Republican style—by making destructive, irrational and ineffectual cuts in spending.

While I fully understand the overwhelming constraints facing the House during this year's appropriations process, I also understand the critical needs of my constituents of the Seventh Congressional District.

H.R. 3666, the Republican's VA–HUD, and Independent Agencies appropriations for fiscal year 1997, has a total of $84.3 billion in fiscal year 1997—2 percent more than the fiscal year 1996 funding level, but $3.2 billion, or 4 percent less than requested by the administration—for programs and activities of the Veterans Affairs and Housing and Urban Development Departments, and for independent agencies including the Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation, and Federal Emergency Management Agency.

We must make certain that the agencies charged with administering certain vital services, are able to responsibly and effectively carry out their mission. Falling short of this goal will certainly prove detrimental to the safety and well being of our citizens.

My constituents call daily to say they oppose decreased funding for the Community Development Block Grant by 10 percent in fiscal year 1997. In fact, Chicago's Mayor Daley recently contacted me to pass along his thoughts about the Republican cuts.

The Community Development Block Grant program is exactly the kind of program this Congress should be holding up—and preserving—as a model for how partnerships between the Federal, State, and local governments should operate.

John H. Stroger, Jr., President, Cook County Board of Commissioners, also predicted that the reduction of $1,579,100 under H.R. 3666, would translate to many of our low income constituents not receiving needed assistance for housing rehabilitation, senior citizen facilities and services, and neighborhood improvements. Definitely unacceptable cuts indeed!

Mr. Speaker, cuts in veterans benefits also impacts my district. The bill before us today has a total of $38.8 billion in fiscal year 1997 for programs and benefits provided by the Veterans Affairs Department.

By the year 2010, the majority of our veterans will be over the age of 62, while the fastest growing veteran population today is over 80 years of age. It is estimated that about 2.9 million patients will receive VA medical treatment in fiscal year 1997. This is a matter of grave concern to me, because many veterans in my district depend on veterans compensation as a sole source of income. But equally important, these veterans also need their eligibility for access to adequate health care.

Mr. STOKES. Mr. Chairman, I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

The amendment printed in section 2 of House Resolution 456 is adopted.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman for the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The clerk will read.

The Clerk read as follows:

H.R. 3666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198); $18,497,854,000, to remain available until expended: *Provided,* That not to exceed $26,417,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further,* That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55).

□ 1900

Mr. STOKES. Mr. Chairman, I move to strike the last word.

Would the distinguished chairman of the subcommittee be willing to respond to a few questions regarding the language in the committee's report discussing the Fair Housing Act?

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield, I would be pleased to join in a colloquy with my colleague from Ohio. Mr. STOKES.

Mr. STOKES. I thank my chairman.

The committee conference report contains language expressing the committee's concern that HUD not duplicate the State's regulation of property insurance. However, it is the view of many members of the committee, that HUD does not regulate insurance. The Department does not now and will not approve rate filings or underwriting guidelines, set licensing procedures, address financial matters related to solvency issues, or perform any of the standard functions now performed by State regulators.

As the Fair Housing Act requires, HUD presently investigates complaints of unlawful discrimination that violate the act in the provision of property insurance, enforces the act as it applies to insurance, and has promulgated regulations that apply the act's prohibitions against discrimination to property insurance.

Nor do the actions of HUD duplicate laws and regulations of the States that address unfair discrimination in property insurance, as asserted. The fact is that while most State insurance codes address issues pertaining to unfair discrimination, these State insurance laws generally lack the scope of protection of the Fair Housing Act: For example, the private right of action in the Federal courts; a HUD investigation to determine if there is reasonable cause to believe a violation has occurred; or a right to damages and representation by the Federal Government in an administrative hearing or in a Federal court.

Although 17 States list various protected groups under the State law, each excludes one or some of the groups protected under the Fair Housing Act.

Mr. LEWIS of California. Mr. Chairman, I understand that there is disagreement among the members of the committee on the issue that the gentleman from Ohio [Mr. STOKES] raises.

Mr. STOKES. Mr. Chairman, is the gentleman from California [Mr. LEWIS aware that members of the committee disagree on two assertions in the committee report? First, the Fair Housing Act makes no mention of discrimination in property insurance, and, second, neither the act nor its legislative history suggests that Congress intended it to apply to the provision of property insurance.

The fact is that both Republican and Democratic administrations, beginning with a HUD general counsel opinion in 1978, have determined that the Fair Housing Act prohibits insurance redlining and discrimination in the terms, conditions, costs, or other aspects of coverage.

Following enactments of the fair housing amendments of 1988, President Bush issued regulations in 1989 explicitly applying the Fair Housing Act to discrimination in insurance. Since then, two Federal courts of appeal have determined that the act's provisions defining discrimination apply to property insurance. In both situations, the Supreme Court has denied a petition to consider the matter, in one case as recently as this year.

While it is true that in the course of considering amendments to the act, Congress has rejected provisions that would explicitly cover property insurance discrimination, the Department testified in hearings that the explicit mention of insurance was not necessary because insurers were already covered by the act as were others, such as landlords, apartment managers, title insurance companies, contractors, housing developers, group home operators, employers who provide financing, and State and local governments.

Mr. LEWIS of California. Mr. Chairman, I am aware that the committee has substantial differences on this issue as well.

Mr. STOKES. May I also assume that my distinguished chairman is aware that some Members disagree with the assertion that the Fair Housing Act prohibition of discrimination in property insurance is barred by the McCarran-Ferguson Act of 1945? The fact is that McCarran-Ferguson states that a Federal law that does not specifically relate to insurance shall be construed so as not to invalidate, impair or supersede any State law regulating the business of insurance.

Circuit court decisions have clearly established the applicability of the Fair Housing Act to discriminatory insurance practices and have not found them to be barred by McCarran-Ferguson. In the most recent appellate decisions on the issue, the Sixth Circuit followed the Seventh Circuit, joining a long line of courts that have upheld HUD's jurisdiction. On May 1, 1995, the court found that "HUD's interpretation of the Fair Housing Act is consistent with the goals of the Fair Housing Act and a reasonable interpretation of the statute. We hold that the McCarran-Ferguson Act does not preclude HUD's interpretation of the Fair Housing Act." The Supreme Court has declined to review these cases.

Mr. LEWIS of California. Mr. Chairman, I do not want to leave the wrong impression for the gentleman from Ohio [Mr. STOKES], for our work has led to a great deal of agreement across the board with a variety and mix of difficult issues, but, yes, I am aware that on this issue there is also substantial disagreement among the Members.

Mr. STOKES. Mr. Chairman, may I also ask, is my colleague aware that, despite the absence of any language in the appropriation measure before us that would restrict HUD's authority to fund activities on furtherance of the Fair Housing Act in its use of FHIP funds, report language that is not supported by many members of the committee could be read to seek to restrict the Department?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. STOKES] has expired.

(By unanimous consent, Mr. STOKES was allowed to proceed for 2 additional minutes.)

Mr. STOKES. Mr. Chairman, it is the intention of this Member and others that the Department have the authority to address all forms of discrimination under the Fair Housing Act, sometimes referred to as title VIII of the 1968 Civil Rights Act, as the Act has been interpreted by the Federal courts.

Mr. LEWIS of California. I am aware, Mr. Chairman, that there is disagreement here, too.

Mr. STOKES. I am concerned that these issues have been addressed in report language without the opportunity for hearings on the matters involved and involving matters upon which there is substantial disagreement between Members. They are an attempt to revise the history of this body to deal with an important substantive issue involving civil rights that are critical to all of our citizens. These issues involve matters which have traditionally been outside the purview of this committee and more properly dealt with in legislation other than appropriation legislation. They deserve the careful debate and consideration that this body has provided to such issues in the past.

I thank my distinguished chairman for participating in this colloquy with me.

Mr. KNOLLENBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to clarify the committee report language regarding HUD's application of the Fair Housing Act to property insurance and to engage the distinguished chairman, if I might, in a colloquy.

First, I think it is important to emphasize that nothing in the committee report either states or suggests that Congress is not fully committed to the eradication of unlawful discrimination in whatever form it may appear. In particular, the report does not suggest that there should be any tolerance of unfair discrimination in insurance. Rather, it specifically emphasizes the importance of the laws and regulations prohibiting unfair insurance discrimination that are maintained by every State and the District of Columbia. The issue dealt with in the report is not whether unfair discrimination by insurers be prosecuted and punished but, rather, who should undertake such prosecution: HUD or the insurance commissioners of the 50 States and the District of Columbia.

As I am sure the gentleman is aware, the Fair Housing Act does not, by its very terms, apply to property insurance. The statute expressly prohibits discrimination in the sale or rental of housing. It also specifically prohibits discrimination in mortgage lending and the services that mortgage brokers provide. It does not, however, mention property insurance at all. There is ample indication in the legislative history of this statute that Congress was intentional in omitting any such reference. First, when the Fair Housing Act was enacted in 1968, it was expressly the view of this House floor that property insurance was excluded from its scope. Second, in the same legislative session, Congress specifically addressed the issue of property insurance availability through a separate law, the Urban Property Protection and Reinsurance Act, choosing that measure, rather than the Fair Housing Act, as the appropriate way to deal with the issue.

Third, while there have been several attempts since 1968 to include property insurance under the umbrella of the Fair Housing Act, each of them failed at some stage of the legislative process. Finally, last year the House voted 266–157 against funding HUD activities involving the application of the Fair Housing Act to property insurance.

Am I correct in assuming the gentleman agrees that the legislative history of this issue suggests Congress never intended the Fair Housing Act apply to the business of insurance?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield.

Mr. KNOLLENBERG. I yield to the gentleman from California.

Mr. LEWIS of California. The gentleman's assumption is correct. The legislative history of the Fair Housing Act demonstrates that Congress has on many occasions decided not to apply the act to insurance.

Mr. KNOLLENBERG. I thank the gentleman.

Mr. Chairman, while the legislative history is quite clear, the situation in the courts is less so. Recently, two circuit courts reached the conclusion that the Fair Housing Act applies to the business of insurance. Those courts strictly followed the doctrine of judicial deference to agency decisionmaking. They apparently felt constrained by the fact that HUD, the agency that was charged with implementing the Fair Housing Act, had declared that the law should be applied to insurance. Rather than contradict HUD, the courts determined that they should follow HUD's rule at least until Congress expressly makes clear that HUD's interpretation is wrong.

Before HUD issued its 1989 rule stating that the Fair Housing Act applies to insurance, the prevailing view in the Federal circuit courts was that the act does not apply to insurance. It was only after HUD's rule was promulgated that the courts decided otherwise. HUD, therefore, was essentially responsible for triggering the court decisions finding that the Fair Housing Act applies to insurance.

Am I correct again, Mr. Chairman, in assuming that the gentleman agrees that the courts have sent mixed signals on this issue?

Mr. LEWIS of California. The gentleman is correct. I have reviewed the information provided to me. The 6th and 7th Circuits found—after the implementation of HUD's rule—that the Fair Housing Act applies to property insurance, while the 4th Circuit found—before the rule—that it does not. I would also say to the gentleman that it is my hope that the Supreme Court will weigh in on this issue so that the uncertainty can be dispelled.

Mr. KNOLLENBERG. I again thank the gentleman.

Mr. Chairman, by its terms the McCarran-Ferguson Act renders any Federal statute inapplicable to the activities of insurance companies, if, one, the Federal statute does not specifically relate to insurance; two, the challenged activity constitutes the business of insurance; and, three, the Federal statute would invalidate, impair or supersede State insurance law. An examination of these factors suggests that the application of the Fair Housing Act to property insurance practices is barred by the McCarran-Ferguson Act. As I previously stated, the Fair Housing Act makes no mention of property insurance. Secondly, the pricing, underwriting and marketing of property insurance policies clearly constitutes the business of insurance.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. KNOLLENBERG] has expired.

(By unanimous consent, Mr. KNOLLENBERG was allowed to proceed for 2 additional minutes.)

Mr. KNOLLENBERG. Finally, Mr. Chairman, the courts have held that a Federal statute will be deemed to invalidate, impair, or supersede State law whenever the State has regulated the same general subject within the business of insurance. Currently, all States specifically forbid unfair discrimination in the issuance or termination of property insurance. Thus, it appears that HUD's activities pursuant to the Fair Housing Act constitute a dual Federal-State system of regulating insurance discrimination, contrary to the letter and spirit of the McCarran-Ferguson act.

Does the gentleman again concur that HUD's application of the Fair Housing Act to insurance is fundamentally at odds with McCarran-Ferguson?

Mr. LEWIS of California. If the gentleman will yield further, I would say to the gentleman, his contention that application of the Fair Housing Act to property insurance runs counter to Congress's intent embodied in the McCarran-Ferguson Act is reasonably founded.

Mr. KNOLLENBERG. Mr. Chairman, I thank the distinguished gentleman for engaging me in this colloquy.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,227,000,000, to remain available until expended: *Provided*, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $38,970,000, to remain available until expended.

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $105,226,000, which may be transferred to and merged with the appropriation for "General operating expenses".

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $33,810,000, which may be transferred to and merged with the appropriation for "General operating expenses".

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during 1997, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct loan program, $80,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $195,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $49,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $1,964,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $377,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $205,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); $17,008,447,000, plus reimbursements: *Provided*, That of the funds made available under this heading, $570,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1997, and shall remain available until September 30, 1998.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 1998, $257,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; $59,207,000, plus reimbursements.

TRANSITIONAL HOUSING LOAN PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8, which shall be transferred from the "General post fund": *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000.

In addition, for administrative expenses to carry out the direct loan program, $54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $823,584,000: *Provided*, That of the amount appropriated, and any other funds made available from any other source for activities funded under this heading, not to exceed $3,206,000 for personnel compensation and benefits and $50,000 for travel shall be available in the Office of the Secretary: *Provided further*, That during fiscal year 1997, notwithstanding any other provision of law, the number of individuals employed by the Department of Veterans Affairs (1) in other than "career appointee" positions in the Senior Executive Service shall not exceed 6, and (2) in schedule C positions shall not exceed 11: *Provided further*, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

☐ 1915

AMENDMENT OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HEFNER: Page 10, line 10, strike "; *Provided*, That" and all that follows through "Secretary" on line 15.

Mr. HEFNER. Mr. Chairman, I hope this amendment will not take that long.

This restriction was placed in the fiscal year 1996 omnibus bill and it has caused problems. It harms the veterans and when our Secretary would like to visit different areas of the country. I will place in the RECORD a letter listing the people that are supporting this: The American Legion, the Paralyzed Veterans, the VFW, Vietnam Veterans, and the DAV. I would hope that the committee would see fit to accept this amendment, which I think helps the bill tremendously.

The letter referred to is as follows:

THE AMERICAN LEGION,
WASHINGTON OFFICE,
Washington, DC, June 25, 1996.

Hon. W. G. BILL HEFNER,
U.S. House of Representatives,
2470 Rayburn House Office Building,
Washington, DC.

DEAR REPRESENTATIVE HEFNER: The American Legion fully supports your proposed amendment to the FY 1997 VA, HUD and Independent Agencies appropriations bill, which would strike the restrictions on limitations to the Secretary of Veterans Affairs travel budget.

The VA's FY 1997 appropriations bill limits the travel budget for the Secretary of Veterans Affairs to $50,000. The American Legion believes that limiting the Secretary's travel budget would have an adverse impact on his ability to ensure the Veterans Administration provides quality services to America's veterans. Personally visiting with veterans, their families and VA employees allows the Secretary of Veterans Affairs to better address and properly correct their concerns.

The proposed limits on the travel budget will also force the Secretary to significantly alter his managerial and leadership styles and ultimately penalize VA career employees. VA employees do their jobs, day-in and day-out, without regard to partisan politics and most have served under several administrations. Their common goal is service to America's veterans and their families.

Thank you for taking the views of The American Legion under serious consideration as you consider the FY 1997 VA budget.

Sincerely,
STEVE A. ROBERTSON, *Director,*
National Legislative Commission.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from California.

Mr. LEWIS of California. As the gentleman knows, there were Members of the body who were greatly concerned with the way some of these responsibilities were being exercised by the Secretary. We have communicated in some depth over the last year or so. I believe and hope that we are making progress in that connection, so both in the spirit of comity between both sides of the House but also an effort to improve communication between the administration and myself, I am inclined to accept the amendment and I believe my colleague is of the same view.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I commend the gentleman on his amendment. I thank the chairman for accepting this amendment and also the ranking minority member.

Mr. LEWIS of California. We accept the amendment.

Mr. HEFNER. Reclaiming my time, Mr. Chairman, I appreciate the gentleman's hard work that he has done on this particular bill, and the ranking minority member here. But this is something that I think strengthens the bill. I think it does a service to the veterans and certainly we do not argue about trying to get different secretaries' attention over the years, because we have had people that have had a tendency to get involved in politics probably when they should not have been getting involved in politics. But this is something that is special for our veterans. Secretary Brown is much decorated; he is a veteran. He also is a handicapped veteran, and I think he has done a tremendous job for the veterans.

I again want to thank the chairman of the committee for accepting this amendment and for the ranking minority member, who I suppose is going to go along with accepting this amendment. I thank the gentleman for what I think is an effort to strengthen the bill to make it more palatable.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I am very pleased and want to commend the gentleman for his amendment. I also want to express my appreciation to the chairman for accepting it. We also accept it.

Mr. HEFNER. Mr. Chairman, I thank the gentleman.

Mr. LEWIS of California. If the gentleman will yield further, I appreciate very much the gentleman's contribution as well. Indeed, he is assisting us in this effort to one more time deal with veterans' matters as well as the rest of the work of this committee in a highly bipartisan as well as nonpartisan fashion.

Mr. HEFNER. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HEFNER].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of two passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $76,864,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $30,900,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $3,000,000 or more or where funds for a project were made available in a previous major project appropriation, $245,358,000, to remain available until expended: *Provided*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 1997, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1997, and (2) by the awarding of a construction contract by September 30, 1998: *Provided further*, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93-344): *Provided further*, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $3,000,000; $160,000,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than $3,000,000: *Provided*, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe, and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, $12,300,000, together with income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care".

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131-8137, $47,397,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $1,000,000, to remain available until expended.

FRANCHISE FUND

(INCLUDING TRANSFER OF FUNDS)

There is hereby established in the Treasury a franchise fund pilot, as authorized by section 403 of Public Law 103-356, to be available as provided in such section for expenses and equipment necessary for the maintenance and operation of such administrative services as the Secretary determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment and other assets pertaining to the services to be provided by the franchise fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize the franchise fund: *Provided further*, That the franchise fund may be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That the franchise fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed four percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Departmental financial management, ADP, and other support systems: *Provided further*, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: *Provided further*, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103-356.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for 1997 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for 1997 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1997 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1996.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1997 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1997, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United

States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1997, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year 1997, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCLUDING RESCISSION)

For assistance under the United States Housing Act of 1937, as amended (the "Act" herein) (42 U.S.C. 1437), not otherwise provided for, $5,372,000,000, to remain available until expended: *Provided*, That of the total amount provided under this head, $4,572,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts of which $975,000,000 shall be available on September 15, 1997: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1997: *Provided further*, That of the total amount provided under this head, $800,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California: On page 19, line 9, strike "$5,372,000,000" and insert in lieu thereof "$5,272,000,000". On page 19, line 11, strike "$4,572,000,000" and insert in lieu thereof "$4,472,000,000". On page 19, line 15, strike "$975,000,000" and insert in lieu thereof "$875,000,000".

On page 28, line 20, strike "$4,300,000,000" and insert in lieu thereof "$4,600,000,000". On page 28, line 21, after "1999," and insert "of which $300,000,000 shall become available for obligation on September 30, 1997, and".

On page 74, line 5, strike "$1,320,000,000" and insert in lieu thereof "$1,120,000,000".

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, this amendment restores funding for a very effective and broadly supported program known as the Community Development Block Grant Program. This amendment adds $300 million to CDBG. The budget authority offsets are taken from two accounts; $100 million is from the annual contributions account, and $200 million from the FEMA disaster relief account.

As most of my colleagues know, the CDBG program is one of the most popular at HUD, for a variety of reasons, including the fact that it is the most flexible program.

I have received any number of requests to restore funding to the $4.6 billion level which is the 1996 appropriations level as well as the President's request for fy 1997.

In addition, I promised the ranking member of this subcommittee, as well as members of the full committee in our discussion there, including the gentleman from Illinois [Mr. DURBIN], that I would continue to work to find offsets to fully fund CDBG. I am pleased to say that we are able to accomplish this at this time rather than waiting until conference.

This amendment being responsive to the work of my colleagues, especially the gentleman from Illinois [Mr. DURBIN], I am happy to be able to say that we are keeping the first among a number of commitments to the members of the full committee.

Fulfilling this promise, however, has come at some cost. I was extremely reluctant to reduce the annual contributions account from the President's request of $5,597,000,000 because of the staggering commitment that account will have to bear next year as more section 8 contracts begin to expire. Failing to renew these contracts will mean the potential of widespread displacement of very poor families with children, as well as elderly and disabled persons. This is the first point at which we will discuss that problem as ongoing and a serious growth problem with HUD programming. The renewal contracts under section 8 are about to put pressure on HUD programs that, over time, could indeed squeeze out many, maybe most, maybe even all of those programs, if we do not find a solution.

Beyond the section 8 question, Mr. Chairman, we are reducing the FEMA disaster account, which means reducing the level of commitments to areas hit by disasters last year. As most of my colleagues know, we found ourselves in a circumstance at the big budget conference where FEMA funding was used as a set-aside in that entire package, putting pressure on the FEMA accounts that is very severe.

We have to be very cautious as we move down this pathway. FEMA eventually has to pay the piper, too. So this is a very delicate and difficult amendment trying to meet both the requests as well as the challenges of the House insofar as CDBG is concerned.

Mr. STOKES. Mr. Chairman, I rise in strong support of the chairman's amendment to increase the funding for the Community Development Block Grant Program by $300 million, and restore funding the fiscal year 1996 level. I am pleased that this amendment takes significant positive step to improve this bill. In fact, this issue is one of the most critical areas that I have advocated my support of since the subcommittee markup.

CDBG funds are necessary to maintain the infrastructure of cities throughout the Nation. Cuts to this program would have greatly hampered the maintenance and improvement of communities across the country. In my own district in Cleveland, OH, the city relies on these important moneys for revitalization activities. Without the full benefit of these dollars, the renaissance occurring there would be severely diminished.

Mr. Chairman, money from CDBG leverages even greater resources from State, local, and private sources, and has far-reaching effects upon the quality of life for residents in hundreds of cities and towns. I am pleased to support this amendment.

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to acknowledge as well that the gentleman from California offers an excellent amendment. In fact, it looks very similar to an amendment I was considering, and now I will not have to offer that amendment and give a very good speech in support of it, which I am sure would have won the gentleman from California over.

But I can tell Members that this effort to restore the $300 million in CDBG funds is one that is bipartisan and it is one that is supported, obviously, at the Federal level by the President and by the administration, but I think of equal force, Governors and mayors across the country feel very strongly about the CDBG program.

Mr. Chairman, I received a letter from the mayor of the city of Chicago, Mayor Daley, recently elected head of the Mayors' Conference nationwide, and he made it clear how important these funds are for the city of Chicago.

This block grant program will allow Chicago to fund programs as diverse as daycare, senior services, economic development, and housing.

I salute the gentleman from California for this amendment. I happily support it, and I am glad that we have come together.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I want to take just a moment to commend the gentleman from Illinois for his leadership in this area. The gentleman, at the full committee level, had an amendment relative to this matter and had planned to offer one here on the floor. It is your strong leadership that has helped both the chairman and I to be able to work together toward this amendment sponsored by the chairman here on the floor. So I salute the gentleman for his hard work in this endeavor.

Mr. DURBIN. Mr. Chairman, reclaiming my time, I thank my colleague from Ohio, and I am happy this has become a bipartisan effort. It is a bipartisan program, it should remain that.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, we are happy to receive assistance from whatever corner of the Capitol we can find it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEWIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING PROGRAMS—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING", after "$5,372,000,000" insert "(increased by $174,000,000)".

In the item relating to "INDEPENDENT AGENCIES—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after "$5,362,900,000" insert "(decreased by $174,000,000)".

□ 1930

Mr. KENNEDY of Massachusetts. Mr. Chairman, this amendment I will try to explain very briefly. This amendment moves $174 million out of the space station account and into the housing certificate fund at HUD. I would like to make clear that my intention for this money, if this amendment passes, should be used to fund 30,000 new section 8 rental certificates or vouchers.

Mr. Chairman, last year, for the first time in 20 years, this Congress turned its back on a 20-year bipartisan commitment to providing section 8 voucher assistance to millions of people suffering from severe housing needs. A recent HUD study shows that as of 1993, 5.3 million households live in extremely rundown housing or pay more than half of their incomes in rent, an all-time high.

These families are one illness, one bout of unemployment, or one unforeseen circumstance away from homelessness. Over 40 percent of those households are families with children and 75 percent are very poor. While this number has been growing, the stock of affordable housing has been dropping. In 8 years, from 1985 to 1993, the affordable housing stock fell by 425,000 units.

If it is true, Mr. Chairman, that an ounce of prevention is worth a pound of cure, then this modest increase in the incremental assistance will pay us back many times over as we stabilize families and prevent the horrible dislocation and destruction that homelessness causes.

Additional section 8 assistance will go to many important uses that nearly everyone in the body can support. These rental certificates will be used to help get disabled people out of elderly public housing, and more quickly, and without the concerns that we will be throwing them on to the street.

Housing certificates have played an essential role in the health care of people with AIDS, people who are homeless and have AIDS, with a life expectancy of just 6 months, yet many of these same people could live productively for years if they had a stable home that this housing assistance could provide.

HUD has proposed a new initiative called Welfare To Work. This involves coordinated efforts among State welfare agencies, public housing authorities, and counseling organizations to help transition welfare recipients off of welfare and into work. Section 8 is a key component of this because housing is not often affordable to many of the people who are seeking these low-wage jobs.

Rental assistance, particularly mobile, tenant-based assistance, that enables a welfare recipient to move closer to a job and educational opportunities can help make this transition possible. For example, a majority of section 8 rental housing vouchers and certificate holders live in low poverty areas, where the poverty rate is less than 25 percent. This means that better schools and more jobs are available. It likely means that less crime will take place and there will be more stable neighborhoods. Everyone knows this is a better situation in which to raise children.

The Section 8 Program creates an environment for stability and for family. With a housing certificate, a family that is today paying more than half their income in rent can avoid the type of rent stress that leaves them in constant danger of falling behind or moving to avoid an eviction. Think about what happens to the children in these cases. Schooling is disrupted, friends are lost, everything that we take for granted for ourselves and our children and our grandchildren are out of the reach of millions of Americans.

Mr. Chairman, I understand how the space station has become sacrosanct, and I said in my remarks during the general debate that this entire bill is underfunded, but we cannot meet the most basic test of calling ourselves a civilized society if we cannot provide for our children, our disabled, and our poor with basic decent shelter. This amendment would help meet that goal in a small but significant way, and I urge the passage of this amendment.

Mr. LEWIS of California. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, as we discussed in our general debate, this is an extremely difficult bill that involves a combination of veterans medical care concerns and public housing concerns which are critical to the service we are providing many of the poorest of the poor. There are also a number of major issues that involve our scientific community, the National Science Foundation, NASA's work as well and the work of EPA.

When we have limited dollars, we tug and pull and attempt to balance between those accounts. In this case, and in a rather straightforward manner, my colleague from Massachusetts is suggesting that housing programs of a special form are of high enough priority that there is money available in our bill for NASA funding that he prefer to set aside and put into those housing accounts. I understand that relative priority.

HUD requested $290 million for new incremental voucher assistance. Of that amount $116 million was requested for assistance to families that became displaced due to changes in the project's status. The remaining $174 million was requested in two new programs: $145 million for a new initiative called Welfare To Work and $29 million for a new initiative to provide rental assistance for welfare mothers with children.

The committee's recommendation reflects the position that HUD does not have the capacity to administer new programs. In fact, both the HUD Inspector General and the General Accounting Office has stated that HUD is an agency in serious disrepair. It was the committee's considered opinion that funding new programs was extremely unwise given HUD's poor past performance.

Furthermore, neither of these programs have been authorized by the housing subcommittee. In fact, the funding requested for incremental units to fund these new programs, in effect, creates two new Federal preferences, a policy which this Congress eliminated last year with the repeal of Federal preferences. Both housing bills sponsored in the House and the Senate specifically eliminate Federal preferences in favor of locally decided preferences.

This amendment should be opposed on the grounds that it is bad policy and it will result in appropriating an unauthorized program. Beyond that, we have given priority relative to human space flight within the NASA portion of this account. To essentially take that on head-on-head against housing programs not only does not reflect the priorities of the subcommittee, it frankly is dealing with NASA programs, from my perspective, in a relatively unfair manner. So I would oppose the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman yielding.

I want to point out what we have seen happen in this appropriations bill over the course of the last year and a half. Last year we saw a quarter of the Nation's Federal housing project cut without a single hearing, without a single taking of any testimony by the authorizing committee. We then have seen this year an additional $2 billion cut out of the Federal housing program.

I understand that the gentleman is under a great deal of pressure and these accounts are in vital need of new funds, but the truth of the matter is that given the structure that we have, where we have to offset either the space station or FEMA or the veterans in order to get the money for housing, it seems to me that we are sort of put between a rock and a hard place.

Of course people do not want to put the money into public housing. The only other major housing program we have is the voucher program, and that is why we have asked for funds to go into this voucher program.

I know the gentleman from California is sympathetic and knows a great deal about this issue, and the truth of the matter is that I believe the space station can take a $200 million cut if the ultimate cut on Federal housing dollars is over $10 billion over the course of the last year and a half.

Mr. LEWIS of California. Reclaiming my time, Mr. Chairman, let me say to my colleague, I know very well how sincerely he is involved in and concerned with these programs. Let me say that in the time that I have had the chance to chair this committee, it has been frustrating for me to see that we find ourselves appropriating some 250 housing accounts, billions of dollars flowing, and in many cases we wonder whether those monies are really getting to the people we purport to serve in the first place.

We are in the process of attempting to reexamine many of those appropriations. Indeed, we are looking forward to leadership and guidance from the authorizing committee when they finally get all of that together. In the meantime, we are asked to appropriate. It seems to me we should be very careful about examining existing programs that work versus those that are not working well before we move on to funding new programs.

Mr. Chairman, I urge a no vote on the gentleman's amendment, even though well intentioned.

Mr. VENTO. Mr. Chairman, I move to strike that last word.

Mr. Chairman, this amendment is a good one and I'm pleased to join Representative JOE KENNEDY of Massachusetts in offering it. It will shift funds from the space station to about 30,000 in new section 8 housing assistance. Such a switch would be a better use of public dollars for the public good.

A couple of years ago, I had the privilege of chairing a task force on homelessness. So much of what we looked at was how people became homeless. We found that in order to really be successful in ending homelessness we needed to get upstream of the waterfall; to do real homeless prevention with housing and other utility assistance. Without new section 8 assistance, we are not addressing the stream at all. The section 8 units would result in assisted private sector housing vouchers that otherwise would not be available for housing low income families.

Some 5.3 million Americans are in "worst case" housing situations in our country. Those are people on the precipice of becoming homeless. In the Twin Cities of St. Paul Minneapolis, 43,700 people are "worst case" in terms of their needs. For the predominant majority of them, affordability is the problem: meaning excessive rend burden. Section 8 assistance is about bridging the gap between affordability and worst case housing—or sometimes worst worst case—homelessness.

Mr. Chairman, reducing the space station from $5,362,000,000 by 3.2 percent and instead providing 30,000 tangible units of tenant-based assisted housing to the needy in our Nation is a common sense and balanced approach. Certainly, I'm no fan of the space station because I believe that a project of this nature ought to be rooted in the reasonable application of science not merely the space spectacular genre that has come to dominate NASA for the past three decades. The space station has symbolic value but the practical applications are a real stretch with little positive return for the public purpose and the common good.

It is clear that the enthusiasts for such projects have long ago lost touch with down to earth common sense. They are in outer space for certain when it comes to our Federal budget priorities. The least we can do is to adequately house the low-income people in this Nation and while section 8 assisted housing is not a perfect program, it's the only program with a chance of helping. This Congress will have no new units for section 8 absent this very modest Kennedy-Vento amendment.

I urge my colleagues in their zeal to conquer space not to use the homeless as rocket fuel. The space program and especially this 10th version of the space station may yet get into orbit, but let's not forget the folks upon whose shoulders you are standing—the taxpayers. The cost being paid and scarce dollars allocated for this space station program are not solely about research and new knowledge but rather development, training, and operating costs which are being borne by the Federal Government, not the market place. In many respects this program represents just another type of subsidy, another type of dependency. One I would suggest that flows to the few and the power elite in this Nation. Our constituents have little direct benefit—the jobs produced are few and far between and when the project is all done, its likely to be more in competition for attention and bragging rights with Steven Speilberg than the real research and science that advances the welfare of people

I argue that we should the market place work for the space station. We as a Nation and Federal Government have real limits and must make tough choices. These choices must be rooted in real need, not the development and expenditures based on space toys but the boys and girls, the children, the poor and the homeless that perceive the indifferences and the careless priorities.

Today, the Federal Government can not do it all. Our responsibilities and wish lists are out of balance and out of order. Clearly Federal tax dollars and expenditures for housing of homeless persons or any low-income persons must be dealt with a priori—far ahead of the capricious curiosity inspired together by the self-interested and self absorbed.

□ 1945

Mr FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am grateful to my colleagues from Massachusetts and Minnesota for offering this amendment because it gives us a chance to make a point that must be made again and again. The debate that is now taking place in this Congress is not over whether or not to reduce the deficit and get to a balanced budget. The debate is over how we do that, what choices do we make.

What is being proposed in this overall budget is a continuation of the assault on the notion that the Federal Government should help people in economic distress with housing. What this amendment would do would be to make a fairly small reduction in the space station so that we can provide desperately needed assistance to working families to lower-income wage earners and their children, particularly those who live in parts of the country where housing is a very expensive cost.

We know that there are in this country millions of people who work very hard every day at difficult jobs. They clean. They manufacture. They serve, and they work at low wages. What this amendment tries to do is to reach out to tens of thousands of families, not nearly enough but at least something, and say to them that we will make it a little easier for them to live.

What is the alternative? It is the space station. Now, having people living in outer space serves some useful psychological and scientific purposes. But the choice is precisely whether we will spend billions of dollars so a few people can live in outer space in relative comfort or if we will use some of that money, a small percentage of it, for hard-working people so hard-working people and their children can live here in minimal comfort at home.

Let us be very clear. Members can decide this is a bad idea, that sending this money into space is more important. But let us be clear what the opportunity cost of that is, in economist terms, what do we do by keeping that money in the space station. This is beyond dispute. Will we say to tens of thousands of Americans, you will continue to live in great deprivation and poverty, because that is the option. We can increase the number of people who receive housing assistance or we can say, no, not that important, sorry about that.

Remember, we are talking here about units that are available for families. We are talking about poor children. We are talking about all of the values that get a lot of support in principle from Members in this House, but tragically little in practice. That is what is served here.

We are not even talking about building new units. We are not talking about putting Government back into the business of constructing public housing. We can talk about that at other times. This is the privatized program. The section 8 program is one whereby this is for tenant-based, as we call it. This would give to individual families the ability to go out into the private rental market and pay no more than 30 percent; I think it is still 30 percent. I do not know. Did we raise that percentage lately? We have this tendency to raise the rent percentage. The last I looked it was still 30 percent. It may be going up.

But for these poor people, even if we get it up to 35 percent or whatever the latest ploy will be, it is still very, very important. So that is the choice.

This has nothing to do with balancing the budget. This has nothing to do with reducing the deficit. Those issues are neutral here. The question is this: Do you maximize the speed by which we have a few people living in outer space when that means that tens of thousands of working poor people, people who labor hard, who do everything you tell them they are supposed to do, but find because of circumstances beyond their control that they are not able financially to live as they should?

Do we condemn their children to substandard and unsafe housing conditions or do we take a small percentage away from the space station? Maybe it takes them a couple of months longer to get there, and instead make a very real difference in the lives of the working poor?

I do not think we will have in this budget season many more graphic choices between people whose values are somewhere out beyond the limits of the atmosphere and those of us who are concerned that working Americans here ought to have some compassion and some concern.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to speak to this amendment because it is something of great importance in terms of our housing policy not just this year but in the years ahead. We have had a great debate on the floor of this House about the tools that should be made available to local communities in order to react to their own local problems, in order to craft local solutions for local problems and give them the flexibility that they need to move ahead.

We have talked about bringing hulks of buildings down. The only way you can bring hulks of buildings down when there is residents inside is if you give them the ability to move out. The only way to do that, to bring meaning to people's lives, is by extending incremental assistance.

I would like, if I can, to enter into a colloquy with the gentleman from Massachusetts with respect to this matter. If I could ask the gentleman, is it his intention in moving money to this account that it be targeted to incremental assistance which is also known as vouchers and certificates to most of us?

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, that is absolutely the purpose of this amendment. I want to thank the chairman of the Subcommittee on Housing and Community Development for speaking in favor of this amendment.

I do think that it is very, very important and the point the gentleman makes is excellent, that we have spent far too much time talking about and condemning public housing when the solutions that the gentleman so articulately made on the House floor a month ago, when we discussed the authorizing bill, came down to the fact that we need, if we are going to shut down that housing, we are going to need to move people into assisted housing.

This is the assisted. This is not public housing, this is the assisted housing account which will allow people the flexibility that has been called for by so many of the, even the most innovative right wing think tanks of this country have called for this kind of housing policy.

I appreciate the gentleman, my friend from New York's endorsement of this amendment.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I thank the gentleman. I also would note that the House has expressed its will on incremental assistance in a vote of 315 to 105 or 107 overwhelmingly supporting 2406 which has authorized incremental assistance moving forward.

For that reason, because the House has expressed its will and because of the need for this incremental assistance to give meaning to people's lives, to provide for hope not just for individuals but for communities, I support this amendment.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment indicates the difficulties that someone such as myself is placed in with regard to trying to balance the budget within the context of one particular appropriation bill. Everything that the last four speakers have said, the gentleman from Massachusetts, Mr. KENNEDY, the gentleman from Minnesota, Mr. VENTO, the gentleman from Massachusetts, Mr. FRANK, and our distinguished colleague on the Republican side, Mr. LAZIO of New York, I agree with. We need these additional funds to provide the kind of assistance to the needy and the homeless of this country that we, as a great country, ought to be providing.

For me the problem is that I have spent the last 30 years trying to protect the scientific base of this country including the programs in space, which were the brainchild of a great President by the name of Kennedy. This amendment tears me apart because it seeks to meet a need I agree with by taking money from other programs I believe to be vital to our future.

We cannot balance the budget and provide for all of the social programs and the housing programs, the veterans programs, that are needed if we only look at this one bill. I must oppose this amendment because I think that it is impossible to achieve its objective within the narrow scope of this one appropriation bill.

To begin with, the amendment proposed, a modest $174 million, which is reported to be a small fraction of the cost of the space station, is actually about a 10 percent cut in the 1997 budget of the space station, which is about $1.8 billion. This is a very substantial fraction of its budget. It is not a small fraction.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, my understanding is that, first of all, obviously the space station over a period of years is a 50-plus-billion-dollar program; is that not correct?

Mr. BROWN of California. Mr. Chairman, it depends on who one's accounting adviser is.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I will use the gentleman.

Mr. BROWN of California. Mr. Chairman, the cost of the construction of the space station is nowhere near that amount, but to build it and to operate it for *X* number of years could reach that amount, depending on the number of years of operation we want to count and what programs we include in the operation.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman.

Mr. BROWN of California. The gentleman's amendment is not actually directed at just the space station. It is directed at the entire human space flight agenda, which is over $5 billion. And that means the space shuttle as well.

If we take proportionately from each one, we endanger both programs. We endanger the ability to complete the space station, even though the cut is relatively minor. We endanger the safety and the success of our space transportation system, which is a matter of great importance to all of us. It is already operating at the margin and all of its reserves are being stretched thin.

If Members want a really good comparison, let me suggest that they compare the amount the gentleman is proposing, $174 million, with the additional amount that is in the defense budget above the President's request. That amount is about $12 billion, and the $174 million cut in NASA would amount to about 1.5 percent of the increase in the defense budget above the President's request.

In my opinion, if we were rational, we would make a small cut in the DOD's $12 billion increase above the President's budget request, and use that amount to provide for these important programs for poor and the needy. I would look at it that way. I would support an amendment which was designed to do that.

Unfortunately, we cannot address that kind of an amendment in connection with the bill that is before us here. This is why I have to express my admiration for the balancing act which has been done by the distinguished chairman of this committee with the help of the ranking member.

But it would be to me extremely inappropriate to endanger an enterprise such as the space program, which has evolved over many years, by cutting it to the level where it's successful completion is threatened.

I could recite what this failure to complete the project would do to the United States as a world power. But in the interest of time, I will revise and extend my remarks.

□ 2000

Mrs. MALONEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by my distinguished ranking committee colleagues, the gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from Minnesota [Mr. VENTO], to provide $174 million for new section 8 rental assistance contracts. There is so much talk in this Congress from both sides of the aisle about moving people from welfare to work, but if we deny people the tools to make the transition, we decrease their chances of making the move successfully.

We all know that in real dollars housing costs have skyrocketed in the last two generations. That makes it tougher for people who are trying to work their way up the ladder. There are 5.3 million Americans; many of these people are working poor who are paying more than 50 percent of their income in rent or are forced to live in substandard housing for lack of any alternatives. Many of those Americans are young children who are at a greater risk for a host of health and emotional problems, and with these harrowing problems right at our doorstep, only 28 percent of families eligible for section 8 actually receive it, and the average time on a waiting list is 40 months. In New York City it is years.

Decent housing is not a luxury, it is a necessity.

So, Mr. Chairman, this is not the time to back away from a 20-year bipartisan commitment to provide new section 8 rental assistance contracts, and I am pleased that the chair of the subcommittee, the gentleman from New York [Mr. LAZIO] has joined us in support of this amendment in a bipartisan spirit. I urge my colleagues to join in this effort to continue it.

Mr. Chairman, I would just like to end by saying that we are spending multibillions for space station, a motel in the heavens, and we do not have money here on Earth for affordable housing, so I certainly support wholeheartedly this shifting of funds from a motel in space to needed housing here on Earth.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY], my colleague and sponsor of this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentlewoman from New York [Mrs. MALONEY] yielding.

First of all, I want to again thank the ranking member of the committee, the gentleman from Ohio [Mr. STOKES], for the efforts that he makes in trying to make sure that we do end up with some money going to the housing programs of this country, and he has been a great leader on those issues for so many years, and all of us on the authorizing committee appreciate the help and assistance he and his staff give us on these issues.

But the truth is, on this issue it is black and white; it is just so clear what the issues are. The issues are whether or not we are going to balance the budget by gutting the homeless by gutting the housing policies of this country, or whether we are going to stand up and say that the biggest institutions, those that receive all the defense money in this particular case, and I know my friend, the gentleman from California [Mr. BROWN], does well in trying to defend this as a science program, but the truth of the matter is that we have got to have some sense of compassion towards the poor.

Mr. Chairman, this budget has cut $10 billion out of the budget for assisting those poor and vulnerable people in this country with their housing needs. We have done it without any sense of what we are going to do when these people become homeless and they exist on out streets. Where are they going to live? Who is going to pick them up?

Housing is not being built for poor people. We are not providing programs to incentivize private landlords to build the housing, we are not giving the money to public housing, we are gutting homeless programs, and now we are gutting the assistance programs. That is it. There is nothing left.

We can talk about 270 programs being in the budget, but all those programs come down to specific programs in three different areas: public housing, assisted housing, and this particular kind of housing that serves the homelessness.

Now, if my colleagues ask me, it is important that this country maintain some kind of basic social compact. This budget, this minor proposal, is a step in the right direction. The chairman of the authorizing committee supports it; I as a ranking member on the authorizing committee support it. We have cut too far, too deep in the areas of assisted housing, and I plead with the Members of this body to please make sure that we do not abandon the housing needs of our country.

I understand it is a tough vote with regard to standing up to the space station, but my gosh, let us not find ourselves in this choice between the devil and the deep blue sea. Let us stand up for the housing needs of the people of America.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

Mr. LEWIS of California. Mr. Chairman, shifting gears here just a moment, I ask unanimous consent that the gentleman from Massachusetts [Mr. KENNEDY] be permitted to offer amendment No. 27, notwithstanding that that paragraph of the bill is not yet considered as read and without prejudice to further amendments to those paragraphs not read in title II of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—COMMUNITY PLANNING AND DEVELOPMENT—HOMELESS ASSISTANCE FUNDS", after "$823,000,000" insert "(increased by $297,000,000)".

In the item relating to "INDEPENDENT AGENCIES—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after "$5,362,900,000" insert "(decreased by $297,000,000)".

Mr. KENNEDY of Massachusetts. Mr. Chairman, this amendment restores $297 million to the homeless budget, making it fully funded. These homeless programs, known as the McKinney programs after a former Republican Member of the House, were cut by 27% in the 1995 rescissions bill.

The amendment will make over 10,000 additional transition housing units available; over 10,000 additional units of permanent and supportive housing available; and assist about 80,000 more homeless people at any one point in time.

Mr. Chairman, there is something a little strange going on here. Last year, we cut 25 percent out of the housing budget without so much as a single hearing. This included funds to run, rebuild and revitalize public housing. it included funds for new rental assistance contracts. It included funds for elderly housing and the disabled.

At a time when every study shows that the need for affordable housing is getting more acute, this Congress cut the programs to create that housing to shreds.

Then, when we have pulled the rug out from under poor Americans by cutting public and assisted housing, including working poor families, we now go and cut the homeless budget by 27 percent.

And the need for the McKinney programs is getting more serious. Between 1985 and 1990, up to 7 million Americans experienced homelessness, while about 600,000 people lack permanent shelter on any given night.

In 1995, demand for emergency shelter has increased by over 10 percent according to the annual survey of the Conference of Mayors, yet 20 percent of these requests must go unmet due to lack of resources.

When services are available, in 64 percent of the cities surveyed families have to be broken up to be served. That is not family values.

Yet, we know what works. The McKinney programs provide a vast array of services to the homeless, including emergency shelter, transitional shelter, permanent housing, job training and education, substance abuse treatment, and whatever else is needed to move people off the streets and into stable, permanent housing with the jobs necessary to pay the rent.

I would bet that any Member in this Chamber can go back into your communities and find your own success stories. In Boston, we have a program called IMPACT, funded in part by McKinney, which just placed its 500th homeless person in a job since 1994. The homeless have an 80 percent job retention rate and the average wage is $8 per hour.

In the past 3 years, the McKinney programs have delivered more housing and homeless service more cost effectively than at any time in the past. Local governments and non-profit providers served 14 times the number of people in 1995 with these programs than were served in 1992, but at only 2 times the cost.

Two reports evaluating McKinney programs show that they help the severely mentally ill achieve stable lives in supportive housing 83 percent of the time. This cuts their inpatient hospital use by 50 percent.

When we cut homeless funding, we are condemning tens of thousands of families with children to lives of desperation and hopelessness.

Homeless children suffer from worse health; being homeless means a child is twice as likely to suffer from upper-respiratory infections, gastrointestinal disorders, and other health problems.

Homeless children suffer from inadequate medical care even before they are born. A study of New York City pregnant homeless women showed that 33 percent received no prenatal care. Infant mortality is more than double the city's average.

Homelessness means a child is much more likely to suffer from hunger: 43 percent of 1- and 2-years-olds living in New York City shelters suffer from iron deficiency or anemia.

HUD has made homelessness a top priority. They have streamlined and improved the delivery of homeless assistance by urging local governments and non-profit providers to coordinate their efforts to provide a "continuum of care" that addresses all the needs of the homeless to get off the streets and become self-sufficient.

We know what works. All we need is the will to provide the funding. Support this amendment. Help fight homelessness.

Mr. LEWIS of California. Mr. Chairman, I rise with great reluctance to oppose the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

Mr. Chairman, during the time I served on this subcommittee, one of the most frustrating experiences of this Member has been to watch us go forward in a variety and mix of programs under the jurisdiction of this bill that deal with housing problems in the country. Indeed, within that mix we have progressively delivered a great deal of money to a problem that has been mushrooming in communities across the country that we give the title and handle "the homeless of America." In the last decade, we have committed over $10 billion to solving this problem, and it is presumed by many that the problem has to do with bricks and mortar alone.

Indeed, Mr. Chairman, the homeless problem is a major challenge to our society and a difficulty that we need to get to the heart of by many an avenue, not just by way of building facilities or finding locations for people we choose to define as homeless.

The committee, in this bill, has recommended funding for the homeless account for fiscal year 1997 at the 1996 enacted level of $823 million. Last year the committee followed the request of HUD to consolidate the four separate homeless accounts into one account. This consolidated account makes it possible for HUD to operate more efficiently, hopefully.

Additionallly, consolidating the programs enables the nonprofits that supply homeless assistance to do so with greater efficiently.

Certainly it is almost impossible to argue against increased funding for the homeless when we see people sleeping on grates in our parks and cities around the country. At the same time, all of us ofttimes lightly talk about the fact we just cannot throw money at problems. Indeed we have very few answers here. We have delivered a good deal of money and found little or no solution to this growing difficulty.

I would suggest that this is a part of our need to review this complex problem. The committee continues with its financial commitment. There is funding here that is of part of the delicate balance that the gentlemen from Ohio [Mr. STOKES] and I had attempted to put together. To suggest that anyone in this body who has looked on either side of the aisle could care less would be indeed more than a mistake. We do care, and indeed, working together, I think we can find solutions.

But we need to do a lot better than we have with the money we have spent so far, so I urge the gentleman from Massachusetts [Mr. KENNEDY] to be patient with us as we go forward.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman's words, and I would never suggest that the gentleman from California [Mr. LEWIS] would be callous towards the homeless, and I know that the gentleman has tried hard to meet the need. But, I say to the gentleman from California [Mr. LEWIS], let me point out that there are solutions to homelessness. Homelessness is a problem that we have largely created as a result of Federal policies. If my colleague looks, in the last years of the Carter administration prior to the time when there was the kind of homeless population that we see living on our city grates and the like, he will find that this country under—I mean if the gentleman was here at the time—providing over 300,000 units of affordable housing each year for poor people.

We have not built that housing, and if we look at the total number of housing units that we have not built in this country over the course of the last 15 years, it coincidentally happens to add up almost exactly to the estimates of the number of homeless families.

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Yet, despite that, given the resources that the gentleman has allowed to go into these issues, we have now seen a much more sophisticated antihomelessness effort created across this country that has done remarkably well at getting people out of homelessness and into jobs and becoming productive citizens. This is a problem where solutions do work, if we are willing to pay for them.

Mr. LEWIS of California. Reclaiming my time, Mr. Chairman, let me say to my colleague that I believe that there are public policies that have begun to have an impact on these subject areas, but I also believe very strongly that a portion of the problem stems from public policies that have gone awry.

I must confess that I was a part of an effort in California some years ago in the legislature to deal with a social problem that we saw as very real. There was a propensity to institutionalize people in California and other States who had difficulties, emotional difficulties, some alcoholism and otherwise. There was a pattern of institutionalizing people.

The goal of the legislature was to make it difficult to institutionalize, let people go back to their communities and their families, to build clinics to solve their problems. We deinstitutionalized in California but we failed to follow through on medication and clinics, et cetera. States across the country have followed our suit and suddenly, homelessness became an even greater problem.

Mr. VENTO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would just follow on with the gentleman. I appreciate it. It was the right decision, incidentally, to deinstitutionalize. I as a State legislator had to face the same programs with the SLICK programs and others that have been put in place, which have not been adequately funded through the various programs. Yet, again, this Congress is not facing up to that funding issue.

I would suggest to the gentleman, Mr. Chairman, having worked with the gentleman from Massachusetts, Mr. KENNEDY, and others on this problem for many years, having actually named this program after my colleague from Connecticut, the McKinney Act, and the good work that was done by one of the gentleman's predecessors, Eddie Boland, and the gentleman from Ohio, LOU STOKES, in terms of the FEMA moneys, very often it is pretty hard to tell whether someone is mentally ill and on the street for that reason or mentally ill because they are on the street.

I remember very prophetic testimony concerning a sociologist, Louisa Stark from Arizona, commenting on the phenomenon in terms of what it means to be placed on the street without even shelter over your head, and the stripping of the dignity of people in our society. This problem is one that cannot stand.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I appreciate very much what the gentleman is saying. I remember, however, many pictures on television in the winter in California, where we sent out moving vans to pick up people from the cold who were homeless. They ran away from the vans because they were worried about being placed in an institution.

There are many complications here. The answer here is, one more time, more money taken away from NASA programs that my colleague, the gentleman from California [Mr. BROWN], spoke so articulately about earlier. It is not a fair tradeoff. We are trying to achieve balance here. Indeed, I think we have met a balance. But the solutions are a way off. I would urge that we work together.

Mr. VENTO. Reclaiming my time, Mr. Chairman, I would just suggest to my colleague that this, indeed, is a fight between David and Goliath. I crossed that out and said no, it is a fight between the ordinary Joe and the NASA labyrinth. It is not a blame game in terms of whose fault it is, it is a phenomenon of the social and economic casualties that are occurring in our society. This problem did not exist in the early 1970's, and it does exist today. We need to address it.

They may have run away and they may not care about themselves, but I think as a society and as the values that we hold as a people, we care very deeply about people who are in such a state of despair, who are ill and have these problems. We really cannot accept that. I cannot accept that as a person, as a policymaker representing my district, and I am sure it is the case for many of us. This particular measure we are talking about here helps the poorest of the poor. If we do not have the money, I think the proper priorities really do fall in this direction. I am no fan of the space station.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will continue to yield, I certainly do look forward to working with the gentleman and the other members of the authorizing committee as they go forward with their work. Indeed, we need action by the authorizing committees to help us better get a handle on the policy directions we ought to be taking if we are spending this money. But the gentleman's point is appreciated.

Mr. VENTO. I appreciate the chairman's response to my support for this. I would just suggest, we have done a lot of work on this. This is a bottom-up program. This is built on the nonprofits and local governments that are providing it. It is leveraged money. It is those particular agencies, I would just tell my colleague and others that are listening, that in fact, they are operating on overload today. For this century and the past they have been able to afford some shelter to those who have been without shelter, but they are operating on overload today. They are working very hard.

These dollars are leveraged. They are essential moneys that are trying to meet the very basic human needs in our society. While we can find imperfections in many programs in terms of housing, the last amendment which was considered would have been upstream. Clearly, if we can keep people off the street, we can deal with it.

One of the problems with housing, quite frankly, is the convergence of myriad problems that are coming to

HUD dealing with health care, dealing with education, dealing with social disorder and crime, and all of these mental health problems, these income problems that are occurring. But once those persons are on the street, the problems are compounded many, many times over. That is why we need to work to prevent homelessness where we can, to restructure our programs, to take those scarce dollars.

We are at a point, and these are tough choices that have to be made. These are tough choices. But I feel we just made the wrong choices in terms of these priorities, quite frankly. I think we need to challenge the space programs and the development of projects specifically in terms of marketplace terms of application when we have these types of choices. If our economy is not growing at the rate we should, then we are facing that we cannot do everything for everyone. We cannot do the type of subsidies and types of issues. Yes, we can do science and basic research but we have to have a new policy.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. VENTO] has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, we have a new predicate in terms of how we move in dealing with this issue, but not on the backs of the homeless. This particular amendment would help 100,000 people that are homeless. It is an enormously important amendment to try and provide the funding, the leverage, for the private sector, to empower those people towards self-sufficiency and out of a dependency.

We do not accept the predicate that somehow these people are homeless by choice. What a choice. Some choice. To leave people in despair of that nature I think is simply not akin to our values. When we look at space station development and other programs related to man in space, and look at $5.3 billion, the homeless program is only 20 percent of that amount. Where are our priorities? If we have to make tough choices, let us not make them and take them from the poorest of the poor.

I think if we look at the other subsidies, the tax breaks the private sector and others receive in terms of these types of subsidies, we have to reorganize this. We do not have enough to do it all, and we are not meeting the very basic needs of people in our society, and therefore I think we have a right and a responsibility to expect others that are engaged in this type of development of science to do it.

I am a science teacher. I very much advocate the position in terms of science, but I also understand that fundamental to that is that we do not stand on the shoulders of the scientists that come before us, we are standing on the taxpayers' shoulders. We are standing on the shoulders of those who are homeless, that do not have a job, that need the type of help that is being pro-offered by the Kennedy amendment in this issue. We have to get that done.

I know the gentleman has made tough choices, but fundamentally I must raise this particular question as a core value, a core value of the American people, who will not accept the type of problems that we have with people on the streets of this United States and this Nation in 1996.

Mr. Chairman, this amendment is a little like David versus Goliath or should I say an ordinary Joe versus the N.A.S.A Labrynth—the homeless versus the space station. It will simply restore McKinney homeless assistance dollar levels to the pre-rescissions, fiscal year 1995 level. Help for the poorest of the poor, those without a roof over their heads.

Most of our nonprofit groups in our communities are operating on overload, and yet so many policies, actions, and events continue to shift more responsibilities and costs to them. Unless the Federal Government steps up to the plate and does the very best that we can, State and local governments, and other entities struggling with shelter needs will be overwhelmed.

HUD, despite all the criticism and congressional failure to restructure the McKinney programs, has served as a lifeline and a leader with regards to responding to homelessness. What they have done within their limits is encourage comprehensive homeless assistance plans in local communities and a streamlining of the programs themselves. Last year, for the 1996 appropriation we were told it wasn't a cut because of money in the pipeline, now the amount remains unchanged, with different excuses and a dry empty pipeline.

If passed, the Kennedy-Vento amendment will make over 10,000 additional units in transitional housing available; over 10,000 additional units of permanent supportive housing; and, about 80,000 more homeless people at any one point in time that will be assisted. In other words, help 100,000 homeless Americans.

It is a sad commentary that homelessness persists, but the McKinney programs have been a good use of scarce Federal funding, leveraging meaningful local matching resources and private sector nonprofit funds. The homeless programs work and are vitally needed by people in this Nation who land outside the bounds of our social safety net of limited Federal-State resources. As a grass roots program, McKinney funds represent a cooperative Federal approach building on nonprofit and local government initiatives and programs, in some cases with personnel in place. These empower those in need toward self-sufficiency and free them from dependency.

The opposition to this amendment will lament that while these homeless programs are worthy, that indeed, the appropriators had hard choices to make and no doubt commitments to keep, and that in the process of balancing the budget and priorities, the space station must have a bare bones minimum of $5,362,900,000 and the homeless, a whopping $823,000,000.

Mr. Chairman, we are all likely fans of science and discovery. Certainly as a science educator I share that interest. Many of us want the Federal Government to play an active role in support of cutting edge science research. But this amendment would only bring the homeless programs to about 20 percent of the space station which will still be funded at over $5 billion. The question really is how much more do we need to support the private entrepreneurs in space in funding dollars, in generous tax breaks, in tangential benefits from significant military and commerce spending and in SBA programs for the smaller scale. Beyond this, there is the issue of foreign investment and, of course, the private sector.

I suggest that its far more likely that private funds will be attracted to the space station than to housing the homeless, indeed the economic and social casualties in our society represent the greatest challenge to our Nation. The frontiers of space are hardly wrapped up with the space station but the values and conscience of this Nation are surely tested by the least among us, the homeless. The vote I ask you to cast today is for the dispirited people who are too important to abandon. Our responsibilities and priorities should be clear. Vote "aye" on Kennedy-Vento amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I thought there was to be a speaker on the other side. I misread his body language and I apologize.

Mr. Chairman, I very much support this amendment. I understand the frustration that the gentleman from California talked about. He is trying hard, it is true. There is nothing logical that says we will take the Department of Veterans Affairs, the Environmental Protection Agency, NASA, and HUD and throw them together. That is not rational and we should try to change it. But I have to be intellectually honest and say that if I had the whole budget to choose from, I would still look to the space station, particularly the manned space part.

Sending human beings into space is a reasonable thing to do, it is something in which we can take pride. I have never heard any argument that it was close to a necessity. We are not talking about continued exploration of space, but whether or not we have the manned space operation.

On the other hand, we have what I would hope this society would think is a necessity: alleviating the suffering of small and innocent and helpless children. The homeless are not always the most attractive people. When we think about the homeless, people think of some whose behavior is unfortunate. It is true, there is nothing about adversity that guarantees that you will not be obnoxious. But a significant percentage of the people who would benefit from this amendment made one mistake in life: they were born in the wrong circumstances, and they are children. They are children condemned to a terrible existence. This amendment would alleviate it somewhat.

Mr. Chairman, I want to address some of the reasons that have been given, not by the gentleman from California, because even when I disagree with him I find him fair and thoughtful, but here are arguments that say, you know, these programs, they have not been run well, so let us not give them money. As opposed to the space program? If we were to do comparative disasters, problems, misspending, I think the manned space program would be right up there with the homeless program.

We have this interesting intellectual divide in our public policy. If you are trying to help the poor and you make a mistake in the program, the answer is to give that program less money. But is you are building a space station, or a weapon, or if you are part of the intelligence agency and you screw up badly, then the answer is to give you more money. We are told, gee, money is not always the answer. Well, money is the answer, apparently, for the Defense Department, for NASA, for the politically favored departments.

The notion that because we have not spent some of this money as wisely in the past as we should have, we will therefore make it right by denying funds that can go to alleviate the misery of 10- and 12- and 5- and 4-year-olds, totally escapes me.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I want to say to my friend that while these are very difficult areas, I think the gentleman will agree and acknowledge that the administration very strongly supports NASA's work as well. NASA has been a leader in reinventing and reforming Government. Since 1993 NASA has reduced its budget requirements through the fiscal year 2000 by $43 billion. So the charge by some that NASA has not contributed to balancing the budget does not reflect what they have tried to do. The tradeoffs are tough, but that is what this bill is all about. We have tried to do a decent job.

Mr. FRANK of Massachusetts. Mr. Chairman, let me say to the gentleman, do not take it personally. He is a good fellow. He has done a decent job. But that is not enough. I think where we have poor children going without desperately needed services, our egos have to bend a little.

As far as the administration is concerned, I am sure the administration may have somewhat different priorities. I don not accept them in this case. As far as NASA giving up $43 billion, do Members know what you have to have before you can give up $43 billion? A lot more than $43 billion. I wish the homeless could have given up $43 billion, but they never got that much to give up. The poor people never make budget sacrifices like that because their budget never gets so stratospheric.

The fact is that we have a choice: Do we put human beings in space at the current schedule, as attractive as that is for the national psychology and the national morale, and as helpful as it will be for science, or do we put the first priority an alleviating the poverty here at home?

I want to add another argument that was made. One argument was these programs were not well run so let us take the money away. Another is that private charity will do it. People argue that private charity can do it.

I want to quote here from the National Conference of Catholic Bishops in that wonderful pamphlet they put out about this year's election issues. This year I do not agree with all of them. There was one point that I thought was essential to be made.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired

(By unanimous consent, Mr. FRANK was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, they noted that the Catholic Church is, by far, the largest provider of private charity in the United States. Based on that experience, and out of the compassion and concern for social justice that motivates them to do that, they repudiate the notion that there is no need for Government assistance.

Let us be very clear. We may not comfort ourselves when we think of the small children who will be denied services if this amendment is defeated by the notion that somehow private compassion and charity will take it up. Yes, we should be doing everything we can to encourage that. But, as the Catholic bishops pointed out, as the largest provider of private charity in this country, there is simply no way we can expect the gap to be repaired if the Government backs out to this.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Minnesota.

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Mr. VENTO. I appreciate the gentleman yielding, because if we went on a current services budget since 1981 when housing was cut, it was at $30 billion a year at the time, we would have a $2 trillion cut in housing. Now, was all of that cutting wrong? No, but it is $2 trillion.

Mr. FRANK of Massachusetts. I would correct the gentleman on one thing. Remember, when we take programs for the poor and we do not keep them up with inflation, that is not a cut, that is an increase. It is only a cut when we fail to give an inflationary increase for the military and for science and for agriculture.

So the gentleman should be clear. When the poor people fail to get enough money to keep up with inflation, they should be grateful for the little we gave them in the first place. It is only when the military or science or those other favored programs do not get inflation that an increase is a cut.

Mr. VENTO. Mr. Chairman, if the gentleman would continue to yield, I would just point out that the bill is $19 billion in 1997; we were spending $30 billion in actual dollars. So even on those terms, however we want to add it up, if we do not want to do it on current services, it still is a significant reduction.

Mr. FRANK of Massachusetts. Mr. Chairman, I would agree.

Let me just say in closing that this amendment, if it is defeated, is one more sign that compassion, that concern for helpless, innocent children has simply gone politically out of fashion. We will be inflicting, if we defeat this amendment, misery and deprivation on children who deserve far better of us.

Mr. BROWN of California. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, may I say to my good friend, the gentleman from Massachusetts [Mr. FRANK], that I do not want him to take any of what I say personally just because I am opposed to his position, or the gentleman from Massachusetts [Mr. KENNEDY] or the gentleman from Minnesota [Mr. VENTO] or any of the others.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I am not a homeless child, so I do not take it personally.

Mr. BROWN of California. I thank the gentleman.

Mr. Chairman, as I look around, I do not see anybody on this floor who has spent more time over more years than I have fighting for the rights of the poor and the homeless, the deprived, those who are discriminated against. I have supported every program since 1963, and there are a half dozen who have been here longer, but I do not see any of them on the floor.

I do not think that my credentials in support of all of these programs can be questioned. I think I am also free to say that most of them have not achieved their goals, unfortunately. I think that what is being proposed here tonight is an effort to see another great program aimed at showing that this country is a world leader in a number of fields of science. I think that we are going to see this program fail if this amendment succeeds. It is only a 15-percent cut, as the gentleman said, in the space program or the space station, if you apply it to the space station.

I can assure the gentleman that he would be far better off, and I am going to urge my colleagues to all support the amendment coming up to just cancel the space station. Most of my colleagues have admitted that they do not think much of it anyway, so why not cancel it. We will save $1.8 billion in the 1997 budget, plus or minus. With that $1.8 billion we can fund the housing program and we can plus up the other social programs that we are interested in.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would say to the gentleman that I certainly do support the space station. What I am saying to the gentleman, however, is that when we put it in the context of having to judge between the space station and homeless programs, it is a very different equation. If I can choose between the space station and putting $13 or $11 or $12 or $13 billion more into the defense bill, then the choice it seems to me is very easy: Let us pay for the space station.

However, that is not what we have before us. What we have is a choice between whether or not we are going to fund $200 million more into the space station, or whether we are going to take $297 million and put it into making sure that very poor kids are going to have a shelter over their heads. That is the unconscionable choice that is before us, but it is before us and we have to make that decision.

Mr. BROWN of California. Mr. Chairman, I hate to tell my colleague from Massachusetts, Mr. KENNEDY, this, but the path he is pursuing is not going to achieve his ends. If he were to succeed, then the space station fails, our partnership agreements with the rest of the world, that includes the Japanese, the Europeans, and the Russians, would all collapse. They would begin their own independent programs to achieve what we have been trying to achieve as partners with them in space. They would never again trust us as a reliable partner on any major activity. We could begin to see the decline of the United States as a world power, and we would not achieve the goal of providing for the homeless that we want because that depends upon our economic leadership in the world, our ability to compete, and we would have lost it.

Now, I am concerned about more than just the space program. I see the next 5 years for all of federally supported R&D going down in real terms by 25 percent, and I think the entire industrial base of this country is likely to suffer as a result of that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman yielding, and I have very strong concerns about the R&D budget of this country. But to suggest that by putting $297 million into the homeless budget that we are somehow going to lose our preeminent position of economic leadership throughout the world is utter hogwash. We give these cuts to the Japanese and everybody else on trade agreements all the time.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. DELAY. I appreciate the gentleman yielding, and he is taking a very statesmanlike position on this issue, understanding what is happening here. No gentleman more than the gentleman from California [Mr. BROWN] understands the delicate balance between all of these programs, particularly in the sense of the space program.

That is taking that $297 million out of the space program, that I might say in answer to the gentleman from Massachusetts [Mr. FRANK], moneys have been taken from NASA because of some of their actions in wasting money.

The CHAIRMAN. The time of the gentleman from California [Mr. BROWN] has expired.

(On request of Mr. DELAY, and by unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from Massachusetts [Mr. FRANK] suggested that the science program, the defense program is so wasteful and we still pump money into it. Not in the case of NASA. We have ratcheted down NASA to the point that they are lean and doing an incredible job on much less money. But, if you cut them any more, if you take this almost $300 million out of a program that is barely working and working well, I might say, the shuttle program would result in reduction of the flag rate, reductions in personnel, and would adversely affect and possibly eliminate some of our science commercial and education customers as the gentleman has pointed out. So I just compliment the gentleman on his stand in support of his position.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I certainly am proud of the record of the gentleman from California [Mr. BROWN] in terms of support of social programs. I know what a painful choice this is, but this is a point that is being superimposed by virtue of the budget.

I would disagree with my colleague in terms of the effectiveness of many of the social programs we have. I think all too often we look at the problems and not really the success. But the problem is we keep getting people out of the programs that are getting educated, but then there are more coming into the program.

The fundamental concern that I see here between a Mr. KENNEDY and a Mr. BROWN, who are both friends of mine, is we have to make choices; and unfortunately they are being superimposed because they do not have the courage to go out and raise the money that they need to sustain the programs in this Congress.

If we are going to take apart the Federal Government, then we are not going to be able to preserve programs that deal with fundamental, core American values like the homeless and like NASA and space programs that I agree that we need. But I am sort of an unreconstructed federalist, as the gentleman in the well is. The fact is, we have to make these tough choices. We have to make them today and we have to make them on this basis. I very much regret it, but I understand it. I think that we have a chance here to go to the private sector and get some money. The homeless do not have that choice.

The CHAIRMAN. The time of the gentleman from California [Mr. BROWN] has again expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 3 additional minutes.)

Mr. BROWN of California. Mr. Chairman, I understand the predicament that we are all placed in here. As I have said earlier, it tears me up as much as anybody. But the fundamental problem that I see is rather deeper than what we have said.

The American economic system has really failed in terms of supporting the kind of economy that provides good jobs, the hopes of a career, the opportunity for advancement and progress that we would like to have to provide. It is my very honest conviction that until we can establish the basis for a growing productive, peacetime economy, we are going to continue to suffer and see the deterioration of our cities, the failure to provide to the poor, a decreasing ability to provide good education to the people of this country.

It boils down to whether we can provide that kind of a society, that kind of an economy, and that we can build the strong communities and the strong families that we need.

Government cannot build strong communities and strong families. It can help to provide the incentives to build the economic infrastructure and provide the opportunity for individual initiatives that will do that, but we have not succeeded.

Now, the scapegoat is being made against R&D. Well, I have the feeling, I would say to the gentleman from Massachusetts [Mr. KENNEDY], that we are saying that the priorities are such that we cannot continue to fund the R&D programs.

Now, the NASA program is about half or a third of all of our civilian R&D. His amendment would kill NASA's reason for existence, basically, and I do not like to consider that possibility. But if his sense of priorities is such that he wants to do that, let us meet it head on. And when the gentleman from Indiana [Mr. ROEMER] offers his amendments, let us cancel the space program.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, let us deal with the truth of the matter, which is, as has been pointed out, my colleague is a stalwart supporter of programs that look out after the poor. No one in this Chamber can stand up to his record, and I certainly do not mean to try.

What I would point out is that I think that we are playing right into the hands of those that would provide tens of billions of dollars' worth of tax breaks that go to the wealthiest people in this country at a time when we are talking about cutting the homeless budget by 27 percent. That is what this is all about.

For one of the leaders of the Republican Party to stand up here and try to suggest that he is really looking out after the homeless is utter hogwash. What is going on here is we have set up a devil's choice. We have said we are going to have to cut the space station or the NASA programs or we are going to have to cut the homeless. What we are really doing is providing a tremendous tax cut to the wealthiest people in the country. That is what this is all about.

The CHAIRMAN. The time of the gentleman from California [Mr. BROWN] has again expired.

(By unanimous consent, Mr. BROWN was allowed to proceed for 1 additional minute.)

Mr. BROWN of California. Mr. Chairman, as much as I respect the gentleman from Massachusetts [Mr. KENNEDY], I think he is deviating a little bit from the central issue before us right here. I think the gentleman stretches what is happening a little more than we need to. We do need to make choices, and I respect those who feel that our priorities are somewhat distorted.

Generally speaking, I agree with those who feel that way. But I do not think we are going to correct those priority problems on this bill.

As I indicated earlier, it is my personal view, and I do not think the majority agree with me, that a 1-percent cut in the Defense Department is a much more reasonable way to set our priorities straight and will also allow us to continue to develop the momentum that will produce that best economic system on Earth here, and the best paid workers and the best cared for children and families. And it is that that I am looking for here.

I may be hitting my head against a brick wall, but I am not opposing any of the programs my colleague wants. I am saying we have to look for more effective ways of funding them.

The CHAIRMAN. The time of the gentleman from California [Mr. BROWN] has again expired.

(On request of Mr. LEWIS of California, and by unanimous consent, Mr. BROWN of California was allowed to proceed for 1 additional minute.)

Mr. BROWN of California. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman and my colleagues, I really asked the gentleman from California [Mr. BROWN,] for this time because I want to express my deep appreciation for the sensitivity that he brings to this issue. All of us are concerned about the homeless problem, and we are providing as much money over time as we conceivably can use effectively. In the meantime, Mr. BROWN and his Committee on Science have spent years developing America's capability in all of those technical fields that are critical to our economic future. Indeed, his leadership has been very important. Nobody but nobody can say they care more about these social problems than Mr. BROWN has expressed by action as well as votes over the years.

At the same time, the gentleman expresses here this evening good sense. America has many a challenge and to make this kind of exchange does not reflect the real world that we have to deal with in this bill.

Mr. FRANK of Massachusetts. Will the gentleman yield? Will the gentleman yield me 30 seconds?

Mr. BROWN of California. Not if the gentleman is just going to stand there and praise me for my long and distinguished service.

Mr. FRANK of Massachusetts. I am a Democrat. My colleague only gets praised by Republicans tonight.

Mr. BROWN of California. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I am sorry to interrupt this praise, but I have to differ with my friend. Tell me that we need the money for the space station and therefore cannot afford to put it here, and I will disagree. But it seems to me that is within the realm of factual accuracy. But I do not think that it is fair to say that we are giving these programs as much as they can use.

We should not comfort ourselves with the notion that, if we did not give them extra money, they could not use it well. That simply is not true. Say that we have a tough choice to make and I agree, but do not say that they could not use it if we gave it to them.

□ 2045

Ms. ROYBAL-ALLARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Kennedy-Vento amendment. To many Americans, the homeless are faceless individuals we pass on the streets as they move through the hidden recesses of alleys or abandoned buildings searching for food or shelter. More often than not, we turn our heads and forget.

Occasionally, there is a more direct one-on-one encounter when we are approached for a handout. At that moment, we are forced to recognize their existence and decide whether to help or to ignore them and move on.

For many of us, this is the closest we ever come to what can only be characterized as one of our Nation's greatest tragedies, the homeless. For the reality is that there is a story of hardship and misfortune associated with every homeless person. The homeless population is comprised of elderly persons, families with children desperately seeking to break out of the cycle of poverty, and men and women with mental illnesses or addictions who have been forgotten by our society.

The reductions in homeless assistance programs contained in this bill cannot be justified because over the past year alone, the demand for emergency shelter by homeless families has risen by 15 percent. On any given night in America, more than 700,000 men, women, and children are forced to live on the streets. In Los Angeles County, there are anywhere between 17,000 to 42,000 homeless individuals, 3,800 of whom are children.

The homeless families of this country need our help. HUD's homeless assistance programs must be restored to the levels requested by President Clinton. These funds will provide 10,000 additional units of transitional housing, 10,000 units of permanent supportive housing, as well as a continuum of supportive services to help the homeless move into transitional or permanent housing and toward self-sufficiency, providing hope and opportunity to needy American families.

The passage of this amendment is critical to our efforts to fight hopelessness and restore dignity to the poorest of the poor. I urge my colleagues to vote for the Kennedy-Vento amendment.

Mr. ROEMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Massachusetts. Around here we never have perfect choices. Everybody likes to stand up in the well and say, I prefer this offset to this offset and this perfect choice to this budget cut. The fact of the matter is we all know that we do not live in a perfect world. That is why we have so many homeless people in America today.

All of our Members know about *Apollo 13* and Tom Hanks. We like to go see those fun movies. We all know about the excitement, about going to see a space launch down in Florida, and we feel pride about that; we feel pride in our space program.

How many of us go into the homeless centers? How many of us see the growing need in our homeless centers, in our cities, to take care of some of these people for a temporary time period to get them back on their feet and get them back to their families?

I have been in our homeless center in South Bend, IN, and there are more children, there are more families, there is more need for the homeless people in our society today than there was 2 years ago, or 3 years ago. I beg my colleagues, I implore my colleagues, I urge my colleagues, do not just go see Tom Hanks and the *Apollo 13* movie, go see what is happening in America today with some of our families.

We all talk about how close we are and how many families are one paycheck away from a homeless center while many of those families are in homeless centers today, with their children.

I am concerned about the NASA budget, too. I am very concerned about space shuttle safety. I am concerned about some of the programs, the faster, better, cheaper programs that we are putting together. But we have to make tough choices as Members of Congress, first, to get to a balanced budget, and, second, to be fair with our resources.

This space station does not deserve $297 million. It is $80 billion over budget from when it was first designed in 1984. It has gone from eight scientific missions to one scientific mission, and we are cutting our homeless centers by 25 percent since 1995. Now that is not justice and that is not fair choices. That is the easy way out.

So I would encourage my colleagues here, one, if they are interested in balancing the budget, you do yourself a favor by getting rid of the space station in the NASA account and, second, if you are interested in fairness and if you are interested in children and homelessness in this society, vote for the Kennedy amendment. It is just, it is fair, it is not a perfect choice, but I think it moves this country in a more just situation and a fairer allocation of resources than what we currently have with this space station.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 138, noes 277, not voting 18, as follows:

[Roll No. 270]

AYES—138

Ackerman
Barcia
Barrett (WI)
Becerra
Bilbray
Blumenauer
Bonior
Borski
Boucher
Brown (FL)
Brown (OH)
Camp
Campbell
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Dingell
Duncan
Durbin
Engel
Ensign
Evans
Fattah
Fields (LA)
Filner
Flake
Foglietta
Fox
Frank (MA)
Franks (CT)
Furse
Ganske
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Gutierrez
Hamilton
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Holden
Jackson (IL)
Jacobs
Johnson (SD)
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klink
LaFalce
Lantos
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lowey
Luther
Maloney
Markey
Martini
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Nadler
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Rivers
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Scott
Serrano
Shays
Skaggs
Smith (NJ)
Stark
Stokes
Studds
Stupak
Velazquez
Vento
Visclosky
Wamp
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—277

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Flanagan
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gekas
Geren
Gibbons
Gillmor
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kasich
Kennelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lofgren
Longley
Lucas
Manton
Manzullo
Martinez
Mascara
McCollum
McCrery
McInnis
McIntosh
McKeon
Meek
Metcalf
Meyers
Mica
Miller (FL)
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—18

Berman
Browder
Coleman
Cubin
Fields (TX)
Ford
Hayes
Houghton
Lincoln
McDade
Peterson (FL)
Rose
Schiff
Schumer
Sisisky
Torricelli
Towns
Wilson

□ 2110

The Clerk announced the following pair:

On this vote:

Mr. Towns for, with Mrs. Cubin against.

Mr. DE LA GARZA changed his vote from "aye" to "no."

Messrs. ZIMMER, GILCHREST, SCOTT, and WAMP and Ms. MILLENDER-McDONALD changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, for the benefit of all Members, I would like to announce the schedule for the rest of the evening.

It is our intention to finish title II tonight; that is, finishing the housing portion of this bill. There will be no more rollcall votes tonight, and any demands for rollcall votes will stacked tomorrow. Members with amendments to title II or who wish to speak to such amendments should plan to stay for a while.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, for the benefit of Members, I want to make clear that it is the intention of the committee to proceed no further than the end of title II tonight.

Mr. LEWIS of California. It is our intention to proceed no further once we finish title II tonight.

Mr. OBEY. All Members with amendments to title II should be aware of the need to stay here tonight if their rights are to be protected to offer those amendments.

Mr. LEWIS of California. The gentleman is correct. Members who have problems with title III or interest in it will not be so pressed.

□ 2115

AMENDMENT OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Lazio of New York: Page 19, line 9, after "$5,372,000,000" insert "(reduced by $140,000,000)".

Page 19, line 19, after "$800,000,000" insert "(reduced by $140,000,000)".

Page 20, line 18, after "$595,000,000" insert "(increased by $100,000,000)".

Page 20, line 24, after the dollar amount insert "(increased by $40,000,000)".

Mr. LAZIO of New York. Mr. Chairman, I am here today to talk about an issue as chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services for this Congress that I feel very strongly about. These are issues I felt very strongly about in the first session, and I feel equally strongly about them in this session.

For a year and a half I have worked with colleagues on both sides of the aisle, with local, State, and national leaders, with community activists and people deeply committed to ensure that our country has housing policies that provide adequate opportunity for all American families and protection for the most vulnerable of American families.

I rise today to offer an amendment not because I have tremendous disagreement with the gentleman from California [Mr. Lewis] or because I believe he has done a poor job. In fact, I think my good friend from California has produced a solid bill. I know that my friend from California has a difficult job, but this evening we are talking about people who do not have the ability to transition back into the marketplace, to take another job, to go to work, to afford their own unit. We are talking about helping the disabled and the elderly.

This bill before us. Mr. Chairman, I think is basically solid, but it has one or two misplaced priorities affecting those very citizens that we should be doing our utmost to protect. The amendment I am offering will mean more housing for American families who truly need it. Based on the per-unit cost, this amendment will mean 2,000 new units of elderly housing and housing for the disabled.

These are the last programs, Mr. Chairman, that we have that will develop new housing. Over the life of these buildings, that means that tens of thousands of our Nation's seniors and our Nation's disabled will have housing opportunities they otherwise would not have. Thousands of people will benefit from this.

Mr. Chairman, as we have witnessed over the last 10 years, as States have made decisions leading to the deinstitutionalization of people who are mentally challenged, we see the increase of homelessness. People who are thinking deeply about these issues are increasingly talking about providing shelter for people that gives them the maximum ability to ahve meaningful lives. There is a movement toward community homes.

Mr. Chairman, the only way that we take people off the streets, the very people in our own neighborhoods who, unfortunately, are affected with mental and physical disabilities, is to give them the means to have these types of community homes, to give them the homes they need to live in, to give them the opportunity to have meaningful lives. The only way we can do that is through proper funding of the section 811 program, which is the last remaining new production that will allow for new units to be developed to provide housing, affordable housing, for the disabled.

Mr. Chairman, at the same time, we are trying to struggle to meet the needs, the almost overwhelming needs of our Nation's elderly population. Year after year the needs outstrip our ability to provide more units. In just about every community in the Nation there are needs that are unmet for both the senior and the disabled population.

As we begin to struggle with the policies to house Americans, and in particular the most vulnerable Americans, our first priority has got to be the people who cannot take care of themselves because of age and because of disability. If we cannot meet those needs, we should not be attending to the other priorities in the bill before us.

Some will argue, Mr. Chairman, that the cut in housing for the elderly and the disabled is justified because it meets the President's request. There is not a person in this Chamber that votes consistently in support simply because the President proposes a reduction in spending. In this case it is a 32-percent reduction in spending for the disabled.

Some would suggest that we cannot spend any more. Well, that also is false, Mr. Chairman. Every year what is called a NOFA is sent out, Notices of Funding Availability, and last year that was subscribed, and to the extent that we are able to have the resources in place that we once had, we will also be able to meet that need.

My last statement, Mr. Chairman, is that we now need to step forward to help those people who cannot help themselves. They are relying on our intervention, the disabled and the senior population.

Mr. CASTLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of Chairman Lazio's amendment to restore senior and disabled housing funding to their 1996 levels.

I have been a strong supporter of efforts to put us on track to a balanced budget, and I do not question the need to reduce Federal spending. However, in this year's VA, HUD, and Independent Agencies appropriations bill, Housing for our Nation's elderly and disabled has been unfairly targeted.

Our Nation's vulnerable population depends on public housing programs. The section 202 and 811 programs are two of HUD's most effective, well-run programs. They have served the elderly and disabled well—providing them with housing that otherwise would have been unattainable.

There are some Government programs that are wasteful or only benefit a select few, and those are the programs we should target. However, important programs like sections 202 and 811 must be maintained. Housing for the elderly and disabled provide invaluable assistance to millions of people across our Nation. If we allow these funds to be cut, many of those who depend on public housing will be denied shelter or forced into unsafe or unsanitary conditions.

Those who have been disabled or are elderly deserve the peace of mind of knowing safe, affordable housing is available to them. I do not think we should turn away the disabled or the elderly when they come to us for assistance. But this is what housing authorities across the Nation will be forced to do if we do not restore section 202 and 811 funds to last year's levels.

I strongly support fulfilling our commitment to the elderly and disabled of this Nation by standing in support of Chairman Lazio's amendments.

Mr. QUINN. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from New York.

Mr. QUINN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I also want to go on record as supporting the amendment of the gentleman from New York [Mr. Lazio], here this evening, and I do it knowing full well that this whole discussion, the VA-HUD and Independent

Agencies appropriations bill is probably one of the most difficult for all of us to talk about of all the bills we work with.

The gentleman from California, Chairman LEWIS, has worked tirelessly with all groups in this Congress on both sides of the aisle, from all sections of the country. He has heard our pleas, he has listened to us in private meetings and in public meetings, and I thank him and applaud him for the work that he has done on a difficult, difficult bill. But for those of us who come from local government and have seen section 811 and section 202 work in our towns and villages and counties across the country, disabled and elderly people must have us stand up for them at this time.

Mr. Chairman, I want to join those who support the Lazio amendment this evening.

Mr. LEWIS of California. Mr. Chairman, I rise reluctantly but very strongly to oppose this well-intentioned amendment.

Mr. Chairman, by way of this amendment offered by my friend, the gentleman from New York [Mr. LAZIO], the chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services, he is suggesting that we decrease assistance for section 8 multifamily housing by an amount of some $140 million total. He takes $100 million and transfers it to elderly and $40 million and transfers it to disabled housing.

It is important for the Members to know that this bill and the entire housing effort in the House faces a very, very serious challenge because of that which is occurring within the very accounts that the chairman has chosen to tap. The committee has recommended funding the section 202 housing for elderly programs at the level requested by the President. This amount is, as has been suggested, below the level appropriated in 1996, but the administration request is based on the fact that this level of funding represents the amount of activity the Department actually can undertake during this fiscal year.

In the past, a significant portion of the money appropriated for this account has been carried over from year to year when the funding has not been obligated. On the other hand, the funding level for the annual contributions account, some $5,272,000,000, is necessary to protect low-income families that are already dependent upon certificates, vouchers or project-based assistance. Decreasing these accounts could result in the Department being unable to meet its already very difficult obligations. If this account is reduced significantly, families could be displaced.

Now, the point is that section 8 multifamily housing programs need serious reform. Already because we now tend to go put off that reform, the requirements for the 1997 and 1998 bills are escalating very, very rapidly. I would suggest unless we have money banked to meet those challenges, we are literally going to be forced, regardless, we are going to be forced to displace families already receiving services no later than 1998.

The committee has recommended creating an account of $875 million that may be used by HUD as of September 15, 1997. The recommendation to create the savings account was decided upon knowing that next year the President will have to request $10,793,000,000-plus in 1998 to renew existing certificates, vouchers and project-based rental contracts or face cutting off assistance to low-income families, which is an unacceptable eventuality for this chairman, and I believe unacceptable to the authorizing chairman as well.

The problem we face is that reform is absolutely needed now, and yet there is little doubt that a housing bill dealing with these reforms will not move through the process very likely until the next session of Congress. We will probably be dealing with the 1998 year. That is going to assure displacements of families; that is, families losing their housing, unless we build some kind of a bank account.

To tap these accounts now is essentially saying we are concerned about people this week instead of recognizing the real crises here, which I think is very shortsighted.

The President will have to request almost $11 billion to reset this need in 1988. The committee's recommendation was following the reforms in section 8 tenant-based or project-based programs. These adjustments are extremely unlikely, as I have suggested, because of what is happening on the authorizing side.

I compliment the chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Service for his willingness to address this measure, but frankly the time is now and the crisis is urgent.

□ 2130

We cannot afford to wait until 1997. In fact, if we, by eliminating the reforms that this committee recommended for section 8 project-based programs, in section 204 and 205, really at the request of Mr. LAZIO, we have increased the budget authority needs for certificates, vouchers and project-based assistance by $136 million.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

(By unanimous consent, Mr. LEWIS of California was allowed to proceed for 2 additional minutes.)

Mr. LEWIS of California. Mr. Chairman, with that kind of automatic increase, therefore, it is even more important that we plan for the future. The section 8 certificate, voucher and project-based programs serve some 2,750,000 households. Of these families, 40 percent are elderly and disabled. If the assistance for these families is decreased or is unavailable, the impact is undeniable. The families lose their assistance immediately. The 202 program is a grant program for nonprofits to renovate or build new apartment buildings for elderly residents. Because of the nature of the program, it takes at least 18 months before the money is obligated and sometimes more than 24 or 36 months before the elderly households are actually assisted under the program.

It is absolutely imperative that the Members recognize that we are facing a crisis here and that crisis is going to fall on the heads and the backs of those families already desperately in need and who are receiving assistance currently.

This problem is not going to go away by some short-term fix that meets very short-term needs that may not be able to be spent by the administration in terms of their present availability of workload as well as opportunity.

I strongly urge a no vote on this very well-intentioned but, I think, misguided amendment.

Mrs. ROUKEMA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of Chairman LAZIO'S amendments to raise the level a modest increase by any standards of funding for Section 202 Elderly Housing and Section 811 Disabled Housing Programs.

This amendment will mean 2,000 new units of housing for the elderly and the disabled.

The Section 202 Supportive Housing for the Elderly Program was reduced by $422 million in the fiscal year 95 recission bill from $1,279 million to $857 million, and was further reduced in the 1996 omnibus appropriations bill to $830 million. The Appropriations Committee now proposes to reduce funding in 1997 to $595 million—less than half the pre-rescission amount. Seniors are one of the fastest growing segments of our communities. Sharp reductions such as those experienced by the Section 202 Program in the last 2 years will only mean even greater political and social difficulties in the years to come. Americans did not mean by their call to balance the budget that we should deprive the elderly and the disabled of basic housing. This is unconscionable.

The Section 202 is a successful program that helps to meet an acute housing need for a very frail, very low-income, very vulnerable population. Deep cuts in the Section 202 Program will hurt the very people that so desperately need our help. Not only will these cuts seriously jeopardize our ability to provide suitable and affordable housing for our nation's elderly, but it is counterproductive to our long-term care strategies.

Let's get our priorities straight. Support the Lazio amendment.

Mr. HAYWORTH. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Chairman, I thank the gentlewoman from New Jersey for yielding to me.

I also rise in strong support of the Lazio amendment, not out of disrespect for my good friend from California but because I believe, precisely as the gentlewoman says, the senior population is growing at an incredible rate.

This is a question of where we place priorities. Given the fact that the senior population continues to rise in a burgeoning fashion, given the fact that we do need to supply housing for the disabled, I believe that this amendment is well thought out, well reasoned and, therefore, I support it.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Arizona, and I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I just wanted to make some points in reflection with respect to the comments of the gentleman from California, my friend, Mr. LEWIS. It is in fact true that it takes some time to develop these projects. As Mr. LEWIS said, it takes 18 months, sometimes as long as 36 months to spend. That time is very long, as much as 10 percent of the spending in any one year. This is a bricks and mortar provision.

Also with respect to the area that we are taking this out of, it is not contract renewals, it is an amendment provision where we will still leave enough money in this area that it is over the 1996 appropriated level.

I also would like to note within this contract renewal portion, last year HUD received $4.4 billion. In the end, they rescinded, because it was unspent, $477 million, meaning that their guess was off by over 10 percent. We are asking for $140 million to help our most vulnerable citizens, our seniors, the elderly and the disabled. It seems entirely appropriate, given the fact that these numbers have been off by this extent, that this modest amendment is supported.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the gentlemen who are the chairman and ranking member, the gentleman from California [Mr. LEWIS] and the gentleman from Ohio [Mr. STOKES], have a difficult time with this balancing of appropriation matters. There is no doubt about it. I am almost always in agreement with them. This time I am not in agreement with their priorities. I speak as vice chairman of the authorizing subcommittee. I would like to mention a few things about the recent funding pattern.

Let us take a look at the housing for the seniors, which is one of the two components of the Lazio amendment. In fiscal year 1995, the funding was $1,279,000,000. Rescission took it down to $857 million. Then, in fact, the administration came forward for fiscal year 1997 at a suggested $595 million which is, I think, consistent with what the subcommittee has in the legislation.

That is less than half of the prerescission amount of fiscal year 1995, a dramatic reduction. The same sort of general trend is apparent in the housing for disabled persons. It was $387 million in fiscal year 1995, reduced by rescission to $259 million. Now the administration is requesting $174 million, a figure that is included in the recommendations found in this legislation. Again, that is less than half of the prerescission amount of 1985.

Mr. LEWIS and the staff have said that the cut in housing for elderly is justified and they point to the President's budget justifications. According to the President, we should cut funding for senior and disabled housing because HUD last year did not spend all of the money it was allocated. I think that is unacceptable. I refuse to let the administration punish the elderly and the disabled families simply because HUD bureaucrats cannot do their job quickly enough. If you take a look at the notices for funding availability, that was the problem. The nonprofits are out there available to spend the funds, as I understand it.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I asked the gentleman to yield because I very much appreciate the point that he is making. There is not any question that one of our great frustrations is that there are lines waiting for elderly housing. Yet there is no doubt that the administration and this department have not been able to obligate these moneys over time. In the meantime, because you serve on the authorizing committee, you know full well it takes time to deliver those programs, but the section 8 crisis is not waiting. It is catching up with us, and sooner or later, we have to pay the piper. That crisis is going to put real pressure on seniors who are receiving services.

Mr. BEREUTER. Mr. Chairman, I agree with half of what the gentleman said, the problem with respect to the elderly and disabled programs. But, of course, the gentleman from New York is proposing that the offset come from the annual contributions for assisted housing. That is the very important program that funds section 8 contract renewals and section 8 amendments. But the expenditure patterns for that program are also among the most unclear.

For all practical purposes, the President's budget in this area is nothing but a guess. Last year, for example, here it parallels the disabled and senior housing situation, HUD received 4.4 billion for contract renewals. They rescinded 477 million. Why did they do that? Well, they were off 10 percent from the total amount, and they rescinded it because they were not spending in this program either. So maybe there is just the same kind of inefficiency in the section 8 related programs as well.

This year the committee is proposing more money which means there is even a greater level of uncertainty. If they had to rescind it 477 million over one-tenth of what they appropriated last year for this program where Mr. LAZIO is taking the money, I suggest to Members, they are no more likely to use the funds in section 8 programs than they did last year.

For these and other reasons, I reject the administration's recommendations that we downsize so dramatically over a 2-year period of time the funds that are available for disabled housing and for senior citizen housing. I urge my colleagues to support the Lazio amendment.

Mr. BLUTE. Mr.Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Massachusetts.

Mr. BLUTE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of the amendment offered by my good friend from New York which would increase elderly housing assistance by $140 million. My support is not intended to in any way diminish the excellent job Chairman LEWIS has done in developing this bill but simply to give more priority to our senior citizens.

These additional funds will reverse some of the reductions that have been proposed for senior citizens at the same time their population is increasing at a double-digit pace.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(By unanimous consent, Mr. BEREUTER was allowed to proceed for 1 additional minute.)

Mr. BEREUTER. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, the amendment will mean that an additional 2,000 units of elderly housing will be built which translates into tens of thousands helped over the life of the buildings and will give more of our parents and grandparents the ability to live with peace of mind.

This Congress, under the leadership of Chairman LAZIO, has taken strong actions to protect seniors and others in senior housing. This Congress has ended the unwise policy of mixing seniors with drug and alcohol abusers. Senior housing is becoming safer and seniors are returning in large numbers.

At this time, we need more housing opportunities for seniors, not less. I urge my colleagues to approve the Lazio amendment. We cannot afford to shortchange our senior citizens at a time of increasing need.

Mr. BEREUTER. Mr. Chairman, I thank the distinguished gentleman for his comments.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I could ask the chairman of the authorizing committee, Mr. LAZIO, if he would have a colloquy with me.

I have looked at your amendment very closely and very carefully. I think I understand what the gentleman is trying to do and, in fact, I am in sympathy with what he is trying to do.

At the same time, I have some very mixed feelings about us taking money out of one housing account and moving it over to another housing account. That is, removing it from an account that helps the poorest of the poor, and moving it over to another program for the poor and the elderly. Obviously, that really is no real decision for any of us. It creates an atmosphere opposite of the bipartisan approach between the chairman of the committee and myself, and the spirit in which we are trying to move. At the same time, it creates a problem for me to see the authorizing committee and the appropriations committee chairmen at loggerheads, when I know that both of you are really concerned about the same issues and the same type of people, and wanting to help them.

I am just wondering, in the spirit of comity and the spirit of bipartisanship that we are trying to establish here, if this is not the type of amendment that you might want to consider withdrawing. Chairman LEWIS and I, in conference and working along with you, can then see if we can work out this problem rather than create the kind of divisiveness that is going to occur over a vote.

I can already see this amendment lining up for many good Members in this House, who do not want to be on either side in a case like this. It really is no decision for us. I am just wondering if that is something we could ask the gentleman to consider.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I greatly respect and appreciate and am gratified for the level of comity that you have not just with the chairman of the subcommittee but also with all of us.

If this were a matter of something personal in nature, I would be very glad to give it up in order to further that comity. But there is something deep inside, when we talk about the disabled, people who are mentally disabled, people that are physically challenged, people that are quadriplegic, people that were formerly in institutions that we now have the ability to give permanent housing solutions for, that we must meet.

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If we do nothing else, we ought to be doing this. If I thought it was politically expedient, that we can take from some of the other accounts, and we just saw the last amendment go down, I would not have selected from this housing account. But of the choices that I thought were politically feasible in order for us to honor what I consider my personal obligation as a public official to the very people that I come to this body to serve, the people who do not have the ability to speak for themselves, the elderly, the people who struggle, the disabled, I feel it is my duty to try and press for this so that we meet our obligation.

Now, I am not asking for more money, I would say to my distinguished colleagues. I am asking just to go back to our 1996 levels, and not even fully there; only 50 percent of our 1996 levels, which I think is an incredibly moderate view in terms of restoring a very small amount of funds for the most vulnerable people in our population.

Mr. STOKES. Mr. Chairman, I thank the gentleman from New York [Mr. LAZIO] for his reply, and I appreciate very much the personal perspective from which he is coming.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I appreciate very much my colleague from Ohio [Mr. STOKES], yielding. The point that was made in the appeal is very much to the heart of our frustration here. There is no doubt our purpose is to try to flexibility provide adequate housing for a cross-section of people who are the poorest of the poor in our society, and at the same time we have great difficulty with a growing aging population and the like. The item that is very difficult to get across, for these are complex areas, is that in that section of our housing programs known as section 8 multifamily housing, in the past we have set up a process that almost leads those who are trying to serve for a fall. We originally encouraged people to build these facilities on 40-year contracts, on 40-year mortgages, and yet in the meantime people signed up with 40-year contracts in order to delay the foundation for paying those mortgages. Those contracts are coming due, and as a result of that there is a huge escalation of cost in those programs, and, as those costs increase, it puts pressure on HUD's ability to meet their contracts and their obligations with housing authorities, et cetera, et cetera. And unless they are able to meet those obligations, they could very well push the people who are currently living, currently served, in those——

The CHAIRMAN. The time of the gentleman from Ohio [Mr. STOKES] has expired.

(On request of Mr. LEWIS of California, and by unanimous consent, Mr. STOKES was allowed to proceed for 2 additional minutes.)

Mr. STOKES. Mr. Chairman, I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, we could push those people out on the street, and remember that 40 percent of those very people living in those facilities, beyond being among the poorest of the poor, are also elderly and disabled, and we cannot find ourselves in that position.

But earlier I discussed with the chairman the feasibility of our trying to make changes in the difficulties with section 8, and he asked us to let the authorizing committees have a short, and frankly we are going to have an amendment here that takes out any language that relates to that to respond to that. But there is little doubt that next year we will be here at this time talking about the 1998 bill, and the costs will have escalated because it takes time to get that kind of work through the authorizing process.

So it is the elderly and the disabled who are going to be hurt either way, and frankly the people who are currently being served are the ones at greatest risk, and it concerns me that we must protect that population being served first.

Mr. STOKES. Reclaiming my time, Mr. Chairman, let me just say that I think we all knew that one day the chickens were going to come home to roost in terms of this section 8 assisted housing account. I knew it when I was chairman and was utilizing that account to help some parts of the budget, and the gentleman has had to do the same thing. Of course, I know that the gentleman from New York [Mr. LAZIO] realizes that when he goes back into the same account. In 1998, when we have to find $10 billion and to try to help poor people find housing, we are all going to be confronted with a real problem.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I just wanted to point out once again that what we are talking about is not contract renewal account. We are targeting the offset to the amendments area, which is a distinct area within the contract renewal. There is no effect on our ability to fund contract renewals going forward, and of course I understand this dramatic problem within the context of our market-to-market issue.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a visionary amendment. This represents two of the most sensitive populations that we in Congress have to be understanding for and represent, and that would be the seniors and disabled. There is not a Republican or Democratic issue. It is a people's issue. We need to work together. The Lazio amendment will mean more housing for American families who need it: 2000 new units of elderly housing and housing for disabled.

Our senior population, as my colleagues have heard previously, is growing at an enormous rate, already in double digits and getting higher every year. Accordingly, we need to increase senior housing opportunities. We only have to look to the American Association for Homes and Services for the Aging and find that in their discussion to Congress about this legislation they support strongly the Lazio bill because it will restore $235 million to the section 202 program.

Then look into the Consortium for Citizens with Disabilities. They say we need to have the $84 million in the section 811 for the disabled. It is significant to note that the continuing depletion of our Nation's low-income housing stock and the growing need for tenant-based rental assistance nationwide shows that there must be a Federal priority to help low-income Americans obtain decent safe affordable and accessible housing.

People with disabilities face even more desperate housing situation and stand to face a chronic problem of inadequate housing and increased homelessness for the foreseeable future without greater priority being placed on housing assistance. People with disabilities want the opportunity to live and work in their communities, and housing is the cornerstone for that independence. If a person has access to decent, safe and affordable housing, then he or she can concentrate on education, job training, and thereby empower themselves to become working and taxpaying citizens and thus more integrated into lives of the communities.

So I think for the reasons of the seniors and for disabled, the Lazio amendment is one that we should all support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAZIO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LAZIO of New York. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from New York [Mr. LAZIO] will be postponed.

The point of no quorum is considered withdrawn.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the gentleman. Mr. Chairman, I will only take about 1½ to 2 minutes.

I would ask my colleagues on the other side, how many of them when they were children themselves or when they raised their own children bought these little vinyl venetian blinds. Remember looking through the windows and popping them down and looking through, and even at times our own kids would sit there and chewed on these things as they were looking out the window?

Well, we all know that lead is poisonous to children, and a new study by the Consumer Product Safety Commission and the Window Covering Safety Council determined that when these vinyl blinds deteriorate that there is lead poisoning that affects children, and we did not expect it. It is going to take some money to replace them, and apparently almost every set of these inexpensive vinyl miniblinds in America today deteriorates into dust which contains lead.

Lead dust is poisonous to young children, and Americans have installed over a hundred million sets of these particular blinds. The CPSC recommends that these blinds be removed in homes with children of age under 6.

Today, as we consider this appropriation through the leadership of the gentleman from California [Mr. LEWIS], these appropriations help make housing and home ownership affordable and available for Americans. The VA subsidizes home mortgages, and I have been through that program myself, and HUD helps low- and middle-income Americans buy homes through FHA loans and rent housing through section 8.

Mr. Chairman, this Congress should urge CPSC and work together with HUD–VA mortgage and combat the potential hazard that lead and vinyl miniblinds may have to many young children. We should direct particular attention to low-income housing.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. Mr. Chairman, I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, first let me say I very much appreciate the interest of the gentleman from California [Mr. CUNNINGHAM] in this very important subject area. I appreciate also or as well his commitment to America's children.

I agree that our Federal agencies should cooperate with one another and with State and local governments to continue fighting lead contamination in homes with children. We all know about lead-based paint, and we have taken action against it through public information campaigns and the HUD office of lead-based paint. Furthermore, all consumers have a responsibility to take informed and appropriate action against this new lead hazard of vinyl miniblinds, and in many cases these miniblinds can be replaced for about $10 per window. In the interests of our children's health, I agree that the CPSC should work to keep the Nation's housing agencies informed about this issue, to stay in close cooperation with them and to help end lead poisoning among America's children.

The CHAIRMAN. Are there further amendments to this paragraph?

If not, the Clerk will read.

The Clerk read as follows:

HOUSING FOR SPECIAL POPULATIONS: ELDERLY AND DISABLED

For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for the Elderly under section 202 of the Housing Act of 1959, as amended, $595,000,000, to remain available until expended.

For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for Persons with Disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act, $174,000,000, to remain available until expended, of which 25 percent shall be used for tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437(o)), in addition to any other amounts available for section 8(o).

The Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

FLEXIBLE SUBSIDY FUND

(INCLUDING TRANSFER OF FUNDS)

From the fund established by section 236(g) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1996, and any collection during fiscal year 1997, shall be transferred, as authorized under such section, to the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z–1) is reduced in fiscal year 1997 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

For tenant-based assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended, $166,000,000, to remain available until expended: *Provided*, That of the total amount provided under this head, $50,000,000 shall be for nonelderly disabled families relocating pursuant to designation of a public housing development under section 7 of such Act: *Provided further*, That the remainder of the amount provided under this head shall be used only for housing assistance for relocating residents of properties (i) that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA) in accordance with the terms and conditions of the tenth and eleventh provisos of the second undesignated paragraph under the head "Annual Contributions for Assisted Housing" in Public Law 104–134; (ii) that are owned by the Secretary and being disposed of; (iii) for which section 8 assistance is allocated under subsection (f) of section 204 of this Act (relating to portfolio reengineering); or (iv) subject to special workout assistance team intervention compliance actions: *Provided further*, That notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay for 3 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1997 of such assistance on behalf of any family for any reason, but not later than October 1, 1997, with the exception of any certificates assigned or committed to project-based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act: *Provided further*, That section 8(c)(2)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f(c)(2)(A)) is further amended—

(1) in the third sentence by inserting "and fiscal year 1997" after "1995"; and

(2) in the last sentence by inserting "and fiscal year 1997" after "1995".

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,850,000,000.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund program under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $2,700,000,000, to remain available until expended, of which $2,415,000,000 shall be for modernization of existing public housing projects; $200,000,000 for Indian Housing Development; $50,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act, and other low-income families and individuals, principally for the benefit of public housing residents, to become self-sufficient; $20,000,000 for technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the department and of public housing agencies and to residents in connection with the public and Indian housing program or for carrying out activities under section 6(j) of the Act; $10,000,000 for the Tenant Opportunity Program; and $5,000,000 for the Jobs-Plus Demonstration for Public Housing families: *Provided*, That all obligated and unobligated balances as of the end of fiscal year 1996 heretofore provided for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), for public and Indian housing amendments, for modernization and development technical assistance, for lease adjustments for the section 23 program, and for the Family Investment Centers program shall be transferred to amounts made available under this heading.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, $550,000,000, to remain available until expended, of which the Secretary may use up to $2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: *Provided*, That, notwithstanding any other provision of law, the funds made available to the Housing Authority of New Orleans under HOPE VI for purposes of Desire Homes, shall not be obligated or expended for on-site construction until an independent third party has determined whether the site is appropriate.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, $10,000,000 of which shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training), $5,000,000 of which shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development, and $5,000,000 of which shall be transferred to the Office of Inspector General for Operation Safe Home: *Provided*, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $3,000,000: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $36,900,000.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), $4,300,000,000, to remain available until September 30, 1999, of which $61,400,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of the Act: *Provided*, That $2,100,000 shall be available as a grant to the Housing Assistance Council, $1,000,000 shall be available as a grant to the National American Indian Housing Council, and $49,000,000 shall be available for grants pursuant to section 107 of such Act, including up to $14,000,000 for the development and operation of a management information system: *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department: *Provided further*, That for fiscal year 1997 and thereafter, section 105(a)(25) of such Act, shall continue to be effective and the termination and conforming provisions of section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act shall not be effective: *Provided further*, That section 916(f) of the Cranston-Gonzalez National Affordable Housing Act is repealed.

Of the amount made available under this heading, notwithstanding any other provision of law, $20,000,000 shall be available for youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading.

Of the amount made available under this heading, notwithstanding any other provision of law, $60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.

Of the amount made available under this heading, $40,000,000 shall be available for Economic Development Initiative grants as authorized by section 232 of the Multifamily Housing Property Disposition Reform Act of 1994, Public Law 103-233, including $11,000,000 of the foregoing amount shall, notwithstanding any other provision of law, be used for Economic Development Grants in accordance with the terms and conditions specified for such grants in the Report accompanying this Act.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California: "On page 30, strike lines 9 through 17 in their entirety."

Mr. LEWIS of California. Mr. Chairman, this amendment eliminates the set-aside within CDBG'S account for the Secretary's economic development initiative known as EDI. Taking this action does not reduce the CDBG account, but rather it will eliminate the set-aside for this particular program, making more funds available on a more flexible basis for CDBG.

I have decided to take this action knowing that several Members intend to amend the committee's recommendations to identify specific EDI grants. Let me explain the recommendations of the committee.

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Mr. Chairman, the economic development initiatives program allows the Secretary of HUD to choose awardees based on the following competitive criteria: The extent of the need for the assistance, the level of distress in the community, the quality of the plan, and the capacity of the applicant to carry out the plan. Each of the programs selected by the committee for special EDI grants meet these criteria.

Furthermore, activities planned in special EDI grants meet the objectives of the EDI program, including the creation of jobs, the revitalization of neighborhoods, leveraging private investment from partners at local levels, and providing opportunities for low-income youth and families. The only substantive difference between the special EDI grants identified in the committee report and the regular EDI grants is who chooses the recipient, the Secretary or the Congress.

Therefore, if the choices of the Congress are considered pork, clearly it is only fair that the Secretary's choices must be pork as well, and the entire set-aside should be eliminated. Eliminating the EDI set-aside within CDBG accounts will have the effect of making $40 million more available for the CDBG program rather than the special awardees chosen by the Congress or the Secretary.

Mr. Chairman, what I am attempting to avoid here is that there are a number of Members who are looking at individual projects that are selected by the Congress and the committees and suggesting that they are pork. Frankly, we have evaluated them, they meet the criteria, and so on, but I can understand where Members are coming from.

So it is our choice, then, instead to go back and say, let us put all of this into the CDBG pool, take the whole $40 million, and not have it be part of that account. And incidentally, that sets aside the need for 5 or 7 or 8 or 10 amendments here on the floor, both in the interests of time, but also putting it back into the CDBG pool with some flexibility seems to me to meet at least the intention of those Members who are concerned about the question of pork.

Mr. MINGE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I first would like to begin by stating that I and several other Members who have been active in looking for earmarks that might violate some of the principles we have used in this body would like to applaud the chairman of the committee, the gentleman from California [Mr. LEWIS] for his action. We respect his decision, and will not offer, obviously, any of the amendments that we had anticipated offering.

Mr. Chairman, I would like to briefly engage the chairman in a colloquy with respect to his action. It is my understanding, I would say to the gentleman from California [Mr. LEWIS], that as a result of his amendment, which I expect will be adopted, that the projects identified in the report language, which the gentleman has indicated meet the criteria in the statute, will compete with projects from other States across the Nation and other communities across the Nation, so that it would truly be a level playing field at that point in time with respect to all projects being proposed by communities for this particular type of funding.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. MINGE. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I would say to the gentleman that if any of those projects were proposed within the CDBG pool, they would have to meet the criteria and be a competitor in that mix. But, frankly, we are attempting to avoid the controversy here of pulling out individual projects and suggesting they might be bad, and if a vote went against them, then they not only would not fare well in that competition, they might very well be set aside entirely.

Mr. MINGE. So the fact that these eight projects are listed in the report language does not, as to the gentleman's understanding of the situation, after the amendment is adopted, provide these eight projects with some type of special status?

Mr. LEWIS of California. We are striking all that language. They will not be a part of this report or this bill as it goes forward.

Mr. MINGE. So even that portion of the report language——

Mr. LEWIS of California. The report does not change, this is the legislative language.

Mr. MINGE. It is the bill language that is being deleted?

Mr. LEWIS of California. That is correct.

Mr. MINGE. Mr. Chairman, going back to my question, the effect of deleting these lines in the bill would mean that these projects identified in the report language would at that point compete with projects from other districts, other States throughout the country, on a level playing field or equal basis, is that correct?

Mr. LEWIS of California. Mr. Chairman, If the gentleman will yield further, I would say, in theory, yes. I must say that with our history around here relative to departments and report language, they might even be a bit disadvantaged.

Mr. MINGE. Or they might be advantaged.

Mr. LEWIS of California. Possibly. But, frankly, I have a feeling that under this scenario, if it is put back in this pool and they do meet the criteria, and we believe that they do, then they would be on a level playing field.

Mr. MINGE. I thank the gentleman very much. I would like to thank the gentleman for his statesmanship in taking this action.

Mr. LEWIS of California. I certainly appreciate the gentleman's expression, and I hope that he will be supporting this amendment.

Mr. MINGE. I shall.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEWIS].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For the cost of guaranteed loans, $31,750,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,500,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan program, $675,000 which shall be transferred to and merged with the appropriation for salaries and expenses.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the

Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,400,000,000, to remain available until expended: *Provided*, That $21,000,000 shall be available for grants to Indian Tribes: *Provided further*, That up to 0.5 percent, but not less than $7,000,000, shall be available for the development and operation of a management information system: *Provided further*, That $15,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE FUNDS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77), as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $823,000,000, to remain available until expended.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $171,000,000, to remain available until expended: *Provided*, That any amounts previously appropriated for such program, and any related assets and liabilities, in the "Annual contributions for assisted housing" account, shall be transferred to and merged with amounts in this account.

AMENDMENT OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment number 46 offered by Mr. SHAYS: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS", after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION-MISSION SUPPORT", after the last dollar amount, insert the following: "(reduced by $15,000,000)".

Mr. SHAYS. Mr. Chairman, my staff sent me here a number of hours ago in anticipation of this amendment, and I realized I was here a little earlier than I needed to be, but it was a hard place to leave. There is some tranquility here that I have not seen in quite some time. It was enjoyable, frankly, to listen to the competence of the chairman in this committee and to hear the debate and dialogue that took place among a number of Members, and the competence, I might say, of the now ranking member.

Mr. Chairman, this amendment was introduced by myself and my colleagues: my neighbor, the gentlewoman from New York, Mrs. LOWEY; the gentlemen from New York, Mr. LAZIO and Mr. SCHUMER; the gentleman from Wisconsin, Mr. GUNDERSON; the gentlewoman from Connecticut, Mrs. KENNELLY; the gentleman from California, Mr. HORN; the gentleman from Massachusetts, Mr. STUDDS; the gentlewoman from California, Ms. PELOSI; the gentlemen from New York, Mr. BOEHLERT and Mr. NADLER; and the gentleman from Illinois, Mr. FLANAGAN.

What this amendment does is it increases the housing for people with AIDS from $171 million to $186 million, which was the pre-rescission amount that we had in our budget in 1995. To pay for the increase, the $15 million increase, and I just would hasten to point out, it is a very modest amendment, one that almost would make me feel that the chairman of the subcommittee might want to endorse it; but it is $15 million taken from the mission support account of NASA, which will go from $2,562,000,000 to $2,547,000,000. The account for this mission support is $113 million more that the House had in the fiscal year 1997 authorization levels, so the authorization level is $113 million less than what is in this budget.

Our concern, Mr. Chairman, is for housing for people with AIDS. The number of people who are HIV-positive with AIDS is growing. We have 10 additional jurisdictions, and as some may know, we fund 90 percent of the HOPWA money by providing funds based on 115 cases per 500,000 people.

As more people are HIV or have AIDS, the number of demands on this limited money is resulting in those that have had money in the past are actually experiencing cuts. So while we are freezing this at $171 million, by the chairman's attempt, there will be cuts unless we add $15 million, and we are hoping that the full House will act favorably on this. We think it is a modest amendment. We hasten to point out that the daily cost for persons with AIDS in acute care facilities is $1,085, and that the daily cost of community housing under the HOPWA grant ranges from about $40 to $100 a day.

Mr. Chairman, one-third to one-half of all people with AIDS are either homeless or in imminent danger of losing their homes. It is estimated that 15 percent of all homeless people are in fact HIV-positive. I just cannot emphasize enough, we are fairly modest in our approach to helping people with AIDS. We obviously are doing research. We have services. But what we spend to give people who are HIV-positive or have AIDS a place to live, I just cannot emphasize the extraordinary need to do this.

There is a McKinney home that is run by the Whitman-Walker organization that has six families. If Members can just visualize those six families, those six families tend to be a mother and her children. Her children in most cases do not have AIDS, are not HIV-positive, but the mother is. The mother knows that she is going to die. She knows she is going to die. With her in the home is the new mother for her children. This is the kind of expenditure that the HOPWA funds go, to help that mother live in an environment for the rest of her very short life to usher in and help her children grow and meet their new mother, and it is a beautiful program. There are a number of programs throughout the country where we have people really dedicated to helping extend a loving hand to those who simply need a place to stay, a place to call home.

Mrs. LOWEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we are offering this amendment today to add badly needed funding to the Housing Opportunities for Persons with AIDS program.

Our amendment will increase funding for HOPWA to the pre-rescission fiscal year 1995 level, only a $15 million increase over what is currently in the bill. This increase will provide housing opportunities to over 4,000 individuals and families living with AIDS around the country. More than 4,000 people who would otherwise be put out onto the streets.

And make no mistake, the cost to society of throwing these people out onto the streets is far greater than the cost of providing them with housing. It should come as no surprise that individuals without housing will turn to hospitals and American taxpayers will foot the bill. The average cost of hospital care for people with AIDS is between 10 and 20 times the cost of home care. The HOPWA program saves $47,000 per person per year in emergency health care costs.

Mr. Chairman, the HOPWA program has been funded at the same level since fiscal year 1995, but more than 20 communities have become eligible for these funds since that time. That translates into a 23 percent decrease in funds available for communities that received HOPWA grants before fiscal year 1995.

Up to 60 percent of Americans living with AIDS are either homeless or in imminent danger of losing their homes. It is estimated that while someone can live for 10 years with AIDS, the life expectancy for a person with AIDS who is homeless is 6 months. The HOPWA program will save money, keep families together, and extend lives.

AIDS is a public health emergency, and we should treat it that way. The HOPWA program is cost-effective and humane. I urge my colleagues to support this reasonable amendment.

Mr. LEWIS of California. Mr. Chairman, I rise with very, very great reluctance to oppose this amendment, and I want to take a moment to explain to my colleagues my involvement with issues such as this over a number of years.

I am not sure that many of the Members realize this. Some may recall. But I was a new and greenhorn Member in the House in 1980 when I carried a resolution around the House seeking signatures from Members on both sides of the aisle. It had to do with promoting fundamental research on a new problem that society was just beginning to recognize, a thing called AIDS. Virtually every one of my friends and colleagues on both sides of the aisle said, you want to do what? Because nobody knew what the problem was in those days. That was the first resolution on this issue.

As a new member of this subcommittee, I was the member who put the first dollars, and it was only $200,000 then, in for AIDS research in this subcommittee. I have a grave concern with where we have been and where we need to go in this whole subject area. Indeed, housing for people who are impacted by this incredible problem, as well as challenge to our society, deserve and need our support.

But one more time, we are talking about very difficult funding levels and balancing programs that are very important. How do you balance? These programs spend out at about 3 percent to 4 percent a year. The money we are talking about shifting here impacts, in real terms, very little in terms of next year or even the year after that for people who are currently dealing with the problem of AIDS. Indeed, we do need balance between these accounts. I cannot recommend that we take x dollars from an elderly account and give to AIDS, or HOPWA, if you will. We have tried to provide funding that we could adequately use in a timely fashion and be as responsive as possible.

□ 2215

The funding for the HOPWA programs is at the President's request, and indeed, we did a lot of analysis of that, attempting to see if we were being as responsive as possible.

I urge the Members to recognize that we are moving forward in a fashion that is an attempt to be both responsive and responsible, and because of that, I urge the Members to vote no on the amendment.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise tonight in strong support of the amendment offered by Representatives Shays and Lowey.

Mr. Chairman, I represent Marin and Sonoma Counties in California, an area which has one of the highest rates of HIV for a rural/suburban area in the Nation.

To respond to this number, Mr. Chairman, both Marin and Sonoma Counties have mounted an aggressive and compassionate response to the AIDS epidemic—a response that is truly a model for the Nation. By building a network among friends; schools; community organizations; and health care providers, the people and local government of Sonoma and Marin are doing their best to provide quality care to people with HIV and AIDS and for their families.

But the community can't do it alone. They need Federal resources to help them meet the growing demands due to this terrible disease, they especially, need help for one of the most basic of necessities—shelter.

At any given time, because of discrimination; lost wages or medical expenses, up to 60 percent of persons with HIV and AIDS are either homeless or in imminent danger of losing their homes.

That's where the Housing Opportunities for People With AIDS program, or HOPWA, steps in.

By providing housing, HOPWA improves the quality of life for people with AIDS and reduces unnecessary hospitalizations and expensive emergency health care services.

In my district, 94 households including 9 with children, have benefited from this program, but there are many more who need help.

That's why it is crucial that this body approve this modest increase of $15 million for HOPWA. While not nearly enough to meet the growing demand for housing, this amendment will at least provide housing and services to an additional 4,000 individuals and their families.

Last year, when my district received a HOPWA grant, the local director of the HOPWA program said that he would be really happy if someone came up with a cure for AIDS and they got rid of his job tomorrow.

How we all share those same feelings. How we all wish we could find a vaccine or cure for this terrible disease.

Unfortunately, we are not there yet—the number of AIDS cases has increased by almost one-third since 1995, and the cities and States qualifying for HOPWA funds have increased by 23 percent.

Clearly, the need for housing assistance for people with AIDS is growing. The need is crucial.

Just ask a man (with HIV) in my district; a man who is counting on HOPWA funds so he can concentrate on his health instead of worrying about his rent; ask the family of five in Marin County who used HOPWA funds to move from their tiny one bedroom apartment to a larger one; sadly you can't ask my best friend's son who died from AIDS last year at the age of 33. But, his family and friends will tell you that he lived a longer and fuller life because of the high quality of care and housing he had.

In memory of him and for the thousands of Americans who are living with this disease let's show this Nation that we at least have enough compassion to provide one of the most vulnerable groups in our Nation—people with HIV and AIDS—with the most basic of necessities—a home!

I strongly urge my colleagues to vote for the Shays-Lowey amendment, and to support this modest increase in funding for housing for persons with HIV and AIDS.

Mr. HORN. Mr. Chairman, I move to strike the requisite number of words.

I am sorry to disagree with my good friend, the floor manager of this bill, who I regard as probably one of the ablest leaders in this Chamber.

Mr. Chairman, I rise in strong support of this deficit-neutral amendment for additional funding for housing opportunities for people with aids. HOPWA—as it is called—is one of the Housing and Urban Development [HUD] programs that work. This amendment would provide for a modest increase to HOPWA funding, restoring the program's appropriation to the prerescission fiscal year 1995 level. Such an increase is more than justified. HOPWA is an excellent example of what good the Federal Government can do when it combines compassion with common sense.

But this amendment is not only justified, it is absolutely necessary. Because of the continued rise of the AIDS epidemic, more than 10 additional jurisdictions will become eligible for HOPWA assistance in the next fiscal year. If we do not restore HOPWA funding to the 1995 prerescission level, the HOPWA grants for 34 States will be cut in the next fiscal year. The Los Angeles-Long Beach area, one of the metropolitan areas hardest hit by the AIDS crisis, has already seen sharp reductions in HOPWA funding. This year's grant for the Los Angeles-Long Beach area totaled nearly $8 million, and that represented a cut of nearly $1 million from the 1995 postrescission level. That cut came after the 8-percent across-the-board cut the program took in the 1995 rescissions. Further cuts next year will severely strain the already-overburdened Los Angeles-Long Beach area health care system while sapping the strength of one of our best weapons in the fight against AIDS.

This program combines fiscal prudence with effective compassion. Stable housing is a key to the survival of a person with AIDS. Without a good, stable place to live, AIDS patients are more likely to die prematurely because it becomes extremely difficult to give them the care and treatment they need. But up to 60 percent of all people with AIDS in the United States are either already homeless or in imminent danger of becoming homeless. HOPWA provides a cost-savings way to care for such people. Without the funding provided for in this amendment, people with AIDS will become homeless or will be admitted to emergency rooms.

It costs $1,085 per day to care for a person with AIDS in an emergency care facility. It costs between $40 and $100 per day to provide housing and services in a HOPWA-funded residential facility. HOPWA is a cost-effective alternative to hospitalization. Also, HOPWA is administered at the local level, so that the fight against AIDS is led by the people who know it best, not by Washington bureaucrats. This amendment will save money and reduce the cost of health care. I urge all my colleagues to support it.

Mr. Chairman, I urge very much that this deficit-neutral amendment be passed by my colleagues, and I hope that the chairman, in conference with the Senate, will make sure that this $15 million is added to the HOPWA budget. It is the least we can do to make up for inflation and also for what we did in 1995.

Mrs. KENNELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Shays-Lowey amendment, of which I am a cosponsor. This amendment will restore funding for the HOPWA Program, which is the only Federal housing program designed to address the housing crisis of the AIDS epidemic. This increase of $15 million will return HOPWA to its pre-fiscal year 1995 rescission level. Those added dollars will provide housing services for an additional 4,035 individuals and families living with AIDS, allowing them to improve the quality of their lives and gain access to life-extending care.

Although funding for this program has been level since fiscal year 1995, there has been a 23-percent increase in metropolitan areas and States qualifying for HOPWA funding. This increase has forced jurisdictions to compete for fewer and fewer dollars. Cities like my hometown of Hartford are receiving less HOPWA funding while their needs are increasing. In fact, in my home State of Connecticut, we lost over $100,000 in HOPWA funding in the last fiscal year, even though a new jurisdiction in the State became eligible for the formula grant program.

Connecitcut is a leader in AIDS housing, at one time boasting the only Statewide AIDS residence coalition in the Nation. But even in a State that runs an effective AIDS housing program, the need for funding is great. In 1995, fewer than 150 out of 1,500 requests for housing were filled. The alternative for many of those denied housing is homelessness, something none of us should feel comfortable with.

Finally, let me talk about the cost of AIDS housing. The average cost of an acute care hospital bed for an AIDS patient is $1,085 per day. In Connecticut, the cost of scattered site AIDS housing is on average $35 per day, far cheaper than the cost of acute care in a hospital.

The AIDS epidemic continues to grow. In Connecticut, the State budget for AIDS housing has grown from $150,000 in fiscal year 1988 to $1.3 million in the last fiscal year. HOPWA dollars supplement these State funds and pay for 35 to 40 percent of the costs associated with AIDS housing. The continued erosion of HOPWA dollars would therefore have a tremendous impact on the capacity to serve these needy people.

The Shays-Lowey amendment is deficit neutral. We would provide extra funding for HOPWA by shifting funds from NASA mission support. This bill provides mission support with $2.6 billion, even though the science bill this body passed last month authorized only $2.4 billion. In fact, this bill's appropriation for mission support is $60 million over the current fiscal year.

Our amendment preserves 75 percent of the funding increase from fiscal year 1996. It leaves mission support $100 million above the authorization level, and represents only a one half of one percent reduction in total mission support funding.

Like many of our colleagues, we support the work that mission support does in our space program. However, a multiagency appropriations bill like this one requires us to compare priorities and make tough choices. Our choice today is providing housing services for an additional 4,000 individuals and families immediately—or providing a small amount of extra money to an account that is already well above the authorization level.

I urge my colleagues to support the Shays-Lowey amendment, and to provide AIDS housing to those in need.

Mr. COBURN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was somewhat hesitant to come down and talk on this subject, but I find myself as a physician who has cared for AIDS patients, who knows AIDS patients, that we are, through this amendment, perpetuating a mistake, a very major mistake in this country, and that is that we are focusing again dollars on AIDS, and we are missing the concept of AIDS prevention.

The fact is that we are going to spend $171 million on housing for AIDS patients this year. The fact is that this Government is going to spend $7.41 billion in 1996 on AIDS.

□ 2230

The reason we have the AIDS epidemic that we do today, the reason we have the increased numbers requiring AIDS housing is because we focused on the wrong thing. That is, HIV prevention. Until we refocus our efforts, until we redirect our dollars to preventing the infection in the first place, we are giving poor solace to those who will come after those that have been so unfortunately infected with this disease that we will see increasing numbers and we will have to have more numbers.

Prevention is the key to HIV. Prevention is the compassionate way to spend our Federal dollars so that we do not have another 4,000, 5,00, 50,000, 100,000, 200,00 people yearly coming down with AIDS as a complex and serious life-ending disease.

The reason it also is wrong is because today if we identify somebody who has just now become HIV positive, we have the drugs in our armamentarium to prevent them from becoming AIDS patients. We can now identify, if we choose to do so, people who are infected with HIV, and we can start treatments, that now the studies, the multiple drug treatments will tell us, that we will not have AIDS coming about.

We continue to perpetuate a wrong strategy as far as the HIV and AIDS epidemic. We need to start talking about HIV prevention; $171 million, that is never going to be enough to care for those people who have AIDS; $271 million is not going to be enough to care for those people who have AIDS. I think we should have more money for those people who have AIDS and need our assistance.

But we are perpetuating a decision-making process that is not going to help solve this problem. Until we recognize it, and unless we recognize it, then we will do a disservice, not to just those people who presently have AIDS but to those who eventually will have AIDS.

So I think it is very important that we look again at what we are spending and how we are spending it, and if we are going to increase funding in terms of the AIDS epidemic, any increase in funding ought to go toward HIV prevention and not additional AIDS housing.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from California.

Mr. LEWIS of California. I appreciate, first of all, my colleague yielding, but more importantly his very sensitive and also thoughtful comments. The gentleman's professional background causes him to be especially aware of the challenges that we face out there relative to this difficulty in our society. It is not going to go away unless we deal with questions of prevention.

But let me, if you will, impose upon your time for a moment, and we will grant additional time so that you can round out your remarks, but the other side of this involves taking the money from the NASA accounts. It is awfully easy for some to put a program like HOPWA against NASA and presume it is not going to have any real effect on those programs.

The reality is that of all the agencies under my committee, one of those agencies that has worked the hardest and has done the best job of attempting to go about reinventing themselves, as we try to reinvent Government and have it work better, is NASA.

Within that effort, NASA has already reduced its full-time civil service work force from 24,000 to 21,000. They have a schedule that is a very serious schedule in terms of reducing personnel. But in the meantime, this funding would dramatically impact the personnel available in vital programs that relate to our space mission such as human space flight programs. At the core of this program is a series of contracts to construct communications satellites. A cut in this account could eliminate the cost savings associated with current fixed-price contracts.

The reality is that work is going on. It is very important work. It looks like an easy hit for some, but we have already trimmed them to such an extent that they are pushed against the wall. It is awfully important that we recognize that we are doing all that we can to balance these accounts, especially in programs like the NOPWA Program. Indeed, when one recognizes how much of that money is spent out per year, the $171 million of additional spending this year meets the challenge that the Department can handle.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. COBURN] has expired.

(On request of Mr. LEWIS of California, and by unanimous consent, Mr. COBURN was allowed to proceed for 2 additional minutes.)

Mr. COBURN. I take with some advice the gentleman's words and would agree with them to a great extent. But my main purpose for opposing this is to make us think about what we are doing. HIV–AIDS, except in very rare circumstances today, is an absolutely preventable disease. Absolutely preventable. As long as we fail to recognize that, as long as we ignore that, we will never solve this epidemic, no matter how much money we put at it, no matter how much money we put into drug research, into compassionate care in the latter stages of AIDS, we are not ever going to do enough.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman for yielding, and I appreciate his very sensitive remarks about his caring for people with AIDS and HIV.

I strongly support his statement about prevention being very, very important, because, of course, of what it means in the lives of individuals and from a practical standpoint here in what it means in terms of dollars saved not having to provide funding for care. But I do not want the gentleman to give the impression to our viewers when he said that there are some medications, some drugs that are available now that would prevent AIDS. I am sure the gentleman was referring to those protocols which would prolong life and improve the quality of life for people with AIDS–HIV. But, sad to say, our prayers have not been answered as far as a vaccine to prevent AIDS or HIV.

Mr. COBURN. Reclaiming my time, I was not referring to a vaccine at all. There is very substantive research in front of us today that says that we will be able to prolong significantly the occurrence from HIV to AIDS infection with some of the very, very new and miltidrug trials. The latest studies coming out say that that is so. Therefore, it is eminently important that people who have HIV be identified now.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. COBURN] has again expired.

(On request of Ms. PELOSI, and my unanimous consent, Mr. COBURN was allowed to proceed for 1 additional minute.)

Mr. COBURN. Mr. Chairman, I think it is important to recognize the difference is, it is not just important, it is the only thing that will solve the AIDS epidemic, is treating HIV prevention.

I yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman for yielding. I am encouraged in some respects, although I disagree in terms of his position against the increase in the HOPWA funds, but I do find some common ground with him. I hope that the gentleman's remarks are an indication that he will support the ADAP Program which calls for increased funding so that these new protocols and new drugs will be more widely available to people with HIV and AIDS to improve the quality of their life, to prolong life until there is a cure, because these protocols in many cases cost twice as much as the drugs available now and I do not think that the benefit of the research that the American people have spent billions of dollars on should be confined to only those wealthy enough to afford those drugs but would be more widely available to prolong life.

Ms. DELAURO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Shays-Lowey amendment to increase funding for housing opportunities for persons with AIDS by $15 million.

AIDS is a critical public health threat that continues to grow, with approximately 40,000 new HIV infections recorded in the United States each year. AIDS is the second-leading cause of death among young men in the United States, and the sixth most common cause for young women.

AIDS has hit my own community particularly hard. Almost 20,000 people have contracted the HIV virus throughout Connecticut, and in 1995 Connecticut ranked sixth in per capita AIDS cases. AIDS is the leading cause of death for women in the city of New Haven.

As a nation, we must remain committed to searching for a medical cure and a vaccine for AIDS, as well as treating those already afflicted with the disease. Although we are facing tough economic times, we cannot afford to decrease funding for AIDS research and prevention programs.

Until we find a cure for AIDS, however, we must provide the most basic care for the men, women, and children that have been devastated by this terrible epidemic.

I have fought hard to fund AIDS research, and I will fight equally hard to ensure that victims of this disease have a clean, safe place to sleep so that they can live healthier, longer lives. The Shays-Lowey amendment will help state and local government provide the basic necessity of housing to more than 4,000 additional families and individuals that need HIV-AIDS housing assistance in 1997.

This amendment will also maintain the flexibility State and local governments need to establish short-term supportive housing and rental assistance, create community residences, and provide home-care services. The overwhelming cost of caring for victims of HIV-AIDS necessitates an increase in funding to the 50 metropolitan areas that currently benefit from funding for the Housing Opportunities for People With AIDS Program.

Many people with AIDS are forced to spend their life savings on health care, and many are just a paycheck away from losing their homes. People with AIDS, from children to adults, should have a right to refuge, a right to basic care, and a right to a life with dignity. The Shays-Lowey amendment will help make this happen.

I want to congratulate my Connecticut colleague, Mr. SHAYS, for the compassion and kindness and commitment to caring for our neighbors, which is what this amendment represents. And thanks also to my friend from New York, Mrs. LOWEY for her leadership on this issue.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join with our colleagues in commending the gentleman from Connecticut [Mr. SHAYS], the gentlewoman from New York [Mrs. LOWEY], and other authors and sponsors of this amendment in bringing this to the floor. I commend them, because this important amendment is to increase by $15 million the funding for the critically important Housing Opportunities for People With AIDS Program.

As one of the original authors along with the gentleman from Washington

[Mr. McDERMOTT] and the gentleman from New York [Mr. SCHUMER] of the legislation establishing the HOPWA Program, I am pleased to note the broad base of support which the program now has on both sides of the aisle. This supports the fact that HOPWA funds are working successfully in communities across the country helping to address the serious unmet housing needs of people with HIV-AIDS. I commend Chairman LEWIS for including $171 million for HOPWA in this bill. I believe that we should provide additional funding for HOPWA and I am pleased with the leadership of our colleague from Ohio, Mr. STOKES, and his assistance on this issue, because this program makes a positive difference in the lives of people with HIV-AIDS and for the communities which are struggling to address the AIDS epidemic.

The additional $15 million in this amendment is a relatively small amount which will have a large effect. This funding will return HOPWA to the prerescission fiscal year 1996 funding level. I have some more facts and figures which I will place in the RECORD.

In our community in San Francisco, these funds are desperately needed. In fact, Peter Claver House, which was a hospice which took care of people with HIV-AIDS who were homeless or in danger of becoming homeless, was a model for this program. In our city of San Francisco alone there are 3,000 low-income people with HIV disease who are on a waiting list for assistance under this program. Imagine, 3,000 people on a waiting list. Nationwide at any given time one-third to one-half of all Americans with AIDS are either homeless or in imminent danger of becoming homeless.

Mr. Chairman, when you have HIV-AIDS, the last thing you need is stress to attack your immune system, and homelessness or the threat of homelessness is indeed a very stressful situation. Sixty percent of all people living with AIDS-HIV will face a housing crisis at some point during their illness due to an inability to work and associated loss of income, medical expenses, or illegal discrimination. Homelessness or the threat thereof places extreme stress on the healthiest of individuals.

As I mentioned if you have HIV-AIDS, the stress can be life-threatening. I will place the rest of my statement in the RECORD, but I did want to say to our distinguished chairman of the committee, Mr. LEWIS, for whom I have a great deal of respect, that the $15 million that is taken out of NASA as he knows comes out of a $60 million supplement to that bill which places it $60 million over the fiscal year 1996 funding. So I think that it will not be as missed in the NASA Program as it will be needed in the HOPWA Program.

□ 2245

In that spirit, I once again commend the gentleman from Connecticut [Mr. SHAYS] and the gentlewoman from New York [Mrs. LOWEY] for their great leadership on this, and would like to recognize the relentless advocacy of Lucy McKinney on behalf of people with HIV-AIDS and their housing needs.

Mr. FLANAGAN. Mr. Chairman, I rise in strong support of this bipartisan amendment designed to restore funding for HOPWA to the fiscal year 1995 pre-rescission level of $186 million.

The HOPWA Program is an essential tool in the fight against HIV/AIDS. By increasing its funding by a mere $15 million, over 4,000 people living with AIDS will be taken off the streets and will receive desperately needed housing. They will also have a better chance of a longer, more full life.

The HOPWA Program is a flexible, locally controlled program that provides short-term supportive housing and rental assistance to community residences and coordinated home health care services. Failure to restore HOPWA funding, especially as the number of AIDS cases continues to grow each year, will leave thousands of people with HIV/AIDS and their families homeless or without adequate housing—all at an enormous cost to their health and to our communities.

Now, Mr. Chairman and colleagues, when I say our communities, I am not just talking about large urban areas like Chicago, New York, or Los Angeles. I am also talking about smaller suburban and rural areas where HOPWA funding is also utilized and is certainly just as important to those citizens living there, where a wide range of alternatives does not exist.

Mr. Chairman, during fiscal year 1996 alone, the HOPWA Program has so far provided $153.9 million for formula grants to 76 recipients. These grants include: $3.4 million to the city of Chicago, $2 million to Houston, and over $1.7 million to San Diego, CA.

But, again, Mr. Chairman, urbanites are not the only ones who benefit under HOPWA. Nonurban areas also get a piece of the HOPWA pie. For instance, in this fiscal year alone, North Carolina has received $1½ million for AIDS housing. Alabama has received $825,000; Kentucky, $413,000; Mississippi, $544,000; Nevada, $468,000; Oklahoma, $583,000; and South Carolina, $1¼ million. The State of Washington, not including Seattle, has received $439,000 in fiscal year 1996 alone.

Better yet, Mr. Chairman, the additional $15 million we are seeking today will go to new jurisdictions which have yet to receive HOPWA money. In other words, if you're a Member of Congress who thinks that your district won't benefit from this additional $15 million, think again. AIDS is in every town and community in this Nation, and HOPWA should be there too, helping those who*COM003* need it most.

It is a tragic fact that about 30 percent of those infected with HIV are in acute hospital care due to the fact that no community-based housing alternative is available for them. For the most part, urban areas have these low-cost housing alternatives. It's the smaller, more rural areas that do not, and that is why this amendment is so important. The average cost of an acute care hospital bed for an AIDS patient is $1,085 per day. The average cost of a HOPWA bed is a tenth of that amount—and that's probably a conservative estimate.

The $15 million increase for HOPWA will provide housing and services for an additional 4,035 individuals living with AIDS. Let me repeat, Mr. Chairman, 4,035 individuals, as well as their families, from all over America who desperately need this assistance in order to survive. This additional $15 million will also help communities throughout this country cope with the high costs of acute hospital care.

Again, Mr. Chairman, I urge my colleagues to support this amendment.

The amendment will raise funding from $171 million to the pre fiscal year 1995 rescission level of $186 million. Funding has remained at $171 million since fiscal year 1995, while 20–22 new jurisdictions have become eligible for HOPWA formula grants since that time. This is actually a 23-percent cut in funds for existing jurisdictions. An increase of $15 million in funding will result in housing and services for an additional 4,035 individuals and families living with HIV/AIDS.

The average cost of an acute care hospital bed for an AIDS patient is $1,085 per day. The cost of HOPWA funded housing is between one-tenth and one-twentieth of that amount. HOPWA dollars reduce the cost of emergency health care services by an estimated $47,000 per person per year. The alternative to HOPWA funded housing for many individuals living with AIDS is the street or a homeless shelter. One-third to one half of all Americans with AIDS are either homeless or in imminent danger of losing their homes. 60 percent of all people living with HIV/AIDS will face a housing crisis at some point during their illness.

The amendment cuts $15 million from the Gravity Probe-B, which is funded in the NASA Space Aeronautics and Technology account. Gravity Probe-B is intended to verify or disprove Einstein's theory of general activity. The VA–HUD subcommittee provided no funding for Gravity Probe B in FY 1996. Funding was restored at the full committee level to $51.5 million. This year both the subcommittee and full committee funded the program at $59.6 million a 15 percent increase—$8.1 million.

As late as 1992, NASA was saying that the total cost of the project would be approximately $320 million, that a prototype would be launched by 1995, and the real probe in 1998. Today, the project cost is $561.5 million through 2000 and launch is not scheduled until 2000.

This amendment does not represent a retreat in basic science. In fact, it is not even a retreat from the Gravity Probe-B Program, since it is still funded at $45 million in fiscal year 1997. The $15 million cut represents a 0.2 percent cut in the Science, Aeronautics and Technology account at NASA, and only a one-tenth of one percent cut in NASA's appropriation.

While verifying Einstein's theory is worthy science, the appropriations process requires Congress to make tough choices—testing the theory of relativity, a multiyear endeavor, versus housing for 4,000 more people.

FY 1996 HOPWA FORMULA ALLOCATIONS

The FY 1996 appropriation of $171 million provided $153.9 million for formula allocations to 76 grants, including 49 Eligible Metropolitan Statistical Areas (EMSAs) and 27 States. The eleven first-time recipients are noted by *, the service area of six prior State grantees is reduced due to these new EMSAs. The applicant is the State or, for the EMSA, the most populous city in the area, which is the first jurisdiction named in the EMSA title (except as noted). The allocations are part of the area's consolidated plan.

1966 Formula Grantee	*Allocation (In 000s)*
New England Region:	
Connecticut (outside of the Hartford and New Haven EMSAs)	620
Hartford CT MSA	535
New Haven-Meriden CT PMSA*	403
Massachusetts (outside the Boston EMSA)	898
Boston MA–NH PMSA	1,613
New York, New Jersey Region:	
New Jersey (outside of 6 EMSAs)	617
Patterson for Bergen-Passaic NJ PMSA	1,044
Jersey City NJ PMSA	2,378
Woodbridge for the Middlesex-Somerset-Hunterdon NJ PMSA	556
Dover Township for the Monmouth-Ossen NJ PMSA*	473
Newark NJ PMSA	4,718
New York State (outside New York City and Nassau PMSAs)	1,979
Islip for the Nassau-Suffolk NY PMSA	1,045
New York NY PMSA	35,840
Mid-Atlantic Region:	
Pennsylvania (outside the Philadelphia and Pittsburgh EMSAs)	793
Philadelphia PA–NJ PMSA	282
Pittsburgh PA MSA*	400
Virginia (outside of DC and Norfolk EMSAs)	697
Virginia Beach for the Norfolk-Virginia Beach-Newport News VA–NC MSA*	416
Baltimore MD PMSA	4,582
Washington DC–MD–VA WV PMSA	5,026
Southeast Region:	
Alabama	825
Florida (outside of 6 EMSAs)	2,397
Fort Lauderdale FL PMSA	4,036
Jacksonville FL MSA	797
Miami FL PMSA	8,359
Orlando FL MSA	1,043
Tampa-St. Peterburg-Clearwater FL PMSA	1,314
West Palm Beach-Boca Raton FL PMSA	2,080
Georgia (outside the Atlanta EMSA)	931
Atlanta GA MSA	2,817
Kentucky*	413
Mississippi	544
North Carolina (outside the Norfolk EMSA)	1,467
Puerto Rico (outside the San Juan MSA)	1,382
San Juan-Bayamon PR PMSA	3,754
South Carolina	1,224
Tennessee	1,061
Midwest Region:	
Illinois (outside of Chicago and St. Louis EMSAs)*	391
Chicago IL PMSA	3,394
Indiana (outside the Indianapolis MSA)	452
Indianapolis IN MSA	432
Michigan (outside the Detroit EMSA)	506
Detroit MI PMSA	1,180
Minneapolis-St. Paul MN–WI MSA	558
Ohio (outside the Cleveland EMSA)	1,262
Cleveland-Lorain-Elvyria OH PMSA	532
Wisconsin (outside the Minneapolis EMSA)	585
Southwest Region:	
Arkansas*	434
Louisiana (outside the New Orleans EMSA)	748
New Orleans LA MSA	1,295
Oklahoma	583
Texas (outside of EMSAs)	1,431
Dallas TX PMSA	2,038
Ft. Worth-Arlington TX PMSA	537
Houston TX PMSA	3,014
Austin-San Marcos TX MSA	625
San Antonio TX MSA	605
Great Plains Region:	
Kansas City MO–KS MSA	700
St. Louis MO–IL MSA	737
Rocky Mountain Region:	
Denver CO PMSA	1,009
Pacific/Hawaii Region:	
Phoenix-Mesa AZ MSA	727
Hawaii*	419
Las Vegas NV–AZ MSA*	468
California (outside of 8 EMSAs)	1,933
Oakland CA PMSA	1,611
Sacramento CA PMSA	548
San Francisco PMSA	8,828
San Jose CA PMSA	547
Los Angeles-Long Beach CA PMSA	7,979
Santa Ana for the Orange County CA PMSA	960
Riverside-San Bernardino CA PMSA	1,078
San Diego CA MSA	1,721
Northwest/Alaska Region:	
Portland-Vancouver OR–WA PMSA	667
Washington State (outside of the Seattle and Portland PMSAs)	439
Seattle-Bellevue-Everett WA PMSA	1,188
1996 Formulas Total	153,220

The CHAIRMAN. The question is on the amendment offered by the gentleman from the Connecticut [Mr. SHAYS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHAYS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] will be postponed.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1997, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000: *Provided*, That during fiscal year 1997, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to $2,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: *Provided further*, That the Secretary may use the amount of any negative subsidy resulting from the sale of such assigned mortgage notes during fiscal year 1997 for the purposes included under this heading.

During fiscal year 1997, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $200,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $341,595,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $334,483,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $7,112,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended) $85,000,0000, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $17,400,000,000: *Provided further*, That during fiscal year 1997, the Secretary shall sell assigned notes having an unpaid principal balance of up to $2,500,000,000, which notes are held by the Secretary under the General Insurance and Special Risk Insurance funds: *Provided further*, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed $120,000,000; of which not to exceed $100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $202,470,000, of which $198,299,000 shall be transferred to the appropriation for salaries and expenses; and of which $4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1997, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $9,101,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $9,101,000 shall be transferred to the appropriation for salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $34,000,000, to remain available until September 30, 1998.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and for contracts with qualified fair housing enforcement organizations, as authorized by section 561 of the Housing and Community Development Act of 1987, as amended, $30,000,000, to remain available until September 30, 1998, of which $15,000,000 shall be to carry out activities pursuant to section 561.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $962,558,000, of which $532,782,000 shall be provided from the various funds of the Federal Housing Administration, $9,101,000 shall be provided from funds of the Government National Mortgage Association, and $675,000 shall be provided from the Community Development Grants Program account.

AMENDMENT OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SANDERS: Page 37, line 13, after the first dollar amount, insert the following: "(reduced by $1,411,000)".

Page 64, line 9 , after the dollar amount, insert the following: "(increased by $1,411,000)".

Mr. SANDERS. Mr. Chairman, this is a very straightforward and modest amendment. In fact, it calls for far less money than many of the other amendments we have been discussing this evening.

It simply transfers $1.4 million from the HUD Secretary's office account for salaries and expenses to the Court of Veterans Appeals. In a colloquy on the House floor last year, the gentleman from California, Mr. LEWIS, and I discussed this issue and he indicated a willingness to fight to restore $429,000 trimmed from the fiscal year 1996 appropriation requested by the Court of Veterans Appeals.

On the basis of that commitment last year, I did not offer an amendment to restore that cut. Unfortunately, for whatever reason, not only was that money not restored ultimately, but when all was said and done, after the budget showdown earlier this year, the appropriation for the Court of Veterans Appeals totaled $9 million, an 8.5-percent cut below the court's fiscal year 1996 request and a 4½-percent cut below the prior year' fiscal appropriation.

If my amendment is approved, it will cut just $1.4 million from the $962 million account available to the HUD Secretary for next year for salaries and expenses to make up for the shortfall in requested fiscal year 1996 funding and flatline the fiscal year 1997 funding for the court at the same level. It would also include $634,000 for the pro bono representation program as well.

Mr. Chairman, what we are talking about is a small appropriation, but it is an appropriation that would mean a lot to the veterans of America and especially low-income veterans. I would point out that my amendment is supported by the American Legion and by the Disabled American Veterans. Mr. Chairman, as you know, when a veteran is denied a claim from the VA, that veteran has the right to appeal and that appeal is heard before the Court of Veterans Appeals. Unfortunately, as a result of lack of funding, the Court of Veterans Appeals is unable to do all the things that it should be doing to protect the interest of low-income veterans. One of the very important functions of that court is to make sure that there are pro bono lawyers available to provide assistance for low-income veterans who do not have the funds to get their own lawyers so that they can make the strongest case that they can make. Now, it seems to me that while we all recognize serious financial problems that we have, we should not be cutting back programs for low-income veterans who might not have the right to appeal a claim which was adjudicated in a wrong way. I do not think those are the folks that we should be balancing the budget upon. Low-income veterans should have the right to make their case as strongly as they can.

This is once again a modest request. It is all of $1.4 million but it would mean a great deal to low-income veterans. It comes out of the HUD Secretary's account for salaries and expenses, and I would hope very much that the Members of the House would support this amendment.

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, reluctantly I rise in opposition to the amendment offered by the gentleman from Vermont. He and I, as he has indicated, have talked about this program before, and last year we were talking about working together in terms of increasing some of this funding and there was no additional money added on the Senate side, so that as we discussed was not feasible in the conference.

Nonetheless, the amendment before us would add $1,411,000 to the $9,229,000 currently in the bill for the veterans of court appeals. The amendment would offset the increase by decreasing the amount for HUD salaries and expenses by that same amount. I am not really sure what the gentleman is trying to accomplish here, so maybe he will be able to help me. The court does not need a 15-percent increase above the amount recommended in the bill. The 1997 budget request for operations of the court is $8,795,000. The bill includes $9,229,000 for the account, an increase of $434,000 above the administrator's request. The recommended amount includes the 1996 level of $8,595,000 for operations of the court and $634,000 for the pro bono account. The administration did not request any funding for the pro bono account representation program but the committee recommended funding it at the 1996 level.

I am sure the gentleman appreciates the addition as I know he is a strong supporter of the pro bono program. The subcommittee's budget hearings did not reveal the need for funding above the amount on the 1997 budget request, with the exception of the pro bono program, and the amendment does not increase funds for the pro bono program. As the offset, HUD salaries and expenses accounts have already been reduced by $25 million below the 1997 request to the 1996 level.

Mr. Chairman, the point is we should not be reducing an account where funds are needed to increase an account where funds do not appear to be needed, and I ask the gentleman if he would consider withdrawing his amendment.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Vermont.

Mr. SANDERS. If I might, Mr. Chairman, let me read briefly from a letter that I received from Steve Robertson, who is director of the National Legislative Commission for the American Legion. They say and I quote:

> We have been and will continue to be strong supporters of the veterans' pro bono representation program which will receive a substantial portion of the proposed transfer. Without adequate funding, this essential program will be unable to meet the needs of those veterans who depend on it as their

only means of representation before the court.

Let me also read, if I might, from Thomas McMasters, who is the national commander of the Disabled American Veterans. He says, and I quote:

> As you know, the DAV has been an active participant in the veterans' pro bono legal program and supports what this program has been able to do for those veterans unable to obtain legal representation for their claims before the United States Court of Veterans Appeals. Accordingly, we support your amendment which will allow the Court to fully fund the pro bono legal program without reducing activities of the Court.

Mr. Chairman, what these gentlemen are saying, because they know something of the issue, because they represent veterans, they are saying we have a lot of low-income veterans who cannot make a trip to Washington, by the way, to make their claim. If they are low-income by definition, they cannot leave their communities, and I think that is a disgrace unto itself.

We are talking about $1.4 million. Given the amounts of money that we are talking about in this appropriations bill, this is a tiny sum of money and I really do think we should respect low-income veterans who may have gotten a raw deal from the VA and have a right to hear their appeals before the court.

Mr. LEWIS of California. Reclaiming my time, I must say that I understand the gentleman's point, but we attempted to deal with the pro bono program here. We have provided additional amounts that are here.

As I read the gentleman's amendment, he does not really make any change in the improvements we have already made in the pro bono funding, so I am scratching my head a little. But nonetheless, I believe I understand a portion of your point anyway.

Mr. STOKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I, too, must reluctantly rise to oppose the gentleman's amendment. I do so reluctantly because I know that he is sincere in trying to remedy what he feels is a real problem as it relates to the veterans. This is a subcommittee on which I have sat for many years, and I, too, am totally sympathetic towards the veterans who have to process their claims through the Court of Appeals. I have worked over the years to try and be sure that those veterans get the type of funding that they need in order to process those claims.

My reluctance here is based upon the fact that the House Appropriations Committee level-funded the Department's S&E request at the fiscal year 1996 amount, which is $25 million below the request. So they have already been nicked by $25 million in that account. Any additional reduction is certainly going to hurt the HUD salaries and expense account and prohibit them from being able to proceed in some of their assigned responsibilities.

But more than that, the Court of Appeals is now $229,000 over the 1996 appropriation and $434,000 over the 1997 request. So from that perspective, it would seem to me that the gentleman's amendment ought to be opposed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Vermont [Mr. SANDERS], will be postponed.

AMENDMENT OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. Hefley: Page 37, after "962,558,000" insert ("reduced by $42,000,000)"
>
> Page 69, line 8, after "46,500,000" insert "(increased by $20,000,000)".

Mr. HEFLEY. Mr. Chairman, I come to the House floor today to offer an amendment that is not designed to bash HUD, but instead to offer a common sense reduction and transfer of funds. When the House passed H.R. 2406 on May 9, it was with a promise of consolidating and streamlining HUD's bureaucracy. However, the proposed fiscal year 1997 funding for management and administration is exactly the same as it was before we overwhelmingly passed overall housing reform.

With the savings we can get from a modest 10 percent reduction in HUD's M&A account we can put $20 million into solid environmental protection, something I think members on both sides of the aisle would support. Since the leaking underground storage tank, or LUST, trust fund was mandated by the Congress in 1986, it has collected a petroleum product excise tax. The current balance is over $1 billion which is designated for environmentally damaging project cleanup. Let me be clear, this money is not for further regulation or inspection. It is for environmental cleanup only.

The funding level proposed for this year is over 30 percent less than was allocated in 1995. The irony of the whole thing is that this fund is financed through a tax on industry then the Congress turns around and tells industry how much of their own money can be used for cleanup. But the really amazing thing is the interest accumulated on the overall fund last year, is greater than the amount appropriated this year.

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The money we put back into the LUST Program will bring funding back up to the 1995 level and bring it almost in line with the administration's request for this year.

Mr. Chairman, this amendment will do three things that I think every Member of this body will want to support: We take money and bureaucracy out of Washington. In other words, we take $42 million out of an almost billion dollar administrative account. We reduce the deficit, which many Members have expressed concern about, by the amount of $22 million of those $42 million. And we provide increased funding for environmental cleanup of these leaking underground tanks in the amount of $20 million.

Reduce the bureaucracy, reduce the deficit, and provide environmental cleanup: I think it makes a great deal of sense, Mr. Chairman, and I urge each of the 335 Members who supported H.R. 2406, and also those who believe they are environmentally conscious, to please support this amendment.

Mr. SCHAEFER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first of all, I would like to say what a lot of other people have said about the gentleman from California and the ranking member on taking a difficult job and putting a real tough bill together, but I really also rise in very strong support of the Hefley amendment. I think that he is certainly on the right track as far as trying to get into some of this heavy bureaucratic money that we have and really push an environmental issue that we have out there, particularly in rural America, and that is trying to get after these underground storage tanks that are leaking all over the place; that are threatening groundwater that we have out there, and particularly in rural America.

That is really where it is at, because in rural America these people cannot afford to dig up these tanks that are leaking and it is getting into the groundwater. They are not getting the funds with which to do it, and I think this additional $20 million is certainly going to help.

This is a bill that has come out of my committee. The gentleman from Michigan [Mr. STUPAK] and I have already introduced legislation, separate legislation which is moving forward, but it is moving forward of course without the appropriate funds of which we need.

I think this carefully crafted amendment by my colleague from Colorado [Mr. HEFLEY] is really hitting it right on the nose. He has taken it from a spot and he is doing two things with it, taking it from a spot clearly, clearly, that it can be taken from, and using a portion of that $22 million in which to go toward deficit reduction; and, more importantly, to attack an environmental issue out there that is very, very crucial to this country.

In particular, every person in this Congress from rural America ought to support this amendment by my good friend from Colorado.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I stated on the amendment that was offered by the gentleman from Vermont when I opposed it, I would also oppose this one. But, I oppose it even more strongly than I opposed the amendment by the gentleman from Vermont.

The Hefley amendment reduces this particular account by $42 million, a sum which would severely compromise HUD's efforts to operate almost 420 billion in program activity; it would undermine the reinvention of HUD as a streamlined department that is smaller, more efficient, more responsive to community and customer needs; and, we have to remember, this account is already $25 million below the request.

One of the concerns of our subcommittee has been that HUD needs to be reinvented. And of course Secretary Cisneros has presented an ambitious plan that would reinvent the Department, to make it a more streamlined customer service oriented agency. A further reduction in the S&E funds would impede the Department's ability to achieve the stated objectives of this vision by, one, preventing personnel from being relocated from headquarters and former regional offices to the local field offices closer to the communities.

Second, it would force HUD to reduce staff immediately instead of in a planned systematic fashion over 4 years. And, third, it would prevent purchase of needed technology to help HUD do more with less people.

Lastly, the reduced level would not allow the Department to move forward with its plan to relocate up to 500 headquarter employees to the field, which is an essential part of the Secretary's strategy for the department to become streamlined, more responsive to community needs.

A reduction would absolutely prohibit HUD's ability to carry out its responsibilities with an additional reduction of $42 million over and above the $25 million for which the Department has already been nicked. So I would urge the membership to oppose the amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to reluctantly join my colleague in resisting this carefully thought out amendment but an amendment that, unfortunately, does damage to other programs that are disconcerting to me, for I have great appreciation for his concern.

The Leaking Underground Storage Tank Program, known as LUST, and I must say that, as I noted in our "Dear Colleague," we have a headline something like "Stop Hefley's LUST" or something. We have to change that before we put those out tomorrow. But in the meantime this was created to assist the States and tribes with the cost of cleaning up underground storage tank spills where responsible parties cannot be found to pay the bill directly.

The LUST trust fund is a source of funds for this activity, although like Superfund the amount of money we appropriate from the fund is treated exactly like funding from general revenues, it scores against us in VA and outlays.

The trust fund, which holds nearly a billion dollars, was funded through a gasoline tax of one-tenth of 1 percent per gallon. That tax expired at the same time as the Superfund tax in December of 1995. Mr. HEFLEY's amendment essentially puts the program back to the budget request level of $67 million plus. This represents what EPA believes the States will use if it is available to them. Our proposal of $46,500,000 is slightly over the 1996 level and our mark signals our desire to level fund as many of the EPA programs as possible.

While the States would probably use the additional funds available under the Hefley amendment, it is also fair to say that they do not, quote, we use the term "need" the additional funds to keep the program running. Neither EPA or the States have complained or criticized us for our 1996 and 1997 funding levels. Our reduction from the budget request was, as much as anything, a reflection of reduced overall dollars in an attempt to make reductions which result in the least program disruptions.

In addition to our programs, that additional LUST fund is just not a burning priority. It is of greater concern that the amendment reduces salaries and expenses at HUD, as my colleague, the gentleman from Ohio [Mr. STOKES], has indicated, some $42 million. The bill already funds S&E at the 1996 level, a decrease, a decrease of $25 million below the budget request. A further reduction of this magnitude would seriously undermine HUD's reinvention plans.

Mr. Chairman, I must say that the Secretary has really attempted to work with the committee as he goes forward attempting that difficult task of reorganizing HUD, so I reluctantly oppose the amendment.

Mr. HEFLEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Colorado.

Mr. HEFLEY. Mr. Chairman, I would say to the gentleman, after he referred to the Hefley LUST Program, he should yield.

Mr. Chairman, let me just point out that in 1995 there were 11 States that had more claims than they had balance, and in 1996 there were 19 more States, so that is going the wrong direction for us.

And, Mr. Chairman, we are not talking about simply having States keep the program going, we are talking about solving a rather vast and extensive problem that lies out there, and particularly across rural America.

To the gentleman from Ohio [Mr. STOKES], who expressed great and sincere concern about us taking away this amount of money from the HUD management account because they would not be able to complete their job, I might point out, Mr. STOKES, that we are talking about $42 million, which of course is a sizable amount of money, but it is not a sizable amount of money out of a budget of $1 billion, which is essentially what this account has.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, I very much appreciate my colleague's position, and, unfortunately, we have to say for the record and clearly have the Members understand that we think that $42 million is very significant in terms of this account that has already taken a pretty significant hit, so we ask for a "no" vote.

The CHAIRMAN. The question is on the amendment of the gentleman from Colorado [Mr. HEFLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Colorado [Mr. HEFLEY] will be postponed.

The Clerk will read.

The Clerk read as follows:

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $52,850,000, of which $11,283,000 shall be provided from the various funds of the Federal Housing Administration and $5,000,000 shall be provided from the amount earmarked for Operation Safe Home in the Drug elimination grants for low income housing account.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $14,895,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided*, That such amounts shall be collected by the Director as authorized by section 1316(a) and (b) of such Act, and deposited in the Fund under section 1316(f) of such Act.

ADMINISTRATIVE PROVISIONS

SEC. 201. MINIMUM RENTS.—Notwithstanding section 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, for fiscal year 1997—

(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program

under section 8 of such Act to pay a minimum monthly rent of up to $25;

(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays a minimum monthly rent of up to $25;

(3) with respect to housing assisted under other programs for rental assistance under section 8 of such Act, the Secretary shall require each family who is assisted under such program to pay a minimum monthly rent of up to $25; and

(4) public housing agencies shall require each family who is assisted under the public housing program (including public housing for Indian families) to pay a minimum monthly rent of up to $25.

SEC. 202. ADMINISTRATIVE FEES.—Notwithstanding section 8(q) of the United States Housing Act of 1937, as amended—

(a) The Secretary shall establish fees for the cost of administering the certificate, voucher and moderate rehabilitation programs.

(1)(A) For fiscal year 1997, the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.5 percent of the base amount, adjusted as provided herein, in the case of an agency that, on an annual basis, is administering a program of no more than 600 units, and 7 percent of the base amount, adjusted as provided herein, for each additional unit above 600.

(B) The base amount shall be the higher of—

(i) the fair market rental for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency; and

(ii) such fair market rental for fiscal year 1994, but not more than 103.5 percent of the amount determined under clause (i).

(C) The base amount shall be adjusted to reflect changes in the wage data or other objectively measurable data that reflect the costs of administering the program during fiscal year 1996; except that the Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(2) For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for the agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the cost of administering the program, as determined by the Secretary.

(3) The Secretary may increase the fee if necessary to reflect higher costs of administering small programs and programs operating over large geographic areas.

(4) The Secretary may decrease the fee for PHA-owned units.

(b) Beginning in fiscal year 1997 and thereafter, the Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of $500, for a public housing agency, but only in the first year it administers a tenant-based assistance program under the United States Housing Act of 1937 and only if, immediately before the effective date of this Act, it was not administering a tenant-based assistance program under the 1937 Act (as in effect immediately before the effective date of this Act), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the program; and

(3) extraordinary costs approved by the Secretary.

SEC. 203. SINGLE FAMILY ASSIGNMENT PROGRAM.—Section 407(c) of the Balanced Budget Downpayment Act, I (12 U.S.C. 1710 note), is amended by striking "October 1, 1996" and inserting "October 1, 1997".

SEC. 204. PORTFOLIO REENGINEERING.—(a) FINDINGS.—The Congress finds that—

(1) approximately 8,500 multifamily projects with mortgages insured by the Secretary of Housing and Urban Development under the National Housing Act are also receiving rental subsidies under contracts entered into pursuant to section 8 of the United States Housing Act of 1937;

(2) of the units with contracts that expire in 1997, approximately 83,000 units have section 8 contracts at rent levels that exceed market rate;

(3) the majority of such projects are receiving rental assistance under such section 8 in amounts exceeding the rents paid for comparable unsubsidized units in the same or comparable market areas, thereby creating an unreasonable burden on Federal taxpayers;

(4) most of these projects have substantial amounts of deferred maintenance and other capital needs, despite receiving such assistance;

(5) in the absence of the renewal of the rental assistance contracts for the projects at rents above market rent, many of the projects would default on their insured mortgages, resulting in massive claims under the multifamily mortgage insurance program of the Secretary;

(6) it is in the interests of the taxpayers, the tenants, owners, and operators of the projects, the mortgagees and investors in the projects, and the communities in which the projects are located to reduce the Federal rental assistance to market rates, to address the capital needs of the projects, and consistent with existing contractual rights, to eliminate the economic risk of Federal mortgage insurance claims on projects that are dependent on Federal rent subsidies;

(7) the Department of Housing and Urban Development does not have the capacity to carry out a program to restructure the portfolio of loans for such projects and, therefore, should enter into agreements with partners that will be delegated the authority to take actions as may be necessary to achieve the goals in subsection (b) through the transition of the projects to (i) market rate rents, and (ii) financing not dependent on Federal mortgage insurance;

(8) such projects provide housing for many low-income families, a significant proportion of which are elderly or disabled families, and their particular housing needs should be recognized in carrying out the program under this section;

(9) many responsible owners of such properties have managed the properties in a competent and efficient manner, consistent with the purposes of the Federal mortgage insurance and rental assistance programs, by maintaining the properties as safe, decent, and affordable housing and acting as good partners of the Federal Government to provide housing for low-income families needing housing; and

(10) the program under this section should be carried out in a manner that recognizes the capabilities, performance, and legal rights of such responsible owners.

(b) GOALS.—The Secretary of Housing and Urban Development shall carry out the program under this section in a manner that will—

(1) protect the financial interests of the Federal Government through debt restructuring and subsidy reduction;

(2) protect the rights of owners of properties under the program, by providing a mechanism to restructure mortgages that would otherwise default; and

(3) in the most effective manner, address the goals of—

(A) maintaining existing housing stock in an affordable, decent, safe, and sanitary condition;

(B) minimizing involuntary displacement and other adverse impacts on tenants;

(C) treating responsible owners as valued partners in the ongoing operations regarding a property;

(D) being cognizant of adverse income tax consequences to owners;

(E) taking into account local housing market conditions;

(F) supporting fair housing strategies;

(G) encouraging responsible ownership and management of property;

(H) minimizing adverse impacts on residential neighborhoods; and

(I) promoting the economic self-sufficiency of tenants.

(c) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice to officials of the unit of general local government affected, the community in which the project is located, and the tenants of the project.

(d) APPLICABILITY.—

(1) IN GENERAL.—This section applies to any—

(A) multifamily housing project with a mortgage insured by the Secretary under the National Housing Act, and

(B) mortgage debt on a multifamily housing project that is subject to such an insured mortgage,

but only if the multifamily housing project referred to in subparagraph (A) or (B) is covered in whole or in part by a contract for project-based assistance described in paragraph (2).

(2) PROJECT-BASED ASSISTANCE.—A contract for project-based assistance described in this paragraph is a contract—

(A) that expires during fiscal year 1997;

(B) under which the current assisted rents are, in the aggregate, in excess of market rents; and

(C) that provides assistance under—

(i) the new construction or substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983);

(ii) the property disposition program under section 8(b) of such Act;

(iii) the loan management set-aside program under section 8(b) of such Act;

(iv) the project-based certificate program under section 8(d)(2) of such Act;

(v) the moderate rehabilitation program under section 8(e)(2) of such Act;

(vi) section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975);

(vii) the preservation program under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990;

(viii) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965;

(ix) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965; or

(x) section 236(f)(2) of the National Housing Act.

(e) QUALIFIED LIABILITY MANAGERS.—

(1) USE.—In carrying out the program under this section, the Secretary may use arrangements with one or more third parties (in this section referred to as "qualified liability managers") under which the Secretary may provide for the assumption by delegation, contract, or otherwise of some or all of the functions, obligations, and benefits of the Secretary, as the Secretary determines to be reasonably necessary to accomplish the goals of this section.

(2) SELECTION.—Qualified liability managers shall be selected by the Secretary using competitive procedures. Each qualified liability manager shall be a State housing finance agency with the demonstrated financial and technical capacity (A) to assume and manage the insurance risk of the Secretary, (B) to discharge public purpose objectives (including the goals set out in subsection (b)), and (C) to restructure and recapitalize the housing projects described in subsection (d). In the absence of a State housing finance agency with the demonstrated financial and technical capacity to carry out the responsibilities set forth in clauses (A) through (C) of the preceding sentence, a qualified liability manager shall be composed of a State housing finance agency that partners with one or more entities (including public entities, private sector entities, and nonprofit organizations) with the demonstrated financial and technical capacity to carry out such responsibilities. Each qualified liability manager shall demonstrate an understanding of the public purposes of the multifamily housing mortgage insurance programs under the National Housing Act and the project-based assistance programs under section (d)(2) and the role of responsible project owners under such programs.

(3) ROLE.—Under the program under this section, each selected qualified liability manager shall assume, to the maximum extent possible, the financial risk of the Secretary for the mortgage insurance for one or more projects described in subsection (d), and the responsibility for the restructuring of the financial and physical condition of such projects and the protection of the tenants residing in the projects. In carrying out activities under this section, the qualified liability managers shall—

(A) protect residents and communities by providing for protections against displacement of existing residents under subsection (f), for local government and community involvement in the restructuring process, and for promotion of the economic self-sufficiency of residents;

(B) before expiration of the section 8 contract on a project described in subsection (d), act efficiently by reducing the debt on the property to a level that can be supported by market rents and concurrently reducing section 8 rents that are over market rents to market rents;

(C) act in a manner that respects the legal rights of owners and lenders;

(D) when the owner has negotiated in good faith, act to prevent defaults of the mortgages to the extent economically practicable; and

(E) protect Federal taxpayers by ensuring that projects that are restructured will be financially and physically viable.

(4) CONDITIONS ON ACTIVITIES.—A qualified liability manager may take one or more of the actions under paragraph (5) to restructure the financial and physical condition of a project described in subsection (d), only if the qualified liability manager determines that such actions are economically prudent and feasible.

(5) AUTHORIZED ACTIONS.—Except as provided in paragraphs (4) and (6), and notwithstanding any other provision of law, the Secretary and a qualified liability manager may take the following actions (except that a qualified liability manager may take only actions under subparagraphs (C) through (F)) in order to accomplish the goals of this section:

(A) REINSURANCE AND PARTICIPATION.—In order to transfer the economic liability for the existing mortgage insurance on the projects from the Secretary, to the maximum extent possible, enter into contracts to purchase reinsurance, or enter into participation or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance, or both, to the qualified liability manager, on such terms and conditions as the Secretary may determine.

(B) DELEGATION.—Delegate to the qualified liability manager the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with mortgages insured by the Secretary and with mortgages held and properties owned by the Secretary.

(C) CONSIDERATION FOR PARTICIPATION.—From available amounts, including amounts under subsection (i), enter into such agreements, provide such concessions, incur such costs, make such grants (including grants to cover all or a portion of the rehabilitation costs for a project) and other payments, and provide other valuable consideration, as may reasonably be necessary to induce participation of owners, lenders, servicers, third parties, and other entities in the program under this section, taking into consideration any accumulated residual receipts and reserves for replacements for the project.

(D) MODIFICATION OF RESTRICTIONS.—Remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required, including restrictions on distributions of income.

(E) ASSIGNMENT.—In the event the Secretary or qualified liability manager determines that, upon expiration of any contract described in subsection (d)(2), the insured mortgage would default, permit the mortgagee to elect to assign the mortgage, make a full payment of claim under the National Housing Act, thereby extinguishing any remaining insurance risk of the Secretary.

(F) PROPERTY MANAGEMENT AND DISPOSITION.—Manage and dispose of multifamily properties owned and multifamily mortgages held, on such terms and conditions as may be determined.

(6) REQUIRED CONSENT.—In order to ensure that contract rights are not abrogated, the actions authorized under paragraph (5) shall be subject to such third party consents as are necessary (if any), including consent by—

(A) the Government National Mortgage Association, in any case in which such Association owns a mortgage insured by the Secretary;

(B) an issuer under the mortgage-backed securities program of the Government National Mortgage Association, subject to the responsibilities of the issuer to its security holders and the Association under such program; and

(C) parties to any contractual agreement which the Secretary proposed to modify or discontinue.

(f) RENTAL ASSISTANCE.—

(1) TENANT-BASED ASSISTANCE.—Except in the case of projects subject to paragraph (2), in connection with the termination of any assistance contract described in subsection (d)(2) for a project, the Secretary or a qualified liability manager shall provide tenant-based assistance under section 8 to—

(A) each eligible family residing in the project at the time the assistance under subsection (d)(2) terminates; and

(B) each household residing in the project that becomes qualified as an eligible family within 12 months of such time due to a rent increase.

Notwithstanding sections 8(c)(1) and 8(o)(1), in the case of eligible families that reside in a project covered by one or more actions under this section where the reasonable rent (which rent shall include any amount allowed for utilities and shall not exceed comparable market rents for the relevant housing market area) exceeds the fair market rent limitation or the payment standard, as applicable, the amount of assistance under this subsection for the family shall be determined based on such reasonable rent. For the certificate program under section 8(b), the maximum monthly rent under the contract (plus any amount allowed for utilities) shall be such reasonable rent for the unit. For the voucher program under section 8(o), the payment standard shall be deemed to be such reasonable rent for the unit.

(2) PROJECT-BASED ASSISTANCE.—Notwithstanding paragraph (1) of this section and the requirements of section 8(d)(2), at the request of the appropriate unit of general local government, the appropriate public housing agency shall provide project-based assistance under section 8 for the project in accordance with guidelines issued by the Secretary.

(g) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall be construed to limit the Secretary's authority under other provisions of law.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE FAMILY.—The term "eligible family" means an individual or family—

(A) who qualifies as a very low-income family under section 3(b) of the United States Housing Act of 1937; or

(B) who—

(i) resides in a project to which the program under this section applies;

(ii) qualifies as a low-income family (other than a very low-income family) under section 3(b) of the United States Housing Act of 1937, or, regardless of income, qualifies as an elderly or disabled family under section 3(b) of such Act; and

(iii) who, without section 8 assistance, would be required to pay more than the amount determined under section 3(a)(1) of the United States Housing Act of 1937 for rent for the unit in which the eligible family resides (or in another unit in the same project).

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(3) SECTION 8.—The term "section 8" means section 8 of the United States Housing Act of 1937.

(i) FUNDING.—For purposes of carrying out this section, the Secretary may make available any amounts—

(1) from the appropriate insurance fund as otherwise authorized under the National

Housing Act and for activities as authorized in this section; and

(2) recaptured from a project under the program in connection with the termination, nonrenewal, or expiration of a contract (A) under section 8, or (B) for interest reduction payments under section 236 of the National Housing Act.

SEC. 205. SECTION 8 CONTRACT RENEWALS.—(a) AUTHORITY.—For fiscal year 1997 and fiscal years thereafter, the Secretary of Housing and Urban Development may use amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937, upon termination or expiration of a contract for assistance under section 8 (other than a contract for tenant-based assistance) to provide assistance under section 8, at rent levels not to exceed the lesser of (1) the rents in effect upon termination or expiration, or (2) comparable market rents, for the eligible families assisted under the contracts at expiration or termination but, in no case may rents be increased to comparable market rents. In the case of any project assisted under section 8, not insured under the National Housing Act, and for which the original primary financing was provided by a public agency and remains outstanding, contract rents shall be renewed at the rents in effect upon termination or expiration of the contract. Such assistance shall be in accordance with terms and conditions prescribed by the Secretary. The Secretary may approve assisted rents in excess of market rents (but not more than the rents in effect upon termination or expiration) for a particular housing project, but only if the Secretary finds that such market rents are not sufficient to cover reasonable operating expenses (excluding debt service) for that project, taking into account reasonable operating costs for similar properties.

(b) REPEAL.—The sentence immediately preceding section 8(w) of the United States Housing Act of 1937 (42 U.S.C. 1437f(w)) is hereby repealed.

Mr. LEWIS of California (during the reading). Mr. Chairman, to try to expedite this process, I ask unanimous consent that sections 202, 203, 204 and 205 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against this portion of the bill?

POINT OF ORDER

Mr. LEWIS of California. Mr. Chairman, I have a rather extended discussion of this point of order, but in view of the hour I will not proceed with all of it, but let me start with this.

Mr. Chairman, I raise a point of order against the legislation on grounds that 204 and 205 constitute authorizing on an appropriations measure and, therefore, violate clause 2 of rule XXI. These two sections are clearly legislation and they are not protected by the rule.

The CHAIRMAN. Does any other Member desire to address the point of order?

Mr. LEWIS of California. Mr. Chairman, may I ask unanimous consent that the remainder of my statement be entered in the RECORD?

The CHAIRMAN. The gentleman may not revise and extend his remarks on a point of order.

The Chair is prepared to rule.

For the reasons stated by the gentleman from California [Mr. LEWIS], the point of order is sustained. Sections 204 and 205 are stricken from the bill.

Mr. STOKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this amendment to strike legislation in this appropriations bill on HUD's Section 8 Program. Let me first acknowledge the hard work of the chairman on this matter. He has stated throughout this process that he intended to move this issue to the forefront of our deliberations and motivate the authorizing committees to take action. The action he took in this regard has, indeed, prompted the authorizers to move forward on addressing this issue. I want to also commend HUD for aggressively working to deal with this matter.

What Members and the public must realize is that this is not a partisan issue. We must all be concerned about persons needing affordable housing and how to provide adequate assistance. At the same time, we must consider the impact that the costs of renewing these contracts place on taxpayers and the budget.

I believe there is general agreement that HUD'S Section 8 Program is in serious need of restructuring. However, if there is one thing I have learned—from the long and numerous discussions on this matter—it is that there is no unanimity of opinion on exactly how to proceed. My basis of concern rests with ensuring that residents are protected from displacement, that we maintain and preserve decent and affordable housing, that communities and tenants have a strong role in determination of these matters, and that the Federal Government not pay inflated prices for these properties.

Mr. Chairman, the fiscal year 1996 Appropriations Act included a provision allowing the Secretary of HUD to conduct a demonstration program re-engineering up to 15,000 units of section 8 assisted housing. The Department is still studying this concept and no regulations have been drafted yet for its implementation. That is further reason for the committee to reconsider the appropriateness of this proposal. The quality of too many lives is at stake, and there are too many potential consequences for the American taxpayer, for Congress to enact this provision in the appropriations act, without the full weight and benefit of authorizing action.

I commend my chairman for his leadership on this matter and pledge my support to work with him and others to achieve these goals. I urge my colleagues to support this amendment to delete this legislation from the measure.

□ 2315

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 206. FLEXIBLE AUTHORITY.—During fiscal year 1997 and fiscal years thereafter, the Secretary may manage and dispose of multifamily properties owned by the Secretary and multifamily mortgages held by the Secretary on such terms and conditions as the Secretary may determine, notwithstanding any other provision of law.

AMENDMENT OFFERED BY MR. WELLER

Mr. WELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WELLER: Page 58, after line 19, insert the following new section:

SEC. 207. FHA MORTGAGE INSURANCE PREMIUMS.—Section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)) is amended by inserting after the first sentence the following new sentence: "In the case of mortgage for which the mortgagor is a first-time homebuyer who completes a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary, the premium payment under this subparagraph shall not exceed 2.0 percent of the amount of the original insured principal obligation of the mortgage."

Mr. STOKES (during the reading). Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. Without objection, the amendment is considered as read and printed in the RECORD, and the point of order is reserved.

There was no objection.

Mr. WELLER. Mr. Chairman, first I would like to take a moment to commend my two friends, the gentleman from California [Mr. LEWIS] and the gentleman from Ohio [Mr. STOKES], for their extraordinary efforts to accommodate bipartisan concerns in supporting legislation while keeping our commitment to live within our means for the first time in 27 years, to keep us on the road to a balanced budget.

This amendment that I offer tonight is designed to help working families by working to help make homeownership more affordable. My amendment works to expand homeownership more affordable. My amendment works to expand homeownership opportunities for first time home buyers by working to lower the cost of FHA loans.

This amendment would lower the FHA mortgage insurance premium for first time home buyers who get ownership counseling. Currently the maximum rate is 2¼ percent of their loan value. This amendment would reduce that for these first-time home buyers to 2 percent. It would save the average FHA homeowner about $200 in savings annually. I recognize there are some in Washington who might call $200 chump change, not much money. But for working families back in Illinois and many of our home States and districts, $200 is a lot of money.

I also want to point out that this amendment is needed to promote homeownership. I, for one, I know many of my colleagues on both sides of the aisle agree that homeownership is important in strengthening families and strengthening communities. In fact, the more homeownership you have, the higher rates of homeownership you have, the stronger the families you have, the stronger the communities.

I am particularly disturbed, if you look at the statistics today, particularly for our younger families, homeownership is on the decline. In fact, the homeownership rates among heads of households under 35 years of age is three-fourths of what it was in 1979. In fact in 1979, 45 percent of heads of households under 35 were homeowners. Today, in fact, if you look at 1995 statistics, 39 percent of heads of households under 35 were homeowners.

Those statistics need to turn around. We need to receive greater opportunity for homeownership, to give families the opportunity to pursue the American dream. Unfortunately, we have seen the cost of homeownership increase this past year. Unfortunately, the House and Senate, Congress and the White House were unfortunately unable to reach a bipartisan agreement on a balanced budget.

Unfortunately, because of that failure to reach a balanced budget agreement, we failed to achieve the lower interest rates that would have resulted from a balanced budget. In fact, had a balanced budget been signed into law, the average 30-year home mortgage would have dropped about 2.7 percent according to economists. On a 30-year, $50,000 mortgage at 8¼ percent interest, a family would see a savings of a little over $1,000 a year or a little over $32,000 over the life of that loan. A balanced budget would also increase the value of a home, home values, by 8 percent as a result of balancing the budget.

This past year we have seen mortgage rates go up 1 to 1½ percent. For the average homeowner, aspiring homeowner, young family who would like to buy a house, that means about an $85 to $100 increase in the monthly home mortgage payment because of higher interest rates.

This amendment is designed to restore those opportunities for homeownership, particularly for young families. It offers young home buyers, first-time purchasers the opportunity to better be able to afford a new home. This $200-a-year premium reduction restores part of that lost opportunity to save an extra thousand dollars because of higher interest rates.

Increased ownership, homeownership equals increased home starts, increased jobs, increased opportunity, strengthened families and strengthened communities.

I do want to point out that this is kind of a bipartisan initiative. I do want to point out that the President himself, just a few weeks ago, endorsed this type of idea as a way to make homeownership more affordable. I ask bipartisan support for this amendment. I think it is time that we strengthen the opportunity for homeownership, that we strengthen families, that we help families pursue the American dream. Let us help families pursue that American dream by providing bipartisan support for this amendment which will help make homeownership far more affordable.

The CHAIRMAN. Does the gentleman from Ohio [Mr. STOKES] wish to be heard on the point of order.

Mr. STOKES. Mr. Chairman, I reserve a point of order against this particular amendment.

Mr. Chairman, I move to strike the last word.

Mr. Chairman, my purpose for reserving the point of order is to protect the rights of a couple of Members of the authorizing committee who have expressed an interest in this particular amendment. They will be here tomorrow. They are not here at this time because of the arrangements that the House made relative to the continuation of the debate on this bill.

I have no intention of insisting upon the point of order and hope that the gentleman does not put me in a position of having to insist upon it. I would request that, in order to preserve and protect the rights of those Members of the authorizing committee who have expressed concern about this amendment, he withdrew the amendment and offer it tomorrow at such time as those Members will be present.

I reiterate that I have no intention of pressing the point of order and simply use it for the purpose of protecting it. I would hope that the gentleman would withdraw and reoffer it tomorrow.

Mr. WELLER. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Illinois.

Mr. WELLER. Mr. Chairman, in response to the gentleman from Ohio, of course, like all of us we have stuck around tonight because this is an important amendment. It is an opportunity to provide lower homeownership costs, particularly for young families and first-time home buyers.

All of use are working hard and willing to put in those extra hours. I always respect the rights of my colleagues on both sides of the aisle to speak on an amendment. Since you had raised that concern to me earlier, of course, I spoke with the floor manager of the amendment and I believe it is the chairman's intent, he would like to wrap up this section of the bill this evening. I would hate to jeopardize the opportunity to have this important amendment adopted and added to this very important bill.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, in order to keep all of our commitments, perhaps we would handle it this way. If it would meet with the gentleman's agreement, it is possible that the gentleman from Illinois [Mr. WELLER] could offer this amendment as a part of general provisions tomorrow and we could not only meet his needs and the commitment through the concerns that others have expressed to the gentleman regarding this amendment, we could also keep our commitment to close this title.

I am concerned that we do that. Would the gentleman agree to have unanimous consent that Mr. WELLER be able to take this up in general provisions tomorrow so we can finish with title II?

Mr. STOKES. Mr. Chairman, we would be pleased to cooperate with the chairman in that respect and let him offer it at that time.

Mr. WELLER. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Illinois.

Mr. WELLER. Mr. Chairman, I appreciate the gentleman's interest in my amendment and his accommodating my opportunity to offer the amendment once again. I feel this is a very important amendment. The opportunity to accommodate, of course, the chairman of the subcommittee and working with the gentleman in his role as the ranking member, I do appreciate the opportunity to offer the amendment. I an anxious to work with them. I ask for the gentleman's support tomorrow when we have the opportunity to once again offer the amendment.

Mr. STOKES. Mr. Chairman, I have no objection to the gentleman's amendment. I just want to protect those Members. This accommodation will be fine with me if it is fine with the gentleman.

Mr. WELLER. Mr. Chairman, if the gentleman will continue to yield, I ask unanimous consent to withdraw the amendment for the purpose of offering it tomorrow during general provisions debate on this particular bill, title IV.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. STOKES. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise tonight in anticipation of the Weller amendment being before the House tomorrow in general debate. I rise in support of that amendment that we will be discussing tomorrow at length because it is going to expand homeownership opportunities.

There are many Americans who are one downpayment or one closing cost away from becoming first-time home buyers. And by having more homeowners in our communities, it will strengthen those communities. By having more homes built, we create more jobs. There, after all, is the American dream.

Alan Greenspan has told us about having a balanced budget. Interest rates for the mortgages on those new homes will decrease. So I would ask the Members, when they hear about further debate on the Weller amendment tomorrow, that they will support it. Republicans, Democrats together, House and Senate working together, this will strengthen our communities. This will strengthen our families and, by reducing the cost, Mr. Chairman, of the FHA mortgage insurance premium, the first-time home buyers who receive ownership counseling by going from 2.25 percent to 2 percent, we would save the average FHA homeowner at least $200 annually. This is a step in the right direction for first-time home buyers.

Mr. Chairman, I yield to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding to me.

I would like to thank the gentleman from Illinois for offering the amendment. The notion is empowering first-time home buyers. I would suggest, echoing the comments of my good friend from Pennsylvania, when we think about the fact that this amendment would save the average FHA homeowner about $200 in savings on an annual basis and, while we are here talking about billions and indeed trillions of dollars, the fact is sometimes lost upon us, I would suggest, that $200 is a significant amount of money for first-time home buyers. And indeed, if the notion of what we are here to do in this 104th Congress is to expand opportunity, to empower first-time home buyers to lead to more home sales and to expand homeownership opportunities, then I am glad to rise in support of the amendment. I, too, look forward to its offering tomorrow during the later debate on this amendment.

I look forward to supporting the amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I thank the gentleman from Arizona for his supportive comments of the Weller amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

"TITLE III—INDEPENDENT AGENCIES"

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MICA) having assumed the chair, Mr. COMBEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

□ 2245

RESIGNATION AS MEMBER OF COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

The SPEAKER pro tempore (Mr. MICA) laid before the House the following resignation as a member of the Committee on International Relations:

U.S. CONGRESS,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 12, 1996.

Hon. NEWT GINGRICH,
Speaker of the House,
Washington, DC.

DEAR SPEAKER GINGRICH: I am writing to officially resign from my seat on the Committee on Government Reform and Oversight in order to be seated on the Committee on International Relations.

Thank you.

Sincerely,

JON D. FOX,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOX of Pennsylvania. Mr. Speaker, by the direction of the Republican Conference, I offer a privileged resolution, House Resolution 462, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 462

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on International Relations: Mr. Fox of Pennsylvania.

Committee on Transportation and Infrastructure: Mr. Frisa of New York and Mr. Tiahrt of Kansas.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO BILL EMERSON OF MISSOURI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to address my colleagues on the sad occasion of the passing of one of our most honored and distinguished Members. WILLIAM EMERSON, Representative from Missouri, had a very distinguished career here in the House. He served for eight terms from his district in Missouri. His record for constituent services had no peer. He was a parliamentary law expert. His legislation filled volumes.

But above all, as a person he was, to many of us, especially freshmen and entering Members as they came to this body, a great teacher, someone who loved the House, who loved the legislative process and wanted the others to learn about it and do their best, always humble, always caring, self-effacing, low-key. This was a humanitarian extraordinaire.

BILL EMERSON cared about each person he met, was sincere in all his dealings. He was a model Congressman. He was an advocate for his people. He fought hard for them. He could listen to others' points of view without giving ground and without compromising principle, but always patient and open-minded. That was his hallmark as an outstanding Congressman.

It was noted at the beginning of this 104th Congress that there was one person who was here as a Member of Congress now and was here the last time the Republicans were in the majority, and that person was BILL EMERSON because at that time he was a U.S. Capitol page, and he went on from that outstanding service to Westminister College, University of Missouri, law school, University of Baltimore, and he also distinguished himself in the U.S. Air Force.

Besides serving other Representatives in Congress, he had also great experience in the business world, for which we are all beneficiaries because of the legislation he brought about that was pro-business, pro-jobs and pro-economy.

BILL EMERSON, his life is a legacy of great service, and, Mr. Speaker, for those who choose to serve in this body, they only have to look to the life of BILL EMERSON as someone who is a role model, and for me and the other freshmen who entered the 104th Congress he is someone we will always remember. We will cherish our own experiences with him and hope that we can model our careers after someone who was so great, so humble and so dedicated.

TRIBUTE TO BILL EMERSON

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized until midnight as the designee of the majority leader.

Mr. HAYWORTH. Mr. Speaker, I thank the Speaker pro tempore, the gentleman from Florida, Mr. MICA, for his recognition this evening, and I would thank my colleague from Pennsylvania for his word of remembrance of our departed colleague, BILL EMERSON of Missouri, and I would second the notion that BILL EMERSON was a great teacher in this House, and he taught all of us who were newcomers by example.

I daresay that the example of his courage in the wake of fighting his final battle with illness can only be described as exemplary, and indeed that word falls short for the courage displayed by BILL EMERSON, and his dedication to duty will rank as perhaps the greatest lesson he has provided to us.

Our sympathies go to his family and the people of his congressional district in Missouri, and whomever is honored with selection by those constituents to serve in this House will indeed have big shoes to fill.

Mr. Speaker, as evidenced by the debate tonight, the preceding debate, there are many important jobs and many important roles which we must fulfill here in the House of Representatives. We spoke earlier tonight of empowering first-time homeowners. We spoke of a variety of issues dealing with concerns on housing and the appropriation process that is so vital to conclude. Yet, Mr. Speaker, before this legislative day ends we would be remiss if we failed to mention other concerns that dominate the headlines of this evening and indeed will reach into tomorrow and in the days to come.

We mourn the deaths and injuries of American servicemen abroad as we hear of a terrorist attack in Dhahran, Saudi Arabia, overnight, and we will watch with interest and indeed work with the administration to determine exactly what happened, what type of preventive measures need to be taken by Americans abroad and how this tragedy could come to pass.

But again for now our concerns and our prayers are with the families of those who have perished and, of course, with those who have been wounded in this attack, and indeed, Mr. Speaker, while we are mindful that this issue is something that will warrant our concern and vigilance in the days to come, there are other developments in other stories and in other concerns that we must address.

My colleague, Mr. FOX, who preceded me, it should be noted, has resigned from the Government Oversight Committee to take another appointment, and yet that committee tomorrow, led by the gentleman from Pennsylvania, BILL CLINGER, will be asking some very serious questions of administration officials. Let me begin with what I believe is truly a positive and constructive note in this regard.

Mr. Speaker, as you are no doubt aware, a contempt of Congress citation was being prepared, indeed a vote would have occurred in this Chamber later this week, concerning the apparent lack of cooperation that the administration had shown in surrendering some 2,000 pages of documents needed to continue the investigation of what has become known as Filegate, possession of FBI files of prominent members of my party by the Clinton administration, and one official in particular, an Anthony Marceca, for examination over a long period of time.

□ 2345

As I noted, Mr. Speaker, this House, and indeed the Committee on Government Reform and Oversight, asked for some 2,000 pages in documents, and it appeared that the White House was reluctant to turn over those documents. I understand now some agreement has been reached. The White House, as I understand it, will cease to offer its claim of executive privilege to these documents, and there has been some measure of accommodation so these documents may be examined by officals on the committee.

Even as we welcome this important action, I remember the observation of that great author and humorist, Mark Twain. From time to time I have recalled it here in the well of this House. It was Twain who observed, "History doesn't repeat itself, but it rhymes." And I believe that tonight again we see that strange similarity of actions that have gone on before, actions that, in all candor, caused great concern, precipitated a great crisis, and led, of course, to a change in the executive branch almost a quarter century ago.

It is very important, I think, to recall the lessions of history. Again, I offer the observation that I offered as this House began business earlier today, that ofttimes, while the dynamics of this institution often rely on partisanship as one of the mechanisms utilized to get business done during the course of the day, that even as we recognize we may have partisan labels, it is important to remember that at moments of great import, people of different parties have offered valuable advice.

I remember well a quarter century ago when the gentleman from Minnesota, the former Vice President and one-time Democratic presidential nominee, Hubert H. Humphrey, advised, in a public way, President Nixon to come clean, to offer a full explanation and accounting of the events that history now recalls as Watergate, to the best of President Nixon's ability for, as Senator Humphrey maintained, that action in itself would go a long way toward allowing the American people to address the problems, allowing the Congress of the United States to address the problems, and then to move forward.

Indeed, Mr. Humphrey was of the opinion that if President Nixon would take this action, the American people would be forgiving of the problems and President Nixon could move on in his second term.

Mr. Speaker, again, not to score partisan points tonight, and again, devoid of the one-upsmanship that so often characterizes political debate, honestly, and sincerely, I would call on this administration and this President, Mr. Speaker, to step forward with all the information at hand. For indeed if this administration will be forthcoming with the information and allow the American people to decide, while I cannot guarantee that the outcome would be similar to what Hubert Humphrey envisioned for Richard Nixon, I can say that the American people deserve no less than a full accounting because of the concerns we have in so many different areas, but because the questions raised by the possession of these FBI files have implications that strike at the very fiber of our Republic, for they deal with issues of vital import to every American and every American's individual rights as provided in this document, the Constitution of the United States.

So, Mr. Speaker, I would suggest that the President and members of his administration have a duty to step forward with the whole story. The American people deserve no less than a full accounting of some of the questionable actions that have occurred with reference to FBI files, now with a suspicion, and indeed, the implication that more FBI files, that indeed, IRS records may be involved, to a certain degree; and that by taking that step, the President will show true leadership, allow us to deal with this most fundamental of questions, and then move forward to address the other vital issues of the day.

I would suggest this Congress will continue to do its work, as witnessed with the various appropriations bills. This Congress will continue to do its work with reference to our concerns about a tax on Americans abroad. This Congress will continue to do its work, yes, with reference to legislative oversight of the executive branch, should the President's decision and that of his legal counsel turn out to be only a halfway or halfhearted approach in any circumstance.

But it is vital that this administration address these troubling questions for the American people and for the process of government provided for in our Constitution, and indeed, for the very fabric of our constitutional Republic.

Again, Mr. Speaker, I make this call not in the interests of partisan one-upsmanship or gamesmanship, for this is not a game. Indeed, Mr. Speaker, what this entire process should typify in its best sense is a competition, a discussion, a difference of ideas, a difference of opinions, a difference of philosophies and vision as to how best serve the American people.

As we approach the new century, do we take money, power, and influence out of the hands of Washington bureaucrats and, indeed, turn that influence, power, and money over to governments closer to home, and, indeed, ultimately by allowing the American people to hang onto more of their hard-earned money, allow the American people to make those decisions at home that directly influence their lives?

But in this context, Mr. Speaker, it is vital that this administration move forward tomorrow in a spirit of candor, in front of the committee of the gentleman from Pennsylvania [Mr. CLINGER], to lay out the entire story for the American people, and quite frankly, to change a pattern of denial, evasion, and a new formulation of answers that seems to have typified the conduct of this administration with reference to these FBI files and with reference to so many other questionable endeavors.

Again, it is my hope that every Member of this House and that every American citizen would watch closely what will transpire in committee tomorrow, even as we work in this full House to deal with other vital issues of the day.

THE VA, HUD, AND INDEPENDENT AGENCIES APPROPRIATION ACT FOR FISCAL YEAR 1994

The SPEAKER pro tempore (Mr. MICA). Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, we are waiting for a resolution to come before the floor dealing with the bill we might have on the floor tomorrow, the motion to disapprove most-favored-nation treatment of China.

I just want to take a few minutes to talk about the bill we have on the floor today. It is the Department of Veterans and Housing and independent agencies appropriation bill for the fiscal year 1997, and in that bill we have, in my opinion, adequately funded the hospital-health care-medical care delivery system of the Veterans Administration.

□ 2355

That is so very, very important. Often we are asked the question, why should veterans have their own medical care? Just to point out what the need for it is that when many of our men and women enlist in the armed services of this country, they, in a way, even though they get so much out of it, they lose so much of their time on the advancement ladder. Just, for example, if you were a young man or woman who graduates from high school at the age of 18, and you enlist in the service instead of going on to college, you are working at what our minimum wage is compared to what your counterparts would be doing if they went into the private sector. All the way through life, these young men and women trail their counterparts who did not take the opportunity to serve in the military, whether it is in running their own business, whether it is advancing up the scale, up the promotion scale of success. Consequently, that is why we deal with earned benefits for our veterans of the armed services.

In this particular bill, I am very proud that we are now funding a national cemetery in my home district, in Saratoga Springs, or in the County of Saratoga. This will be a veterans cemetery which was named the Saratoga National Veterans Cemetery. It will be similar to Arlington Cemetery, and I will provide for the internment of approximately 75,000 veterans and their dependents for the next decade or so.

This is so terribly, terribly important. I want to thank the gentleman from California [Mr. LEWIS] and the entire appropriations subcommittee for funding the $13 million that will provide the final construction money for the hospital.

Mr. Speaker, the bill will be brought up again tomorrow morning. The gentleman from Arizona [Mr. STUMP] of the Veterans' Affairs Committee and his ranking member, the gentleman from Mississippi [Mr. MONTGOMERY] and myself will be offering an amendment to that bill, which will add approximately $65 million to the appropriations bill to increase the funding for the medical care delivery system portion of that bill.

I would hope that when Members do come to the floor tomorrow that they will watch for the dear colleague letters that we have sent out showing the support of the Veterans of Foreign Wars, the American Legion, the Disabled American Veterans, AMVETS, the Vietnam Veterans Association, and all of the other major veterans organization.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 182, DISAPPROVING EXTENSION OF MOST-FAVORED-NATION STATUS TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA, AND H. RES. 461, REGARDING THE PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-636) on the resolution (H. Res. 463) providing for consideration of a joint resolution and a resolution relating to the People's Republic of China, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. LINCOLN (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STOKES) to revise and extend their remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SOLOMON, for 5 minutes, today.

(The following Members (at the request of Mr. HAYWORTH) to revise and extend their remarks and include extraneous material:)

Mr. MANZULLO, for 5 minutes each day, on today and June 26 and 27.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. MICA, for 5 minutes, on June 26 and 27.

Mr. DIAZ-BALART, for 5 minutes, on June 26.

Mr. HUTCHINSON, for 5 minutes, on June 26.

Mr. MCINTOSH, for 5 minutes, on June 27.

Mr. FOX of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STOKES) and to include extraneous matter:)

Mr. LEVIN.
Mr. COLEMAN.
Mr. CLEMENT.
Mr. KLECZKA.
Mr. JACOBS.
Mr. VOLKMER.
Mr. ANDREWS.
Mr. STARK.
Mr. OBEY.
Mr. WARD.
Mr. BARCIA.
Mr. BORSKI.
Mr. MOAKLEY.
Mr. RAHALL.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Mr. SHADEGG.
Mr. MCHUGH.
Ms. ROS-LEHTINEN.
Mr. BONO.
Mr. GRAHAM.
Mr. FRANKS of Connecticut.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2803. An act to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1579. An act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act."

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2803. An act to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes.

ADJOURNMENT

Mr. SOLOMON. Mr. Speaker, pursuant to House Resolution 459, I move that the House do now adjourn in memory of the late Honorable BILL EMERSON.

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.) pursuant to House Resolution 459, the House adjourned until tomorrow, Wednesday, June 26, 1996, at 10 a.m., in memory of the late Honorable BILL EMERSON of Missouri.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3805. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Screening at Privately Owned Bird Quarantine Facilities [APHIS Docket No. 94–132–2] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3806. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Viruses, Serums, Toxins, and Analogous Products; Rabies Vaccine, Killed Virus and Rabies Vaccine, Live Virus [APHIS Docket No. 95–012–2] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3807. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Pork and Pork Products From Mexico Transiting the United States [APHIS Docket No. 93–093–2] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3808. A letter from the Acting Administrator, Farm Service Agency, transmitting the Agency's final rule—Redesignation of Emergency Livestock Assistance Regulations (Commodity Credit Corporation) (7 CFR Part 1475) received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3809. A letter from the Administrator, Rural Utilities Service, transmitting the Service's final rule—Distance Learning and Telemedicine Grant Program (RIN: 0572–AB22) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3810. A letter from the Comptroller General, the General Accounting Office, transmitting a review of the President's seventh special impoundment message for fiscal year 1996, pursuant to 2 U.S.C. 685 (H. Doc. No. 104–238); to the Committee on Appropriations and ordered to be printed.

3811. A letter from the Legislative and Regulatory Activities Division, Comptroller of the Treasury, transmitting the office's final rule—Joint Policy Statement: Interest Rate Risk [Office of the Comptroller of the Currency Docket No. 96–13] [Federal Reserve System Docket No. R–0802] received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3812. A letter from the Chief Financial Officer, Department of Energy, transmitting the annual report of compliance activities undertaken by the Department for mixed waste streams during fiscal year 1995, pursuant to 42 U.S.C. 6965; to the Committee on Commerce.

3813. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Federal Operating Permits Agency (EPA) (FRL–5526–7) (RIN: 2060–AD68) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3814. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 403(l) of the Telecommunications Act of 1996 (Silent Station Authorization) (FCC 96–218) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3815. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Operator Service Access and Pay Telephone Compensation [CC Docket No. 91–35; FCC 96–131] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3816. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Repeal of Rule (Light Bulb Rule) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

7. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to the Taipei Economic and Cultural Representative Office [TECRO] in the United States for defense articles and services (Transmittal No. 96–39), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3818. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed issuance of export license agreement for the transfer of defense articles or defense services sold commercially to Australia (Transmittal No. DTC–26–96), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3819. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed issuance of export license agreement for the transfer of defense articles or defense services sold commercially to Singapore (Transmittal No. DTC–37–96), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3820. A communication from the President of the United States, transmitting his follow-up report on the deployment of combat-equipped United States Armed Forces to the Republic of Bosnia and Herzegovina as well as other states in the region in order to participate in and support the North Atlantic Treaty Organization [NATO]-led Implementation Force [IFOR] (H. Doc. No. 104–239); to the Committee on International Relations and ordered to be printed.

3821. A letter from the Deputy Director for Operations and Benefits, District of Columbia Retirement Board, transmitting the personal financial disclosure statement of a board member, pursuant to D.C. Code, section–732 and 1–734(a)(1)(A); to the Committee on Government Reform and Oversight.

3822. A letter from the Executive Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to the Procurement List—received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3823. A letter from the General Counsel, Department of Energy, transmitting the Department's final rule—Acquisition regulation; Department of Energy management and operating contracts (RIN: 1991–AB09) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3824. A letter from the Chairman, Federal Communications Agency, transmitting a report of activities under the Freedom of Information Act for the calendar year 1995, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

3825. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting the Department's major final rule—Indian Self-Determination and Education Assistance Act Amendments (RIN's: 1076–AD21; 0905–AC98) received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3826. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Yellowfin Sole by Vessels Using Trawl Gear [Docket No. 960129019–6019–01; I.D. 061496C] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3827. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Ocean Salmon Fisheries Off the Coasts of Washington, Oregon, and California; Closure from Cape Arago, OR, to the Oregon-California Border [Docket No. 960126016–6121–04; I.D. 061196C] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3828. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Summer Flounder Fishery; 1996 Recreational Fishery Measures [Docket No. 960412110–6166–02; I.D. 030596E] (RIN: 0648–AI93) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3829. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Services's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Atka Mackerel in the Central and Eastern Aleutian District and the Bering Sea Subarea [Docket No. 960129019–6019–01; I.D. 061796C] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3830. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Reef Fish Fishery of the Gulf of Mexico; Closure of the Commercial Red Snapper Component [Docket No. 94113–4354; I.D. 032896A] received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3831. A letter from the Director, Executive Office for Immigration Review, Department of Justice, transmitting the Department's final rule—Executive Office for Immigration Review; Motions and Appeals in Immigration Proceedings [EOIR No. 102F; AG Order No. 2020–96] (RIN: 1125–AA01) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3832. A letter from the Chairman, U.S. Sentencing Commission, transmitting the Commission's report entitled "Report to Congress: Adequacy of Federal Sentencing Guideline Penalties for Computer Fraud and Vandalism Offenses," pursuant to Public Law 104–132, section 805(b) (110 Stat. 1305); to the Committee on the Judiciary.

3833. A letter from the Secretary of Transportation, transmitting the Department's report to Congress on the Redwood National Park Bypass demonstration project in California, pursuant to 23 U.S.C. 134 note; to the Committee on Transportation and Infrastructure.

3834. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regattas and Marine Parades; Interim rule and notice of availability of environmental assessment (RIN: 2115–AF17) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3835. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Dawson, GA—Docket No. 96–ASO–9 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0077) received June 24, 1996, pursuant to 5 U.S.C. 801 (a)(1)(A); to the Committee on Transportation and Infrastructure.

3836. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Transport Category Airplanes—Docket 95–NM–233–AD (RIN: 2120–AA64) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3837. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Chiefland, FL—Docket No. 96–ASO–3 (Federal Aviation Administration) (RIN: 2120–AA76) (1996–0036) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3838. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; PTC Seating Products Division, B/E Aerospace, Model 950 Series Equipped with Footrest Assembly—Rules Docket No. 95–ANE–25 (RIN: 2120–A64) received June 24, 1996, pursuant to 5 U.S.C. 801 (a)(1)(A); to the Committee on Transportation and Infrastructure.

3839. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—Class Exemption for Acquisition or Operation of Rail Lines by Class III Rail Carriers under 49 U.S.C. 10902 (STB Ex Parte No. 529) received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3840. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Conversion to the Metric System; Policy Statement—received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

3841. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—National Service Life Insurance (RIN: 2900–AH55) received June 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3842. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to ensure that appropriated funds are not used for operation of golf courses on real property controlled by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

3843. A letter from the Regulatory Policy Officer, Department of the Treasury, transmitting the Department's final rule—The Malibu-Newton Canyon Viticultural Area (95R–014P) (RIN: 1512–AA07) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3844. A letter from the Acting Administrator, Farm Service Agency, transmitting the Agency's final rule—End-Use Certificate Program (RIN: 0560–AE37) received June 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3845. A letter from the Director, Office of Government Ethics, transmitting the Office's final rule—Public Financial Disclosure, Conflicts of Interest, and Certificates of Divestiture for Executive Branch Officials (RIN: 3209–AA06) received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3846. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the United States Information Agency's [USIA] intent to obligate $2 million, following the transfer, pursuant to section 632(a) of the FAA, for the purpose of upgrading existing nongovernment television stations in Bosnia and Herzegovina, pursuant to 22 U.S.C. 2394–1(a); jointly, to the Committees on International Relations and Appropriations.

3847. A letter from the Secretary of State, transmitting a report assessing the voting practices of the government of U.N. member states in the General Assembly and Security Council for 1995, and evaluating the actions and responsiveness of those governments to U.S. policy on issues of special importance to the United States, pursuant to Public Law 101–167, section 527(a) (103 Stat. 1222); jointly, to the Committees on International Relations and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. GREENE of Utah: Committee on Rules. House Resolution 460. Resolution providing for consideration of the bill (H.R. 3675) making appropriations of the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–633). Referred to the House Calendar.

Mr. ARCHER: Committee on Ways and Means. House Joint Resolution 182. Resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; adversely (Rept. 104–634). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. H.R. 3663. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to permit the Council of the District of Columbia to authorize the issuance of revenue bonds with respect to water and sewer facilities, and for other purposes (Rept. 104–635). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 463. Resolution providing for consideration of a joint resolution and a resolution relating to the People's Republic of China (Rept. 104–636). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. JOHNSON of Connecticut (for herself, Mr. WATTS of Oklahoma, and Mr. PAYNE of New Jersey):

H.R. 3707. A bill to extend the legislative authority for the Black Revolutionary War Patriots Foundation to establish a commemorative work; to the Committee on Resources.

By Mr. ANDREWS:

H.R. 3708. A bill to protect the retirement security of Americans; to the Committee on Economic and Educational Opportunities, and in addition to the Committees on Ways and Means, Government Reform and Oversight, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BROWN of California:

H.R. 3709. A bill to promote the growth of science and technology in the United States; to the Committee on Science.

By Ms. BROWN of Florida:

H.R. 3710. A bill to designate a U.S. courthouse located in Tampa, FL, as the "Sam M. Gibbons United States Courthouse"; to the Committee on Transportation and Infrastructure.

H.R. 3711. A bill to amend title 38, United States Code, to provide for an assessment of the provision of health care services and the conduct of research by the Department of

Veterans Affairs relating to women veterans; to the Committee on Veterans' Affairs.

H.R. 3712. A bill to amend title 38, United States Code, to improve the research activities of the Department of Veterans Affairs relating to women veterans; to the Committee on Veterans' Affairs.

H.R. 3713. A bill to amend title 38, United States Code, to improve health care services for women veterans provided by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. CARDIN (for himself, Mr. PORTMAN, Mr. ENGLISH of Pennsylvania, Mr. JACOBS, and Mr. MCNULTY):

H.R. 3714. A bill to amend title XVIII of the Social Security Act to make certain changes to hospice care under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHABOT (for himself, Mrs. LOWEY, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Mr. RAHALL, Mr. OLVER, Mr. GREENWOOD, Mr. PORTMAN, Mr. WICKER, Mr. BUNNING of Kentucky, Mr. CREMEANS, Mr. KENNEDY of Massachusetts, Mr. TOWNS, Mr. ACKERMAN, and Mr. GONZALEZ):

H.R. 3715. A bill to amend the Public Health Service Act to provide for research on the disease known as lymphangioleimyomatosis, commonly known as LAM; to the Committee on Commerce.

By Mr. KASICH:

H.R. 3716. A bill to implement the project for American renewal, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCHUGH (for himself and Mr. CLINGER}:

H.R. 3717. A bill to reform the postal laws of the United States; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MEEHAN:

H.R. 3718. A bill to apply the rates of duty effective after December 31, 1994, to certain water resistant wool trousers that were entered, or withdrawn from warehouse for consumption, after December 31, 1988, and before January 1, 1995; to the Committee on Ways and Means.

By Mr. CLAY:

H. Res. 459. Resolution expressing the condolences of the House on the death of Representative BILL EMERSON; considered and agreed to.

By Mr. COX (for himself and Mr. SOLOMON):

H. Res. 461. Resolution regarding United States concerns with human rights abuse, nuclear and chemical weapons proliferation, illegal weapons trading, military intimidation of Taiwan, and trade violations by the People's Republic of China and the People's Liberation Army, and directing the committees of jurisdiction to commence hearings and report appropriate legislation; to the Committee on Rules.

By Mr. FOX:

H. Res. 462. Resolution designating the majority membership on certain standing committees of the House; considered and agreed to.

By Mr. FRANK of Massachusetts:

H. Res. 464. Resolution expressing the sense of the House of Representatives relating to the recognition of the Magen David Adom—Red Shield of David—as a symbol of the International Red Cross and Red Crescent Movement; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

227. The SPEAKER presented a memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 62 supporting an amendment to the Constitution of the United States establishing the rights of victims of crimes; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 351: Mr. TAYLOR of North Carolina.

H.R. 957: Mrs. SEASTRAND.

H.R. 1499: Mr. GEKAS.

H.R. 1776: Mr. WELDON of Florida and Mr. BROWN of California.

H.R. 1946: Mr. LIGHTFOOT, Mr. RADANOVICH, Mr. SAM JOHNSON, and Mr. BONO.

H.R. 2011: Mr. MCNULTY, Mr. CRAMER, Mr. LAFALCE, and Mr. KILDEE.

H.R. 2026: Mr. MCCRERY, Mr. MCCOLLUM, Mr. KIM, and Mr. SHADEGG.

H.R. 2209: Mr. ROMERO-BARCELO, Mr. LINDER, Mr. HAMILTON, and Mr. CLAY.

H.R. 2237: Ms. NORTON, Mr. LIPINSKI, and Mrs. MORELLA.

H.R. 2342: Mr. PARKER.

H.R. 2434: Mrs. VUCANOVICH and Mr. BENTSEN.

H.R. 2472: Mr. LAFALCE, Mr. WILLIAMS, Mr. JACKSON, and Mr. TORRICELLI.

H.R. 2664: Mr. ANDREWS.

H.R. 2745: Mr. BLUMENAUER, Mr. CUMMINGS, Mr. GREENWOOD, and Mr. FLANAGAN.

H.R. 2777: Mr. ABERCROMBIE.

H.R. 2789: Mr. CASTLE.

H.R. 2820: Mr. STEARNS.

H.R. 2827: Mr. FLANAGAN.

H.R. 2875: Mr. MONTGOMERY.

H.R. 2900: Mr. TAUZIN, Mr. KELLY, Mr. HASTINGS of Washington, Mr. DUNCAN, Mr. STUMP, and Mr. RADANOVICH.

H.R. 2962: Mr. LIPINSKI, Mr. STARK, Ms. FURSE, Ms. NORTON, and Mr. EVANS.

H.R. 3118: Mr. TATE.

H.R. 3123: Mrs. MYRICK.

H.R. 3142: Mr. DEFAZIO, Mr. STOCKMAN, Mr. PORTER, Mr. SAM JOHNSON, Mr. CRAPO, Mr. PARKER, Mr. ROBERTS, and Mr. QUILLEN.

H.R. 3189: Mr. WYNN.

H.R. 3195: Mr. WHITFIELD, Mr. BILBRAY, and Mr. LAUGHLIN.

H.R. 3222: Mr. OWENS and Mr. MILLER of California.

H.R. 3369: Mrs. COLLINS of Illinois, Mr. RUSH, Mr. FORD, Mr. CLYBURN, Mr. HILLIARD, Mr. THOMPSON, Mr. RANGEL, Mr. STOKES, Mr. PAYNE of New Jersey, Miss COLLINS of Michigan, Mr. LEWIS of Georgia, Ms. BROWN of Florida, Mr. JACKSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. OWENS, Mr. JEFFERSON, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. DELLUMS, and Mr. GONZALEZ.

H.R. 3374: Mrs. THURMAN, Mr. GREEN of Texas, Mr. EVANS, Mr. CARDIN, and Mr. DURBIN.

H.R. 3410: Mr. LARGENT, Mr. FROST, Mr. HALL of Texas, Mr. COBURN, Mr. MCCRERY, Mr. CHAPMAN, Mr. GREEN of Texas, Mr. PETE GEREN of Texas, and Mr. BARTON of Texas.

H.R. 3422: Mr. SCHIFF.

H.R. 3425: Mr. CLEMENT.

H.R. 3455: Mr. ROMERO-BARCELO, Mr. DURBIN, and Mr. HORN.

H.R. 3458: Mr. EDWARDS, Mr. WATTS of Oklahoma, Mr. TEJEDA, Mr. SMITH of New Jersey, Mr. BILIRAKIS, Mr. CLEMENT, Mr. FOX, Mr. MASCARA, Mr. FLANAGAN, Mr. STEARNS, and Mr. HUTCHINSON.

H.R. 3465: Mr. CARDIN and Mr. DELLUMS.

H.R. 3508: Mr. KASICH, Mr. KING, Mr. DE LA GARZA, Mrs. MYRICK, Ms. SLAUGHTER, Mr. BERMAN, Mr. PETERSON of Minnesota, and Mr. STEARNS.

H.R. 3520: Mr. BRYANT of Texas.

H.R. 3556: Ms. GREENE of Utah, Ms. RIVERS, and Mr. KENNEDY of Massachusetts.

H.R. 3565: Mr. BLILEY, Mr. GORDON, and Mr. FOX.

H.R. 3571: Mr. FLAKE and Mr. NEY.

H.R. 3591: Mr. DELLUMS.

H.R. 3606: Ms. FURSE.

H.R. 3633: Mr. FROST.

H.R. 3643: Mr. FOX, Mr. CLEMENT, Mr. TEJEDA, and Mr. MASCARA.

H.R. 3648: Mr. STUPAK, Mr. NEAL of Massachusetts, Mr. LIPINSKI, and Mr. FATTAH.

H.R. 3673: Mr. SMITH of New Jersey, Mr. HUTCHINSON, Mr. BILIRAKIS, Mr. CLEMENT, Mr. FOX, Mr. TEJEDA, Mr. WELLER, Mr. MASCARA, and Mr. STEARNS.

H.R. 3674: Mr. SMITH of New Jersey, Mr. HUTCHINSON, Mr. BILIRAKIS, Mr. TEJEDA, Mr. FOX, Mr. WELLER, and Mr. STEARNS.

H. Con. Res. 128: Ms. EDDIE BERNICE JOHNSON of Texas, Ms. WATERS, Ms. ROYBAL-ALLARD, Mrs. LOWEY, Ms. RIVERS, Ms. MCCARTHY, Mrs. COLLINS of Illinois, Ms. LOFGREN, Ms. ESHOO, Miss COLLINS of Michigan, Mrs. MINK of Hawaii, Ms. PRYCE, Ms. BROWN of Florida, Ms. JACKSON-LEE, Mrs. CLAYTON, Ms. DANNER, Mrs. MORELLA, and Ms. SLAUGHTER.

H. Con. Res. 163: Mr. ROMERO-BARCELO.

H. Con. Res. 175: Mr. CLINGER.

H. Res. 441: Mr. FILNER.

H. Res. 452: Mr. BROWN of California, Mr. LANTOS, Mr. HORN, Mr. MILLER of California, and Mr. KANJORSKI.

H. Res. 454: Mr. TORRES, Ms. WOOLSEY, Mrs. LOWEY, and Mr. BARRETT of Wisconsin.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3666

OFFERED BY: MR. BARR

AMENDMENT NO. 67: Page 71, line 4, after the semicolon insert: "*Provided further*, That from funds appropriated under this heading, the Administrator shall use no less than $10,000,000 for the Clean Rivers and Lakes program under section 314 of the Federal Water Pollution Control Act;"

H.R. 3666

OFFERED BY: MR. MARKEY

AMENDMENT NO. 68: Page 95, line 21, insert:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading "HAZARDOUS SUBSTANCE SUPERFUND" may be used to provide any reimbursement (except pursuant to section 122(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) of response costs incurred by any person when it is made known to the official having the authority to obligate such funds that such person has agreed to pay such costs under a judicially approved consent decree entered into before the enactment of this Act, and none of the funds made available under such heading may be used to pay any amount when it is made known to the official having the authority to obligate such funds that such amount represents a retroactive liability discount attributable to a status or activity of such person (described paragraphs (1), (2), (3) or (4) of section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) that existed or occurred prior to January 1, 1987.

H.R. 3666

OFFERED BY: MRS. THURMAN

AMENDMENT NO. 69. Page 95, after line 21, insert the following new section:

SEC. . (a) PLAN FOR ALLOCATION OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF VETERANS AFFAIRS.—(1) The Secretary of Veterans Affairs shall develop a plan for the allocation of health care resources (including personnel and funds) of the Department of Veterans Affairs among the health care facilities of the Department so as to ensure that veterans having similar economic status, similar eligibility priority, or similar medical conditions and who are eligible for medical care in those facilities have similar access to care in those facilities, regardless of the region of the United States in which they reside.

(2) The plan shall reflect, to the maximum extent possible, the Veterans Integrated Service Network, as well as the Resource Planning and Management System developed by the Secretary of Veterans Affairs to account for forecasts in expected workload and to ensure fairness to facilities that provide cost-efficient health care. The plan shall include procedures to identify reasons for variations in operating costs among similar facilities and ways to improve the allocation of resources among facilities so as to promote efficient use of resources and provision of quality health care.

(3) The Secretary shall prepare the plan in consultation with the Under Secretary for Health of the Department of Veterans Affairs.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall set forth—

(1) milestones for achieving the goal referred to in that subsection; and

(2) a means of evaluating the success of the Secretary in a meeting that goal through the plan.

(c) SUBMITTAL TO CONGRESS.—The Secretary shall submit the plan developed under subsection (a) to Congress not later than 180 days after the date of the enactment of this Act.

(d) PLAN IMPLEMENTATION.—The Secretary shall implement the plan developed under subsection (a) within 60 days of submitting it to Congress under subsection (b), unless within such period the Secretary notifies the appropriate committees of Congress that the plan will not be implemented, along with an explanation of why the plan will not be implemented.

H.R. 3666

OFFERED BY: MR. WELLER

AMENDMENT NO. 70: Page 95 after line 21, insert the following new section:

SEC. . FHA MORTGAGE INSURANCE PREMIUMS.—Section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)) is amended by inserting after the first sentence the following new sentence: "In the case of mortgage for which the mortgagor is a first-time homebuyer who completes a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary, the premium payment under this subparagraph shall not exceed 2.0 percent of the amount of the original insured principal obligation of the mortgage.".

H.R. 3675

OFFERED BY: MR. ANDREWS

AMENDMENT NO. 1: Page 55, after line 15, insert the following new section:

SEC. 406. (a) LIMITATION ON USE OF FUNDS FOR CERTAIN SURFACE TRANSPORTATION PROJECTS.—None of the funds made available in this Act may be used to provide, or to pay the salaries or expenses of Department of Transportation personnel who provide, to a State more than $50,000 in Federal assistance from the Highway Trust Fund (other than the Mass Transit Account) for any surface transportation project except when it is made known to the Federal official having authority to obligate or expend such funds that—

At least 30 days before entering a contract or agreement with a private business entity for the performance of work usually performed by employees of a State under which the State will obligate more than $50,000, the State has conducted and submitted a cost-benefit analysis of the project;

(2) the cost-benefit analysis includes a detailed description of—

(A) the costs of labor;

(B) the costs of employer-provided fringe benefits;

(C) the costs of equipment or materials, whether supplied by the State or private contractor;

(D) the costs directly attributable to transferring the work being performed by State employees to a private business entity;

(E) the costs of administering and inspecting the contracted service; and

(F) the costs of any anticipated unemployment compensation or other benefits which are likely to be paid to State employees who are displaced as a result of the contracted service; (3) the cost-benefit analysis includes an analysis of whether it is more cost effective to use employees of a private business entity than to use State employees to perform the work required;

(4) the cost-benefit analysis is accompanied by an analysis of the State's finances and personnel and an analysis of the ability of the State to reassume the contracted service if contracting of the service ceases to serve the public interest;

(5) in the case of a contract or agreement described in paragraph (1) that will result in a decrease in the amount of work assigned to State employees, the cost-benefit analysis demonstrates that—

(A) the contract or agreement will result in a substantial cost savings to the State; and

(B) the potential cost savings of contracting of services are not outweighed by the public's interest in having a particular function performed directly by the State;

(6) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a past performance history of the private business entity with whom the State is entering into the contract or agreement, which includes—

(A) work performed for the State under contracts and agreements described in paragraph (1) in the 5-year period ending on the 45th day before the date of entry into the contract or agreement;

(B) if no work was performed for the State under such contracts and agreements during such 5-year period, then any work performed for other States under contracts and agreements described in paragraph (1) in such 5-year period;

(C) with respect to each contract or agreement to which subparagraph (A) or (B) applies, the amount of funds originally committed by the State under the contract or agreement and the amount of funds actually expended by the State under the contract or agreement; and

(D) with respect to each contract or agreement to which subparagraph (A) or (B) applies, deadlines originally established for all work performed under the contract or agreement and the actual date or dates on which performance of such work was completed;

(7) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a copy of any performance bond or any similar instrument that ensures performance by the private business entity under the contract or agreement or certifies the amount of such bond;

(8) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a political contribution history of the private business entity with whom the State is entering into the contract or agreement, which political contribution history lists all political contributions the private business entity has made to political parties and candidates for political office in the 5-year period ending on the 45th day before the date of entry into the contract or agreement; and

(9) not later than 5 days after submission of the cost-benefit analysis and other documents under this section, the public has been notified of the availability of the cost-benefit analysis and other documents for public inspection, an the analysis and other documents have been made available for inspection upon request.

(b) EXCEPTIONS.—The limitation established by subsection (a) shall not apply to any surface transportation project when it is made known to the Federal official having authority to obligate or expend the funds that—

(1) the project is a pilot project for a particular type of work that has not previously been performed by the State and is being undertaken to evaluate whether contracting for that particular type of work can result in savings to the State; or

(2) the analysis of the State's finances and personnel under subsection (a)(4) demonstrates that the State cannot perform the work with existing or additional departmental employees because the work would be of such an intermittent nature as to be likely to cause regular periods of unemployment for State employees.

H.R. 3675

OFFERED BY: MR. COLLINS OF GEORGIA

AMENDMENT NO. 2: At the appropriate place in the bill, add the following new section:

"SEC. . None of the funds made available in this Act shall be used to plan, develop, conduct or contract for a study to determine the feasibility of allowing pilots to fly commercial aircraft after they reach age sixty.

H.R. 3675

OFFERED BY: MR. DAVIS

AMENDMENT NO. 3: Page 53, after line 10, insert the following:

SEC. 340. The Secretary of Transportation, acting through the Administrator of the Federal Highway Administration, shall conduct a comprehensive transportation needs assessment on behalf of the District of Columbia. The Secretary shall conduct such assessment in consultation with the Government of the District of Columbia, the Committees on Government Reform and Oversight and on Appropriations of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

H.R. 3675

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 4: Page 55, after line 15, insert the following new section:

SEC. 406. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3675

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 5: Page 53, after line 10, insert the following new section:

SEC. 340 (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c).

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

EXTENSIONS OF REMARKS

TRIBUTE TO NORTHEAST MISSOURI STATE UNIVERSITY

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. VOLKMER. Mr. Speaker, I rise today to honor Northeast Missouri State University in Kirksville, MO, and to inform my colleagues of the university's exciting new name, Truman State University. The university's commitment to excellence has been recognized nationally, and with its mission as Missouri's liberal arts and sciences university, it is only fitting that its name honor the State's most famous native son, Harry S Truman.

Like President Truman, the university had humble beginnings when it was founded by Joseph Baldwin in 1867, as Missouri's first Normal School. In 1870, the Normal School graduating class numbered 15 students. In 1996, approximately 1,200 students will graudate from Northeast Missouri State University. Since its founding the university has educated more than 45,000 graduates who can be found in every State and throughout the world pursuing careers in education, sciences, public service, business, law, and the arts.

In addition to this explosive growth the university has expanded into new fields of study sicne those first graduates. In recognition of the university's strong emphasis on the liberal arts and sciences, it was designated Missouri's official liberal arts and sciences university by the Missouri State Legislature in 1986. Northeast has also distinguished itself as a leader in student achievement and has been repeatedly recognized as a national leader in excellent, cost-effective, education.

On July 1, 1996, Northeast Missouri State University will officially become Truman State University. It is with this change in mind that I offer my warmest congratulations on more than a century of outstanding education and the hope that Truman State will enjoy continued success as Missouri's liberal arts and science university.

TRIBUTE TO THE SOUTH JERSEY RADIO ASSOCIATION

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. ANDREWS. Mr. Speaker, I rise today to pay special tribute to the South Jersey Radio Association [SJRA], which is celebrating its 80th anniversary this year. The importance of radio in this society is intangible. From reporting news stories at critical moments to stretching our mental capabilities with thoughtful commentary, the radio has played an integral role in the development of this Nation. As the oldest active amateur radio club in the United States, the South Jersey Radio Association built the foundation of the radio industry.

The SJRA, originally known as the South Jersey Wireless Association, first met on June 12, 1916 at the home of William G. Phillips in Collingswood, NJ. The meeting was composed of 13 ambitious individuals who were eager to learn more about the technical development and operation of wireless communication. Harry William Densham presided at this historic meeting which was attended by William G. Phillips, George Haldeman, C. Waldo Batchelor, Leon W. Ashton, William A.F. Pyle, Gordon Kressel, William L. Kirby, Edward B. Patterson, Henry Wetzel, Henry S. Byam, Taylor Stokes, and Roger W. Barrington. The South Jersey Wireless Association grew in size to 40 individuals by the time World War I began. The group responded to the growing need of wireless operators brought about by the war by conducting a wireless school in the physics lab of the Collingswood High School. After the course, many members of the club went on to advanced training at the Harvard University Radio School. Soon after the war, the activity of the association declined because of the rise in broadcasting and neighborhood annoyance over interference from local wireless telegraph stations. However, a small group of dedicated pioneers still met at each others homes to continue their pursuit. During this time, Normal Wible, a member of the SJRA, gained national prominence by being the first North American amateur to communicate with a South American over shortwave and vacuum tube transmitters. This event rejuvenated the club and gave rise to what is now known as amateur radio. On March 17, 1932, the SJRA received a station license with the call number W3CTV. Twenty-one years after its inception, the association became incorporated under New Jersey law on March 17, 1932.

Over the past 80 years, the SJRA has taken the initiative to promote amateur radio. In 1993, they developed a special program to introduce amateur radio to over 2,000 fourth, fifth and sixth graders. The program set up an amateur station in each classroom and encouraged the students to talk with amateurs through the various pieces of equipment such as the SJRA repeater. SJRA members have also assisted in many special events such as the New Jersey Fall Festival, the New Jersey Apple Festival, and the New Jersey Cranberry Festival. The service of the SJRA to the community makes them worthy of special recognition.

I ask that my colleagues join me in honoring the South Jersey Radio Association, an organization which has devoted its time and energy to the promotion of radio in the United States. With over 250 current members, the association has come a long way since its humble beginning back in 1916. I applaud the dedication of such an outstanding organization and I wish them continued success in the future.

INTRODUCTION OF THE POSTAL REFORM ACT OF 1996

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. MCHUGH. Mr. Speaker, Monday, July 1, 1996, will mark the beginning of the 26th year of operations for the U.S. Postal Service under the Postal Reorganization Act of 1970. That act has worked well for the past 25 years. However, changing market conditions and advances in communications technology necessitate that Congress revisit the legislative infrastructure of the Postal Service to ensure its continued viability and financial well-being into the next century.

Today I am introducing the Postal Reform Act of 1996. This measure represents the first comprehensive reform effort involving the U.S. Postal Service since 1970. For the past year and a half the Subcommittee on the Postal Service, which I chair, has conducted in-depth and lengthy hearings on the U.S. Postal Service. During these hearings we heard from more than 60 witnesses representing all facets of the postal community. In addition, I have had the opportunity to meet with a variety of individual postal customers, postal employees, and business leaders from some of our Nation's major corporations regarding postal affairs. I have listened and attempted to absorb the varying comments and interests put forth on and off the record. Ideally, this legislation addresses many of those issues.

Before outlining the details of the bill, let me say that the one central point of consensus in all my discussions has been the continuing need to maintain universal postal service to all of our citizens at a uniform, affordable rate. Coming as I do from a predominantly rural area, I believe that maintenance of a universal postal system is the cornerstone of any reform measure. I strongly believe universal service at reasonable rates remains the primary mission of the U.S. Postal Service. However, shifting mail volumes and stagnant postal revenue growth require Congress to reexamine the statutory structure under which our current postal system now operates if we are to maintain this important public service mission.

During the conducting of our oversight hearings, the subcommittee heard a number of witnesses describe methods of communications that were not imaginable in 1970. At that time, who could have foreseen the explosion of personal computers, the Internet, and facsimile machines as methods of communication? There has been a steady erosion of what used

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

to be standard correspondence moving through the U.S. Mail that now moves electronically or via carriage by a number of private urgent mail carriers.

According to reports of the General Accounting Office, the U.S. Postal Service controlled virtually all of the express mail market in the early 1970's; by 1995 its share had dropped to approximately 13 percent. Similarly, the Postal Service is moving considerably fewer parcels today than 25 years ago. In 1971 the Postal Service handled 536 million parcel pieces and enjoyed a 65 percent share of the ground surface delivery market. Compare this to 1990 when the Postal Service parcel volume had dropped to 122 million pieces with a resulting market share of about 6 percent.

Even the Postal Service's "bread and butter," first-class financial transactions and personal correspondence mail, are beginning to show the effect of electronic alternatives. Financial institutions are promoting computer software to consumers as a method of conducting their billpaying and general banking, while Internet service providers and online subscription services are offering consumers the ability to send electronic messages to anyone in the world or around the corner. Similarly, many of us have become accustomed to the immediacy of the facsimile machine. These new communication technologies all carry correspondence that formerly flowed through the Postal Service. These former sources of revenues supported a postal infrastructure dedicated to the mission of universal service.

This shift in postal revenues will have a negative long-term effect on the financial well being of the Postal Service. Should the service continue to labor under the parameters established by the 1970 act, its inability to compete, develop new products and respond to changing market conditions jeopardizes its ability to continue to provide universal service to the diverse geographic areas of our Nation. We must make adjustments to the Postal Reorganization Act of 1970 which will allow the Postal Service more flexibility in those areas in which it faces competition while assuring all postal customers of a continued universal mail service with the protection of reasonable rates that can be easily calculated and predicted. My legislation meets this goal by replacing the zero-sum game that has driven postal ratemaking for the last 25 years with a system that reflects today's changing communication markets.

Mr. Speaker, I propose to allow the U.S. Postal Service the opportunity to make a profit and remove the break-even financial mandate of existing law that promotes the wide, yearly, swings of postal profit and deficit and weeks of negotiations on arcane economic assumptions for ratemaking purposes.

I propose to divide the product offerings of the Postal Service into two primary categories. The first, the "non-competitive mail" category, represents all single piece letters, cards and parcels as well as those classes of users without significant alternatives. The class will utilize a postage rate cap process by which the associated customers can easily determine postal rates. The second category will be the competitive mail category and will include those mail classes, products and services the Postal Service provides through the competitive marketplace. Within this category the Postal Service may set its rates according to market forces subject to an annual audit provided to the Postal Rate Commission to assure that rates are reflective of costs while providing a contribution to the overhead of the U.S. Postal Service. In addition, it would allow the Postal Service freedom to experiment with new offerings for a period of 3 years before requiring the Postal Rate Commission to permanently place it in either the competitive or non-competitive mail categories.

This legislation grants significant freedoms and flexibility to the Postal Service. Consequently, other changes are needed to reflect this status. I propose to remove the safety net of the U.S. Treasury and the Federal Financing Bank from postal operations and repeal the remaining authorizations for taxpayer appropriations to the Postal Service. Similarly, I propose to apply the anti-trust laws of our Nation to the Postal Service products offered in either the competitive mail or the experimental market test categories. I am also proposing that the Postal Service conduct a demonstration project that will provide us with the data needed to determine the continued necessity of providing the Postal Service with sole access to individual private mailboxes. This bill, Mr. Speaker, will also settle once and for all the nagging problem of an agency's chief law enforcement officer and member of postal management serving as its Inspector General by establishing an independent, Presidentially-appointed, Inspector General for the Postal Service.

The bill enacts stringent reporting requirements to the Congress and to the U.S. Postal Rate Commission by providing the Commission with the ability to issue subpoenas, manage proprietary documentation and procure necessary information. This legislation places significant responsibilities on the Commission and, reflective of that, directs that the Commission will have for the first time its own Inspector General.

My proposal, Mr. Speaker, also increases the penalties for repeated mailings of unsolicited sexually oriented advertising as well as the mailing of hazardous materials and controlled substances. It protects workers on the job by making it a felony to stalk, assault or rob a postal employee. Just this past month we saw a letter carrier killed while on duty in our Nation's capital and we cannot allow those that would harm or rob postal carriers to go without significant punishment. My proposal addresses this serious situation by increasing the penalties for such acts of violence.

I stress that significant areas of current law remain intact. This legislation does not affect the existing collective-bargaining process. However, the subcommittee recognizes that serious problems exist between postal management and labor. To address this serious situation, I propose to form a Presidentially appointed commission made up of non-postal union and corporate representatives as well as those well known in the field of labor-management relations. The commission would be charged with addressing these issues in detail and provide guidance to the Congress and the Postal Service on any needed changes.

IN REMEMBRANCE OF HAROLD WEBSTER WALES

HON. JOHN SHADEGG

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. SHADEGG. Mr. Speaker, I rise today to remember Harold Webster Wales, a longtime friend of mine from the district I represent. I am usually reluctant to single anyone out from my district for praise because there are many outstanding citizens in the Fourth District of Arizona. However, Hal's expertise in tax law inspired and encouraged me to take actions to ease the burden our tax system places on small businesses and American families.

Harold Webster Wales was born June 23, 1928, in Seattle, WA, and passed away in Phoenix, AZ, on June 1, 1996. Hal was an Air Force veteran, who served his country honorably. He graduated cum laude from Seattle University with a degree in accounting and received his juris doctorate from the University of San Francisco. Admitted to the California and Arizona bars, Hal practiced extensively as a tax and estate planning attorney. He was a recognized authority in these fields, lecturing widely on matters of estate planning, income tax, and charitable organizations.

A member of professional organizations, Hal was active in the community both in his professional and civic life. He was president of the Central Arizona Estate Planning Council, president of the Catholic Social Service, and Arizona chairman of the National Foundation for the March of Dimes. Additionally, Hal served as a board member of the Garsky Wellness Foundation and Camelback Hospital as well as a finance committee member of the Marie Academy and St. Thomas the Apostle Church.

I have always been concerned by the inequities contained within the current Tax Code. However, when I met with Hal last February he spoke of his clients—honest hardworking Arizonans who were being victimized as a result of overburdensome tax regulations and penalties. These tax horror stories as well as his great knowledge and understanding of these issues prompted me to host a public hearing into the subject at the Phoenix City Council chambers on April 3, 1996. His participation and guidance helped me make this hearing a success.

Hal's greatest legacy is his family—his wife, Dorothy; two daughters, Lissa and Mary, grandson, Andrew, three sisters, Joan Wales, Shirley Hoctor, Duane Jones; his brother Bill, and aunt, Betty Spence. My most sincere condolences go out to them on this sad occasion.

Mr. Speaker, I plan to continue to fight to reform our Nation's tax system. Whatever success we may achieve will be a result of the tireless effort and wisdom Hal brought to this issue. I owe a great debt to Hal for his knowledge and friendship. His death is a personal loss to me and to the citizens of the Fourth District of Arizona.

PERSONAL EXPLANATION

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. RAMSTAD. Mr. Speaker, I rise today to express my support for an amendment offered by Representative FURSE to the Interior appropriations bill that was voted on last week and would have repealed the emergency timber salvage provisions enacted last summer.

I was in Minnesota on a leave of absence due to illness and unable to be here for the vote, but had I been here I would have voted in favor of Representative FURSE's amendment.

Like many of my colleagues, I voted for the original emergency timber salvage provisions because I believe that salvage logging, when used properly, can be an important tool in forest management. Unfortunately, I am disappointed with the implementation of the law and have come to realize it was too broadly written.

I am concerned that waiving the environmental laws that would ordinarily apply to timber sales increases the strain timber, in general, have on the environment.

I am also concerned that there may not be the economic benefits to salvage sales that we had hoped. While I understand it is the environmental regulations and analyses that are blamed for much of the added costs to timber sales, and that by waiving these requirements the sales will be more economical, I am concerned that taxpayers will still lose money on the sales.

For these reasons, I would have voted for the Furse amendment to the Interior appropriations bill.

TRIBUTE TO POLICE CHIEF JOE SULLIVAN OF FERNDALE, MI

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. LEVIN. Mr. Speaker, Police Chief Joe Sullivan of Ferndale, MI will retire on June 30, 1996 after almost 27 years with the Ferndale Police Department.

Joe Sullivan has been an exceptional law enforcement officer. From his early days as a patrolman, as the youngest captain in the history of the Ferndale Police Department and finally to his service as chief of police, he has had a distinguished and rewarding career.

His approach toward law enforcement is rooted in his family, his commitment to community and respect for his colleagues. Joe Sullivan's career in law enforcement has spanned three decades—an era of major change in the nature of law enforcement. The problems experienced in our communities have intensified and have become more complex. They have required new techniques. Joe Sullivan has been successful because he has been a leader in combining sophisticated new methods with some old-fashion, community-based methods.

It has been my pleasure to know Joe Sullivan and to work closely with him on a variety of efforts. 1994, Joe Sullivan spent time helping to provide me the hands of knowledge I needed to make the anti-crime bill more effective for local communities. We worked together, with other chiefs of police in the 12th District and with Attorney General Janet Reno to strengthen the community policing provisions of the bill by allowing communities to work together in multijurisdictional tasks forces. It was an idea sparked by Joe Sullivan and his colleagues and because of them it is law. I was honored to have Joe Sullivan join me for the White House ceremony where President Clinton signed the legislation into law.

Joe Sullivan is a person who combines a direct, no-nonsense approach with a sensitivity to others. He will tell you what's on his mind, while listening to the views of others. And he speaks passionately about what local law enforcement needs to be successful.

Joe Sullivan has won 17 commendations during his career on the Ferndale Police Force. One such distinction emanated from his work as commander of a SWAT intervention that terminated a dangerous hostage situation in 1984.

Joe Sullivan was born and raised in Ferndale. He is a husband of 30 years, a father of two and a grandfather of four. His strong family values are rooted in his Irish heritage.

Joe Sullivan has given his adult career to the safety and security of the citizens of Ferndale. I join them in paying tribute to Joe Sullivan and wishing him health and happiness in his much deserved retirement. Many thanks, Joe, for all of your efforts on our behalf.

CITIZENS CELEBRATE FIRST WARD COMMUNITY CENTER, FWCC OLD TIMERS CLUB

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. BARCIA. Mr. Speaker, how well a community does is directly related to the willingness of its people to commit themselves to making their community better. The first ward of Saginaw, MI, has benefited from the commitment of its citizens who, later this week, will be celebrating the 60th anniversary of the First Ward Community Center, and the 50th anniversary of the First Ward Old Timers Club.

More than 60 years ago, a community center was begun at 1013 North 6th Street to improve the neighborhood. Everyone in the community was invited to join in programs that were offered to help individuals, and through that make the first ward as good as it could be. Sixty years ago the center became part of the Welfare League, which predated United Way of Saginaw. In 1944, hands were joined across the community to make a human chain to move two old barracks to the center's current location at 1410 North 12th Street.

Over these many years of making the first ward better and better, the center has offered programs in adult counseling, recreation, preschooling, athletic activities, classroom and library facilities, and many, many memorable moments for the thousands of people who used the First Ward Community Center even just once.

The center has been broadly supported by the community, but not more strongly than by the Old Timers Club, which is celebrating its 50th anniversary. This wonderful group worked to provide support for the center to help the youth of the community. They have done so since their first picnic for youth in 1946, through the annualization of this event, and through the operation of a bingo for the center. The countless and invaluable hours of volunteer service to the center were vital in the growth of the First Ward Community Center and its positive impact on the neighborhood.

Mr. Speaker, when people ask for examples of where local commitment, constant probing for new solutions to problems, and devotion to higher ideals exist, tell them to look no further than the First Ward Community Center and the First Ward Community Center Old Timers Club of Saginaw, MI. For 60 years the First Ward Community Center has had a positive impact on Saginaw neighborhoods which continues today under the capable leadership of Charles Braddock, executive director, and the board of dedicated community volunteers. I urge all of our colleagues to join me in wishing both of these excellent organizations the very best on their anniversaries, and many more to come.

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. OBEY. Mr. Speaker, today, I would like to salute two outstanding young women who have been honored with the Girl Scouts of the U.S.A. Gold Award by the Indian Waters Girl Scout Council in Eau Claire, WI. They are Carrie Shufelt and Carrie Meyer.

They are being honored for earning the highest achievement award in Girl Scouting. The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development.

Girl Scouts of the U.S.A., an organization serving over 2.6 million girls, has awarded more than 20,000 Girl Scout Gold Awards to Senior Girl Scouts since the inception of the program in 1980. To receive the award, a Girl Scout must fulfill five requirements: earn four interest project patches, earn the Career Exploration pin, earn the Senior Girl Scout Leadership Award project, earn the Senior Girl Scout Challenge, and design and implement a Girl Scout Gold Award project. A plan for fulfilling the requirements of the award is created by the Senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

The earning of the Girl Scout Gold Award is a major accomplishment for these young women, and I believe they should receive the public recognition due them for this significant service to their community and their country.

WHY CONGRESS NEEDS THE MENTAL HEALTH BENEFIT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. STARK. Mr. Speaker, I know it is not fashionable to seek perks for Members of Congress, but we desperately, desperately need one—and the country would be better for it if we obtained this benefit for ourselves.

We need the mental health parity amendment, because a majority of the Members are clearly suffering from severe mental disconnect, and as an institution, we are in need of treatment.

I refer, of course, to the insanity of spending long hours trying to pass the Kennedy-Kassebaum amendment to improve health insurance coverage, while we are also about to pass Medicaid budget cuts which will effectively remove health insurance coverage from millions of Americans.

The Congressional Budget Office estimates that Kennedy-Kassebaum bill might help about 550,000 people a year when they switch jobs or leave a job which offers health insurance and want to buy a policy of their own. It is a nice little bill and justifiably helps many worthy people. The Medicaid budget bill, on the other hand, will probably reduce Medicaid resources by a quarter of a trillion dollars over the next 6 years, and remove the guarantee of adequate health insurance from millions of children, parents, and grandparents. Thirty-seven million low-income blind, disabled, aged, and low-income children and their families are currently covered by Medicaid. Far more people will be hurt by the Medicaid cuts than will ever be helped by the Kennedy-Kassebaum bill.

If an individual pursued two such diametrically opposed actions, we'd say he was unbalanced and should seek professional help. The Senate in Kennedy-Kassebaum adopted an amendment to provide basically equal coverage of mental and physical health. I understand that that provision is being dropped. It is unfortunate. Members of Congress could use help.

NORTEL CORPORATE CITIZENSHIP

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. CLEMENT. Mr. Speaker, I would like to bring to the attention of my colleagues a prestigious award received by a good corporate citizen in my district, Nashville, TN. The Committee on Economic Development recently honored Northern Telecom [NORTEL], a telecommunications equipment manufacturer with its domestic headquarters in my district, with the CED's first annual Corporate Citizenship Award.

I want to congratulate Donald Schuenke, chairman of NORTEL's board of directors and the over 1,000 employees NORTEL has in my district. The award salutes active involvement in the policy dialogue and a carefully considered commitment to social and community responsibility. The award recognizes the principle and values NORTEL has held throughout the 100 years it has been in business. They invest in research and development, in customer satisfaction, in the training and education of their work force, in the quality of their management and in their overall business performance. But they also have a strong and ongoing commitment to our Nation's communities.

For example, more than 50 community organizations are supported by contributions from employees of NORTEL's Nashville office. Employees there have a longstanding relationship with the students at Pennington Elementary School where they have served as tutors, judged science fairs and spelling bees, produced the school's semiannual creative writing magazine, and organized and run the school's annual field day. Moreover, NORTEL underwrites the cost of school books for disadvantaged students, provides computer training for teachers, and furnishes equipment for classroom use.

NORTEL employees work with Fisk University's Division of Business as adjunct faculty advisors and provide resources to students preparing to enter the work force. Employees also serve as consultants to area schools in advancing technology in the classroom and the company provides computers and training.

Artistic endeavors are supported through events such as the NORTEL young musicians competition, a partnership with a school system's music education program and the Nashville Symphony to recognize outstanding young musicians. NORTEL volunteers have also turned out to build homes in their community in conjunction with Habitat for Humanity, to donate blood, and to contribute food to the second harvest food bank.

My thanks to Donald Schuenke and to NORTEL CEO Jean Monty for their fine leadership and to all NORTEL employees for these and all the other many contributions they make to the State of Tennessee. Congratulations on winning this prestigious award, and I urge the corporate citizens of our country to follow your fine example.

RECOGNITION OF PARTNERSHIP TO FIGHT INSURANCE FRAUD ONLINE

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. KLECZKA. Mr. Speaker, I rise to pay tribute to Blue Cross & Blue Shield United of Wisconsin which has formed a unique partnership with State and Federal law enforcement agencies to help combat fraud in the insurance industry. The organizations are listing helpful information about health care fraud on Blue Cross & Blue Shield's World Wide Web site on the Internet. The site, HealthNet Connection, contains Wisconsin's first online library of free information about the State's health care system.

The company has now announced that it will join with the U.S. Attorney's Office for the Eastern District of Wisconsin and the State attorney general to use their Internet site to make even more information available to the public. This access can assist in ensuring that health care dollars are spent wisely by raising awareness, educating consumers, and giving them tools to help prevent insurance fraud.

Each of the participants will make available their own organization's efforts as well as a system for reporting suspected fraud. The U.S. attorney's office section will describe Federal laws and penalties, issue consumer alerts, and help for reporting suspicious incidents. The attorney general's office will outline State laws and penalties as well as how to relate potential violations. In addition, Blue Cross & Blue Shield already dispenses information to help health care providers, employers, government decisionmakers, researchers, and consumers make informed decisions about medical care.

This high-technology assistance for Wisconsin's health care consumers is an extraordinary service from the State's largest health insurer. Blue Cross & Blue Shield United of Wisconsin is to be commended for utilizing the information superhighway to form such a creative and useful partnership with law enforcement insurance fraud fighters.

TRIBUTE TO BETSEY SHOOBRIDGE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. JACOBS. Mr. Speaker, on June 17, 1996 the world suffered a loss and heaven enjoyed a gain. Our dear friend, Betsey Shoobridge graduated from this life.

As can be seen by the following, she was a public spirited citizen and faithful worshiper of God.

While she lived, she was like an angel. Now she is one.

[From the Indianapolis Star, June 19, 1996]

WRITER BETSEY M. SHOOBRIDGE ALSO HAD LED UNITED WAY WOMEN'S GROUP

Services for Betsey M. Ress Shoobridge, 75, Greenfield, a writer and poet, will be at 1 p.m. June 20 in Harry W. Moore Lawrence Chapel, with calling from 2 to 8 p.m. June 19.

Burial will be in Crown Hill Cemetery.

She died June 17.

Mrs. Shoobridge worked 25 years for Walker Research, retiring in 1991.

She also had been a writer for Vital Christianity magazine, the Lawrence Journal, and had poems published in the Indianapolis Star and The Indianapolis News. She had received letters of recognition for her writing from author Somerset Maugham and comedian Red Skelton.

A longtime member of the United Way, she was past president of Indianapolis Women's United Way, a volunteer for Community Hospital, and a Democratic precinct committeewoman.

Mrs. Shoobridge, who worshiped at Bells Chapel Church of God and First Church of God, Greenfield, had been president of Women of the Church of God, a church youth leader and Sunday school teacher.

She was the widow of William J. Shoobridge.

Survivors: children William G., Janice Shoobridge, Eleanor Russell, Betsey Anne Lipps; eight grandchildren.

JAPAN PASSENGER AVIATION AGREEMENTS

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. ANDREWS. Mr. Speaker, there is a vast economic potential that remains untapped today. This resource could mean millions of dollars for many cities and States. It could aid consumers, help tourism, and create jobs.

I'm talking about the untapped potential of passenger aviation between Japan and the United States. Currently flights between the two countries are restricted by agreements that severely limit the number of flights, the cities served, and the carriers that can fly between the routes.

One additional flight per day from Newark to Japan would bring almost 100,000 additional passengers to the area, with an economic impact of almost $700 million a year. There's an easy way to unlock this potential. The Clinton administration has the key. All it has to do is begin negotiation of a comprehensive new agreement to expand United States-Japan aviation service when officials of the two countries meet in Washington later this month.

Right now, the agenda consists solely of trying to obtain two new flights from Osaka, Japan, to Jakarta, Indonesia. Unbelievably, the larger issues are not on the agenda—the issues that affect travelers in the United States, the people who work in tourism and the people whose livelihood depend on the aviation industry.

Mr. Speaker, now is the time to think of those and renegotiate the United States-Japan passenger aviation agreements.

SALUTE TO R. ALLISON DALTON

HON. LINDSEY O. GRAHAM

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. GRAHAM. Mr. Speaker, I rise today to recognize the achievements and contributions of Allison Dalton. For nearly 40 years Allison has been a tireless servant of his community and this country.

Allison Dalton started serving his country upon graduation from Clemson University. He entered the U.S. Army, where he was stationed in El Paso, TX. After serving his country in the Army, Allison returned home with his wife Carolyn and obtained a masters degree from Clemson University. Upon graduating from Clemson, Allison went to work for the textile industry—which is a paramount industry to South Carolina and the United States.

In the mid 1960's Allison Dalton went into business with his brother Charles in Pickens, SC. They opened a furniture business and ran it successfully for 13 years, until Allison left his business to work on Senator STROM THURMOND's reelection in 1978. After THURMOND was successfully reelected, Allison went back to his alma mater at Clemson University working in the athletic department. While there, Allison helped make the athletic fundraising operation one of the best in the country.

What is amazing about the life of Allison Dalton is that during this extensive work history, Allison raised two successful children, was and still is a Sunday school teacher, was a school board member, State School Board Association president, and has served on a board of directors for a local utility.

In 1994, Allison Dalton came to Washington to serve as my Chief of Staff. The job that he has done can only be described as extraordinary. The outstanding constituent services enjoyed in the Third district of South Carolina are due to Allison's implementation and hard work.

Later this year I received an unwelcome surprise when Allison came to me with the news that he had been sought out by the South Carolina Baptist Foundation to serve as their president. This is an opportunity that comes available every 30 years or so—you could say it's a once-in-a-lifetime opportunity. Very reluctancy, Allison has decided to accept this new opportunity and bid the House of Representatives farewell.

Mr. Speaker, I speak for myself and my staff when I say that we are sad to lose such an outstanding individual and friend. However, I am also proud to recognize the achievement of Allison Dalton, and I know that my colleagues will join me in honoring him for his dedicated service to the House of Representatives and to congratulate him on his appointment as president of the South Carolina Baptist Foundation.

TRIBUTE TO THE EAST AFRICAN NATION OF ERITREA

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, recently, the East African nation of Eritrea celebrated the third anniversary of its independence. This is truly an occasion to rejoice for developing nations all over the world.

After winning a 30-year war for independence in 1991, the Eritrean people set out to build their new nation with the same resolve, determination, and self-reliance they used to achieve military victory. Today, Eritrea is stable, secure, and putting down strong roots for a future of democracy and prosperity. The Eritrean people and their leaders are hard at work building their infrastructure, reconstructing their cities, creating an investment-friendly economy, and revitalizing the agricultural sector in order to achieve self-sufficiency in food production.

The results so far are mind-boggling. Asmara has become one of the most beautiful cities in the world. The Asmara to Massawa railroad is being painstakingly rebuilt. And modern innovations in medicine and agriculture are improving the standard of living by leaps and bounds. Through it all, the Eritreans are exhibiting a marvelous spiritedness and dedication that is an inspiration to all of us.

The media is starting to notice: National Geographic, the New York Times, my hometown newspaper, the Miami Herald, and CBS News, among others have all had major stories featuring Eritrea recently.

I also want to alert my colleagues that between June 24 through June 29, in the Cannon rotunda, there will be an exhibit of Eritrean art reflecting their people's struggle and triumph.

Once again, I salute Ambassador Amdemicael Khasai, President Isaias Afwerki, and the valiant people of Eritrea.

IN MEMORY OF WILSON WATKINS WYATT, SR.

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. WARD. Mr. Speaker, I rise today to pay tribute to an outstanding Kentucky leader and statesman. Unfortunately, we lost this incredible man at the beginning of this month marking the end of a long life dedicated to public service. Wilson Watkins Wyatt, Sr., was a committed servant to the city of Louisville, the Commonwealth of Kentucky, as well as the United States.

He began his long career in politics as a young lawyer, founding the Young Men's Democratic Club in Louisville. A natural leader, his peers recognized his promise and urged him to run for mayor of the city. He agreed and was elected to the post in 1941, 1 week before the Nation entered one of the world's most tragic wars.

During his term, Wilson Wyatt worked for the betterment of the city implementing new programs to aid citizens during the war and programs for those patriotic veterans lucky enough to return home. Most notably, he created the Louisville Area Development Association which developed a plan for growth of the community in the post-war era. His talents easily recognized, President Roosevelt requested him for a special assignment to assess Allied needs in Africa during the war. Moreover, dedicated to civil rights years before the climax of the movement, Mayor Wyatt was committed to appointing African-Americans to city boards, increasing the number of minorities in the police force, and eliminating salary differences based on race.

After his tenure serving Louisville, he was called on by President Truman to serve his country as Administrator of the National Housing Agency. He created a program to encourage construction of low-cost housing for returning soldiers, helping to stimulate the postwar economy and provide homes for our most deserving veterans.

After serving as campaign manager and personal advisor to the Presidential campaigns of Adlai Stevenson, Mr. Wyatt ran for lieutenant governor alongside Bert Combs and served Kentucky by concentrating on the future of agriculture, forests, atomic energy, research, and industry within the State. He crowned his political service with an appointment as a special emissary to negotiate an oil agreement with Indonesia on behalf of President Kennedy.

After his various experiences in elective office, Wilson Wyatt remained dedicated to the constituents he was so eager to serve. He put his leadership skills to work in developing

Leadership Louisville, an organization built to breed outstanding leaders for our city for the next generation. A dedicated philanthropist, he led efforts to establish the $12 million Regional Cancer Center of Louisville as well as the Kentucky Center for the Arts. He served on the boards of many local organizations such as the Louisville Area Chamber of Commerce, the Louisville Heart Association, University of Louisville Board of Trustees, and the American Heritage Foundation.

Wilson Wyatt was a symbol of service and commitment to his fellow countrymen. His life in both the public and private sectors was always focused on the betterment of society and his influence in Louisville, in Kentucky, and in the Nation, will be continually felt.

REEBOK ANNOUNCES AN INNOVATIVE INITIATIVE

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. MOAKLEY. Mr. Speaker, at a time when many companies are asking themselves how they can select manufactures that do not exploit workers around the world, Reebok International Ltd. has announced an innovative and precedent-setting initiative in Pakistan.

Mr. Speaker, about half of the world's soccer balls are made in Pakistan and recent reports indicate that as many as 20 percent of the balls are being stitched by children. As a result, Reebok has spent months negotiating with soccer ball manufacturers to come up with a way to ensure that children will not stitch Reebok balls. The result is an agreement between Reebok, Moltex, a Pakistani ball manufacturer, and Reed and Associates, a design and development company, that requires the construction of a new factory in which all stitching will be performed inside the factory, together with vigorous monitoring and an educational program to help area children formerly employed stitching balls.

Reebok has long been recognized for its leadership in creating awareness of human rights through its sponsorship of the Amnesty International Human Rights Now! Concert tour, through its annual Reebok Human Rights Award, and through its thoughtful implementation of its Reebok Human Rights Production Standards. With the child-labor-free soccer ball initiative, Reebok has again demonstrated that it can honor its commitment to human rights and be a successful business at the same time.

I have attached the letter from Peter Moore, senior vice president, Global Soccer/Rugby at Reebok which explains the initiative and ask that it be inserted into the RECORD at this time.

REEBOK

Stoughton, MA, June 12, 1996.

I am writing to announce that after many months of research and planning, Reebok has put into place plans to buy Pakistani-made soccer balls that we know with certainty will not be stitched by children. Before I describe this program to you, I want to provide you with the background that has led us to embark on this venture.

Reebok is a global athletic sports and fitness brand dedicated to bringing exciting, quality products to market. As a company that has long stood for human rights, we are also committed to finding partners that will manufacture these products in a fair and just manner.

Our soccer business is critically important to us worldwide and, ever since we first learned that as many as 20% of soccer ball stitchers in Pakistan may be children, we have been reassessing this aspect of our business with the hope that we could find a way to operate there that reflects our human rights standards.

Working with colleagues at the Soccer Industry Council of America (SICA), Reebok helped establish the Task Force on Global Manufacturing Practices to organize, research and develop recommendations for action. The SICA Task Force represents a significant attempt by U.S. industry to address the problem of child labor. The Task Force has called on the services of outside experts, including a noted human rights activist and professor of human rights and business ethics at Columbia University and a highly-regarded research organization based in Pakistan with experience working with UNICEF and other international organizations.

Through the Task Force we have been able to understand possible options to explore—and what to avoid—when approaching this problem.

We learned that child labor in Pakistan is a symptom of serious social and economic challenges—rampant poverty, inadequate educational opportunities, and cultural attitudes concerning the responsibilities of family members, to name only three.

Although the conditions for children were by no means as abusive as we had feared (researchers found no support for allegations of "bonded" or "slave" labor in soccer ball assembly and conditions were substantially better than in other industries in that region) the use of children violated internationally recognized labor standards and our own code of conduct, the Reebok Human Rights Production Standards.

We learned that when children are used to stitch soccer ball panels, they are outside the factories, in homes and small stitching centers scattered across 250 square kilometers surrounding the industrial town of Sialkot. Under these conditions, it has been impossible to adequately monitor whether or not children were stitching balls.

Most knowledgeable individuals, non-governmental organizations and social service providers in Pakistan want U.S. companies to continue buying soccer balls made in Pakistan. Ceasing to source balls in Pakistan would cause additional hardship for the very workers and their families we are seeking to protect.

Industry alone cannot alleviate the conditions that give rise to child labor, although we feel we can and must do our part.

After soliciting a number of proposals from soccer ball manufacturers in Pakistan, Reebok has reached an agreement with Moltex Sporting Goods (PVT) Ltd. and Reed and Associates to establish a new manufacturing facility. Reed and Associates is a French-based company specializing in research and development, sourcing and manufacturing of soccer and rugby balls. Moltex is a Pakistani soccer and rugby ball manufacturing company. The agreement has three major components:

Moltex and Reed have agreed to begin immediate construction on a new soccer ball facility that will be dedicated to the production of Reebok balls. All work on the balls will be performed on this factory site. All workers will be age 15 (the legal working age in Pakistan) or higher. Should the minimum age for workers in Pakistan be raised, the higher age will apply to factory workers.

Reebok is making a commitment to support educational and/or vocational training for children in the soccer ball manufacturing region of Pakistan. We are keenly aware of the impact the changes we contemplate will have on children and their families currently stitching soccer balls. Experts agree that the antidote to child labor is education. Reebok will support educational and/or vocational training programs in Pakistan, thus contributing to a more secure, hopeful future.

Reebok will undertake a vigorous monitoring program to ensure that: a/ children are not entering the workplace, and b/ soccer ball panels are not leaving the factory to be stitched by children. We are now involved in the process of determining what kind of monitoring would be most effective to achieve this end.

We are confident that this agreement will give us the framework to work with our Pakistani partners to commence initial production later this year and to achieve full production capacity by early 1997.

To those who wonder whether there are additional costs associated with in-factory stitchers and answer is: "yes." Nevertheless, we are committed, as are our factory partners, to retaining our competitive place in the marketplace, delivering the high quality balls our consumers have come to expect and living up to our human rights production standards.

There is much to be done to implement this plan. We know it will not be easy and that there will be bumps along the road. Yet we know we cannot remain in the soccer ball business until and unless we find a way of doing business that allows us to live up to our commitments. We believe this arrangement can do that.

Sincerely,

PETER MOORE,
Senior Vice President, Global Soccer/Rugby Division.

U.N. CHARTER DAY—51 YEARS OF ACCOMPLISHMENT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. DELLUMS. Mr. Speaker, I rise today to recognize the 51st anniversary of the signing of the United Nations' Charter. The United Nations [UN] was created over World War II to meet a number of supranational objectives. It was tasked to maintain international peace and security, to promote recognition of fundamental human rights, to promote respect for international law, and to promote social progress and better standards of life worldwide.

There are some who feel that the United Nations has outlived its usefulness. Some see it as an irrelevant bureaucratically bloated organization, where diplomatic talk continues endlessly. There are unquestionably aspects of the United Nations that merit reform. But while friends of the United Nations recognize its problems to be a reason for reform, its enemies use those same problems as a basis to call for its destruction.

It is too easy to overlook the United Nation's many accomplishments, because many of them we now take for granted. For example, the United Nations helped to peacefully bring down the racist government in South Africa. U.N. peacekeeping in Namibia helped to create a civil administration of government. The United Nations has helped to end civil contract and hold elections in Cambodia, El Salvador, and Nicaragua. Some look of the efforts gone awry in Somalia and the former Yugoslavia as indicative of its uselessness. Yet, while the United Nations did not accomplish all that was intended or hoped, neither were those total failures either. The United Nations was able to ensure that food and other humanitarian air reached civilians caught in the conflict. As bad as the situation was in Somalia and the former Yugoslavia, it would have been far worse without the United Nation's intervention.

The United Nations has also been fairly successful in fostering the recognition of human rights throughout the world. In 1948, the U.N. General Assembly adopted the Universal Declaration of Human Rights. This declaration has subsequently been recognized by many legal scholars as constituting customary international law. The United Nations followed this up in 1966 with the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights. In addition, the United Nations has been instrumental in developing treaties focused on eradicating racial discrimination, gender discrimination, and torture. The U.N. Human Rights Commission in Geneva helps to monitor and enforce these international human rights.

The United Nations High Commissioner for Refugees [UNHCR] has also been very successful in aiding and resettling refugees, who are displaced by conflict or natural disasters. UNHCR was even awarded the Nobel Prize for this work in Europe in 1954 and in Asia in 1981.

The United Nations has many successes in health care. Everyone has benefited from its efforts. In 1980, the World Health Organization [WHO] eradicated smallpox worldwide. In 1991, it eradicated poliomyelitis form the Western hemisphere. The U.N. Children's Fund [UNICEF] works with mothers and children to reduce maternal and infant mortality rates. UNICEF provides maternal health care and vaccinations against childhood diseases in developing countries. UNICEF was awarded the 1965 Nobel Peace Prize for these efforts.

The United Nations has also been successful in aiding the development of Third World countries. The U.N. Development Programme [UNDP] has helped aid developing countries to become economically self sufficient. It has aided over 170 countries to grow their own food and to participate in the global economy. The International Labour Organization [ILO], an independent U.N. agency, has been working to establish worker's rights worldwide. It includes in its membership governmental officials and representatives of both labor and management. It has drafted numerous treaties that have helped to establish minimum health and safety standards and prohibit forced labor and child labor.

The United Nations has many environmental accomplishments, particularly relating to pollution of the ocean and the atmosphere. It was through the United Nations that the Law of the Sea Conventions of 1956 and 1982 were drafted. These conventions reflect existing customary law as well as developing law, and are designed to protect freedom of the seas, prevent ocean pollution, and recognize the valid interests of coastal states. The International Maritime Organization [IMO] has also been instrumental in reducing pollution in the oceans—by as much as 60 percent.

It was the 1972 Stockholm Conference on the Environment that brought focus to international environmental issues. Out of this came the U.N. Environmental Programme [UNEP], which helped to clean up the Mediterranean Sea, and helped to develop a number of international treaties. These treaties include: the Convention on Long-Range Transboundary Air Pollution, the Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol on Substances that Deplete the Ozone Layer, and the U.N. Framework Convention on Climate Change. In 1992, the United Nations convened the Rio Conference on the Environment and Development, which helped to focus on the need for sustainable development.

The United Nations has also been important in the effort to control nuclear weapons. The International Atomic Energy Association [IAEA] is an independent agency of the United Nations that enforces the Nuclear Non-Proliferation Treaty. The IAEA was formed in order to help nations develop peaceful uses of nuclear energy and to prevent proliferation of nuclear weapons. The IAEA monitors nuclear energy plants to ensure they are not being used for non-peaceful purposes. The IAEA, working with the U.N. Special Commission on Iraq, has been inspecting Iraq's nuclear plants to make sure that they are not used to develop nuclear weapons.

The United Nations is an invaluable institution. It has been particularly important to those living in Third World countries, but even those of us in the United States have benefited from the United Nation's many-focused agencies. We have more peace, more justice, better health, more self-sufficiency, cleaner air, cleaner water, and a consciousness of the interdependence of all nations in one global village.

INTERNATIONAL COOPERATIVE DAY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. OBEY. Mr. Speaker, July 6 is recognized around the world as International Cooperative Day. This 74-year-old tradition presents an opportunity to people from all corners of the earth to recognize the important difference that cooperatives make in their lives.

The potential role of cooperative enterprises in promoting economic development in areas of most critical need, in many cases businesses, has been recognized by the United Nations. Last year, the U.N. declared that the International Day of Cooperatives should be celebrated every year by governments in collaboration with their national cooperative movements.

Next Monday, July 1, cooperative leaders from the United States and from around the world will meet at U.N. Headquarters in New York to celebrate in International Day of Cooperatives at an event organized by the United Nations, International Day of Cooperative Alliance, and the Committee for the Promotion and Advancement of Cooperatives. This event will provide an opportunity to discuss and to demonstrate the actual and potential contribution of cooperative business enterprise to the achievement of economic goals, including:

The potential of the cooperative movement to participate as a distinct stakeholder and full partner with the United Nations and institutional procedures and structures hereby such participation may be most effective.

The contribution of cooperative business enterprise to the achievement of the goals of the International Year and Decade for the Eradication of Poverty and the realization of the goals of the World Food Summit.

The potential of the cooperative movement to develop human resources and institutional capabilities.

The cooperative movement as a means for the economic, social, and political empowerment of women.

The contribution of cooperative business to the provision of appropriate and affordable social services.

The capacity of the cooperative movement to undertake appropriate technical assistance as a complement to governmental multilateral and bilateral assistance.

The ways and mean whereby partnerships may be strengthened between cooperatively organized business enterprises and the U.N. development system.

I have believed for many years that cooperatives provide people with an economic alternative that empowers them economically to help themselves. Throughout this century, this body has passed legislation that created the spark for cooperative development and opened the door for cooperatives in this country.

The result has been the creation of our rural electric and telephone cooperative systems, the farm credit banking system, the National Cooperative Bank, and credit unions and community development credit unions. All of those have been tools that allow people to accomplish together things they could not accomplish alone. All are owned by the members who benefit from them, and are controlled through the election of boards of directors by that membership.

It is fitting that the international community should recognize that power and the possibilities that cooperatives represent in developing countries. Today, over 760 million people around the world are members of cooperatives. And that fact has made all of their lives a little brighter.

I encourage my colleagues to look to their own districts and recognize the existence of cooperatives there that meet their constituents needs. What you will find is over 100 million Americans and 45,000 businesses ranging in size from small buying clubs to businesses included in the Fortune 500. Today, we have cooperative businesses in the fields of housing, health care, finance, insurance, child care, agricultural marketing and supply, rural utilities and consumer goods and services.

Cooperatives have helped to make this country the economic powerhouse of the world. It's a legacy we should share with the rest of the world.

PROPOSED: THAT ISRAEL UNILATERALLY WITHDRAW FROM LEBANON

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. RAHALL. Mr. Speaker, I rise today in praise of Stephen S. Rosenfeld, the author of an op-ed piece which appeared in the Washington Post, on June 21, entitled: "For Israel in Lebanon—a Unilateral Withdrawal."

Mr. Rosenfeld's article breathes new life into what I have been saying now for many years—get Israeli soldiers out of Lebanon, and the guerrilla Hezbollah will disappear as well—making it safe for both Israeli citizens in north Israel, and for Lebanese civilians who live in or near the southern border.

The Rosenfeld column is extremely timely given two recent and related events in the Middle East. First of all, the totally inappropriate and devastating attack on Lebanon civilians by the Israelis during operation Grapes of Wrath. In that operation 170 innocent Lebanese civilians were killed, and more than 400,000 men, women and children were left homeless, grievously injured, and suffering from the grave loss of their loved ones and of destroyed infrastructure on which they relied for life's daily necessities.

Second, what Rosenfeld has to say is timely because we have just witnessed the election—the first direct election—in Israel which replaced the Labor party with the more conservative Likud party—leaving most of us wondering about the future—if any—of the Middle East peace process.

Third, in the contest of a continuation of the Middle East peace process, where does it leave the innocent bystander nation known to the world as Lebanon, as it struggles with Syrian soldiers on the one side, and Israeli soldiers on the other.

In that context, I bring to the attention of my colleagues the column by Stephen Rosenfeld for the Post, in which he says what I and the Lebanese have been saying for years: get Israel to withdraw from southern Lebanon—and the rest will take care of itself.

Mr. Rosenfeld states at the outset: "Here is a good way for Benyamin Netanyahu to start off his foreign policy on the right foot. Remove Israeli troops from southern Lebanon and its larger occupier, Syria, but without negotiation. Just do it."

Rosenfeld also notes that "southern Lebanon, after all, is not part of the 'Land of Israel,' and no Jewish settlers live there." I agree completely with that observation and urge my colleagues to understand its deeper meaning in the context of Middle East peace. And I also agree that to rid Lebanon of Israeli soldiers would also rid southern Lebanon of the Syria-sponsored Hezbollah guerrilla infestation—because with Israeli troops gone, the guerrillas would have to go too. Syria's credibility would definitely be on the line.

I could not agree more. Just do it. And please, for the sake of humanity, do it without another operation first, which undoubtedly will only cause further civilian casualties.

Mr. Speaker, I ask unanimous consent that the above-referenced newspaper article be printed in the RECORD at this point.

[From the Washington Post, June 21, 1996]

FOR ISRAEL IN LEBANON—A UNILATERAL WITHDRAWAL

(By Stephen S. Rosenfeld)

Here is a good way for Binyamin Netanyahu, Israel's new prime minister, to start off his foreign policy on the right foot. Remove Israeli troops from southern Lebanon. Right away. With notice to Lebanon and its larger occupier, Syria, but without negotiation. Just do it.

The advantages for Lebanon are obvious. It would be rid of the Israeli occupation. More important, Lebanon could reasonably anticipate being rid of the provocative presence of the Syria-sponsored Hezbollah guerrilla infestation. For without Israeli troops to attack on Lebanese soil, Syria loses the last pretext to keep Hezbollah in Lebanon. With Israeli troops gone, the guerrillas would have to go too.

There, of course, lies the advantage for Israel. The Israelis are dreadfully cynical about Lebanon, alternately bemoaning, exploiting and aggravating its weakness. But surely Netanyahu's Likud, newly validated as the party of security, is capable of serving the goal it professes. What greater interest does Israel have in Lebanon than to stop the relentless drain of its soldiers' blood in the Israeli-occupied border zone and to safeguard its own now-threatened northern villages? These results would flow from calming the Lebanon-Israel border.

Perhaps Prime Minister Netanyahu is more interested in flexing Israel's military power. In that case, he would want to wait for suitable Hezbollah provocation—they come along regularly—and conduct a bash. This is the traditional Israeli way to try to intimidate the guerrillas and reassure folks at home.

But set aside, as Israelis do, the repeated disasters this policy of reprisals has bought upon Lebanon. Netanyahu must know the policy has been an utter failure for Israel. Israeli soldiers are still being ambushed, Israeli towns still rocketed. This record and this prospect have to be the starting line of any serious Israeli effort to deal with Lebanon.

I hear you out there saying, wait a minute, if the Israelis pull back, Syria and Hezbollah may simply conclude that Israel has lost its nerve, that Netanyahu and his Likud have gone squishy, and stay in place. This fear of having one's resolve underestimated is the defining anxiety of Likudniks, especially those in America.

My answer is that Hezbollah's withdrawal is integral and implicit in the politics of the Middle East. In an Israeli pullback, Hezbollah and its patrons would be able to claim victory: to say they had driven Israel from Lebanon. They would have no reason to stay. Lebanon's residual nationalism and self-respect and Hafez Assad's care for his own credibility would propel the guerrillas out.

But Israel too could claim victory—the safety of its soldiers and civilians alike. An Israeli government devoted to security that did not explore this option would have its own problems of credibility. Southern Lebanon, after all, is not part of the "Land of Israel," and no Jewish settlers live there: key factors in easing any possible Likud doubts about a pullback.

Netanyahu campaigned on a claim that only his Likud Party could make the tough decisions necessary for peace. Here is a tough decision, one perhaps that the left-leaning Labor could not have made but that the right-leaning Likud can.

The prime minister has been saying he wants to move away from his predecessor's attempt to find a "comprehensive" approach to Syria and adopt an "incremental" one. Okay, here is an increment, a nice bite-sized one; there aren't so many others.

Netanyahu has been making public the "guidelines" for his foreign policy. For most of them, he would seem to have no Arab partner, not soon, anyway. But for this one he could very well have a partner, Syria, which is in a position to bring along poor Lebanon and the killers of Hezbollah.

As for doing it unilaterally, the case for it is that this is how to get the thing done quickly and cleanly. Israel would simply announce its plans, reserving, of course, a "right of return" for the Israeli army if the Syrians don't deliver. The worst that could happen would be to go back to the unsatisfactory but manageable status quo.

In the early 1970s, I asked the Israeli prime minister, Labor's Golda Meir, if she had considered a unilateral withdrawal of Israeli forces from their positions on the Suez Canal back to the Sinai passes,with both sides free to police the evacuated territory to keep it demilitarized. She drew herself up in executive unanswerability and thundered: "I suppose you want the entire Egyptian army directly on our frontier!" Soon came the 1973 war, leaving the Israeli army at the passes.

In 1992 some in Likud thought the reason Yitzhak Shamir lost to Shimon Peres was that Shamir had not acted on Likud suggestions to withdraw unilaterally from troubled Gaza. Then as now the argument rested on Israel's security needs. Most foreign policy fixes take two. Here is one in Netanyahu's hands.

100TH ANNIVERSARY OF LONG BEACH MASONIC LODGE NO. 327 F.&A.M.

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. HORN. Mr. Speaker, for the past 100 years, members of the Long Beach Masonic Lodge No. 327 F.&A.M. have worked hard toward the betterment of the Long Beach area community, while actively promoting the highest principles of Masonry. Southern California is a better place for their efforts.

History records that it was due to the untiring efforts of Charles E. Mitchell, master of Wilmington Lodge No. 198 in 1895, that Long Beach Lodge No. 327 had its birth. Masons living in Long Beach held memberships in Wilmington, Los Angeles, and other towns. But roads were poor and traveling was difficult so it was decided that the time was right to start a Masonic lodge in the city of Long Beach, population 1,600.

On April 21, 1896, 21 brethren who recognized each other as Master Masons' meet in a small building on the north side of Ocean Boulevard, between Pine and Pacific Avenues, for the purpose of applying to Grand Lodge for dispensation to establish a lodge of Free and Accepted Masons in Long Beach.

Dispensation was granted on June 29, 1896, by Grand Master Edward M. Preston and Long Beach Lodge "Under Dispensation" held its first stated meeting on July 9, 1896. The meeting place was a lodge room on the top floor of a three story building known as castle hall on the northwest corner of Pine Avenue and Ocean Boulevard.

On October 15, 1896, at the 47th communication of the Grand Lodge of California, a charter was granted and the new lodge was constituted on November 12, 1896, by Past Grand Master Henry Orme in "The ceremony of constitution and dedicating the lodge in accordance with ancient usage." The 25 charter members were:

Charles Edward Mitchell, Russell Kincade, Thomas Stovall, William Schilling, Henry Clay Dillon, George Wesley Bond, John Fell Lightburn, Henry Clay Bailey, Robert Benton Vanderburg, Charles Fitz Abner Johnson, William Penn Haworth, Harry Bateham Marshall, John Wesley Hanselman, William Galer, Wesley Clay Bowers, Ephriam Roscrans, John Roberts, Henry Harrison, John Finlayson, Samuel Crawford Hummer, Joseph James Hart, Francis Joseph Pursey, Chester C. Clewett, William Jasper Morrison, and William Wallace Lowe.

New officers installed on November 12, 1896, were:

Master Charles E. Mitchell, Senior Warden Henry C. Dillion, Junior Warden Russel Kincade, Treasurer William Wallace Lowe, Secretary Wallace C. Bowers, Senior Deacon George C. Flint, Junior Deacon Charles H. Thornburg, Marshall Joseph J. Hart, Senior Steward George W. Bond, Junior Steward Chester C. Clewett, and Tiler William L. Briggs.

The cornerstone laying ceremony of Long Beach Lodge's Masonic Temple was conducted on August 5, 1903, by Grand Master Orrin S. Henderson and his Grand Lodge officers at 234 Pine Avenue, Long Beach. The brethren of the lodge, headed by the Marine Bank and escorted by the Santa Ana Knights Templars, paraded from the lodge room to the site of the new temple. The Grand Lodge officers and visiting brethren from all around the country were later entertained and dined by Long Beach Lodge No. 327.

Fifty-four years, two world wars and a devastating earthquake were to pass before the ground-breaking for another new temple would take place on August 24, 1957. The first shovel-full of earth was turned at 3610 Locust Avenue by John H. Ferguson, inspector of the 622 Masonic District and past master of Long Beach Lodge. On November 23, 1957, the cornerstone was laid with full Masonic Grand Lodge honors by Grand Master Leo E. Anderson.

Today, Long Beach Lodge No. 327 F.&A.M. has over 600 members. The Officers for 1996 are as follows:

Master John W. Gaddis IV, Senior Warden Richard L. Garrett, Junior Warden Gene M. Ferguson, Treasurer Truman W. Cleveland, Secretary Billy R. Wilkerson P.M., Chaplain Mark A. Shoemaker, Senior Deacon Jack E. Reynolds, Junior Deacon Larry R. LaCost, Jr., Marshall Charles D. LeReaux, Senior Steward Neil D. Staryk, Junior Steward Charles M. Higgins, Organist Leonard L. Black, and Tiler Howard C. Earnshaw.

Members of Long Beach Lodge No. 327 F.&A.M. have faithfully served their country and community in all branches of the military and many members currently serve the community in fields such as police and other public services.

Members of Long Beach Lodge No. 327 F.&A.M. look toward the future by supporting the local public schools. One month each year is devoted to actively visiting and discussing the needs of the next generation of citizens in the Long Beach public schools.

Through their service to the Long Beach area community and their commitment to the principles and doctrines of Masonry, the members of the Long Beach Masonic Lodge No. 327 F.&A.M. have made immeasurable contributions. We are far richer for their work.

SENATE—*Wednesday, June 26, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we begin this day with adoration expressed in great affirmations:

You are the Creator, Sustainer, and Redeemer of all.
You are Sovereign of this Nation.
By Your providence You have blessed us.
You have called us to serve You here in government.
We are here by Your appointment.
You are the source of the wisdom we need.
You will guide our decisions.

So this is a day for joy and optimism and courage. Set us free of all negative thinking about ourselves and others. Nothing is impossible for You.

You are working in our minds to give inspiration and in our bodies to give strength. Your spirit is working in the people with whom we will talk, in the situations we will confront, and in the problems we will face.

And now, Gracious Lord, our minds and hearts go to the families of those Americans killed in the bombing in Saudi Arabia. We ask You to give them Your comfort and courage. And now we press on through this day. Fill us with Your Spirit so that if we are jostled, only Your love, patience, and encouragement and hope will spill over to others. Through our Savior and Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will immediately beginning a 15-minute rollcall vote on the cloture motion on the Department of Defense authorization bill. If cloture is not invoked, I hope the Senators who have amendments to the bill will offer those amendments so that we can continue to make progress on the bill today. A second cloture vote, if necessary, will occur during tomorrow's session of the Senate. As a reminder, Senators have until 10 a.m. this morning in order to file second-degree amendments to the DOD bill. Rollcall votes will occur throughout the day on or in relation to the defense bill, and there is a likelihood we will go into the evening also.

I realize that there have been some distractions along the way on this bill. But we need to get it accomplished. I believe that the chairman and the ranking member are working seriously to try to make that happen. So we want to really make some progress today. I encourage Senators on both sides of the aisle, again, if they have amendments, come forward and offer them. I am not just directing that to the Democratic side of the aisle, but to our side of the aisle. For Senators to come to the floor and say, "I'm not ready to offer my amendment," is the height of irresponsibility. They know this bill has been pending for over a week. It is time to get serious and offer the serious amendments. Let us get them done because we have an obligation to finish this legislation this week. I yield the floor, Mr. President.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER (Mr. INHOFE). The Senate will now resume consideration of S. 1745, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed the consideration of the bill.

Pending:

Kyl/Reid amendment No. 4049, to authorize underground nuclear testing under limited conditions.

Kempthorne amendment No. 4089, to waive any time limitation that is applicable to awards of the Distinguished Flying Cross to certain persons.

Warner/Hutchison amendment No. 4090 (to Amendment No. 4089), to amend title 18, United States Code, with respect to the stalking of members of the Armed Forces of the United States and their immediate families.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 433, S. 1745, the Department of Defense authorization bill.

Trent Lott, Don Nickles, Dirk Kempthorne, Rod Grams, Jim Jeffords, Craig Thomas, Kay Bailey Hutchison, Judd Gregg, Bill Frist, Fred Thompson, Mike DeWine, Rick Santorum, John Ashcroft, Sheila Frahm, Ben Nighthorse Campbell, Hank Brown.

CALL OF THE ROLL

The PRESIDING OFFICER. The mandatory quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 1745, the Department of Defense authorization bill, shall be brought to a close? The yeas and nays are required. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 52, nays 46, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—52

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pell
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

NAYS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—2

Bumpers
Helms

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays are 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. THURMOND. Mr. President, I call for order in the Senate.

The PRESIDING OFFICER. The Senate will come to order.

The Senator from South Carolina is recognized.

TERRORIST ACT AGAINST UNITED STATES FORCES SERVING IN SAUDI ARABIA

Mr. THURMOND. Mr. President, on behalf of all Americans I wish to express my deepest condolences to the families and loved ones of our servicemembers involved in yesterday's tragic terrorist attack in Saudi Arabia. While the situation is still developing, we know that 19 U.S. service personnel were killed, 80 are hospitalized, of which 60 are in critical condition.

Our servicemembers in Saudi Arabia are stationed there to keep a steady and keen vigilance against the very threat to peace to which they were victims. Most of these U.S. servicemembers are performing daily missions and maintaining a deterrence against longstanding and well-known threats in the Persian Gulf.

This unfortunate act of cowardly terrorism is against all who have an interest in peace. Our British, French, and Saudi allies apparently were also targets of this senseless act.

The Senate is now deliberating on important legislation which affects the brave American servicemembers in Saudi Arabia, and all our forces worldwide. In doing this very important business, we should be mindful of what happened in Saudi Arabia last night. Last night's tragedy is another reminder that the absence of war does not mean that the world is at peace. Our soldiers, sailors, and airmen stand at the ready under the constant threat of violence. This is the world we live in today, in which the United States must continue to show leadership and determination.

Our job in the Senate now is to be unexceptionally serious about the Defense authorization bill which is now under consideration. The American people, our Government, and the U.S. Senate are duty-bound to provide the very best for those in our Armed Forces who knowingly stand in harm's way for us.

We can not fall short in supporting our men and women in uniform and their families, insuring the best possible benefits, and providing the best equipment for the dangerous missions in a still very dangerous world.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Georgia.

Mr. NUNN. Mr. President, I strongly endorse the remarks of Chairman THURMOND in the great sympathy that we express in this Chamber on both sides of the aisle to the service people involved in this tragedy in Saudi Arabia, and I certainly endorse President Clinton's strong statement of determination to find the perpetrators of this act and bring them to justice. I am confident that the Saudi Arabian Government has the same view.

This is a constant reminder of the kind of dangers and risks that our military personnel are under everywhere in the world. We are in a different era now. We are not in an era where we are threatened by massive annihilation from nuclear war, but we are in an unstable era where terrorism rears its ugly head in unexpected places. All of our military forces abroad and their families are under this kind of risk.

So as we join the families and express our great sympathy to those families, I think we ought to bear in mind that all of our military personnel all over the world are basically risking their own lives to defend this great Nation.

I am informed there are 19 dead, 80 hospitalized, and 60 seriously wounded. I am also informed that they have not completed the identification of the remains and that the families have not yet been notified. Certainly that will be done in a timely fashion as quickly as they possibly can. The Air Force is working on that.

We sent medivac teams there with our aircraft. We sent all of the personnel that we can, and of course the President announced last night that we are sending FBI agents to help find the perpetrators of this terrible tragedy.

Mr. President, I am also informed that the families will begin being notified sometime around noon today. Certainly I know that there are a lot of anxious families in the Air Force community and military community all over the country.

So I join Senator THURMOND in expressing great sympathy to the families and absolute determination to prevent this kind of tragedy from recurring in every way that we possibly can.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. NUNN. Mr. President, this is the fifth day of debate on S. 1745.

I think it is appropriate to give the Senate another update—a very brief one—this morning on where we have been, and more importantly where we are going on this important measure.

Thus far, we have debated this bill for almost 28 hours. We have disposed of 39 amendments. I will state, as I did yesterday, that we have not been keeping track of the exact amount of time consumed by consideration of the nonrelevant amendments offered thus far to our bill. But I am able to state that the Senate has spent too much time talking about things that are not relevant to this defense bill, that are not in our jurisdiction, would not be in the jurisdiction of the conference, would require outside conferees if they are put on this bill, and would be very unlikely to receive conference approval and be signed into law.

So we are basically using our time to debate amendments that are not going anywhere in the long run, and we are doing that at the expense of completing this bill this week.

Yesterday, we were running along at a pretty good clip. We completed a number of defense amendments. We had a number of other people ready to present amendments and were working for a unanimous consent agreement to have a finite list of amendments in order. Then we had another legislative hurdle which was put in our way; the fourth nonrelevant amendment to our bill; this one on the matter of FBI files. This effectively shut us down for the rest of the day, a situation that I know disappointed the chairman and disappointed me, as well as other committee members.

The business before the Senate is the defense authorization bill. I hope that we can make this day the start of our quest to finish this bill this week and secure final passage without nonrelevant amendments.

Mr. President, there is a difference between a relevant amendment and a germane amendment. A germane amendment is very technical. It has to be a deletion to the bill, or a deletion of money.

There are all sorts of relevant amendments here, including amendments by the Intelligence Committee, most of which have been worked out, that are not germane. If we had invoked cloture a few minutes ago—and I voted against cloture—all of those intelligence amendments would be knocked out. Virtually all the amendments—not all but most of the amendments—that we have worked out that are going on this bill that are relevant but are not germane that we have already accepted but have not passed yesterday would have been knocked out. Any amendments relating to relevant ballistic missile defense—I see the Senator from Arizona on the floor—would be knocked out. The Nunn-Lugar-Domenici amendment which deals directly with the kind of terrorist threat that we have just witnessed in Saudi Arabia brings it home so that we can better protect our own cities. That is the subject of that amendment and certainly a matter of national security, but it would not have been germane to this bill, and that would have been knocked out.

So I know there is a real and a very sincere effort here to get to the bottom line and pass this bill. But in doing so, we cannot prevent our colleagues from offering relevant amendments that are important to our national security, whether we agree with them or not.

So there is a big difference between a relevant amendment and a germane amendment. Germaneness is required after cloture is invoked. I do not think it is time to invoke cloture. I think it would be a mistake to invoke cloture because we would then basically have not considered the serious amendments.

We have spent most of our time considering nonrelevant amendments on this bill. As important as the stalking amendment is, the one that is now pending, that one is not relevant to this bill because it is not in our jurisdiction. It is in the jurisdiction of the Judiciary Committee. It is going to require outside conferees when we to go conference, if it passes. I intend to vote for it, but we are going to have a hard time getting that through. It is going to slow up the bill. It is very likely going to precipitate a gun amendment then on this side of the aisle, which we all know is going to take time.

So I am just describing to our colleagues that their actions do have an effect on whether we can pass this bill or not.

If we do not stick to relevant amendments that have a connection to national security and that are in the jurisdiction of this committee and in the jurisdiction of the conference, then we are going to be on this bill all this week. I know the leader said that we are going to stay until we finish it. I applaud that. We will not finish it this week. If he is determined to finish it, it may require next week.

That is the way I see it now, unless we have cooperation from all of our colleagues and stick to amendments that are within the jurisdiction of this committee and this bill.

Mr. President, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

TERRORIST ATTACK IN SAUDIA ARABIA

Mrs. HUTCHISON. Mr. President, I want to add my comments to those that have been made regarding the bombing in Saudi Arabia that have stunned our Nation as well as theirs.

It is horrifying to read that a bomb has gone off that leaves a 30-foot deep crater that is 80 feet wide. I am told that this was heard 8 miles away. Nineteen U.S. citizens lost their lives, 80 are injured, and a number of those very seriously. We could not start today's debate on the armed services bill without saying that our hearts go out to the families of those who are affected by this tragedy.

It goes without saying that on a very bipartisan basis Congress will do everything possible to support the President in making sure that we find out who is responsible for this and that there is swift and firm retaliation.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mrs. HUTCHISON. Mr. President, this armed services authorization bill is so very important. This lays the groundwork for the strength of our defense and the support of our armed services.

So I agree with my colleague from South Carolina, the chairman of the committee, and the ranking member, Senator NUNN, that we must get on with the debate. I think if both sides will work together and determine what are relevant amendments, then hopefully the cloture vote will be in order tomorrow and we can finish this bill.

It is unnecessary for us to drag out this bill that will support our armed services, and most especially in light of what happened yesterday. I think it would be a tragedy if we did not finish this bill, and in fact we are going to finish this bill. We are not going to leave to go on a recess if this bill is not finished.

I hope everyone will be committed to that.

I would just take a slight issue with my colleague, Senator NUNN, talking about the stalking bill, because this is something that we have been trying to put forward for all the women and children of America.

It has been held up by Senator LAUTENBERG because he wants to add another amendment, and I think that the talking part of this legislation applies to military bases and military personnel and therefore is quite relevant. I hope that we can give this protection to the women and children that are in our military, and I hope that Senator LAUTENBERG will also take this opportunity to take his hold off the whole bill so that we could send it to the President before we go into recess.

I appeal to Senator LAUTENBERG to allow that to happen, and then I will certainly work with him to allow some vehicle for him to have an airing on the amendment that he wants to put forward. But there is no reason to hold up the ability for us to give all the protection in this country to the women and children who are victims of stalking, harassment, and threats when we are going on a recess. It does not make sense, and I hope Senator LAUTENBERG will hear our pleas, let this go, and let us work with him to get a vehicle for his amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4293

(Purpose: To authorize funding and multiyear contracting for the *Arleigh Burke* class destroyer program)

Mrs. HUTCHISON. Mr. President, I would like to start on a series of cleared amendments so that we can make progress on this bill, and I would like to start by offering, on behalf of Senator COHEN and Senator LOTT, an amendment that would make technical corrections to section 124 of the bill regarding *Arleigh Burke* class destroyers to make its intent more explicit.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. COHEN, for himself and Mr. LOTT, proposes and amendment numbered 4293.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 124 and insert in lieu thereof the following:

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the

Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR MULTIYEAR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized, pursuant to section 2306b of title 10, United States Code, to enter into multiyear contracts for the procurement of a total of 12 Arleigh Burke class destroyers at a procurement rate of three ships in each of fiscal years, 1998, 1999, 2000, and 2001 in accordance with this subsection and subsections (a)(4) and (c), subject to the availability of appropriations for such destroyers. A contract for construction of one or more vessels that is entered into in accordance with this subsection shall include a clause that limits the liability of the Government to the contractor for any termination of the contract.

Mr. COHEN. Mr. President, this amendment would modify section 124 of the bill. In its present form this section authorizes three *Arleigh Burke* class destroyers in each of the 4 fiscal years 1998, 1999, 2000, and 2001, for a total of 12 destroyers. The provision was included in the bill as the result of compelling testimony by the Navy's senior acquisition executive that he could save a billion dollars on the cost of 12 destroyers if Congress provided the opportunity for a reliable and stable procurement rate over the 4-year period. In other words the Navy would be able to procure 12 ships, all of them urgently needed, for the cost of 11 and still have funds left over for use elsewhere in a shipbuilding account that is under relentless pressure from competing requirements.

To achieve such cost savings, the Navy will need explicit authority to enter into multiyear contracts and contract options. This amendment would provide that authority, while limiting the Government's liability should unforseen circumstances force a change in future procurement plans.

This amendment makes military sense, cost sense, and industrial base sense. I strongly urge my colleagues to join me in supporting it.

Mrs. HUTCHISON. Mr. President, I believe this amendment has been cleared by the other side and I ask we approve it unanimously.

Mr. NUNN. Mr. President, I urge approval of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4293) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. HUTCHISON. I also ask unanimous consent that a statement by Senator COHEN be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4294

(Purpose: To provide funds for the Computer Emergency Response Team at the Software Engineering Institute)

Mr. NUNN. Mr. President, on behalf of myself and Senator SANTORUM and Senator KYL, I offer an amendment which would provide $2 million for the Computer Emergency Response Team associated with the Software Engineering Institute. The amendment contains an appropriate offset. I believe the amendment has been cleared on the other side of the aisle.

Mrs. HUTCHISON. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside for the duration of this series of amendments. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. SANTORUM, and Mr. KYL, proposes an amendment numbered 4294.

At an appropriate place in the bill, add the following:

SEC. . COMPUTER EMERGENCY RESPONSE TEAM AT SOFTWARE ENGINEERING INSTITUTE.

(a) FUNDING.—Of the amounts authorized to be appropriated under this Act, $2,000,000 shall be available to the Software Engineering Institute only for use by the Computer Emergency Response Team.

(b) Funds authorized by Section 301(2) for the Challenge Athena program shall be reduced by $2,000,000.

Mr. NUNN. Mr. President, Senators SANTORUM, KYL, and I are offering today an amendment to provide $2 million for fiscal year 1997 for the computer emergency response team associated with the Software Engineering Institute at the Carnegie-Mellon University.

The computer emergency response team [CERT] has operated since 1988 under the sponsorship of the Defense Advanced Projects Research Agency [DARPA]. Its missions are to respond to computer security emergencies and intrusions on the Internet, to serve as a central point for identifying vulnerabilities to hackers, and to conduct research to improve the security of existing systems.

The number of computer emergencies handled by CERT has grown from 132 in 1989 to nearly 2,500 in 1995. In addition to this rising tide of incidents, the severity of the incidents and the damage caused by the intrusions has increased significantly.

During a hearing which I chaired last month before the Permanent Subcommittee on Investigations, we learned that DARPA had decided that the CERT operation is not the kind of cutting-edge research project on which they are focused, and that they were planning to reduce their funding to CERT for fiscal year 1997 by 75 percent. While we agree with DARPA's view of its priorities, a funding reduction of this magnitude would have devastated the ability of CERT to respond to the growing volume of inquiries, and we do not wish to see the CERT capability disappear. Therefore, we are introducing this amendment to provide necessary funding for the CERT activity to continue through fiscal year 1997. The Armed Services Committee will find an appropriate long-term source of funding for the CERT function during its deliberations on the fiscal year 1998 defense budget request.

So as not to increase the funding level of the overall bill, our amendment reduces the funding already contained in S. 1745 for project Athena within O&M, Navy by $2 million. These funds represent hollow budget authority, as both appropriations committees have reduced funding for project Athena by more than the amount of the reduction in this amendment.

I urge the adoption of the amendment.

Mr. SANTORUM. Mr. President, I wish to say a few words regarding the amendment offered by myself along with Senators NUNN and KYL pertaining to the Computer Emergency Response Team [CERT]. CERT is located in Pittsburgh at the Carnegie Mellon University's Software Engineering Institute [SEI] in my home State of Pennsylvania.

This amendment would allocate an additional $2 million to be given to CERT to maintain their funding profile. When the SEI established its emergency response team in 1988, three members of the SEI technical staff were assigned to respond to computer security incidents on the Internet. Nearly 8 years later, use of the Internet has grown by 2,500 percent, and there has been a 2,000-percent increase in the number of network intrusions. The number of computer emergencies that CERT has responded to has grown as well, from 32 in 1989 to 2,500 in 1995. However, due to past congressional actions which have imposed ceilings on federally-funded research and development centers, SEI and specifically CERT, has only been able to expand by nine people, limiting their ability to perform essential services. The invaluable contribution that CERT has provided under the stewardship of the SEI has been highlighted nationally more than 60 times by the New York Times and the Wall Street Journal, as well as featured on the CBS show "60 Minutes." Mr. President, I urge the adoption of this amendment and am hopeful that this issue of ceilings will be addressed during the House-Senate conference on this bill.

Mr. KYL. Mr. President, I rise to sponsor, with Senator SANTORUM, an amendment to S. 1745, the 1997 Defense Authorization Act, introduced by Senator NUNN. I thank Senator NUNN for his sponsorship of this provision, and his leadership in protecting the Nation's information systems. I believe that his hearings on computer security have awakened many to the need for a national defense strategy against strategic attacks on the national information infrastructure. I am pleased to be a sponsor of this amendment, which will ensure the continued operation of the computer emergency response team [CERT] at the Carnegie Mellon University Software Engineering Institute [SEI] in Pennsylvania for 1997.

The amendment would make $2 million available to CERT for fiscal year 1997. For the last few years, the Defense Advanced Research Projects Agency [DARPA] has allocated between $2.5 million and $3.0 million per year to CERT. CERT requested $2.75 million for 1997. DARPA will fund only one-fourth of that request in 1997 and $0 in 1998. DARPA's administration does not want to fund CERT because it believes that CERT does not properly belong to it. The amendment would correct the problem and move the funding out of DARPA.

Why is this amendment necessary? CERT is arguably the most reliable source of computer security statistics and support in the country. Absent a comprehensive overhaul of national security policy for information systems—which I initiated in last year's bill, with an amendment that requires the President to develop a national architecture to protect against strategic attacks on the NII—there is not another entity better prepared to respond to potential threats. It continues to be DOD's best means of warding off unauthorized entry into the Pentagon's and the Nation's complex computer infrastructure.

The Senate Subcommittee on Investigations, in its staff report on hearings it held on computer security, recommended the creation of a National Information Infrastructure Threat Center that "should have real time 24 hour operational capabilities as well as serve as a clearinghouse for intrusion reports." CERT, for many years, has performed many of the functions cited in the staff report. It should continue to serve DOD until the committee's recommendations are executed.

In 1988, DARPA requested that the SEI set up a computer response team. It was funded through a competitive procurement process, initiated by DARPA with the approval of Congress. DARPA mandated that CERT set up a 24-hour point of contact center to respond to security emergencies on networks and to help prevent future network incidents. This remains its current function.

Since the inception of its response team, CERT has responded to over 7,600 security incidents affecting tens of thousands of network-connected sites. It is clear that CERT has played a key role in the DOD's national defense against attacks on our information systems. The amendment authorizes funding for only 1 year. Congress can reevaluate the importance of CERT again next year. I urge my colleagues to adopt the amendment.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4294) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4295

(Purpose: To correct an error made in the reporting of the bill)

Mrs. HUTCHISON. Mr. President, on behalf of Senator THURMOND, I offer an amendment that would make a technical correction to section 532 to correct an error made in reporting the bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, proposes an amendment numbered 4295.

The amendment is as follows:

Beginning on page 127, strike out line 20 and all that follows through page 129, line 10, and insert in lieu thereof the following:

"(2)(A) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.

"(B) In the administration of subparagraph (A), the following officers shall not be counted:

"(i) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(ii) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(iii) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.".

Mr. THURMOND. Mr. President, this amendment makes a technical change to section 532 correcting an error made when reporting the bill.

When section 532 limiting the recall of retired officers to active duty as approved by the committee, it was our intent that the limit not apply to chaplains, health care professionals or officers assigned to the American Battle Monuments Commission. Due to an error in drafting, the legislation does not exempt these categories of recalled retired officers. My amendment corrects this error. Since the amendment changes the existing section to conform with the intent of the committee, I urge its adoption.

Mr. President, I thank the Chair and yield the floor.

Mrs. HUTCHISON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4295) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4296

(Purpose: To provide that of the funds available for research, development, test, and evaluation for the Air Force for arms control implementation, $6,500,000 shall be available for basic research in nuclear seismic monitoring)

Mr. NUNN. Mr. President, on behalf of Senator FEINSTEIN, I offer an amendment which would provide $6.5 million of the authorization for Air Force arms control implementation to be available for basic research in nuclear seismic monitoring. I believe the amendment has been cleared on the other side of the aisle. I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mrs. FEINSTEIN, proposes an amendment numbered 4296.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. FUNDING FOR BASIC RESEARCH IN NUCLEAR SEISMIC MONITORING.

Of the amount authorized to be appropriated by section 201(3) and made available for arms control implementation for the Air

Force (account PE0305145F), $6,500,000 shall be available for basic research in nuclear seismic monitoring.

Mrs. FEINSTEIN. Mr. President, this amendment authorizes $6.5 million for basic research in nuclear test monitoring. These funds ensure that the Department of Defense is able to support a comprehensive research and development program to improve nuclear test monitoring capabilities.

The proliferation of nuclear weapons continues to be one of the most serious threats to our national security. This amendment underscores the need for the United States to maintain an effective capability in detecting and identifying clandestine nuclear tests. Only a sustained level of research involving the university community, in partnership with DOD and small companies, has been shown to be effective in developing and improving the monitoring of nuclear testing.

The Comprehensive Test Ban Treaty [CTBT] will present new monitoring challenges including the detection and identification of events of smaller and smaller magnitude; and the ability to discriminate industrial or other chemical explosions and earthquakes from nuclear explosions. In order to meet these challenges, it is critical that adequate resources be devoted to programs aimed at developing and sustaining the capabilities required to monitor a CTBT.

Under the CTBT, all signatories are committed to permanently refrain from testing nuclear weapons. This treaty would help to curtail the spread of nuclear weapons by outlawing the tests which are so necessary for their development. It would help prevent additional countries from developing nuclear weapons, beyond the five declared nuclear weapons states—the United States, Russia, China, France, and Britain—and the three undeclared nuclear weapons states—Israel, India and Pakistan. The CTBT would facilitate the political conditions necessary to continue step-by-step reductions of nuclear weapons and, perhaps, their eventual elimination. The five nuclear weapons states are all finally on record supporting a CTBT.

My amendment will ensure that there is adequate funding, $6.5 million, for basic research to improve technologies which enhance our ability to detect underground nuclear tests. I am pleased to offer this amendment and ask my colleagues for their support.

Mrs. HUTCHISON. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4296) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4297

(Purpose: To specify the grade of the Chief of Naval Research)

Mrs. HUTCHISON. Mr. President, on behalf of Senator LOTT, I offer an amendment that would specify the grade of Chief of Naval Research when that position is filled by a military officer.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. LOTT, proposes an amendment numbered 4297.

The amendment is as follows:

At the end of subtitle A of title V add the following:

SEC. 506. GRADE OF CHIEF OF NAVAL RESEARCH.

Section 5022(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) Unless appointed to higher grade under another provision of law, an officer, while serving in the Office of Naval Research as Chief of Naval Research, has the rank of rear admiral (upper half).".

Mr. LOTT. Mr. President, this amendment will strengthen the Navy's Office of Naval Research. This office was established by the Congress in 1946 in recognition of the contributions made by science and technology to the Nation's success during the Second World War.

Like the period after World War II, we are experiencing tight budgets that require downsizing of our military forces. In periods like this, technological superiority becomes more important than ever as a means for retaining control over the sea lanes and to project military power ashore. Our technology base guarantees our sailors and marines have the leading edge weaponry and equipment they need to continue winning—anywhere, anytime.

Today's U.S. naval forces have the ability to deploy anywhere in the world and to sustain forward presence indefinitely. This ability is the direct result of past science and technology successes.

Recognizing the importance of science and technology to the recapitalization efforts of the Navy, the Secretary of the Navy recently established a special study of the Department's science and technology program. It was chaired by Mr. Robert Galvin, chief executive officer of Motorola Corp. Among the findings of this study was that the rank of the senior naval officer in a military organization is one measure of the relative importance of the work conducted by that organization. The study said:

> The Department of the Navy should recognize the importance of science and technology program to its own future and return to the practice of assigning a Naval Officer to the Chief of Naval Research position that is equal in rank to the Commanders of the Systems Commands.

This initiative amends section 5022 of Public Law 588 to again establish a requirement for the Chief of Naval Research to be a rear admiral (upper half). The Senate struck this requirement in 1991.

I think this Senate needs to reestablish the two star rank for the Chief of Naval Research to ensure he will be the equivalent of other naval systems commanders and will therefore be able to effectively plan and ensure the viability of the Navy's science and technology programs. As a two star, the Chief of Naval Research will have the stature to be an effective spokesman for science and technology in this current budget constrained environment. Through this action, we will ensure that science and technology, which is a long-term investment, will not be sacrificed for apparent pressing short-term needs. This move ensures the Navy's S&T program has the independence and stature necessary to ensure the Navy's future warfighting capability.

Mrs. HUTCHISON. I believe this amendment has been cleared by the other side and I urge its adoption.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4297) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4298

(Purpose: To authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota, and for other purposes)

Mr. NUNN. Mr. President, on behalf of Senator DORGAN and Senator CONRAD, I offer an amendment which would authorize the conveyance of the William Langer jewel bearing plant to the Job Development Authority of Rolla, ND. I believe the amendment has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. DORGAN, for himself and Mr. CONRAD, proposes an amendment numbered 4298.

The amendment is as follows:

On page 393, after line 23, add the following:

SEC. 2828. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

Mr. DORGAN. Mr. President, my amendment would expedite the conveyance of the William Langer Jewel Bearing plant in Rolla, ND, to the Job Development Authority of the city of Rolla. The amendment would enable the General Services Administration to transfer the plant to the Authority more quickly, and in a way that would enable the plant to continue as a going enterprise.

My senior colleague from North Dakota, Senator CONRAD, is cosponsoring this amendment, and the Defense Department and the General Services Administration have no objection to it. In fact, the Defense Department and GSA have cooperated in helping the plant to orient itself more toward commercial markets.

Let me describe the background and purpose of this amendment.

The Langer plant has roots in the cold war. Back in the 1950's, our defense leaders realized that we lacked the ability to produce jewel bearings, which are finely machined bits of carborundum. They were crucial components in military avionics systems. So the Congress located a jewel bearing plant in North Dakota. The Langer plant has been producing jewel bearings as a Government-owned, contractor-operated facility since then.

My colleagues should also know that the plant is a few miles from the Turtle Mountain Indian Reservation. Of the plant's 80 or so employees remaining after a downsizing, about 60 percent are native American. The Langer plant brings crucial skilled jobs to an economically depressed area—Rolette County, where the unemployment rate is one of the highest in the country.

However, changing technology means that the national defense stockpile no longer needs to buy jewel bearings. The Defense Department has now reported the plant to the General Services Administration as surplus property. Those of my colleagues who are dealing with base closures and defense downsizing know that this situation presents Rolla with a crisis and an opportunity.

The future of this factory depends on its ability to become a commercial manufacturer. The local community has a plan to bring this about: the Rolla Job Development Authority, through a subsidiary corporation, is already running the plant for the Federal Government. That subsidiary, called Micro-Lap Technologies, will continue to run the plant after the conveyance.

Normal surplus property rules would require the GSA to sell the plant for fair market value. The problem is that no local entity can afford the plant, which had an original cost of $4.2 million. The plant itself is not now healthy enough in a business sense to finance its own acquisition by a new management team.

In fact, the plant's economic position is so tenuous that the plant will likely run out of money in September, because it has not had a chance to build a strong commercial customer base to replace its defense contracts. The plant has worked hard to cut costs, and it has already had to cut its work force by 30 percent. I am deeply concerned that the plant may not survive without conveyance legislation.

My colleagues will understand that as a Government-owned facility, the plant is not able to compete freely, nor is it eligible for the kind of small business or economic development assistance that is available to private sector firms. However, once conveyed, the plant will be in a position to aggressively seek commercial contracts and assistance from the State and other agencies.

I would like to stress to the Senate that the Rolla community, the State of North Dakota, the Turtle Mountain Band of Chippewa, and the local business community have been working hard to ensure that the plant makes a successful transition to the private sector. The local community is united behind the plan to transfer the plant to the Job Development Authority of the city of Rolla. Of course, the conveyance is conditional on the community and the General Services Administration reaching a mutually acceptable legal agreement on the conveyance. But I am confident that the GSA and the community can reach that agreement swiftly.

Let me also remind my colleagues that in September 1995 the Senate approved by voice vote an amendment of mine to last year's defense authorization bill that was exactly identical to this amendment. And then, in January of this year, the Senate unanimously passed S. 1544, which was a freestanding version of this amendment. However, the House has not yet acted on that separate bill. This will actually be the third time that the Senate has passed this Langer plant conveyance. Fortunately, section 2852 of the House defense authorization bill is exactly the same provision as the amendment I am now offering. I think this means the third time will be the charm.

Let me thank the chair and ranking member of the Governmental Affairs Committee, Senators STEVENS and GLENN, for their support of this amendment. And the chair and ranking member of the Armed Services Committee, Senators THURMOND and NUNN, have been helpful to me on this issue for nearly a year now. Senator MCCAIN has also assisted in expediting this conveyance. I am deeply grateful to all five senators and their staffs for their support and assistance.

Mr. President, to sum up, I would simply say that this amendment tries to give a helping hand to the Langer plant and the city of Rolla. It also will relieve the Federal Government of a facility that the Defense Department no longer needs. I look forward to the Senate's unanimous approval of my amendment, and to its enactment into law.

Thank you, Mr. President. I yield the floor.

Mr. CONRAD. Mr. President, I rise today to urge my colleagues to support an amendment offered on behalf of my esteemed colleague from North Dakota and myself by the distinguished ranking member of the Armed Services Committee, Senator NUNN. This amendment to the fiscal year 1997 Defense authorization bill would authorize the conveyance of the William Langer Jewel Bearing Plant from the General Services Administration [GSA] to the Job Development Authority of the city of Rolla, ND.

As my colleagues may be aware, for over 40 years the Langer plant has been serving the national defense stockpile, manufacturing jewel bearings. Its work has been outstanding. Last year, however, the plant was transferred to the

GSA after having been declared surplus by the Department of Defense. Since that time the Rolla community has worked tirelessly to ensure that the plant will remain open and continue to play a vital role in the economic health of the region. Conveyance of this property to the Rolla Job Development Authority is necessary to ensure that this privatization initiative has a chance.

Mr. President, congressional support for this privatization effort is especially worthwhile in light of the very positive impact the plant has on an economically disadvantaged part of my State. Of the plant's 110 employees, about 60 percent are Native American. Unemployment is high on the Turtle Mountain Reservation, and loss of these jobs would be devastating.

Keeping this facility open makes good sense. The Langer plant utilizes unique micromanufacturing technology that helped form a critical part of our defense industrial base and can be reapplied to the private sector. Furthermore, the plant's existing production of dosimeters, used in measuring exposure to nuclear radiation, as well as its hopes to develop a large-scale production of fiber optic cable connectors, known as ferrules, will increase its potential to compete in commercial markets and meet possible future Federal needs.

Legislation introduced by Senator DORGAN and myself which passed the Senate in January would provide for conveyance, as would a provision in the version of the fiscal year 1997 Defense authorization bill passed by the House. Local businesses, community leaders from Turtle Mountain, and State officials are all working together to ensure the success of the plant and its growth as a viable enterprise, but now the Senate needs to act again to ensure that the Congress has done its part.

The Defense Logistics Agency has been very helpful in keeping the plant open until conveyance occurs, but action from Congress is essential if the plant is to continue to play a key role in the future of the Rolla community. This amendment will enable the plant to transition to the private sector, and I would urge all of my colleagues to support it. I thank the distinguished ranking member of the Armed Services Committee for his assistance in this important matter, and yield the floor.

Mrs. HUTCHISON. The amendment is cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4298) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4299

(Purpose: To provide for a study of Department of Energy liability for damages to natural resources with respect to Department sites covered by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980)

Mrs. HUTCHISON. Mr. President, on behalf of Senator THOMAS, I offer an amendment that would require the Department of Energy to carry out a study to determine the extent of liability for natural resource damage at sites controlled and operated by the department.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THOMAS, proposes an amendment numbered 4299.

The amendment is as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. REPORT ON DEPARTMENT OF ENERGY LIABILITY AT DEPARTMENT SUPERFUND SITES.

(a) STUDY.—The Secretary of Energy shall, using funds authorized to be appropriated to the Department of Energy by section 3102, carry out a study of the liability of the Department for damages for injury to, destruction of, or loss of natural resources under section 107(a)(4)(C) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(a)(4)(C)) at each site controlled or operated by the Department that is or is anticipated to become subject to the provisions of that Act.

(b) CONDUCT OF STUDY.—(1) The Secretary shall carry out the study using personnel of the Department or by contract with an appropriate private entity.

(2) In determining the extent of Department liability for purposes of the study, the Secretary shall treat the Department as a private person liable for damages under section 107(f) of that Act (42 U.S.C. 9607(f)) and subject to suit by public trustees of natural resources under such section 107(f) for such damages.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit a report on the study carried out under subsection (a) to the following committees:

(1) The Committees on Environment and Public Works and Armed Services and Energy and Natural Resources of the Senate.

(2) The Committees on Commerce and National Security and Resources of the House of Representatives.

Mrs. HUTCHISON. I believe this amendment has been cleared by both sides.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4299) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4300

(Purpose: To require information on the proposed funding for the Guard and Reserve components in the future-years defense programs)

Mr. NUNN. Mr. President, on behalf of Senator ROBB and Senator WARNER, I offer an amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. ROBB, for himself and Mr. WARNER, proposes an amendment numbered 4300.

The amendment is as follows:

At the end of subtitle E of title X, add the following:

SEC. 1054. INFORMATION ON PROPOSED FUNDING FOR THE GUARD AND RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall specify in each future-years defense program submitted to Congress after the date of the enactment of this Act the estimated expenditures and proposed appropriations for the procurement of equipment and for military construction for each of the guard and Reserve components.

(b) DEFINITION.—For purposes of this section, the term "Guard and Reserve components" means the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Naval Reserve.

(4) The Marine Corps Reserve.

(5) The Air Force Reserve.

(6) The Air National Guard of the United States.

Mr. ROBB. Mr. President, this amendment directs the Secretary of Defense to specify in the future years defense plan—submitted to the Congress as required in title 10—the estimated expenditures and proposed appropriations for the procurement of equipment and for military construction for the National Guard and Reserve components.

The fact that this situation has reached this stage is a matter of some concern, Mr. President. Because the Congress cannot require the Executive to submit a budget recommendation at a set level for the Guard and Reserves, the Congress included a useful provision in last year's authorization that required the Secretary of Defense to submit a report on what actions DOD was taking to enhance the Guard and Reserves, how the Department would spend its fiscal year 1997 Guard and Reserves equipment and construction requests, and to provide its future years defense plan for the same. This would have allowed the Armed Services Committee this year to make a more informed judgement on how to increase, if necessary, the Guard and Reserve authorization. To date, DOD has provided no report—in direct contradiction of congressional direction.

Our intent last year was to fix a perennial problem, to wit, that the administration's budget request consistently fails to include any funding for National Guard and Reserve weapons or equipment, and that the MILCON request is consistently underfunded by several hundred million dollars a year. This, of course, necessitates congressional adds that must be drawn out of other defense programs or an increase in the total defense authorization level, neither of which is an acceptable way to effect public policy.

The Congress is compelled to make crucial decisions on weapons and construction procurement with no guidance from the administration. The end result is directed spending that does much for Member interests but little for achieving a balanced total force.

One solution—so-called generic authorization of funds—is a small improvement but far from perfect. With generic funding we abdicate our legislative responsibilities. We don't give the DOD blanket dollar amounts for aircraft and then let the department decide how many B-2's, F-22's and other aircraft it needs to buy. The generic approach is also troubling because we authorize dollar amounts while pretending we don't know how we derived those amounts or what precisely they will be spent on, when in fact we do make assumptions about what precisely needs to be authorized in order to derive the generic funding totals.

Mr. President, my amendment echoes the requirements outlined in last year's provision on National Guard and Reserve authorizations, but it goes one step further in establishing a permanent marker for the Secretary of Defense. Currently, title 10 requires the Department to submit its future years defense program. This amendment will require in title 10 the submission of the same plan for the Guard and Reserve.

The Congress must have a foundation to work from in determining a rational topline for the Guard and Reserves. Congress may decide on a lower or higher amount, but at least it can make such a decision based on guidance from DOD on the Department's priorities.

Mr. President, I am hopeful that this amendment will persuade the Department of Defense on an annual basis to fully address Guard and Reserve funding in conjunction with deliberations on active-force budgets. To do less is to undermine the Department's concept of total force management—and to invite the Congress to distort and manipulate Reserve accounts based on individual Member interests in lieu of the national interest.

Mr. President, it is my understanding that this amendment has been accepted on both sides and I urge its adoption. I yield the floor.

Mr. NUNN. Mr. President, this amendment provides that DOD provide Congress each year information on the future years defense plan for procurements and military construction for support of the National Guard and Reserve forces. This would give Congress greater visibility on the Department's plan for these important programs. I urge adoption of the amendment.

Mrs. HUTCHISON. It has been cleared. I urge adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4300) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4301

(Purpose: To amend section 348, relating to shipboard solid waste control)

Mrs. HUTCHISON. Mr. President, on behalf of Senator CHAFEE, I offer an amendment that would modify section 348 of S. 1745 to provide for a report on compliance with annex V to the convention for the prevention of pollution on ships and publication of discharges in special areas.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. CHAFEE, proposes an amendment numbered 4301.

The amendment is as follows:

At the end of section 348, add the following:

(c) REPORT ON COMPLIANCE WITH ANNEX V TO THE CONVENTION.—The Secretary of Defense shall include in each report on environmental compliance activities submitted to Congress under section 2706(b) of title 10, United States Code, the following information:

(1) A list of the ships types, if any, for which the Secretary of the Navy has made the determination referred to in paragraph (2)(C) of section 3(c) of the Act to Prevent Pollution from Ships, as amended by subsection (a)(2) of this section.

(2) A list of ship types which the Secretary of the Navy has determined can comply with Regulation 5 of Annex V to the Convention.

(3) A summary of the progress made by the Navy in implementing the requirements of paragraphs (2) and (3) such section 3(c), as so amended.

(4) A description of any emerging technologies offering the potential to achieve full compliance with Regulation 5 of Annex V to the Convention.

(d) PUBLICATION REGARDING SPECIAL AREA DISCHARGES.—Section 3(e)(4) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(e)(4)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The amount and nature of the discharges in special areas, not otherwise authorized under this title, during the preceding year from ships referred to in subsection (b)(1)(A) of this section owned or operated by the Department of the Navy.".

Mrs. HUTCHISON. I believe this amendment has been cleared, and I urge its adoption.

Mr. NUNN. Mr. President, I urge passage of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4301) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4302

(Purpose: To require that the Secretary of Energy request funds in fiscal year 1998 for the U.S. portion of the cost of the Greenville Road Improvement Project, Livermore, CA)

Mr. NUNN. Mr. President, on behalf of Senator FEINSTEIN, I offer an amendment which would ask the Secretary of Energy to include sufficient funding in the budget for fiscal year 1998 to pay for the Government's cost of transportation improvements at the Livermore lab site. I believe the amendment has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mrs. FEINSTEIN, proposes an amendment numbered 4302.

The amendment is as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. FISCAL YEAR 1998 FUNDING FOR GREENVILLE ROAD IMPROVEMENT PROJECT, LIVERMORE, CALIFORNIA.

(a) FUNDING.—The Secretary of Energy shall include in budget for fiscal year 1998 submitted by the Secretary of Energy to the Office of Management and Budget a request for sufficient funds to pay the United States portion of the cost of transportation improvements under the Greenville Road Improvement Project, Livermore, California.

(b) COOPERATION WITH LIVERMORE, CALIFORNIA.—The Secretary shall work with the City of Livermore, California, to determine the cost of the transportation improvements referred to in subsection (a).

Mrs. HUTCHISON. This amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4302) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4303

(Purpose: To require the Department of Defense to conduct a study to assess the cost savings associated with dismantling and neutralizing chemical munitions in place as opposed to incineration in place)

Mrs. HUTCHISON. On behalf of Senator BROWN, I offer an amendment which would require the Department of Defense to study the cost effectiveness of dismantling chemical munitions, neutralizing the chemical agent on site and transporting that agent to a centrally located incinerator for destruction versus building an incinerator at each facility. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. BROWN, proposes an amendment numbered 4303.

The amendment is as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. STUDY REGARDING NEUTRALIZATION OF THE CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to determine the cost of incineration of the current chemical munitions stockpile by building incinerators at each existing facility compared to the proposed cost of dismantling those same munitions, neutralizing them at each storage site and transporting the neutralized remains and all munitions parts to a centrally located incinerator within the United States for incineration.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the study carried out under subsection (a).

Mr. NUNN. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4303) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4304

(Purpose: To provide for preventive health care screening of military health care beneficiaries for colon or prostate cancer)

Mr. NUNN. On behalf of Senator WELLSTONE, I offer an amendment which would authorize male service members and former members who are entitled to medical care to receive preventive screening for colon cancer and prostate cancer at intervals prescribed by the service Secretaries. I believe this amendment has been cleared by the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. WELLSTONE, proposes an amendment numbered 4304.

The amendment is as follows:

At the end of title VII add the following:

SEC. 708. PREVENTIVE HEALTH CARE SCREENING FOR COLON AND PROSTATE CANCER.

(a) MEMBERS AND FORMER MEMBERS.—(1) Section 1074d of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by inserting "(1)" before "Female"; and

(ii) by adding at the end the following new paragraph:

"(2) Male members and former members of the uniformed services entitled to medical care under section 1074 or 1074a of this title shall also be entitled to preventive health care screening for colon or prostate cancer at such intervals and using such screening methods as the administering Secretaries consider appropriate."; and

(B) in subsection (b), by adding at the end the following new paragraph:

"(8) Colon cancer screening, at the intervals and using the screening methods prescribed under subsection (a)(2).".

(2)(A) The heading of such section is amended to read as follows:

"§ 1074d. Primary and preventive health care services

(B) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1074d. Primary and preventive health care services.".

(b) DEPENDENTS.—(1) Section 1077(a) of such title is amended by adding at the end the following new paragraph:

"(14) Preventive health care screening for colon or prostate cancer, at the intevals and using the screening methods prescribed under section 1074d(a)(2) of this title.".

(2) Section 1079(a)(2) of such title is amended—

(A) in the matter preceding subparagraph (A) by inserting "the schedule and method of colon and prostate cancer screenings," after "pap smears and mammograms,"; and

(B) in subparagraph (B), by inserting "or colon and prostate cancer screenings" after "pap smears and mammograms".

Mr. WELLSTONE. Mr. President, I want to describe briefly an amendment which I am offering today to correct an oversight in the military health care system. My amendment would permit preventive prostate and colon cancer screenings for male servicemembers, and preventive colon cancer screenings for female servicemembers. This commonsense amendment was offered in the House to the DOD authorization bill by my colleague from Minnesota, Congressman OBERSTAR, and was adopted by the full House of Representatives with broad bipartisan support.

Mr. President, I offer this amendment to address a narrow, yet vitally important, shortcoming in current military health care law. Department of Defense health care law presently entitles current and former female servicemembers and dependents to receive preventive screenings for breast and cervical cancer and other diseases. Current and former male servicemembers and dependents, however, are not permitted to receive similar preventive screenings for prostate and colon cancer. Broadening the law to explicitly cover prostate and colon cancer screenings will save substantial money in averted health care costs, as well as countless lives.

The need for this amendment was called to my attention recently by Congressman OBERSTAR, who has been a crusader for responsible Federal health care and research policies designed to combat the scourge of cancer, and provide expanded treatment options for those who fight these terrible diseases. I'd like to dedicate this amendment to JIM's deceased wife, Jo Oberstar, whose long and heartbreaking struggle with cancer, passionate commitment to her family, and fierce determination inspired all of us who knew her. JIM's commitment to fight cancer in all its forms is fired by her memory, and issues in his tireless efforts to honor and redeem her death by fighting to improve Federal policies in this area, and to ensure access to care and preventive treatment for millions of Americans.

In the time since Congressman OBERSTAR offered this amendment to the House bill, the American Gastroenterological Association has brought to our attention the fact that colon cancer affects women in roughly equal numbers to men. The current list of available screenings for female servicemembers, however, does not include this necessary procedure. My amendment would take care of this oversight.

In a time of increasing pressure on the Department of Defense to enlist and retain the highest quality personnel which our Nation has to offer, modest changes such as these are needed to demonstrate our continuing commitment to the well-being of our men and women in uniform. This amendment has generated broad bipartisan support, including in the House National Security Committee, in the full House of Representatives, and in the Department of Defense. I am grateful for the support of those Members of the Committee, Democrats and Republicans alike, who have agreed to accept this amendment. It will be a modest, though important, advance in detecting and preventing colon and prostate cancer for those in our Armed Forces. It is sound social, economic, and medical policy, and I urge my colleagues to support its adoption.

Mrs. HUTCHISON. This amendment has been cleared. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4304) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4305

(Purpose: To provide funding for the Scorpius space launch technology program)

Mrs. HUTCHISON. On behalf of Senator DOMENICI, I offer an amendment which would authorize the use of up to $7.5 million in funds authorized for the ballistic missile defense organization to be used for the Scorpius space launch technology program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. DOMENICI, proposes an amendment numbered 4305.

The amendment is as follows:

At the end of subtitle C of title II add the following:

SEC. 237. SCORPIUS SPACE LAUNCH TECHNOLOGY PROGRAM.

Of the amount authorized to be appropriated under section 201(4) for the Ballistic Missile Defense Organization for Support Technologies/Follow-On Technologies (PE 63173C), up to $7,500,000 is available for the Scorpius space launch technology program.

Mr. DOMENICI. Mr. President, I have long been concerned over the excessive cost of space launch. We have lost the commercial space launch industry, which America pioneered, to overseas competitors. The burden on the defense budget is inordinate. Current space launch vehicles are still using 1970's technology and have little margin for error. The military spends well over $1 billion per year on space launch. A 15,000-pound communications satellite launch is over $100 million; a 50,000-pound surveillance satellite over $350 million. Today's rockets are engineering miracles in an industry that needs to achieve manufacturing economies.

I have been closely following the progress of Microcosm, a small California company and its Scorpius program, a family of space launch vehicles. This is an effort to lower the space launch cost from its current over $7,000 per pound to low Earth orbit to under $1,000 per pound. For example, if Scorpius is successful, the current launch cost for a 15,000-pound military communications satellite would drop from over $100 million to less than $15 million.

Scorpius's launch crew would be 12 technicians, not the current hundreds, even thousands of engineers needed for today's. Those same 12 technicians, when not actually firing the rocket, would be assembling them. It is truly a simple design.

Scorpius would be true launch on demand, able to lift off within 8 hours after the payload arrives at the launch site. Its short, squat design, though ugly compared to present rockets, makes it oblivious to weather limitations of today such as high wind. It would not require the extensive launch infrastructure such as a gantry, providing great flexibility of where it could be fired. Our military field commanders would be able to request and receive the satellite resources they need when and where they need them.

Microcosm has received seven SBIR contracts for Scorpius totalling roughly $2.6 million. All SBIR contracts and awarded competitively. The results have been impressive:

Seven engines built, each at a cost under $5,000;

Seven engines test-fired including;

The last test fired engine ran for 200 seconds on a continuous burn-thrust capable of getting a payload to LEO, low earth orbit, for under $1/pound was attained;

The flight computer was designed and built—its recurring cost is about $1,500; total on-board GN&C recurring costs will be under $30,000;

Preliminary tank design has been completed; including a LOX liner technique for the composite tanks; and

Technical spin-offs that could benefit non-Scorpius programs as well, such as the gas generator.

BMDO, which provided funding for the first award, has allocated $1.5 million in fiscal year 1996 money for this effort. The $7.5 million in the bill would allow for ground development and testing to be completed, four suborbital rockets to be built and real flight testing of the rockets. The first test flight would occur in fall of 1997.

The program has been subjected to many senior technical reviews by both government and industry experts. No significant technical problem has been identified.

Scorpius is a bargain. It is a leap-frog technology that could make space launch truly affordable and recapture an American industry—and jobs—now lost to foreign companies.

Mrs. HUTCHISON. I believe this amendment has been cleared.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4305) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4306

(Purpose: To clarify the applicability of section 1102, relating to the retention of civilian employee positions at military training bases transferred to the National Guard)

Mr. NUNN. Mr. President, on behalf of Senators HEFLIN and SHELBY, I offer an amendment which would expand the provision of the authorization bill which authorizes the Secretary of Defense to retain a number of civilian employees in any military base approved for closure by the 1995 BRAC round where an enclave is going to be maintained to support active and resserve training, and where the base is scheduled for transfer to the National Guard in 1997. Specifically, the amendment would remove the requirement that the base be scheduled for transfer in 1997.

I believe the amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. HEFLIN, for himself and Mr. SHELBY, proposes an amendment numbered 4306.

The amendment is as follows:

In section 1102(a)(2), strike out "during fiscal year 1997".

Mr. HEFLIN. Mr. President, I rise today to offer an amendment to insure that the National Guard will be able to fully use the training infrastructure of Fort McClellan.

The Armed Services Committee has included a wise provision in its bill that allows the National Guard to retain certain key civilians at each installation they are gaining through the BRAC process. The committee's provision only covered training bases closed before the end of 1997. My amendment would extent this date to 1999, so that Fort McClellan would also be covered. I encourage my colleagues to support this needed change.

Mrs. HUTCHISON. Mr. President, This amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4306) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4307

(Purpose: To require a report on facilities used for testing launch vehicle engines)

Mrs. HUTCHISON. On behalf of Senator LOTT, I offer an amendment which would require a report on facilities for testing space launch vehicles.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. LOTT, proposes an amendment numbered 4307.

The amendment is as follows:

At the end of subtitle E of title X add the following:

SEC. 1054. REPORT ON FACILITIES USED FOR TESTING LAUNCH VEHICLE ENGINES.

(a) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Administrator of the National Aeronautics and Space Administration, shall submit to Congress a report on the facilities used for testing launch vehicle engines.

(b) CONTENT OF REPORT.—The report shall contain an analysis of the duplication between Air Force and National Aeronautics and Space Administration hydrogen rocket test facilities and the potential benefits of further coordinating activities at such facilities.

Mr. LOTT. Mr. President, this would require a report regarding space launch vehicle test facilities. The report would address duplication between the Air Force and NASA in the area of hydrogen engine testing. I am concerned that we have not adequately coordinated these activities and I believe that additional information is required. I am hopeful that the Secretary of Defense, in consultation with the Administrator of NASA, will provide a useful report as a guide to possible efficiencies. I urge my colleagues to support this amendment.

Mrs. HUTCHISON. I believe this amendment has been cleared by the other side.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4307) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4308

(Purpose: To provide an additional exception for the cost limitation for procurement of Seawolf submarines)

Mrs. HUTCHISON. Mr. President, on behalf of Senator THURMOND, I offer an amendment that would provide an additional exception for the cost limitation for procurement of *Seawolf* class submarines.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, proposes an amendment numbered 4308.

The amendment is as follows:

At the end of subtitle C of title I add the following:

SEC. 124. ADDITIONAL EXCEPTION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

Section 133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) is amended—

(1) in subsection (a), by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) COSTS NOT INCLUDED.—The previous obligations of $745,700,000 for the SSN–23, SSN–24, and SSN–25 submarines, out of funds appropriated for fiscal years 1990, 1991, and 1992, that were subsequently canceled (as a result of a cancellation of such submarines) shall not be taken into account in the application of the limitation in subsection (a).".

Mr. THURMOND. Mr. President, in the fiscal year 1996 Defense Authorization Act, Congress imposed a cost cap on procurement of the three *Seawolf* class submarines that Congress has authorized. The principal purpose of this cost cap was to cause the Navy to focus careful attention on the program to forestall the type of cost growth that plagued other major shipbuilding programs in the past. While the Navy was given ample opportunity to participate in its development, the cost cap is a tight one that will require constant attention throughout the construction of the ships.

The Navy has responded by implementing a number of management changes that proved successful during the past year in containing cost growth. Included was the creation of an independent cost review team that has an independent charter to examine the program's books and report any concerns that arise to the Navy's Senior Acquisition Executive. As the team has developed information the committee has been kept informed.

A concern that has emerged this year is the existence and status of program costs that have been allocated to canceled *Seawolf* submarines. As my colleagues will recall, the original Seawolf program called for construction of more than 20 submarines of the class. In the immediate aftermath of the cold war as the defense budget declined, the program was terminated. At the time funds had been fully or partially appropriated for six *Seawolf* submarines.

After careful review Congress has partially restored the Seawolf program to the extent that three or the submarines will be built. However, a considerable amount of sunk cost was incurred as a consequence of contracts detail design and for construction of various components for now canceled submarines that will never be built.

When the Navy was asked to assist in developing a cost cap total last year, it did not propose inclusion of these sunk costs in the cost cap. However, legitimate questions have been raised by the Navy's independent cost review team as to whether some portion of these costs, such as those for detail design or for components that may eventually be used in the three *Seawolf* submarines that are under construction, should be included in the cap.

The committee acted to address the matter of detail design costs in report language that accompanies this bill by acknowledging them and noting that they had not been included in the cost tap. Subsequent to our markup, however, additional sunk costs have been identified associated with the termination of nuclear and nonnuclear components for which an argument could be advanced on both sides as to whether they properly belong within the cost cap. These are not hidden costs that have suddenly appeared. They have been routinely reported by the Navy as part of the total program cost. The issue is whether they should or should not have been associated with the three subs presently under construction.

One course of action that we could have pursued as questions were raised by the conscientious efforts of the Navy's independent cost team would have been to ignore them. However, this course of action could have led to future acrimony as to whether the Navy had breached the cost cap. Another alternative would be to include them in the cost cap number. However, since the cost cap was put in place to safeguard against future cost growth vice documenting sunk costs, this approach would have contributed little, if anything, toward satisfying that objective.

Our recommended approach, the one reflected in this amendment, would be to first reaffirm last year's cost cap, a cap stringent enough to demand constant vigilance by the Navy and concurrently acknowledge in law that certain costs that have been associated with canceled submarines are excluded from it. This approach appears a more prudent means of avoiding any future legal disputes than to employ revised report language to accomplish the same objective.

In my opinion, adopting this amendment will address legitimate issues and also encourage the Navy to continue forthright discourse with Congress on the progress of the Seawolf program. I strongly encourage my fellow Senators to join me in supporting it.

Mr. MCCAIN. Mr. President, I have no objection to this amendment to provide a specific exception from the cost cap for $745.7 million which was expended for termination and other procurement costs associated with cancelled ships. These funds were not included in the calculations by the Navy for the original procurement cost cap.

I should note that the committee was advised earlier this year that $278 million in class detail design costs had been left out of the cost cap calculations. Since these amounts were not directly related to procurement of the three submarines currently under construction, the committee included in its report on this bill a section starting that these costs were not to be considered part of the cost cap.

Only a few weeks ago, the Navy advised the committee that an additional $467.7 million had not been addressed in calculating the cost cap. The Navy requested specific legislative relief from including these amounts in the *Seawolf* cost cap.

Mr. President, again, I have no objection to this amendment. It is clear that the $745.7 million identified in this amendment cannot be appropriately tied to procurement of any of the three *Seawolf* submarines. However, I find it disconcerting at best that the Navy only recently identified these amounts to Congress. In the future, I hope and expect that the Navy's program management team will be able to better track all amounts associated with *Seawolf* submarine procurement in order to remain within the legislative cost cap.

Mrs. HUTCHISON. I believe the amendment has been cleared.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4308) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4309

(Purpose: To strike section 2812 relating to the disposition of proceeds of certain commissary stores and nonappropriated fund instrumentalities and to amend section 634 to sunset the authority under that section to pay annuities)

Mrs. HUTCHISON. Mr. President, on behalf of Senator THURMOND, I offer an amendment which would strike section 2812 relating to the disposition of proceeds of certain commissary stores and nonappropriated fund instrumentalities and sunset section 634 relating to forgotten widows.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, proposes an amendment numbered 4309.

The amendment is as follows:

At the end of section 634, add the following:

(e) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

Strike out section 2812, relating to the disposition of proceeds of certain commissary stores and nonappropriated fund instrumentalities.

Mr. THURMOND. Mr. President, my amendment would strike section 2812 and sunset section 634 of the Defense authorization bill.

Section 2812 would have allowed the proceeds from sales of facilities at base closure sites built with commissary store funds or nonappropriated funds to be deposited into established funds to support commissary stores and nonappropriated fund activities.

Section 634, would authorize the Secretary of Defense to pay an annuity to the surviving spouses of retired service members who died before March 1974. This group of surviving spouses has become known as the "Forgotten Widows" since they were widowed before the Survivor Benefit Plan was enacted.

Mr. President, the Congressional Budget Office scored these provisions as direct spending, which is not in the committee's allocation, I am requesting that section 2812 be stricken and section 634 be terminated effective September 30, 2001.

Mr. President, I know of no objection to the amendment and ask that the Senate adopt the amendment.

Mrs. HUTCHISON. I believe this amendment has been cleared by the other side.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4309) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4310

(Purpose: To state the sense of the Senate on Department of Defense sharing of its experiences under military youth programs)

Mr. NUNN. Mr. President, on behalf of Senator KENNEDY and Senator COATS, I offer an amendment which would provide a sense of the Senate that military and civilian youth program coordinators could benefit from greater exchange of information and close relationship between military installations and the local communities that support them.

I believe this amendment has been cleared by the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. KENNEDY, for himself and Mr. COATS, proposes an amendment numbered 4310.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES UNDER MILITARY YOUTH PROGRAMS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Programs of the Department of Defense for youth who are dependents of members of the Armed Forces have not received the same level of attention and resources as have child care programs of the Department since the passage of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) Older children deserve as much attention to their developmental needs as do younger children.

(3) The Department has started to direct more attention to programs for youths who are dependents of members of the Armed Forces by funding the implementation of 20 model community programs to address the needs of such youths.

(4) The lessons learned from such programs could apply to civilian youth programs as well.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Department of Defense, Federal, State, and local agencies, and businesses and communities involved in conducting youth programs could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to such programs and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships could benefit all families by helping the providers of services for youth exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that such partnerships could be developed, including—

(A) cooperation between the Department and Federal and State educational agencies in exploring the use of public school facilities for child care programs and youth programs that are mutually beneficial to the Department and civilian communities and complement programs of the Department carried out at its facilities; and

(B) improving youth programs that enable adolescents to relate to new peer groups when families of members of the Armed Forces are relocated.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the youth programs of the Department of Defense and to improve such programs so as to benefit communities in the vicinity of military installations.

Mr. KENNEDY. Mr. President, today Senator COATS and I offer two amendments addressing the military's child development programs. The first amendment commends the Department of Defense for its successful implementation of the Military Child Care Act of 1989. This landmark legislation has greatly improved the availability, affordability, quality, and consistency of the child care services provided by the Department to service members.

Our second amendment commends the equally important contributions of the Department's youth programs in meeting the diverse needs of older children and encourages continued progress in this area.

Before the implementation of the 1989 Act, children of military personnel were cared for in substandard facilities and received virtually no developmental care. Child care was little more than custodial care. Care givers lacked adequate training, were paid less than grocery baggers at the base commissary, and had a job turnover rate of 300 percent. Worst of all, inadequate oversight led to several documented cases of child abuse.

Since the 1989 Act, developmental care has replaced custodial care and is providing military children with a genuine learning environment. Successful completion of training by child care providers is now tied to wage increases, and the result is a well-trained and highly motivated group of care givers. Their job turnover rate has fallen from 300 percent to 31 percent. Inspections without notice and a national hotline to register complaints are now in place to protect the children being cared for. In short, the Military Child Care Act has dramatically improved the quality of life for thousands of children in military families.

Quality child care is a priority for civilian parents too. It makes no sense for civilian child care providers to waste their time and valuable resources reinventing wheels that have already been developed by the Armed Forces. Military-sponsored internship programs, access to training classes on a space-available basis, and assistance with accreditation are all cost-effective ways for civilian child care providers to benefit from the expertise available in the Department of Defense. The Department in turn benefits from an increased number of quality civilian child care resources available to its military personnel, and from the feedback it receives about its own program.

Our child care amendment encourages closer partnerships between military installations and local communities to encourage an exchange of ideas, information, and materials relating to their child care experiences. These are simply and cost-effective steps to improve the quality of care for all children.

Older children deserve as much concern about their developmental needs as younger children do. Yet military youth programs have not received the same level of attention and resources that have been available for child care since the passage of the 1989 Act. Youth programs are an effective way to combat violence, gangs, and juvenile crime by giving young people a place to turn for support and assistance in finding positive peer groups and activities.

The Department of Defense has begun to address these issues by funding the implementation of 20 model community programs to meet the needs of its youth. Lessons learned in these programs can obviously benefit the civilian community too.

Our youth program amendment encourages continued emphasis on youth programs and a similar exchange of information as with child care programs.

The amendment we are proposing today require no additional funding. They give the Department of Defense the flexibility to implement initiatives that it feels are worthwhile. The Department played a key role in the development of those amendments and is enthusiastic about implementing them.

I urge my colleagues to vote in favor of these important amendments as a needed step toward improving the quality of life for all children.

I would also like to take this opportunity to thank my colleague Senator COATS for his admirable service as chairman of the Personnel Subcommittee. His support for military child care and other quality of life programs has had a positive and lasting influence on the lives of our men and women in uniform.

Mrs. HUTCHISON. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4310) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4311

(Purpose: To state the sense of the Senate on Department of Defense sharing of experiences with military child care)

Mr. NUNN. Mr. President, on behalf of Senators KENNEDY and COATS, I offer an amendment which would provide a sense of the Senate that military and civilian child care providers could benefit from a greater exchange of information and a closer relationship between military installations and the local communities that support them.

I believe this amendment has also been cleared by the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. KENNEDY, for himself and Mr. COATS, proposes an amendment numbered 4311.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES WITH MILITARY CHILD CARE.

(a) FINDING.—The Senate makes the following findings:

(1) The Department of Defense should be congratulated on the successful implementation of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note).

(2) The actions taken by the Department as a result of that Act have dramatically improved the availability, affordability, quality, and consistency of the child care services provided to members of the Armed Forces.

(3) Child care is important to the readiness of members of the Armed Forces because single parents and couples in military service must have access to affordable child care of good quality if they are to perform their jobs and respond effectively to long work hours or deployments.

(4) Child care is important to the retention of members of the Armed Forces in military service because the dissatisfaction of the families of such members with military life is a primary reason for the departure of such members from military service.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the civilian and military child care communities, Federal, State, and local agencies, and businesses and communities involved in the provision of child care services could benefit from the development of partnerships to foster an exchange of ideas, information and materials relating to their experiences with the provision of such services and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships would be beneficial to all families by helping providers of child care services exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that these partnerships can be developed, including—

(A) cooperation between the directors and curriculum specialists of military child development centers and civilian child development centers in assisting such centers in the accreditation process;

(B) use of family support staff to conduct parent and family workshops for new parents and parents with young children in family housing on military installations and in communities in the vicinity of such installations;

(C) internships in Department of Defense child care programs for civilian child care providers to broaden the base of good-quality child care services in communities in the vicinity of military installations; and

(D) attendance by civilian child care providers at Department child-care training classes on a space-available basis.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the child care programs of the Department of Defense and to improve such programs so as to benefit civilian child care providers in communities in the vicinity of military installations.

Mrs. HUTCHISON. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4311) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4312

(Purpose: To exclude members of the Selected Reserve assigned to the Selective Service System from the limitation on end strength of members of the Selected Reserve and to limit the number of members of the Armed Forces who may be assigned to the Selective Service System)

Mrs. HUTCHISON. Mr. President, for Senator THURMOND, I offer an amendment that would provide continued military support to the Selective Service System.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, proposes an amendment numbered 4312.

The amendment is as follows:

At the end of subtitle B of title IV, add the following:

SEC. 413. PERSONNEL MANAGEMENT RELATING TO ASSIGNMENT TO SERVICE IN THE SELECTIVE SERVICE SYSTEM.

Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended—

(1) in subsection (b)(2), by inserting ", subject to subsection (e)," after "to employ such number of civilians, and"; and

(2) by inserting after subsection (d) the following:

"(e)(1) The number of armed forces personnel assigned to the Selective Service System under subsection (b)(2) may not exceed 745, except in a time of war declared by Congress or national emergency declared by Congress or the President.

"(2) Members of the Selected Reserve assigned to the Selective Service System under subsection (b)(2) shall not be counted for purposes of any limitation on the authorized strength of Selected Reserve personnel of the reserve components under any law authorizing the end strength of such personnel.".

Mr. THURMOND. Mr. President, I propose an amendment that would provide for continued military support to the Selective Service.

Mr. President, the downsizing of the reserve component force is causing the military leadership to reevaluate their ability to continue providing support to the Selective Service. This amendment will exempt the reservists who are assigned to duty with the Selective Service from counting against the selective reserve end strength. In order to preclude any part from taking advantage of this exemption, the amendment would limit the number of reservists who could be assigned to duty with the Selective Service at the 1996 level.

Mr. President, this is a no-cost amendment which will benefit the Selective Service and the reserve component personnel assigned in support of the unique mission of the Selective Service. I urge my colleagues to support the amendment.

Mr. President, I thank the Chair and yield the floor.

Mrs. HUTCHISON. I believe this amendment has been cleared by the other side.

Mr. NUNN. This amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4312) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4313

(Purpose: Relating to the participation of the State of Oregon in remedial actions at the Hanford Reservation, Washington)

Mrs. HUTCHISON. On behalf of Senators HATFIELD and WYDEN, I offer an amendment which would require information associated with cleanup of the Hanford Nuclear Reservation in Washington State be provided to the State of Oregon.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. HATFIELD, for himself and Mr. WYDEN, proposes an amendment numbered 4313.

The amendment is as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. OPPORTUNITY FOR REVIEW AND COMMENT BY STATE OF OREGON REGARDING CERTAIN REMEDIAL ACTIONS AT HANFORD RESERVATION, WASHINGTON.

(a) OPPORTUNITY.—(1) Subject to subsection (b), the Site Manager at the Hanford Reservation, Washington, shall, in consultation with the signatories to the Tri-Party Agreement, provide the State of Oregon an opportunity to review and comment upon any information the Site Manager provides the State of Washington under the Hanford Tri-Party Agreement if the agreement provides for the review of and comment upon such information by the State of Washington.

(2) In order to facilitate the review and comment of the State of Oregon under paragraph (1), the Site Manager shall provide information referred to in that paragraph to the State of Oregon at the same time, or as soon thereafter as is practicable, that the Site Manager provides such information to the State of Washington.

(b) CONSTRUCTION.—This section may not be construed—

(1) to require the Site Manager to provide the State of Oregon sensitive information on enforcement under the Tri-Party Agreement or information on the negotiation, dispute resolution, or State cost recovery provisions of the agreement;

(2) to require the Site Manager to provide confidential information on the budget or procurement at Hanford under terms other than those provided in the Tri-Party Agreement for the transmission of such confidential information to the State of Washington;

(3) to authorize the State of Oregon to participate in enforcement actions, dispute resolution, or negotiation actions conducted under the provisions of the Tri-Party Agreement;

(4) to authorize any delay in the implementation of remedial, environmental management, or other programmatic activities at Hanford; or

(5) to require the Department of Energy to provide funds to the State of Oregon.

SEC. 3162. SENSE OF SENATE ON HANFORD MEMORANDUM OF UNDERSTANDING.

It is the sense of the Senate that—

(1) the State of Oregon has the authority to enter into a memorandum of understanding with the State of Washington, or a memorandum of understanding with the State of Washington and the Site Manager of the Hanford Reservation, Washington, in order to address issues of mutual concern to such States regarding the Hanford Reservation; and

(2) such agreements are not expected to create any additional obligation of the Department of Energy to provide funds to the State of Oregon.

Mr. HATFIELD. Mr. President, the Pacific Northwest is home to what many believe is the worst environmental mess on Earth—the Hanford Nuclear Reservation. Today, I am pleased to join with my colleague, Senator WYDEN, to enhance the voice of Oregonians in the cleanup of this site of such tremendous importance to the health and safety of our State.

Let me thank the Senators from the State of Washington, Senators GORTON and MURRAY, for their cooperation in resolving the technical details of this amendment. I look forward to continuing to the cooperative relationship our two States have shared with respect to this complex cleanup process.

Let me also thank the chairman of the Armed Services Committee, Senator THURMOND, and the ranking member, Senator NUNN, for working with Senator WYDEN and myself to resolve a number of concerns with this amendment.

The Hanford facility is located on the Columbia River within the State of Washington. From the early 1940's to the late 1980's, the U.S. Government made plutonium for nuclear weapons at the Hanford site. In the process, Hanford emitted enormous volumes of radioactive and chemical wastes, much of which found its way—through air or water—into the State of Oregon.

Hanford is just 35 miles north of the Oregon border. Not far downstream from Hanford, the Columbia River forms the border between Oregon and Washington. The cool waters of the Columbia River were vital to the locating and operation of the Hanford facility. Hanford used large amounts of water from the Columbia to cool nuclear fuel in eight reactors between 1944 and 1971. Through the years, those waters included high levels of contaminants from Hanford.

As many of my colleagues on this committee know, the shutdown of the weapons production facilities at Hanford and its subsequent cleanup efforts have been a top priority of mine during my tenure as a U.S. Senator. The waste problem at Hanford has immediate and deadly ramifications for the people of Oregon. Some specific areas of concern are the transportation of waste to and from the Hanford Reservation, the seepage of liquid waste into the Columbia River drainage from Hanford's underground storage tanks, and the past aerial releases of radioactive gasses from the reservation in the 1940's and 1950's.

Over the last 10 years, through the energy and water appropriations bill, I have been able to stop funding for the operation of the N-Reactor and Purex facilities at Hanford. I am proud of the fact that DOE's mission at Hanford has successfully been refocused from weapons production to environmental restoration. While I am pleased with the financial priority the Federal Government has placed on the Hanford cleanup operation, and recognize improvements in recent months, I share the concerns of many of my colleagues that sufficient progress has not been made to warrant the billions that have been spent.

My colleagues are also aware of my concern that Oregon is too far removed from the information flow and decision-making process at Hanford. More specifically, Oregon does not possess sufficient access to information upon which cleanup decisions are made. Nor does Oregon have the right to comment upon the important cleanup decisions that are made there.

The amendment now before the Senate will greatly enhance the information available to the State of Oregon and the voice of Oregonians in the decision-making process at Hanford. The State of Oregon will have access to all information required to be provided to the State of Washington under the Hanford Tri-Party Agreement. Oregon will have notice and comment rights in all instances where the State of Washington has such rights. The amendment makes clear that this new requirement will not slow cleanup and will not give the State of Oregon the right to participate in Tri-Party Agreement negotiations. Finally, the amendment makes clear that the States of Oregon and Washington and the Department of Energy have the authority to enter into a memorandum of understanding on areas of mutual concern to the States with regard to this important site.

Mr. President, under this amendment, Oregonians will at last be brought into the loop on Hanford cleanup. We have many decades of cleanup ahead of us. Some believe the site will never be clean. It is therefore of great importance that Oregonians have meaningful access to information about Hanford and the right to comment on that information.

Again, I thank my colleagues for their assistance in this matter and urge adoption of the amendment.

I yield the floor.

Mr. WYDEN. Mr. President, the amendment that Senator HATFIELD and I are proposing is a right-to-know act to help protect Oregonians from the unusual and highly dangerous hazards that the Hanford Nuclear Reservation poses for the people of Oregon.

There is no other contaminated Federal property in the country that has caused the serious injuries to residents of another State that Hanford has already caused to citizens of Oregon. And no other Federal site currently poses anywhere near as serious a threat to the health and safety of citizens of another State as Hanford does to our citizens.

Because of this special situation, the State of Oregon needs direct access to the same information that the Energy Department is now required to provide the State of Washington under the Hanford Tri-Party Agreement. And Oregon needs to have an opportunity to review and comment on how DOE proposes to clean up the Hanford site.

Recognizing the unique conditions present at Hanford and the immediate danger they pose for Oregonians does not set a precedent for other Federal facilities besides Hanford. It will not turn every military base with a leaking gasoline tank into a multi-State cleanup issue.

Let me put that concern to rest. First, there is simply no facility in this country—Federal or non-Federal—that compares to Hanford. In fact, Hanford is generally considered to be the most contaminated site in the Western hemisphere. You would have to go to the former Soviet Union to find a site as polluted as Hanford.

The extent of the environmental problems is mind boggling.

Over the years, 200 billion gallons of toxic and radioactive liquids from nuclear weapons production were dumped at the site. That is enough to cover Manhattan to a depth of 40 feet.

The Hanford site currently contains 56 million gallons of high-level radioactive wastes in 177 tanks. Some of these tanks are as big as the Capitol dome. At least 54 of these tanks are known or suspected to be leaking or pose risks of explosion.

The site also is currently storing 2,300 metric tons of high-level nuclear fuel rods in leaking basins located only a quarter mile from the Columbia River.

And these are just a few of the problems that we know about.

Second, there is also no other site in the country that has affected the health and safety of residents in another State the way Hanford has affected the citizens of Oregon.

Oregonians living downwind from Hanford have suffered from thyroid cancers and other medical problems caused by airborne releases of radioactive iodine. Starting in the late 1940's and continuing through the 1950's, these releases averaged between 100 and 2,000 curies per month. To put that into perspective, the residents around Harrisburg, PA, were evacuated in 1979 when the Three Mile Island accident released 15–24 curies into the Pennsylvania countryside.

The airborne releases from Hanford were 10 to 100 times what were released from Three Mile Island, and these releases were occurring every month. Ongoing epidemiological studies have linked these releases to increased cases of thyroid cancer and other adverse health effects on Oregonians living near the site.

Hanford also poses a serious health threat to the more than 1 million Oregonians who live downstream from the site. Radioactive materials have been released into the Columbia River when water from the River was pumped through the sites nuclear reactors to cool them. Other hazardous and radioactive materials that were dumped at the site have and are continuing to seep into the River.

The bottom line is many Oregonians are suffering adverse health effects from living near Hanford. And many more are at risk of future harm because of conditions at the site.

Finally, our amendment does not set a precedent for Federal facilities nationwide because it only requires information to be provided to Oregon that is required to be provided to Washington under the Hanford Tri-Party Agreement, which is an agreement between the State of Washington, the Department of Energy, and the EPA governing the Hanford cleanup. The linkage to the Tri-Party Agreement puts the site into a special category of Federal facility cleanups, because there are only a handful of sites with comparable agreements in effect or under negotiation. It draws a bright line that divides Hanford and other major DOE weapons production sites from the hundreds of other contaminated Federal facilities around the country.

The unique factors involved in the Hanford cleanup justify granting the State of Oregon direct access to information about contamination at Hanford and an opportunity for reviewing plans for cleaning up the site.

The State of Washington and its elected representatives in the Senate, Senators GORTON and MURRAY, recognize the importance of this amendment to Oregon and have no objection to incorporating the amendments in S. 1745.

I urge my colleagues to recognize how Hanford has harmed and continues to pose a serious hazard to the people of Oregon by giving our State critical information about conditions at the site and the opportunity to play a greater role in cleanup decisions at the site.

Mrs. HUTCHISON. I believe this amendment has been cleared on the other side.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4313) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4314

(Purpose: To propose an alternative section 3158 relating to the redesignation of the Defense Environmental Restoration and Waste Management Program)

Mrs. HUTCHISON. Mr. President, on behalf of Senator MURKOWSKI, I offer an amendment that would modify section 3158 of the National Defense Authorization Act for fiscal year 1997. The amendment would express the sense of Congress that the Department of Energy program known as the Defense Environmental Restoration and Waste Management or Environmental Management Program be redesignated as the Defense Nuclear Waste Management Program. The amendment would retain the reporting requirement relating to the program redesignation.

I believe this amendment has been cleared by both sides.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. MURKOWSKI, proposes an amendment numbered 4314.

The amendment is as follows:

Strike out section 3158 and insert in lieu thereof the following new section 3158:

SEC. 3158. SENSE OF CONGRESS RELATING TO REDESIGNATION OF DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT PROGRAM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the environmental Management Program, be redesignated as the Defense Nuclear Waste Management Program of the Department of Energy.

(b) REPORT ON REDESIGNATION.—Not later than January 31, 1997, the Secretary of Energy shall submit to the congressional defense committees a report on the costs and other difficulties, if any, associated with the following:

(1) The redesignation of the program of known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, as the Defense Nuclear Waste Management Program of the Department of Energy.

(2) The redesignation of the Defense Environmental Restoration and Waste Management Account as the Defense Nuclear Waste Management Account.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4314) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4315

(Purpose: To require the Secretary of the Army to complete as soon as is practicable the previously authorized land conveyances involving Fort Sheridan, IL)

Mr. NUNN. For Senators SIMON and MOSELEY-BRAUN, I offer an amendment which would complete the land conveyances at Fort Sheridan, IL. I believe the amendment has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. SIMON, for himself and Ms. MOSELEY-BRAUN, proposes an amendment numbered 4315.

The amendment is as follows:

At the end of subtitle C of title XXVIII add the following:

SEC. 2828. REAFFIRMATION OF LAND CONVEYANCES, FORT SHERIDAN, ILLINOIS.

As soon as practicable after the date of the enactment of this Act, the Secretary of the Army shall complete the land conveyances involving Fort Sheridan, Illinois, required or authorized under section 125 of the Military Construction Appropriations Act, 1996 (Public Law 104-32; 109 Stat. 290).

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4315) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4316

(Purpose: To authorize a land conveyance, Crafts Brothers Reserve Training Center, Manchester, NH)

Mrs. HUTCHISON. Mr. President, on behalf of Senators SMITH and GREGG, I offer an amendment which would authorize the Secretary of the Army to convey 3 acres of property to Saint Anselm College in New Hampshire.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. SMITH, for himself and Mr. GREGG, proposes an amendment numbered 4316.

The amendment is as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, CRAFTS BROTHERS RESERVE TRAINING CENTER, MANCHESTER, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZATION.—The Secretary of the Army may convey, without consideration, to Saint Anselm College, Manchester, New Hampshire, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 3.5 acres and located on Rockland Avenue in Manchester, New Hampshire, the site of the Crafts Brothers Reserve Training Center.

(b) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not make the conveyance authorized by subsection (a) until the Army Reserve units currently housed at the Crafts Brothers Reserve Training Center are relocated to the Joint Service Center to be constructed at the Manchester Airport, New Hampshire.

(c) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. SMITH. Mr. President, I join today with my friend and colleague Senator GREGG in offering an amendment to convey approximately 3.5 acres of land to Saint Anselm College in Manchester, NH. This land is currently owned by the Army, but will soon be vacated upon completion of a military construction project that is authorized in this bill.

Saint Anselm College is a liberal arts college that was founded in 1889. The college is conducted by the Benedictine Order, and has a longstanding relationship with the U.S. Armed Forces. In fact during the two world wars, Korea, and Vietnam, members of the Benedictine community volunteered to serve as chaplains in the military.

During World War II, Saint Anselm was among the first colleges to participate in the military "V-1" program to assist in training young men for military service. In March 1943, the college turned its campus over to the Army Air Corps which used Saint Anselm as a pre-flight school until the end of the war. Members of the faculty were used as teachers of the pre-flight cadets in mathematics and science subjects.

In 1950, Saint Anselm College cooperated with what was then known as the "organized reserve" to establish an Army reserve unit on campus. The organized reserve used college facilities, classrooms in storage facilities, and college students served as members of the Reserve in a field artillery battery. The U.S. Government incurred no costs for the use of these facilities which were provided willingly by the college.

In 1954, when the Army decided it needed to establish a permanent reserve facility, Saint Anselm generously offered a building on campus. When none of the on-campus facilities proved suitable to the Corps of Engineers, the Army looked elsewhere. In the end, the site ultimately determined to be most desirable was on property that was part of the Saint Anselm campus.

Again, the college expressed its willingness to cooperate and sought to give the U.S. Government a lease at no cost for as long as the Army needed the property. Unfortunately, Government regulations prohibited building military structures on leased land. Nonetheless, in its continuing effort to cooperate with the needs of the Government, Saint Anselm gave the land to the Army free of charge. When the college donated the property, it retained an easement for a major sewer line that runs through the tract. That sewer line continues to be the principal line flowing from the campus to connect with the Manchester system.

Mr. President, Saint Anselm's had two principles in mind when it agreed to give this valuable tract of land to the Government. The first was that it intended to conduct itself as a good citizen to promote the readiness of our country, and the U.S. Army in particular—an organization with which the college had a long history of service. The second was that students of Saint Anselm College were to be an integral part of the plans which the Army had for the new reserve center.

This relationship did in fact continue, and students of the college became part of the reserve unit, receiving their military training, earning a commission, and fulfilling their military obligation. In fact, more than 50 alumni of Saint Anselm College have given their lives in wartime service to the Nation.

Mr. President, the Army Reserve will soon vacate the crafts brother facility and be absorbed into a new joint service reserve center at the Manchester Airport. The Army will have no further need for this property, which is valued at approximately $300,000. In fact, in this bill we are authorizing the final installment on the military construction project that will render the property excess. I can think of no more fitting or appropriate action than for us to convey this land back to Saint Anselm College just as the college so generously donated it to the Army some 40 years ago.

It is my understanding that the Army has no objection to this conveyance, and that it is agreeable to the managers on both sides. If it is now appropriate, I would move the adoption of this amendment.

Mrs. HUTCHISON. I believe this amendment has been cleared by the other side.

Mr. NUNN. Let me make sure I know which amendment we are talking about now. We are talking about amendment No. 4316—this is the Smith-Gregg amendment? This amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4316) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4317

(Purpose: To provide for the treatment of the Hanford Reservation, Washington, and other Department of Energy defense nuclear facilities as sites of demonstration projects for the clean-up of Department of Energy defense nuclear facilities)

Mrs. HUTCHISON. Mr. President, on behalf of Senator GORTON, I offer an amendment which would create a pilot program at the Department of Energy's Hanford Nuclear Reservation to grant the site manager enhanced authorities to accelerate cleanup and direct site operations.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. GORTON, proposes an amendment numbered 4317.

The amendment is as follows:

At the end of title XXXI, add the following:

Subtitle E—Environmental Restoration at Defense Nuclear Facilities

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the "Defense Nuclear Facility Environmental Restoration Pilot Program Act of 1996".

SEC. 3172. APPLICABILITY.

(a) IN GENERAL.—The provisions of this subtitle shall apply to the following defense nuclear facilities:

(1) Hanford.

(2) Any other defense nuclear facility if—

(A) the chief executive officer of the State in which the facility is located submits to the Secretary a request that the facility be covered by the provisions of this subtitle; and

(B) the Secretary approves the request.

(b) LIMITATION.—The Secretary may not approve a request under subsection (a)(2) until 60 days after the date on which the Secretary notifies the congressional defense committees of the Secretary's receipt of the request.

SEC. 3173. DESIGNATION OF COVERED FACILITIES AS ENVIRONMENTAL CLEANUP DEMONSTRATION AREAS.

(a) DESIGNATION.—Each defense nuclear facility covered by this subtitle under section 3172(a) is hereby designated as an environmental cleanup demonstration area. The purpose of the designation is to establish each such facility as a demonstration area at which to utilize and evaluate new technologies to be used in environmental restoration and remediation at other defense nuclear facilities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal and State regulatory agencies, members of the surrounding communities, and other affected parties with respect to each defense nuclear facility covered by this subtitle should continue to—

(1) develop expedited and streamlined processes and systems for cleaning up such facility;

(2) eliminate unnecessary administrative complexity and unnecessary duplication of regulation with respect to the clean up of such facility;

(3) proceed expeditiously and cost-effectively with environmental restoration and remediation activities at such facility;

(4) consider future land use in selecting environmental clean up remedies at such facility; and

(5) identify and recommend to Congress changes in law needed to expedite the clean up of such facility.

SEC. 3174. SITE MANAGERS.

(a) APPOINTMENT.—(1)(A) The Secretary shall appoint a site manager for Hanford not later than 90 days after the date of the enactment of this Act.

(B) The Secretary shall develop a list of the criteria to be used in appointing a site manager for Hanford. The Secretary may consult with affected and knowledgeable parties in developing the list.

(2) The Secretary shall appoint the site manager for any other defense nuclear facility covered by this subtitle not later than 90 days after the date of the approval of the request with respect to the facility under section 3172(a)(2).

(3) An individual appointed as a site manager under this subsection shall, if not an employee of the Department at the time of the appointment, be an employee of the Department while serving as a site manager under this subtitle.

(b) DUTIES.—(1) Subject to paragraphs (2) and (3), in addition to other authorities provided for in this subtitle, the site manager for a defense nuclear facility shall have full authority to oversee and direct operations at the facility, including the authority to—

(A) enter into and modify contractual agreements to enhance environmental restoration and waste management at the facility;

(B) request that the Department headquarters submit to Congress a reprogramming package shifting among accounts funds available for the facility in order to facilitate the most efficient and timely environmental restoration and waste management at the facility, and, in the event that the Department headquarters does not act upon the request within 30 days of the date of the request, submit such request to the appropriate committees of Congress for review;

(C) negotiate amendments to environmental agreements applicable to the facility for the Department; and

(D) manage environmental management and programmatic personnel of the Department at the facility.

(2) A site manager shall negotiate amendments under paragraph (1)(C) with the concurrence of the Secretary.

(3) A site manager may not undertake or provide for any action under paragraph (1) that would result in an expenditure of funds for environmental restoration or waste management at the defense nuclear facility concerned in excess of the amount authorized to be expended for environmental restoration or waste management at the facility without the approval of such action by the Secretary.

(c) INFORMATION ON PROGRESS.—The Secretary shall regularly inform Congress of the progress made by site managers under this subtitle in achieving expedited environmental restoration and waste management at the defense nuclear facilities covered by this subtitle.

SEC. 3175. DEPARTMENT OF ENERGY ORDERS.

Effective 60 days after the appointment of a site manager for a defense nuclear facility under section 3174(a), an order relating to the execution of environmental restoration, waste management, technology development, or other site operation activities at the facility may be imposed at the facility if the Secretary makes a finding that the order—

(1) is essential to the protection of human health or the environment or to the conduct of critical administrative functions; and

(2) will not interfere with bringing the facility into compliance with environmental laws, including the terms of any environmental agreement.

SEC. 3176. DEMONSTRATIONS OF TECHNOLOGY FOR REMEDIATION OF DEFENSE NUCLEAR WASTE.

(a) IN GENERAL.—The site manager for a defense nuclear facility under this subtitle shall promote the demonstration, verification, certification, and implementation of innovative environmental technologies for the remediation of defense nuclear waste at the facility.

(b) DEMONSTRATION PROGRAM.—To carry out subsection (a), each site manager shall establish a program at the defense nuclear facility concerned for testing environmental technologies for the remediation of defense nuclear waste at the facility. In establishing such a program, the site manager may—

(1) establish a simplified, standardized, and timely process for the testing and verification of environmental technologies;

(2) solicit and accept applications to test environmental technology suitable for environmental restoration and waste management activities at the facility, including prevention, control, characterization, treatment, and remediation of contamination;

(3) consult and cooperate with the heads of existing programs at the facility for the certification and verification of environmental technologies at the facility; and

(4) pay the costs of the demonstration of such technologies.

(c) FOLLOW-ON CONTRACTS.—(1) If the Secretary and a person demonstrating a technology under the program enter into a contract for remediation of nuclear waste at a defense nuclear facility covered by this subtitle, or at any other Department facility, as a follow-on to the demonstration of the technology, the Secretary shall ensure that the contract provides for the Secretary to recoup from the contractor the costs incurred by the Secretary pursuant to subsection (b)(4) for the demonstration.

(2) No contract between the Department and a contractor for the demonstration of technology under subsection (b) may provide for reimbursement of the costs of the contractor on a cost plus fee basis.

(d) SAFE HARBORS.—In the case of an environmental technology demonstrated, verified, certified, and implemented at a defense nuclear facility under a program established under subsection (b), the site manager of another defense nuclear facility may request the Secretary to waive or limit contractual or Department regulatory requirements that would otherwise apply in implementing the same environmental technology at such other facility.

SEC. 3177. REPORTS TO CONGRESS.

Not later than 120 days after the date of the appointment of a site manager under section 3174(a), the site manager shall submit to Congress and the Secretary a report describing the expectations of the site manager with respect to environmental restoration and waste management at the defense nuclear facility concerned by reason of the exercise of the authorities provided in this subtitle. The report shall describe the manner in which the exercise of such authorities is expected to improve environmental restoration and waste management at the facility and identify saving that are expected to accrue to the Department as a result of the exercise of such authorities.

SEC. 3178. TERMINATION.

The authorities provided for in this subtitle shall expire five years after the date of the enactment of this Act.

SEC. 3179. DEFINITIONS.

In this subtitle:

(1) The term "Department" means the Department of Energy.

(2) The term "defense nuclear facility" has the meaning given the term "Department of Energy defense nuclear facility" in section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(3) The term "Hanford" means the defense nuclear facility located in southeastern Washington State known as the Hanford Reservation, Washington.

(4) The term "Secretary" means the Secretary of Energy.

Mr. GORTON. Mr. President, in the far southeastern corner of Washington State, workers at the Hanford Reservation helped America win World War II and fight the cold war with the strength of our science and technological advancements. We did a good job there, but work remains—and that is the business of cleanup.

For years the Department of Energy has managed Hanford, and all of its sophisticated problems, with varying degrees of competency. I have an amendment today, that has been cleared by the committee, which I hope changes the very nature of management at our site.

A similar version of this amendment appears in the House version of the National Defense Authorization Act, thanks to the hard work of the Congressman from the Fourth District in Washington, Doc Hastings. His dedication to Hanford issues has been unparalleled; his knowledge and perseverance profound. I have worked closely with the Congressman, and am hopeful that when this bill goes to conference, our work will remain intact.

Let me briefly describe for you the origins of this amendment, and what Doc and I are hoping to accomplish.

For fiscal year 1996, Hanford enjoyed a budget that totaled near $1.7 billion. With that money, the Department of Energy oversees the cleanup of 77 million gallons of the worst stuff on Earth: highly contaminated sludge, salt cake, and effluence. DOE employs over 13,000 employees, manages 80 percent of the Nation's plutonium and has stewardship of 562 square miles some of the most beautiful land in Washington State. These are tremendous responsibilities, and it is often overlooked just what type of impact the Department of Energy has on the livelihood of so many Washingtonians and the health of our environment.

Hanford is run by the Department of Energy, which has a manager who oversees all of the site's operations. He makes decisions, everyday, impacting the region's economies and its well being. He does everything from attend Kiwanis Club functions to deciding if hundreds of rods of spent plutonium should be moved away from the Columbia River. It is not an easy job, and we in Congress and the Department's headquarters have done little to make it easier.

Let me give you an example of some of the systemic problems which Hanford, and its site manager, face. Last year the Hanford site manager, John Wagoner, saw the urgent need to move spent plutonium rods sitting mere yards from the Columbia River, away from their present location to a new and safer home far from the riverbanks. Doing this would, of course, cost money—more than the Department allotted for in that fiscal year. John also knew that there was $30 million available from another program at the site that was simply no longer needed. So rather than simply moving the money from one of the accounts he oversees to another, John was forced to prepare what is known as a reprogramming request.

In a reprogramming request, Department headquarters puts together a list of projects complexwide where money needs to be moved from one account to another and submit them to the Congress for approval. These packages are vetted through departmental budgetary processes and then sent expeditiously to Congress for approval. Or so it happens in a perfect world. Instead, as we saw with John Wagoner's request last summer, the request will languish in a bureaucratic maze. The Department has a ploy which goes something like this: Wait for a number of requests from the sites to arrive at headquarters and place all of them in a reprogramming package and submit them to the various committees, so that those that are objectional will be lost in the flood of requests. So John sent up his simple request, and he waited. And waited. And waited. Almost 7 months went by—while the plutonium remained at the river's edge—while someone, somewhere was sitting on this request, or ignoring it deep in that concrete bunker known as the Forrestal Building.

I wish I could tell my colleagues that the request was found, its importance realized by the Department, and it was rushed to the Hill with an eager Department championing its merits. Well, I am sorry to report that that scenario never occurred.

Instead, the contractor-manager of the K-Basin project, a tenacious young man named John Fulton, contacted my office for our help. So help we did—in fact, I amended last year's defense authorization bill to shift funds so that John Wagoner could do the job he needed to do. It shouldn't be that way—and all of the explaining DOE cares to do on this issue isn't worth the ink it is printed with.

So what my amendment does is this: it says that if a site manager submits a reprogramming request, department headquarters has 30 days to do one of the following: First, accept the request and forward it to Congress; second, reject the request or; third, simply ask for more time to assess its significance.

Not very strict—and at the end of the day quite reasonable. Now if DOE fails to act, then the site manager can take his reprogramming request directly to Congress and it can be vetted through the normal congressional processes.

What we accomplish here is simple: Give the site manager in charge of a defense nuclear facility the stature he or she deserves. I said earlier that Hanford's budget was around $1.7 billion last year. Our site manager can move, at his own discretion without headquarters or congressional oversight, less than one-third of 1 percent of his total budget. In real dollars, that is somewhere near $3 million. The responsibility is so disproportional to the authority we invest with our site manager, it's no wonder in the past we have had so much paperwork and so few results. But that is changing, and the steps taken here will spur that progress forward.

This amendment also directs the Secretary to review just what qualifications are necessary for the job of site manager. We need to turn the spotlight on the job and give site manager the clout and stature his position deserves. It also seems logical that since we are altering the responsibilities and authorities vested in the position today, the position description needs to be revisited. There is ample room here for the Secretary to conduct that review at her discretion. Whomever the Secretary appoints to this position, be it the current site manager or someone else, that person will have the benefit of the Secretary's full trust, as well as the benefit of these extended authorities.

On the matter of new departmental orders, DOE frequently approves orders that are cumbersome and unrelated to cleanup activities at the site. These orders can contribute to excessive overhead costs. Since the Department has taken positive steps to streamline existing orders, this provision applies only to future DOE orders by requiring that any new order be found by the Secretary of Energy to be essential to human health and safety or the fulfillment of critical administrative functions.

Finally, the deployment of innovative and new technologies at Hanford is one of the site's major accomplishments over the past year. The site manager is required to promote the demonstration, verification, certification and implementation of innovative environmental technologies at the facility. New technologies will enable the Department to achieve cleanup at a heightened pace, and with real cost savings to the American taxpayer.

I am happy that my colleagues in the Senate have approved my amendment, and look forward to seeing this bill signed into law.

Mrs. HUTCHISON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, this amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4317) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4318

(Purpose: To provide funds for the construction and improvement of certain reserve facilities in the State of Washington)

Mrs. HUTCHISON. Mr. President, on behalf of Senator GORTON, I offer an amendment which would authorize certain military construction projects for the Navy and Army Reserves in the State of Washington.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. GORTON, proposes an amendment numbered 4318.

The amendment is as follows:

At the end of title XXVI of the bill, insert the following:

SEC. 2602. FUNDING FOR CONSTRUCTION AND IMPROVEMENT OF RESERVE CENTERS IN THE STATE OF WASHINGTON.

(a) FUNDING.—Notwithstanding any other provision of law, of the funds appropriated under the heading "MILITARY CONSTRUCTION, NAVAL RESERVE" in the Military Construction Appropriations Act, 1995 (Public Law 103-307; 108 Stat. 1661), that are available for the construction of a Naval Reserve Center in Seattle, Washington—

(1) $5,200,000 shall be available for the construction of an Army Reserve Center at Fort Lawton, Washington, of which $700,000 may be used for program and design activities relating to such construction;

(2) $4,200,000 shall be available for the construction of an addition to the Naval Reserve Center in Tacoma, Washington;

(3) $500,000 shall be available for unspecified minor construction at Naval Reserve facilities in the State of Washington; and

(4) $500,000 shall be available for planning and design activities with respect to improvements at Naval Reserve facilities in the State of Washington.

(b) MODIFICATION OF LAND CONVEYANCE AUTHORITY.—Paragraph (2) of section 127(d) of the Military Construction Appropriations Act, 1995 (Public Law 103-337; 108 Stat. 1666), is amended to read as follows:

"(2) Before commencing construction of a facility to be the replacement facility for the Naval Reserve Center under paragraph (1), the Secretary shall comply with the requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) with respect to such facility.".

Mrs. HUTCHISON. Mr. President, I believe the amendment has been cleared by the other side.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4318) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4319

(Purpose: To increase penalties for certain traffic offenses on military installations)

Mrs. HUTCHISON. Mr. President, on behalf of Senators THURMOND and NUNN, I offer an amendment which would increase the penalties for certain traffic offenses on Federal property.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, for himself, and Mr. NUNN, proposes an amendment numbered 4319.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. INCREASE IN PENALTIES FOR CERTAIN TRAFFIC OFFENSES ON MILITARY INSTALLATIONS.

Section 4 of the Act of June 1, 1948 (40 U.S.C. 318c) is amended to read as follows:

"SEC. 4. (a) Except as provided in subsection (b), whoever shall violate any rule or regulation promulgated pursuant to section 2 of this Act may be fined not more than $50 or imprisoned for not more than thirty days, or both.

"(b) Whoever shall violate any rule or regulation for the control of vehicular or pedestrian traffic on military installations that is promulgated by the Secretary of Defense, or the designee of the Secretary, under the authority delegated pursuant to section 2 of this Act may be fined an amount not to exceed the amount of a fine for a like or similar offense under the criminal or civil law of the State, territory, possession, or district where the military installation is located, or imprisoned for not more than thirty days, or both.".

Mrs. HUTCHISON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its approval.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4319) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4320

(Purpose: To extend the term of the remaining transitional member of the United States Court of Appeals for the Armed Forces)

Mrs. HUTCHISON. Mr. President, on behalf of Senator THURMOND, I offer an amendment which would extend the term of the remaining transitional member of the United States Court of Appeals for the Armed Forces.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. THURMOND, proposes an amendment numbered 4320.

The amendment is as follows:

At the end of section 1061 add the following:

(c) REPEAL OF 13-YEAR SPECIAL LIMIT ON TERM OF TRANSITIONAL JUDGE OF UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.—(1) Subsection (d)(2) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1575; 10 U.S.C. 942 note) is amended by striking out "to the judges who are first appointed to the two new positions of the court created as of October 1, 1990—" and all that follows and inserting in lieu thereof "to the judge who is first appointed to one of the two new positions of the court created as of October 1, 1990, as designated by the President at the time of appointment, the anniversary referred to in subparagraph (A) of that paragraph shall be treated as being the seventh anniversary and the number of years referred to in subparagraph (B) of that paragraph shall be treated as being seven.".

(2) Subsection (e)(1) of such section is amended by striking out "each judge" and inserting in lieu thereof "a judge".

Mrs. HUTCHISON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, this amendment has been cleared. I would like to note for the Record that Mr. Effron, who has worked on a number of these amendments, recused himself from any consideration of this amendment since his name has been sent up as a member of the Court of Military Appeals, if approved by the Senate. So, Mr. Effron played no part in this amendment whatsoever, and it was cleared by other staff members. I think that should be noted for the Record.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4320) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4321

(Purpose: To prohibit the collection and release of detailed satellite imagery with respect to Israel and other countries and areas)

Mrs. HUTCHISON. Mr. President, on behalf of Senators KYL and BINGAMAN, I offer an amendment which would prohibit the collection and release of detailed satellite imagery with respect to Israel and any other country or geographic area designated by the President for this purpose. However, satellite imagery that is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources may be released.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. KYL, for himself, and Mr. BINGAMAN, proposes an amendment numbered 4321.

The amendment is as follows:

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

Mr. KYL. Mr. President, I rise today with my colleague from New Mexico, Senator JEFF BINGAMAN, to offer an amendment which would,

prohibit any department or agency of the federal government from issuing licenses for the collection and dissemination of satellite imagery with respect to Israel, or any other country or geographic area concerned that is routinely available from commercial sources. The amendment further prohibits the declassification or otherwise release of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

This amendment is necessary, Mr. President, because on February 24, 1995, President William J. Clinton issued Executive Order 12951, which authorized the release of "certain scientifically or environmentally useful imagery acquired by space-based national intelligence reconnaissance systems known as the Corona, Argon, and Lanyard missions." The Executive order is scheduled to come into effect 18 months after issuance, that is on August 24, 1996.

This broadly written, and seemingly harmless, Executive order could unintentionally have a deleterious impact on the national security of the state of Israel. The Corona series of images contains spy-quality 2-meter resolution details of some of Israel's sensitive fixed target facilities, such as air bases and scientific installations. Enemies of Israel could use the photos released under Executive Order 12951 to target Israel for long-range attacks or assaults by terrorists.

Mr. Presidents, in 1994 I was pleased to moderate an agreement between Orbcom, a private company seeking to sell high-resolution commercial satellite imagery, and supporters of Israel, which resulted in Orbcom volunteering not to image Israel. I applauded Orbcom's decision in 1994, and I applaud it again today, reflecting as it does a keen understanding that images of Israel represent a unique and potentially ominous threat to its national security. This is not precisely the same issue, but it is my hope that the executive branch will work out an agreement with Israel regarding the release of these photos. Unfortunately, to date, little progress has been made in the negotiations.

I understand there will be those who oppose this action, claiming that the commercial market will be stifled. The Commerce Department claims that the Russians are today selling 2-meter resolution images. I know that the Russians have indicated a willingness to do this, but I have not seen any evidence that this has actually occurred. And France's policy is still to restrict French SPOT imagery to no less than 5-meter resolution. Rather than driving the market to even higher resolution imagery, I believe the United States should establish a memorandum of understanding with France and Russia regarding the type and quality of images to be released publicly. Without such an agreement, we may be creating risk where none exists today and potentially undermining the security of our friend and ally, Israel.

Mr. BINGAMAN. Mr. President, I rise in support of Senator KYL's amendment with regard to the collection and release of intelligence quality imagery of Israel and other countries.

Mr. President, the Senator from Arizona and I have been working on this issue since he was in the House and serving on the House Armed Services Committee. Back in 1994, when it first came to our attention that a United States firm which was then called Eyeglass was planning to enter into an agreement with a Saudi firm, EIRAD, to establish a ground station in Riyadh that would be capable of receiving and distributing spy-satellite quality imagery of Israel throughout the Middle East, we organized letters from House and Senate Members urging the administration to reject this proposal. Over 60 Senators signed the Senate version of the letter in October 1994. A similar large number of House Members signed the letter organized by then Congressman KYL.

Mr. President, that problem was ultimately resolved in May 1995 with an exchange of letters between the Commerce Department and the firm, by then called Orbimage, in which the firm agreed to exclude the territory of Israel from its viewing area and to put a technical fix on the satellite that would prevent such viewing. With that assurance, the Commerce Department agreed to the rest of the EIRAD deal.

Unfortunately, that did not solve Israel's problem because there are several other United States firms who are planning to launch so-called commercial imaging satellites with resolutions at ground level as low as one meter. Israel, as one of our closest allies, has been working with the administration for the past year, to see if its concerns can be accommodated under the licenses of the other potential American operators of commercial high-resolution satellites. Frankly, the industry and the Commerce Department have been resisting these reasonable requests while many in the national security agencies have been trying to extend the policy established in the Orbimage case.

Why is Israel concerned? Israel is a small country that takes its security very, very seriously. It has enjoyed total air superiority over its territory for decades. A lot of its qualitative advantage over its numerically superior potential foes derives from its control of its airspace and the inability of its foes to find, let alone target critical defense facilities. Obviously, the United States and the former Soviet Union were able to image Israel with their spy satellites, as they were able to image the entire globe. But those spy photos were not shared with Israel's foes, certainly ours were not.

Now with the end of the cold war the United States is leading the way toward commercialization of what once was a treasured secret. There is a technological imperative to do this because as a result of decades of Federal investment and many billions of Federal dollars, our firms clearly have a technological lead. Israel finds this very threatening. It has asked for our help in preserving its qualitative edge as long as possible. I believe we should give our friend this help. Doing so is clearly permitted under the administration's 1994 policy on commercial high-resolution imaging. As the Eyeglass/Orbimage case demonstrated and as the 1992 Remote Sensing Act envisioned, the U.S. Government retains the right to control the shutters of our commercial satellites for foreign policy and national security reasons.

This is a time for such control.

Mr. President, the argument against granting Israel's request was summed up in an editorial in this week's Space News. It claims that our whole nascent industry will come crashing down if this precedent is set. That frankly is hogwash. Our industry cannot and should not try to make profits by providing spy satellite images of Israel to Syria and Libya and Iraq and Iran. If they ever thought that market would be allowed to them, they were misreading the Congress. As I said earlier, the precedent was set in the Eyeglass case that we would go the extra mile for Israel's security.

There are a very limited number of similar cases around the globe. Our policy will ultimately have to deal with those as well, for instance South Korea and Bosnia where Americans are deployed. But the vast majority of the Earth's surface will be available to our imaging firms if there really is a multibillion-dollar commercial market for geographic information systems with 1 meter resolution. I have my doubts about the size of that market, as apparently many investors do as well. But if it's there, excluding Israel from it for the next decade or so will do no damage to our firms' prospects or profits.

Mr. President, I urge the adoption of the amendment.

Mrs. HUTCHISON. Mr. President, I am told this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4321) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4322

(Purpose: To make funds available for research, development, test, and evaluation activities relating to humanitarian demining technologies)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senator LEAHY.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LEAHY, proposes an amendment numbered 4322.

The amendment is as follows:

At the end of subtitle A of title II, add the following:

SEC. 204. FUNDS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATING TO HUMANITARIAN DEMINING TECHNOLOGIES.

Of the amounts authorized to be appropriated by section 201(4), $18,000,000 shall be available for research, development, test, and evaluation activities relating to humanitarian demining technologies (PE0603120D), to be administered by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

Mr. LEAHY. Mr. President, I am very pleased that the managers of the bill, Chairman THURMOND and Senator NUNN, have accepted my amendment to increase the budget of the Humanitarian Demining Technologies Program to $18 million for fiscal year 1997. This represents about a $10 million increase above the President's request, but my amendment is supported by the Department of Defense. I have no doubt, based on the inquiries I have received from other Senators who have expressed support for this effort, that if there were a rollcall vote on the amendment it would pass overwhelmingly, if not unanimously. I also want to thank Senators THURMOND and NUNN for finding an acceptable offset for my amendment in the Advanced Concept Technology Demonstration Program—PE#0603750D.

Adequate funding for demining technologies is urgently needed, as the experience of our troops in Bosnia has so graphically illustrated. They found themselves surrounded by millions of hidden landmines that had been scattered randomly over the countryside, with virtually no way to locate them besides hand-held metal detectors and probes. This is the same technology that has been used for decades, and although effective, it is terribly time consuming and dangerous.

Bosnia is just one example. There is wide recognition that the problem of unexploded landmines, particularly in countries where our troops are most likely to be sent on peacekeeping missions, has reached crisis proportions. There are an estimated 100 million of these hidden killers in over 60 countries, each one waiting to explode from the pressure of a footstep. Many of them are made of plastic, and cannot be detected with standard metal detecting equipment. The cost of locating and destroying the mines is immense, in both dollars and lives.

A great deal of money has been spent to develop more and more sophisticated landmines, and to develop countermine warfare technology to enable our forces to breach enemy minefields. But cutting a path through a minefield quickly and safely is a very different problem from humanitarian demining, which involves getting rid of every single mine in a large area. That is the only way to assure the local population that it is safe to return. Yet until this program, almost nothing had been done to improve the technology for demining. Imagine the time it takes to demine an area the size of half of Angola with a hand-held probe, where there are an estimated 10 million mines, or Bosnia, where there are 3 million mines. It will take generations.

The generally accepted estimate of the cost of demining is from $300 to $1,000 per mine, when you factor in the cost of training and equipment. That is obviously completely unaffordable for countries like Bosnia or Angola.

The Pentagon's Humanitarian Demining Technologies Program was started 2 years ago with $10 million that I requested in the Fiscal Year 1995 Defense Appropriations bill. It was supported by Chairman THURMOND and Senator NUNN at that time. For the past 2 years, the program, which is managed by the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict [SOLIC] and is located at Fort Belvoir, has been supporting research and conducting tests on a wide range of demining technologies. Some of them have been put to use by our troops in Bosnia.

Unfortunately, there is no silver bullet solution to the mine problem, because there are so many variables. Mines are scattered in jungles, rivers, sandy deserts and mountainous terrain. The purpose of the Humanitarian Demining Technologies Program is to pursue any promising concept. We are not looking for high-tech solutions, although we do not rule them out. It will require a combination of technologies to locate the mines in such varied conditions. Most important, we need technologies that are appropriate for low budget operations in places where spare parts may be unavailable.

The Office of the Assistant Secretary for Special Operations and Low Intensity Conflict is the appropriate overseer of this program. Unlike the Army, which does not have a demining mission, SOLIC also manages the Humanitarian Demining Program which sends U.S. military personnel overseas to train foreign personnel in landmine clearance. SOLIC has been a proponent of efforts to rid the world of mines, and has done a good job of managing the demining technologies program so far. My amendment assures that it will continue to do so.

Mr. President, the United States cannot solve this problem by itself. It is going to require the involvement and resources of the international community. But we have capabilities that other nations do not, and there is intense interest in the private sector to develop better demining technology. Every week, my office receives inquiries from representatives of private industry who have ideas about how to do this. Some are impractical, others are promising. This program aims to separate the wheat from the chaff, and I am confident that this relatively small investment in funds will reap real rewards for our troops and millions of innocent civilians.

I thank Chairman THURMOND and Senator NUNN for their support, and the Defense Department for its support and recognition of the need to intensify and expand this program. I ask unanimous consent that a Department of Defense position paper expressing support for my amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POTENTIAL AMENDMENT TO S. 1745—SASC VERSION OF THE FY97 DEFENSE AUTHORIZATION BILL

Amendment Number:

Service Affected: OSD, Army.

Statement of Amendment: The amendment would make available $18 million for research, redevelopment, test and evaluation activities relating to humanitarian demining technologies to be administered by the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict.

Effect of Amendment: This amendment would increase the funding level of the humanitarian research and development program, and in truth, accelerate the development and testing of additional systems and equipment to determine with reliability the presence of minefields, detect mines and discriminate between mines and other objects, and facilitate volume clearance of mines with increased safety and reliability. The amendment would also allow new states that explore solutions in higher technology areas that are unaffordable at budgeted levels.

DoD Position: Support:

On May 16, 1996, the President announced an initiative to "significantly expand" DoD's humanitarian demining program.

The additional funds will accelerate the development and the availability of highly effective systems equipment for Humanitarian demining.

This amendment will allow the Department to implement a robust research, development, test, and evaluation program for humanitarian demining.

Mr. LEAHY. Mr. President, I also ask that the RECORD reflect that Senator BOXER is a cosponsor of my amendment.

Mr. NUNN. Mr. President, I understand this amendment has been cleared on the other side of the aisle. The purpose of this amendment is to increase the funding for RDT&E related to humanitarian demining technologies to $18 million from the requested and authorized $7.746 million and provide for it to be administered by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

I understand this amendment has been cleared. I urge its adoption.

Mrs. HUTCHISON. It has been cleared. I urge adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4322) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. HUTCHISON. Mr. President, I believe that is the end of the cleared amendments. We have made, I think, significant progress, and I just hope that we can continue to make progress on this bill so that we will be able to finish it in the next 2 days.

Mr. NUNN. I share that sentiment.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 4090

Mr. LAUTENBERG. Mr. President, I want to take a few minutes to discuss an amendment that is pending, as I understand it, and has been reviewed in some conversations on the floor. I want to make sure the record is clear, because I think in the process of comments, I have been accused of holding up an amendment. I want to make sure that everyone clearly understands my position.

I support the amendment offered by the distinguished Senator from Virginia which would help address the problem of the stalking of military personnel and their families. Although limited in scope, this amendment builds on the stalking legislation in the Violence Against Women Act, enacted as part of the 1994 Anticrime Act, which I strongly supported.

That act represented an important national commitment to eliminate domestic violence, a plague that undermines the security, health, and future of millions of American women and their families.

Currently, all 50 States have stalking laws on the books, and these are primary legal tools for addressing the problem of stalking, but the Federal statute also is important in addressing certain types of interstate stalking. Yet, the current Federal statute is drawn narrowly and applies only to a spouse or someone who can be described as an intimate partner.

This amendment would expand the statute to include anyone, including a stranger, who travels across State lines with the intent to injure or harass or coerce or verbally abuse any member of the Armed Forces or their immediate family.

I think it makes sense to include strangers in the scope of the Federal statute, Mr. President, because not all stalkers are related to their victims, and anyone victimized by this crime deserves protection, no matter who is doing the stalking.

I also think it should not matter who is being stalked, so I support covering all stalking victims, not just those who are in the Armed Forces.

Still, Mr. President, I support this amendment as a limited, but positive, step forward, even though I would like it to go further.

Some of my colleagues may wonder why we are considering an amendment on stalking on a Defense Department authorization bill. In fact, the House of Representatives has already approved a bill similar to this amendment, but that applies to all stalking victims, not just military personnel. That bill is ready for floor action here in the Senate.

I have written to the majority leader to urge that the legislation be taken up as soon as possible. I also indicated in my letter that I would like an opportunity to amend the bill in order to strengthen the protections that it fundamentally is recommending.

My amendment is very simple. It would prohibit any person who has been convicted of domestic violence from possessing a firearm. The amendment says, pretty simply, that those who beat their wives, who abuse their children ought not to have a gun, period. That is the way I see it.

Mr. President, in my view, that would greatly strengthen the antistalking law, and it is a logical complement to it. I have been hoping that both my proposal and the antistalking proposal could be enacted together.

Mr. President, we have heard about the appropriateness of my amendment on this and why it should not be. Mr. President, I would ask why an antistalking amendment of this general nature belongs on a defense bill anyway. I can understand it and would support it because I think whatever we do to protect the health and well-being of our citizens ought to be considered top priority and injected wherever it can be.

So, Mr. President, the thing that I find confusing is, why is it OK to protect people from stalking but not to protect those abused wives and children from a man, husband, or intimate who flies into a rage, rage enough to beat up a woman, beat up a child, and say, "Well, perhaps that wouldn't be acceptable here." Let us find out. Let us find out. Let us have a vote instead of these kinds of personal accusations, "He's holding it up."

Senator LAUTENBERG is not holding up this legislation. I want the record to be perfectly clear. Those accusations do nothing to further the cause of protection of women and their families.

Let us face it, the majority has declined to give me an opportunity to have this amendment heard. Why? Is it because people on that side of the aisle, maybe even some on this side, are afraid to say no, that someone ought to have a gun even though they are a wife beater and can fly into a rage at any time, rage enough to beat up a woman. You see scars and abuse, physically, on women constantly.

Courts have an inclination, we unfortunately find, to dismiss charges against wife beaters, saying, "Well, he's really not a criminal. You know, he just lost his temper." As a matter of fact, in Baltimore, not far from here, a man who murdered his wife was sentenced to weekends in jail and not a long time on probation. Why? Because the judge said, "How can you give a noncriminal a criminal conviction?"

So, Mr. President, what we are looking at here is process, not protection. In my view, this antistalking legislation is important, and so is the "no guns for wife beaters and child abusers." It ought to be enacted together.

The junior Senator from Texas has been opposed to that. As a matter of fact, in conversations that we have had, she suggested, well, it will not pass. Let us find out. You know what I would like to do? I would like to have the public find out. I would like them to see who is going to vote to continue gun possession by wife beaters, by child abusers. That is what I want the public to see. But the junior Senator from Texas said, no, we will keep that little secret among us. We do not want that on this bill.

It is time to fish or cut bait, I think, Mr. President. The concern is, it is too controversial, apparently, to take guns out of the hands of wife beaters and child abusers. That concept is just too controversial.

It is hard for me to believe that many of my colleagues, even those who generally oppose gun control, really believe that wife beaters and child abusers should have guns. At least until now no Senator—no Senator—has been willing to stand on the floor and explain to me why they disagree with my proposal. I would like to hear the Senator from Texas explain why it is a bad idea besides, "It's a process, and perhaps we'll never get it through." Let us find out. Are we interested in politics, or are we interested in protection?

Mr. President, my amendment does not propose broad controls on firearms. At its heart it is a proposal to reduce domestic violence. That is why it is so strongly supported by people like the National Coalition Against Domestic Violence, the National Network to End Domestic Violence, and many others who are concerned about the problem of domestic violence.

So, Mr. President, I continue to hope that we can enact both the broad antistalking proposal and my legislation to keep guns away from wife beaters and child abusers. I hope that the majority will permit the full Senate to take up these proposals without delay.

With that, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mrs. HUTCHISON. Mr. President, I am, I have to say, disappointed that the Senator from New Jersey did not come to the floor to say that he would take his hold off the antistalking bill that he made a great statement of support for. I had hoped that he would come and do that, because when he first put his hold on the bill, I thought that perhaps we could work something out so that he would be able to have his gun amendment on some piece of legislation.

In fact, his amendment has not been cleared through the Judiciary Committee and has not gone through the process. I hope that it will be able to be heard in the Judiciary and be able to have its day in court.

But he is mixing apples and oranges when he says that he wants the bill to go through with his amendment on it. That is not the option we have before us. The Senator from New Jersey well knows that it is not that his amendment will not pass. I do not know if it will pass or it will not. It is that his amendment will keep my bill to protect women and children who are victims of harassment and threats, who are victims of people who cross interstate boundaries, my bill will not be brought up. That is the effect of his hold on my bill.

I would love to see Senator LAUTENBERG go to the Judiciary Committee, comply with the rules that everyone else complies with, and let the Judiciary Committee take his amendment, do with it as it will. But for him to say that he requires that his amendment be taken up with this bill, which has been cleared by 99 Members of the Senate, I think is a smokescreen.

I hope that Senator LAUTENBERG, who professes to agree with the merits of this bill, will in fact let this bill go before this week is out. This bill has been pending for a month. He knows it will not be brought up with an amendment. So why not provide the protections that are going to be provided in this Armed Services authorization bill for people in the military and on military bases for every other woman and child that might be a victim of this kind of harassment around the country?

I implore the Senator from New Jersey to lift his hold on this bill, to go through the Judiciary Committee, as this bill already has, and join with every Member of the House of Representatives and every Member of the U.S. Senate and send this bill to the President.

We have every reason to believe that the President will sign this bill, and he would do it quickly. We would provide those protections immediately for the women and children who have known the threats and the harassment and the terror that not only has been perpetrated on people around this country, but, in fact, the sad thing is, Mr. President, because we do not have all of the tools to prevent this harassment, the threats have in some cases been realized. In fact, women have been murdered in this country by people who have been threatening for months, but we did not have the ability to stop the threat because we did not have the laws on the books that recognized that this could, in fact, lead up to an actual crime. Now we have the ability to do something about this, and Senator LAUTENBERG is holding that bill up. He is holding it hostage for another amendment.

We do not have to argue the merits of his amendment. All we have to argue is whether he will allow my bill to come to the floor, my bill which has been cleared by every other Member of the Senate and the House. Senator FEINSTEIN had an amendment that she wanted to add to this bill, and I asked her if she would allow her amendment to go on another bill and let this bill go. She was a wonderful person. She said, "Of course I will," because she understands that getting this amount of help for the women and children who are victims of harassment and threats in this country is a worthy goal, and she sees it could be realized. She did step back on her amendment.

Senator GRAMM asked if he could put on a very good amendment that would require a registration and notification capability for a person that would move into a neighborhood that had a record of conviction for harassment or even actual sexual crimes against a child. He asked that amendment be put on. It is a great amendment. It is an amendment I am a cosponsor of. He agreed to step aside, because this was a unanimous agreement that we could come to and he did not want to hold up the progress of the bill.

Senator GRAMM and Senator FEINSTEIN both asked for amendments that were good amendments, amendments I support, to be put on this bill, but because it would have to go back to the House, they agreed not to put their amendments on this bill so it could go directly to the President. I hope Senator LAUTENBERG will hear my plea and the plea of Joy Silverman, who was here, who is a victim herself, and others around the country who might be protected if Senator LAUTENBERG would lift this hold. I urge Senator LAUTENBERG to do that. I ask unanimous consent that he be allowed to be named a cosponsor of my bill. I would love for him to be a part of this effort.

Mr. President, Senator LAUTENBERG still has the opportunity to lift his hold and do what is right on this bill, just as Senator FEINSTEIN and Senator GRAMM have done. I hope he will see his way clear to do that before tomorrow so the President can sign this bill and it will not have to go back to the House and we will have more protection on the books for women and children in this country who are victims today of threats and harassment that could be realized if we do not give them the tools to protect themselves.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KYL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent to vitiate the yeas and nays on the Warner-Hutchison second-degree antistalking amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I urge adoption of the antistalking amendment and the underlying Kempthorne amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4090.

The amendment (No. 4090) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 4089

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4089, as amended.

The amendment (No. 4089), as amended, was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. HUTCHISON. Mr. President, I thank the Senator from South Carolina and the Senator from Georgia for clearing this amendment. I want to particularly thank Senator WARNER and Senator KEMPTHORNE. When I was not able to get the full stalking bill through that would protect every woman and child in America from interstate stalking, it was Senator WARNER who came forward and said, "Well, let us make sure that our military personnel have this, and we will take the next part of this up another day."

So I am very thankful to Senator WARNER and Senator KEMPTHORNE for their great leadership in providing the stalking protection for the women and children in the armed services and everyone who is on a military base. This is a great step forward. I applaud them in their leadership, and I hope this encourages Mr. LAUTENBERG to help us do the full job.

I thank the Chair and yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4266

(Purpose: To limit the total amount authorized to be appropriated by the bill to the amount requested by the President and to apply the excess to budget reduction)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself and Mr. HARKIN, proposes an amendment numbered 4266.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 3, insert the following:

SEC. 4. GENERAL LIMITATION.

(a) LIMITATION.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated by this Act may not exceed the amount requested by the President for fiscal year 1997 for the national security activities of the Department of Defense and the Department of Energy in the budget submitted to Congress by the President for that fiscal year under section 1105 of title 31, United States Code.

(b) ALLOCATION OF REDUCTIONS.—The Secretary of Defense shall allocate reductions in authorizations of appropriations that are necessary as a result of the application of the limitation set forth in subsection (a) so as not to jeopardize the military readiness of the Armed Forces or the quality of life of Armed Forces personnel.

(c) EXCESS AUTHORIZATIONS TO BE USED FOR DEFICIT REDUCTION.—The reduction under subsection (a) of the total amount that, except for that subsection, would otherwise be authorized to be appropriated for fiscal year 1997 by this Act shall be applied to reduce the budget deficit for fiscal year 1997.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on this amendment be limited to 1 hour equally divided in the usual form, that no amendments be in order, and that following the use or yielding back of time, the Senate proceed to vote on or in relation to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, this amendment we are now debating, which I propose with Senator HARKIN from Iowa, is an amendment to the 1997 defense authorization bill to eliminate the nearly $13 billion in extra military spending that the Armed Services Committee has authorized above what was requested by the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff, and to use the funds to reduce the deficit.

The total funding authorized, $267.4 billion, is well above what the President had requested. It is also about $1.7 billion above the Republican budget resolution that was passed earlier, a month or two ago.

Mr. President, let me repeat that. The total funding authorized, $267.4 billion, is well above the President's request. It is also $1.7 billion above the Republican budget resolution passed earlier, a month or two ago.

At the request of the Republican leadership, the committee has authorized $12.9 billion more than was requested. That is right. The majority wants to spend $12.9 billion more than the Pentagon has requested, or than they have indicated they will be able to responsibly use next year.

So we have a proposal here that calls for almost $13 billion more than the Pentagon actually wants. About $4.6 billion of that figure was not included in the Pentagon's 5-year plan, and much of that was not even on the so-called wish lists that were solicited by the congressional defense committees. The Pentagon has said clearly that they do not need these funds now. The projects are not in their 5-year plan, and they are not even on their wish list.

My amendment seeks to redirect these billions in wasteful and unnecessary Pentagon spending, and instead put all of the money into deficit reduction.

Mr. President, about a year ago, the Pentagon's own spending watchdog, its comptroller general, John Hamre, conceded that the Department of Defense could not account for about $13 billion in spending. It has just been lost in an ocean of paperwork at the Pentagon and likely will not be sorted out. In fact, the comptroller has all but given up on trying to find out what happened to most of the money, arguing that it would be more expensive than it would be worth to account for these funds.

They cannot even find out what has happened to about $13 billion in the Pentagon's budget. Coincidentally, the bill provides about $13 billion more than was requested by the Pentagon.

Mr. President, while I appreciate the symmetry here, it is particularly outrageous that the Armed Services Committee has proposed these hefty increases at the same time that the Defense Department is being called to task for not being able to account for billions of dollars in its own spending. Waste, possible fraud in Pentagon spending, and certainly egregious abuses of basic accounting rules. These are serious problems. But no one seems to be doing very much about them. Indeed, instead of vigorously overseeing spending in this budget, we are trying to foist off on the Pentagon an extra $13 billion in military hardware and other spending that they have not requested. We should instead use this money for deficit reduction.

If we pass this bill without my amendment, my Minnesota constituents will continue to pay their taxes to bolster the Treasury of bloated defense contractors, who are building ships and planes and weapon systems that we do not need, cannot use, and that will not make our Nation any more secure.

Mr. President, so there is no mistake, let me repeat that for those who are listening.

We are considering today a defense bill that wants to spend a full $13 billion more than the President has requested in his budget. We are doing this despite the fact that there is no sudden extraordinary threat to justify such an increase. And many of those in this body who are pressing for such a huge increase are precisely the same people who are out here on the floor day after day, week after week, month after month, howling about how we must simply get the deficit under control.

Again, the very people that want to authorize $13 billion more than the Pentagon says it needs are also the very people who are talking about how we need to reduce the deficit.

This amendment is simple. It says that we should not go forward with the additional $13 billion that the Pentagon does not want. We should put it into deficit reduction. And the cuts should be made by the Secretary in a way which protects military readiness and the quality of life of our servicemembers.

Mr. President, while some of my colleagues are talking about deficit reduction, at the same time they are larding the defense bill with billions in spending for the benefit their local shipyards, weapons contractors, or plane manufacturers.

Mr. President, we ought to be very straightforward with people in this country. Is there no sense of limits in this body when it comes to wasteful and unnecessary weapons programs? Controlling the deficit is important, and I have supported reasonable fair-minded deficit reduction proposals totaling hundreds of billions of dollars. But I cannot let this debate move forward without pointing out this contradiction.

If we are serious about deficit reduction, what do we do? Do we spend $13 billion more than the Pentagon says it needs? I don't think so. For the past couple of years we have heard from many of our Republican colleagues who have sought to look like they were reducing the Federal deficit through various proposals and schemes, most of them involving rather nonspecific formulas. Even when they have offered something specific, they tend to go after education or Medicare, or medical assistance, or programs that protect our air, our lakes, our rivers, and so on.

Mr. President, I cannot understand why it is that the very folks who want to cut Pell grants, want to cut Head Start, want to cut programs for kids that come from difficult backgrounds, want to cut environmental protection programs, want to cut into health care programs, are the very people who now want to authorize almost $13 billion in spending above and beyond what the Pentagon has requested.

I know some argue that there has been a drop in defense spending. In fact, one thing is clear: this bill provides more for defense, in dollar terms, than last year. This is in stark contrast to the fact that non-defense spending as a whole is frozen or declining substantially in many areas. And when you consider the recent re-estimates of the likely future inflation rate, it's clear that in the next few years, we can buy as much for our defense dollar as we had planned, but spend almost fifty billion less than we expected we'd have to spend last year.

I see my colleague from North Dakota on the floor. I think I would like to defer to him for a while and then come back a little bit later to conclude. But before I do, let me say clearly: This is a vote for deficit reduction, and it is a vote for priorities that people in the country are demanding from us.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 22½ minutes remaining.

Mr. WELLSTONE. I ask my colleague how much time he may need? I would like to yield to my colleague from North Dakota 10 minutes.

Mr. DORGAN. Mr. President, I shall not use the entire 10 minutes. I only observe this.

I have said previously that I admire very much the chairman, Senator THURMOND, and Senator NUNN, for the work they have done. But I am inclined to feel that we ought to accept the recommendations of the Pentagon in terms of what they choose to spend, while we might want to move some money around here and there.

It seems to me that this issue of dealing with deficits and so on is not one that is an issue in theory. The issue of deficit reduction is not an exercise in theory. It is not an exercise in changing the U.S. Constitution. It is not an exercise in idle discussion, or rumination. When you have an authorization bill coming to the floor of the Senate or when you have an appropriations bill coming to the floor of the Senate, it is an exercise in making choices. What is important? What is not? What can you afford? What can we not afford?

It seems to me that the two guiding issues ought to be on virtually everything we do—whether it is education, environment, health care, or defense—to answer two questions: Do we need this? Can we afford this? If the answer is yes on both counts then we ought to proceed.

The Senator from Minnesota asks the question with his amendment, which I intend to vote for, whether we should at this point add nearly $13 billion to the request that was made of the Congress for spending by the Pentagon. I have no objection to moving some of the funding around, if we feel that some priorities requested have a lower value than other priorities that were not requested. I have no problem with that.

But the judgment that Congress would exercise in saying we think that, even though we talk about reducing the deficit, we should add $13 billion to this authorization bill for the Department of Defense is a curious and I think questionable judgment at a time when the Department of Defense has not requested that. If the Department of Defense had come to this Congress and said here is what we need in order to adequately defend this country, and here is why we need it, and had made a compelling case in both instances, then I would support it because I think that it is a critically important step to assure that we have the necessary investments and the money available to defend this country adequately. That is not what is at issue here. The Department of Defense has said here is what we need; here is what we want. Then the Congress had said, "but we would like to authorize some $13 billion above that."

As I said, I intend to support the amendment offered by the Senator from Minnesota even though, as I have said before, I believe that Senator NUNN and Senator THURMOND do an excellent job. And I commend them for the work they do. My own preference is that—as we address these issues to the Federal deficit that on appropriations and authorization bills where we can, when we can, when it is appropriate—we try in each instance to hold down costs; not boost costs.

So I feel very strongly that this is an amendment that the Congress should look upon favorably and vote for.

Let me yield my time back to the Senator from Minnesota.

Mr. WELLSTONE. I reserve the remainder of my time.

Mr. President, I ask unanimous consent to add Senator BUMPERS as a cosponsor and the Senator from North Dakota, Senator DORGAN, as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. WELLSTONE. Mr. President, I would prefer to use my time to respond to some of the arguments that were made on the other side.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I am trying to move things forward. I know my colleague from South Carolina and my colleague from Georgia have a whole agenda of amendments. I thought I would take another 5 minutes on the amendment, and, if it is OK, I want to reserve a little bit of time to respond to the arguments that have been made on the other side.

Mr. President, I wanted to point out that if this amendment goes down, I will have another amendment that I will introduce either later on today, or tomorrow, with Senator HARKIN and others. It will say that we ought to take the $1.3 billion in this authorization that is even above the budget resolution that we passed, which is only about 10 percent of the $13 billion over what the Pentagon says it wants, or needs, and we ought to put that into restoring funding for Pell grants, low-interest Perkins loans, programs for dislocated workers, and summer jobs programs, and reform of the job training system. We ought to at least put that money into those programs. That to me is really I think the priority that people in the country are interested in. I will do that later on.

I want to make it clear that in this whole argument about whether or not this additional money is needed, I think the reason the Pentagon said we do not need this $13 billion, the reason the President said we do not need it, the reason the Chairman of the Joint Chiefs of Staff says we do not need it, is because right now we spend along with our allies about $510 billion on defense and on our interests worldwide. According to estimates prepared by respected arms control think tanks and other experts, all of our potential enemies combined spend about $140 billion. It is not as if we do not spend a considerable amount of resources for defense. It is not as if we do not need to be concerned about defense. We do. It is not as if we do not need to be concerned—God knows the news of yesterday makes us concerned—about the threat of terrorists and arms proliferation. We do. We all agree on that.

But I'm talking about eliminating waste. I have recited studies already about just some of the inefficiencies within the Pentagon, some of the waste, some of the ways in which we can cut down on expenses internally, not to mention the fact that we can give our allies a larger share of the burden, so on and so forth. There are a whole lot of ways to save money by simply scaling back waste and reassessing our spending priorities, Mr. President.

Let me quote from a New York Times editorial from the other day on defense spending. I find this editorial on the mark in its characterization of the Republican defense authorization bill.

> The not-so-hidden agenda for many Members of Congress is delivering Federal spending to their districts, and there are few better ways to do that than fattening the Pentagon budget and ordering up expensive new weapons systems. The cold war provided cover for this wasteful practice, but it is now indefensible. With vital domestic programs shrinking to bring the budget into balance, Congress should not be buying military hardware the Nation does not need.

Mr. President, we need to maintain a strong defense. We can increase burdensharing by allies. We can impose cost and accountability controls called for by the General Accounting Office. We can eliminate unnecessary weapons programs. We can reassess some of the assumptions that continue to drive continued high Pentagon spending, like the requirement that we be able to fight two major wars at once. But really this debate gets back to an even more simple point. We have in the Republican authorization bill a request for $13 billion more than the Pentagon says it needs.

I think it is just unconscionable for us to be cutting programs and educational opportunities for young people, cutting financial aid programs for higher education, cutting into health care programs that are so important for senior citizens, cutting into environmental protection programs, and say that we are for deficit reduction and then turn around and authorize $13 billion more than the Pentagon says it needs for our defense.

The New York Times editorial was right on the mark, and it is for this reason that I bring this amendment to the floor with Senator HARKIN, Senator DORGAN, and Senator BUMPERS. Senator BUMPERS, probably more than any other Senator, has been the most vigilant and the most eloquent and the most powerful in pointing out we have to be serious about deficit reduction, but we have to do it based upon a standard of fairness. If we are going to talk about administrative inefficiencies, and we are going to talk about waste, then yes, we should focus on waste wherever it is. We should, as some of my colleague has done, focus on the Departments of Energy, or of Commerce, or other agencies. And we should, and we can, hold all these agencies accountable for their own budgets. But what happens when it comes to the Pentagon budget? I can think of very few times in my adult life where the Congress has proposed spending more money than the Pentagon has asked for. I cannot think of a worse time for us to do this. Frankly, it is just downright embarrassing. We should take this $13 billion and put it into deficit reduction.

I withhold the remainder of my time to respond to arguments on the other side.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. Is there objection to the unanimous consent request that time in the quorum call be equally divided?

Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I yield myself such time as may be required.

The PRESIDING OFFICER. The Senator is recognized.

Mr. THURMOND, Mr. President, I rise today to oppose the amendment offered by Senators EXON, BINGAMAN, and KOHL. Both the Committee on the Budget and the Committee on Armed Services determined there is a sound and compelling need to set the level of funding for defense at the budget resolution level. The amendment, as proposed, reduced defense to the President's level. The Committee on Armed Services has received compelling testimony from the Secretary of Defense, the Chairman and Vice Chairman of the Joint Chiefs of Staff, the Chiefs of the military services, and the secretaries of the military departments that the procurement accounts are dangerously underfunded.

Defense spending, as measured by outlays, continues to decline. From fiscal year 1990 to fiscal year 2002, defense spending declines by 34 percent. However, the same is not true for nondefense or mandatory spending programs. Nondefense discretionary programs do not decline, but in fact increase by 8.5 percent over the same period. Mandatory programs increase at an even greater rate. It is not clear to me why defense is the only part of the Government that should take such reductions.

In reality, the Department of Defense continues to get smaller. From fiscal year 1993 through fiscal year 1997, civilian personnel will have been reduced 18 percent. However, nondefense Government civilian personnel will have been reduced just 5 percent. Furthermore, these figures do not take into account the reduction in active duty end strengths of 688,000 active duty service members in the last 10 years.

Mr. President, I continue to hear concerns that the funds added to programs in our bill were not requested by the administration, and, therefore, should not be added. Let me make clear that we do not agree with the President's budget request nor his Future Years' Defense Plan. We believe both are inadequate. If we agreed with them, we would not be proposing to add funds above the request. It should, therefore, not be surprising that we would propose to buy things that are not in the President's budget or Future Years' Defense Plan.

The facts are that the administration's defense budget request barely covers the costs for current operations and does not budget adequately for modernizing the force. The defense budget requires our men and women in uniform to perform their duties without the resources they need. I believe this is wrong.

Deputy Secretary White told the members of the committee that the outyear tail associated with this bill is $20 billion. Last week I inserted the Congressional Budget Office's cost estimate of the defense authorization bill into the RECORD. Their estimate clearly shows there is no outyear tail associated with this bill. We have determined that this claim has no basis in fact and is not supported by any sensible analysis. It just does not make common sense.

Some critics have grown fond of saying the committee added funds that the senior military leadership neither wants nor needs. The record of testimony shows that this criticism is unfounded. The Chairman of the Joint Chiefs of Staff, General Shaikashvili, testified:

> I am very concerned that our procurement accounts are not where I think they ought to be * * * [We] must commit ourselves to a sufficient procurement goal, a goal I judge to be approximately $60 billion annually.

However, this year's procurement request was for $39 billion. Far less than what General Shalikashvili considers necessary. The former Vice Chairman of the Joint Chiefs of Staff, Admiral Owens testified:

> I want to talk . . . about procurement because I believe it is the crisis in the defense budget today.

The Chief of Staff, Army, General Dennis Reimer testified that:

> The issue still is that we are underfunded in modernization.

The Chief of Staff, Air Force, General Fogelman testified that:

> I [have watched] the Air Force procurement accounts decrease by some 60 percent . . . we are living off the procurement of the past. It has to stop.

Mr. President, we have been down this road before, but it seems that some of my colleagues have forgotten where it leads. Those who oppose a strong defense often attempt to justify their position by reminding us that the cold war is over. They conclude that defense spending should be lower because we do not face an obvious danger from a threat like the Soviet Union. They make a simple argument. This argument is appealing because it provides an easy solution to our funding problems—but the argument is wrong and dangerous.

It is true, our Nation no longer faces a cold war danger from the Soviet Union, but the world is still a dangerous place. The belief that continual reductions to defense are in order is not only flawed, but it also ignores reality and the requirement for both present and the future force readiness. We ask our men and women in the services to respond to crises all over the world. At the same time, the administration seeks to continue to reduce defense spending. This is not right. Right now, we have United States troops on duty in Bosnia, in the skies over Iraq, and on ships at sea near any actual or potential trouble spot in the world.

The Chief of Staff of the Army, General Reimer, testified that,

> Requirements have risen 300% . . . Excessive time away from home is often cited by quality professionals as the reason for their decision to leave the military. It is common to find soldiers that have been away from home . . . for 140, 160 or 190 days of this past year.

The Secretary of the Air Force, Dr. Widnall, testified that,

> Since Desert Storm, we have averaged three to four times the level of overseas deployment as we did during the Cold War.

The administration itself has been telling Congress, year after year, that it must increase defense spending. Congress has agreed, but the administration has consistently failed to honor its own pledges.

The defense budget requests have continued to decline. The Department of Defense has already been reduced significantly in size and funding, but some continue to seek more reductions.

Mr. President, do we have to learn the same painful lesson over and over? As General Reimer testified,

> . . . a lack of modern equipment will cost the lives of brave soldiers.

I do not know when we will have to commit our Armed Forces. No one knows where the next conflict will occur, but I agree with the testimony of General Reimer who stated:

> We will sometime place soldiers in harm's way, on short notice and ask them to defeat a determined and dangerous foe. When that happens, we should be satisfied that we have done our best to prepare them for the task at hand.

Mr. President, I believe that is our solemn obligation, and I sincerely hope we will heed the hard lessons we have already learned. I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, let me just say to my colleague from South Carolina that part of this authorization is, in fact, even above the majority party's budget resolution. Again, I point out to my colleagues that if this amendment fails, I will have another later on, with Senator HARKIN and a good many other Senators, I believe—I hope Democrats and Republicans alike—which will take that $1.3 billion above even the budget resolution that the majority party passed and say that ought to go, not to the Pentagon, that ought to go into restoring the funding for Pell grants and low interest loans for higher education up to the President's request.

The second point is, with all due respect to some of my colleagues who have a different point of view, I do not think people should be fooled about what is going on here. Yesterday we voted for an amendment, introduced by Senator LIEBERMAN—I bet it was unanimous, or virtually so, I am not sure—which said, "Let us take a look at our force structure and let us look at the whole question of modernization of weapons. Let us do a very thorough study and see where we need to go."

Why in the world, after the U.S. Senate agrees to that unanimously, are some of my colleagues in such a hurry with all of these add-ons for these weapons systems which represent projects back home? This is pork, that is what this is. Let us be crystal clear about it. This is pork. Much of these are special add-on projects, or acceleration of spending for weapons systems which may or may not even be necessary. The Pentagon said it did not need this spending now. And yet we press it on them anyway.

Again, it seems to me that, given the position that the Defense Department has taken, given the position the President has taken, given our concern about deficit reduction, what are we doing spending almost $13 billion on these sort of special pet projects that go into different States that represent, essentially, pork, much of which or some of which are just add-on projects? Yesterday we said we ought to do a thorough force modernization study. What is the hurry to spend the additional $13 billion? Are some worried that an independent panel might urge a major reassessment of al this spending?

I actually could just go over some of these different projects. But there are so many of them it would probably take me more than the little time I have left. Instead, I will simply urge my colleagues: Let us not be in such a hurry to add on $13 billion for pork projects for our States for military weapons contracts and programs that we do not need. Let us not spend $13 billion more than the Pentagon asked for, than the President asked for, than our military leadership asked for, not when we say we are serious about deficit reduction.

Mr. President, let me also make it crystal clear that I think part of what is going on here is a definition of defense. I thought it was in our national defense to invest in education.

I think education is a defense against prejudice. I think education is a defense against ignorance. I think education is a defense against hopelessness. I think education is a defense against poverty. I think education is a defense against despair and bitterness and anger and cynicism.

We have a majority party—not everyone but unfortunately the vast majority of the majority party—wants to cut education programs. They say they are for deficit reduction and now want to authorize $13 billion more than the Pentagon says it needs.

This is a vote for deficit reduction. This is a vote that says, take almost $13 billion and put it into deficit reduction; do not authorize $13 billion of spending more than the Pentagon says it needs for our national defense. This is a reasonable proposition, and I hope it will receive strong support.

Mr. President, I reserve the remainder of my time.

While waiting, I ask unanimous consent to add on Senator FEINGOLD as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, if there will be no more response, it is fine to go to a vote. I do not know what my colleague would like to do. I will defer to the Senator from South Carolina.

Mr. THURMOND. Mr. President, we have several amendments we are going to take up. I suggest we complete debate on this amendment and set it aside and stack the votes, if that is agreeable with the Senator.

Mr. WELLSTONE. I say to my colleague from South Carolina, it certainly is agreeable. I yield back the remainder of my time.

Mr. THURMOND. I believe Senator NUNN wants to speak against this amendment, so I suggest the absence of a quorum, Mr. President, and ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I now yield the able Senator from Georgia such time as he may require.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, please notify me in 6 minutes so I know how much time I consume.

I rise in opposition to the Wellstone amendment which reduces defense funding authorized in this bill by $13 billion. For several years I have been expressing my concern that the actual and projected declining defense budgets are not sufficient from force standpoints, one, to maintain the current readiness of our military forces, two, to provide the standard of living that military personnel and their families expect and deserve, three, supporting the force structure necessary to carry out the full range of missions that we expect our military forces to be able to perform, and, fourth, to provide for the modernization that is the key to the future capability and future readiness of these forces.

Mr. President, modernization is our greatest deficiency. We are in effect living off of the capital of our previous investment in terms of the modernization account. Mr. President, while we all recognize you can live off your previous investments for awhile, you cannot do it forever. We cannot do it in our personal lives; and we cannot do it in our Government; and it certainly cannot be done in our defense budget.

National defense is a continuing obligation of our Government under the Constitution, and the tools we need to do the job simply do not last forever. They have to be replaced. They have to be updated. They have to be modernized. We have to invest in new capital. In this age of rapidly declining technology, our previous investments can become obsolete even before they wear out physically.

The men and women in the military continue to perform superbly every time they are called on. And we are calling on them all the time all over the world. We owe it to them to give them the support they need to do their job. We also have to ensure that the men and women who will be called on in 5 years, 10 years, or 20 years, will have the same advantages vis-a-vis our potential opponents that our military forces have today, including our technological superiority. I do not think we can expect our men and women who volunteer to defend our country to do so with obsolete technology.

During the long defense drawdown, I think military services have done a remarkable job reducing our force in a way that was fair as far as possible to the men and women in uniform as well as the civilian employees of the Department of Defense and the defense industry.

We have gone to great lengths with special incentives to ensure we did not break the force in terms of morale during the drawdown. With some limited exceptions, we have also kept the readiness high while accomplishing this drawdown. Readiness overall is in good shape today. But the problem is, we have been borrowing from the future to accomplish these other desirable goals: Protecting readiness, reducing the force structure gradually enough to keep the quality up, giving generous early retirement benefits to make sure that we treat our forces fairly, and keeping the turmoil in the force drawdown to a manageable level.

I believe the defense spending levels included in the fiscal year 1997 budget resolution are about right. We do know we are going to need to bring our level down by a little over $1.7 billion to get it in compliance with the budget resolution. It is my view that we should do that on the floor. And we should make it clear, before it goes to conference, that we are in full compliance with the budget resolution. The bill is now slightly over. I believe we will have to cut about $1.7 billion from this bill now before us in order to get it in compliance with the budget resolution, which is the guideline that this committee is bound to live by.

While the 1997 defense topline is an increase from the President's budget, it still is below last year's budget level in defense in real dollar terms. So when people talk about the increase in the defense budget in the budget resolution and in this bill, they are really talking about an increase relative to the President's budget, they are not talking about an increase compared to last year. I hope people understand that. Defense, even if the Wellstone amendment is defeated, will still be coming down in real dollar terms. I hope we will start moving towards stabilizing the defense budget by the end of this decade even though it will be at a much lower level than we had at the start of the decade.

While I believe that the funding levels requested for readiness, military pay raises, and quality of life initiatives in the President's budget are about right, I think there are clearly insufficient funds going into modernizing our force. Modernization, for the most part, is delayed into the outyears under the current future years defense program. We all know from experience how illusory these projections become 4 years or 5 years down the road.

The fiscal squeeze on the budget is already intense. As we seek to balance the budget, we should not make it worse by trying to enact tax cuts at the same time, which is what the overall budget resolution calls for. I do not agree with that. I think that is not the right way to go, but this is not the time for that debate. I hope, in the final analysis, we will understand that if we really want a balanced budget, we need to go ahead and get that job done and declare the dividend later, rather than declaring a dividend and having a celebration with a tax cut before we have even gotten the job done and before the U.S. Treasury is in decent shape. Anyway, that is another story.

While outyear projections show funds for defense modernization increasing, I have great concern on that score because I do not think that is in the cards in light of the effort to get the budget balanced in 2002, a goal that I completely agree with. I think we need to remember, first of all, the funding differences between the administration and the budget before us are not that great. The budget resolution is 1 percent higher over the next 6 years.

The PRESIDING OFFICER. The Senator has consumed 6 minutes.

Mr. NUNN. If the Senator will give me 2 or 3 more minutes.

Mr. THURMOND. I yield the Senator such time as he may require.

Mr. NUNN. I thank the Senator.

Mr. President, we need to understand that while the defense spending levels in the budget resolution are higher than the President's budget this year, they are actually lower than the Clinton administration's defense plan in terms of budget authority starting in the year 2001. In other words, the administration is lower than the Congress this year, but higher in the outyears.

I think the administration's outyear defense plan for 2001 and 2002 is about what we are going to need in terms of the defense budget, but I think the budget resolution is probably more realistic in terms of what we can afford for defense if we really are going to drive for a balanced budget in 2002.

However, I feel that both the President's balanced budget plan and the Republican budget resolution, which is also aimed at balancing the budget, both of them assume unrealistic cuts in the outyears in overall discretionary spending, which includes defense, but is not limited to defense. That is betting on the future, and I think is an illusion. We are not going to make those size cuts in the outyears. That means under neither the budget resolution, nor the administration's proposal, are we likely to make the kind of cuts required to get the budget balanced in 2002.

That is why I supported the Chafee-Breaux alternative, which in my view, represented a much more realistic picture of what is achievable, sustainable and sensible in terms of both defense and nondefense spending.

In my view, Mr. President, we need to increase the defense topline now, to restore the balance to our defense program. We also need to extend the firewalls that the Senator from New Mexico has reinstated for fiscal years 1996, 1997, and 1998 in the budget resolution to protect any defense increases we are able to achieve and to provide some stability in the defense budget.

Firewalls do not mean the defense budget cannot be cut. It can be. It does mean it will not be shifted to other nondefense purposes.

We have been reducing the defense budget for a long time. The current builddown started during President Reagan's second term, significantly before the fall of the Berlin Wall. It continued and was accelerated through the Bush administration and the Clinton administration. However, Mr. President, the time has come to stabilize the defense budget as much as possible. The defense budget has already made a major contribution to deficit reduction, more so than any other part of the budget.

I am often intrigued by the arguments made about how many Federal employees we have cut out in the last several years. Mr. President, if you look at the numbers—I do not have the exact numbers in my mind—something like 70 percent of all the Federal employees that have been cut from the payroll have been cut from the Department of Defense. Defense is doing its part, has done its part. We need to begin to level it off. Even if we defeat this amendment, there would still be a decrease in the defense budget in real-dollar terms from last year.

Mr. President, modernization funding should be increased. The future readiness and future capability of the Defense Department requires modernization and it requires research and development. Those are the programs that have been cut most deeply during the defense drawdown.

The pressure to achieve and maintain a balanced budget will make it very difficult to increase the defense budget above current levels—yet current levels are still artificially low as we work back towards a normal level of procurement and a normal level of infrastructure investment.

Because we were reducing the size of the force and were able to keep the most modern equipment as we downsized, a temporary decline in procurement was appropriate. But we are now reaching the point where we have to get our modernization budget back up to a long-term level that will sustain our forces for the future. We have to start increasing the procurement budget to prevent the average age of our weapons technology from reaching unacceptable levels. At the same time, because the personnel drawdown is nearly complete, we are not going to be able to continue to reduce that part of our defense budget. It is unrealistic to expect this long period of declining defense budgets to continue.

Similarly, during the BRAC era we underinvested in facilities modernization because nobody wanted to waste money modernizing facilities we might be about to shut down. But now that we have made those decisions and the BRAC process is over we are going to have to put more money in modernizing and maintaining the facilities we have left.

So our children will be to have a budget that is slightly larger than the ones now planned. If we are going to balance the budget, it is unrealistic to plan for more than a slight increase. The budget resolution only increases the defense budget by about 1 percent over the levels in the administration's request—in order to have adequate funds for capital investments in weapons and facilities.

This is why I oppose amendments which would reduce the defense topline number below the levels agreed to in the budget resolution. The funds added to the administration request by the committee have gone almost entirely to modernization—in other words, they have been invested in the future. I think my colleagues will find that the funds the Armed Services Committee added to the modernization accounts have gone mostly, not completely, to programs the service chiefs have requested, and most of these were programs the administration was already planning to do.

So, I urge my colleagues to vote "no" on the Wellstone amendment.

Mr. WELLSTONE. Mr. President, I ask the Senator from South Carolina if I can reclaim my 3 minutes for a brief response to the Senator from Georgia.

Mr. THURMOND. Mr. President, I have no objection.

Mr. WELLSTONE. I want to make sure I understand. You do intend to propose an amendment to bring the authorization down to the budget resolution, the $1.7 billion, is that correct?

Mr. THURMOND. Yes, we do.

Mr. WELLSTONE. I ask the Senator from Georgia, did I hear correctly that you intend to propose an amendment to bring the authorization down to $1.7 billion, down to the budget resolution?

Mr. NUNN. Yes, that is my belief of what we should do. I am not absolutely certain that will be done yet. I hope that would be done.

Mr. WELLSTONE. If you do that, please include me as a cosponsor.

Mr. NUNN. I say to the Senator, is he assuming his amendment may not pass. If it is adopted, I will not be proposing that $1.7 billion.

Mr. WELLSTONE. I think it will be very close, but it may not pass.

Mr. NUNN. I will include the Senator on that if we are so fortunate as to defeat the Wellstone amendment.

Mr. WELLSTONE. I thank the Senator.

I point out to the Senator from Georgia the wording of the amendment is important, because I listened to what he said about readiness and quality of life.

On the allocation of reductions, the amendment reads, "The Secretary of Defense shall allocate reductions in authorizations of appropriations that are necessary as the result of the application of the limitation set forth in subsection (a) so as to not jeopardize the military readiness of the Armed Forces or the quality of life of Armed Forces personnel," my assumption being that clearly the Pentagon and Defense Department in their budget request have already taken this into account.

I wanted to be clear about the wording of this.

Mr. NUNN. I understand. I know what the Senator was doing. I will respond briefly.

There is the problem, though, that the reduction here will have to come out of modernization. This is a procurement account, which is already where the problem is.

Mr. WELLSTONE. Finally, Mr. President, in response to that, I was pointing out before the Senator came to the floor, we voted 100 to 0 for what I think is an important study of force structure and modernization yesterday, but my concern is that what we have here is an acceleration of weapons programs that may not be necessary, may be obsolete, and we ought to go forward with that study.

I finish up quoting from Senator MCCAIN's view on the Armed Services Committee. His comments:

> Again, I believe this is overall a very good defense bill, and I voted in favor of reporting the bill to the Senate. However, I feel that the additional $13 billion included in this bill may not survive the congressional budget review process this year. In the event that this bill must be reduced by $3 billion or $4 billion or more, I hope my colleagues will look carefully at these pork-barrel add-ons. We must protect the high-priority military programs which contribute to the future readiness of our Armed Forces. If this bill must be reduced, we should cut out the pork first.

That is what this amendment is about. I really believe in cutting out this pork and doing the deficit reduction, going after the $13 billion above and beyond what the Pentagon requested, the President requested, the military leadership requested.

I yield back the rest of my time.

UNANIMOUS-CONSENT REQUEST— H.R. 3525

Mr. THURMOND. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of Calendar No. 453, H.R. 3525, relating to damage to religious property, and that time on the bill be limited to the following: Senator LOTT, 10 minutes; Senator DASCHLE, 10 minutes; Senator FAIRCLOTH, 10 minutes; Senator KENNEDY, 10 minutes. Further, that the bill be limited to one amendment to be offered by Senators FAIRCLOTH, KENNEDY and HATCH. Further, no other amendments be in order, and that immediately following the disposition of that amendment and the expiration or yielding back of the time, the bill be read a third time and the Senate then immediately proceed to a vote on passage of H.R. 3525 as amended, if amended.

Mr. EXON. Mr. President, I rise to raise an objection. I was sorry I was not able to hear fully what the unanimous consent agreement was by the Senator from South Carolina. As the Senator from South Carolina and the Senator from Georgia know, I have been trying to work through several things that are pending to move this bill along. I think it is important that we finish the defense authorization bill. I say that as a member of the committee.

Would the Senator from South Carolina please restate, basically, to this Senator what his unanimous consent request was. I may not object, but I was not able to ascertain what the thrust of the unanimous consent request was.

Mr. THURMOND. I have another unanimous consent, if that might please the Senator.

I also ask unanimous consent upon the expiration or yielding back of time on the WELLSTONE amendment, that amendment be temporarily set aside to consider a Thurmond-Nunn amendment regarding the authorized funding levels in the bill, with no second-degree amendments in order, so that the amendment following the debate on the Thurmond-Nunn amendment, S. 1745, be temporarily set aside and the Senate return to consideration of the church burning bill under the provisions of the unanimous consent agreement.

Mr. EXON. I object.

The PRESIDING OFFICER (Mr. THOMAS). The objection is heard.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4266

Mr. EXON. Mr. President, I ask unanimous consent that the WELLSTONE amendment be temporarily set aside for the purpose of this Senator offering an amendment.

Mr. THURMOND. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Nebraska still has the floor.

Mr. EXON. Mr. President, I had asked for unanimous consent to temporarily set aside the WELLSTONE amendment for the purpose of the Senator from Nebraska offering an amendment. That has been objected to by the chairman of the subcommittee, which blocks my attempt to offer the amendment. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, may I inquire how much time is left on the Wellstone amendment.

The PRESIDING OFFICER. The Senator from South Carolina has 5 minutes remaining.

Mr. COATS. Mr. President, I wonder if the Senator from South Carolina will yield me the 5 minutes.

Mr. THURMOND. I yield 5 minutes to the Senator from Indiana.

Mr. COATS. Mr. President, while we are debating and straightening out a procedural quandary we are in with a number of amendments, let me use up the remaining time on the Wellstone amendment and speak in opposition to it.

The assumption behind the amendment is that defense is overfunded. We talk about the adding of additional billions of dollars to the defense bill as if the adding was over and above what the defense ought to be and, therefore, is surplus pork barrel, extraneous money.

I think it is important to understand that, first of all, defense has been declining, as has been stated, for 12 straight years. Funding, overall, for defense is down 41 percent in real terms since 1985, at 1950 levels of funding; modernization is at 1975 levels of funding, and the budget resolution funds defense at $7.4 billion below last year's defense level in real terms.

Maybe this chart can better illustrate what I am trying to say. In fiscal year 1996, the Appropriations Committee appropriated $264.4 billion in spending for defense for fiscal year 1996. That represented the 12th straight year of decline in defense spending in real terms.

Now, the Clinton administration came in and said, even though that is a reduction from previous years, we want to reduce it even further. They brought the level down to $254.4, an additional $10 billion cut.

Then we in the Senate brought forward legislation which would fund defense at last year's spending level—adjust it, in other words, to buy the same amount of defense this year that we bought last year. Without increasing it, but just buying the same level, it would have been, because of inflation, $273 billion.

What we have proposed in this legislation is a $267.3 billion total, which is, of course, above the President's request. But the President's request was way below just keeping level with defense.

Now, this total increase here is $18.6 billion over the President's request, just to buy last year's defense. We did not think we could go that far and meet our obligations to help balance the budget, so we took two-thirds of that and went to $267.3 billion. So the assumption that we are somehow throwing an additional $10 billion into defense is simply wrong.

The defense outlays have been reduced 11 percent just since 1993, while nondefense outlays for the same period have increased 23 percent. It is not defense that is overfunded; it is defense that is underfunded. We are just trying to keep part of what we had, without falling further and further behind.

The second point that we hear over and over is that the Defense Department did not request this money, therefore implying it is all congressional add-ons. I have two responses to that.

No. 1, since when does the Congress simply buy off on the requests from the various departments of the administration without challenging or looking at the requests or going a little further than what their stated public request is? That is our job. We are elected to make the final decision in terms of how much we spend for education, how much we spend for the arts, how much we spend for transportation, how much we spend for defense, and every other item in the budget. That is why we have a Budget Committee, that is why we have Appropriations Committees, that is why we have authorization committees, to determine how much we ought to spend. That is what we are doing here.

Second, and probably more important, the Department of Defense—I have 17 pages of quotes here from representatives from the Department of Defense saying we need to spend more. Obviously, what happened here is that the Department of Defense has been told by this administration that "you will not spend more than $254 billion. Now you salute and make it work and sound like that is all you need." So it is false to say that the Department of Defense did not even request the money.

I can go down through the 17 pages of the list, from the Secretary of Defense to the Chairman of the Joint Chiefs of Staff, to the chiefs of the various services, and quote from every one of them, saying: We are dangerously below where we ought to be. Modernization is dangerously underfunded. We ought to be funding it at a $60 billion level. Instead, we are funding it at nearly half of that, roughly $38 billion.

I do not have time to give all these quotes, Mr. President, so I ask unanimous consent to have printed in the RECORD excerpts of the quotes from members of the Department of Defense as to why this budget of $254.4 is too low and why we are dangerously underfunding defense needs for the future.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS OF TESTIMONY BEFORE THE COMMITTEE ON ARMED SERVICES, U.S. SENATE, ON THE DEFENSE BUDGET REQUEST FOR FISCAL YEAR 1997

MODERNIZATION—CRITICAL NEED

. . . what I am projecting for you is that we have to start increasing the modernization program or this curve will just keep going straight up, and we will start to have a real problem in obsolescence of equipment in the field.—Secretary of Defense William J. Perry, March 5, 1996.

. . . the modernization account in FY 1997 will be the lowest it has been in many years, about one third of what it was in FY 1985.—Secretary of Defense William J. Perry, March 5, 1996.

I am very concerned that our procurement accounts are not where I think they ought to be . . . [We] must commit ourselves to a sufficient procurement goal, a goal I judge to be approximately $60 billion annually.—Chairman of the JCS, GEN Shalikashvili, March 5, 1996. [The procurement budget request for FY 1997 was $38.9 billion.]

We've got to stop promising ourselves and start doing something about this procurement issue which, I think, is the basis of our ability to recapitalize America's military, not just the ships and tanks and airplanes, but also . . . remarkable technologies.—Vice Chairman, JCS, ADM William Owens, February 28, 1996.

Unless we recapitalize, we are not going to be ready to meet the threats of the future.—Chief of Staff, Air Force, GEN Ronald Fogelman, March 14, 1996.

If we do not modernize, we ultimately place future readiness at risk.—Chief of Naval Operations, ADM Michael Boorda, March 14, 1996.

Further deferral of modernization will incur significant risk to future readiness.—Chief of Staff, Army, GEN Dennis Reimer, March 13, 1996.

I want to talk . . . about procurement because I believe it is the crisis in the defense budget today.—Vice Chairman, JCS, ADM William Owens, February 28, 1996.

In the long term, our most urgent need is to modernize our fighter force. By the time the F-22 reaches IOC in 2005, the F-15 will be in its fourth decade of active service as our front-line fighter.—Secretary of the Air Force, Hon. Sheila Widnall, March 14, 1996.

Procurement has continued to pay the bill for readiness and force structure over the past decade and now hovers at a post-World War II low of about $40 billion.—Chairman of the JCS, Gen. Shalikashvili, March 5, 1996.

General Shalikashvili estimates the services would need about $60 billion of annual procurement funding. The Department of the Navy would need about $28.5 million annually to sustain its Bottom-Up Review force structure.—Secretary of the Navy, Hon. John Dalton, March 12, 1996.

We preserved our readiness and force structure at the expense of modernization and equipment replacement. We still need to keep readiness a top priority. But we have been able to enjoy a procurement hiatus, so much so that our procurement account has actually shrunk to just below $40 billion, the lowest since the Korean War . . . This procurement hiatus . . . cannot be sustained indefinitely.—Chairman of the JCS, Gen. Shalikashvili, March 5, 1996.

Investment accounts . . . have been at relatively low levels for several years, and I have reported on that each of the 3 years that I have come before you.—Secretary of the Army, Hon. Togo West, March 13, 1996.

For the Marine Corps, since 1971 we have averaged about $1.2 billion annually for procurement. This year we are at about $556 million. You can see the concerns that we have.—Commandant, Marine Corps, Gen. Charles Krulak, March 12, 1996.

Equipment . . . permits us to remain dominant on the battlefield . . . In order to maintain this edge, we must continue to modernize.—Secretary of the Army, Hon. Togo West, March 13, 1996.

Like the F-15, the F-16 will be entering its fourth decade as the most numerous fighter in our inventory by the time its replacement begins to arrive.—Secretary of the Air Force, Hon. Sheila Widnall, March 14, 1996.

Procurement accounts have been at relatively low levels for several years . . . the Army will have to once again fund modernization more robustly.—Secretary of the Army, Hon. Togo West, March 13, 1966.

We must modernize to protect our soldiers . . . [This makes them] more survivable . . . [and gives] them the edge.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

The greatest potential threat to Army readiness is the medium and long term impact: of an increased operational pace and insufficient modernization funding . . . by failing to modernize and update our equipment, we put tomorrow's soldiers at risk.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

In the event of a conflict, a lack of modern equipment will cost the lives of brave soldiers.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

Further forestalling of modernization would greatly increase risk. There are long lead times for modern equipment and longer lead times to develop and train the leaders who will employ it. Consequently, further deferral of modernization could delay a modernized force beyond the limits of our ability to anticipate future security challenges. Creating such a window of vulnerability could lead to a future environment where the interests of the United States are directly threatened.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

30 years ago, our predecessors . . . structured the fighter force that has served this Nation so well in the decades since. It is now up to us to show that same foresight as we look towards the uncertain world of tomorrow. We owe that to this Nation and to the young people . . . who will face the risks of combat.—Secretary of the Air Force, Hon. Sheila Widnall, March 14, 1996.

We need to think about future priorities in terms of the range of capabilities useful for the world that is coming . . . we need forces which are broadly useful, not just capable on a single set of narrowly defined battlefields.—Commandant, Marine Corps, Gen. Charles Krulak, March 14, 1996.

We end up deferring programs and finding work-arounds. We end up increasing the bill in the outyears. It is very difficult for me to specifically point out a big problem in that it is a lot of little slices that impact us because it impacts the stability of our modernization programs.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

I ask your help to ensure that your Nation's Air Force has the proper equipment and the best quality people to meet the needs of the 21st Century.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

The issue still is that we are underfunded in modernization.—Chief of Staff, Army, Gen Dennis Reimer, March 13, 1996.

We know that we cannot procure everything in the near-term, so we . . . built a time-phased modernization plan . . . [that] is very delicate. And we cannot afford to see procurement dollars slide out to the right.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

We have benefitted from the aircraft procurement of the 1980's. That is what has really sustained us.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON NATIONAL SECURITY

I am sure you realize as well as we do that severely constrained modernization resources have extended fielding times, have delayed modernization of the total force, have delayed deploying a next generation of systems and from a business standpoint have resulted in some inefficient programs.—Assistant Secretary of the Army for RD&A Gilbert Decker, March 28, 1996.

Somewhere along the lien when you [slow procurement] you get risk . . . then comes the risk in casualties because you don't close with the right type of force, with the right application, and so the prosecution of your battle just takes longer.—Commander in Chief, United States Central Command, Gen Binford Peay, March 28, 1996.

Our men and women don't ask you for very much and they don't ask us for very much. They want and require ships and weapon systems that are effective, and they need that not only today but they need it in the future. We talk about quality of life—that is the ultimate quality of life if you go in harm's way.—Commandant, Marine Corps, Gen Charles Krulak, March 13, 1996.

I [have watched] the Air Force procurement accounts decrease by some 60 percent . . . we are living off the procurement of the past. It has to stop.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 13, 1996.

READINESS

[The Marine Corps is] the Nation's force in readiness, and charged [by Congress to be] most ready when the Nation is least ready . . . they must be ready to go at a moment's notice, and when they go they must be ready to win. Commandant, Marine Corps, Gen Charles Krulak, March 14, 1996.

[the issue] that we face today in the Air Force is primarily a long-range readiness issue. We are confronted with the requirement to invest in tomorrow's readiness to begin to recapitalize the force to modernize our Armed Forces.—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

In our business, we need to be ready not only twenty minutes from now, but twenty years from now as well . . . If we do not modernize, we ultimately place future readiness at risk.—Chief of Naval Operations, Adm Michael Boorda, March 14, 1996.

The Army has maintained current readiness . . . by deferring modernization . . . Further deferral of modernization will incur significant risk to future readiness.—Chief of Staff, Army, Gen Dennis Reimer, March 13, 1996.

Throughout the downsizing, our priority has been on maintaining current readiness.—Chief of Naval Operations, Adm Michael Boorda, March, 14, 1996.

If we work our people too hard, and by "too hard" I mean being away from home, they will not stay with us . . . If we work our equipment beyond its reasonable limits or do not maintain it well because it is deployed, then our people have to work harder to try to keep it up and they will not stay with us. Those are lessons we learned the hard way not too many years ago . . . We cannot afford to get in [that position again].—Chief of Naval Operations, Adm Michael Boorda, March 14, 1996.

I will admit to you that we have probably mortgaged the modernization account in order to take care of our people . . .—Chief of Staff, Army, Gen Dennis Reimer, March 13, 1996.

Regardless of how we rationalize . . . if [the force] gets too small it will not be ready because we will not see the requirements go away, we will just [do] them on the backs of our people . . . We have been down that road before . . . It is not pretty.—Chief of Naval Operations, Adm Michael Boorda, March 14, 1996.

The Army is nearing the end of an historic drawndown . . . About 450,000 volunteer soldiers and civilians have left the Army . . . [that is] about as many people as are employed by Ford and Chrysler Motor Companies combined . . . Many did not want to leave . . . It was important to us to ensure that we took care of [these] people and to keep the remaining Army trained and ready . . . In order to do this, the accounts for modernization were reduced . . . there was a cost . . . We paid a price that may not be seen for some time. We have yet to see the drawndown's effects on leadership and retention. In cavalry terms, our units have been ridden hard and put away wet.—Chief of Staff, Army Gen Dennis Reimer, March 13, 1996.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON NATIONAL SECURITY

We have received help from the Hill. It has been greatly appreciated . . . But we are not where we ought to be . . . I went with my godchild to his barracks . . . and I was appalled at what he was living in. 'Appalled' is probably a mild word for it . . . We are building some barracks, we are building some homes . . . but it is not to the level that I, as Commandant, or you, as a public servant, would be very pleased about. It is simply a matter of available money.—Commandant, Marine Corps, Gen Charles Krulak, March 13, 1996.

ON ADDING FUNDS ABOVE THE BUDGET REQUEST

. . . we have to start increasing the modernization program or this curve will just keep going straight up, and we will start to have a real problem in obsolescence of equipment in the field.—Secretary of Defense William J. Perry, March 5, 1996.

The issue really revolves around the fact that we do not have enough in the modernization account.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

I should point out that we do have a bow wave in the out-years that, should the Congress choose to invest additional funding, we think that reducing that bow wave would be advantageous.—Secretary of the Navy, Hon. John Dalton, March 12, 1996.

Yes [We could use additional funds if Congress provided them in fiscal year 1997]. We still have some holes in our modernization account.—Chief of Staff, Army, Gen. Dennis Reimer, March 13, 1996.

Last year we had an authorization for three DDG–51s but not enough funds. An average of three DDGs across every year is the fewest we should buy, not the maximum. A long term strategy should call for more than that.—Chief of Naval Operations, Adm Michael Boorda, March 12, 1996.

[In response to the question of whether there is a need for additional funding] We would be willing—we would be delighted, actually, to work with you to give specific programmatic examples . . . we would apply such money to . . . acceleration of existing programs . . . upgrades of platforms . . . [and] recapitalization.—Secretary of the Air Force, Hon. Sheila Widnall, March 14, 1996.

If additional funds became available, we could indeed convert two ships for [Maritime Prepositioning Force purposes]. If Congress added funds, an additional ship could be converted this coming year . . . I agree with the Commandant concerning advisability of those ships.—Secretary of the Navy, Hon. John Dalton, March 12, 1996.

We are short, still, in the Army some 40,000 trucks.—Chief of staff, Army, Gen. Dennis Reimer, March 13, 1996.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON NATIONAL SECURITY

I applaud the efforts of this Congress in most of the items that were added to the 1996 bill because you did what I requested during the discussions here with this committee, which is that most of that add-on was not pork.—Secretary of Defense William J. Perry, March 6, 1996.

You helped me on [procurement] last year, and I really appreciate it. And I will tell you it made a big difference for about 44,000 Marines.—Commandant, Marine Corps, Gen. Charles Krulak, March 13, 1996.

I would like to thank you for your support last year, both in your quality of life initiatives, particularly in the MILCON [military cnstruction] area. Folks sometimes would like to describe these plus-ups in quality of life as unnecessary, but the fact of the matter is, the plus-ups that we saw in MILCON last year were accelerations of things that our people would have had to wait for, so we did not see that as wasteful.—Chief of Staff, Air Force, Gen. Ronald Fogelman, March 13, 1996.

I want to take this opportunity to thank this committee, particularly the Military Construction Subcommittee, for the very good support you have given us in improving the quality of our housing . . . I am not satisfied with the effort on housing, as you are not satisfied with it . . . It would be a lot easier if I simply has more money.—Secretary of Defense William J. Perry, March 6, 1996.

We saw that the plus-ups in the procurement accounts were . . . the kinds of things that help us with the procurement that we see out there in the future.—Chief of Staff, Air Force, Gen. Ronald Fogelman, March 14, 1996.

DEFENSE—GENERAL

Few people know, few people understand, few people have spent the time to look across the spectrum of American warfighting capabilities and technologies.—Vice Chairman, JCS, Adm William Owens, February 28, 1996.

Past experience shows us that when you try to precisely project yourself into the future, you are probably going to be precisely wrong:—Chief of Staff, Air Force, Gen Ronald Fogelman, March 14, 1996.

The chaotic and uncertain strategic environment looming just over the horizon creates an even more pressing imperative for a military force that can remain versatile yet act decisively . . . a force that can quickly and surely anticipate change and adapt to a new reality.—Commandant, Marine Corps, Gen Charles Krulak, March 14 1996.

Our heavy units are general purpose forces that not only can win our wars but can also accomplish other missions, as the First Armed Division has shown in Bosnia. We must modernize their equipment to deter mid and high intensity conflict.—Chief of Staff, Army, Gen Dennis Reimer, March 13, 1996.

. . . at the end of the day, you are still going to have to have the beans and bullets and lift . . . technology is just simply not a panacea.—Commander in Chief, United States Central Command, Gen Binford Peay, March 19, 1996.

. . . at the end of the day, you need combat capability in the field.—Commander in Chief, United States Atlantic Command and Supreme Allied Commander Atlantic, Gen John Sheehan, March 19, 1996.

> The challenge that we face is that [in] the Army [we put about 45% of the budget into military pay] . . . another 30% . . . goes towards training . . . so you are left with very little in terms of procurement.—Chief of Staff, Army, Gen Dennis Reimer, March 13, 1996.

Mr. COATS. Second, Mr. President, let me state that there are a number of programs in the past that the Department of Defense has not requested, which this Congress has determined are important to be added to the Department of Defense budget. And we have done so. Looking back, in hindsight it is a good thing that we did. Strategic sealift: Now the Department of Defense comes and says it is one of their top priorities. They did not require it, nor request it before, maybe because the administration said do not do it. They are darned glad that we did not abide by their request. Some of the C-17's, the V-22, countermine efforts—we find that we were seriously underfunded and underprepared in the past in terms of dealing with countermine activity. This Congress made a decision to go forward and fund some of that. We are darned glad they did, and the Defense Department is darned glad that they did.

So let us be realistic on this. I urge my colleagues to vote against the Wellstone amendment for the reasons stated. It is simply a misstatement of what the request is from the Department of Defense. It is more a statement of what the administration would like out of defense, which is to cut it, to cut it, and cut it so that they can take the money and fund their favorite programs and not provide for adequate security for this country.

Mr. President, how much time is left?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COATS. I regret that because I am just getting warmed up. I will cease and desist.

Thank you, Mr. President.

Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I notice that the negotiations are still going on. I am prepared to stop talking as soon as they are prepared to go forward. In the meantime, rather than dead air, I thought I would say one more thing about the Wellstone amendment.

I have had the opportunity in the last few years as a member of the Senate Armed Services Committee and chairman of the Personnel Subcommittee to examine our military housing that we provide for soldiers, sailors, airmen, and marines, both married personnel and their families, as well as single personnel.

It is a shocking statistic to note that more than 60 percent of current military housing, family and single housing, is substandard by military standards. Military standards are generally lower than civilian standards. The houses that you and I live in, the apartments that the single individuals live in, are built to a far higher quality and standard than what the military enjoys.

It is part of the nature of the military that they salute and serve and do not complain. But it is virtually a disgrace to note the condition of some of this housing: Deteriorating ceilings, leaking pipes, asbestos-lined pipes in the ceilings, falling plaster, crumbling stairways, inadequate space for families and for children.

I commend the Secretary of Defense and the Department of Defense for recognizing this problem and taking some initiative to deal with it. But we are a long way from solving this problem. In fact, if we stayed at the current pace of renovation, it would take 30 years to bring military housing up to the standard level. Of course, by that time all housing that is standard today would be substandard.

So it is a never-ending cycle. We need to accelerate that process, and we hope we will accelerate that process. But to suggest that defense is overfunded when we are asking our service families to live in substandard housing and when we are asking our service members to live in substandard barracks and are asking them to live in the conditions that they live I think it is misunderstanding the situation as it currently exists in the United States military.

Just recently I was touring some barracks and housing facilities in Georgia. I was informed by the commander of a number of units that the soldiers were on their off time on Saturdays and Sundays and weekends going out to Home Depot to purchase materials and voluntarily giving up of their time to repair some of their facilities just so that they can take showers and live in some kind of decent housing situation.

So I think it is important to recognize that this continual 12-year decline in real terms in defense spending is not only affecting our ability to fight future wars, to have the technology, research and modernization necessary but it is eroding the quality of life of our service personnel which is going to affect our ability to attract the kind of people we want to serve in the military.

I hope my colleagues will take that into consideration in considering the vote on the Wellstone amendment.

Mr. President, I yield the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. NUNN. Mr. President, I ask unanimous consent that the church burning provision of the previous unanimous-consent request made by the Senator from South Carolina alone be renewed. So I am asking unanimous consent that that portion of the overall request propounded by the Senator from South Carolina which was objected to, the church burning part of that, alone be renewed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CHURCH ARSON PREVENTION ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

The Senate proceeded to consider the bill.

AMENDMENT NO. 4341

(Purpose: To propose a substitute)

Mr. FAIRCLOTH. Mr. President, under the unanimous-consent agreement, I send an amendment to the desk on behalf of myself and Senators KENNEDY, HATCH, BIDEN, KOHL, SARBANES, and NUNN, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH], for himself, Mr. KENNEDY, Mr. HATCH, Mr. BIDEN, Mr. KOHL, Mr. SARBANES, and Mr. NUNN proposes an amendment numbered 4341.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Church Arson Prevention Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The incidence of arson or other destruction or vandalism of places of religious worship, and the incidence of violent interference with an individual's lawful exercise or attempted exercise of the right of religious freedom at a place of religious worship pose a serious national problem.

(2) The incidence of arson of places of religious worship has recently increased, especially in the context of places of religious worship that serve predominantly African-American congregations.

(3) Changes in Federal law are necessary to deal properly with this problem.

(4) Although local jurisdictions have attempted to respond to the challenges posed by such acts of destruction or damage to religious property, the problem is sufficiently serious, widespread, and interstate in scope to warrant Federal intervention to assist State and local jurisdictions.

(5) Congress has authority, pursuant to the Commerce Clause of the Constitution, to

make acts of destruction or damage to religious property a violation of Federal law.

(6) Congress has authority, pursuant to section 2 of the 13th amendment to the Constitution, to make actions of private citizens motivated by race, color, or ethnicity that interfere with the ability of citizens to hold or use religious property without fear of attack, violations of Federal criminal law.

SEC. 3. PROHIBITION OF VIOLENT INTERFERENCE WITH RELIGIOUS WORSHIP.

Section 247 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "subsection (c) of this section" and inserting "subsection (d)";

(2) by redesignating subsections (c), (d), and (e), as subsections (d), (e), and (f), respectively;

(3) by striking subsection (b) and inserting the following:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.

"(c) Whoever intentionally defaces, damages, or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so, shall be punished as provided in subsection (d).";

(4) in subsection (d), as redesignated—

(A) in paragraph (2)—

(i) by inserting "to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section," after "bodily injury"; and

(ii) by striking "ten years" and inserting "20 years";

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(C) by inserting after paragraph (1) the following:

"(2) if bodily injury results to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section, and the violation is by means of fire or an explosive, a fine under this title or imprisonment for not more that 40 years, or both;";

(5) in subsection (f), as redesignated—

(A) by striking "religious property" and inserting "religious real property" both places it appears; and

(B) by inserting ", including fixtures or religious objects contained within a place of religious worship" before the period; and

(6) by adding at the end the following new subsection:

"(g) No person shall be prosecuted, tried, or punished for any noncapital offense under this section unless the indictment is found or the information is instituted not later than 7 years after the date on which the offense was committed.".

SEC. 4. LOAN GUARANTEE RECOVERY FUND.

(a) IN GENERAL.—

(1) IN GENERAL.—Using amounts described in paragraph (2), the Secretary of Housing and Urban Development (referred to as the "Secretary") shall make guaranteed loans to financial institutions in connection with loans made by such institutions to assist organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 that have been damaged as a result of acts of arson or terrorism in accordance with such procedures as the Secretary shall establish by regulation.

(2) USE OF CREDIT SUBSIDY.—Notwithstanding any other provision of law, for the cost of loan guarantees under this section, the Secretary may use not more than $5,000,000 of the amounts made available for fiscal year 1996 for the credit subsidy provided under the General Insurance Fund and the Special Risk Insurance Fund.

(b) TREATMENT OF COSTS.—The costs of guaranteed loans under this section, including the cost of modifying loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(c) LIMIT ON LOAN PRINCIPAL.—Funds made available under this section shall be available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $10,000,000.

(d) TERMS AND CONDITIONS.—The Secretary shall—

(1) establish such terms and conditions as the Secretary considers to be appropriate to provide loan guarantees under this section, consistent with section 503 of the Credit Reform Act; and

(2) include in the terms and conditions a requirement that the decision to provide a loan guarantee to a financial institution and the amount of the guarantee does not in any way depend on the purpose, function, or identity of the organization to which the financial institution has made, or intends to make, a loan.

SEC. 5. COMPENSATION OF VICTIMS; REQUIREMENT OF INCLUSION IN LIST OF CRIMES ELIGIBLE FOR COMPENSATION.

Section 1403(d)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(3)) is amended by inserting "crimes, whose victims suffer death or personal injury, that are described in section 247 of title 18, United States Code," after "includes".

SEC. 6. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, in fiscal years 1996 and 1997 such sums as are necessary to increase the number of personnel, investigators, and technical support personnel to investigate, prevent, and respond to potential violations of sections 247 and 844 of title 18, United States Code.

SEC. 7. REAUTHORIZATION OF HATE CRIMES STATISTICS ACT.

The first section of the Hate Crimes Statistics Act (28 U.S.C. 534 note) is amended—

(1) in subsection (b), by striking "for the calendar year 1990 and each of the succeeding 4 calendar years" and inserting "for each calendar year"; and

(2) in subsection (c), by striking "1994" and inserting "2002".

SEC. 8. SENSE OF THE CONGRESS.

The Congress—

(1) commends those individuals and entities that have responded with funds to assist in the rebuilding of places of worship that have been victimized by arson; and

(2) encourages the private sector to continue these efforts so that places of worship that are victimized by arson, and their affected communities, can continue the rebuilding process with maximum financial support from private individuals, businesses, charitable organizations, and other non-profit entities.

The PRESIDING OFFICER. The Senator from North Carolina has 10 minutes.

Mr. FAIRCLOTH. Mr. President, the Church Arson Prevention Act of 1996 is designed to meet two goals: One goal is to prosecute criminals who would sink so low as to burn churches to begin with.

Second, we want to send a clear message that people of faith will not stand for this type of violence.

Senator KENNEDY and I have worked together on this legislation, and it is bipartisan legislation, in order to demonstrate that America's commitment to protect houses of worship across philosophical and geographical boundaries; that we are united in this effort. As I said last week, if we in Congress cannot agree that church burning is a despicable crime, what in the world can we agree upon?

Several North Carolina churches burned down in the past year and a half. Some of these fires were accidents while others were clearly intentional. The criminals who set fires on purpose, whatever their reasoning, should be prosecuted and punished to the fullest extent of the law.

In most of these cases, State and local law enforcement is more than capable of handling arson investigations. There is nothing in this bill to imply that we do not think local law enforcement is capable of doing their job. But there may be special circumstances such as criminals moving State to State setting fires where Federal assistance and a Federal statute is needed to adequately resolve the problem and to correct the situation.

The Faircloth-Kennedy bill gives prosecutors the tools they need to fully punish guilty parties. It raises the penalties for church arson from 10 to 20 years. It extends the statute of limitations for church arson from 5 to 7 years. Both of these changes make the penalties consistent with other Federal arson crimes.

Additionally, this bill authorizes funding for the Treasury and the Justice Department to train local law enforcement investigating church arson, and in many cases this is needed.

The legislation does not provide any new funding. This will be determined by the Appropriations Committee.

Also, the legislation allows the HUD Secretary to take money that has already been appropriated to use as loan guarantees for the rebuilding of these churches. I really do not believe that such funding will be needed. I believe the American people through their own charitable good will will put forth the funds to rebuild these churches. In fact, in the bill I inserted a sense-of-the-Senate commending those that have and will bring forth the funding. I urge other private individuals and companies to continue to join in these efforts to rebuild these sanctuaries without calling upon the Federal Government.

Growing up and living in the rural South, I understand how the church serves as the center of the family and the community. Burning these churches is an assault on everyone's family and community. The violence must end now, and this bill will bring it to a halt.

Mr. President, I believe the Senate realizes that this bill is not about liberals and conservatives. It is not about blacks or whites. It is about something much larger and encompasses all of us—the power of justice, the importance of faith, and the ability to distinguish between right and wrong. This is a joint effort on the part of Senator KENNEDY and many others in this Senate to clearly make the distinction between right and wrong.

Mr. President, I yield the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, today Senator FAIRCLOTH and I come before the Senate in a spirit of bipartisanship to address the festering problem of church arson. This horrifying epidemic, which was originally confined to the South, has recently spread to elsewhere in the United States. The wave of arsons primarily directed at African-American churches is a reminder of some of the darkest moments in our history—when African-Americans were mired in a quicksand of racial injustice. The American people are growing sick and tired of waking up seemingly every morning only to learn of another church arson.

This is not a regional problem. It is a national problem. It is vitally important for the American people to recognize that all Americans—Democrats and Republicans, whites and nonwhites, Catholics, Protestants, Jews, and Muslims—must speak with a united voice in condemning and combating these outrageous acts. We must send the strongest possible signal that Congress intends to act swiftly and effectively to address this festering crisis.

It is in this spirit of unity that Senator FAIRCLOTH and I have worked together to develop a bipartisan bill to deal with the issue. I commend Senator FAIRCLOTH for his leadership on this legislation. I also commend Senators HATCH and BIDEN for their leadership and assistance in crafting this bill. I also applaud my colleagues in the House, HENRY HYDE and JOHN CONYERS, who crafted a bipartisan House bill that passed swiftly and unanimously.

During the course of the past week, House and Senate Republicans and Democrats have worked together to resolve the differences between the House and Senate bills, and to craft a comprehensive bill to respond to the church arson problem. The substitute that we are offering today is the product of this bipartisan cooperation between the Senate and the House. I fully expect that by the end of this week, the Senate and the House of Representatives will be on record 535 to 0 with a strong statement of Federal resolve to combat the church arson epidemic.

Let me briefly outline the basic components of the bill that have been worked out by House and Senate leaders. First, it provides needed additional tools for Federal prosecutors to address violence against places of worship. The bill amends the primary Federal statute dealing with destruction of places of worship to make it easier to prosecute these cases. Current law contains onerous and unnecessary jurisdictional obstacles that have made this provision largely ineffective.

In fact, despite the large number of incidents of destruction or desecration of places of religious worship in recent years, only one prosecution has been brought under this statute since its passage in 1988. Our bill will breathe new life into this statute by removing these unnecessary obstacles.

In addition, our bill strengthens the penalty for church arson by conforming it with the penalties under the general Federal arson statute. By conforming the penalty provisions of these two statutes, the maximum potential penalty for church arson will double from 10 to 20 years. Our bill also extends the statute of limitations from 5 to 7 years, giving investigators needed additional time to solve these difficult crimes.

Giving prosecutors additional tools will enable to address this crisis more effectively. However, we must also deal with the aftermath of the arsons that have left some needy communities without a place of worship. The bill contains an important provision granting the Department of Housing and Urban Development the authority to make loan guarantees to lenders who provide loans to places of worship that have been victimized by arson.

This provision does not require an additional appropriation of funds to HUD. It simply gives HUD authority to use funds it already has. Although the private sector will assume the primary responsibility for rebuilding, these loan guarantees will serve an indispensable function to help expedite the rebuilding process and the healing process.

Some of the churches have been insured. Some belong to congregations that are representative of a broader national scope but many of them are small community churches. I think all of us are enormously encouraged by the outpouring of support from all parts of the country to help local communities rebuild those churches. We want to make sure that those that may have difficulty in gathering the funds are not going to be left out or left behind, and this very modest program of loans can provide help and assistance to those very small communities that might not otherwise have it.

The bill also contains a provision that ensures that anyone who is injured as a result of these cowardly acts will be eligible to apply for assistance under the Victims of Crime Act.

These arsons have place an enormous burden on State and local law enforcement, who also must investigate the crimes and address the tense aftermath within their communities.

This bill contains two measures to assist State and local law enforcement and local communities in responding to these vicious crimes. The Department of Treasury is authorized to hire additional ATF agents to assist in these investigations, and to train State and local law enforcement officers in arson investigations.

There is very sophisticated new technology and understanding about the nature of arson, and that new kind of technology available to local communities is something that we should do so they, local communities can use it to help resolve these crimes.

The bill authorizes the Department of Justice to provide additional funds to the Community Relations Service, a small but vital mediation arm established by the Civil Rights Act of 1964. The mission of the community Relations Service is to go into a community and reduce racial unrest through mediation and conciliation. It earned the respect of law enforcement officials and community leaders nationwide.

Unfortunatley, its budget was recently cut in half, forcing it to contemplate layoffs at a time when its services are in greatest demand. The bill authorizes restoration of funds to the Community Relations Service.

Finally, the bill reauthorizes the Hate Crimes Statistics Act for 6 years. Reauthorizing the Hate Crimes Statistics Act is essential, and law enforcement groups, religious leaders and civil rights leaders throughout the Nation strongly support it.

This again, is bipartisan legislation. Senator HATCH, Senator SIMPSON, and other Members who have long been in the lead in hate crime legislation support it.

It is not simply a political imperative for the Senate to act. It is a moral imperative. Civil rights remains the unfinished business in America. Just as Congress spoke in a swift and bipartisan fashion during the civil rights struggles of the 1960's, we must again do so today.

Out of these tragic events, we have already witnessed countless acts of courage by people of all races and religious backgrounds.

The courage and faith demonstrated by parishioners and clergy of the burned churches is an inspiration to the entire Nation. For example, tomorrow in the Judiciary Committee we will hear from a pastor of a church in rural Alabama that has been burned down not once but twice. While the bricks and mortar, bibles and pews may have been burned, his faith endures—stronger than ever. He is truly a profile in courage.

The outpourings of generosity from the private sector have been enormous. Every day, we learn of a new offer of financial or technical support from various private sector sources across the political and religious spectrum. This generosity, as Martin Luther King once said, "will enable us as a nation to hew out of the mountain of despair a stone of hope."

America is being tested, and scores of courageous and generous Americans have met the challenge. It is time for Congress to meet this challenge.

I urge my colleagues to join me in expediting action on this urgent legislation.

Ms. MOSELEY-BRAUN. Mr. President, the perpetrators of the rash of hate crimes and church burnings in this country are no more than cowardly domestic terrorists. They work under cover of darkness and anonymity in an attempt to intimidate some and encourage others precisely because they have neither the will nor the courage to be associated with the evil they seek to unleash on our land. I strongly condemn these actions and urge my fellow Americans to combat the atmosphere of hatred that allowed them to happen. These fires must be stopped—now.

H.R. 3525, the Church Arson Protection Act of 1996, will give the Federal Government additional tools to help ensure that it is stopped, that those who perpetrate this violence are caught and punished, and that the damage they have caused our communities is mitigated. I am a proud cosponsor of the bill because it is a concrete demonstration that the American Congress, as the representatives of the American people, are committed to bringing this violence against our communities to an end.

As we enter the 21st century, America is anxious to put the ugly legacy of racial division behind us. Unlike a century ago, the masses of people who make up our national community cannot be seduced by the messages of hate and conflict which consumed us in the past. Those messages lost their power with the moral victory of the civil rights movement, and our country has matured in ways which cannot be undone by racist terrorism. We are not intimidated, Mr. President, but embarrassed, and challenged by these criminals and their destruction.

Most Americans are appalled and outraged. Our Nation as a whole, without regard to color or religion, is shamed by this horror. Since January 1995 there have been 75 fires in churches nationwide. Thirty-six fires have occurred in predominantly African-American churches in the Southeast United States. From the President of the United States to the neighbors in areas which have witnessed these crimes, the leadership taken by individual citizens to affirm a climate of respect and community gives truth to the fact that our Nation will not fall prey to the forces of fear.

Make no mistake but that the perpetrators of these fires are criminals. The act of arson is a crime, when directed at a church it is a crime of unspeakable dimension. But that is precisely why we are called upon, each of us, to speak and act in ways which will demonstrate our collective intolerance of such hate crimes. Our community, as a whole, must dedicate itself to the rebuilding of the churches. We must engage our Government and law enforcement apparatus to investigate and uncover the perpetrators of this terrorism. No stone should be left unturned in our search for the truth. Federal, State, and local law enforcement must approach these hate crimes with the same vigor and sophistication as would be given the most heinous foreign threat.

I applaud the strong message that is being sent to the arsonists. With well over 200 FBI and ATF investigators working together with State and local authorities, we are letting the arsonists know that solving these crimes and putting those responsible behind bars is a top priority.

I agree with the President when he said,

> We must rise up as a national community to safeguard the right of every citizen to worship in safety. That is what America stands for.

The President has launched several efforts to demonstrate his determination to apprehend and prosecute those responsible for the fires, as well as rebuild what has been destroyed.

The President has established a toll free tip-line that is available for citizens to provide any information they have on these fires. That number is now available 24 hours a day, 7 days a week. If anyone has any information about the fires they can call 1-888-ATF-FIRE.

Other initiatives, the President promoted include, having ATF inform churches of steps they can take to protect themselves from arsonists. Churches throughout the South will be visited by ATF special agents to answer any questions church leaders and parishioners may have. Furthermore, during the meeting the President had with several Governors last week, he urged them to support neighborhood watch programs and increase local patrols around where the threat exists.

The President has also asked Congress to consider a request for a fiscal year 1996 supplemental appropriation to increase the ability of the Department of Treasury's Bureau of Alcohol, Tobacco and Firearms to investigate and solve these acts of arson.

While the outpouring of support and comfort for the victims of terrorism has been consistent and multiracial there is much more we can do. Our President has stood up to be counted. We all need to stand up and be counted. We can stop these vicious crimes.

This bipartisan bill does a lot to help rebuild the churches and help law enforcement investigate and prosecute those responsible. It has five main components. First, it amends the Federal Criminal Code to make is easier to prosecute cases of destruction of religious property. Currently in cases of destruction of religious property, there is a requirement that the damage exceed $10,000. Moreover there is a very high interstate commerce requirement. This bill eliminates the monetary requirement and replaces the interstate commerce requirement with a more sensible scheme that will expand the scope of a prosecutor's ability to prosecute church arsons and other acts of religious desecration. The bill also conforms the penalty of church arson and the statute of limitations to that of the Federal arson statute, thus raising the maximum potential penalty for church arson from 10 years to 20 years and the statute of limitations from 5 to 7 years.

The bill also contains a provision that HUD will have the authority to use up to $5 million from an existing fund to extend loan guarantees to financial institutions who make loans to 501(c)(3) organizations that have been damaged as a result of terrorism or arson. These loan guarantees will help the rebuilding effort. While this provision will help restore the ability of people to practice their first amendment right, it does not violate the establishment clause of the Constitution because it targets all organizations that have been damaged as a result of terrorism or arson.

In order to help State and local authorities investigate the crimes, H.R. 3525 provides authorization language for ATF to hire more investigators and technical support personnel. The bill also authorizes the Department of Justice to provide additional funding for the Community Relations Service, a small mediation arm of the DOJ that goes into communities and quells racial unrest through mediation and conciliation.

Last, the bill provides for permanent reauthorization of the Hate Crimes Statistics Act, so we can get a better understanding of the magnitude of hate crimes nationwide.

Mr. President, this is one of those historic moments for America, when the path of our future will be chosen. In our collective repudiation of domestic terrorism, in our aggressive prosecution of its perpetrators, in our vigilance against hate and in the vitality of our response to it, we will build the New Jerusalem of a stronger, more moral and more inclusive country. The bill sends an important message that crimes against houses of worship will not be tolerated. It deserve's the Senate's unanimous support.

Mr. KOHL. Mr. President, I rise today in support of the church arson prevention measure.

Since the beginning of this year, a series of fires have swept our country. More than 30 predominantly African American churches in the Southeast have been burned. Some of these fires were set by people with obvious race hatred. Two people with ties to the Ku Klux Klan were arrested for fires in South Carolina. But in other cases, the fires were set by teenagers who had no obvious racist motive but who were so infected by an undertow of racism that they thought black churches would make a worthy target for their vandalism.

In some ways, this disorganized brand of racism is more frightening than any organized conspiracy. When hate groups spread their message we know how to answer them. But attacking the subtle racism that has infected so many children is a much more daunting task.

Today, this Senate must come together and speak with one voice against racism of any kind—the vicious and organized racism of hate groups, and the silent racism that lurks beneath the surface. This legislation, sponsored by more than 30 of our colleagues and drafted by Senators as ideologically diverse as TED KENNEDY and LAUCH FAIRCLOTH, shows that we can sometimes put aside our partisan differences to do what is clearly right.

Mr. President, no State or Senator is immune from the effects of these fires in the South. A fire in Tennessee has been felt in Wisconsin. My friend Reggie White's church in Knoxville, TN was burned. That fire impacted and saddened all of us in my home State. And the people of Wisconsin have responded. Children from Wisconsin emptied their piggy banks to rebuild the church of their Green Bay Packer hero.

Mr. President, for too long in our history, we did not do enough to defend and protect the two great pillars of our Constitution: Religious liberty and equal rights. But that is no longer the case. Today, with this piece of legislation, we will assure that the Federal Government can prosecute church burners to the fullest extent of the law. Our legislation is simple. The current law requires that prosecutors prove a series of connections between a church burning and interstate commerce. Proving all of those connections is not constitutionally mandated, so with this legislation we eliminate them. In addition, we eliminate the requirement that damage be in excess of $10,000. Once this measure becomes law, it will be easier to prosecute the people who have set these fires.

Mr. President, let us pass this legislation quickly.

Mr. DODD. Mr. President, I rise today to voice my strong support for the Faircloth-Kennedy Church Arson Prevention Act.

As I come to the floor today, it is difficult for me to imagine a more outrageous and disgraceful act of violence than the destruction of a house of worship.

Our religious institutions, be they churches, synagogues or mosques are more than just bricks and mortar. They are the cultural, spiritual, and physical lifeblood of our communities and our society.

To attack a church is to attack more than a building; it is to strike at the heart of our faith as a Nation and as a people.

A recent article in the New York Times, in my view, accurately describes church burnings for what they are; "an act of a singular profanity."

This article goes on to say of these church burnings:

> Its violence lies in the attempt to disrupt a community of believers, desecrate their altars and smash the spiritual rhythm of their lives. The arsonist attacks not just planks and shingles but the space where life's most important transitions are marked, where babies are baptized, marriages celebrated and the dead eulogized.

What may be most tragic about these events is that they were aimed primarily at African-American churches.

To attack a black church is to attack an institution that throughout our history has been at the forefront of our Nation's struggle on behalf of civil rights for all Americans.

One would hope that with all the progress we've made as a Nation, church burnings would be a distant memory, relegated to our history books and not the front pages of our newspapers.

Like many Americans who lived through the civil rights era, I am haunted by the memory of the terrible fire bombings that often characterized that period.

In particular, it is difficult to erase from our collective memories the four young girls killed in a Baptist Church in Birmingham, AL, by a racist bombing, in 1963.

Lamentably, those incidents, of what I believed was a bygone era, are eerily similar to approximately 30 church burnings of the past 18 months.

Regrettably, the evil forces of racism continue to find shelter in our midst. To our great misfortune we cannot change the anger in the hearts of those who committed these deeds.

Indeed, I urge all Americans when they attend their houses of worship to take the opportunity to pray for the souls of those who would practice such heinous acts.

While we cannot legislate attitudes, as a Nation governed by the rule of law, we must do all we can to make clear that these acts of violence will not go unpunished.

The legislation before us today would make clear to those who would take up arms against a house of worship; you can burn down a building, but you cannot avoid the opprobrium of the American people.

The Faircloth-Kennedy bill would make it easier to prosecute those charged with desecrating a place of worship, it would provide additional resources for law enforcement agencies investigating these crimes, it would allow the Department of Housing and Urban Development to extend loan guarantees for rebuilding churches and it would reauthorize the Hate Crimes Statistics Act, of which I was a cosponsor.

I believe it is shameful and unfortunate that the acts of a cowardly few have forced this Congress to spend its time on such legislation. We should be talking about balancing the budget, raising the minimum wage and dealing with the economic issues that affect each and every American.

But part of our role as leaders is to take action when our national values are threatened.

In fact, if there is a silver lining to be found in this whole situation, it is the outpouring of support among the American people to lend a hand in rebuilding these burned churches.

In my State of Connecticut, two congregations, the Kensington Congregational Church and Spottswood A.M.E Zion Church came together and have pledged to raise $10,000 on behalf of the rebuilding efforts.

Additionally, the sense of outrage, seemingly felt among all Americans is a palpable sign that the vast majority of people see these events for what they are: Blatant acts of racist hatred.

In fact, if the American people need any better indication of the strong sense of consensus on this issue I urge them to look at the two Senators cosponsoring this bill—Senator FAIRCLOTH and Senator KENNEDY.

These are two Senators who probably don't see eye to eye on too many issues. But, when it comes to church burnings they came together on behalf of the American people.

Their cooperation sends a strong signal to the American people that this is truly one issue that is above partisan wrangling.

Religious freedom is one of the bedrocks of our democracy, and these acts subvert all that we hold dear as a Nation. However, the spirit of religious individualism lives on.

I think Reverend Terrence Mackey, whose Mt. Zion A.M.E Church was burned down last June said it best:

> They didn't burn down the church. They burned down the building in which we hold church. The church is still inside all of us.

I urge all my colleagues to support this legislation and lend our voices in the struggle against racial and religious intolerance in our Nation.

Mr. BIDEN. Mr. President, one wouldn't have thought that 40 years after the Montgomery bus boycott, 35 years after the freedom rides, and over 30 years after this Congress passed the most sweeping civil rights legislation in history—we would be on the Senate floor discussing an epidemic of burnings of historically African-American churches in the South.

But we are here, because what is happening is an affront to all Americans—whatever their race, whatever their religions. In the 5 years between 1990 and 1995, there were 29 fires at predominantly African-American churches in the South. In the past 18 months alone, there have been at least 43 such fires.

While a handful of these have been deemed accidental, most of them were intentional acts of violence—acts of violence not just against any property, but against churches.

The burning of a church is not merely a crime against a piece of property or even against an individual, as terrible as such violence may be. An attack on a church reaches deeper; it is an attack against an entire community.

A church, like any house of worship, is sacred. The sanctuaries, the pulpit, the artwork, and the prayer books all hold special meaning for the congregants.

To witness the destruction of a house of worship, to see its walls reduced to charred remains, is a wrenching experience.

When you lose your church, your synagogue, or your mosque, you lose something that goes to the core of what it means to be human, and to the core of the most basic freedom on which our Nation was founded.

For burning a church is a challenge to the entire concept of faith itself. I ask you, how could anyone who believed in God intentionally destroy a place where God is worshiped?

On top of this layer of emotion, we must also consider the special context of these particular church burnings. For, in African-American communities, churches not only serve an important spiritual role, they also have served a predominant cultural, social, and political role throughout the past century.

During the Jim Crow era, churches were the only institutions where African-Americans could choose their own leaders, participate in governance, and be treated with genuine equality.

Not surprisingly, almost all the leaders of the civil rights movement emerged from the African-American churches and these leaders infused the movement with its spiritual, moral, and non-violent character.

For this reason, when the segregationist or the men in white robes wanted to strike a blow against the civil rights movement, when they wanted to intimidate those who were taking to the streets to protest injustice, when they wanted to slow the change that was coming to the South, they attacked the churches.

Think back to May, 1963, when over 900 children packed the 16th Street Baptist Church in Birmingham, AL. And as they filed out of the church to demonstrate against segregation, Bull Connor turned his powerful water hoses against them, and demonstrated, for all the world to see, the unmitigated ugliness of segregation.

Four months later, a powerful firebomb ripped through the 16th Street Baptist Church. Four young schoolgirls were killed. Again, the country watched in horror.

So the violence against historically African-American churches in the South is especially meaningful and especially hurtful. These arsons hearken back to a time, when, to paraphrase Dr. King, people were judged not on the content of their character, but on the color of their skin.

They remind us of a time when violence and hatred against African-Americans was the norm, and justice appeared to be reserved for only one part of society.

These arsons represent not only attacks on spiritual institutions, but direct messages of exclusion to the African-American community. The purveyors of hate that are burning these churches are trying to say: You are different, you do not belong, we reject you.

But by standing here today and voicing our opposition, it is the perpetrators of this violence who are being rejected. It is their message of hate that is being reviled by the entire country.

And when we pass legislation to address church arson, the U.S. Senate will be standing on the side of the congregants of these churches and against those narrow-minded individuals who seek division and conflict rather than unity and harmony.

Even though these church arsons have been denounced by the overwhelming majority of Americans, and the Federal Government is conducting a full-fledged investigation into these crimes, these incidents stand as a vivid reminder that we still have a long way to go in building the type of society to which we all aspire.

We would all like to believe that we live in a color-blind society—that our country is filled exclusively with people of good faith that no longer take race into account in their daily lives.

But incidents like the Rodney King beating, or the Mark Furhman tapes, or the burning of three dozen African-American churches, hit us square in the face, like a splash of cold water, with the hard reality that, in America, race still matters.

Racism has been a cancer in the body politic since the birth of this country. We took the first step toward treating this illness after the Civil War, and we took another big step during the civil rights movement of the 1960's.

But even though the cancer has receded, it has not been eliminated root and branch. It continues to infect our society. If we pretend that we no longer need to be vigilant, if we accept the illusion that we live in a colorblind society, if we legislate or decide court cases on that basis, then racism will grow and spread—and we will see more churches burned and more manifestations of this lurking disease in years to come.

I do not mean to suggest that there has been no progress—there has been. Thirty years ago, many stood in silence when the churches burned. States and localities saw Federal authorities as intruders bent on changing their way of life.

Today, the public response has been overwhelming. Everyone opposes these church burnings; everyone wants to bring the perpetrators to justice.

Over 200 Federal agents, working together with State and local law enforcement, are investigating these fires, making this the largest civil rights investigation in history. Nation's Bank has put up a $500,000 reward for information leading to the prosecution of the arsonists. Habitat for Humanity has promised to assist all the communities that have lost churches.

Three decades ago, Southern legislators virulently opposed civil rights legislation. Today, the bill to address church burnings is being sponsored by Senator FAIRCLOTH from North Carolina and Senator KENNEDY, whose brother was President during the tensest moments of the civil rights movement.

So, we have made some progress, just not enough. As Dr. King said from the steps of the State capitol in Montgomery, AL following the historic march from Selma: "The arc of the universe is long, but it bends toward justice."

We must join together to face this violence, and through our collective efforts, bring it to an end. Let this violence serve to bring us together to fight the prejudice that remains, to prod us to redouble our affirmative efforts to bring the races closer together.

Only through continued vigilance in our Government, in our schools, and in our homes, can we ensure that the "arc of the universe" will continue to "bend toward justice."

The legislation being introduced today, which I am cosponsoring, is a necessary response to the church arsons blotting our Nation.

First, it will make it much easier to prosecute church arsons as a Federal crime. It provides that anyone convicted of burning a house of worship based on racial, ethnic, or religious bias will be facing a potential 20-year jail sentence.

The bill also eliminates the current statutory requirement that $10,000 worth of damage must have occurred to trigger Federal jurisdiction for prosecuting a church burning.

Under this bill, anyone who defaces religious property—whether by shooting out the windows of a church or painting a swastika on a synagogue wall—will have committed a Federal felony.

The bill also authorizes the Department of Housing and Urban Development to provide loan guarantees for reconstruction projects to churches and other nonprofit organizations that have been victims of arson, and it provides additional funding for mediation services and training for local arson investigators.

Senators KENNEDY and FAIRCLOTH are to be commended for putting together this legislation. It has my unqualified support and I urge the leadership to bring it up for consideration as quickly as possible.

Although I fully support this legislation, I want to emphasize that the best way to end these cowardly crimes is to apprehend a perpetrator, prosecute him, and lock him up.

Swift action of this sort will send the message that this conduct will not be tolerated and that anyone who desecrates religious property will be punished severely.

I am confident that the FBI and BATF are doing everything in their power to investigate these crimes and hopefully we will hear of some progress in the coming weeks.

Together, the Congress, our Federal, State, and local law enforcement officials, or communities, and each of us as individuals, can make a difference. We can force this campaign of terror to come to an end—and in doing so we will reaffirm the equality and the religious freedom of all Americans.

Mr. HATCH. Mr. President, I wish to express my appreciation to the Senate for its swift action in passing H.R. 3525, the Church Arson Prevention Act of 1996.

This bill strengthens the commitment and ability of the American people and the Federal Government to protect two of our most sacred principles—religious liberty and the equality of all Americans, regardless of race, ethnicity or religion.

America as a great haven, where individuals could openly acknowledge and freely practice their faith, whatever that faith may be, is a concept even older than the United States itself. Throughout its history, this great land, which came to be the United States of America, has been the destination of individuals from every corner of the globe seeking freedom from religious persecution. Freedom of religion is the first freedom protected in the Bill of Rights. Religious liberty and tolerance are at the heart of our being as a nation. As a result, an attack on a house of worship is more than damage or destruction to a building; it is an attack on religious liberty itself, and thus an attack on America.

Such crimes are a matter for grave concern for Americans of all religious faiths. As a member of a minority religious faith, whose leader was murdered in Illinois in 1844; whose adherents were hounded, harassed, and killed; against whom Governor Boggs of Missouri, in 1838, signed an extermination order, and who were eventually driven outside the then-existing border of the United States, I understand this well.

While the recent series of church arsons have destroyed houses of worship across our Nation, serving people of different faiths and different races, the largest number of burnings have involved identifiably black churches. Many have been small churches, located in rural areas, which have existed for generations. Historically, churches have served a special role in the black community, serving not merely as places of weekly worship, but as the spiritual and cultural centers of their communities. The unique place occupied by black churches in lives of their parishioners, and in the history of the black community and of our country, generation after generation, intensifies the pain and loss felt by a community victimized by this loathsome type of crime.

I am pleased to note that this legislation will include a 6-year reauthorization of the Hate Crime Statistics Act, which I sponsored together with my good friend Senator SIMON. The collection of data on crimes, including arson, motivated by racial, religious, disability, sexual orientation, or ethnic bias can help alert local communities and their law enforcement agencies to any pattern of hate crimes in their neighborhoods, and can help alert Federal law enforcement agencies to patterns or types of hate crimes, such as attacks on houses of worship, enabling law enforcement to respond to such crimes more quickly and efficiently, before they spread like a plague across our Nation.

I am gratified by the response of the American people to these crimes; that so many private citizens and organizations are pitching in to help rebuild these churches. We live in a free and good society, and we have made progress in tolerance and in assuring protection of the rights of persons who belong to minority racial, ethnic, and religious groups. We are, however, not yet done. Today, with this legislation, we take another step forward.

I wish to commend my distinguished colleagues, Senator FAIRCLOTH and Senator KENNEDY, for their work on this bill. The very fact that these two Senators, of different parties and such differing political beliefs on so many other issues, have worked together so effectively to pass this legislation, sends a loud and clear message to all Americans of our resolute and complete condemnation of these reprehensible crimes, and our determination that the perpetrators be brought to justice.

OUTRAGE ABOUT CHURCH BURNINGS

Mr. LAUTENBERG. Mr. President, I rise today to express my deep concern and outrage about the rash of church burnings in our Nation and to urge support of H.R. 3525.

Mr. President, the great German playwright Goethe once remarked, "There is nothing more frightening than ignorance in action." Unfortunately, we are currently witnessing the fires of ignorance and prejudice engulfing African-American churches throughout the South.

As of June 24, there were 37 suspicious fires at these churches in the last 18 months. The smoldering ruins are the tangible evidence of a smoldering racism in our country.

Mr. President, just 30 years ago, the Night Riders cut a swath of fear across the South, torching churches and homes. Hopefully, it is not the faint sound of similar hoofbeats which we again hear galloping toward us.

But unlike three decades ago, those responsible for these heinous actions do not appear to be organized groups, and those who have been apprehended have revealed various motives. Also, there are roughly an equal number of suspicious fires at white churches and those of other races which are currently being investigated by the ATF.

Mr. President, it is critically important that we loudly repudiate the purposeful destruction of any house of worship. This is not just a religious issue; it is an American issue, because it destroys an individual's right to worship according to his or her conscience, free from fear and violence.

Yet the destruction of small, often isolated and rural, black churches in the South is especially chilling; it is being done to promote a climate of fear and intolerance. Which is why every American, whether black, white, Christian, Jew, Muslim or atheist, must denounce these fires of hatred which are burning across the landscape of our Nation.

I hope, Mr. President, that perhaps we can salvage something good from these horrible incidents. The phoenix, the fabled mythological bird, is said to be able to rise from the ashes to a new and better life. Thirty years ago, the flames of the Night Riders helped to galvanize American opinion against the policies of segregation and to start our Nation along what the Rev. Dr. Martin Luther King called a superhighway to freedom. Perhaps today's flames will vividly remind us how of far we must still journey down that road.

At a time when America seems to be splitting along class and racial and ethnic lines, perhaps these deplorable actions will force us to finally stop and look down the road on which we now seem headed.

Those who are setting the blazes hope they can fan the fires of prejudice and ignite a conflagration of violence. When in actuality, the flames may help illuminate the dangers of intolerance, and how it affects all of us.

Recently, the Senate adopted a resolution, Senate Resolution 265, condemning the desecration of churches. But words must be backed by action. The pending legislation, which I have cosponsored, would make it easier to investigate and prosecute these crimes and would establish tougher penalties for those convicted of setting fire to houses of worship. The bill would authorize additional resources for ATF investigations, and it would facilitate rebuilding efforts in affected communities. A provision in this legislation would also permanently reauthorize the Hate Crimes Statistics Act. This bill needs to be signed into law without delay.

Mr. President, I am confident that this legislation can make a real difference. However, by itself no law can wipe away the problem; all of us must work together to end hate crimes and the bigotry which spawns them. We need to follow the example of Reverend William Watley, pastor of St. James' African Methodist Episcopal Church in Newark, the largest AME church in New Jersey. Last week, Reverend Watley brought together over 500 people, including pastors and representatives from the burned churches, for a special service to denounce the violence. He also pledged help from New Jersey's religious community for the affected parishes.

Mr. President, I urge every American to join me in condemning these terrible acts of violence, of prejudice, of cowardliness. Because if we do not loudly condemn them, then we silently condone them.

Mr. THURMOND. Mr. President, I am pleased and proud to be a cosponsor of an amendment originally sponsored by my friends Senator FAIRCLOTH of North Carolina, and Senator KENNEDY of Massachusetts, that addresses the disturbing crime of church burnings.

It has become increasingly apparent that there has been a disturbing trend occurring throughout the United States over the past 18 months, the willful and malicious destruction of churches by arson. There is something particularly hateful in the crime of arson, for it is a crime that is usually motivated by factors other than personal gain. It takes an individual who possesses either tremendous rage, or tremendous mental and personal problems, to set someone's property on fire for the mere purpose of watching it burn to the ground. When the target of such an individual's attack is the holy land of a place of worship, the crime becomes all the more sick, unsettling, senseless, and vile.

The amendment I have cosponsored seeks to draw a tough line against those who commit acts of arson against churches in our Nation. It establishes tough Federal penalties for those who destroy churches through fire, and it appropriates money—from existing funds—to pay for additional Federal arson investigators. Without question, this amendment will send a clear signal to those who are contemplating fire attacks against a church that there will be severe consequences to their actions, and that the people of the United States will not tolerate such hateful acts of violence against our citizens and our places of worship.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 28 seconds.

Mr. KENNEDY. Mr. President, I yield the remaining time to my colleague and friend, who has been involved in this whole effort.

The PRESIDING OFFICER. The Senator from Massachusetts has 3½ minutes.

Mr. KERRY. Mr. President, I thank my colleague from Massachusetts. I thank him particularly for his leadership and the leadership of his family with respect to all issues of civil rights over the turbulent period of the modern history of this country. I join with Senator KENNEDY and Senator FAIRCLOTH in supporting this legislation.

I think every single one of us in America is outraged at the cowardly acts of hatred and violence which have now become much too commonplace in America. It is clear that there still is a systematic prejudice that lives on, both in those who did not learn the lessons of the turbulent period of our civil rights history, or even among the young generation who have not lived through the suffering and confrontation of that period of time in this country. Those who have set churches ablaze have really succeeded in rekindling a national desire to stamp out bigotry and prejudice throughout this country. They have rekindled our commitment and our desire to speak out loudly and clearly to achieve equality, equal rights, and justice in the face of a world that seems too willing to forget history and to repeat it.

For those of us who were involved in the civil rights movement and joined with men and women of good will, white and black, we thought somehow we had progressed beyond this. We thought the images of the 1960's, of hatred and of malice and prejudice against black Americans for no other reason than the color of their skin—we thought somehow we had grown beyond that and were reaching at least toward an era of progress. So the church burnings in the last few weeks bring back to us, in stark and horrible terms, a period of time we would rather forget. It is sad we have had to come to this floor again, in 1996, to fight about it.

I think it is clear in this legislation that we cannot and will not let the hatred and ignorance of a few criminals tarnish what all of us want to achieve in this country. We cannot in the face of the haters and the bigots and the racists, avoid strengthening our own resolve to tear down the walls that still divide us and stand together, shoulder to shoulder, in solidarity against this kind of intolerance.

As a nation and as a people, we have to recommit in these times to our constitutional, religious and philosophical belief in equal justice under the law. I think it is important to remember the words of Martin Luther King, who said:

> I have seen too much hate to want to hate, myself; and I have seen hate on the faces of too many sheriffs, too many white citizens councils, and too many klansmen of the South to want to hate, myself. And every time I see it I have to say self-hate is too great a burden to bear.

It would be appropriate to let Dr. Martin Luther King's words be our lesson as we seek out these criminals, bring them to justice, and rally together to end the hatred and intolerance of this Nation. I commend Senators KENNEDY and FAIRCLOTH for their initiative to help us make it clear to everyone that, when you burn one church in this country, you burn the Constitution; when you attack one place of worship, you attack all Americans; and none of us should stand silent in the face of that.

The PRESIDING OFFICER. The time of the Senator has expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I yield to Senator WARNER for the remaining time I have.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I commend my distinguished colleague from Massachusetts and indeed the senior Senator from Massachusetts and the Senator from North Carolina for taking the initiative. I have spoken before on this floor about this very serious issue. I simply want to remind all Senators that the very purpose for America was religious freedom. This Nation was founded by persons who left foreign shores and sailed into the unknown to take risks that today are almost incomprehensible in magnitude. With only the very rudiments of navigation, the bare necessities of life, to plow out across largely unchartered seas to come to a land, to settle that land for one purpose—religious freedom.

Therefore, this issue brings about a responsibility on every single American, irrespective of race, color, creed, or religion to unite together, arm in arm, brothers and sisters, to fight this crime and to preserve the very reason for our forefathers coming to settle this Nation.

I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. FAIRCLOTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I join with my fellow Senators today in condemning the rash of church burnings that has plagued our Nation in recent years. Since 1991, we have seen over 150 fires at houses of worship serving people of all races and faiths. In the past 18 months more than 35 African-American churches have been burned to the ground. These churches and temples are the heart and soul of the communities they serve, and their destruction represents an egregious act of hatred against these worshippers. As a nation, we cannot stand idly by and allow Americans to be denied their fundamental right to the free exercise of their religion, nor can we tolerate racial hatred and religious intolerance.

I am proud that President Clinton has spoken out so forcefully against these heinous acts and hopeful that his commitment of all possible Federal resources to the investigation and prosecution of these crimes will bring an end to this national tragedy. The President has offered both moral leadership and the full power available to him as the chief executive in the fight to bring these criminals to justice, and I commend him for his actions.

I am also heartened by the fact that the legislative effort has been a bipartisan one. Here in the Senate, my colleagues Senator KENNEDY and Senator FAIRCLOTH have jointly introduced legislation that will aid the President and Federal law enforcement officers in the investigation and prosecution of these crimes. In the House, Representatives HYDE and CONYERS have shown similar leadership. I am confident we can enact this legislation expeditiously, and I urge our Federal law enforcement officers to use these new tools to pursue the investigation of these fires with swiftness but also with respect and sensitivity for the congregations affected by the violence.

While legislative responses will help solve the crimes that have already occurred and convict the perpetrators, the prevention of further destructive acts requires the moral force of our Nation. It is only through the expression of our deep outrage at racial hatred and religious intolerance that we as a society demonstrate that such beliefs and actions have no place in America. We must stand together to reject this attack on our fundamental principles. I am confident that we will do so and that we will continue in our progress toward a more just society.

With that, I yield the floor.

Mr. President, I ask unanimous consent that Senator EXON be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DASCHLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

Mr. LOTT. Mr. President, I rise to speak in support of the legislation that has been developed by the Senator from North Carolina, Senator FAIRCLOTH, and the Senator from Massachusetts, Senator KENNEDY. They have worked together and have produced very good legislation concerning the penalties and the Federal laws that are applicable to the burning of churches or damages to religious property.

This is truly a bipartisan effort. It is one that all Senators, I know, will support. It is one that the American people, I believe, will receive in a very positive way.

The burning of religious facilities, churches, throughout our country is a totally despicable act. It is incomprehensible that people in America would resort to that sort of conduct. While it may not be clear what the motivations are, while there may not be any definite pattern that could be used to explain this, there is no question that it is an unacceptable thing in our country, and action must be taken to deal with it severely. This legislation, I think, does that.

I think these Senators should be commended for their work. Of course, the House has already acted, I believe unanimously, on somewhat similar legislation. But I believe that this bill improves on the legislation that passed the House.

It does do that by making the burning or damaging of religious properties a Federal crime. Quite frankly, I was surprised to find out that that was not already the case, because I know there are already some strong laws on the books. But, clearly, it should be made a Federal crime.

This legislation raises the penalties up to 10 to 20 years for being involved and convicted of burning or damaging such property.

Under the current law, there is a $10,000 limit on when the Federal activities would be involved. It has to exceed $10,000 in damages. There should not be some artificial cap like that. If you put it at $7,000 or $5,000, I mean, many small churches in America in rural communities do not cost that much. They cost less.

So it is appropriate that there not be some artificial cap on the amount of damage that has occurred. This bill would take it down to zero, which is where it clearly should be. That is one area where I believe our bill does vary from the one that passed the House. I think they reduced the threshold, but they still had a threshold above which damage had to add up to before this bill would apply.

It authorizes additional agents to investigate and determine what is happening here, to find the parties that are guilty, and to bring them to justice. It does not provide funds. There is a normal process for doing that, an appropriations process. That will be done in due course. But it does provide the necessary authorization.

It also moves the statute of limitations from 5 years to 7 years. This is good legislation. It definitely should be done. We should not wait another day to pass it through the Senate.

As I understand it, the House is prepared to take this legislation and move it immediately through so it can go to the President for his signature this very week. Mr. President, I am pleased to join in supporting this good legislation, and I urge we adopt it as soon as possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent the Senate proceed to a vote on or in relation to the Wellstone amendment, which would follow the vote on H.R. 3525, the church-burning issue. After we have voted on the church-burning issue, we will go to the Wellstone amendment No. 4266 with 2 minutes of debate in the usual form, to be followed by a vote on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate pursuant to the unanimous-consent request?

If not, the question is on agreeing to amendment No. 4341, offered by the

Senator from North Carolina [Mr. FAIRCLOTH].

The amendment (No. 4341) was agreed to.

The PRESIDING OFFICER. Under the previous order, the bill is considered read the third time. The question is now on the passage of H.R. 3525, as amended.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Alabama [Mr. HEFLIN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—98

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—2

Bumpers
Heflin

The bill (H.R. 3525), as amended, was passed.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4266

Mr. THURMOND. Mr. President, I urge the Senate to oppose the drastic cuts proposed by the Wellstone amendment. Senator NUNN and I had planned to introduce an amendment to cut the funding by $1.7 billion to bring the bill into compliance with the budget resolution. However, the Senator from Nebraska objected.

I want to put the Senate on notice that we will introduce our amendment after Senator EXON completes his amendment.

I urge the Senate to support this amendment of the Armed Services Committee to reduce the funding level of the bill by $1.7 billion.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. How much?

The PRESIDING OFFICER. Two minutes.

Mr. WELLSTONE. Mr. President, this amendment, which I offer with Senator HARKIN, Senator DORGAN, Senator BUMPERS, and Senator FEINGOLD, simply says, look, we now have an authorization, roughly speaking, $13 billion above and beyond what the Pentagon has requested, what the President has requested, and what the military leadership has requested. Too much of it is add-on projects. There is a question of whether or not these weapons systems are needed.

We voted 100 to zero for the Lieberman amendment which is an important amendment dealing with force structure, dealing with modernization. Let us go through with that study but let us not start adding on projects. This is an amendment that really goes after some of the pork and add-ons. We should not be doing this.

It is a deficit reduction amendment. It says this is a place where we can take $13 billion and put it into deficit reduction. That is what we should do.

The PRESIDING OFFICER. The question now occurs on agreeing to amendment No. 4266 offered by the Senator from Minnesota.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 34, nays 65, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—34

Baucus
Biden
Bingaman
Boxer
Bradley
Brown
Bryan
Conrad
Daschle
Dorgan
Feingold
Glenn
Graham
Grassley
Harkin
Hatfield
Jeffords
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—65

Abraham
Akaka
Ashcroft
Bennett
Bond
Breaux
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Exon
Faircloth
Feinstein
Ford
Frahm
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bumpers

The amendment (No. 4266) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The majority leader.

UNANIMOUS-CONSENT AGREEMENTS

Mr. LOTT. Madam President, I ask unanimous consent that the agreement entered yesterday be modified to reflect that summaries of amendments must be submitted to the two leaders no later than 3 p.m. today; and further, that the two leaders now have until the hour of 4 p.m. today to void this agreement, with all other provisions of the consent agreement still in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Madam President, I ask unanimous consent, with regard to the pending legislation, that the pending amendments be set aside and that Senator EXON be recognized to offer an amendment with respect to funding; that there be 90 minutes for debate with the time equally divided and controlled in the usual form, with no amendments in order to the amendments or any language which may be stricken; that upon the use or yielding back of time, the amendment be laid aside and that Senator THURMOND be recognized to offer an amendment for himself and Senator NUNN; that there be 20 minutes for debate with the time equally divided and controlled in the usual form, with no second-degree amendments in order, nor to the language which may be stricken; that upon the use or yielding back of time, the amendment be laid aside and Senator WELLSTONE be recognized to offer an amendment with respect to funding, with 90 minutes for debate equally divided in the usual form, with no second-degree amendments in order, nor to any language which may be stricken; that upon the use or yielding back of time, the amendment be laid aside and the Senate then vote on or in relation to the amendments in the order in which they were debated, with 2 minutes equally divided for debate on each amendment prior to the vote, with no other intervening action in order.

I finally ask unanimous consent that upon disposition of the above amendment, the Senate then resume consideration of the Kyl amendment regarding underground nuclear testing; that there be 90 minutes for debate prior to a motion to table, with the time equally divided and controlled between Senators KYL and EXON; and that upon the use or yielding back of time, without intervening action, Senator HATFIELD be recognized to move to table the Kyl amendment.

The PRESIDING OFFICER. Is there an objection?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Reserving the right to object, I should like to inform the majority leader that I have asked Senator EXON if he would be willing to defer for 10 minutes, or so, for a morning business statement on my part, if it is agreeable with the majority leader, before further debate.

Mr. EXON. Madam President, I simply say to the majority leader, in order to accommodate my friend and colleague, I will delay for 10 minutes.

Mr. LOTT. Madam President, I modify the unanimous-consent request to provide for 10 minutes for Senator GORTON before we go to the lineup that I have described here.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Reserving the right to object, and I hope not to object, I understand there is further wording on the unanimous-consent request at the end of everything that the majority leader enumerated that would add these words:

> Provided further that Senator HATFIELD is permitted to move to table prior to the expiration or use of all time on the motion to table.

Mr. LOTT. Madam President, I amend the unanimous-consent request to include that additional sentence, whereby Senator HATFIELD would be permitted to move to table prior to the expiration or use of all time on the motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I do want to say, I appreciate the cooperation of all the Senators on this—the chairman, the Senator from Virginia, the Senator from Georgia, Senator EXON and Senator KYL. A lot of give and take was involved here. This helps move major portions, for needed action on this bill, forward. So I commend the Members. Now I hope we can get on these amendments and stay with them until we get them completed.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, we commend the distinguished majority leader. He has been on this floor since early this morning endeavoring to help the managers, and this is clear evidence of the success he has had. This will get this bill passed by tomorrow night. My understanding is this is your goal, and it is our goal. I thank the leader.

The PRESIDING OFFICER. The Senator from Washington.

WISDOM OF RENEWING MFN

Mr. GORTON. Madam President, tomorrow the House of Representatives will debate the renewal of most-favored-nation trading status for China. It is about to vote, as the President wishes, in favor of renewing MFN.

Knowing that MFN was to be at issue this summer, earlier in the spring I wrote to nearly 350 of my constituents, mostly business people and academics particularly interested in trade with China. In my letter, I explained my frustration with China's consistently autarkic market practices, and told them that I had serious concerns about the wisdom of renewing MFN for China. China has established an egregious prohibition on Washington State wheat, while market access for our applies has been blocked by arbitrary quotas and tariffs. Moreover, China continues to bleed our software industry with its state-sponsored pirating of United States intellectual property. With this in mind, I asked my constituents to share their views with me, and I now believe it appropriate to share my own with my colleagues and constituents, as it seems unlikely that this issue will come formally before the Senate.

To the 341 letters I sent, I received 195 responses, and of those responses 12 were against renewal.

From Pacific Northwest wheat growers, who are denied access to the Chinese market on totally specious grounds, I heard this: "Despite the fact that Washington producers are still unable to participate in the wheat export to China, [we] are in full support of granting China MFN for another year."

From Washington State's apple, pear, and cherry growers, who face tremendously unfair barriers in gaining access to Chinese markets: "We are in an industry that lives on exports . . . this business requires as normal a trading regime as possible between our country and potential markets."

From the software industry, which continues to hemorrhage because of Chinese piracy: "The flagrant violation of U.S. intellectual property rights is of primary concern to [us] . . . we are concerned [however] that failure to renew MFN at this time will constitute too big a blow to the remaining threads of the U.S. relationship with China."

The Boeing Company certainly benefits from trade with China, as well—it predicts that Asia will be the largest market for airplanes in the next 50 years. In Washington State, Boeing has close to 300 subcontractors that provide it with goods and services. And those small companies, like Bumstead Manufacturing in Auburn, Stoddard-Hamilton in Arlington, and Dowty Aerospace in Yakima, all depend on Boeing selling its airplanes for their own well-being.

Even the Port of Longview has an interest in American trading with China. Archer-Daniels Midland Corporation intends to build a state-of-the-art facility for the export of Midwest corn to Pacific rim markets in that community. China certainly figures into that equation.

Madam President, many of the people who wrote to me believe that engaging in trade with China will lead to better trade and economic conditions in both China and America. One person argued that:

> Maintaining a healthy trade partnership with China will ensure that our influence in areas such as human rights and fair trade practices survives; curtailing that partnership as a punitive measure will only lead China to lose the incentive to cooperate.

It is certainly clear, that—at least in the short-term—American companies that trade with China would be hurt if MFN were not renewed. My constituents, in their letters, made that point eloquently.

Because of my deep respect for these constituents, I would vote to extend MFN this year if the Senate were to vote on the subject, and I commend such a vote to my Washington State colleagues in the House.

But, Madam President, in casting that affirmative vote I would be wrong. I do acknowledge the importance of trade with China to the people of my State, but I want to explain why the President is wrong, and why I would be wrong, as well, to support him.

I would be wrong because the chances of China changing its dismal trading practices, or stopping its violations of United States intellectual property rights, or acceding to a freer, more open market as a result of MFN renewal are about as close to zero as you can get.

China is an unrepentant free trade rejectionist. China is one of the world's most corrupt nations. China steals our software and CD's. China arbitrarily closes its market to United States goods. And China, aside from eleventh-hour propaganda tricks, does nothing to clean up its act. For years the United States has pinned its hopes for a more cooperative, law-abiding China on MFN. MFN advocates talk about "engagement." If we only "engage" in trade with China, they argue, the Chinese will change their ways, they will come around to the idea of free trade and open markets and all that goes with them.

Many of my colleagues here in the Senate, Madam President, have been making the engagement argument for years. Back in July of 1991, for example, my distinguished friend from Rhode Island, Senator CHAFEE, said that "we want China to move toward the implementation of a market-based economy," implying that MFN was the way to do it. Senator CHAFEE also argued that "[t]o withdraw MNF would virtually destroy * * * business leaders and entrepreneurs [in the more economically liberalized southern part of China. * * * They will go down the drain because they will not have access to the U.S. markets to sell their goods."

My friend from Montana, Senator BAUCUS, said, also in 1991, that:

> Rather than isolating China from the world by cutting off economic ties, we should seek to engage China—to bring China into the 20th century.
>
> Trade is the link that allows us to engage China. It is the bridge that allows western values into China.
>
> If we are truly interested in reform in China, if we are truly interested in improving the lives of Chinese citizens—we should seek to expand economic ties, not to cut them off.

These words sound persuasive, do they not, Madam President? But keep in mind they were uttered 5 years ago. Five years ago our trade deficit with China was a little under $13 billion. Now it is almost $34 billion. We have been engaged with China that whole time, and where has it gotten us? Another $20 billion in the hole. Will we never learn? Are we destined forever to demonstrate the triumph of hope over experience? What has the engagement of the past 5 years accomplished to cause us to parrot today the very arguments that have so signally failed in the past?

This engagement argument, Madam President, can be refuted by a cursory glance at China's wretched record on trade with America. Indeed, our trade relationship with China totally belies the assertions of those who consider MFN a tool for making China more cooperative.

Madam President, over the years, especially in the years since Tiananmen Square and the fall of the Soviet Union, many issues besides trade have been injected into the MFN debate. Human rights, nuclear proliferation and relations with Taiwan are three of the most prominent of those issues. I have chosen to stick solely to the matter of trade, but I do understand that these other concerns are at the front of many people's minds.

I say this, Madam President, by way of addressing what I consider to be a glaring error in the arguments of many MFN advocates. They argue, rightly, that the MFN debate is not the place for a discussion on China's human rights record or its practice of selling nuclear components to countries unfriendly to America. I agree with that argument. The Chinese Government gets an "F" on how it treats its citizens, and it should be severely dealt with for its shameless sales of nuclear technology to the villains of the world. But MFN is trade policy, and we should stick to trade in our arguments on its extension, be they pro or con.

That is all well and good, Madam President, but I am struck by how often MFN advocates violate their own ground rules. In an attempt to make MFN renewal more savory, the spice up their arguments with the theory that trade with China will bring democracy to China. If we keep renewing MFN, the argument goes, we will help usher in an era of freedom and democracy to that country. That is one of the most far-fetched claims I have ever heard, and the people who are making it need to submit themselves to a reality check. Considering our current circumstances—the trade deficit, Chinese piracy and trade barriers, and all the rest—it is hard for me to believe that America is now in a position to coax China into the ways of democracy. We cannot get the Chinese to take our apples, Madam President, so how can we expect them to embrace our political values?

In other words, Madam President, let us, for the purpose of this debate, leave aside the question of trade as a precursor to democracy. We have enough on our hands just dealing with trade by itself. And I think the debate over whether MFN renewal is or is not in our long-term trade interests should be sufficient to occupy this body.

Let us look at the current trade situation. China, using a completely fraudulent rationale, bans all wheat from the Pacific Northwest, and bans practically all Washington State apples. Cherries and other fruits are not even given a chance. Mainly as a result of Chinese trade barriers to American goods, we have a $33 billion bilateral trade deficit with China. The Chinese Government countenances widespread piracy of American intellectual property, costing United States companies over $2 billion a year. China, in short, flouts international trade norms and mocks the basic principles of free trade.

Now, proponents of MFN will say,

> Yes, things could be better, but the only way to make sure things improve is to maintain trade ties with China. By remaining economically engaged, we can pressure the Chinese to change their ways. If we cut off MFN to China, not only do we lose that market, but we forgo our leverage with the Chinese as well.

Madam President, I believe that I have already demonstrated that those who have latched onto MFN as some sort of magical instrument with which we can solve all problems are mistaken. They have not only overstated the importance of MFN, but of the Chinese market as well.

Madam President, when I listen to the arguments of those who favor renewing MFN for China I am struck by a common denominator, as it were, and that is a universal overestimation, an exaggeration, of China's economic importance to our national economy. MFN advocates would have us believe that without China our economy will be devastated. Let me say, that is not the case.

China is our 13th largest trading partner. Our trade with China accounts for less than 1 percent of our gross domestic product—0.81 percent, to be exact, hardly an earth-shattering figure. And Mr. Marcus Noland of the Institute for International Economics said in a recent Washington Post article that "Chinese imports are mostly displacing imports from Mexico, [South] Korea, [and] Taiwan." In other words, most of the things we import from China we could just as easily import from these other nations. Nations, in the case of Mexico, South Korea, and Taiwan, that are friends and allies, with whom we have good, strong trade agreements. Each of these friends is a better and more open customer than China, by far, whose purchases of our goods and services will promptly match our increased purchases from them. And with our neighbor Mexico, for example, we know that its market is fully open to American goods—no hassles. What a contrast with China.

The trade story is quite different from the Chinese perspective. China needs the United States badly. China's trade with America accounts for well over 8 percent of its gross domestic product. While we export less than $12 billion to China, China exports $45.5 billion to us. The United States makes up nearly a third of China's total export market.

Now why, taking these lopsided facts into account, would China risk its own financial and economic well-being by thumbing its nose at America as it does? Only because we allow China to do so. Our solicitous, all-forgiving policy toward China can be summed up in one word: Appeasement.

How well our policy of appeasement—which its apologists call "engagement"—how well this policy is working can be demonstrated by the fact that we had a standoff with China a year-and-a-half ago on, guess what, intellectual property rights violations. And, guess what, at that time China promised to mend its errant ways. It committed to ending its piracy of American goods. Now, less than 2 years later, we are at it again. There is a song, Madam President, called "Stop Me if You Think You've Heard this One Before." That ought to be the theme for these trade negotiations. We have indeed heard from the Chinese before that they would clean up their act, stop the violations, and play by the rules.

I direct my colleagues' attention to a recent article on Chinese piracy in Business Week magazine. The article's title says it all: "A Pirate Under Every Rock." Madam President, I will read a short excerpt to illustrate just how meaningless last year's agreement was:

> When China signed its Intellectual Property Rights accord with the U.S. last year, Beijing promised that it would assign inspectors to each Compact Disc plant. The government also promised that plants would print a code on their products to identify where they were produced. But during a raid on the Jin Die [Science & Technology Development Company in the south] organized by Chinese authorities and Microsoft Corp. in April, no copyright monitors were on duty. No special codes were on the goods. Workers labored around the clock, producing CD–ROMs from three unauthorized presses. The plant has an estimated 100 employees and the capacity to stamp an astounding 200,000 CDs a day. Beijing announced in early June that it might close Jin Die.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GORTON. Madam President, I ask for an extra 4 or 5 minutes.

The PRESIDING OFFICER. Is there any objection?

Mr. EXON. What is the request?

Mr. GORTON. Four more minutes.

Mr. EXON. I say, Madam President, there are people we have lined up waiting. I thought I yielded 10 minutes. I thought that would suffice.

How much more time?

Mr. GORTON. It looks about 4.

Mr. EXON. I will agree to 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. That shows you, Madam President, how good China's word is, and how much we can expect from these trade agreements. The Chinese are now putting on a show of contribution for all the world to see. Its state-run television has shown tapes of bulldozers rolling over pirated CDs, and the government has announced with great fanfare that it is shocked by the piracy and is closing down dozens of counterfeiting factories. Madam President, give me a break.

That is all for show, and anyone who thinks it is a serious effort that will bring substantive results is kidding himself. Last week's ballyhooed agreement is unlikely to be more than marginally more effective than the last one.

In fact, Business Week also writes that "Chinese production capacity [for counterfeit CDs] this year will be about 200 million CDs, up from about 50 million last year." That agreement last year really did the trick, didn't it, Madam President? China has increased its counterfeit operations to four times last year's level.

Here is another important point, Madam President: A recent study, which was reported in the Washington Post and elsewhere, named China as one of the top five most corrupt countries in the world. And Business Week reports that "[m]any CD plants" in southern China "have local backers such as units of the Public Security Bureau and the People's Liberation Army."

Madam President, what we have here is a deeply corrupt country that either has no respect for, or simply cannot maintain, the rule of law.

So, knowing all of what we know about China—its corruption, its unrepentant thievery, its consistent trade violation—why on earth do we continue to coddle it? I think, Madam President, we do so because our attitude toward China is still steeped in a cold war mentality. During the cold war we placed great importance on China as a counterbalance to the Soviet threat. Now that the cold war is over, however, we have not re-assessed China's strategic importance. One could make a strong case for China's strategic importance when America strove to contain, and then roll back, the Soviet Union's influence and aggression. But today, China enthusiasts—and most MFN advocates—are caught in a bit of a time warp. They say that China is of the utmost importance because—because—well, they cannot say because of the Soviet Union because it's gone. So they simply insert the word "trade" where "Russia" used to be and make the argument as best they can.

Madam President, that won't do for a trade policy. It is short-sighted, risky, and just plain dumb to ignore massive trade violations such as those practiced by China. We cannot go on like this forever, Mr. President, with China stealing more and more of our intellectual property rights, throwing up barriers to our goods and causing our trade deficit to go ever higher.

I hope I'm wrong. I hope that by this time next year an enlightened China will be operating in a free trade atmosphere under the rule of law, welcoming our goods and services as we do its. If so, I will be an enthusiastic supporter of renewal. But I don't believe it for a New York minute.

On the other hand, Madam President, let me say that if China has not reversed herself on these trade violations by next year, I will vote against MFN renewal. I hope my critics prove me wrong, but if not I will personally lead the fight on the Senate floor against it.

You do not encourage free trade by allowing violations of free trade. If, in fact, free trade—and not appeasement—with China is our goal, then we must let the Chinese know that they must play by the rules or face penalties. That is what we demand of our other trading partners, and that is what we should demand of China.

Mr. President, I am not at all insensitive to the exhortations of American companies who stand to lose money and contracts in the short term if MFN is not renewed. I take that very seriously, and I hope that we may have a strong, vibrant trade relationship with China—but that is possible only if China ceases its destructive practices. Now, Madam President, representing, as I do, a very trade-dependent State, it would seem the easiest thing in the world for me to go ahead and express my full support for MFN without reservation. There are certainly a lot of people who would like me better if I did. But the easiest things are not always the best, and I consider it my highest duty to think ahead to the best interests of my State and the country. And I do not think it in our best interests to continue in our current policy.

If we don't take a firm stand with China, and if China does not cease and desist, I fear that our relationship will degenerate into one in which we are the constant appeaser and China is the constant violator. In the long run, our current passivity could come back to haunt us.

A constituent and a good friend of mine has made this point eloquently. He is involved in several investment efforts in China and writes:

> I believe that . . . the United States will have to take the lead for the rest of the free trading world and stand up to China's rapacious trading behavior by denying MFN extension. I recognize that taking this position is not in my own short term interest. Nevertheless, I can't let immediate short term interest stand in the way of that which is right and that which I believe will, over the longer term, provide a superior result.

Madam President, I couldn't put it any better. For all we know, China may soon step up its illegal practices and trade violations to encompass not just intellectual property rights and agricultural products, but planes and other American products as well. We are setting a bad, potentially dangerous, pattern. We must stop it soon, or we may soon regret it.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

AMENDMENT NO. 4345

(Purpose: To ensure that the total amount authorized to be appropriated by the bill does not exceed the total amount of the authorizations of appropriations reported by the Committee on Armed Services)

Mr. EXON. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. KOHL, Mr. BINGAMAN, Mr. LEVIN, Mr. DORGAN, and Mr. WELLSTONE, proposes an amendment numbered 4345.

Mr. EXON. Madam President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 3, insert the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 under the provisions to this Act is $263,362,000,000.

Mr. EXON. Madam President, there are several important cosponsors of this amendment. One is on the floor at the present time. I simply inquire of the Senator from Wisconsin—and I have agreed to yield him 7 minutes—if his time will allow him to wait, I will make opening remarks. However, if the Senator is cramped for time, I will yield at this juncture.

Mr. KOHL. Madam President, I will wait for the Senator from Nebraska to deliver his opening remarks.

Mr. EXON. I thank my friend from Wisconsin for his usual courtesy.

Madam President, the amendment I have just sent to the desk is on behalf of myself, Senator BINGAMAN, Senator KOHL, Senator DORGAN, and Senator LEVIN. This amendment reduces—Madam President, reduces—the total funding level in the bill by $4 billion. This would still allow, I emphasize, this would still allow an increase—increase—in the President's request of $9.0 billion. A $9 billion increase would be allowed even if the Exon amendment is accepted. This is an increase of $155 million —an increase of $155 million—above this year's funding level.

To put that in perspective, I have a chart to which I will direct the attention of the Senate. It is headed "Comparison of the Fiscal Year 1997 Defense Spending Proposals." Billions of dollars are on the left side, with the first graph showing $263.2 billion, which would be if we had just taken the whole defense budget and froze it at last year's level, $263.2 billion. Under the Exon proposal, from the standpoint of last year, there would be an increase of something around $200 million or up to $263.4 billion, an increase of about $200 million still going up in national defense over last year's expenditures.

Compare that, if you will, with this big broad green graph on the right. If we go with the defense authorization bill that is presently before the Senate, we would balloon that to $267.4 billion for the same time period of fiscal year 1997.

Madam President, this amendment is a modest attempt, and I underline the word modest, a modest attempt to control Federal spending within reason, reduce the budget deficit and eliminate wasteful spending.

The bill before the Senate contains some $4.6 billion more than the Pentagon requested for fiscal year 1997 or for any of the next 5 years. I think the Congress could easily be able to identify $4 billion, either from this pork-barrel-laden $4.6 billion or from other sources to meet the requirement of this amendment.

Madam President, we are debating legislation that increases the Pentagon's request by a whopping $13 billion, nearly double last year's increase of $7 billion. At a time when we are considering deep reductions in Medicare, Medicaid, education, the environment, and other programs, I find it absolutely astonishing that between last year and this year we are proposing to give the Pentagon $20 billion more—to give the Pentagon $20 billion more—than the Pentagon had requested. Certainly in this case it is not the Pentagon that we can blame. The Pentagon came forth in cooperation with the President with what I thought was a workable program.

Madam President, I am under no illusion whatever. I understand the dynamics and the politics of the situation. I understand that Congress will, inevitably, increase this year's defense request, although it is still uncertain whether the President will sign a bill calling for such an excessive increase of $13 billion.

What this Senator from Nebraska is saying is, rather than $13 billion, maybe if the President recognizes that we just reduce that to $9 billion over his request, there may be some chance of avoiding a veto.

Before this Congress sanctions this $13 billion increase, I think we should first examine how the majority proposes to spend it. For several weeks we have been hearing that most of the increase will be devoted to accelerating acquisition of weapons systems that the Pentagon wanted in future years but could not afford this year. If that were true, some of the increase would almost seem reasonable under that argument.

We have since learned otherwise. According to the Defense Department itself, of the $12 billion this bill adds for procurement, research and development, the so-called modernization—that is a great term; for modernization—$4.6 billion of that, or almost 40 percent was neither in the Pentagon's 1997 request nor in its 5-year plan for 1997 through the year 2001.

This second and last chart that I reference at this time I think elaborates and demonstrates the size of this increase. As I have just said, increases to the Pentagon's fiscal 1997 request for procurement and research and development is vividly demonstrated here. $11.4 billion is the total; $4.6 billion was not even in DOD's 5-year plan.

That is some way for conservatives to budget. I simply say that the budget request that was suggested by the Pentagon, and recommended and approved by all of the people in the Pentagon, was aimed at long-range budget planning that was realistic. And I might add, it was approved and endorsed by the Secretary of Defense, the joint staff, and the individual service chiefs, as the optimal way of allocating the roughly $1.3 trillion that both parties agreed to spend on defense over the next 5 years to fulfill our joint military requirements.

Madam President, I should also note that the Pentagon has calculated that, over the next 5 years, increases for these items not in its 5-year plan would cost $25 billion. Let me say that again, Madam President. This plan that is being forced down the throat of the Pentagon and the President would cost $25 billion above and beyond what is already budgeted for. In essence, it amounts to an unfunded mandate on the Pentagon.

To bring this point home, Madam President, I will read a letter dated June 26 from John White, the Deputy Secretary of Defense, written to Senator DASCHLE:

In response to your question with regard to the funding levels contained in the FY 1997 Department of Defense Authorization Bill, I want to assure you that the President's defense budget and Future Year Defense Program (FYDP) as submitted to the Congress is sufficient to meet the security requirements of the Nation and to satisfy the policy directions of the Administration. Three times in three years the President has increased the level of resources made available to the Department to support the Bottom Up Review. We can achieve the objectives of the national security strategy with the resources requested by the Administration.

I am particularly concerned that many of the proposed increases contained in the Defense Bill now under consideration are for systems or programs which are not included in the Department's FYDP. These increases bring with them funding tails for the outyears which could limit future production of critical technologically advanced modernization programs now in development.

Madam President, that drives home the point that I referenced just a few moments ago about this $25 billion above and beyond what has already been budgeted for. Let us look at some of these increases. Let us look at some of the programs that these increases propose to embrace. Remember, Madam President, none of them was in the Pentagon's 5-year plan. I am going to mention a few: $202 million for the Navy's Distributed Surveillance System; $183 million for the Army's AH–64 Apache helicopter; $158 million for the Army Kiowa Warrior helicopter; $234 million for Navy's F/A–18 C/D fighter; $107 million for the Air Force's F–16 C/D; $205 million for the Air Force's WC–130.

There are some 100 examples, none of which are in the Pentagon's comprehensive 5-year plan.

You can spend all day looking for them, and you will not find them. They are an expensive collection of pet projects, congressional pork, and outright wasteful spending. These increases are precisely the sort of deficit and budget-busting spending that would be subject to the line-item veto, if Congress had given that power to the President this year, as we once voted for here in the U.S. Senate.

I ask unanimous consent that a complete list of these increases be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1997 SENATE DEFENSE AUTHORIZATION BILL: SUMMARY OF ADDS NOT IN THE PENTAGON'S 5-YEAR PLAN

[In millions of dollars]

	Total adds in bill	Adds not in 5-year plan	Percent of total add not in FYDP
RESEARCH, DEVELOPMENT, TEST & EVALUATION (RDT&E)			
Army	653	342	52
Navy	1,717	685	40
Air Force	555	160	29
Defense-Wide	1,185	278	13
Total	4,109	1,465	36
PROCUREMENT			
Army	2,269	1,053	[1] 46
Navy	3,357	506	[1] 15
Air Force	1,430	777	[1] 54
Defense-Wide	830	760	[1] 92
Total	7,885	3,095	39
Grand total	11,994	4,560	[1] 38

[1] Percent of total add not in 5-year plan.

Note: Prepared by Senate Budget Committee, based on DoD Comptroller Data.

Fiscal year 1997 Senate defense authorization bill: List of adds not in the Pentagon's 5-year plan

[In millions of dollars]

Research, Dev., Test & Evaluation (RDT&E)	
Army:	
Weapons and Munitions Technology	20.0
Nautilus Thel	25.0
Tractor Red	3.5
Landmine Warfare and Barrier Advanced Technology	4.0
Tractor Dump	13.6
Armored System Modernization: Advanced Development	12.0
Javelin	4.5
Air Defense Command, Control, and Intelligence—Eng. Dev	61.8
Longbow: Engine Development	12.0
Force XXI Initiatives	100.0
DoD High Energy Laser Test Facility	21.7
Missile/Air Defense Product Improvement Program	55.0
Other Missile Product Improvement Programs	9.0
Subtotal, Army RDT&E	342.1
Navy:	
Surface/Aerospace Surveillance and Weapons Technology	9.0
Surface Ship Technology	6.0

Fiscal year 1997 Senate defense authorization bill: List of adds not in the Pentagon's 5-year plan—Continued

[In millions of dollars]

Air Systems and Weapons Advanced Technology	7.5
Ship Propulsion System	8.0
Advanced Submarine Combat Systems Development	48.0
Advanced Submarine System Development	60.0
Gun Weapon System Technology	27.0
Other Helicopter Development	11.0
Electronic Warfare Development	65.0
Aegis Combat System Engineering	21.9
Arsenal Ship	147.0
Airborne Mine Countermeasures (MCM)	10.0
Distributed Surveillance System	202.0
Marine Corps Program Wide Support	40.0
Joint Service Non-Lethal Weapons Technology Program	15.0
Acquisition Center of Excellence	8.0
Subtotal, Navy RDT&E	685.4
Air Force:	
Advanced Spacecraft Technology	75.0
Variable Stability In-Flight Simulator	1.4
Rocket Systems Launch Program (Space)	25.1
F-15E Squadrons	29.0
Advanced Medium Range Air-to-Air Missiles	10.0
Sensor Fused Weapons	19.1
Subtotal, Air force RDT&E	159.6
Defense-Wide:	
Anti-Satellite Program (ASAT)	75.0
Tactical Technology	3.0
Materials and Electronics Technology	15.0
Defense Nuclear Agency	12.0
Experimental Evaluation of Major Innovative Technologies	72.3
CALS Initiative	14.0
Environmental Security Technical Certification Plan	8.0
Boost Phase Intercept Theater Missile	15.0
National Missile Defense-Dem/Val	50.0
Other Theater Missile Defense/Follow-On TMD Activities-Demo	10.7
Defense Support Activities	3.0
Subtotal, Defense-wide RDT&E	278.0
Total, RDT&E	1,465.1
Procurement	
Army:	
Aircraft:	
C-XX (Medium Range) Aircraft	35.0
AH-64 Apache Attack Helicopter	183.0
CH-47 Cargo Helicopter Modifications (Multi-year Program)	52.3
Kiowa Warrior Helicopter	158.4
Subtotal	428.7
Missile:	
Mobile Launcher Rocket Systems (MLRS)	147.0
Patriot Modifications	12.0
Avenger Modifications	29.0
Dragon Modifications	25.0

Fiscal year 1997 Senate defense authorization bill: List of adds not in the Pentagon's 5-year plan—Continued

[In millions of dollars]

Subtotal	213.0
Weapons & Tracked Combat Vehicles (W&TCV):	
Field Artillery Ammunition Support Vehicles	50.8
Howitzer, Medium SP FT 155mm M109A6 (Modification)	61.2
M1 Abrams Tank (Modification)	26.5
Medium Machine Guns (Modifications)	20.0
Subtotal	158.5
Ammunition:	
CTG Mortar 60mm Illum M721/M767	7.0
CTG Mortar 60mm HE M720	12.5
Proj Arty 155MM HE M795	55.0
Selectable Lightweight Attack Munitions (SLAM)	3.0
Armament Retooling Manufacturing Support (ARMS)	58.0
Subtotal	135.5
Other:	
Medium Truck Extended Service PGM (ESP) (PREV SLEP)	3.0
Inland Petroleum Distribution System	33.0
Items less than $2 million (Construction Equipment)	54.0
Base Level Commercial Equipment	27.0
Subtotal	117.0
Total, Army procurement	1,052.7
Navy:	
Combat Aircraft and Weapons:	
F/A-18C/D (Fighter) Hornet	234.0
EA-6 Series	33.3
F-18 Series	50.0
H-53 Series	14.0
Tomahawk Modifications	14.4
Subtotal	345.7
Shipbuilding & Conversion: Oceanographic Ships—SWATH	45.0
Subtotal	45.0
Other: Oceanographic Support Equipment	6.0
Subtotal	6.0
Marine Corps:	
155mm CHG, Prop, Red Bag	24.0
155mm D864, Base Bleed	45.0
FUZE, ET, XM752	29.0
AN/TPQ-36 Fire Finder Radar Upgrade	1.7
Trailers	9.3
Subtotal	109.0
Total, Navy procurement	505.7
Air Force:	
Aircraft:	
F-16 C/D (Multi-year Program)	107.4
WC-130	204.5
B-1B	56.5
AWACS Reengineering	109.0
Other Aircraft	21.2

Fiscal year 1997 Senate defense authorization bill: List of adds not in the Pentagon's 5-year plan—Continued

[In millions of dollars]

DARP	182.2
Subtotal	680.8
Missile:	
HAVE NAP	39.0
AGM–130 Powered GBU–15	40.0
Conventional ALCMs	15.0
Hard Target Smart FUZES	2.0
Subtotal	96.0
Total, Air Force procurement	776.8
Defense-wide: National Guard & Reserve Equipment	759.8
Total, Defense-wide procurement	759.8
Grand total, procurement	3,095.0
Grand total RDT&E	1,465.1
Grand total, procurement	3,095.0
Super-total	4,560.1

Mr. EXON. Madam President, these programs, in the opinion of most senior military leaders, are unnecessary. Even if the Pentagon had the money, the Secretary of Defense and the Joint Chiefs have said that they would not fund these programs this year, not next year, not in 1999, not in the year 2000, and not in the year 2001.

Since both the administration and the Republican majority propose to spend virtually the exact same amount on defense over the next 6 years, funding these programs directly takes away from others that the Pentagon says it needs. Is this a way to budget responsibly for our national security? I suggest not. Is this a way we should spend the taxpayer's hard-earned dollars? I think not.

Some of my colleagues will assert that some of these increases are justified because they were included on one of the infamous wish lists that the services circulated on Capitol Hill. But none of these service lists was ever approved by the joint staff, who determines what is necessary. They are the experts.

It seems to me that we should realize and recognize that the full coordination with the services and our joint military needs should be kept in mind when we implement our military strategy.

Over the past 40 years, Congress has worked hard in a bipartisan manner to strengthen the joint capabilities of our armed services—first, by unifying the command of the services under the Secretary of Defense, and then by creating a strong joint staff and a strong Chairman of the Joint Chiefs of Staff. This year's use of the wish lists directly undermines 40 years of work by promoting the services' parochial interests at the expense of our overall national defense strategy.

Madam President, I believe my friend and colleague on the Armed Services Committee, Senator COATS from Indiana, a dedicated Republican, who has great knowledge of national defense issues, summarized the situation well when he said at a conference on April 24, 1996:

> Few priorities on the "wish lists" stress how the programs can improve joint warfighting capabilities. It seems counterproductive that the services would work to a consensus . . . only to deviate from this course during the authorization cycle. . . Such lists are not effective "gap closers" when they do not adhere to a logical, overreaching defense plan.

So the fact that some of these increases in the defense authorization bill were on a wish list is in reality no justification whatsoever for Congress to fund them.

Madam President, how long can this Congress continue doling out scarce discretionary funds to the Pentagon with this blank check philosophy? As many have warned, spending of the taxpayers' dollars so irresponsibly will undermine the public's confidence in the Congress as well as erode its support for adequate funding for national defense.

We have heard many speeches about how we need to cut unnecessary Government spending. This is an ideal opportunity for Senators to stand up and do just that.

This amendment is reasonable. This amendment is moderate. I wish we could do more. I am willing, although reluctantly, to give the Pentagon this year an additional $9 billion for programs it did not request this year. I am even willing to give the Pentagon an additional $600 million so that it can fund so-called congressional priorities. But enough is enough. Some sense of fiscal sanity is necessary.

Madam President, I simply say that the $4 billion in the cut that myself and the others are proposing is going to be accepted, at least in part, by a follow-on amendment that I understand will soon follow my amendment offered by the two leaders of the Armed Services Committee, by my distinguished friends, Senator THURMOND from South Carolina and Senator NUNN from Georgia. What they are proposing to do is to take roughly half of the cuts that this Senator has proposed and reduce the Senate Armed Services Committee bill from its $13 billion increase figure down to the budget resolution figure of $11.4 billion. I salute them for that. It is a step in the right direction.

The Exon amendment roughly cuts $2.4 billion below that to make an overall reduction in the armed services authorization figure of $13 billion less $4 billion down to a $9 billion increase.

In a nutshell, that is the difference between what the Exon amendment does and what is proposed to be done on a lesser scale by the chairman and ranking member of the committee.

Mr. WARNER. Madam President, will the Senator yield for a question?

Mr. EXON. I will be glad to yield in a moment.

I am even willing to give the Pentagon an additional $600 million so that it can fund some of these so-called priorities. I want to emphasize that. But I still say that we are going way too far.

I think that is such a reasonable amendment that I cannot imagine it not being endorsed and accepted by the Senate as a whole.

In closing, I urge my colleagues to join me in saying "no" to some of these wasteful increases to the Pentagon's request. They are unwise and they are unaffordable in the budget climate that we find ourselves in.

I urge all to vote "yes" on this amendment.

I yield the floor. I will be glad to yield for a question so long as it is on his time.

Mr. WARNER. Madam President, I am glad to have this charged to time under my control.

I have the greatest respect for my colleague. We have served together on this committee many, many years, and his work on the Budget Committee has been a tremendous benefit to our committee through the years.

I would like to draw his attention to a document he is aware of, the Congressional Budget Office document of May 15, 1996, in which on page—does the Senator have one of these?

Mr. EXON. I do not have it.

Mr. WARNER. I will send it back so the Senator can examine it. But on page 2, the Congressional Budget Office analyzes the outyears spending subject to appropriations actions and proposed changes. The estimated authorization level for fiscal 1997 is 268, and then they have a series of zeros out here showing no tailing increase.

I will send this up to my distinguished colleague and allow him to look it over. Maybe after he has had a chance to examine it, he can respond to my question.

Mr. EXON. I will be glad to look at it and give you my explanation of it.

I will simply point out that the Exon amendment still allows for a $9 billion increase over what the President and the Pentagon has recommended. I would think, regardless of the technical details, that most realize and recognize that such should be fully adequate given the budget constraints that we face.

I yield 7 minutes to my colleague from Wisconsin.

Mr. WARNER. Madam President, I sent a document. It is right behind the Senator. Will he have an opportunity to look at it and at the conclusion of the remarks of the other colleagues perhaps he can address that?

Mr. EXON. I will be glad to do that.

Mr. WARNER. My recollection is that the Senator from Nebraska specifically talked about the outyear implications of this funding request by our committee. It seems to me that this document attempts to refute that.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Thank you, Madam President.

Madam President, I am pleased to join my colleague from Nebraska in offering this amendment to eliminate $4.0 billion in defense spending for items that are not included in any of the next 5 year's defense budgets. The Pentagon does not want or need these additional funds. There is no reasonable rationale for Congress to provide them.

I have listened to the arguments that we need to be spending more on defense because of a shortfall in procurement funding, and I have heard the justifications for the $13 billion increase in budget authority contained in this bill, on the grounds that we are only accelerating projects the service chiefs have said they want and need. I say to my colleagues who embrace these concerns—even though I have to say that I am skepical—listen carefully to the details of this amendment. This amendment targets the special interest projects and wasteful spending in this bill which were not requested by the service chiefs.

There are more than 4 billion dollar's worth of projects in the bill before us which were not requested by the service chiefs. There are more than 4 billion dollar's worth of projects in the bill before us that appear no where in the Pentagon's future years defense plan. They are not priorities, and we cannot afford to be spending scarce taxpayer dollars on programs that at best are marginal.

After our amendment is adopted, and I am hopeful it will be, the defense authorization bill will still be $9 billion more than the administration has requested.

I am weary of hearing how this defense budget compares to defense budgets in previous years in real terms. Why do we not look at other budget functions in real terms? The reason is that if we did, we would realize that all domestic accounts are being cut in real terms. Many of them deeply. Yet, the defense authorization bill before us would increase defense spending $4.2 billion above last year's defense budget. Only in Washington is an increase in defense spending a cut. When we freeze education spending, we hear denials that we are actually cutting education funding. It is just a freeze they say, the same as last year. Well, in real terms we are cutting hundreds of domestic programs that contribute to the well being of our society. We are holding no one harmless in our effort to balance the budget.

Except defense.

How can we make a credible case to the American people that we are serious about reducing the deficit when we continue to increase defense spending? No one has made an effective case as to why we must be spending more on weapons systems that have not been identified by the service chiefs and are not in any of the next 5 year's defense plans. And we certainly gave the services the opportunity to ask for this funding.

Why is it that we cannot approach defense spending in the same way that we approach any other spending? The services have been more than forthcoming in telling us their requirements and identifying their needs. Now it is our responsibility to determine how best to meet these needs against all other competing requirements. This is how we fulfill our responsibility to oversee the budget and set spending. For some reason, however, we are reluctant to do so with defense.

We must ask ourselves over and over again: Is our defense spending relevant to the threats of the future? Are the projects included in the $4 billion we would cut in our amendment so crucial to our response to these future threats? This amendment was carefully crafted to identify those programs that do not meet even the most conservative requirements. This amendment cuts $4 billion in programs we cannot afford and should not buy.

Above all, let's remember that we are facing no major threats today. When the American people talk today about insecurity, they are talking about job security, personal security, and perhaps moral security. Even the threats to our national security posed by episodes of regional instability and conflict are less likely to be resolved with military force, and more likely to be resolved through political or diplomatic intervention. To be sure, we need a strong defense. We need to develop a strategy and maintain a force structure to protect and advance our interests in a constantly changing global environment. If we could start over again and create a new force structure from scratch to meet the challenges of this era, I am confident that we would have a leaner, more mobile and more efficient force at far less cost.

I am puzzled by arguments that we must front load defense spending in the early years of a 7-year plan because spending in the outyears cannot be relied upon.

Madam President, the spending we vote for today—much of it devoted to new procurement and new research and development projects—lays the groundwork for increased spending down the road. The spending proposed today ensures the reductions proposed for the outyears will not occur. However, if we adopt this amendment and cut $4 billion in spending in this year's budget, then we will be eliminating $25 billion in unnecessary spending in future years.

Last year, we passed a defense budget that was $7 billion more than what the Pentagon wanted. I came to the floor during last year's defense authorization bill and offered a bipartisan amendment to cut out that extra $7 billion, and we almost succeeded. That amendment was endorsed by a variety of groups focused on deficit reduction and included in the annual scores generated by the Council for a Livable World and the Concord Coalition. And now, here we are, a year later, considering a defense bill that adds $12.9 billion more than what the Pentagon wants.

Is it any surprise that in the budget resolution we passed last week we increase the deficit during the first 2 years of the plan? No one has explained how we can afford to increase defense spending above even the highest levels identified by the services and yet reduce the deficit. We cannot continue to spare the Defense Department from the deep regimen of cuts that we are asking the rest of our society to absorb. The $4 billion that we propose to cut in this amendment is a modest cut.

If we are committed to reducing the deficit and balancing our budget, then we must make the hard votes. And I know for some this will be a hard vote. However, I urge my colleagues to vote for this very responsible approach to defense spending.

I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, I yield myself 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Madam President, as I listened to the arguments being offered by my colleagues, it seems to me they start from the premise that Congress really should not take any action which differs from that of the requests sent up here by the administration. All we need do is have the President of the United States send up a budget and what we need to do is to look at the budget and either give it our stamp of approval or withhold that stamp of approval; there is no room for discretion. After all, if we were to add something, that would simply be another pork barrel project, would it not, under the logic that is being utilized by my colleagues who are offering this amendment? Why should Congress have any role in this? After all, they are the experts over there. The service chiefs, those who are involved in our military personnel, they are the experts, so why should we have any role whatsoever in terms of altering, increasing, or decreasing the spending for our defense needs?

That is the position, it would seem to me, that those who are arguing on behalf of this amendment are taking—that Congress really, any time it makes a change in the Defense Department request, is simply adding pork barrel spending.

I suggest, how about the Nunn-Lugar proposal? That will most likely be added. Is that pork barrel? Or is that something that is substantive, that will contribute to the national security interests of this country?

What about when we add more funding for the C–17, to buy more of them, so they can be produced at a more efficient rate and save hundreds of millions of dollars. I suppose that is just pork barreling as well. What about the V–22 replacing our aging helicopter aircraft that are ferrying about our Marine Corps? I suppose that is pork barrel, too. So the notion is somehow, whenever Congress adds funding, whenever the Armed Services Committee adds funding for programs, that is just simply pork barrel. And I suggest to you that is simply pure nonsense. That is pure nonsense.

Also, it seems to me we would think that it is the requirements, the military requirements that ought to determine how much we spend and to drive policy. But, in fact, most of us know it is not the military requirements that drive policy but, rather, it is the political policies and the priorities established by the President that drive the requirements.

Year after year, we have been listening to our military experts come to the Congress and say, look, it is getting very thin. We are getting to the ragged edge. Yes, we can carry out the mission, but it is getting very difficult to do so. And we cannot give you assurances we can do so in future years; it is getting that close.

I hear my colleagues talk about cuts in other programs. In terms of percentage of real change in outlays between the years 1990 and 2002, this chart shows domestic discretionary outlays going up almost 12.5 percent; national defense outlays decrease by almost 35 percent, mandatory outlays increase 34.2 percent. So we can see where the priorities are. Defense spending is coming down and discretionary spending, mandatory entitlement programs are going up.

However, there is another issue I want to focus on, and that is the issue of promises. This is something that is of concern to me. It has been to a majority of our colleagues in the Senate and the House. We have had promise after promise that we are going to deal with the shortfalls that are coming next year.

In 1993, we were promised that defense procurement spending was going to go up, and here is where it came out, where this green line is now. It went down. We were promised by the President it was going to go up again in 1995. It went down, saying wait until next year, a promise to go up. It went down. In fact, it will not go up in procurement spending until after the next term of either President Clinton or President Dole expires. And so the absolute military necessities are being pushed out into the year 2001, 2002, saying, well, we will get to it just like the Red Sox are going to win the pennant next year and every time next year comes by say, well, we cannot afford it.

Let me read to you what Admiral Owens, former Vice Chairman and Chairman of the Joint Chiefs Oversight Council, had to say about the administration's procurement plans for our Armed Forces. I am going to read this. "We are facing a procurement crisis."

> Here you can see that in 1993 the President's budget had for procurement $62 billion. In 1994, procurement would be at $64 billion. Of course, what really happens, it went down to $48 billion. In 1995, the administration was projecting $55 billion. In fact, it was $46 billion. But then the administration promised it was going to go up. And in 1996 we are now down to $39 billion. And we keep promising and promising ourselves it is going to go up. We have got to stop promising and start doing business.

That is from a very highly respected member of the military. Stop breaking promise after promise.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COHEN. I yield myself an additional 3 minutes.

Mr. WARNER. Mr. President, we will yield to the Senator such time as he requires and charge it to me. I would like to ask the Senator a question at the conclusion of his presentation.

Mr. COHEN. Madam President, shortly prior to his death, I had a conversation with Admiral Boorda. We spoke initially on the phone and then he came to my office because we went through this process. We said look, we understand. You are under orders to come up to the Hill and testify as to whether you can live with this particular budget. And each time the military has done their duty as required apparently by their obligations and they said, yes, we can live with what the President has requested; he is our Commander in Chief; we can live with this, this year for the first time they started sending other signals that said ask us basically what we really need over and above what is being requested.

And so we asked the question: If more money were added, what would you request? Admiral Boorda sent a request to me that was in excess of $7 billion, alone, for the Navy—$7.9 billion over and above the President's request just for the Navy. And I told him it was completely and wholly unrealistic. He said, look, we have a bow wave coming. I am not going to be here. I am retiring. He would not be here when his period for being CNO had expired and left the Navy, he said, but in the year 2000, 2005, 2010, we have an enormous tidal wave of procurement coming and, frankly, he did not see whether we could ever have the will or spirit to measure up to the responsibilities to fund the programs. So he said, I am putting in my request. This is what I need.

So that is just one service. Here we are on the Senate floor saying let's just take another $4 billion out totally across the board.

Madam President, I think that we have to get realistic about where we are headed, that we know and everybody knows that by the year 2000 spending is going to have to go up dramatically in order to meet the requirements of our military, or else what?

We can simply revise what we have to do throughout the world. We can say, fine, we are not going to defend our interests in the Pacific. We are not going to defend our interests in Europe or NATO. We are simply going to shrink back to the continental United States.

We can do that. We can revise the Bottom-Up Review. We can say we are not going to meet major regional contingencies, two of them simultaneously, and say we will just meet one. We can do that, and it will be a much more honest approach than what we are currently taking because what we are doing today is saying, yes, we can meet the Bottom-Up Review requirements when, in fact, we cannot—when, in fact, we are holding out an illusion, when in fact many of the same personnel and equipment required to fight in one particular regional conflict will be required to fight in another.

So, it is time we get honest with ourselves and, if we do not want to be the superpower, capable of extending our reach in various parts of the globe, if we do not want to exercise military power and projection in various parts of the globe, say so. But let us not go through this routine, saying we will do it next year and next year and next year. This year is an election year. This year it is more for education and environment and other things. We will push the requirements of the military out into future years, and we will let that generation deal with the problem. We will not be here. We will be gone, be out of office.

When we heard statements made—the Deputy Secretary of Defense has issued a statement; Senator WARNER has referred to it—that there is a tail attached to this particular authorization, some $25 billion, we said, "Prove it to us. Where is the evidence it is $25 billion?" They have yet to submit an analysis that shows any justification for the $25 billion so-called tail. They issued a letter saying it is a $25 billion add-on, and we have looked at the analysis and it does not hold up.

I will save that analysis for my other colleagues who wish to talk about this particular matter, but it seems to me the Defense Department has an obligation that goes beyond simply issuing letters at the last moment saying it is $25 billion without any demonstration of the analysis by which that judgment was rendered. I am here to say, when we look at what they have done, what they do is say, if money is requested, for example to close out an account, they will take the amount requested—let us say it is $60 million—and they will stretch it out $15 million a year for the next 4 years. That is completely false. If you, in fact, spend more money to purchase equipment up front—aircraft, ships—which they know will save money in the outyears, they nonetheless add that as a total increase. If you look closely—and they have admitted this—if you look closely at their analysis, it will not hold up to scrutiny.

So, Mr. President, I hope this amendment will be rejected. We do know Senator NUNN and others will be offering an amendment later that would have a more modest reduction. But for us to come to the floor and say this is simply pork barrel spending, unnecessary, the military did not request it, therefore let us not add it, seems to me it undermines the historic role of the U.S. Senate and that of the Senate Armed Services Committee.

Mr. President, I hope this will be rejected and overwhelmingly so.

Mr. WARNER. Will the Senator yield for a question?

Mr. COHEN. I yield for a question.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I commend my distinguished colleague. He has very concisely and accurately reflected the facts.

I suggest he take another minute to include in his remarks that, while he did meet with Admiral Boorda, Admiral Boorda was but one of the entire set of Chiefs who came forward with the request that they needed $60 billion, of which the President's budget only allowed $38 billion, and under the current projections, you would not reach the level recommended by the Chiefs until the year 2001.

Mr. COHEN. Let me respond to my colleague. I only pointed to one individual. I tried to point to what Admiral Boorda had to say to me as an example. Here is just the Navy. Just for Navy programs he said, "I need another $7 to $8 billion to start meeting the obligations that are mandated and that we will have to face in just a few short years." But Admiral Boorda, like every other service chief, as such, realizes each year we have to face this red line. It goes down to the green line, and the green line drops to the blue line, and the blue line drops to the orange line, and we do not get to it until the year 2000. He is saying, "We cannot do this. It is a misrepresentation. It is a dereliction of our responsibilities."

That is just one service, the CNO. But now we have the Army, Air Force, Marine Corps, and they similarly made requests saying if we are really going to be measuring up to our responsibilities, we need more. It was the figure that the Senator from Virginia has cited.

So I think we are not to be charged with simply pork barreling, spending money wastefully. Whenever something happens in the world, we are the ones to answer the 911 call. When there was a problem with Taiwan and China, President Clinton did not hesitate. He is going to send the troops, aircraft carriers—two of them, as a matter of fact.

If we are going to be spending for these programs and protecting the lives of our young men and women who are dedicating them to the service of this country, we better make sure they do not have aircraft that are wearing out, they are not operating at tempos that cannot be sustained, that we start doing what needs to be done in order to make sure we have the finest capability we can possibly have.

I thank my friend for yielding me so much time.

Mr. WARNER. I thank the distinguished chairman of the Sea Power Committee. Indeed, he did present Admiral Boorda's request to him and now has supplemented it by the fact that all the Chiefs essentially are in agreement on this.

Mr. President, I would like to add a comment or two of my own here. This is the fourth attempt, I say to my good friends, the fourth attempt to cut the defense budget that we have debated here on this floor of the Senate within just the past 30, say, legislative days. All previous attempts have been declined by the Senate. The arguments on both sides are well known. We have shared them here today. I am not sure why we are spending more time, indeed, on this issue, on this important piece of legislation which is badly needed. The position of the Senate is clear.

Now, the chairman, Chairman THURMOND, and the distinguished ranking member—and I join with him in this effort—are going to come forward to bring in a reduction, calculated at roughly $1.7 billion, to reconcile this bill's overall spending with the budget resolution. That is a responsible approach to reduction in spending, and it will have my strongest support. Even with the increases in the defense budget made by the Budget Committee and the Senate Armed Services Committee, the defense budget will continue to decline in real terms in fiscal 1997. We are not increasing defense spending with this bill before us. We are simply slowing down—slowing down—the rate of reduction sent to the Congress by the President of the United States.

Fiscal 1997 will mark the 12th consecutive year of declining defense budgets. I am confident the pending measure will, likewise, be the fifth effort to reduce this defense budget, which will be rejected by the Senate on vote, and that the Senate will turn to the recommendations of the chairman and the ranking member.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I yield 5 minutes to the distinguished member of the Armed Services Committee, the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. BINGAMAN. Mr. President, let me start by saying what I am sure is true for all those speaking for this amendment and that is we agree that the United States needs to maintain the most capable and effective military anywhere in the world. But I rise to support Senator EXON's amendment, his freeze amendment to trim spending in this defense authorization bill to the same level as is in the current fiscal year because I believe that kind of fiscal discipline is possible and prudent and still allows us to maintain the most capable military on the face of the planet.

The Pentagon is able to live with a freeze. We are outspending all of our potential foes by at least a factor of 2. The foes that we most often hear discussed when we are talking about defense issues are Iraq and North Korea. Mr. President, both of those countries are bankrupt. The combined defense budgets of both of those countries equal about 5 percent of our defense budget. We have allies in Europe, in Asia, whose defense budgets also dwarf those of our potential foes.

Our colleagues who voted for the concurrent resolution last week are asking our nondefense agencies to live with a freeze in discretionary spending after the budgets of those same agencies were cut by more than $10 billion last year.

The civilian agencies, those that we are asking to live with the freeze, face huge challenges as this country prepares for the 21st century—challenges of educating our children, preserving our environment, of caring for our veterans, of enforcing our criminal laws, of maintaining our transportation infrastructure, and developing new technologies. But we have told those agencies that we must live with a freeze this year, a $15 billion cut from the President's request for funds for those agencies.

But, for the Pentagon, even with the cold war long over and security challenges facing this country reduced to a level that would have been inconceivable when I entered the Senate 14 years ago, our colleagues propose a budget resolution to open up their purses for one last spending spree, adding an additional $11.3 billion above what the Pentagon requested for fiscal year 1997.

Senator EXON's amendment would cut a total of $4 billion in spending from the bill. It would leave an increase of $9 billion for defense spending above what the President requested. The level we are proposing would fund every single add-on proposed by the committee that is actually included in the Pentagon's future year defense program; that is the long-range planning document that the Pentagon works off. This bill is going to have to be trimmed by $1.7 billion, as several Senators have already indicated. We know that. Senator EXON essentially proposes an additional $3.2 billion cut. From my experience on the committee during the last 14 years, I am sure that the conferees can find $4 billion in low-priority add-ons to eliminate in the conference.

Mr. President, Senator EXON's amendment is almost identical in magnitude to the one that was offered by Congressmen SHAYS and NEUMANN 2 weeks ago to the House defense appropriations bill. Their amendment received 60 Republican votes. I hope that Senator EXON's amendment will be similarly attractive to some of the Republican Senators who are committed to deficit reduction this year. It is our intention that this reduction in spending authority would be used to reduce the Federal budget deficit which is projected to increase in 1997 under both the budget plan passed by Congress last year and the one submitted by the President earlier this year.

Mr. President, I honestly believe that this bill could be cut even more than the $4 billion Senator EXON proposes and with no adverse effect on our security.

There is an advertisement that appeared in the New York Times the other day on the 23d of June, on Sunday, by a group of business leaders pointing out that the last sacred cow in our budget needs to also share in this burden of budget cuts.

I think that is good advice. I hope we will follow that advice. I believe most Americans would like to see us hold the line on defense spending at the President's request, and I urge my colleagues to adopt the Exon amendment and do so.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I just wish at some point in time, the distinguished Senator from Nebraska will reply to the question of the Senator from Virginia relative to the CBO letter which I posed, but that can be done at his convenience. I think we should allow our colleague from Michigan to proceed. That is perfectly agreeable to the Senator from Virginia.

Mr. EXON. Mr. President, I yield 8 minutes to a very distinguished member of the Armed Services Committee who has sat next to me on that committee for 18 years, the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 8 minutes.

Mr. LEVIN. Mr. President, we, indeed, have had an enjoyable 18 years. I thank my good friend from Nebraska. And we have been joined by our good friend from Virginia in that 18 years as well. We may disagree on this, but we are close friends, indeed.

I rise in support of the Exon amendment. I want to emphasize something which Senator BINGAMAN just said. The so-called cut which is proposed in this amendment would leave an increase of $9 billion above the President's budget request; $9 billion would be left in this bill above that which the administration asked for and the Defense Department signed off on.

The majority of the Armed Services Committee added $13 billion. Over $4 billion of that is not even in the 5-year defense plan, the future years defense plan of the Defense Department. The Defense Department has no plan for over $4 billion of the add-ons, so that the Exon amendment, in cutting $4 billion, is cutting an amendment which is actually slightly less than the amount which the Defense Department has absolutely no plans for in its budget projection.

It is one thing to be strong, and we all want to be strong on the Armed Services Committee, and I think every Member of this body wants the United States to be the strongest Nation in the world. We are spending 2½ times more than Russia, 100 times more than China, and 40 percent of the world's defense expenditures are being spent by the United States. So, yes, we want to be strong, but we do not want to throw money away, even in the defense budget, even in the name of defense.

This budget that came out of the Armed Services Committee, in adding $13 billion to the administration request, which had been signed off on by the uniformed military, is throwing money at problems and adding items that have not been requested by the military, adding items not in the defense plan for the future and, as a matter of fact, Mr. President, adding items that were not even in these wish lists which we solicited from the military.

What the Armed Services Committee did is we asked each of the services: "If we had additional funds for you, what would you spend the money on?"

Very obviously, the services said, "Oh, we'd spend it for this, we'd spend it for that, we'd spend it for something else." Any agency of Government would do that.

What we did in soliciting these wish lists from each separate department—an Army wish list, a Marines wish list, a Navy wish list and Air Force wish list—what we did is violate the very rules of jointness and discipline which we ourselves, as an Armed Services Committee, very proudly put into law a few years back, called Goldwater-Nichols.

We require jointness. We require the military services to come together and to scrub their requests together and to jointly request funds, so they are not pitted off against each other, so they do not compete with each other up here. They first scrub their requests together and jointly come here and say, "We've gone through a process; we've gone through a joint requirements process. This is the uniformed military joint request." That is what the budget request is.

But on these wish lists that were submitted to us and that we solicited, on these wish lists, we just ask each of the services, "What is your wish? What are your wishes?"—violating the very rules of jointness and discipline which we ourselves had installed just a few years back. Of course, they came in with billions of dollars. There is no surprise in that.

Admiral Owens' name was invoked here. What Admiral Owens has also told us, in addition to worrying about some of the future modernization—and we all have concerns in that area—but what Admiral Owens said in testimony before the committee was that, while procurement should ideally be at the level of $60 billion per year, Congress should not add the money on top of the defense budget request—should not add the money on top of the defense budget request.

Instead, he said, the Pentagon should work to save the money internally from reduced infrastructure. We have had a reduced size for the military. We have bases which have been closed. He testified in front of our committee that the Pentagon should make savings which would allow the modernization to occur at a rate of $60 billion per year, the procurement at the rate of $60 billion per year, and that these moneys should come from reduced infrastructure—base closure, privatization, and so forth. That is the No. 2 person at the Pentagon speaking to us. That is not on the civilian side; that is on the uniform side.

We have actually added items here that, again, are not even on the wish list. We have added money for F-16's, a couple extra F-16's. Why not? That is only $50 million. Those are not even on the Air Force wish list. That is above what the Air Force added on their wish list. How about some more helicopters? Why not? We want to be strong. Add some more helicopters. The trouble is that the so-called Kiowa Warriors are not even on the wish list. They are not in the budget. They are not in the 5-year plan. They are not in the wish list we solicited.

But do we have a right to add this money? Of course we do. The Senator from Maine is absolutely right; we have a right to add any more funds we want or to subtract any more funds. But should we have some requirement, some logic, some compelling purpose, some jointness in this process that the military come together and say, "Yes, we want to spend an additional $120 million on the extra Kiowa Warriors"? I hope so. We cannot just paint these requests as being, "Well, it's defense, therefore, they must be needed."

We have a responsibility with taxpayers' dollars to look at what we are adding this $120 million for. This budget coming out of our committee does not meet that responsibility; $4 billion-plus that is not even in the future defense plans of the military, not justified. Let us take a look at the Kiowa Warrior. That is the OH-58 scout helicopter called the Kiowa Warrior, the AHIP's. That is the add-on by the committee.

They were there in Desert Storm. But we used Apaches instead to perform the function which the OH-58's were supposed to perform. The OH-58's could not even keep up with the Apaches, so to perform their functions we had to use Apaches. So let us add on OH-58's instead. Just add them on because it is the defense budget, and paint it defense, label it defense, and then everybody is going to be told, "Don't cut it. It's the national security of our Nation."

The Pentagon already consumes nearly 40 percent of the world's military budget, and we spend nearly as much as all of our allies combined. The United States spends 100 times as much annually as Iraq, the largest spender among nations the Pentagon considers potential threats. Even as other Federal agencies continue to take sharp cuts in high-priority programs that directly contribute to the immediate and long-term security of Americans, including crime-fighting, education and environmental protection, the committee added billions not requested by the Department of Defense, and in many cases not even included by the services on the wish lists solicited by the Committee.

On top of the fact that this authorization has resorted to using ad hoc wish lists from the services in order to decide where to spend the extra $13 billion, is the fact that the DOD financial systems necessary to account for the expenditure of this money are broken. We still haven't gotten a handle on it.

The General Accounting Office [GAO] in fact, says that "the Department does not yet have adequate financial management processes in place to produce the information it needs to support its decision." "No military service or other major DOD component," says GAO, "has been able to withstand the scrutiny of an independent financial statement audit."

But the committee's action would add another $13 billion to the pot without any concern for financial mismanagement issues.

If the Department of Housing and Urban Development or the Department of Health and Human Services were the subject of the same type of reports on their financial management systems that we're getting from the DOD inspector general and GAO and the DOD Comptroller, himself, we would never be adding wish list money to their programs.

The GAO describes DOD's financial management problems as "serious" and "pervasive." GAO in testimony late last year listed the key problems as follows:

> Serious problems in accounting for billions of dollars in annual disbursements.
>
> Breakdowns in the Department's ability to protect its assets from fraud, waste and abuse.
>
> Continuing problems in reliably reporting on the cost of its operations.

As long as Congress adds money like this, the Department will not have adequate incentive to solve these financial management problems. No major corporation in the United States would approve a subsidiary's budget at a wish list level if the subsidiary suffered from financial management failures like the Department of Defense.

While the committee is critical of the level of procurement spending in the President's defense budget request, its answer is simply to add more money, much of which is not for the items that the Pentagon wants. This is a poor choice for several reasons.

First, Adm. William Owens, the former Vice Chairman of the Joint Chiefs of Staff and the Chairman of the Joint Requirements Oversight Council [JROC] testified to the committee at its first hearing this year that while DOD is seeking to increase its procurement funds, Congress should not add the money on top of the defense budget. Instead, he said that the Defense Department needs to create savings from within its own programs to provide additional funds for procurement. The Secretaries of the Military Departments provided valuable testimony in support of that notion. But the committee did not pursue this avenue. Instead, it simply added money to the budget request, reducing incentives for the Department to operate more efficiently.

Second, the committee's addition of nearly $13 billion is consistent with last year's congressional budget resolution, which added $7 billion in fiscal year 1996, and suggested a $13 billion add this year. But that budget resolution frontloads the defense increases in the nearterm and shortchanges the department in the out-years. After the year 2000, the budget resolution would provide the Pentagon with less money than planned in the President's future years defense plan, and could substantially underfund the programs that the committee says it supports.

In fiscal year 2001, the President's budget plan for the defense budget would be $2.5 billion above the current budget resolution number. And for fiscal year 2002, the President's defense budget figure is $7.9 billion higher than the budget resolution plan. So in those 2 years alone, the budget resolution would be more than $10 billion less than the President's defense budget plan.

The President's budget request and outyear plans provide a more stable and sustainable funding profile, while the plan of the congressional majority would jeopardize the long-term health and stability of defense funding. And the committee's spending priorities are not the same as those of the Pentagon, so by funding other items, the committee is funneling resources away from the programs that the Joint Chiefs and the Defense Secretary say are most needed.

The Defense Department is in an unusual position among Federal agencies by virtue of its budget and the length of its future budgeting plans. Six-year plans are required. When inflation rises above the expected level, the Defense Department gets an upward inflation adjustment. But when inflation is lower than expected, DOD gets a large share of the dividend to plow back into additional programs. This year, DOD experienced a $45 billion lower inflation estimate. While some $15 billion went back to the Treasury, the other $31.5 billion went to the military to spend over 6 years. This fact was not even taken into account by the committee in its addition of $13 billion.

While Congress has criticized the military for inter-service rivalry, this bill's significant funding increases for the unfunded projects of the services actually fuels such rivalry by providing items that could not gain approval in the jointly oriented budget review by the Joint Chiefs and the Office of the Secretary of Defense. We should not be surprised if the services compete with each other for additional funds—a result we should not be encouraging.

Mr. President, I think it is important to put the issue of defense spending in some context. I have a chart that shows the levels of defense spending for about 15 nations, including the United States. Some of these nations are our allies, some are not allies and not adversaries, and some we consider adversaries. These figures are from 1994 because that is the most recent year for which we have data on these countries, and they are in constant 1993 dollars. Here is how defense spending stacks up among these countries:

First, it is no surprise that we spend more than any of the other nations. With spending of some $278 billion, we outspend Russia by two one-half times. I would point out that Russian defense spending is declining quite rapidly still. We outspend China by a factor of

10. We sometimes hear people caution that China is the coming military power to keep a watch on. We should remember that our spending dwarfs that of China by ten times.

The next group of countries on the list represents our allies with significant defense expenditures. I would note that the country in this group with the highest spending is Japan, which spends less than one-sixth as much as the United States. These are major allies who would be partners in any conflict affecting their interests, whether in Europe or in Asia. Together they spent almost $190 billion in 1994.

The United States spends almost one one-half times as much as all these allies combined. And they would be partners with us in many conflict situations, so their spending should be considered a supplement to our own.

Finally, there is the category of nations with interests inimical to our own, sometimes called rogue nations, most of which are suspected or known to be pursuing ballistic missile and weapons of mass destruction programs. This includes North Korea, Iraq, Iran, Syria, Libya, and Cuba. All together, their spending totals almost $14 billion, which is nearly 20 times less than what the United States alone spends. So our spending is massively higher than all these nations combined.

This is just to keep in perspective the fact that our military spending is far greater than that of the nations about which we are concerned, and our military capabilities are also far greater.

I thank the Chair and I thank my good friend from Nebraska.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I again solicit from our distinguished colleague from Nebraska a reply with reference to my observations about the CBO report, a copy of which he now has.

Mr. EXON. I am glad to reply. I have only 4 minutes left for closing remarks.

Mr. WARNER. How much time does the Senator from Virginia have?

Mr. EXON. Will the Senator yield me time to answer?

The PRESIDING OFFICER. The Senator from Virginia has 22 minutes 42 seconds.

Mr. WARNER. I am happy to have my friend reply on my time.

Mr. EXON. I thank the Senator.

I think the Senator asks a very legitimate question. We have checked with the comptroller at the Pentagon for the answer. The answer is quite obvious when you recognize that when we look at the various charts here, we are talking about direct spending and indirect spending.

Certainly, the funding tail that I referenced is a very real thing. The Congressional Budget Office, in making their cost estimates, looks at direct spending. And then there is indirect spending. The initial airplanes, helicopters, ships, and so forth that we have, as far as the chart that the Senator referenced is concerned, is right. But that would contemplate, I would say to my friend from Virginia, that we would buy this additional equipment and then we would not use it.

So, at least primarily, the difference between what the Senator has referenced as zero in his chart does not address what the Pentagon tells us, the comptroller at the Pentagon, who, I think we both agree since we know him and trust him, says that the problem that you have is that not all of the direct and indirect spending expenditures for this equipment have been considered. Therefore, the Pentagon has done that analysis, which is not part of the CBO cursory review. They conclude that it will take $25 million more, if we go ahead and purchase the equipment, and then use it, than is included in the budget. This, I think, can best be described as an indirect spending impact that has a very definite effect on the budget of the Pentagon.

Mr. WARNER. Mr. President, I draw your attention to the title that says, "Spending Subject to Appropriations Action." So it seems to me it is both direct and indirect. I think the most that can be made of this argument is that we come to a draw. Clearly, the comptroller of the Department of Defense, as you say, is a very distinguished former staff member of the Armed Services Committee, in whom we repose a lot of confidence.

Mr. EXON. That is correct.

Mr. WARNER. They say one thing; the Congressional Budget Office says the other. They are diametrically opposed on this question of the tail spending. I think that is the most that can be stated out of this debate. It is kind of like that great statement, "If you take the economists and you lay them end to end all around the Earth, they still don't reach a conclusion." Is that not right, Senator?

Mr. EXON. No, that is not right. I reply on the Senator's time. I happen to have the feeling that the comptroller at the Pentagon is a very honest, straightforward individual.

Mr. WARNER. I am not questioning his integrity.

Mr. EXON. I am glad we straightened that out.

Mr. WARNER. I am glad we straightened that out, too. I was, in a friendly way, giving the Senator a draw on this debate. But if the Senator wishes, I will go with the CBO.

Mr. EXON. I always have the highest regard for my friend from Virginia, and he knows that. If we want to go to a draw on this, let us call it a draw and move on——

Mr. WARNER. Splendid.

Mr. EXON. To the discussion of how we can justify this increase that is not requested by the Pentagon.

Mr. WARNER. Mr. President, we are awaiting the distinguished Senator from Indiana, who is quite an authority on this subject, a member of the Armed Services Committee, as is the Presiding Officer. I shall yield to him such time as he may require.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I now yield the balance of the time under my control to the distinguished member of the Armed Services Committee, Mr. COATS. Mr. President, before that, I ask the Senator how much time is required?

Mr. COATS. Probably not more than 10 minutes.

Mr. WARNER. Then the chairman of the committee will require some additional time. How much time is remaining?

The PRESIDING OFFICER. The Senator from Virginia controls 12 minutes 30 seconds.

Mr. THURMOND. I will take 7 or 8 minutes.

Mr. WARNER. I ask unanimous consent that the Senator from Indiana have, say, 9 minutes, and that the distinguished Senator from South Carolina have 7 minutes.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

The Senator from Indiana.

Mr. COATS. Thank you, Mr. President, I say to my colleague that I will not take the full 9 minutes unless I need it. Otherwise, I will yield some back.

I rise to question the Department of Defense's recent assertion that the Senate Armed Service Committee authorization for fiscal year 1997 will create huge costs in years to come. This information has come somewhat as a surprise, since the Congressional Budget Office recently reviewed the committee's fiscal year 1997 authorization and found no additional spending attributed to the committee's decision. And so we have somewhat of a disconnect here between the assertions of the Department and the CBO analysis of the committee's action. I know this has been discussed on this floor, and I think it is important for Members to hear the other side of the issue.

When Secretary Perry, Deputy Secretary White, and General Shalikashvili met with the Armed Services Committee members last week, Under Secretary White asserted that the funding additions the committee made to the budget request created a $25 billion additional cost in the Future Years Defense Program. The estimate has since been refined down to $20 billion. But since neither Secretary White nor the Comptroller, John Hamre, was able to explain at the time how such additional costs might be incurred, Senator NUNN asked that a report be provided to the committee to explain the rationale and analysis that led to their conclusion.

Mr. President, in my opinion, the Department's analysis—and in the opinions of many, including CBO—the Department's analysis of future years' costs is seriously flawed. The Department made assumptions about the effects of any funding restorations, and then did their multiplications, without any reference to the committee's own report, which explained the committee's intention.

The method of analyzing research and development accounts was to multiply any committee addition by a factor of four and add up the result. Such an analysis ignores reality. Some of the program elements provided the Department the option to use the additional funds to close out a program, but instead, the program was scored as having an outyear cost of four times the add. There was no analysis, no reference to the committee's report that outlined the committee's intentions. Simply put, the Department assumed the worst-case scenario, assumed no future savings, and did the multiplication, with a predictable result. Recently, John Hamre, the DOD Comptroller has agreed that their analysis was very mechanical and should have considered offsetting savings.

As far as the procurement accounts are concerned, the Department's own briefers admitted to having no consistent set of assumptions to score procurement accounts. In fact, briefers from DOD could not explain why they scored no future savings when old equipment was replaced, or modified with more efficient engines. They showed only outyear costs, but no savings in operation costs. This flies in the face of the Department's own information papers provided during the markup on the authorization bill. In one case, the Department's own information paper claiming outyear savings of $1.5 billion if RC–135 aircraft were reengined. Now, we find no savings were accounted for in the Department's analysis of future year costs.

So, Mr. President, let me just outline this for Members. When the committee came forward with the recommendation for purchase of new equipment, say, engines for certain types of aircraft, which engines, if modified, or if they replaced old engines, there would be an outyear savings because of the efficiencies of the new engines. Yet, that was not scored against the cost of the new equipment. That cost was taken and multiplied into outyears and labeled as a gross cost, without a net savings that come back from the efficiencies.

Here are a couple more examples: The comptroller's analysis of the two major elements of the National Missile Defense Program are scored as having a $9.3 billion outyear cost through fiscal year 2001. That is the amount that most estimate is required to field a national missile system. Yet, not even the most optimistic projections contemplate deployment of a system until 2003. When asked how this was scored, comptroller analysts had no answer, nor recourse to any consistent assumptions to explain such an assertion.

Another example: The committee recommended an authorization of $12 million for material technology because the committee had statements from the Army that $8 million would be used to complete one portion of the program, and another could be finished for an additional $8 million. The committee authorized an additional $4 million for that portion of the program, leaving an outyear tail of $4 million. The comptroller scored the program as having $48 million outyear cost, $44 million above the actual outyear cost.

For electronics materials and the space-based infrared program, the same scenario takes place. Space-based infrared was cut in this year's budget request by $19 million, with no changes made to the outyear program. When the committee restored the cut, the comptroller scored it as an outyear add, which was erroneous.

Mr. President, real life experience does not support this kind of cost analysis. Anyone in business knows that replacing aging equipment provides operating savings, otherwise, why replace it? Also, anyone with common sense knows that buying systems at economic quantities saves money both now and later. This is what the committee did. In many cases, the committee actually restored cuts in programs made by the Department—cuts that drove up unit costs—and now the Department scores the restorations as having outyear costs.

Mr. President, the notion that the committee's authorization will drive the Department to outyear spending does not square with our analysis or square with reality. In fiscal year 1996, the committee authorized spending at a level above the administration's request.

This year, the administration forwarded a reduced fiscal year 1997 request to Congress. Following the Department's logic in this analysis, the fiscal 1997 request should have increased, not decreased.

Mr. President, the $20 billion outyear tail from this authorization does not exist. The analysis that asserts so is now in its sixth version in the last few weeks. It is no analysis, but rather an assertion that does not square with the facts. We would be better off to take General Shalikashvili's words at face value because when testifying before this year's Defense Department posture hearings, he was asked about last year's authorization, whether it was needed equipment, or whether it was "congressional pork." He answered that:

> I think that the vast majority of the money was against things that we were going to buy later. They were brought forward as a result of what you did, and in many, probably all cases, in the long run will result in savings, because we are able to get them sooner at a more advantageous price.

If you are going to buy it anyway, and you can buy it in a quantity now, which gives you unit cost savings, then why not buy it now? You do not score that as an extra add-on. You score that as a savings, or at least you take the total and offset the savings you gain from buying in quantity. I mean, that is common sense. If you are going to buy one car, you are going to pay a different price than if you buy a fleet of cars. If you know you are going to end up buying the fleet, and you can do the add now and get the unit cost down, it only makes sense to do so.

Mr. President, the analysis that says any modernization now is an expense in years to come cannot be taken seriously. More serious thought should be given to the Department's continuing reductions without any changes in its stated goals or strategy. Ad hoc assertions, such as this offering by the Department, should be cause for questions about any underlying framework or analysis for our national security other than what the present administration is willing to request.

Mr. President the issue at hand is this: the administration says its strategy is sound but does not provide the resources to carry it out—and when those resources are authorized, it complains of future costs. This all happens while defense spending declines and operational tempo increases. Mr. President it is time to relook at defense strategy from a more thoughtful vantage point, and to take a careful look at the relation between policy goals and resources. This so called analysis adds nothing useful to the debate.

Mr. President, I thank you for the time.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for up to 7 minutes.

Mr. THURMOND. Mr. President, I rise today to oppose this amendment offered by my good friend Senator EXON, and will make my statement short. We have had long debates on defense spending, not only on this bill, but during the budget resolution debate. During these debates, some of my colleagues have argued that the money for defense is unnecessary, and they have always found other uses for this money.

Mr. President, thankfully, this body has not agreed with these arguments and has provided the resources necessary to meet our national security needs. There are many risks associated with the administration's decision to continue to underfund defense. Our Nation's top military leaders have assessed those risks and have explained their concerns, not only in Armed

Services Committee hearings, but in hearings in many of the other defense committees. The Armed Services Committee has received testimony concerning defense spending and here are just a few comments that were offered. Secretary of Defense Perry testified:

> . . . the modernization account in fiscal year 1997 will be the lowest it has been in many years, about one third of what it was in fiscal year 1985.

The Chairman of the Joint Chiefs of Staff, General Shalikashvili, testified:

> We preserved our readiness and force structure at the expense of modernization and equipment replacement . . . . So much that our procurement accounts has actually shrunk to just below $40 billion, the lowest level since the Korean War. . . . This procurement hiatus . . . cannot be sustained indefinitely.

Each of the Service Chiefs and Secretaries expressed similar concerns, but I will not take the time to go into each of their testimonies to the committee. We have received assurances that next year will be better. But then again, that assurance has been rendered since 1993 and it still has not happened. Admiral Owens highlighted this problem when he said, "We've got to stop promising ourselves and start doing something about this procurement issue . . ."

The administration proposes to reduce defense again this year by $18.6 billion from fiscal year 1996 levels in real terms. Will the Defense Department do less next year? Will we ask less of our military services—of our soldiers, sailors, airmen, and marines? What will be reduced to account for this $18.6 billion reduction? Already press report indicate that the administration might be considering extending United States forces in Bosnia beyond December 20, the date on which United States forces should be withdrawn. Even without this extension, costs for this operation have increased for the 1st quarter of fiscal year 1997 by $184 million, and we are told these costs will increase again. The decreases in defense spending planned by the administration are occurring at the same time our military personnel are asked to do more and more.

It bears repeating that providing for the national security is the Federal Governments's first obligation to its citizens. I ask my colleagues to remember these words by General Fogelman, Chief of Staff of the Air Force:

> When I look back to the debacles this country has gotten itself into coming out of a period similar to what we are in [now], in many cases it has been because we have ignored the threats that we could not see . . . We were not sharp enough to pick them up . . . If we do not look to the future I think we are going to find ourselves faced with that kind of situation.

Mr. President, I thank the Chair, and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum, and ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. EXON. Mr. President, I assume that all time has been used in opposition to the Exon, et al., amendment.

I would like to inquire as to how much time is left on our side on the Exon, et al., amendment.

The PRESIDING OFFICER. Two minutes and 14 seconds the Senator from Nebraska controls.

Mr. EXON. I thank the Chair. I yield myself such time as I might need.

Mr. President, I ask unanimous consent that Senator BYRD, a member of the Armed Services Committee, Senator FEINGOLD from Wisconsin, and Senator HARKIN from Iowa be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, in the limited time that I have remaining I would like to have the opportunity to recap the arguments for the Exon amendment.

I would first like to point out for the full understanding of all that this is the only amendment that has any chance or likelihood of passage for making any meaningful reduction not previously contemplated in the defense budget. I voted against the previous amendment by Senator WELLSTONE that would have reduced and eliminated all of the $13 billion increase over and above what was requested in the President's budget and not requested in the Pentagon's budget.

I simply say that all should understand that in essence the Exon amendment sponsored by many of my colleagues is in net effect reducing by only $2.4 billion the spending authorized by the Armed Services Committee and the combined action with the budget resolution. That is a far cry from the attempt by the Senator from Minnesota that—which this Senator had some sympathy for—I voted against, an attempt to show how reasonable and how minimal the approach is as being offered by this Senator from Nebraska and several of my colleagues.

To put it another way, it is quite similar in its total approach to a measure of 2 years ago commonly called the Exon-Grassley amendment that made minor reductions in the defense authorization bill but was scorned at that time by some as though we were trying to devastate the national security interests of the United States. Let me explain further how minimal this proposition is.

There has been a great deal of talk today about the fact that there was a reasonable proposal that would follow to be offered by the Senator from South Carolina and the Senator from Georgia which would reduce the Defense authorization bill from the figure of $13 billion increase over and above what the President and the Pentagon had requested down to $11.4 billion. That would be about a $1.6 billion decrease from what the Armed Services Committee had authorized.

The facts are, as I suspect the chairman of the committee and the ranking member would agree, they have no alternative. The Senate has already spoken in the budget resolution. The budget resolution reduced the $13 billion 1-year increase, over and above what the President and the Pentagon want, down to $11.4 billion. That was in the budget resolution. Obviously, unless that was reduced from a $13 billion increase over and above what the President and the Pentagon want, the authorization bill by the Armed Services Committee would be in violation of the Budget Act. So the fact that we are about to be offered an opportunity to cut the fabulous increase by $1.6 billion is a foregone conclusion because we had already acted on that previously on the budget resolution.

Therefore, it is hard to say that that is a real cut. Likewise, the amendment offered by the Senator from Nebraska and others takes that $1.6 billion that we have agreed to now to be reduced and added an additional $2.4 billion cut or decrease over and above what the President and the Pentagon requested, for a net increase—a net increase for 1 year, mind you—of $9 billion over and above what the President and the Pentagon requested.

That is a pretty healthy increase. If there is anyone on this floor who wishes to show some modest, reasonable step toward balancing the budget of the United States, the thing to do today would be to say, OK, we have to give some with regard to the defense budget, because the defense budget, obviously, with its vast multibillion-dollar increase, while we are reducing the real needs of Medicare and Medicaid and education and the environment and other programs, flies in the face of reality.

Another way to put that, Mr. President, would be to say this is a chance for people who preach fiscal discipline, who want a balanced budget by the year 2002, who want a constitutional amendment to guarantee that by the year 2002, with this modest amendment offered by the Senator from Nebraska and others to practice what they preach.

There have been some things said today in this Chamber during this debate about Admiral Boorda, our late and dear colleague, who was very close to this particular Senator. The statement has been made that Admiral Boorda was asked what more money could he use as head of the Navy if he had it.

That is like saying to a military leader, is there anything at all that you would like to have if you had a blank check?

The PRESIDING OFFICER (Mr. THOMPSON). The Senator's 8 minutes have expired.

Mr. EXON. Have I used up my time?

The PRESIDING OFFICER. Yes.

Mr. EXON. I ask unanimous consent for 1 additional minute to close.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I simply say that Admiral Boorda or any other military leader, given such an opportunity, would be derelict in his duty, it seems to me, if he could not come up with some concept or idea. That is the wish list that I talked about earlier.

The last time I saw Admiral Boorda was shortly before his death when he came to my office. I said, "What can I do for you, admiral?" He said, "You can't do anything for me, Senator. I just want to thank you for the great support that you have given the U.S. Navy all of these years."

So I do not propose to speak for Admiral Boorda, but I simply say that I think Admiral Boorda, when he signed onto the real needs of the Navy, meant just what he said. And I suspect that if Admiral Boorda were here, he would say that you should take a close look, Senators, at adding $9 billion over what myself and other members of the Joint Chiefs recommended as incorporated in the President's budget.

Mr. President, I urge adoption of the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Is there a sufficient second?

Mr. THURMOND. Mr. President, I second.

The PRESIDING OFFICER. There appears to be.

The yeas and nays were ordered.

Mr. EXON. Mr. President, I ask unanimous consent that following my remarks there be printed in the RECORD a letter dated June 19, 1996, to myself, Senator BINGAMAN, and Senator KOHL, from the Taxpayers for Common Sense in support of the Exon amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TAXPAYERS FOR COMMON SENSE,
June 19, 1996.

Hon. JAMES EXON,
Hon. JEFF BINGAMAN,
Hon. HERB KOHL,
U.S. Senate, Washington, DC.

SENATORS EXON, BINGAMAN AND KOHL: Taxpayers for Common Sense is pleased to support your amendments to the FY 97 defense authorization bill to cut the overall level of defense spending by $4 billion. With Congress working to reduce the deficit, this cut is a fair compromise on the defense budget.

The Department of Defense (DOD) bill authorizes $13 billion in budget authority above the President's request. It seems questionable to offer such a large increase to the budget of an agency whose accounting systems and practices are so weak. In 1995, the DOD Comptroller gave up trying to find $15 billion in "missing" DOD funds. Government investigations have revealed that out of 36 Pentagon agencies audited last year, 28 of them used records "in such terrible condition" that their financial statements were "utterly useless."

Every agency is being asked to examine its own budget and implement effective spending strategies. In light of the fact that $4.6 billion of the Committee's $13 billion increase was not in the Future Years Defense Plan, a $4 billion cut merely attempts to bring the defense budget in line with all the other agencies.

Taxpayers for Common Sense supports your efforts in working toward a balanced budget. This amendment is the first step toward fiscal responsibility for the Pentagon. We urge all members of the Senate to support your amendments.

Sincerely,

RALPH DEGENNARO,
Executive Director.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Senator THURMOND is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. THURMOND. At this time, I ask unanimous-consent that yesterday's agreement on minimum wage be further modified to allow for the two leaders to void this agreement up until the hour of 5:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I am sorry; I could not hear the Senator.

What was the unanimous consent request, I ask my friend from South Carolina, to do what at 5:15?

Mr. THURMOND. To allow for the two leaders to void this agreement up until the hour of 5:30 p.m. today.

Mr. EXON. I have no objection. I thank my friend from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. May I inquire of the Chair as to the anticipated procedures? I understand we are stacking votes until sometime to be determined later by the two leaders. I assume that the next order of business under the unanimous-consent agreement would be the amendment to be offered by the distinguished chairman of the committee and the ranking member with 20 minutes equally divided. Is that now the pending business before the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4346

(Purpose: To reduce the total funding authorized in the bill for the national defense function to the level provided in the Concurrent Resolution on the Budget for Fiscal Year 1997)

Mr. THURMOND. Mr. President, I send an amendment to the desk on behalf of myself and Senator NUNN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for himself and Mr. NUNN, proposes an amendment numbered 4346.

Mr. THURMOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 3, add the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 for the national defense function under the provisions of this Act is $265,583,000,000.

Mr. THURMOND. Mr. President, this amendment recognizes that the Defense authorization bill is currently $1.7 billion over the amounts provided for in the concurrent budget resolution for fiscal year 1997, and reduces the spending authorizations in this bill to comply with the budget resolution.

Mr. President, the committee finished its markup of the Defense authorization bill prior to the budget resolution being resolved and even before the Senate version was passed. This amendment reduces the spending amounts authorized in this bill to be in compliance with the fiscal year 1997 budget resolution.

It is a simple amendment. Senator NUNN and I ask for our colleagues' support. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I rise in support of the amendment offered by the chairman of the committee, Senator THURMOND. We are offering this amendment to reduce the overall funding level in this bill to comply with the budget resolution.

Although the authorization bill is not technically required to conform to the budget resolution, our committee has always tried to conform its recommendations to the budget resolution, to the maximum extent possible, in order to keep our work relevant to the overall process and to give firmer guidance to the appropriations bill.

This amendment lowers the national defense total funding authorized in this bill by $1.8 billion, to a level providing for the national defense function contained in the fiscal year 1997 budget resolution of $265.583 billion.

This amendment is in the form of an overall reduction. It does not attempt to amend the bill in the dozens of places that would be necessary to make all the detailed reductions, nor does it spell out the even more numerous changes to all the line items in the report language but which are not part of the bill. In my view, that kind of procedure is not necessary or productive at this time.

This amendment ensures, however, that the total authorized for defense in this bill matches the budget resolution. The committee will make the appropriate detailed adjustments during our conference negotiations.

Mr. President, I will just take a brief period here to explain how we got to this point. The answer is simple. When we marked up our bill, there was no 1997 budget resolution number to mark to—no House number, no Senate number, no conference number. Our colleagues in the House were in the same situation. Their bill was reported and brought to the floor even earlier than this bill was. The House did not lower their version of this authorization bill on the floor to comply with the budget resolution. Their bill passed the House on May 15, before the budget resolution had gone to conference or even passed the Senate. The House bill exceeds the final defense spending level in the budget resolution by $1.1 billion in budget authority and eight-tenths of a billion in outlays. This armed services bill was ordered reported on May 2, while the Senate version of the 1997 budget resolution was not ordered reported until May 9.

Because this bill was marked up before there was a Senate budget resolution or a House budget resolution defense number for 1997, we used the target for fiscal 1997 from last year's fiscal budget resolution, which was $267.3 billion in budget authority. It was the only funding target available for us to use. Furthermore, although the House version, like the Senate version, was reported after our Senate Armed Services Committee markup was completed, the defense number in the House version of this year's budget resolution was $267.2 billion in budget authority and was also consistent with the guidance from last year. In other words, we had two different numbers from the House and Senate that had to be reconciled in conference.

Even after we did get the top line funding targets from the Budget Committees, we still had no definitive guidance about what our number would be. Since one of those two targets was basically what we had marked to, there was at least a chance we were already at the right number. So it did not make sense to try to change it before the budget resolution conference was concluded. So it was not until the budget resolution conference completed it on June 7, and adopted it on June 13, that we knew what the defense number would be. The budget resolution conferees adopted the Senate's defense number. According to the Congressional Budget Office, the national defense authorization level in our bill was equivalent to $267.4 billion in budget authority and compared to the budget resolution's budget authority level for national defense of $265.6 billion. That means our bill is over the budget resolution conference by $1.779 billion in budget authority, although it is right on target in terms of outlays, or actual cash. Because our bill was sequentially referred to the Intelligence Committee, which reported it out on June 11, for all practical purposes, we had no way to redo the bill before it came to the floor.

Mr. President, I have explained why it is impractical, if not impossible, to redo our bill to comply with the budget resolution before considering this bill on the Senate floor. However, this amendment will bring the bill into compliance with the budget resolution number.

This amendment would reduce the amount in the bill by $1.8 billion. The bill would be $11.2 billion above the President's budget request, but, again, will be lower than last year's bill and last year's defense total in real terms. So the defense budget is still coming down, in real terms, and this amendment will not change that.

Mr. President, I urge the adoption of the Thurmond-Nunn amendment, and I also urge the Senate to vote against the Exon amendment, which cuts more substantially than does the Thurmond-Nunn amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest we yield back the time, and we will do so on our side.

Mr. NUNN. Mr. President, I yield back all the time we may have.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized.

AMENDMENT NO. 4347

(Purpose: To restore funding for certain educational and employment assistance programs to levels requested by the President in authorizing the Secretary of Defense to transfer defense funds that are excess to the funding levels provided in the future-years defense program and to other funding objectives of the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, and the Commandant of the Marine Corps)

Mr. WELLSTONE. Mr. President, I am going to, in a moment, send an amendment to the desk in behalf of myself, Senator BUMPERS, Senator BOXER, Senator FEINGOLD, Senator HARKIN, and Senator WYDEN. We may have other cosponsors to add.

I send an amendment to the desk

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. BUMPERS, Mrs. BOXER, Mr. FEINGOLD, Mr. HARKIN, and Mr. WYDEN, proposes an amendment numbered 4347.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle A of title X add the following:

SEC. ___. TRANSFERS FOR EDUCATION AND EMPLOYMENT ASSISTANCE PROGRAMS.

(a) EDUCATION PROGRAMS.—Of the total amount authorized to be appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense is authorized to transfer to the Secretary of Education—

(1) $577,000,000, to carry out subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a), relating to Federal Pell Grants;

(2) $158,000,000, to carry out part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), relating to Federal Perkins Loans; and

(3) $71,000,000, to carry out part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), relating to Federal Direct Stafford/Ford Loans.

(b) EMPLOYMENT ASSISTANCE PROGRAMS.—Of the total amount authorized to be appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense is authorized to transfer to the Secretary of Labor—

(1) $193,000,000, to provide employment and training assistance to dislocated workers under title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.);

(2) $246,000,000, to carry out summer youth employment and training programs under part B of title II of the Job Training Partnership Act (29 U.S.C. 1630 et seq.);

(3) $25,000,000, to carry out School-to-Work Opportunities programs under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 2101 et seq.); and

(4) $40,000,000, to carry out activities, including activities provided through one-stop centers, under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

Mr. WELLSTONE. Mr. President, I thank the Chair.

Mr. President, this amendment takes a small part of the over $13 billion more authorized for the Pentagon than the Pentagon requested, and out of this figure—initially it was $13 billion and now after adoption of the Nunn-Thurmond amendment it will be about $11 billion—this amendment transfers by way of authorization $1.3 billion. In other words, out of the original $13 billion—that is over what the Pentagon says it needs for our defense, now pared down a little bit—this amendment would take $1.3 billion and transfer that to a number of different key education and job retraining programs.

I am going to spend most of my time talking about higher education, because when I think about what regular people talk about I can tell you right now that in Minnesota, families are talking about the cost of higher education and how it can be more affordable for their children or their grandchildren, or for themselves.

This amendment restores funding to the level authorized by the President for the following programs: Pell grants, $577 million—Perkins loans, $158 million; direct student loans, $71 million. So the higher education total is about $806 million.

In addition, there are some other programs that we want to at least get back to the level of authorization in the President's proposal. Dislocated workers, $193 million; summer youth jobs, $246 million; School-to-Work, $25 million; and One-Stop Job Training Centers, $40 million.

I do not think it is too much to ask, given the priorities of regular people, of families across the country, that we transfer $193 million out of an overstuffed military budget, for dislocated workers; that is to say, men and women who are out of work because of plant closings, out of work because of restructuring and downsizing. This is the story of America. People can work hard all their lives and all of a sudden find themselves out of work.

I am saying, what are we doing as I look at what the House has now proposed, cutting funding for dislocated workers? What kind of a distorted priority is that?

Summer youth jobs: This is a program that has had strong bipartisan support for a good many years. We cannot restore $246 million for the whole Nation for summer youth jobs?

Again, I want Senators who are going to vote on this amendment to understand how modest this proposal is. I am talking about taking just $246 million and restoring the authorization level that the President requested to where it was, $246 million more than had been cut from summer youth jobs.

Senators, if we are concerned about young people, if we are concerned about the violence in our communities, then we have to have positive alternatives for young people.

When I talk to people who are working in their communities and are down in the trenches dealing with problems of violence, problems of recidivism, and problems of young people, they put a strong emphasis on summer job programs.

School-to-Work: A sum total of $25 million. This puts students in, if you will, real life situations. It connects the schooling to a work experience. It is enormously successful.

We had testimony in the Labor and Human Resources Committee from labor, from business, from people in metropolitan communities, from people in rural communities, all saying that the School-to-Work Program is a huge success. What are we doing cutting opportunity programs for children in America?

Finally, One-Stop Job Training Centers, $40 million we want to restore—$40 million for a program, again, that has been enormously successful in Minnesota, with my State among those, by the way, taking the lead, eliminating a lot of the duplication, eliminating a lot of the bureaucracy and providing a job training program that makes sense for our citizens who are anxious to be retrained and to find employment.

I thought that was what it was all about—employment opportunities for Americans, employment opportunities for Minnesotans, employment opportunities for men and women in our country.

Mr. President, that is a total of $504 million for key job training efforts. I am talking about programs that work, that have a proven track record. I am talking about the fact that we do not or ought not to cut into assistance for dislocated workers. We ought not to cut summer youth job programs. We ought not to cut the School-to-Work Program, and we ought not to cut job training programs. These are distorted priorities.

We do not know what the Senate appropriators are going to do yet in these areas. But we look at the House, and we already see where they are heading. They just do not get it. Well, this amendment is an effort to prompt the U.S. Senate to now speak on this question, and hopefully to temper the passions of extremists in the House who would slash these programs.

Mr. President, let me talk about higher education and provide some context first.

In terms of education funding, just looking from 1992 to 1997, which is a critical period of time that we ought to look at, the time the President came in until now, what you had was from 1994 to fiscal year 1995 small increases for funding for education across the board, higher education being the main piece for the Federal Government.

But starting in fiscal year 1995 with the rescissions bill, and then with this year's appropriations bill and the fiscal year 1996 and fiscal year 1997 budget resolutions, each year since the new majority came in we have seen a percentage cut in the Federal commitment to education. For example, in the Federal commitment to title I, a program that gives kids that come from difficult backgrounds an opportunity; cuts in vocational education; cuts in School-to-Work; cuts in Head Start; cuts in Pell grants; cuts in low-interest loan programs; cuts in direct student loan programs.

Mr. President, these are distorted priorities, and this amendment is but a small step to restore about $1.3 billion—$1.3 billion—from what was an original overrun of $13 billion, likely soon to be about $11.5 billion. Just take one-tenth—10 percent—of this additional expenditure of money that the Pentagon did not ask for, take 10 percent of it and invest it in education, take 10 percent of it and invest it in programs that benefit dislocated workers, invest it in job training, invest it in summer youth programs. I do not know how the Senate can vote no. This is such a clear priority to me.

Mr. President, these education cuts deny opportunity to young people and, as a matter of fact, not so young people, since many of our college students, community college students are 40, 45 when they go back to school. I thought that we were all about expanding opportunities. Well, this is an effort to at least restore some semblance of funding to higher education.

Newsweek, April 29, 1996, had a jarring front page:

$1,000 a week
The Scary Cost of College

Private college, not every week of the year, but tuition, room and board and other expenses, $1,000 a week. Senators, if you do not think this is not a middle-class issue, if you do not think the cost of higher education does not cut across a broad spectrum of the population, and if you do not think a vast majority of people in cafes all across Minnesota and all across this country do not believe it appropriate to take just $1.3 billion out of a bloated military budget to cover the cost of higher education—Pell grants, low interest Perkins loan program, or the direct loan program—then I just think you're making a huge mistake.

Look at this next chart. "The Price of Public Universities." We talked about private universities. "Average total expenses estimated for a 4-year public education." Just looking at the costs from 1980 to 1996, costs went from $6,000 to $9,000, in constant 1996 dollars—$6,000 average cost for a 4-year public education, higher education, now up to $9,000, the price of public universities.

Senators, this is why so many of the students that I meet in Minnesota take 5 or 6 or 7 years to graduate, because they are working two and three minimum wage jobs to cover the costs, and the financial aid package they get by way of Pell grants and the Perkins loan program does not cover it.

I have said it before and I will say it again. I meet students over and over and over again that take 6 years to graduate because they are having to work 35 and 40 hours a week because we are not doing our job here. We have not responded.

We have not responded to the basic concern of families in Michigan, in Minnesota and across the country because what they are saying to us is, if there is a role for the public sector and a role for Government, it certainly is in making sure higher education is affordable.

Next chart.

This is "Growth in Per Capita Personal Income v. Tuition and Fees." Community colleges, as you look at this from 1978–79 to 1994–95, this period of time, for community colleges tuition fees have gone up 239 percent, per capita personal income 159 percent; technical colleges have gone up 416 percent, per capita personal income 159 percent; State universities have gone up 200 percent. The University of Minnesota has gone up 178 percent.

So the point is that what we have is a situation where for the vast majority of families in Minnesota and in the country this is a huge economic squeeze. It is imperative that we provide some assistance. And this amendment says that if you are going to look at what our priorities ought to be, we should take at least $1.3 billion out of the Pentagon budget, with an authorization soon to be about $11 or $11.5 billion more than requested, we can take 10 percent of that and transfer that funding to at least provide more assistance in the form of Pell grants, low interest loans, summer job programs, and so on.

Mr. President, just look at the Federal Pell grant awards from 1973–74 to 1994–95. In 1975–76, the actual maximum award of a Pell grant was $3,649, in real dollar terms. It is now down to $2,268.

So what happens with most students is that as they look at their financial aid packages, they get very little by way of grants, and middle-class families feel this more than anybody. If you are low income, you at least are going to be able to obtain some grant assistance. If you are wealthy and high income, you can pay for it, your family can pay for it. But for the bottom 80 percent of the population or certainly those people who are in the huge middle, they are fast becoming unable to afford higher education.

What this amendment says, one more time, is that out of the total Pentagon budget, now authorized at over $13 billion more than the Pentagon even says it needs, we should be able to transfer $1.3 billion to at least get the Pell grants, to get the Perkins low interest loans, to get the direct student loans, to get school-to-work, to get summer youth jobs, to get key job training programs up to the authorization level the President requested. That is what this amendment is all about.

Mr. President, I designed this amendment as a very moderate approach, and I am hoping to get widespread support for it. I do think this amendment represents a little bit of a test case as to what our priorities are all about, because it does seem to me that the vast majority of people in the country have spoken. They have spoken in polls, they speak to us when we have town meetings back in our States, they come up and talk to us when we are in cafes. All the time, people are coming up and they are saying, "If you want to do one thing, Senator, that would really help my family, please try to make higher education more affordable."

This amendment does exactly that. It is only a small step. It only transfers $1.3 billion out of a total defense budget of $267 billion. I would argue that affordable higher education is in our national security interests. Students having opportunities is in our national security interests. Investment in education is in our national security interests. Providing a little more funding for the Pell Grant Program is in our national security interests.

Out of a $267 billion budget authorization for the Pentagon, with all the reports that we have had about the waste and the inefficiencies and the moneys that can be saved, we cannot transfer $1.3 billion for education? That is what this amendment is all about. That is what this amendment is all about.

Mr. President, I reserve the remainder of my time. Other Senators may be down here to speak. I reserve the remainder of my time to follow up on what my colleagues might say on the other side.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to oppose the Wellstone amendment, which would reduce defense spending to below the budget resolution.

Let me be clear, Mr. President. The amendment that has been offered is really a nullification of the Budget Committees' recommended increase to the President's budget request. I believe that the Budget Committee has acted wisely and prudently in recommending an increase to the President's inadequate request for defense.

In order to buy the same level of national security in 1997 as we did in 1996, the defense budget would have to be $273 billion. The President's request is $18.6 billion below this. The Budget resolution proposes to increase the budget for defense by $11.2 billion; therefore, we are still $7.4 billion lower than the fiscal year 1996 level of funding in real terms. Does the Senator from Minnesota believe that our Armed Forces will be asked to do less in fiscal year 1997 than they did in fiscal year 1996?

The question we should be asking, therefore, is not whether we should be reducing the defense budget even further. Rather the question should be: What additional risks are we taking by not increasing the defense budget to the $273 billion necessary to maintain the fiscal year 1996 level of military capability? Our Nation's top military leaders answer that question.

General Shalikashvili, Chairman of the Joint Chiefs, says he is "very concerned that our procurement accounts are not where they ought to be."

General Reimer, Army Chief of Staff, says that "further deferral of modernization will incur significant risk to future readiness."

Admiral Boorda, former Chief of Naval Operations, said: "If we do not modernize, we ultimately place future readiness at risk."

General Fogleman, Air Force Chief of Staff, says that "Unless we recapitalize, we are not going to be ready to meet the threats of the future."

And General Krulak, Marine Corps Commandant, says that: "The Marine Corps * * * cannot absorb further reductions without sacrificing critical core capabilities."

Even Secretary of Defense Perry admits that without an immediate increase in modernization—of which procurement is the major part—"we will start to have a real problem." Mr. President, when our top civilian and military leaders use terms such as "very concerned," "significant risk," "critical" and "real problem" in open testimony, one can only imagine what their private assessments would be.

Our defense needs are underfunded, from both a historical and operational point of view. We are at the lowest level of defense spending since 1950. Procurement has been reduced by 70 percent since 1985, and by more than 40 percent under the Clinton administration. Programs to support our service men and women's quality of life are inadequate. Our ability to protect our soldiers from ballistic missile attacks suffers from lack of funding and commitment. Our military research and development is anemic. If anything, we should be considering amendments which provide floors—not ceilings—on defense funding.

I realize that our great Nation has numerous domestic and international obligations. But none—I repeat, none—of these obligations rises to the level of our responsibility to provide for the common defense. Protection of our Nation's citizens is the Federal Government's first order of business. Without meeting this paramount obligation, the basic guarantees of life, liberty, and the pursuit of happiness can easily become empty promises.

Defense spending is now at its lowest level in the second half of this century. This half century has been the era of American superpower status. Our superpower status is not something we can maintain cheaply. We won the cold war through our steadfastness and robust military capabilities. Yet, we are asked by the administration and supporters of this amendment to continue undermining our military capabilities.

I hope the Members of the Senate will agree with me that we cannot afford for our Nation to be less vigilant, less capable, and less ready. I strongly urge the Senate to vote against the Wellstone amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Georgia.

Mr. NUNN. Mr. President, I will not make long remarks. I endorse the remarks made by my colleague and chairman of the committee, Senator THURMOND.

I would also say, in all deference to my good friend, Senator WELLSTONE, this is a debate that we have had already this year. That was on the budget resolution. This is shifting money from the defense account to the education account. I am a strong supporter of education. I have been a strong supporter of education since I have been in the Senate. I think some of the recommendations from the majority side, both the House and Senate, have been much too severe on education. I applaud President Clinton's strong stand on behalf of education.

But that debate is over for this year. We have already decided the budget resolution. This would revisit the budget resolution and would reverse the basic allocations made after a large and long debate on the budget resolution, so I urge defeat of the amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, just a quick response to the Senator from South Carolina, whom I consider to be a good friend. I say this out of friendship. This amendment would not necessarily mean that we would be below the budget resolution because the amendment that he and Senator NUNN have introduced has not been agreed to yet.

So it is not quite the case yet. But, more important, Mr. President, out of $267 billion, we cannot find $1.3 billion when you have the Pentagon's own spending watchdog saying last year they concluded they did not even know how they spent $13 billion, did not even know what happened to the money, and you are saying to me that we cannot find $1.3 billion to restore some funding for Pell grants, to restore some funding for Perkins low-interest loans, to restore funding so higher education is more affordable, to restore some funding for dislocated workers, for the School-to-Work Program, for the summer jobs program?

I think it is just a distorted priority. I am tempted to ask my colleagues from every State, Democrats and Republicans alike, don't you find students that are just having an impossible time affording their college education?

Don't you have parents coming up to you and saying, "Can't you do something to make sure higher education is more affordable?"

Don't you find that in your States, there are all sorts of students who are not receiving the grants and the loans that they need?

Don't you find that educational opportunities are being narrowed for your citizens?

Don't you believe that this goes against the national interest for our country?

Don't you think that the citizens back in your States, whether they are Democrats or Republicans, believe it is a reasonable proposition that we can take $1.3 billion out of a $267 billion authorization and transfer that so we can do a little bit better by way of supporting education; that we can take $1.3 billion—that is about 10 percent of the additional $11 billion that is over what the Pentagon even asked for, and less than 1 percent of the overall defense budget—and put it into education? I mean, I think that regular people believe that this amendment is eminently reasonable. I think the vast majority of citizens in this country believe that to be the case.

Look, we heard all this discussion about a strong defense, and I admire my colleagues. I do not think there is anybody in the Senate who does not defer to Senator NUNN when it comes to his expertise, his commitment to our national security. His retirement from the Senate is a huge loss for the country. But I also know that we continue to have some of these problems of add-on projects, accelerating expenditures of money for weapons systems, some of which could be obsolete.

By spending far more than the Pentagon requested, we are prejudging the major study that we all voted for yesterday, to really look at our force structure and to really look at modernization and a host of other issues. There is pork in this bill. There are special projects for Senators back in their States. There is waste and inefficiency in this bill, and out of $267 billion, we ought to be able to find $1.3 billion to support education and support dislocated workers and support job training and support summer youth jobs. I think I speak for the vast majority of the people in the country.

Mr. President, I withhold the remainder of my time. I also ask unanimous consent to add Senator PELL as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. WELLSTONE. Mr. President, there are other colleagues who mentioned to me that they wanted to speak on the amendment. They have been trying to get down, so I am reluctant to give up all of the time. I wonder if Senators on the other side want to speak, or should we go into a quorum call?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I announce to the Senate that if any Members want to speak on this amendment, now is the time. We do not want to stay here days and days when we can finish this bill in a reasonable time. I hope they will come to the floor. Those who are watching on television, if their staffs are watching on television, get the Senators here to present their amendments so we can proceed and make progress on this bill.

Mr. President, I suggest the absence of a quorum, and I ask it to be charged equally to each side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I now yield to the able Senator from New Mexico 10 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand full well Senator WELLSTONE's sentiment with reference to other programs of the Federal Government besides defense. I even understand how he specifically would like more money spent in other areas. But I would like the Senate to know that this Wellstone amendment is just a clever effort to avoid a point of order.

But before I make that case, let me say the Senate has spoken, not once, not twice, but, if I count correctly, one, two, three, four, five—has voted five times during this particular year to deny further restraints on defense spending.

When the budget resolution came before the Senate, there was an effort to reduce it by $8 billion. It lost. We had an opportunity for the U.S. Senate to speak its piece on this issue and make up its mind what it wanted to do on behalf of the defense of our country. We had another vote. Senator BUMPERS, on that same resolution, attempted to remove the firewall. That lost. In fact, it lost by a rather significant margin.

The firewall speaks most to this issue because what we have decided in the U.S. Congress—and the U.S. Senate has led that—we do not want to put the defense of our country into competition with all of the social welfare programs of our Nation, however good they may be; that we do not want the appropriators, as much as we respect them and give them the jurisdiction over spending the money, we do not want them to put additional needs of some social welfare program up against defense and say, "Let's cut defense this year and use it on these other programs." That is why we put up a firewall.

The firewall is simple yet profound. Do not put the defense of our Nation under that kind of pressure on individual votes here in the U.S. Congress. If, in fact, you want to reduce defense, do it on a straight vote to reduce defense and then put the savings on the deficit so you are not tempted to try to reduce defense, perhaps beyond what it ought to be reduced, in favor of paying for some social welfare program that maybe even everybody in the Senate might support. That is two times we voted.

Then we voted final passage of the budget resolution. It passed with a defense number in it that is just slightly different from the total authorization in this bill. Now, that is three times that the Senate would have spoken under the proposition that when you vote you mean what you say.

Then we went to conference and we came back. In conference, the House agreed to the defense number of the Senate. The Senate voted again and said that is what we want to do this year. In that was this firewall, saying, "Don't put the social welfare structure of our Nation in competition with the defense money needed for our national defense and the men and women who are supporting us in all the various ways that we have to help them in that effort in a defense authorization bill."

Then, Senator WELLSTONE comes and wants to take $13 billion out of defense, and that is turned down by the U.S. Senate. Later today, we will vote on an EXON amendment which would reduce the defense spending by $4 billion. My suspicion is that will get turned down.

Now, what we have is an amendment that says the Secretary of Defense—can you imagine, the Secretary of Defense—is going to be given the authority to transfer $1.3 billion of defense money to the Secretaries of Education and Labor. Now, how can we have something that is more in defiance of what we have already voted to support, which is this firewall between the domestic programs and the defense programs, than this circuitous way of getting around those firewalls?

If this were a Department of Defense appropriations bill, Mr. President, this amendment would clearly be in violation of the firewalls and would be subject to a point of order and require 60 votes. We did that in the budget this year, last year, and the year before, and on previous occasions because we meant business about not taking money out of defense every time we thought a program in the nondefense area needed more money.

Now, this is just an attempt to rewrite what we have already decided. Everybody should understand that for what it is. Unfortunately, fellow Senators, because this is an authorization bill and because of some clever drafting, this amendment is not subject to a point of order, but it does great harm and violence to the firewall concept which I have described now on four different occasions in the few minutes I have been before the Senate and why it is important and why we have stood for it on a number of occasions with up-or-down votes on the side of, "Don't compete between domestic and defense," on the floor of the Senate.

It should be known for what it is: A clear attempt to violate the firewall. This amendment would also, in my opinion, make very bad law. Do we want to authorize education and labor programs in a Department of Defense bill? Do we want to make the Secretary of Defense responsible for authorizing or not of PELL grants? In my opinion, not only does this not make sense; it has the potential as a precedent for doing great harm to our ability to defend our Nation. This amendment is an artful attempt to violate the firewalls that Congress has already adopted. I repeat, in addition, it makes very little sense to adopt a budget resolution, adopt firewalls, come to the Senate floor debating a defense authorization bill that is still subject to appropriations, and have an amendment that says the Secretary has the discretion to transfer money from defense to education or to the Labor Department of the U.S. Government.

I do not know the pleasure of the managers, whether they will table or let this amendment be voted up or down. I believe we ought to let it have an up-or-down vote because I think we ought to speak very loudly and very clearly that we do not change our mind on something as important as defense and establish new precedence, in new ways, to have other programs compete with it just on a basis of who gets down here with what kind of clever amendment speaking to some kind of emotional need in an emotional way about something that is needed in our country.

I will not deny if we had all the money in the world, we might spend money on some of the things that my friend, Senator WELLSTONE, is talking about and perhaps spend more than we will on this budget resolution and appropriations, but I believe to do it this way defies common sense and it just should not be done and the Senate should send a very loud signal that this is what it is doing. It is not just trying to fund education and labor, it is trying to, in a round about way, destroy a concept that has been in place, supported by a majority of the Senate, for a very valid reason. Do not place the social welfare programs, heads-up, in competition for the defense spending of this Government once you have established the priorities by vote of the U.S. Congress.

I yield the floor.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Minnesota

Mr. WELLSTONE. Mr. President, I appreciate the compliments of my colleague from New Mexico about how cleverly designed this amendment and how creative this amendment is. I say to my colleague that since we are authorizing initially $13 billion and soon over $11 billion more than the Secretary of Defense requested, it seems to me only appropriate that the Secretary of Defense might be given the opportunity to, in fact, say, "Yes, we did not ask for it, and we do not need it, and as the Secretary of Defense, I know what is critical to the defense of this country." It is not what my colleague called social welfare programs, but an investment in education.

This amendment gives the Secretary of Defense the opportunity to say that for military readiness, for our country doing well economically, for children having opportunities, for higher education being affordable, this makes eminently good sense, to take $1.3 billion out of $267 billion and put it into Pell grants, put it into low-interest loans, put it into summer youth programs.

Mr. President, again, we have the comptroller writing a report saying last year in the Pentagon budget they did not even know where $13 billion went. They did not know where it went.

Other Senators, including Senators on the Armed Services Committee, talk about all the add-ons. We know about some of these special projects. We know about some of the pork. We know about some of the accelerated spending for some of these weapons programs, some of which may very well be obsolete. Nobody is sacrificing the national defense of our country.

Ask any citizen in any cafe anywhere in the United States of America whether they think taking $1.3 billion out of $267 billion is some kind of a major transgression or is a step backward for our country. Ask the people in your different States, as they see their student enrollment grow in K through 12 and our commitment go down as we cut funds for kids in schools, while the enrollment grows in New Mexico, or Idaho, or Georgia, or Vermont, or Minnesota, whether they think it is unreasonable.

I do not think the amendment is just clever. I think the amendment goes to the very heart of what our priorities are. I do not think the people in our States find unreasonable the proposition that we take $1.3 billion out of $267 billion and put it into these priority programs, take $1.3 billion out of the $13 billion that the Pentagon did not even ask for, and put it into Pell grants, low-interest student loan programs, summer jobs programs, dislocated worker programs, job training programs, school-to-work programs.

I think a vote against this amendment is a vote against our national security. I think a vote against this amendment is a vote against our national defense because, surely, there is pork in this $267 billion, surely, there is some inefficiency, surely, there is a little bit by way of add-on projects so that we can, in fact, transfer $1.3 billion to what we say are our priorities. We all love to have photo opportunities next to young people. We all like to talk about their futures. We all like to tell them that they are the future. But when it comes to reaching into our pockets and making the investment, all of a sudden we are saying $1.3 billion is too much. I do not think that is credible.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to commend the able Senator from New Mexico for his timely and excellent remarks on this subject.

Mr. President, I now yield to the able Senator from Idaho such time as he may require.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. I thank the Chair, and I thank the chairman of the Armed Services Committee for his leadership on this issue.

Mr. President, let us make it very clear, this is the 12th straight year that we have seen reductions in the defense authorization bill, the spending for defense.

I appreciate my friend who is offering this amendment, and I am not going to stand here and in any way speak against the intent which may be to somehow augment education. But I will stand here steadfastly and say you must not take a dime out of this defense authorization bill. We do not have a dime that can go to anything else. We have gone too far too fast in the reductions of our defense.

When we held a hearing before the Senate Armed Services Committee, Mr. President, we had members of the administration testifying, including General Shalikashvili, Chairman of the Joint Chiefs of Staff, and the Secretary of Defense, Dr. Bill Perry, who are both tremendous men. I asked General Shalikashvili about the issue of procurement, "Have we added too much money on procurement and what has our history been of that? General Shalikashvili," I asked, "let me ask you this with regard to the procurement issue, which is a very key issue. As I talk to military personnel in the field, they consider this a lifesaving situation. This current fiscal year, the Congress added $7 billion to that account and some people regarded that as pork." I went on to say: "But, as I recall, that went for things such as trucks, helicopters, ships for the Navy and Marines, tactical aircraft for the Air Force, Navy and Marine Corps. Was this equipment needed, or was it congressional pork?"

General Shalikashvili responded:

> I think that the vast majority of the money was against things that we were going to buy later. They were brought forward as a result of what you did and in many, probably in all, cases in the long run will result in a savings because we were able to get them sooner and probably at a more advantageous price.

I asked the Secretary of Defense:

> Dr. Perry, it has been stated that we will find procurement funding increases dependent upon BRAC savings, which is the Base Realignment Commission savings, acquisition reform savings, and optimistic assumptions about low inflation. The administration found $47 billion in the so-called defense savings by assuming inflation will be no higher than 2.3 percent over the next 7 years. Over the last 30 years, Mr. Secretary, can you point to any 7-year period where inflation remained this low?

The response of Secretary Perry: "No."

Yet, that is what we are basing this on—these assumptions. I mentioned the Base Realignment Commission. We have already seen them lower the estimate on the savings of the Base Realignment Commission, because the savings just are not there. As we begin to see the environmental costs of cleanup, it is beginning to erode what they thought were going to be the savings. Now, that was General Shalikashvili and the Secretary of Defense.

I will tell you, Mr. President, if we had before us any of the rank and file in our military, the men and women, and asked them if we have provided congressional pork to those who are on the frontline, they would tell you in a resounding voice: Absolutely not.

I can show you, Mr. President, letters I have received from the men and women on the frontline—for example, marines on just scratch pads that had been scribbled on in the field, but yet sent to us that say, "Thank you for providing us, finally, the field jackets that are new, because we have been using the World War II field jackets in adverse conditions." Thanks for the new Kevlar or the Gortex we have been able to wear.

Mr. President, in this Nation's Capital, you see the monuments to democracy, and they are impressive. They are impressive to any visitor to this great Nation, no matter what country they may be from. As you stand on the top steps of the Lincoln Memorial and you look straight ahead to the Washington Monument, which reflects our tribute to democracy and of what this Nation is founded upon and what is the envy of the rest of the world, you cannot look at that Washington Monument without seeing the Vietnam Memorial, where etched in those stones are the names of 58,200 Americans who gave their lives for this country in the name of democracy. You cannot stand at the top of those steps and not see to the right the Korean War Memorial and the names etched of those brave Americans who gave their lives. Many of them, Mr. President, are young kids that wanted to have a future, that wanted to have an education, but all of that was denied because they put their lives on the line for this country. Directly behind the Lincoln Memorial is row upon row of the white crosses of Arlington Cemetery, which is a graphic demonstration, Mr. President, that when you look at the monuments to democracy, they were paid for by American lives, because it is not a safe world.

Have I simply referenced history and that is all behind us?

Well, the tragedy is, Mr. President, we learned that more American men and women of the service were killed in Saudi Arabia last night. Why are they there? Why are they even in Saudi Arabia? Well, because they are denying Saddam Hussein the airways because that is a terrorist—Saddam Hussein who invaded Kuwait, and America responded with its great might and it brought liberty again to that oppressed nation. Saddam Hussein—that is not a good guy.

Why is it that Red China is doing everything they conceivably can to develop a nuclear arsenal with the delivery capability? Is that for philanthropic reasons?

Is the cold war over and now we all can roll up our efforts on defense? If you do, it will be the end of America.

Why is it that North Korea is doing everything they can to develop a nuclear arsenal? Why is it that Russia, with all of the difficulties that they are currently experiencing, is still turning out state-of-the-art nuclear submarines?

Mr. President, it is a troubled world out there. And the only way that we make sure that our young men and women of this country have a future is to make sure that we defend this country by making sure that we have the adequate funds for the defense of this country. And that is how we assure them that they can go forward with the education of this Nation and have a bright future, and extend democracy throughout this great land and be that beacon of hope for the rest of the world.

But if we start drawing down again on the defense of this country we do not have a future because there are people out there that would love to topple this tremendous democracy. We must never ever let it happen. We must never ever draw our defenses so low that we are vulnerable.

Mr. President, I yield the floor.

Mr. WELLSTONE. Mr. President, I appreciate the remarks of my colleague.

I want to point out that this authorization was initially $13 billion in extra military spending. Spending that was not requested by the President. That was not requested by the Secretary of Defense. And as long as we are talking about the Chairman of the Joint Chiefs of Staff, it was not requested by the Chairman of the Joint Chiefs of Staff.

There is not one Senator here that is talking about not having a strong defense. The question is, what are we doing spending money that is not requested by the Defense Department, by the Chairman of the Joint Chiefs of Staff, by the President, people who do not want it, and at the same time we are not allocating money for kids who need it?

In the State of Idaho, I do not remember the exact figures, the enrollment went up this past year in K–12 by about 3,000 and the State is going to be faced with a cut of about $9.3 million.

It is not unreasonable to talk about this small transfer of funding.

I reserve the remainder of my time.

Mr. THURMOND. Mr. President, I would like to commend the able Senator from Idaho for his excellent remarks on this amendment. The Senator from Idaho is a valuable member of the Armed Services Committee. I just want to thank him, too, for the contribution that he makes on that committee and to our national defense.

Mr. President, I do not know of anyone else who wishes to speak on this amendment. If not, I would suggest that we yield the time that is left for both sides.

Mr. WELLSTONE. Mr. President, I will yield time if the Senator from South Carolina has yielded all time.

The PRESIDING OFFICER. All time is yielded.

The PRESIDING OFFICER. Under the previous order, the pending amendment is set aside. And the Senate resumes amendment No. 4345.

There are 2 minutes equally divided.

The majority manager is recognized.

Mr. THURMOND. Mr. President, the Senator from Idaho started to say something.

Mr. KEMPTHORNE. Mr. President, parliamentary inquiry: Would it be in order for me to ask for 60 seconds to respond to what the Senator from Minnesota said?

The PRESIDING OFFICER. That is in order.

Is there objection? Without objection, it is so ordered.

Mr. KEMPTHORNE. I thank all Members on the floor for allowing me that courtesy.

Again, I appreciate the vigor with which my friend from Minnesota is advocating his position in response to which I said I will tell you that there are members of the Armed Services Committee who disagree with what the budgets are requiring.

I also note that I think those men and women in uniform that are wearing the stars as general officers are good soldiers. The Commander in Chief submitted the budget, and they have to support that budget. But I will tell you they are hopeful that we will go ahead and provide the funding necessary; not the funds that were requested because they are too low.

Mr. President, I yield the floor.

Mr. WELLSTONE. Mr. President, could I ask unanimous consent for 30 seconds to respond?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank my colleagues.

Again, I do not think we are talking about any decline in the quality of life for the men and women who serve our country, or our national defense budget. We are talking about eliminating wasteful Congressional add-on projects here. We have pork projects here. Senators, we have inefficiencies. And we want to cut $1.3 billion, or transfer $1.3 billion, out of $267 billion. That is all we are talking about. Nobody is talking about sacrifice for the men and women that sacrifice for our country. That much is clear.

Mr. THURMOND. Mr. President, I understand the time is yielded on both sides on this amendment.

AMENDMENT NO. 4345

The PRESIDING OFFICER. That is correct. The pending amendment now is amendment No. 4345 with 1 minute to each side.

Mr. THURMOND. Senator EXON is here now.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank you. I thank my friend from South Carolina.

We have debated this very thoroughly. Basically what the Exon amendment does is a very modest decrease in the amount authorized in the defense authorization bill. Basically what we are talking about here, Mr. President, is simply that the defense committee came up with $13 billion over and above the President and the Pentagon which is being cut by the amendment offered by the Senator from South Carolina and the Senator from Georgia, down to $11.4. They had to do that anyway because that was the amount included in the budget resolution.

The Exon amendment still allows $9 billion over and above what the Pentagon and the President wants. It is a $2.4 billion decrease only beyond what the chairman of the committee and the ranking member of the committee recognize and realize is needed. I hope that we will be fiscally responsible and recognize that, with the cuts that we are making across the board, we have to nick just a little bit the defense bill as well.

I hope the Exon, et al., amendment will receive solid support of the Senate.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. THURMOND. Mr. President, the Exon amendment would cut $4 billion. That is no little amount of money. That is a lot of money—a $4 billion cut out of our defense. The military chiefs say we need to modernize. We especially need to do more procurement, more ships, more planes, modern weapons, and tanks.

How can we do it if you are going to go and cut defense now below what is recommended? We cannot afford this.

I would ask that this amendment be voted against, and at this time I will now yield to the ranking member.

Mr. NUNN. Mr. President, how much time would I have?

The PRESIDING OFFICER. The Senator has 18 seconds.

Mr. NUNN. Eighteen seconds. I must say there is nothing the Senator from Nebraska ever does that could be described as modest. Everything he does is important. This is an important amendment that should be defeated because it makes a substantial reduction in the modernization accounts which are desperately needed in defense.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the Exon amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Brown
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Grassley
Gregg
Harkin
Hatfield
Hollings
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—55

Abraham
Ashcroft
Bennett
Bond
Breaux
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Feinstein
Frahm
Frist
Gorton
Gramm
Grams
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Johnston
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe

Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The amendment (No. 4345) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that the two additional votes in the vote sequence be reduced to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4346

The PRESIDING OFFICER. The pending amendment is amendment No. 4346. Each side has 1 minute.

Mr. NUNN. Mr. President, I know the Senator from South Carolina is going to want to speak on this. I will speak very briefly.

This amendment would reduce the pending bill to the total in the budget resolution. It would bring it in full compliance with the budget resolution. It is a reduction of $1.7 billion.

I urge our colleagues to support this amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, the Thurmond-Nunn amendment would cut $1.7 billion. We are asking for the same amount here to be cut as the Budget Committee has found. Senator DOMENICI recommended this amount in his committee, $1.7 billion, and we advocate cutting $1.7 billion out of this bill. That is our amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 4346. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—100

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

The amendment (No. 4346) was agreed to.

AMENDMENT NO. 4347

The PRESIDING OFFICER. The pending business is amendment No. 4347. The yeas and nays have been ordered.

Mr. NUNN. Mr. President, is there any debate time on this amendment?

The PRESIDING OFFICER. There are 2 minutes equally divided, 1 minute per side.

Mr. NUNN. Mr. President, I do not see the chairman on the floor. I suggest that Senator DOMENICI, the Senator from New Mexico, handle the opposition to this amendment. And I agree with every word he is likely to say.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. Mr. President, we have now voted eight different times to keep the defense number intact. On the last occasion we made it comply with the budget resolution, so we all agreed with that.

What Senator WELLSTONE chooses to do is to take our votes where we have said we did not want to take money out of the defense, and he suggests that we should get rid of the firewalls, which we voted to keep in place by giving the Secretary of Defense the authority to appropriate $1.3 billion for education, and other welfare programs.

The reason we have had firewalls is because we do not want to put the defense of our Nation into competition with other social welfare and education programs that very well could need money. In this case, it is a roundabout way of destroying the firewalls, and it ought to be denied because we voted twice to maintain them. This is a roundabout way to deny and defeat what we have already voted for. I yield the floor.

Mr. GRAMM. Mr. President, I move to table.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The request is out of order. The Senator from Minnesota is recognized for 1 minute.

Mr. WELLSTONE. I thank the Chair.

Mr. President, first of all, this gives the Secretary of Defense the opportunity to do this. It is not a violation of any firewall. There is no budget point of order. This is $1.3 billion. The reason it does not is because this is out of $267 billion. This is out of $13 billion, now $11 billion more than the Pentagon wanted.

It is simple. Do you spend the money on some of the add-on projects, some of what is not needed, or do you spend the money on higher education, Pell grants, student loans? It is a simple choice. It is hardly what I would call welfare in a pejorative sense. It is all about whether or not we are going to restore some of this funding up to the President's request level for higher education and opportunities for young people.

Mr. THURMOND. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 60, nays 40, as follows:

The result was announced—yeas 60, nays 40, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—60

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Faircloth
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—40

Akaka
Baucus
Bingaman
Boxer
Bradley
Bryan
Bumpers
Byrd
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Hatfield
Hollings
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

The motion to lay on the table the amendment (No. 4347) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, what is the regular order, the pending business?

AMENDMENT NO. 4049

The PRESIDING OFFICER. The pending question is amendment No. 4049 offered by the Senator from Arizona, [Mr. KYL]. There are to be 90 minutes of debate, equally divided, on the amendment.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I ask unanimous consent that I and Senator MCCAIN be allowed to proceed as in morning business for a total of 10 minutes, 5 minutes each.

Mr. EXON. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. EXON. Mr. President, the reason I am objecting to the other time is that we have tried to put this vote off until tomorrow, but that was not possible. We are going to have a vote, and I think we have an obligation to use up the hour and a half equally divided on this very, very important amendment, and then have a vote. Then there will be ample time after that, as I understand it, for all the morning business that anybody wants. I think we have an obligation to this body to move ahead in an orderly fashion.

So, at this time, I will begin the debate. I yield myself what time I might need to begin the debate in opposition—and strong opposition, I might say—to the amendment offered by the Senator from Arizona.

Mr. President, I wish to submit for the RECORD three letters that I have from various important people representing important organizations in strong opposition to the amendment offered. Mr. President, the basic situation that confronts us is that the Kyl amendment, regardless of how well-intentioned, could not possibly be offered at a worse time, as it would adversely affect the nuclear test ban treaty that, right now, is being negotiated in very tense, tedious negotiations in Geneva. The nations of the world have set June 28, which is Friday, as the deadline to come to some kind of an understanding.

The President has left, or is about to leave, for a meeting of some of the heads of state of the important nations of the world. I would not be surprised at all if that would come up there. Here, back at the ranch, the U.S. Senate is trying to pass an amendment that is opposed by the President of the United States to give, supposedly, the President of the United States more power, if you will, more influence, if you will, with regard to resuming nuclear testing.

After the end of the negotiations in Geneva, which we hope and pray, for the good of mankind, will be successful and, hopefully, eliminate nuclear tests underground or otherwise, because if the world continues to rely primarily, as far as we can see into the future, on more and more nuclear tests, then I say that mankind will be living under a shadow of ever-increasing numbers of nations becoming nuclear powers. That is what the nuclear test ban treaty that is being renegotiated right now is all about.

So I simply say that regardless of how well-intentioned the amendment of the Senator from Arizona is, it could not possibly come at a worse time.

Mr. President, I reference a letter from the National Security Council of June 19. In that letter the National Security Council said:

> DEAR SENATOR EXON: You have requested the Administration's views on the amendment offered by Senators Kyl and Reid concerning nuclear testing and the Comprehensive Test Ban Treaty (CTBT). The Administration is strongly opposed to this amendment.
>
> We believe that the amendment could not come at a worse time. The States that are negotiating in the CTBT negotiations in the Conference on Disarmament (CD) in Geneva have set a deadline of June 28—next Friday—to complete this historic treaty. The amendment could be interpreted by some CD states as signaling a possible U.S. intent to conduct a round of nuclear testing after the CTBT is completed but before it enters into force. The Administration has no such plans or intentions, nor has it requested funding for any such tests. Moreover, the amendment would relax the existing legislative moratorium on U.S. testing just at the time the only remaining state still conducting nuclear tests, China, has announced that it will join the global moratorium in September.

I ask that the letter in its entirety be printed in the RECORD. It is signed by William C. Danvers, Special Assistant to the President for Legislative Affairs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL SECURITY COUNCIL,
Washington, DC, June 19, 1996.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: You have requested the Administration's views on the amendment offered by Senators Kyl and Reid concerning nuclear testing and the Comprehensive Test Ban Treaty (CTBT). The Administration is strongly opposed to this amendment.

We believe that the amendment could not come at a worse time. The states that are negotiating in the CTBT negotiations in the Conference on Disarmament (CD) in Geneva have set a deadline of June 28—next Friday—to complete this historic treaty. The amendment could be interpreted by some CD states as signaling a possible U.S. intent to conduct a round of nuclear testing after the CTBT is completed but before it enters into force. The Administration has no such plans or intentions, nor has it requested funding for any such tests. Moreover, the amendment would relax the existing legislative moratorium on U.S. testing just at the time the only remaining state still conducting nuclear tests, China, has announced that it will join the global moratorium in September.

As you know, we are confident that our Science-Based Stockpile Stewardship will ensure that we can meet the challenge of maintaining the reliability and safety of our nuclear inventory absent nuclear testing. Nonetheless, because he considers this to be a supreme national interest of the United States, the President has pledged that after the CTBT enters into force, he would be prepared to withdraw from the Treaty in the event, however unlikely, that he was informed by the Secretaries of Defense and Energy that a high level of confidence in the safety or reliability of a nuclear weapon type critical to our nuclear deterrent could no longer be certified. There is concern on the part of the amendment's co-sponsors that if such a problem arose after September 30 but before the CTBT entered into force, current law would prohibit remedial testing.

If that were to occur, it is important to recognize that one or more years would be required to prepare for any resumption of nuclear testing at the Nevada Test Site. During this time, we would be able to obtain the necessary funding and legislative relief to carry out the necessary tests.

In short, the Administration believes that the Kyl-Reid Amendment is not only not necessary, but it also entails a genuine risk of delaying or derailing the CTBT negotiations just as we may well be poised to achieve a global ban on nuclear testing.

Sincerely,

WILLIAM C. DANVERS,
Special Assistant to the President for Legislative Affairs.

Mr. EXON. In addition to that, Mr. President, I have a statement from the Secretary of Energy, Hazel O'Leary, who has the immediate responsibility in the whole area of nuclear testing and nuclear weapons.

I quote from her statement:

> The nuclear weapons testing moratorium instituted by the Hatfield-Exon-Mitchell amendment has made a significant contribution to U.S. nuclear non-proliferation efforts. During the duration of the moratorium, the US stockpile of nuclear weapons has remained safe and reliable. There is no requirement to resuming testing or even to plan to resume testing for safety or reliability or any other purpose, at this time. The Department of Energy, with the full support of the Department of Defense, has embarked on an ambitious stockpile stewardship program to ensure that the safety and reliability of the stockpile is maintained into the foreseeable future, without nuclear testing. One of the elements of stockpile stewardship is maintaining the readiness of the Nevada Test Site to resume testing if it is in the supreme national interest of the United States to do so. DOE is committed to maintaining this readiness, consistent with Presidential direction. DOE has confidence in the stockpile stewardship program and does not need the authority that this amendment would provide.
>
> President Clinton has already outlined his commitment to maintain the safety and reliability of the nuclear stockpile under the existing moratorium and under a comprehensive test ban treaty. It is premature to make any statutory changes to the existing moratorium legislation. Any changes should be made only in the context of a negotiated and signed comprehensive test ban treaty. Any changes in the current statutory prohibition on underground nuclear weapons testing at this time certainly does not help the negotiation process, and could very well set it back. Achieving a comprehensive test ban treaty is a key to reducing the global nuclear danger including proliferation of nuclear weapons and the spread of nuclear terrorism.

Mr. President, I also have a very short letter that I am going to read from the U.S. Arms Control and Disarmament Agency, dated June 19:

> DEAR SENATOR EXON: Special Assistant to the President for Legislative Affairs, William C. Danvers, has provided you the Administration's reasons for opposing the Kyl/Reid amendment to the FY 1997 Defense Authorization Bill.
>
> As I represent the lead agency in the Comprehensive Test Ban Treaty (CTBT) negotiations in Geneva, I want to emphasize our belief that this amendment could undermine our efforts to negotiate a Treaty that would end nuclear testing for all time by suggesting a possible U.S. interest in resuming testing before a CTBT enters into force, that does not, in fact, exist.
>
> Since the end of President Eisenhower's tenure, the United States has pursued a CTBT as a long-term goal. Now, when such a treaty is in hand, we urge the members of the Senate to oppose this amendment and to reaffirm our country's longstanding bipartisan efforts to achieve a CTBT.

Mr. President, I ask unanimous consent that the letters I have referenced be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY OF ENERGY HAZEL O'LEARY

The nuclear weapons testing moratorium instituted by the Hatfield-Exon-Mitchell amendment has made a significant contribution to U.S. nuclear non-proliferation efforts. During the duration of the moratorium, the US stockpile of nuclear weapons has remained safe and reliable. There is no requirement to resuming testing or even to plan to resume testing for safety or reliability or any other purpose, at this time. The Department of Energy, with the full support of the Department of Defense, has embarked on an ambitious stockpile stewardship program to ensure that the safety and reliability of the stockpile is maintained into the foreseeable future, without nuclear testing. One of the elements of stockpile stewardship is maintaining the readiness of the Nevada Test Site to resume testing if it is in the supreme national interest of the United States to do so. DOE is committed to maintaining this readiness, consistent with Presidential direction. DOE has confidence in the stockpile stewardship program and does not need the authority that this amendment would provide.

President Clinton has already outlined his commitment to maintain the safety and reliability of the nuclear stockpile under the existing moratorium and under a comprehensive test ban treaty. It is premature to make any statutory changes to the existing moratorium legislation. Any changes should be made only in the context of a negotiated and signed comprehensive test ban treaty. Any changes in the current statutory prohibition on underground nuclear weapons testing at this time certainly does not help the negotiation process, and could very well set it back. Achieving a comprehensive test ban treaty is a key to reducing the global nuclear danger including proliferation of nuclear weapons and the spread of nuclear terrorism.

U.S. ARMS CONTROL
AND DISARMAMENT AGENCY,
Washington, DC, June 19, 1996.

Hon. J. JAMES EXON,
U.S. Senate.

DEAR SENATOR EXON: Special Assistant to the President for Legislative Affairs, William C. Danvers, has provided you the Administration's reasons for opposing the Kyl/Reid amendment to the FY 1997 Defense Authorization Bill.

As I represent the lead agency in the Comprehensive Test Ban Treaty (CTBT) negotiations in Geneva, I want to emphasize our belief that this amendment could undermine our efforts to negotiate a Treaty that would end nuclear testing for all time by suggesting a possible U.S. interest in resuming testing before a CTBT enters into force, that does not, in fact, exist.

Since the end of President Eisenhower's tenure, the United States has pursued a CTBT as a long-term goal. Now, when such a treaty is in hand, we urge the members of the Senate to oppose this amendment and to reaffirm our country's longstanding bipartisan efforts to achieve a CTBT.

Sincerely,

JOHN D. HOLUM,
Director.

Mr. EXON. Mr. President, I yield 5 minutes to the Senator from Washington.

Mrs. MURRAY. Mr. President, I rise to join the Senator from Nebraska in opposing the Kyl amendment. This amendment seeks to impede years of work to curb nuclear weapons proliferation and to ultimately resume the U.S. nuclear weapons testing program. The United States has not tested a nuclear weapon in the Nevada desert since late 1992; a nuclear silence of nearly 4 years. Thanks to the bipartisan leadership of Senator HATFIELD and Senator EXON, the United States has been able to play a leadership role in the international drive to negotiate a comprehensive nuclear test ban treaty at the Conference on Disarmament.

I want to commend Senator EXON for his statesmanship on this issue. Sometimes known as a defense hawk, the Senator from Nebraska took this issue on after careful study several years ago. As far as I know, Senator EXON is one of the few Senators to actually visit the Nevada test site. Few in this body known as much about our nuclear weapons program and the arguments for and against nuclear testing as Senator EXON.

Strangely, as the July 28 deadline for reaching agreement on a comprehensive test ban treaty approaches, the U.S. Senate is considering an amendment to undo years of work to combat nuclear proliferation. Strangely, as President Clinton travels to the G–7 meeting in France to increase the pressure on our allies to reach agreement on a CTBT, the Senate is considering an amendment to undermine the President of the United States.

The proponents argue that their amendment will not interfere with negotiations. With all due respect, I strongly disagree with my colleagues claims regarding this amendment. The mere fact that the Senate is having this debate threatens the delicate talks now in the crucial final stages at the Conference on Disarmament. The proponents of this amendment did not support the Hatfield-Mitchell-Exon test ban moratorium legislation and I am sure they will lead the fight on the Senate floor against Senate ratification of a comprehensive test ban treaty.

The Senate has debated this issue at length on numerous occasions. The arguments against resuming nuclear weapons testing are as valid today as they were when 57 Senators voted to impose the nuclear weapons testing moratorium.

The administration has sent clear messages to the Senate in opposition to the Kyl amendment. John Holum, the Director of the Arms Control and Disarmament Agency in a letter addressing the Kyl amendment states:

> I want to emphasize our belief that this amendment could undermine our efforts to negotiate a Treaty that would end nuclear testing for all time by suggesting a possible U.S. interest in resuming testing before the CTBT enters into force, that does not, in fact exist.

Hazel O'Leary, the Secretary of Energy, issued the following statement:

> The nuclear weapons testing moratorium instituted by the Hatfield-Exon-Mitchell amendment has made a significant contribution to the U.S. nuclear nonproliferation efforts. During the duration of the moratorium, the U.S. stockpile of nuclear weapons has remained safe and reliable. There is no requirement to resuming testing or even to plan to resume testing for safety or reliability or any other purpose, at this time.

Finally, let me share with my colleagues a quote from another letter on the Kyl amendment from the National Security Council. The NSC letter states:

> The Administration believes that the Kyl-Reid amendment is not only not necessary, but it also entails a genuine risk of delaying or derailing the CTBT negotiations just as we may well be poised to achieve a global ban on nuclear testing.

The United States has conducted more than 1,000 nuclear weapons tests. Our nuclear weapons program and technological superiority is unequaled anywhere in the world. There simply is no sound argument in my mind to approve the Kyl legislation and repeal important provisions of the existing nuclear testing moratorium legislation. It is a giant step backward into an era of nuclear expansion and nuclear uncertainty.

Mr. President, we should listen to the words of ACDA Director John Holum, chief U.S. negotiator at the Conference on Disarmament. Some time ago, while addressing the Conference on Disarmament, Director Holum eloquently stated:

> From the very first atomic blast at Alamagordo, mankind has been struggling to

recapture the ferocious beast unleashed there. Since then, thousands of women and men of good will and intellect——

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. MURRAY. I ask the Senator from Nebraska for 2 additional minutes to finish my statement.

Mr. EXON. I yield 2 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mrs. MURRAY. I continue the quote.

> Since then, thousands of women and men of good will and intellect have pursued—passionately, painstakingly—the compelling mission of our age. Working together, let us rededicate ourselves to this mission: To shepherd this beast back into its cage—to bring what was unleashed in a blinding blast of heat in the New Mexico desert to a fitting end in the cool atmosphere of reason in Geneva—to ensure that the first half century of nuclear explosions is the last.

Mr. President, in the next few days, this country may be in a position to celebrate the successful completion of more than 30 years of work to end nuclear testing worldwide. To do this, we must defeat the Kyl amendment. We must turn back the few in this country who continue to believe this Nation must go down the path of nuclear expansion and exploration. I strongly urge my colleagues to support the Hatfield motion to table the Kyl amendment.

Mr. President, I yield the remainder of my time to the Senator from Nebraska.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I would just like about 2½ minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. THURMOND. I yield myself 2½ minutes.

Mr. KYL. I yield time to the chairman of the Armed Services Committee.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 3 minutes.

Mr. THURMOND. Mr. President, last week the Senator from Arizona proposed an amendment that would authorize the President to conduct underground nuclear weapons tests after October 1, 1996, if the Comprehensive Test Ban Treaty has not been ratified by the United States.

I want to emphasize once again, this amendment does not promote nuclear weapons testing. The amendment does not advocate opposition to concluding a comprehensive test ban. In order to conduct an underground nuclear test, the President would have to submit a report to the Congress detailing justification for the test and the Congress could take actions to stop any test.

Mr. President, at some future date, if the President were to determine sometime that he needed to conduct an underground nuclear test for reason of safety and reliability of the stockpile and withdrew from a comprehensive test ban treaty, he would not be able to conduct a test. I do not believe we should wait for a situation of that nature to arise and then try to pass legislation in the Congress.

Mr. President, I voted against the Exon-Hatfield-Mitchell legislation in August 1992. We must ensure that our aging nuclear weapons are safe and reliable. A moratorium on testing and certainly a comprehensive test ban will not guarantee the safety and reliability of our nuclear deterrent forces.

Once again, I support the amendment offered by the distinguished Senator from Arizona and urge my colleagues to adopt the amendment.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. KYL. Mr. President, let me take a moment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. I thank the Chair.

I thank the distinguished chairman of the Armed Services Committee for that strong statement in support of our amendment. The chairman spoke in support of our amendment when we first laid it down a week ago, and his arguments, I thought, were very persuasive at that time. I very much appreciate his support, and I join him in hoping that our colleagues will defeat this motion to table.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time runs equally off both sides.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 6 minutes.

Mr. LEVIN. I thank the Chair. I thank my friend from Nebraska.

Mr. President, the 37-member-nation conference on disarmament has been meeting in Geneva for 3 years to negotiate a verifiable comprehensive test ban treaty. This has long been the expressed goal of the United States and the world community as a whole.

The reason it is so important relates to the issue of proliferation of nuclear weapons. If we can stop nuclear testing, we will have struck a major blow against additional nations gaining nuclear weapons because they will be denied the ability to test and to verify the performance and capability of new weapons.

We have already tested the safety and the reliability and the performance and the capability of our weapons. But additional nations seeking to become nuclear weapons powers will be denied the weapons testing which we have had, and that will make it more difficult for other nations to become nuclear weapons States. That is a major blow against proliferation of nuclear weapons.

The signing of a comprehensive test ban treaty will be one of the most significant steps that we can take against a major threat which is emerging in this world, which is terrorist States gaining possession and control of weapons of mass destruction.

We are right on the verge of achieving this goal, and I think it is unthinkable for the Senate to take an action here tonight or any other time which would pull the rug out from under our negotiators in Geneva, undermining our efforts to obtain something which has been long sought by this Nation, which is that comprehensive test ban.

How does this language do that? It does it because it says that between the signing of the agreement and the agreement entering into force, the President can submit a report to the Congress, and unless the Congress disapproves, then the President can undertake testing. What that does is put into place in American law an effort to test during the critical period between signing of the treaty and the treaty entering into force.

That action of looking for a possible way to undermine a treaty which has been signed violates article XVIII of the Vienna Convention of the law of treaties, which is that once a treaty is signed, nations are obligated to refrain from actions which would defeat the object and the purpose of the treaty prior to its entry into force.

That is article XVIII. We adhere to the provisions of the Vienna Convention. We adhere to that convention. And I want to repeat it because this is the nub of the issue. This language which is being offered puts us in the position of trying to find a way out from an agreement which we are about to sign, an agreement which has long been sought by the nations of the world, an effort to reduce the number of nuclear weapons in the world and particularly the number of new States having nuclear weapons.

We are obligated by international law once we sign that treaty, which we intend to do, to refrain from action—and I repeat, to refrain from action—which would defeat the object and the purpose of the treaty prior to its entry into force.

So here is the Senate being offered language which goes exactly in the opposite direction, which will make it easier for us to defeat the object of a treaty which we are about to sign. We are pleading with nations of the world to sign this agreement. We are pleading with India to sign this agreement. We have just persuaded China to sign this agreement. And now the Senate is being offered language which says, oh, but the United States is looking to find away around an agreement which we are trying to get other nations to sign. That is the problem with this amendment. That is why this amendment pulls the rug out from under our negotiators. It is why this amendment undermines the effort of this administration and others to gain a comprehensive test ban which will strike a major blow against the proliferation of nuclear weapons.

So let us not do that. Let us, instead, table this language and stay on the course we are on, which is to sign a comprehensive and verifiable test ban agreement and then to get other nations to sign the same agreement and, finally, to reduce the threat of nuclear weapons falling into the hands of States which would endanger the peace and security of the United States and the world.

I congratulate Senator EXON on the effort which he has put forth, Senator HATFIELD, and a number of other Senators, Senator MURRAY and others, who have so strongly and forcefully argued against the Kyl amendment. I hope it will be tabled.

Mr. President, I ask unanimous consent that editorials from a number of papers across the country be printed in the RECORD, including an editorial from the Portland Press Herald entitled "Chance for Test Ban May Be Now or Never," an editorial from the San Francisco Chronicle, May 14, entitled "Nuclear Test Ban Talks Enter the Home Stretch," an editorial from the Boston Globe entitled "Toward the Test Ban," and editorials from the New York Times and the Washington Post entitled "A Nuclear Test Ban Within Reach" and "40 Years Later."

These editorials and many others across the country are urging us to stay on the course we are on to get a comprehensive test ban treaty signed. This amendment which is pending and which will hopefully be tabled, will undermine the effort that has been so brilliantly made over the years to try to reduce the threat of nuclear weapons.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Portland (ME) Press Herald, May 13, 1996]

TODAY IN GENEVA—CHANCE FOR TEST BAN MAY BE NOW OR NEVER

It may be now or never for a Comprehensive Test Ban Treaty. The latest round of negotiations, beginning today in Geneva, is just that important. The 37-nation Conference on Disarmament no longer has the luxury of time in concluding what could be the most important arms control agreement of the past 50 years. Unless a consensus draft treaty is concluded by the time this session ends on June 28, the cruel reality is there may never be one.

The world will have stepped away from the nuclear brink with the end of the Cold War, then edged back up to the abyss. That would be tragic, with the negotiating nations so near agreement.

The delegates have only a narrow opening in which to complete their monumental work, putting an end to nuclear weapons testing in the air, under ground and in the sea. The support Russia now shows for ending "all nuclear explosions," under President Boris Yeltsin, may not be there after the June presidential election. Fall elections in the United States and the current elections in India further complicate matters. China, meanwhile, is expected to detonate two or three nuclear devices sometime this year. (It says it will stop testing when the treaty is concluded.)

Two fortuitous developments may make concluding a treaty simpler that it might have been at the beginning of the year. First, the Australian government tried to cut through all the minor differences among the negotiating nations and present a model draft treaty to the session that ended March 29. Now, Jaap Ramaker of the Netherlands, Conference on Disarmament president, has composed a "chairman's text" for the current session intended to move delegates toward common positions.

The United States, Great Britain and France agreed last fall a "zero yield" treaty, prohibiting nuclear weapons tests of any size, should be the goal. Russia added its agreement at the G-8 summit meeting in Moscow last month. Only China, of the five declared nuclear states, wants to continue to allow "peaceful nuclear explosions," but is expected ultimately to yield on the point.

If the delegates can be persuaded to stick close to the Ramaker text, making major changes only as they feel compelled, a consensus draft can be concluded over the next seven weeks. If that were submitted to the U.N. General Assembly for initialing in September, a treaty could be signed shortly after.

Beginning today, let the world resolve this is an opportunity it will not let fail.

[From the San Francisco Chronicle, May 14, 1996]

NUCLEAR TEST BAN TALKS ENTER THE HOME STRETCH

One of the oldest, most ambitious goals of nuclear arms controllers, the 40-year-old dream of a comprehensive nuclear test ban treaty, is tantalizingly close to realization. After two years of negotiation, representatives of the 38-nation Conference on Disarmament regrouped in Geneva yesterday for the final six-week round of talks aimed at banning all nuclear tests, which would effectively halt the development and deployment of new, advanced nuclear weapons.

If approved and ratified by all nations, the 50-year-old race to build bigger and better nuclear weapons would be over; and membership in the nuclear weapons club would be closed.

Never before have so many nations been so close to agreement. Yet for the effort to succeed, the United States and the other nuclear weapons states—France, Britain, Russia and China—and several key "threshold" states, especially India, must focus extraordinary attention on resolving the final sticking points. Should they fail, this narrow window of opportunity could be lost for years to come—and lost with it would be the world's best hope for ending the global spread of nuclear weapons. At this point, four of the five declared nuclear powers (and virtually all the other states) support the Clinton administration's position on the question of what, exactly, the treaty would ban: all nuclear explosions of any size. The holdout is China, which insists on the right to conduct so-called peaceful nuclear explosions (PNEs), which are indistinguishable from weapons tests.

China has won no support from any quarter on the non-weapons-related tests and is thus considered likely to drop this condition. But China and some other states have also tied the question of when, and if, the treaty would enter into force to whether the threshold states—India, Pakistan and Israel—sign on. And India is stubbornly holding out on an unrealistic insistence that the treaty include a time-bound pledge of complete nuclear disarmament. There are a handful of other hurdles, but they are relatively minor compared to the Indian disarmament demand and the question of entry into force. Over the next six weeks, it is essential that President Clinton, personally, make resolution of these disputes a top policy priority.

The key is to persuade the holdouts that a complete nuclear test ban is in their self-interest because it constrains their neighbors as much as themselves and blocks the costly dynamic of regional nuclear arms races. Even Iran has bowed to this logic and become a key backer of the treaty.

Time is of the essence. When the conference chair tables a new draft text later this month, everyone must give a little, take a little and climb on board.

[From the Boston Globe, June 6, 1996]

TOWARD THE TEST BAN

The sword of Damocles invoked by John Kennedy remained suspended throughout the Cold War. But since the superpower balance of nuclear terror has vanished, the first lines of defense against nuclear war have become the Nuclear Non-Proliferation Treaty and the Comprehensive Test Ban Treaty being drafted this month in Geneva.

After four decades of Herculean labors, a test ban treaty is on the verge of completion. A promising text drawn up by the chairman of the Ad Hoc Committee to negotiate a treaty, Dutch Ambassador Jaap Ramaker, effaces Beijing's disingenuous efforts to preserve the possibility of "peaceful" nuclear tests. The Ramaker draft also discards India's equally disingenuous attempt to make a test ban conditional on the prior achievement of complete nuclear disarmament by a given date. Both these loopholes would have had the effect of sabotaging a comprehensive test ban.

In the Ramaker test, however, there is one article that looms as a deal-breaker. It is called the entry-into-force provision, and it requires that 37 countries hosting key verification stations or laboratories must ratify the test ban treaty before it can enter into force.

This is a formula for granting veto power to at least 37 states. It would also create an incentive for those states to demand a price for ratification. In particular, it would bestow on India—the "threshold" country expected to balk at ratifying the treaty—an ability to prevent the test ban from ever being implemented.

A preferred solution would be to require a set number of ratifications—on the order of 60 or 65 as in the Chemical Weapons Convention—before the treaty enters into force. In this way, the possibilities for delay and blackmail would be removed, and instead of having veto power, India would come under international pressure to join a treaty that had already entered into force.

President Clinton, who has fought admirably for a test ban, should make an all-out effort to persuade the nuclear powers to clear the final hurdle.

[From the New York Times, June 7, 1996]

A NUCLEAR TEST BAN WITHIN REACH

For the past 40 years, diplomats have dreamed of negotiating a treaty that would ban all nuclear weapons tests. Such an accord could significantly slow the nuclear arms race, which has diverted hundreds of billions of dollars from civilian needs and heightened the risk of nuclear warfare.

That dream is now closer to realization than ever before. Yesterday China dropped its insistence on making an exception for so-called "peaceful nuclear explosions." That means all five officially recognized nuclear powers—the United States, Russia, Britain, France and China—now support a complete test ban.

Other differences remain among the 38 nations negotiating in Geneva. They involve verification procedures, test site inspections and how many countries must ratify the treaty before it goes into effect. But acceptable compromises seem within reach before the June 28 negotiating deadline. The next three weeks will require an intensive push by the Clinton Administration, which deserves credit for pressing for completion of a treaty.

The move toward a test ban is part of a broader global bargaining process that last year produced an indefinite renewal of the treaty limiting the spread of nuclear weapons and technology. In exchange for permanently renouncing their own nuclear ambitions, nations without nuclear weapons wanted the nuclear powers to agree to cut back their weapons research. Accordingly, Washington and the other nuclear powers committed themselves to completing a total nuclear test ban treaty this year. If a text is agreed on in Geneva this month, it will be ready for signing at the United Nations General Assembly in September.

While the five nuclear powers agree on a complete ban, they differ on what kind of intelligence information should trigger a demand for on-site inspection and who should have the power to dispatch inspectors.

China and other third-world countries are uneasy about using satellite intelligence systems they have not yet developed, and want to rely on an international network of more common seismic, sound and radiation detectors. It may be possible to employ both types of intelligence.

The United States also would like inspectors to be dispatched as soon as treaty officials detect a possible violation, while China would prefer requiring that such decisions be approved by two-thirds of the countries monitoring the treaty. A compromise requiring a simple majority vote within 72 hours of an official request seems within reach.

The other remaining disagreement concerns when the treaty will become effective. After the 38-nation negotiating conference completes its work, the treaty will be offered to all nations for signature and ratification. The five nuclear powers, along with scores of other countries, are likely to sign on. But some countries considered capable of making a nuclear weapon may not. India strongly resists agreements, and if India stays out, Pakistan may also refuse to sign. It would be better if the two countries approved the treaty, but if they decline, other nations should proceed without them. The treaty and its verification provisions can be used to detect and publicize any violations by these and other holdout countries.

With China's important concession and other moves toward compromise, there is now a good chance for agreement by June 28. Washington should continue to fight for improved verification and inspection provisions, while preparing for reasonable compromises that may be necessary to secure this long-sought barrier to the nuclear arms race.

[From the Washington Post, June 14, 1996]

40 YEARS LATER

Forty years after the effort to halt nuclear testing began, a comprehensive test ban outlawing tests in the last permitted environment, underground, is at last coming into sight. The idea was so long in becoming reality because the five declared nuclear powers found it more urgent to improve than cap their arsenals, while others wanted to keep a nuclear option open. Only when the Cold War ended and the anxieties, alarms and ambitions feeding big-country bomb programs diminished did a test ban become possible.

For nuclear powers, a treaty—a prime American goal—amounts to restraint on qualitative weapons improvements: arms control. For undeclared nuclear powers (there are three: India, Pakistan and Israel) and for nuclear aspirants, a duly ratified and enforced ban will bottle up programs of their own: nonproliferation.

In the latest phase, the parties at Geneva found themselves with an unworkable text containing more than 1,000 national objections. Chairman Iaap Ramaker of the Netherlands broke the stalemate with his own text. The talks now going on are focused on the equal-opportunity bruises he thus inflicted. The aim is to complete a treaty by the end of June.

China did well to abandon its insistence on a loophole for "peaceful" tests. But China stood alone for that dodge, and it is making trouble by brazenly continuing underground tests even now and raising obstacles to future one-site inspections. Its readiness to blunt the vital enforcement edge of nonproliferation can only stir doubts about its purposes.

An even more difficult negotiating hurdle is the provision on the treaty's entering into force. The United States, eager to constrain the nuclear states' weapons, would have it go into effect once the five declared states and a good group of others are on board. But the other four declared states support the chairman's demand that India, Pakistan and Israel sign up right away. This proposal is worthy but impractical. The treaty can't do everything for everybody; it can't for instance, by itself ease the anxieties that animate those three undeclared nuclear states.

Testing was once widely thought of as the live fuse of an "arms race" that had to be slowed to ensure the planet's survival. Later, the idea of a test ban was set aside in a mutual Soviet-American reliance for safety on nuclear deterrence. The political agreements of the Reagan period finally diminished the great-power nuclear risks. But a test ban remains a useful tool for reducing the lingering risks, especially of those nuclear weapons in or potentially in irresponsible hands.

The PRESIDING OFFICER. Who yields time?

Mr. KYL. Mr. President, I advise my friend from Nebraska we only have two speakers on our side. We prefer to see what arguments are posited against the amendment and then respond to them at that time.

Mr. EXON. I thank my colleague. I was just trying to divide the time to go back and forth.

I yield 5 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. GLENN. Mr. President, we have been dealing with this subject here in the Senate for a long time. We started to get some agreement on these matters back as far as 1972 with the Anti-Ballistic Missile Treaty, the SALT I interim agreements, START I and the START II Treaties, which came along a little bit later. These treaties first put a cap on the nuclear arms race.

These were followed by some other agreements. In 1974 President Nixon got the Threshold Test Ban Treaty through and President Ford accomplished the Peaceful Nuclear Explosives Treaty in 1976.

These were all great steps along the way. Many people thought, along the way, we would never get to a day when we would have a Comprehensive Test Ban Treaty, where all nuclear explosives would not be tested anymore, that we would cap things at that point. But here we are, about to achieve it, just about to achieve it. Will we be able to make it? I do not really know at this point. But I do know this, the final stages of negotiating are underway right now with the CTBT.

The administration has come out and given a very strong statement in a letter to Senator EXON that opposes this amendment because they feel, and I agree with them, that this amendment could not come at a worse time in these negotiations. The CTBT negotiations in the Conference on Disarmament in Geneva have a deadline of this Friday, the day after tomorrow, in which, by that time, we may be able to have a Comprehensive Test Ban Treaty for the first time since entering the nuclear age. It will, indeed, be a historic time if we accomplish that.

This amendment we are considering here this evening could be interpreted by some of those States that are negotiating over there now as maybe a little subterfuge, as maybe we are not quite meaning what we are negotiating in Geneva. In fact, they may believe that we are pulling the rug out from under our negotiators at Geneva by even bringing this up for a vote. If this would happen to be agreed to, it would really be a tragic thing for our negotiators over there, because it would call into real doubt our intentions for the long-term future.

The administration has no such plans or intentions to circumvent the provisions that they are negotiating over there. So I hope the people with whom we are negotiating are under no illusions about this and are not led astray in their thinking because of any proposal such as this amendment on the floor.

The administration also has not requested any funding for any additional tests, so their intent is very clear. It is to go along with the way they have been negotiating in Geneva in good faith. Our allies and the people negotiating there should be assured of that. This has been in good faith.

This amendment would, in effect, also relax the existing legislative moratorium just at the time when the only remaining state still conducting nuclear tests, China, has announced it will join the global moratorium in September.

Three of us, Senator FEINSTEIN, Senator NUNN, and myself, were in Beijing in January of this year. We brought this up to President Jiang Zemin, President of the People's Republic of China. We talked to him about what their view was on the CTBT. He said they are still negotiating on it, but if it was negotiated and went into effect by the end of the year, China would—in effect, they would make it a point to have all of their nuclear tests done by that time. That is exactly what they are planning to do. Because China has announced it will join the global moratorium in September.

As to reliability of our stockpile, we are confident that, as they say in the letter from the White House, "The Science-Based Stockpile Stewardship will ensure we can * * *"

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GLENN. Might I have 1 more minute?

Mr. EXON. I yield 1 more minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. GLENN. "* * * meet the challenge of maintaining the reliability and safety of our nuclear inventory absent nuclear testing." They are convinced of that. These are our highest level people who deal with this.

But the President has also assured us if there was any doubt of this, and it was brought to his attention, what he would do is say we have to come out of the treaty if there was any doubt about the safety of our stockpile or the reliability of it.

With that kind of assurance, it seems to me the least we should do to show faith with our negotiators at Geneva is to make very, very certain we defeat this amendment tonight.

Continuing the letter:

> There is a concern on the part of the cosponsors of the amendment that, if such a problem arose after September 30 but before the CTBT entered into force, current law would prohibit remedial testing.
>
> Mr. President, I do not accept such reasoning. We have quite a legacy of testing that gives us high confidence in our nuclear arsenal, a legacy backed up today and tomorrow by the Stockpile Stewardship program. And if we support our negotiators, rather than undercut them with initiatives that cast doubt on America's resolve to proceed with its commitment to a complete and total ban on all nuclear tests, our country's security will be all the better served.
>
> If that were to occur, it is important to recognize that one or more years would be required to prepare for any resumption of nuclear testing at the Nevada Test Site. During this time, we would be able to obtain the necessary funding and legislative relief to carry out the necessary test.
>
> In short, the Administration believes that the Kyl-Reid Amendment is not only not necessary, but it also entails a genuine risk of delaying or derailing the CTBT negotiations just as we may well be poised to achieve a global ban on nuclear testing.
>
> Sincerely,
>
> WILLIAM C. DANVERS,
> *Special Assistant to the*
> *President for Legislative Affairs.*

Mr. KENNEDY. Mr. President, I oppose the amendment offered by the Senator from Arizona. Today, in Geneva, delegations from 60 countries are assembled to negotiate an agreement that leaders from around the world have dreamed of and worked toward for nearly 40 years. The goal is a Comprehensive Test Ban Treaty to outlaw nuclear testing around the world, and it is well within reach at long last. This amendment would clearly undermine that all-important strategy, and it ought to be defeated.

The Kyl amendment also seeks to reverse the current U.S. moratorium on nuclear testing, which formed a solid basis for American leadership in the international effort to achieve a CTB. Our adoption of a moratorium convinced the four other declared nuclear weapons states that a Comprehensive Test Ban would serve their security interests. Britain, Russia, France, and China have all agreed in principle to a CTB that will ban all nuclear explosions, no matter how small.

This amendment would make a mockery of this unanimous commitment. The United States and many other nations are now poised to cross the threshold into a world free from nuclear testing. This amendment would be a classic case of snatching defeat from the jaws of victory at this critical moment in the nuclear era.

The proponents of the amendment claim that it gives the President the ability to ensure the safety and reliability of the U.S. nuclear stockpile. But the nuclear stockpile is already safe and reliable. The JASON panel, a group of our most eminent nuclear experts, states this fact in its March 1995 report to the Secretary of Energy. The panel concluded that the United States can rely on the Clinton administration's stockpile stewardship program—developed by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff—to maintain high confidence in the reliability and safety of our nuclear stockpile. No further testing is needed.

Thirty-three years ago, in his famous address at American University, President Kennedy called for the negotiation of a Comprehensive Test Ban, and ever since, Republicans and Democrats alike have worked to meet that great goal. Today, we are on the verge of success. Supporting the Comprehensive Test Ban is the single most important step the Senate can take to achieve a non-nuclear future. I urge my collegues to oppose the Kyl amendment.

The PRESIDING OFFICER. Who yields time? Time is running against both sides.

The Senator from Nebraska.

Mr. EXON. Mr. President, I have just checked with the Parliamentarian. I believe there are 40 minutes left on that side. I have a net of 3 minutes left because I am reserving 10 minutes for Senator HATFIELD under a previous arrangement.

I guess I have been in debates in the U.S. Senate for a long, long time, but the other side, who are proposing the amendment, do not seem to want to talk. I do not quite understand. It certainly is not fair, under the usual procedures that we follow here, for one side to use up its time and then the other side sit in deafening silence when their time comes to talk.

I suggest to the Chair, it would not be fair for the other side not to make their arguments for the proposition that they are trying to force on the United States of America.

When you enter into time agreements, you expect some fair assumption of the responsibilities of the managers of the bill on both sides. This Senator has been here on the floor.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I am delighted to take some time. As I informed the Senator from Nebraska earlier, we had only two speakers remaining on our side. I knew the Senator from Nebraska had several speakers. I, therefore, wanted to give those speakers an opportunity to present the arguments against our amendment, which I had already explained in great detail when we first laid it down a week ago. I have been on the floor twice explaining it. I will do it again. I am happy to do it, because we are asking for something that is very modest, yet very important. I hope all the Senators who are watching will appreciate the fact it is important to defeat the motion to table that will be laid down.

I think the easiest way to describe what this amendment does is to use this chart. If you go to the line above Kyl-Reid amendment, you see where we are today: the status quo, what the law provides with respect to nuclear testing. And that is what we are talking about today: the President's authority to conduct an underground nuclear test in the event that he should deem it necessary to do so.

That authority expires, Mr. President, on September 30 of this year. When some say, "Well, we may not have that big of a problem with the amendment, but we're concerned about the timing because we're engaged in these delicate negotiations"—I will come back to that in a minute—but the reason we raised the amendment now is because the distinguished chairman of the Armed Services Committee said if you have amendments to the bill, lay them down now. Mine was the second amendment laid down, just following the instructions of the chairman.

Secondly, we have to do this before September 30. As you know, we are not going to have that much in the way of legislative time.

But third, I have already offered to the Senator from Nebraska, who I see now leaves the Chamber, but I made this offer before and I make it again. I am delighted to delay this vote until the evening of the 28th—long after the day in Geneva has expired—because I have no intention of having this amendment have any effect whatsoever on the negotiations. It does not, it cannot, there is no relationship whatsoever, but for those who thought it might, I was perfectly willing to delay the vote, and I am still willing to do that.

I will make that offer here again right now. Assuming we defeat the motion to table, I will be happy to have this amendment be the very last one considered before final action on the defense authorization bill, which I assume will be on Friday. Now let us go back to the explanation of the law.

On September 30, there is only one basis for the President to conduct a nuclear test, and that is if another nation tests. Over the last 12 months or so, we have seen France test, Russia may have tested—the intelligence is not clear on that—and China has conducted a test, and China has said it is going to conduct at least one more test.

So those tests would give the President of the United States the authority to conduct nuclear tests until such time as the Comprehensive Test Ban Treaty [CTBT] goes into force. That is what we have showing here. We do not know when that will be, if ever, but we presume it will occur, and so we just entered it on this line here.

At that point, as the Senator from Nebraska said, there will not be any nuclear test, except in the extraordinary event of what is called the supreme national interest, which is an event very unlikely, if at all likely, to occur.

So, in effect, the only thing that can cause the President to test after September 30 is if another nation tests.

Now, is that a logical basis upon which the United States would conduct nuclear testing? The answer, of course, is no. Because France tested, does that therefore provide a reason for the United States to test? No. Even China's tests do not provide a reason for the United States to test.

We have developed our nuclear arsenal. We have really only three reasons to test, Mr. President. The first is for the safety of our stockpile, to ensure that as weapons become 20 or 30 years old and begin to deteriorate—and they do deteriorate—that the safety of the weapons is not compromised, that the safety requirements of the people who handle the weapons is not compromised. I will return to that issue of safety in a moment.

The second reason is reliability. Will they still work, or, as a result of this deterioration, does there come a point in time when we cannot assure the reliability of the stockpile? At that point, we do not have an adequate return, obviously.

The third reason to test is to deal with a recent phenomenon: the problem of terrorism. We have just seen a terrible event occur in Saudi Arabia involving a bomb, and many people have suggested that perhaps the terrorist state's worst weapon is a nuclear bomb delivered by a truck. Today, we do not have a good way of dismantling that bomb, and the experts at our national laboratories believe that there may come a point in time when we have to understand how to dismantle such a weapon. We have to know how to do it, obviously, in advance, because we may have very little warning when the time comes.

Do you shoot a laser at it? Do you overpower it with electrical voltage? What can you do to disarm that bomb? We may have to conduct some kind of low-level test to find that out.

None of this, Mr. President, advances nuclear weapons in the world. As a matter of fact, it is all designed to reduce their use: the dismantling or disarming of a terrorist device, providing for total safety so no device would ever go off. These are defensive measures, if you will. We are not developing new nuclear weapons, and nobody is proposing to do that.

But, effectively, after September 30, our ability to test, unless another country tests, will have been eliminated, terminated by the law, and that is what we are trying to prevent.

What we are saying in our amendment is really very simple, and if you go below the line that says "Kyl-Reid amendment," you will see what our amendment will do.

We simply extend this September 30 deadline until such time as a CTBT goes into effect. At that point, you have an entirely different set of rules, but until that time, we continue to have the option of testing for stockpile safety and reliability purposes. We would not have to wait for another nation to test to have the ability to test.

But importantly, we also added some other safeguards in our amendment. We provide in our amendment that the President will continue to report to the Congress on the stockpile and will provide a report on the necessity for any testing. Now, those reports are not required after September 30. And we provide that the President's authority to test after September 30 is subject to a veto by the Congress. If a majority of the Congress says "no" to a testing message by the President, then the President would not be allowed to test. So we tighten up the law after September 30, and I think that is a good thing for us to have done.

Mr. LEVIN. Will the Senator yield for a brief question?

Mr. KYL. Quickly; yes, I will yield.

Mr. LEVIN. You said if a majority of Congress votes to disapprove the resolution——

Mr. KYL. That is correct.

Mr. LEVIN. Is it not true the President could then veto that resolution?

Mr. KYL. Mr. President, I believe the answer to the question is that a veto would lie in the event that a majority of the Congress voted to disapprove the President's action.

Mr. LEVIN. And if the President, in fact, submitted such a resolution, is it not very likely he would veto a resolution that a majority of the Congress passed?

Mr. KYL. My guess is, if a majority of Congress voted that way, it would send a message to the President. This, in any event, is a restriction that does not exist under current law. Today, the President can simply say, "I am going to test because France tested."

I just ask my friend from Michigan, is it not better to have some way for Congress to express itself in opposition, and if we adopt the resolution of disapproval, it does not happen, as opposed to the existing situation of which we have no ability to say to the President, "No, you can't do it"?

Mr. LEVIN. For the reason I gave you a few moments ago, this would be a very unsettling decision for Congress to make now that we are on the verge of achieving that test ban. My good friend from Arizona said a majority of Congress could vote to disapprove the resolution. I want to clarify, this is a joint resolution of disapproval, I believe, that is in the language, and that means the President could veto it, and any President who submitted such a resolution would presumably veto it, so it would, indeed, as a practical matter, take two-thirds of Congress to overturn such a resolution; would my friend agree with that?

Mr. KYL. I appreciate the point the Senator makes. My only point is, any action by the Congress to disapprove the decision by the President to test in our amendment is more than the existing law, which is zero after September 30.

Mr. President, I say to my friend from Michigan, we are trying to do what we can to allay concerns that a rogue President would simply decide to do something very foolish and Congress would not have any ability to deal with it.

Let me go to some of the arguments that have been made. The first is the one that questions our timing here. I must say that I am baffled by this because, as I said, I made the offer to have the vote on this amendment after June 28.

But let us look at that date June 28 again. According to the Washington Post and other news sources—I quote from the June 21 editorial entitled "Treaty in Trouble." I am not sure if this treaty is going to be approved on this Friday in any event, regardless of what we do. The editorial begins by saying:

> The bleak possibility arises that negotiations on a test ban treaty may fall into a deepening deadline or—an even more bitter prospect—produce a treaty that will languish and not be put into effect.

They point out this is because of a deadlock of the several nations of the world that do not have or may not have nuclear capability and are putting demands on the countries that do. They say, "We will not sign up unless you disarm yourself totally." This is the country of India. Pakistan says, "If India does not sign up, we do not sign up." So there is a significant question as to whether or not this treaty is going to be approved on Friday in any event. But let us assume that, in any event, it is voted on by Friday and is approved. I have already indicated that I am perfectly happy to have the vote on our amendment subsequent to that time.

Third, and most important, this amendment has nothing whatsoever to do with the CTBT. Again, referencing the chart will make that point clear, we say that at such point in time as the CTBT enters into force, that is what controls. But we fill this hiatus after September 30, when the President cannot test for safety and reliability, by continuing the authority for the President to do that, again, unless Congress disapproves.

For the life of me, I cannot understand why someone would want to tie our hands in this regard particularly where safety is concerned. We test everything else for safety, from the pistol that is issued to the troops to the airplanes that fly, to the ships and everything else. We test all of our other weapons all the time for safety and reliability. But we are saying we want to cover our eyes and not know whether the most complex and devastating weapons in the world are safe?

Mr. President, what if we were talking about chemical weapons here, and there was a suggestion that a chemical or biological warhead was beginning to leak. Would we have a statute here that says, no, we do not want to worry about that because we want to do away with all chemical weapons? That is the same argument being made here. We want to do away with nuclear weapons, so we're not even going to test them, even if we conclude they might not be safe. It does not make sense. This amendment does not do anything to the CTBT. It simply continues the existing law until there is a CTBT.

There is a letter from one of the administration officials that says, well, this could signal a possible intent to conduct tests. How? The administration has already said it is not going to conduct tests. No funding has been requested. It disclaims any interest in conducting tests. That ought to answer that.

But in any event, if we had a dangerous weapon, would somebody in Britain—why should they be opposed to our testing to make sure that we could ensure the safety of our weapons, so that our personnel would not be irradiated, for example? What is so wrong with ensuring that we have that element of safety?

Finally, I find a bit of an irony here with people who are commending the Chinese for joining the family of nations that want to do away with testing. The Chinese have already said that they are going to conduct another test.

They are going to conduct another test. Let us say it is after September 30, 1996. The fact is, they can conduct a test until the CTBT goes into effect. There is nothing to prohibit the British from conducting a test or the French or the Russians. We would be the only nation of the declared nuclear powers that is saying, we alone will not test after September 30, no matter how long it takes to get to the CTBT. What if we do not have a CTBT for 10 years or 15 years? We and we alone would be prohibited from testing for safety purposes. How does that make any sense?

More importantly, how could that cause people in Geneva to worry? They have the right to conduct tests. If we simply consider an amendment that would extend the President's authority beyond September 30, that is going to somehow give people concern that they should not sign the treaty because maybe the United States is going to begin conducting tests again, when they have that very right? It does not seem to me that is a very sound argument, Mr. President.

Finally, there was the suggestion that we have our stockpile stewardship program, it can handle the situation, we do not need to test, and that is what we are relying on. The problem is, this administration, while they say they do not need to test, that we can rely upon this stockpile stewardship program—which is essentially trying to, through computer analysis, determine if there are any problems with the stockpile, examine them from time to time, and otherwise try to take care of them in a way that they will not deteriorate, although they do deteriorate—but notwithstanding that being our policy, the administration is not funding it adequately. As a result, one wonders whether or not these weapons really are going to continue to be safe and reliable.

If you are going to use the stockpile stewardship argument in opposition to the possibility of ever testing, then you darn well better have a good stockpile stewardship program. But this administration is not doing that.

Hazel O'Leary, the Secretary of Energy, is responsible for the program. In testimony to the Strategic Forces Subcommittee on April 16, the Secretary had this to say about the outyear funding for the stockpile stewardship:

> I think we all have reason to be concerned about the outyears. It is in that area where I have no quarrel with their concern. [The laboratory directors had expressed concern for years.] I think we need to work together to address that.

The point had been made earlier that the funding that had been requested as the minimum level necessary, according to C. Bruce Tarter, of University of California's Lawrence Livermore Laboratories, was $4 billion a year. Yet the President's request for this year is $3.7 billion. So it would be nice to rely upon the stockpile stewardship; it would be even nicer if the administration, which allegedly opposes our amendment here, would properly fund the stockpile stewardship. I do not have a lot of confidence in that in that event.

I am going to conclude at this point, Mr. President, by saying our amendment has no hidden agenda behind it. We are not seeking to engage in testing. It should not have any impact on the discussions that are occurring. As I said, I am willing to have the vote after that anyway. The only thing we are trying to do is preserve the ability of the President in that kind of emergency where he may need it to engage in some kind of low-level, underground testing to preserve the safety and reliability of our stockpile up until such time as the CTBT should go into force.

I urge, Mr. President, that our colleagues who are watching and listening here support the chairman of the Armed Services Committee in his request that we vote no on the motion to table.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). Who yields time?

Mr. KYL. Mr. President, I am happy to yield whatever time the distinguished Senator from Idaho, a member of the Armed Services Committee, needs.

Mr. KEMPTHORNE. Thank you very much, Mr. President.

I want to acknowledge the expertise of the Senator from Arizona.

To me it is quite clear-cut and straightforward what the Senator is offering. The explanation that he has gone through, I think, has laid it appropriately before us. This amendment does not require or even foresee the need for the United States to begin testing nuclear weapons in the near future.

What it does is put the United States on a level footing with the other signatory nations to the Comprehensive Nuclear Test Ban Treaty, or the CTBT. This amendment does nothing more than provide the President with the ability to resume testing if and only if he deems that the supreme national interest dictates such action.

So what does this amendment do and what does it not do? It does not undermine ongoing CTBT negotiations. It does not require the United States to resume testing. It does not even encourage the resumption of testing.

It does place four additional requirements on the President that must be met before testing could be reinitiated, four additional requirements.

This amendment also clarifies a discrepancy between existing U.S. law and the treaty language regarding what is and what is not considered to be a nuclear test. Without this clarification, the treaty, when signed, would be in conflict with U.S. law.

This amendment also gives the President authority that he says he needs to ensure our national defense.

In his August 1995 statement regarding the CTBT, President Clinton identified the conditions that would cause the United States to resume nuclear testing. This amendment provides the President the flexibility to respond to such conditions should they arise, the conditions which the President outlined.

This amendment is very narrow. It provides the United States rights that are equal to those of other CTBT signatory nations. It clarifies ambiguities in existing U.S. law. It reinstates important congressional reporting requirements, and it provides the President with the flexibility he says he needs to ensure our national defense. It does not promote the resumption of nuclear testing. It does not undermine the current negotiations. This is a prudent, I believe, a much needed provision.

I ask the Senator from Arizona if he would respond to a question or two.

Mr. KYL. I am happy to respond.

Mr. KEMPTHORNE. I ask the Senator from Arizona if he would clarify the key date of September 30 of this year. It is my understanding that on September 30 the provisions provided in the Hatfield-Exon measure expire.

Mr. KYL. That is correct.

Mr. KEMPTHORNE. Now, there are what are termed "declared nuclear states," and there are five of those, one of which is China. The Senator has indicated, and I have seen it elsewhere, that China has indicated that it is going to test again.

What happens if they test after September 30? What happens if the Kyl-Reid amendment is in effect? What happens if the Kyl-Reid amendment is not in effect?

Mr. KYL. This is an illustration of why this amendment would be useful. Without the Kyl amendment, first of all, the President would be able to conduct an unlimited number of underground nuclear tests just because China conducted a test. Second, the President has no obligation to inform the Congress, certainly not to get our consent. The Congress does not have any authority to disapprove of any such tests, and we would no longer after September 30, receive the reports on the safety and reliability of the stockpile that the President has always been required to send to the Congress.

Conversely, if our amendment is adopted, first of all, the President is required by law to submit an annual report to the Congress that outlines the need for any underground nuclear test. We would have 90 days to disapprove of that request, and we would indefinitely be entitled to receive reports on the safety and reliability of the stockpile.

At a minimum, it seems to me, Mr. President, that Congress, if it is going to rely upon the stockpile stewardship program, should want to continue to receive reports from the President on the viability of the stockpile. Under existing law, that would cease to exist. Under our amendment, the President would be required to submit the reports.

Mr. KEMPTHORNE. Is it fair to say and is it accurate to say that with the Kyl-Reid amendment in place it is more restrictive on the conditions for nuclear testing?

Mr. KYL. Yes, clearly it is, because without the Kyl-Reid amendment, if China tests, the President can test, period, end of story.

Mr. KEMPTHORNE. Without any involvement of Congress?

Mr. KYL. Without any involvement by Congress or without any report.

Under our amendment, Congress has the ability to say no, and the President would have to continue to submit a report to us and he would have to report to us on the necessity for an underground nuclear test. The requirement for the test would have to be based upon a stockpile stewardship issue—safety and reliability—rather than the mere fact that another nation decided to test, which obviously has no relationship to our stockpile.

Mr. KEMPTHORNE. I thank very much the Senator from Arizona for the clarification. Again, I think he has done a fine job of just laying it out in a very straightforward manner so we can understand what this is all about.

I yield my time back to the Senator from Arizona.

Mr. KYL. I inquire how much time remains.

The PRESIDING OFFICER. The Senator from Arizona has 16 minutes remaining and the Senator from Nebraska has 14½ minutes.

Mr. EXON. Mr. President, I yield 3 minutes to the Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in strong opposition to this amendment. This is a very critical time in the history of the world. Whether we are going to be able to stop the proliferation of nuclear weapons is the most critical question that we face. We must work to provide for sanctions for those that do develop weapons. In order for us to have credibility, we have to be willing to accept the fact that we should not test. Otherwise, it is very difficult for us to convince others that they should not test.

There has been a fair amount of discussion about the technical details of nuclear testing, both pro and con. I will not go over that ground, but I would like the Senators to step back and examine the big picture for a moment.

The real question here is national security. One of the greatest threats to our national security is the proliferation of nuclear weapons. We have been spending a lot of time recently discussing whether we should build extremely expensive systems that might in the distant future protect a fraction of the United States from a nuclear attack. We also know that it would be very hard to protect U.S. forces abroad from a nuclear attack.

If nuclear capabilities proliferate to rogue nations, we will be very hard pressed to guarantee the safety of all Americans in the event of a nuclear attack. Clearly, the best way to prevent such an attack is to prevent the spread of nuclear weapons in the first place. That goes to the heart of this amendment.

The administration is currently engaged in very sensitive negotiations to achieve a Comprehensive Test Ban Treaty. Successful completion of a strong test ban treaty would do more to protect Americans from nuclear attack than any space shield currently being envisioned. The best way to make sure we are not a target of a nuclear weapon is to prevent the development of nuclear capabilities by more nations. That is what a Comprehensive Test Ban Treaty will do and attempt to do for us.

Passage of the Kyl-Reid amendment would send exactly the wrong signal at a very sensitive time. The amendment says to the rest of the world that we are ready to consider a resumption of testing, just when we finally have agreement among the major nuclear powers that it is time to put an end to nuclear tests.

I urge my colleagues to resist this effort to overturn the Hatfield-Mitchell legislation enacted 4 years ago, and to keep this country on the safer course of steady progress toward a comprehensive test ban.

I yield the floor.

Mr. EXON. Mr. President, I yield myself 3 minutes.

Mr. President, there is obviously some serious misunderstanding here, because Senator KYL has not correctly stated the existing law by suggesting that any other nuclear state could conduct a nuclear test after September 30, and before the Comprehensive Test Ban Treaty is entered into, but the United States could not. This is simply not true.

If any nation tests after September 30, the law stipulates that all restrictions on U.S. testing are limited. It is a basic tenet of the Hatfield-Mitchell-Exon law. The only effect of the law is that the United States will not be the first nation to test after September 30.

Would Senator KYL agree with this correction? I ask him to do it on his time because I am almost out of time.

Senator KYL has also said that his amendment would allow for a resumption of testing for "safety and reliability" reasons only. I say to my friend from Arizona, if he can show me where in his amendment it states the testing would have to be done for "safety and reliability" only. I have looked and I cannot find it.

The way I read his amendment, a resumption of U.S. testing could be for any reason whatever.

I reserve the balance of my time.

Mr. KYL. Mr. President, let me see if I can answer the question posed by the Senator from Nebraska who said I misstated the law. I have the law right here. I will quote it directly. This is Public Law 102-377: "No underground test of nuclear weapons may be conducted by the United States after September 30, 1996 unless a foreign State conducts a nuclear test after this date, at which time the prohibition on United States nuclear testing is lifted." That is precisely what I said. After September 30, the only basis upon which we could conduct a test is unless another nation tests—exactly as it is stated up here.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Ten minutes.

Mr. EXON. I ask the Senator from Oregon as to how much time he feels he will need.

Mr. HATFIELD. About 4 minutes.

Mr. EXON. I yield 4 minutes to the Senator from Oregon, Mr. HATFIELD.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 4 minutes.

Mr. HATFIELD. Mr. President, I thank the Senator from Nebraska for yielding. I want to also say the Senator from Nebraska, Senator EXON, has been carrying the burden, pretty much, here on the floor on this issue of the Kyl amendment. I want to express my deep appreciation to the Senator for assuming that role. I am sorry I have not been able to be more helpful, but other duties have precluded me from engaging in more activity until now.

Mr. President, our negotiators in the Comprehensive Test Ban Treaty conference are on the brink of success from many perspectives. The conference concludes at the end of this month, so in 3 days we will know if the goal that we have worked toward for 40 years will come to fruition. I am speaking of the Comprehensive Test Ban Treaty, which has been a goal of mine for many years. When we passed the current moratorium on nuclear testing in 1992, we provided significant momentum toward the CTBT.

I am very concerned that the amendment pending is characterized as a minor change in policy and a clarification of the original moratorium of testing which is current law. Let me be clear that this is not a simple change. This amendment will have the effect of completely undermining the baseline agreement reflected in that moratorium created in 1992 and the momentum for a CTBT. I think it sends a signal that somehow we are backing out or changing our mind on that moratorium—one that I worked 27 years to achieve.

The current U.S. moratorium is a critical show of good faith to other countries with whom we are negotiating this treaty. To change our testing policy now, I think, will send shockwaves through the international arms control community at the most critical time of the CTBT negotiations.

Not only is this amendment untimely, it is also, I believe, unnecessary. The President has extended the 1992 testing moratorium because he and his military advisers concluded that our nuclear arsenal is safe and reliable. Not even the scientists involved in nuclear testing are calling for underground tests to resume.

More importantly, the President already has the ability to resume testing if he determines that it is in the Nation's supreme national interest. If we have a severe safety and reliability problem, even I would agree with the President in exercising this option.

It seems to me that this debate would be more appropriate after the Conference on Disarmament concludes. The Senate will have the opportunity to debate this issue fully when the CTBT is presented to the Senate for ratification. And if the negotiations do fall apart and we are not able to get a treaty this year, the Congress can debate this issue then, or any time following.

Any action now seems to me to be premature. For these reasons, I strenuously oppose the Kyl-Reid amendment and urge my colleagues who believe in the nonproliferation goal of achieving a Comprehensive Test Ban Treaty in 1996 to join me in opposing this amendment.

At an appropriate time, I believe the authors of this amendment are aware that I will make a motion to table the amendment.

I yield the floor.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the vote on or in relation to the Kyl amendment occur at the hour of 8:40 this evening, with Senator EXON in control of his previously allotted time, and any remaining time until 8:40 under the control of Senator KYL.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KEMPTHORNE. To clarify for all Senators, we will vote this evening at 8:40, and that is now set.

Mr. NUNN. How much time is on each side? I did not get that.

The PRESIDING OFFICER. Six-and-a-half minutes controlled by the Senator from Arizona, and 5 minutes controlled by the Senator from Nebraska.

Mr. NUNN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I want to associate myself with the remarks made by the Senator from Nebraska, Mr. EXON, and the remarks just made by Senator HATFIELD from Oregon. I could not agree with them more. This is a critically important issue.

This is exactly the wrong proposal. It is exactly the wrong time even to consider this proposal. What we have done in recent years to try to make certain that we do not see continued nuclear testing has just set the right course for the world, and the wrong vote tonight would send exactly the wrong signal at a time when so many countries are sitting down and hoping that by Friday we will achieve the result of never again seeing nuclear testing in this world.

So I appreciate the leadership of the Senator from Nebraska and the others who have spoken against the Kyl amendment. I hope the Senate will support the motion to table.

The Kyl amendment is part of a continuing assault on arms control. I would urge my colleagues to recall what has happened in this Congress.

Recall that the Foreign Relations Committee stalled on the START II Treaty until the Senator from New Mexico, Senator BINGAMAN, began to filibuster an unrelated bill in order to force action on the treaty.

Recall that the Senate majority throughout this Congress has been intent on building a star wars missile defense system that would violate the ABM Treaty. The ABM Treaty is the cornerstone of our arms control regime—which may be why the majority desperately wants to knock that cornerstone out of the foundation.

Recall that we still do not know when the Senate will act on the chemical weapons convention, which would break new ground by banning the use, production, and stockpiling of an entire class of weapons of mass destruction. That Convention has been on the Senate calendar for over 50 days now. I hope the majority leader will soon give us an indication of when the Senate will vote on that historic treaty.

And we now have the Kyl amendment. Mr. President, 4 years ago Senators HATFIELD, Mitchell, and EXON worked very hard to enact a law restricting nuclear testing by the United States. Hatfield-Exon-Mitchell set us on a path to a moratorium on nuclear testing—which the law will prohibit after September 30, 1996. The only loophole under which the President can resume testing after then is if another nation tests first.

The Kyl amendment would overturn the Hatfield-Exon-Mitchell law. It would permit the President to start nuclear testing after September 30. The only loophole—the only way the President would not be allowed to resume testing—is if the Congress tells him not to.

It's bad enough that the Kyl amendment would repeal a moratorium on nuclear testing that is now in the law. However, the international repercussions of this amendment are even worse.

Mr. President, I hope the American people realize that American negotiators are literally working around the clock in Geneva as we speak in order to reach agreement on a Comprehensive Test Ban Treaty. There are 37 countries around the table at the Conference on Disarmament in Geneva, all trying to hammer out a nuclear test ban treaty. The planet has set itself a goal of agreeing on this treaty by this Friday, June 28. These talks are in their final, most sensitive stage.

What is so stunning about the Kyl amendment is that it suggests that we allow renewed nuclear testing. And the Senator from Arizona is making this suggestion 2 days before the planet's self-imposed deadline for achieving a treaty to ban nuclear testing for all time.

This treaty has been a goal of American foreign policy since the Eisenhower administration, and the Kyl amendment is urging that we allow nuclear testing again. As several of my colleagues have already observed, leaving aside the policy implications of the amendment, it is impossible to conceive of a worse time for this amendment to be offered.

Mr. President, the United States has been working to lead the world toward a test ban agreement. Since 1993, when President Clinton decided to extend a testing moratorium, we have been leading by example. We have refrained from testing nuclear weapons. We have developed an ambitious stockpile stewardship program, which will ensure that our nuclear arsenal remains the safest in the world without testing.

It is not difficult to picture the reaction of other nations if the Kyl amendment is approved. They will wonder why our arms control negotiators are urging them to compromise on a treaty in Geneva while at the same time the U.S. Senate is allowing the President to resume nuclear testing. How would we like it if the parliament of another country at the negotiating table began to consider loosening that country's restrictions on nuclear testing? We'd begin to question that country's sincerity at the talks. We'd begin to wonder whether that country intended to live up to its commitments. Well, that's how other nations are going to feel if this amendment passes.

I urge my colleagues to vote to table the Kyl amendment.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield such time as he may need to the Senator from Georgia.

Mr. NUNN. Mr. President, I will take a short time here. I will support the tabling motion on this amendment. I think this is not a necessary provision at this moment. I think it is certainly not timely. Senator EXON and Senator HATFIELD offered their amendment in 1991. It is the law of the land. It prohibits further U.S. underground nuclear testing unless, after September 30 of this year, another country conducts an underground nuclear test. If another country does it, the Exon-Hatfield provision automatically expires.

Moreover, the administration is in the final throes of negotiating a CTBT. President Clinton pledged that if there were problems with the U.S. weapons stockpile, he could exercise the supreme national interest clause in the treaty in order to take the necessary steps to protect our security.

If adopted, it is my belief that this amendment, particularly with the timing, could make the negotiations of the CTBT harder rather than easier to conclude.

So I urge my colleagues to support the Hatfield tabling motion when it is made.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, let me make what may be my concluding remarks.

The Senator from Oregon, who will make a motion in just a moment, had two primary points. I would like to respond to both of them.

The first is, he said we do not want to change our testing policy now. I know that is the thing that animates him most in this debate.

I want to state to everybody here that there is no intention to do this. This amendment does not do it. It is the President who establishes a testing policy. There is not a word in this amendment that suggests that we ought to test, how we ought to test; nothing whatsoever. All we do in this amendment is to preserve existing law. So we are not going to change our policy by this law. We are going to preserve it. We are going to say that after September 30 the ability of the President to test, if he thinks it is necessary, would continue to exist until there is a CTBT. That will expire unless we extend his authority.

There is one condition under which we would be allowed to test in the future, as the Senator from Nebraska has pointed out; that is, if another nation tests. That does not have anything to do with whether we ought to test unless we are trying to develop a new weapon, and nobody is suggesting that we would test for that reason.

Listen to the words that I read of the President of the United States, Bill Clinton. Here is what he said he would need the authority to do under a test ban regime.

August 11, 1995, his statement regarding the CTBT, his safeguard F specifically says:

> If the President of the United States is informed by the Secretary of Defense and the Secretary of Energy, advised by the Nuclear Weapons Council, Directors of the DOE's Nuclear Weapons Laboratories, and the Commander of the U.S. Strategic Command that a high level of confidence in the safety and reliability of a nuclear weapon type, which the two Secretaries consider to be critical to our nuclear deterrent, could no longer be certified, the President, in consultation with Congress, would be prepared to withdraw from the CTBT under the standards of the Supreme National Interest Clause, if in order, to conduct whatever testing might be required.

That is the authority that President Bill Clinton says he will need to have in the future. He will have that authority under the Convention, the Comprehensive Test Ban Treaty, but he will not have that authority, ironically, prior to that time.

So, ironically, the authority that he requests after the CTBT goes into effect, which would exist at this point, does not exist in the interim period of time after September 30. He would not have the ability to test for the reasons that he indicated in his statement.

All we are trying to do by this amendment is to continue the existing law to give him that authority and to require that he report to the Congress. We add one thing and one thing only. Congress has a right to disapprove of his action by a majority vote of both Houses of the Congress. We thought that was a good thing, not a bad thing, if people are concerned about the President. But this President, Bill Clinton, has said he needs the authority to test.

We simply continue that authority until the CTBT takes effect. It would be ironic, indeed, for the President to request the authority after the CTBT goes into effect but not before then.

The second point made by the Senator from Oregon is the same point that others have made. They wish that we did not have to debate this right now and have a vote on it prior to the 28th.

I have said over and over again—I renew my offer to the distinguished ranking member of the Armed Services Committee, and to the Senator from Nebraska—I would be delighted to have a vote on my amendment. If we do not table it here, we can have a vote on this amendment after those negotiations in Geneva are concluded. They are to be concluded in Geneva on the 29th, by Friday. By the time we vote on Friday it would be nighttime in Geneva.

Therefore, I would be pleased to enter into a unanimous-consent agreement that our vote be postponed until that time.

I do not know what more I can do to demonstrate that we are not trying to influence what is going on over there. I understand that is the argument that has been brought up. But I fail to appreciate why our offer is not going to be accepted as a result of that.

I reserve the remainder of my time. Those are my comments with respect to the Senator from Oregon.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, how much time does the Senator from Nebraska have remaining?

The PRESIDING OFFICER. Two minutes fifty seconds.

Mr. EXON. I yield myself that time, and then the Senator from Oregon will be in to offer the tabling motion.

I want to take just a moment and thank my dear friend and colleague from Oregon, Senator HATFIELD, for all of the staunch support and leadership that he has given. We have worked on this matter because we have a total joint understanding of just how critical the end to nuclear testing can be for mankind. It is absolutely essential that the United States continue to provide leadership in this area. Thanks once again to my friend from Oregon.

Both the Senator from Oregon and the Senator from Nebraska will conclude our careers in the U.S. Senate this year. Somebody else will have to take up from there if we are to continue. If we have not reached a Comprehensive Test Ban Treaty, that is still a must.

I simply say, Mr. President, that the U.S. President says the act is not needed now; the National Security Council, I have entered a letter to that effect; the U.S. Arms Control and Disarmament Agency says it is not necessary; the Secretary of Energy says it is not necessary; not only is it not necessary, but it could not come up at a worse time.

I just hope that we will put this matter over by the tabling motion that is going to be offered.

I would simply advise the Senate that, if for any reason the tabling motion does not prevail, there is going to be long and extended debate on this particular amendment.

With that, Mr. President, I simply say put this off, keep mankind informed, do something about it next year and not now. It has no adverse effect whatsoever on the national security interests of the United States, or the safety and reliability of our nuclear arsenal.

I thank the Chair. I yield back any time I have remaining.

The PRESIDING OFFICER. All time of the Senator from Nebraska has expired.

Mr. KYL. While we are waiting for the Senator from Oregon to arrive, Mr. President, I will conclude by saying that in an entire week of debate here, there has not been a new argument raised. The two primary arguments are that it would be good to put this vote over until the 28th, which I would be happy to do; and, second, that the administration has not asked for this authority.

But as I just quoted from the President of the United States, Bill Clinton, he explicitly said that he would have to have the authority to test if his advisers came to him and said that it was in the supreme national interest that he do so, as a result of which there will be a clause in the CTBT which allows the President to test under that circumstance.

I have simply said that it would be ironic for us to have the ability to do that today, to have that ability under the CTBT but not to have that authority during the interim period of time, when the other declared nuclear nations do have that ability—mentioning one, for example, the nation of China, which has already indicated its intent to conduct just such a test.

So it seems to me that nations that might be concerned about what the United States is doing ought to focus their energies more on a country like China. It is still developing its arsenal. We would only test, as the President himself has said, for the purpose of ensuring the safety and reliability of our stockpile.

So this amendment does nothing more than extend the authority of the President up until the time there is a CTBT. It has no other effect than that.

I urge my colleagues not to support the motion to table and to vote "no" on the motion to table that I assume is about to be entered.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senate is awaiting the arrival of Senator HATFIELD to make a motion to table.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I simply say I know the Senator from Oregon is about to come into the Chamber. In deference to the Senator from Oregon and his long service to this body, I would like to ask unanimous consent that we delay temporarily until the Senator from Oregon is able to come on the floor to offer the tabling motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

PRIVILEGE OF THE FLOOR

Mr. NUNN. Mr. President, I ask unanimous consent the privileges of the floor be granted to Mr. Zack Davis, of my staff, for the time during which this measure is pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I move to table the Kyl amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to lay on the table the amendment of the Senator from Arizona. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from New Mexico [Mr. BINGAMAN] are necessarily absent.

The PRESIDING OFFICER (Mr. SMITH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—53

Akaka
Baucus
Bennett
Biden
Boxer
Bradley
Byrd
Chafee
Conrad
D'Amato
Daschle
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Sarbanes
Simon
Specter
Stevens
Wellstone
Wyden

NAYS—45

Abraham
Ashcroft
Bond
Breaux
Brown
Bryan
Burns
Campbell
Coats
Cochran
Cohen
Coverdell

Craig
DeWine
Faircloth
Frahm
Frist
Gramm
Grams
Gregg
Hatch
Helms
Hutchison
Inhofe
Johnston
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Reid
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Bingaman
Bumpers

The motion to table the amendment (No. 4049) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRICARE

Mr. WARNER. Mr. President, I rise in support of the subcommittee language regarding the TRICARE program and the alternative financing mechanism requested by DOD. I appreciate the cautious approach the subcommittee has taken. This alternative financing mechanism may have significant merit and it should be thoroughly tested and evaluated before it is fully implemented.

The Tidewater area of Virginia, which is part of TRICARE Region 2, has long been the premier test site for DOD health care programs. The TRICARE Tidewater Demonstration Project ran from October 1, 1992 to September 30, 1995, and all of its initiatives continue to the present under the new TRICARE regulations that went into effect nationwide in October of 1995. A TRICARE Service Center has operated in Portsmouth, VA since October of 1992. A managed mental health program has been in place for at least a decade. TRICARE Extra has been in place since the beginning of the demonstration project and TRICARE Prime began to phase in during December of 1994. Today, more than 60,000 people are enrolled in TRICARE. It is significant to note that this has been accomplished without a Managed Care Support Contract.

The lead agent for region 2 is the Portsmouth Naval Hospital, and all three services are well represented in the region, which also includes Langley AFB, Ft. Bragg, and Camp LeJeune. Their invaluable experience as the test bed for incorporating new ideas in DOD health care makes region 2 the ideal candidate for testing DOD's new funding approach to TRICARE. We should proceed cautiously with this new approach, as we endeavor to improve TRICARE. In this light, I would urge DOD to consider developing benchmarks by testing alternative methods of financing in region 2 in its current environment without a managed care support contract, and I will work toward this outcome in conference.

Mr. COHEN. Mr. President, I too support the intent of the subcommittee language. DOD's alternative financing methods for the TRICARE Program may have significant merit, however, I also share Senator WARNER's concerns that this new concept be fully tested and developed before it is implemented. Region 2 is obviously the most experienced and therefore the best qualified region to operate this test and I support Senator WARNER's recommendation.

BRAC MILITARY CONSTRUCTION OF UNACCOMPANIED ENLISTED HOUSING AT FT. LEONARD WOOD, MO

Mr. INHOFE. Mr. Chairman, when the 1995 Base Realignment and Closure Commission [BRAC] recommended closure of Fort McClellan, AL, and relocation of Fort McClellan's Military Police and Chemical Schools to Fort Leonard Wood, MO, that decision was based in part on the Defense Department's recommendation to the Commission that basic training being conducted at Ft. Leonard Wood be moved elsewhere in order to make room for the additional personnel and activities associated with MP and chemical training.

Subsequent to the adoption by Congress and the President of the BRAC '95 recommendations, the Army changed its position and has now opted to keep basic training at Fort Leonard Wood. In this regard, I am concerned that the FY97 Defense Authorization bill contains $58 million in BRAC IV military construction funds for "unaccompanied enlisted housing" at Fort Leonard Wood, one of four projects totaling $118 million in similar BRAC IV funding for that post. While it is possible that some of these funds are necessary to accommodate BRAC-directed moves, it is my understanding that this $58 million project is being undertaken partly to enable Fort Leonard Wood to continue to accommodate its existing basic training load.

Mr. NICKLES. I would like to compliment my colleague from Oklahoma for his diligent attention to this issue, and make clear to the distinguished Chairman that I share his concerns. I would respectfully remind the Chairman that the Defense Department's recommendation to the Commission on this matter was based on the Army's stated intention to decrease the basic training load at Fort Leonard Wood and increase basic training at Fort Jackson, SC; Fort Knox, KY; and Fort Sill, OK. According to the Department's recommendations to BRAC, each of these installations was to receive 1,400–1,500 basic trainees from Fort Leonard Wood, approximately one basic training battalion each.

Mr. INHOFE. Mr. President, I ask that a copy of a letter from myself and Senator NICKLES to GAO dated 20 June 1996 be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 20, 1996.

Mr. RICHARD DAVIS,
Director, National Security Analysis, National Security and International Affairs Divisions, U.S. General Accounting Office, Washington, DC.

DEAR MR. DAVIS: The 1995 Defense Base Closure and Realignment Commission's (BRAC) recommendations to close Ft. McClellan, AL and move its Military Police (MP) and Chemical Schools to Ft. Leonard Wood, MO, was based on the Defense Department's recommendation that basic training activities at Ft. Leonard Wood be moved elsewhere in order to make room for the additional personnel and activities associated with MP and Chemical training.

Subsequent to the adoption of the BRAC 95 recommendations, the Army changed its position and has now opted to keep basic training at Ft. Leonard Wood. Specifically, at the time of the BRAC decision, it was the Army's stated intention to close out basic training at Ft. Leonard Wood and divide that basic training among Forts Jackson, Knox, and Sill, each receiving one basic training battalion of 1,400 to 1,500 soldiers.

We are concerned that the FY97 Defense Authorization bill contains $58 million in BRAC IV military construction funds for "unaccompanied enlisted housing" at Fort Leonard Wood. It is our understanding that this $58 million project is being undertaken partly to enable Ft. Leonard Wood to keep its basic training mission, even though the three posts referred to above have existing capacity to accommodate Ft. Leonard Wood's basic training student load. We ask that you review this project against other alternatives available to the Army at lower cost. Specifically, we ask that you:

Review a complete list of the military construction projects approved for or anticipated at Ft. Leonard Wood during the five fiscal years beginning with FY97.

Identify the current shortfall in unaccompanied enlisted housing at Ft. Leonard Wood.

Identify the current basic training student load at Ft. Leonard Wood.

Identify the number of unaccompanied enlisted housing spaces that would become available at Ft. Leonard Wood if its current basic training student load were to be relocated, in whole or in part as originally proposed by the Department of Defense.

Review the number of personnel to be transferred from Ft. McClellan to Ft. Leonard Wood in accordance with the BRAC 95 recommendations.

Compare the number of unaccompanied enlisted personnel to be transferred pursuant to such recommendations with the number of unaccompanied enlisted housing spaces to be constructed at Fort Leonard Wood using the $58 million presently authorized by the FY97 Defense Authorization bill.

Evaluate the availability of unaccompanied enlisted housing at each of the posts identified by BRAC 95 as potential locations for basic training currently being conducted at Ft. Leonard Wood.

Identify any military construction costs, if any, associated with the transfer of a basic training battalion to Forts Knox, Jackson, and Sill, respectively.

Because the Joint Conference on the FY97 DOD Authorization is likely to conclude by the end of next month, we need to receive your report not later than July 20, 1996. Please direct any questions to John Luddy of Senator Inhofe's staff, at 202-224-1390. Thank you very much for your prompt consideration of this matter.

Sincerely,

JAMES M. INHOFE,
U.S. Senator.
DON NICKLES,
U.S. Senator.

Mr. INHOFE. Mr. President, would the chairman support my request that the General Accounting Office review this project, including the questions I have raised in this letter, and report back to this committee and to the House National Security Committee within 30 days?

Mr. MCCAIN. Like my colleague on the Armed Services Committee, I am a firm supporter of the BRAC process, and I am concerned that the Army's recommendations to the Commission may have caused it to make a decision based on false assumptions. I am particularly troubled that American taxpayers may be paying for unnecessary military housing when, as my colleague and the Department itself has indicated, there is similar housing available at other installations. I would urge the chairman to lend his support to this inquiry.

Mr. THURMOND. I thank the Senators for bringing this matter to my attention, and I also appreciate Senator MCCAIN's interest. I support this inquiry and would add that it is the committee's desire to receive a report from GAO within 30 days specifically to allow us to resolve this matter to our satisfaction prior to conference and final passage of the fiscal year 1997 DOD authorization bill.

Mr. INHOFE. May I ask of the Armed Services Committee chairman and the Readiness Subcommittee chairman, respectively, if they will agree to consider modifying or eliminating this project during the joint conference on the fiscal year 1997 Department of Defense authorization bill, if the GAO's conclusions indicate that doing so would be in the best interest of the American taxpayer?

Mr. THURMOND. I assure the Senator from Oklahoma that I will support such actions if warranted by the conclusions of General Accounting Office report.

Mr. MCCAIN. I concur with Senator THURMOND. I will look carefully at the results of the GAO study before agreeing to fund this project.

Mr. BOND. Mr. President, the subject of Senator INHOFE's GAO request will be the unaccompanied noncommissioned officers barracks. This project was planned, programmed, and funded to house NCO's who will come to Fort Leonard Wood as a result of the BRAC decision to move the chemical warfare training school and military police school to Fort Leonard Wood from Fort McClellan which is scheduled to close.

Current barracks space at FLW is designed for basic training students living four to a room with gang latrines—not for senior NCO's.

Any connection between the new barracks and the totally separate issue of basic training housing is irrelevant since the BRAC was aware of the need for the new barracks when it made its decision.

Even if there were space to renovate current barracks rather than build new barracks, the Corps of Engineers has already studied that option and deemed the extensive renovations required would not be cost effective.

The result of this report for all its good intentions will be to subvert the decision of the BRAC Commission and will set an unacceptable precedent.

MILITARY TRAFFIC MANAGEMENT COMMAND'S PERSONAL PROPERTY REENGINEERING PROGRAM

Mr. STEVENS. Mr. President, I applaud the efforts of the Senate Armed Services Committee to reform the Military Traffic Management Command's personal property reengineering program. I am concerned that MTMC's plan does not adequately address the concerns of the small moving companies, which comprise most of the industry. The Senate Armed Services Committee initiative establishes a working group of military and industry representatives to develop an alternative pilot program and requires the Government Accounting Office to review this revised plan.

Mr. BOND. I also share Senator STEVENS' concerns about the Department of Defense proposal to reengineer the personal property program and its associated impact on the small business community. While I support the Department's goals of improving the quality of personal property shipment and storage services to members of the military and their families, it should not be done at the expense of the small businesses which make up most of the moving industry.

Mr. THURMOND. Thank you very much for your comments regarding this initiative. We included this provision because of concerns about how this reengineering proposal would cause a major restructuring of the moving industry. As you know, the majority of movers in the communities near our military bases are small businesses. My primary goal is to improve the quality of service that service members and their families receive when they move.

Mr. STEVENS. I support reforming the current system to improve the quality of service and achieve cost reductions. However, I believe that the moving industry needs to participate in these discussions in a meaningful way. I believe that the fiscal year 1997 Defense authorization language will facilitate that process.

Mr. BOND. I agree that reforming the current system can lead to improvement of service to our military members and their families and a reduction in costs to the Government. I am sure that the reforms to the Military Traffic Management Command's personnel property reeningeering program as instituted by the Senate Armed Services Committee will ensure that our military enjoys flexible, rapid, and efficient service as can only be found in a competitive environment.

VANCE AFB MILITARY CONSTRUCTION PROGRAM

Mr. INHOFE. Mr. President, Vance Air Force Base continues to be the preeminent pilot training base within the Department of the Air Force. Unfortunately, the Department of the Air Force has historically underfunded this installation in its military construction request. I have brought to your attention three projects which will assist Vance in meeting its infrastructure needs in the future. These projects include a base engineering complex, a consolidated logistics complex, and a project to add to and alter the Physical Fitness Training Center. It is my belief that planning and design funds for these projects, if identified, will allow the Department of the Air Force and Air Education and Training Command to consider these projects for inclusion in the fiscal year 1998 budget request.

I might point out to the distinguished chairman that these projects have wide support elsewhere in Congress. The Senate Committee on Appropriations' fiscal year 1997 military construction appropriations bill directs that not less than $1,695,000 be made available for design of these projects from the "Military Construction, Air Force" account. Moreover, the House National Security Committee's fiscal year 1997 Defense authorization bill "directs the Secretary of the Air Force [to] conduct planning and design activities for the following projects: $288,000 for a physical fitness training center at Vance Air Force Base, OK; and $512,000 for a consolidated logistics complex at Vance Air Force Base, OK." Finally, the House Appropriations Military Construction Subcommittee's markup of the fiscal year 1997 appropriations bill directs the Air Force "to report to the committee on the need for these projects and its plans for construction by September 16, 1996."

Can the Chairman assure me that he will work with me to ask the Air Force to consider identifying funds for reprogramming in the coming months for planning and design purposes for these projects, which are so crucial to the future of Vance Air Force Base?

Mr. THURMOND. I can assure my colleague that I will work with him to urge the Air Force to consider identifying sufficient funds through reprogramming to meet the planning and design requirements for the three projects you have identified at Vance Air Force Base. I would also urge the Department of the Air Force to reexamine these projects for inclusion in the 1997–2001 FYDP and subsequently the fiscal year 1998 budget request. I am fully aware of the unique nature of Vance Air Force Base operations and applaud their continued efforts in achieving taxpayer savings through efficient training of our Nation's future aviators.

QUADRENNIAL DEFENSE REVIEW

Mr. BOND. Mr. President, along with Senator FORD as cochairman of the National Guard Caucus. I rise to address my concerns over the amendment to provide for a quadrennial defense review and the independent assessment of alternative force structures for the Armed Forces.

While I applaud and appreciate the specific inclusion of the Reserve and National Guard components in the review. I would be remiss if I did not raise my concerns over the qualifications of the independent members of the National Defense Panel. I believe that for the panel to be truly independent it must be diverse and must include collectively, members knowledgeable in all components of the Nation's Armed Forces.

I am concerned because of historical precedent set by the makeup of prior panels when composed of Secretariat designees. It is my understanding that when the Commission on Roles and Missions initially conducted its work, there was no one with specific background expertise in National Guard issues.

Mr. THURMOND. That is correct.

Mr. FORD. Mr. President, if I may, I remember that incident very clearly and as the ranking member of the Armed Services Committee will remember, in the endgame of that Commission's work, the Secretary did finally appoint a member with National Guard expertise but it was well after the bulk of the work had been completed.

Mr. NUNN. The Senator is correct.

Mr. FORD. The Senate from Missouri and I want the Secretary of Defense be aware of the National Guard Caucus' grave concerns and urge you to ensure that this independent review team be truly balanced.

Mr. NUNN. I assure the Senator that I am aware of his concerns and will keep them in mind as we deliberate with the Secretary of Defense.

Mr. BOND. Mr. President, I ask the Chairman, to be resolute in his insistence that at least one member of the panel have a recognized understanding of National Guard functions when consulting with the Secretary of Defense on the composition of the panel and I and Senator FORD would be more than willing to lend any assistance the Chairman and the ranking member might require during those consultations.

Mr. THURMOND. I want to thank the senior Senator from Missouri for raising his concerns on this matter. The Senator has always been a stalwart supporter of Guard interests and the points he raises with the senior Senator from Kentucky are compelling. I assure the Senators that I will insist that the concerns of the National Guard will be adequately represented in the review panel.

DEPARTMENT OF ENERGY LIABILITY FOR NATURAL RESOURCE DAMAGES

Mr. THOMAS. Mr. President, I am pleased that earlier today the Senate approved my amendment to S. 1745, the Department of Defense authorization bill, dealing with the Department of Energy's liability for damages to natural resources with respect to Federal Superfund sites. I want to thank Chairman THURMOND and Ranking Member NUNN and their respective staffs for working with me to ensure the passage of this amendment.

My amendment requires the Department of Energy to conduct a study of the Department's natural resource damages liability at its Superfund sites and report back to the appropriate committees of Congress 90 days after enactment of this bill. This is an issue of great importance and one that has been surrounded by uncertainty. Since the beginning of the 104th Congress, the Environment and Public Works Committee, under the leadership of Subcommittee Chairman SMITH and Committee Chairman CHAFEE, has been working tirelessly to bring much-needed reform to the Superfund Program. During the course of hearings held on this topic, significant questions were raised regarding the Department of Energy's liability for natural resource damages at its Superfund sites. During testimony at a hearing in 1995, a Department official speculated that the Department's liability could be in the hundreds of billions of dollars. It has been reported that he termed the Department's liability for natural resource damages the sleeping giant of Superfund. However, during a follow-up hearing in April of this year the Department changed its tune. When asked about earlier statements, the same Department official who had a year earlier called natural resource damages a serious problem produced a study by the Council on Environmental Quality that claimed these damages are a "minor problem." While the timing of the release of the study was obviously circumspect, it became increasingly clear that the contents of the study were equally so.

The CEQ study estimated the Department of Energy's NRD liability at between $200 and $500 million. In the meantime, GAO has also been conducting its own study of Department liability and their preliminary results put the estimate at between two and $15 billion. Mr. President, you can see why this issue has raised so many questions. We have a Department of Energy official estimating liability in the hundreds of billions of dollars, then his superiors in the White House overruling him and painting the problem as minor, and finally a GAO study which will come down somewhere in the middle.

I find this all rather troubling, Mr. President, and frankly it seems like this situation has created more questions than when we began. There are several aspects of CEQ's study that I find remarkable to say the least. I understand CEQ is currently modifying their first study and will shortly issue a corrected study, but fundamental questions about their assumptions remain. It is my intention, as chairman of the Senate Energy and Natural Resources Subcommittee on Oversight, to hold a hearing later this summer to address some of these questions. But what I find most troubling of all, Mr. President, is that the Department of Energy has not undertaken their own study of this issue. The Department of Energy is the single biggest responsible party at Superfund sites in the Nation. That means the taxpayers of this country are on the hook for the biggest piece of liability at Superfund sites. Yet the Department has not done one study to determine what their liability might be in the second phase of superfund liability—the lurking, sleeping giant that is only now awakening—natural resource damages liability. My amendment corrects that incredible oversight in the hope that we can have an accurate estimate, done by those with the most knowledge about the nature of this complicated situation. In addition, my amendment ensures we will have a realistic view of that liability by forcing the folks conducting the study to use the same program parameters that the private sector has been dealing with. This is the only fair way to calculate the Department's liability.

Again, I want to thank the Chairman and Ranking Member, and I want to thank my colleagues in the Senate for passing this important amendment.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, if I can just report from this side of the aisle to our colleagues, we had a very productive day today because we stayed on the defense bill. We, basically, handled amendments on the defense bill all day except for one amendment, which was worked out and was unanimously agreed to on a rollcall vote on a very important matter.

If we can do that tomorrow, we have a good chance of finishing this bill tomorrow night. If we do not finish it tomorrow night, we can finish it on Friday. If we get back on amendments not related or relevant to the defense bill, then we will be—I understand the majority leader has to speak to this—we will be on this bill for a long time, and it will be up to the majority when we complete this bill.

We have 35 amendments we have worked out. We have accepted 27 already. We have 7 or 8 more we will be able to work out tonight. The minority leader on this side has done a lot of work, working with us, and Senator DORGAN and Senator FORD have led the effort to get our list of amendments on the Democratic side down as low as we can. We are working on that now.

Many of these amendments, I think, can be worked out. We have two or three more major hurdles that we have to get over to give us a clear sailing to finishing this bill, but those matters are being worked on, and I think they have a good chance, a reasonable chance, of being worked out sometime tomorrow so we can conclude this bill.

That is the report from our side of the aisle. I know the chairman of the committee will have some thoughts on his side of the aisle.

Mr. THURMOND. Mr. President, I commend the Members of the Senate and thank them for the progress that we have made today.

Mr. ROCKEFELLER. May we have order? There are at least 12 conversations taking place.

The PRESIDING OFFICER. The Chair hears the request of the Senator from West Virginia. The Senate is not in order. The Senate will be in order before we proceed.

The Senator from South Carolina.

Mr. THURMOND. Again, I thank the Members of the Senate for the progress we have made today. If we can just avoid amendments that are not related to defense, we can finish this bill by tomorrow night. If we work hard, stay on the job, be here and take up the amendments—I am anxious for us to get through this bill tomorrow night if possible. The majority leader wants this bill finished by tomorrow night. So I ask for the cooperation of all the Senators. Let us work together and get through this bill and not have to be here over the weekend.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I certainly share the concern and the attitude of the chairman and the ranking member. They are working hard to deal with these amendments. I hope work is being done very seriously now to identify a finite list of amendments.

I want to say, again, so everybody will know, the intent here is that we are going to finish the DOD authorization bill this week. That could mean not only Thursday night, it could mean Friday, it could mean Friday night and, if necessary, it could mean Saturday.

I want to be very much sympathetic to Members' desires to be with their families at night and certainly during the recess, but in order for the leader to be able to do that, I have to have the cooperation of Members on both sides of the aisle.

This is very important legislation, the Department of Defense authorization bill. So I am asking Members, help work with the leadership to get this bill done. We need to get it done so we can move on to the DOD appropriations bill and the military construction appropriations bill, so we can get our work done.

It can be done tomorrow night, but if it takes going over to Friday, we have no option but to do that. I know the chairman and ranking member will do that. Expect us to be here Friday and voting in order to complete it.

We are going to keep moving ahead. We always want to try to be reasonable. Tonight, the intent will be to have Senator NUNN lay down his amendment and have debate tonight, and the vote would occur in the morning at 9:30.

So there will be no more recorded votes tonight, but we are going to keep pushing ahead on this bill until we can get an agreed-to list of amendments, until we can get them resolved.

With that, Mr. President, I yield the floor, so we can proceed with the amendment.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We are not in a quorum call, Mr. President?

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

MARINE GENERALS

Mr. GRASSLEY. Mr. President, I am not going to offer an amendment, but I do want to discuss, while there are still leaders of the committee, both Republican and Democrat, on the floor, a very important issue, as far as I am concerned. It may be very easy to explain to my colleagues. I know even many people who are not on the committee may know the issue. But I want to raise the issue with the committee of why this legislation provides for 12 additional Marine generals when the Marines are very much in a downsized mode.

This deals with what is called section 405. Section 405 would increase the number of general officers on active duty in the Marine Corps. If enacted, it would increase the number of generals in the Marine Corps from 68 to 80. That is 12 more Marine generals.

I think it is legitimate to ask why does the Marine Corps need an extra 12 generals when it is downsizing? In 1987, Marine end strength was at 199,000. At that time the Marine Corps had 70 generals; 199,000 marines, 70 generals.

As the Marine Corps began downsizing, the number of generals dropped slightly by 2 in 1991 to 68. But Marine end strength continued a gradual decline until last year it leveled off at 174,000. We used to have 70 generals, 199,000 marines. Today, we have 68 generals, 174,000 marines, a reduction of 25,000 since the late 1980's.

Despite this drop in end strength, the number of generals stayed right at 68 until right now. If this bill becomes law, section 405, the number heads north again. Why? I really do not understand. I hope somebody can explain it. Why do 25,000 fewer marines need 12 more generals giving them orders?

I suppose somebody could say that a possible explanation would be what is on page 279 of the committee report. I will quote:

> This increase is intended to permit the Marine Corps to have greater representation at the general officer level on the Department of the Navy/Secretariat staff and in the joint arena. As a general rule, the Committee is reluctant to act on independent service requests of this nature * * *

So this explanation is given in the committee report. I repeat, in the way of emphasizing, the additional 12 would "permit the Marine Corps to have greater representation at the general officer level on the Department of the Navy/Secretariat staff and in the joint arena."

I suppose the second possible explanation might be that the committee would say that technology has changed and the nature of warfare has changed and more generals are needed to run the battles. I suppose they could also say the Goldwater-Nickles Act is the culprit and requires it. Those are possible explanations. One of them, obviously, is somewhat of an explanation being in the committee report.

But let me suggest this, that when you figure that war is conducted on the battlefield—and that is where the lives are going to be put in danger—it seems to me, the extent to which we need 12 more generals ought to be related to the number of people that are going to be fighting and potentially shedding their blood.

In regard to the Goldwater-Nichols Act, it did place special emphasis upon joint operations, joint staff, and joint duty. I suppose that is how this works its way into the committee report. But it seems to me that that should not constitute a license to expand joint headquarters staff when force structure is shrinking, shrinking by 25,000 marines. In fact, joint headquarters should replace duplicative service headquarters. If the Marines need more generals in joint billets, then they should reduce the number assigned to Marine headquarters.

The report language makes it clear that the extra generals are not needed for combat jobs. Instead, they are needed for bureaucratic in-fighting in the Pentagon budget wars. Those are my words. I suppose the people that write the reports are going to take exception to that explanation on my part. But when you talk about more people needed at the Navy/Secretariat level, to make the points of view for the Marines, that is the way I read it.

I suppose it also sounds like the Marines want to be topheavy with rank, just like the other services, like the Navy, for example. The Navy is approaching the point where it has one admiral for every ship. I suppose, to be more accurate, I should say 1.67 ships per admiral.

The Navy got the job done with 20 ships per admiral in World War II. If we apply the World War II ratio to today's fleets, the Navy should have no more than 20 admirals to get the job done. But the Navy has 218 admirals.

The proponents of section 405 might also suggest that technology creates a need for more generals. That is possible. But the reverse is also possible. Technology could reduce the need for so many generals and admirals.

I would like to have you take C CUBED-I, for example. This is the command, control, communications and intelligence. This bill contains billions of dollars for C CUBED-I. C CUBED-I gives the top generals and admirals the capability to run the battles from the Pentagon. It gives them the ability to communicate directly down to the smallest unit, the smallest unit operating anywhere in the world.

I do not expect you to take the judgment of the Senator from Iowa on that. But it seems to me, if you read Colin Powell's book, "My American Journey," you can see how he did it. If he did it just a few short years ago, we ought to be able to do it.

So C CUBED-I technology could reduce the need for having so many admirals at sea with the fleet. It could reduce the need for having so many generals forward deployed with the fleet Marine force.

So, Mr. President, I do not understand or see the need for the increase in the number of generals provided for in section 405. The number of generals should be decreased as the Marine Corps gets smaller, as I said, down from 199,000 to 174,000 today. Yet we are going to increase the number of marines, potentially, from 68 to 80.

Now, again, you may not want to believe Colin Powell in his book, "My American Journey," you may not want to listen to the Senator from Iowa, but maybe you would like to listen to a marine general, John Sheehan, commander in chief of the U.S. Atlantic Command. I quoted him very extensively on some debate last week. I quoted him when I was trying to make my case to freeze defense infrastructure costs. General Sheehan, Marine Corps general, argues that, "Headquarters should not be growing as the force shrinks." Could I repeat that. We have a Marine Corps general saying that "headquarters should not be growing as the force shrinks."

The force is shrinking, from 199,000 to 174,000. That is a fact of life already. The number of marine generals is suggested to increase from 68 to 80. The possible explanation in the committee report—need more generals at the Navy Secretary level, so the marines have more of a voice at the higher echelons of decisionmaking. General Sheehan, a marine general, same branch of the military, as we are increasing the number of marines, commander of Atlantic forces, General Sheehan hits the nail right on the head when he says, "The growth in headquarters staff jobs is threatening the military's war-fighting capability." He says that after he said, "Headquarters should not be growing as the force shrinks."

Surely marines in the U.S. Senate—and I have not served in the military; I want to make that very clear. I am no military hero, as Senator McCAIN and a lot of other people in this body, but I can read. I do not know why any marine in this Senate would question General Sheehan when he says, "Headquarters should not be growing as the force shrinks."

"The growth of headquarters staff jobs is threatening the military's war-fighting capability."

General Sheehan has identified the root cause of the problem. He helps me understand why the Department of Defense cannot cut infrastructure costs, as I tried to do a week ago on my amendment. The growth in headquarters staff is being driven by one powerful force—excess generals and admirals searching for a mission. Each senior officer needs a place to call home and to hoist a flag. Every senior officer needs a command, a headquarters, a base, a staff, or a large department of some kind, somewhere, someplace. Each general, then, created by section 405, will need some new real estate that is going to cost our tightly written defense budget very much. It is going to weaken our defense and not provide the national security that it ought to provide.

All of this makes me think, Mr. President, that this new section 405, increasing the number of generals from 68 to 80, may not be such a hot idea, particularly when Marine General John Sheehan says, "Headquarters should not be growing as the force shrinks." And when it does, he says, "The growth of headquarters staff jobs is threatening the military's war-fighting capability."

I hope my colleagues on this floor who, out of their heart and probably even out of their intellect, firmly believe and so state on the floor of this body that we do not have enough money for defense—and I may disagree with them on that point, but I know my colleagues who say that sincerely believe it—if they do believe it, and we have a defense dollar that is so terribly squeezed, why we are adding this number of personnel at the highest ranks of the marines at the same time the marine force is shrinking.

I yield the floor.

Mr. WARNER. Mr. President, I will have the opportunity to study in some detail the comments of my distinguished colleague. I am not prepared at this time to respond to the detailed statement that he made, but I think it is very worthy of having a response. I will make certain tomorrow that I will address the issues.

I know first and foremost that comes to mind, having served in the Navy Secretariat and dealt with the flag, promotions, and the need for flag officers, and listening to the Senator harken back to the days of World War II when, indeed, an admiral did command a good number of units, what has changed is the joint service arena, requiring so many flag officers to participate in joint service assignments. That has made up, in large measure, for the expansion of the numbers of our flag and general officers, particularly in the Navy and the Marine Corps.

However, tomorrow, Senator—your statement is highly deserving of a reply—I will present my own views on it.

Mr. GRASSLEY. Mr. President, if I could have a moment to respond to the Senator from Virginia.

Thank you very much for giving it the thought that I know the Senator will give it and the explanation the Senator will give. I would particularly like to have the Senator comment, as the Senator thinks about it, on what Marine Corps General Sheehan has said and written about. I have quoted him, but he has also published, as well, in one of the defense publications on a longer basis than what I quoted. I think he ought to have considerable credibility in this area, because he is making the same criticisms.

Second, I am not sure I can be here, and I do not have to be here, but if the Senator will notify me when the Senator will be on the floor to respond, I would appreciate that.

Mr. WARNER. I will acknowledge both of those requests, and, indeed, I share the distinguished Senator's high regard for General Sheehan.

AMENDMENT NO. 4349

(Purpose: To take measures to protect the security of the United States from proliferation and use of weapons of mass destruction)

Mr. NUNN. Mr. President, I ask unanimous consent that the pending amendment temporarily be laid aside, and I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. LUGAR, Mr. DOMENICI, Mr. DASCHLE, Mr. BIDEN, Mr. GRAHAM, Mr. LIEBERMAN, and Mr. SPECTER, proposes an amendment numbered 4349.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I now ask unanimous consent that the agreement reached yesterday be further modified to reflect that there be no small business tax amendments offered by the two leaders in order and all remaining provisions in the agreement still in place.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, JUNE 27, 1996

Mr. LOTT. Mr. President, so that Members will know what the timeframe is going to be tonight and in the morning, I now ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until the hour of 8 a.m., Thursday, June 27; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, that no resolutions come over under the rule, that the call of the calendar be dispensed with, the morning hour be deemed to have expired and the time for the two leaders reserved for their use later in the day.

I further ask unanimous consent that there be a period of morning business until the hour of 9:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the following Senators in control of the designated time: Senator MURRAY, 10 minutes; Senator DEWINE, for 10 minutes; Senator LEAHY, from 8:30 until 8:45; Senator DORGAN, from 8:45 to 9 o'clock; Senator THOMAS, from 9 o'clock to 9:30.

Further, at 9:30, the Senate proceed to resume consideration of the DOD authorization bill, and there be 10 minutes remaining for debate on the Nunn-Lugar-Domenici amendment to be equally divided in the usual form, and a vote to occur following the conclusion or yielding back of time on the Nunn-Lugar-Domenici amendment, with no second-degree amendments in order to that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Further, I ask that following the vote on the Nunn amendment the Senate proceed to a cloture vote with respect to the DOD authorization bill with the mandatory quorum waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, there will be a vote, then, on the Nunn-Lugar-Domenici amendment, to be followed, if necessary, by a vote on a motion to invoke cloture, beginning at 9:40 a.m. tomorrow morning. The cloture vote may be vitiated if a reasonable list of amendments can be reached. However, if the cloture vote occurs, and it is invoked, it is hoped that the Senate will complete action on the defense bill in a timely manner. If cloture is not invoked, Senators who have amendments are encouraged to offer those amendments during Thursday's session to enable the Senate to complete action on the bill this week.

As I said earlier, if we do not get it done tomorrow night, we will go into Friday, and beyond that, if necessary. Rollcall votes will occur throughout tomorrow's session.

Mr. FORD. Will the Senator yield?

Mr. LOTT. I yield the floor.

Mr. FORD. Regarding the time allotted to Senator DORGAN from 8:45 to 9:00, would you kindly change that to be Senator BRADLEY?

Mr. LOTT. I am glad to amend the unanimous consent request agreement to that effect, if Senator DORGAN agrees with that.

Mr. FORD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. NUNN. Mr. President, in just a moment, Senator LUGAR, myself, and Senator DOMENICI will explain this amendment. I know the chairman of the committee would like to make some comments on the amendment.

At this point, I will yield the floor for whatever the chairman is prepared to say.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the Senators from Georgia, New Mexico, and Indiana, to authorize the establishment of an emergency assistance program to train and equip State and local authorities to respond to domestic terrorist use of weapons of mass destruction.

The amendment would also expand authorities for the DOD and DOE cooperative threat reduction programs, as well as increase the funding for these programs.

I have grave concerns about increasing the funding for DOD and DOE's cooperative threat reduction programs, as well as expanding the scope of the programs in DOD and DOE.

Based on my review of the amendment and the new activities authorized by this amendment, DOD and DOE will require significant funding authority in the outyears to complete these programs.

For example, how much money are we talking about in the defense bill to complete the program to replace the reactor cores at Tomsk 7 and Krasnoyarsk 26?

How much money will it take to convert, or eliminate, the chemical and biological facilities in all the independent states of the former Soviet Union?

We have not received any information from DOD, DOE, or the National Security Council on the budgetary impact of the increases for these two programs, or whether funds will be included in the future years defense plan for this program, as well as DOE plan.

I would point out that none of the funds necessary for the increases in this amendment have been appropriated.

Mr. President, I believe the efforts of the sponsors of this amendment are laudable. I do not question whether its appropriate, or not, to conduct these programs. I question whether its appropriate for the funds to come out of the defense budget for these foreign assistance programs.

I would also point out that DOE has not even spent the funds authorized for it currently in the materials, protection, control and accountability account. The same is true for funds in DOD's program. Although DOD has done a better job at proposing to obligate funds.

Clearly, with the recent terrorist events at the World Trade Center, in Oklahoma City, and in the Tokyo subway, we need to provide assistance to our State and local authorities to prepare them to provide emergency assistance, in the event a domestic terrorist WMD incident occurs.

I think that we should provide more in the way of establishing this particular program, and providing a regional NBC emergency stockpile.

I want to commend the senior Senator from Virginia, Senator WARNER, for the work that he has done throughout the years to ensure that DOD, DOE and the intelligence community are conducting activities to prevent or combat the proliferation of weapons of mass destruction. I also want to commend him for his work in authoring the provisions in the last two defense bills that provided the authority for DOD to provide emergency assistance to State and local authorities in the event of a domestic terrorist WMD incident.

I want to work with my colleagues, however, I want to emphasize my concerns about increasing funds in the DOD and DOE budget for cooperative threat reduction activities, for which there are no appropriations.

Lastly, I would ask, is it wise for the United States to provide this type of assistance to Russia, while it continues to build SS-25's; continues to transfer nuclear technology and knowledge to Iran and China?

Mr. President, in closing, I want to re-emphasize my support for the efforts of the sponsors to provide assistance to State and local authorities to respond to domestic terrorist use of WMD. I hope that we can increase the funding for this assistance in the conference.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I wish to commend the distinguished chairman of the Armed Services Committee. I particularly thank him for the references to the work he and I and others on the committee have done in previous years, which, in some respects, laid a modest foundation for the important additions that are presented in the amendment soon to be submitted by the senior Senator from Georgia.

However, I share with the chairman the views that I have, which coincide with his, regarding these expenditures at this particular time. And in the course of the deliberation on this amendment, I shall address specific questions to the Senator from Georgia, the Senator from New Mexico and, indeed, the Senator from Indiana on the points the chairman has raised.

Mr. NUNN. Mr. President, I first thank the chairman of the committee, as well as Senator WARNER, for their support of this amendment. I am pleased that we are able to present it this evening and that we are likely to get a vote on it tomorrow.

Mr. President, this amendment deals with one of the most urgent national security problems America faces today. That is the threat of attack on American cities and towns by terrorists, malcontents, or representatives of hostile powers using radiological, chemical, biological, or nuclear weapons.

Mr. President, because Senator LUGAR is on the floor, Senator DOMENICI is on the floor, and my statement will probably run 15 to 20 minutes, I ask to be notified in 10 minutes, and then I intend to yield and complete my statement after they have made their remarks.

If the Chair could notify me when 10 minutes expires.

The PRESIDING OFFICER. The Chair will do so.

Mr. NUNN. This threat is very different from the threat of nuclear annihilation with which our Nation and the world has dealt during the cold war. During the cold war, both we and the Soviet Union recognized that either side could destroy the other within about an hour, but only at the price of its own destruction.

In the course of carrying out that mutual assured destruction, most of the rest of the civilized world would have been destroyed, in greater or lesser degree, as well. Today, this kind of cataclysmic threat is greatly reduced. And if we are able to continue to implement START I and START II Treaties on both sides, reducing the number of warheads dramatically, it will be reduced further.

Tragically, the end of the cold war, however, has not brought peace and stability, but rather has seemingly unleashed countless small bloody wars around the globe. The end of the cold war also encouraged a number of states that are hostile to the United States to try to acquire weapons of mass destruction and appropriate delivery means as an adjunct to their conventional military forces. They are motivated by two beliefs. One is that the possession of such weapons of mass destruction will advance regional status and power relative to neighboring and often rival states. Second is that they believe possession of weapons of mass destruction, coupled with the threat to use them, can both deter superpower states from interfering in regional conflicts and blackmail them into favorable courses of action.

While here I am not speaking of nuclear weapons, I am including that. In many of these countries, probably a greater threat is the chemical and biological proliferation we now see going on.

Finally, Mr. President, fanatics, small disaffected groups and subnational factions or movements who hold various grievances against governments, or against society, all have increasing access to, and knowledge about the construction of, weapons of mass destruction. Such individuals and groups are not likely to be deterred from using weapons of mass destruction by the classical threat of overwhelming retaliation.

In many past instances of terrorism, we have not even known who the perpetrators were or where they were based. It is very hard to threaten retaliation when you do not know who did it or where they came from or where they were based. These groups are not deterred by the threat of a nuclear counterstrike. A national missile defense system, no matter how capable, is sometimes and often irrelevant to this kind of terrorism.

The Permanent Subcommittee on Investigations, which Senator ROTH chairs, and I am the ranking Democrat on that committee, held a series of hearings over the last year on the proliferation of weapons of mass destruction. We heard from representatives of the intelligence and law enforcement communities, the Defense Department, private industry, State and local governments, academia, as well as foreign officials.

These witnesses described a threat that we cannot ignore and which we are virtually unprepared to handle. CIA Director John Deutch, for one, candidly observed that "we have been lucky so far."

Mr. President, the release of deadly sarin gas in the Tokyo subway system should have been a warning bell for America. Prior to those attacks, this Aum Shrinkiyo sect that made this attack was unknown to the United States intelligence and was poorly monitored by Japanese authorities. The Aum Shrinkiyo sect actually conducted several test releases of lethal chemicals prior to the subway attack. Yet, their capacity to manufacture and store those chemicals was unknown to Japanese authorities, this in spite of the fact that they had over 50,000 members in Russia. They were recruiting nuclear scientists. They owned a radio station in Vladivostok and tested sarin gas in Australia against sheep. In addition to many other things they have done, they were not on the radar screen.

We received an even louder warning bell in the World Trade Center bombing which brought it home to America. It was here in the United States, not halfway around the world. The trial judge, at the sentencing of those responsible in that terrible terrorist incident, pointed to several factors that could have made the tragedy far worse.

First, in an effort to get that tower to fall down over its twin tower next door, the killers wanted to park the truck in front of a key structural member of the outer corner of the building. But they could not find an empty parking space. So they went elsewhere.

Second, the killers had access to chemicals to make lethal cyanide gas and, according to the judge, probably put them into the truck bomb. Fortunately, the chemicals appeared to have been vaporized by the force of the blast. Otherwise, the smoke and fumes that were drawn into and up through the tower would have been far more lethal.

So, Mr. President, in all likelihood, it is very likely that the United States has already had, without really focusing on it, our first chemical attack by terrorists. That is the World Trade Center bombing. Fortunately, those chemicals did not activate.

Mr. President, we had a third warning bell in the bombing of the Alfred P. Murrah Federal Building in Oklahoma City. This showed yet again the ease of access to simple, widely available commercial products that when combined can create powerful explosions. This knowledge, and much more, is available today over the Internet for anyone who wants to tune in.

The Department of Defense invested billions in the design and protection of binary chemical weapons. A binary chemical weapon contains two chemicals, each of which is harmless when used separately, and they are widely used industrial chemicals. Yet, when mixed together, they create lethal chemical weapons. You can find lists of the ingredients needed to make binary weapons on the Internet today.

Now let me turn to the current state of our domestic efforts to deal with nuclear, chemical, biological, or radiological attack.

In recent years, several modest test exercises have been held. In one large exercise, the first hundred or so emergency response personnel—police, firemen, medical personnel—arriving at the scene of the mock simulated disaster rushed headlong into the emergency scene and were promptly declared dead by the referees. In other words, the people who came to the rescue were among the first victims.

In the second exercise, featuring both chemical and biological weapons, contaminated casualties brought to the nearest hospital were handled so carelessly by hospital personnel that within hours most of the staff were judged to have been killed or incapacitated by spreading contamination.

Mr. President, my purpose is not to frighten the American people; it is to persuade the Congress and the American people that we face a new and severe national security threat for which all governments at all levels are woefully inadequately prepared. We must begin now to prepare what surely threatens us already. To do this effectively requires three things.

First, it requires taking the expertise that has been built up over the years in both the Department of Defense and Department of Energy by successive defense budgets and making that expertise available—and rapidly available—to Federal, State, and local emergency preparedness and emergency response teams.

The Department of Defense and the Department of Energy need to bring training to the other officials in our State, local, and Federal Government in the detection, recognition, containment, and treatment of acute crises arising from the use of some form of weapon of mass destruction to those on the front lines in our major metropolitan areas.

DOD and DOE need to train them in the use of detection equipment and in the use of protective gear to avoid becoming casualties themselves. DOD needs to train emergency medical personnel in the appropriate treatment, for triage, and the administration of antibiotics.

There is much to do, and doing it will require DOD and DOE funding. There is simply no other practical source of this kind of expertise. The time to do it is now and not after we suffer a great tragedy.

I, like many of my colleagues, believe there is a high likelihood that a chemical or biological incident will take place on American soil in the next several years. We do not want to be in a posture of demanding to know why we were not prepared. We do not want a domestic Pearl Harbor.

This training and equipping function is the heart of the amendment, but it is not the whole amendment. There are other parts of the amendment dealing with Customs and dealing with the stopping of these weapons of mass destruction at the source.

At this point in time, I will reserve the remainder of my remarks, and I yield the floor to my two partners in this endeavor, Senator LUGAR and then Senator DOMENICI.

Mr. WARNER. Mr. President, I wonder if I might ask of the principal sponsor and two cosponsors about the availability of the three to respond to questions at an appropriate time this evening. I intend to pose a number of questions. I am quite anxious to join with these three distinguished Senators because I certainly wholeheartedly support the domestic portions of this legislation. But I would like to ask a question in terms of the overseas portion and designs, and I wonder if the Senators will be available.

Mr. DOMENICI. I would be available, if we do not stay too late. It is pretty tough for me to answer questions if we stay too late.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, when Chechen rebels placed a 30-pound package of radioactive material in a Moscow park last November, it marked the first act of nuclear terrorism in the post-cold-war era. Although the container was not equipped with the explosives needed to disperse the cesium, the Chechens demonstrated a credible terrorist threat to employ nuclear material attached to explosives as radiological dispersion devices in Russia.

The act crossed a new threshold in terrorism. Demonstrating on Russian television the ability to penetrate Moscow's increased security, Chechen rebels were now in a position to panic the Russian public by issuing similar threats of radiological contaminants.

Terrorism was alive and well in another part of the world at roughly the same time. The worldwide activities of the Japanese Dooms-Day Cult, the Aum Shrinkiyo were not on the radar screen of United States law enforcement and intelligence agencies before the sarin gas attack on the Tokyo subway last March. This is alarming, considering the cult accumulated over $1 billion in assets and established offices in six countries on four continents.

Cult members actively recruited scientists and technical experts in Japan, Russia, and elsewhere in order to develop weapons of mass destruction. They succeeded in producing chemical weapons, including toxic chemical agents such as sarin, VX, and sodium cyanide; and they were in the process of developing biological weapons, including anthrax, botulism, and "Q" fever.

We have since learned how much more devastating the attacks in Tokyo could have been if the cult had simply perfected their delivery systems. The arrest and subsequent interrogation of members of the Japanese cult has shed more light on the activities of the group, particularly with respect to the extent and nature of its efforts in the area of offensive biological agents.

The Japanese cult conducted extensive research on the manufacture of offensive biological agents, including anthrax and botulinum toxin, and tested their dispersal against specific targets on at least three occasions between 1990 and 1995.

The dispersal incidents were attempts to test the effectiveness on humans of Aum-produced toxins and to judge whether they could be used as weapons. Although the cult's tests caused no known casualties, the relative ease with which the botulinum bacteria and anthrax spores were obtained and the need for only basic scientific knowledge to conduct research on biological agents suggests either Aum members still at large or other terrorist groups may be more successful in the future.

We have also learned how close we have come to witnessing acts of terrorism involving weapons of mass destruction directed toward the United States. Listen to the words of Judge Duffy in his sentencing statement before the perpetrators of the World Trade Center bombing:

> The harm actually caused by the World Trade Center bombing was enormous, but what is even more frightening is what was intended by you and your cohorts . . . The bomb was big and that's what you intended, but that's not quite all that was intended . . . The evidence clearly indicated that you attempted to enhance the destructive force of the (device) . . . If the bomb had the explosive force that you envisioned, placed as it was at the base of the north tower next to a diagonal brace, you might have succeeded in your nefarious plot to topple over the north tower into the south tower just like a pair of dominoes.
>
> Had that happened, we'd be dealing with tens of thousands of deaths and billions of dollars of damage, but death is what you sought to cause. You had sodium cyanide around, and I'm sure it was in the bomb. Thank God the sodium cyanide burned instead of vaporizing. If the sodium cyanide had vaporized, it is clear that what would have happened is the cyanide gas would have been sucked into the north tower and everybody in the north tower would have been killed.

I say to my colleagues: Here we have three incidents involving materials and weapons of mass destruction—in Russia, in Japan, and in the United States. The fact that the destruction wrought by the attempted use of these materials was not more massive owes more to luck or accident than to prevention, deterrence, or consequence management.

The threat of weapons of mass destruction is real, and it is now.

As a consequence of the collapse of the Soviet totalitarian command and control society, a vast potential supermarket of weapons and materials of mass destruction is becoming increasingly accessible. The collapse of the Soviet Union and the subsequent decay of the custodial system guarding the Soviet nuclear, chemical, and biological legacy has eliminated this proliferation chokepoint, since states and possibly even sub-state groups can now buy or steal what they previously had to produce on their own. This central fact has transformed the nature of the proliferation problem for the United States as well as the rest of the world.

If this is a fair description of the nature of this threat, the prevailing view that there is today no direct threat to U.S. national security is dead wrong. It is my view that the risk of a nuclear, chemical, or biological weapon detonation on American soil has increased. While the probability of large-scale nuclear war between the United States and Russia has mercifully decreased dramatically, the probability that one, or two, or a dozen weapons of mass destruction detonate in Russia, or Japan, or Europe, or the Middle East, or even the United States has increased.

However, because this new threat comes in a form so unfamiliar, indeed, so radically different from prior experience, and because the instruments and policies to address it are so unlike the business our White House and national security establishments have pursued for decades, the American political leadership, the Congress, and the American people have great difficulty in awakening to this fact.

But, let us be clear. Absent a U.S. response to this threat of leakage of weapons and materials of mass destruction that is as focused, serious, and vigorous as America's cold war strategy, Americans may have every reason to anticipate acts of nuclear, chemical, or biological terrorism against American targets before this decade is out.

To oversimplify, there are three main lines of defense against these emerging threats:

The first is prevention and this must entail activities at the source.

The second is deterrence and interdiction and involve efforts to stem the flow of illicit trade in these weapons and materials of death.

The third line of defense is crisis and consequence management and involves greater efforts at domestic preparedness.

As we have explored the weapons material leakage and proliferation problem, one point has become increasingly clear. If the United States is to have any chance of stopping the detonation of a weapon of mass destruction on our soil, prevention must start at the source, the weapons and materials depots and research institutions in the former Soviet Union.

We have found that the former Soviet storage facilities are unsafe and insecure. We have learned that there are people and organizations in the world who are attempting to acquire these weapons and materials for terrorist purposes.

The most direct line of defense against these dangers is negotiated, verified reductions in nuclear, chemical, and biological forces. It makes no sense to be for missile defenses and against the START treaties and the Chemical Weapons Convention. Likewise, defense spending that facilitates threat reduction in the former Soviet Union is a wise investment. This is the essence of the Nunn-Lugar or Cooperative Threat Reduction Program.

I favor a prudent approach to strengthening our third line of defense—namely crisis and consequence management, including defense against ballistic missiles—but not at the expense of shoring up the front lines of defense—namely, prevention and deterrence. It is important to point out that a ballistic or cruise missile is not the likely delivery vehicle a terrorist or rogue nation will use to attack the United States. Rather, a Ryder truck, an already proven form of delivery, or a minivan, is much more likely.

Many refuse to believe that this type of drive-up nuclear, chemical, or biological attack is likely. I say it is the most likely. We must protect ourselves from missile attack, but at the same time, we must also be willing to expend the resources necessary to prevent, deter, and interdict this much simpler and more likely form of attack.

In my view, the potential costs of ignoring the threats and problems associated with the spread of weapons of mass destruction are so enormous that they demand a national mission on par with the Manhattan Project—Manhattan II. We need to assemble the best minds, with massive resources, to come up with, in a relatively short period of time, the kinds of technical tools that will allow our policymakers to develop truly credible responses and plans in the areas of nonproliferation and counterproliferation.

It will take time. But we can jump start that effort here in the Congress today. And that is the purpose of the amendment being offered by Senator NUNN, Senator DOMENICI, and myself.

There are three basic elements or components to our amendment. The first component stems from the recognition that the United States cannot afford to rely on a policy of prevention and deterrence alone, and therefore must prudently move forward with mechanisms to enhance preparedness domestically not only for nuclear but chemical and biological incidents as well.

The second component addresses the supply side of these materials, weapons and know-how in the states of the former Soviet Union and elsewhere. Building on our prior Nunn-Lugar/CTR experience, and recognizing that it is far more effective, and less expensive, to prevent WMD proliferation in the first place than to face such weapons on the battlefield or the school playground, our amendment includes countermeasures intended to firm up border and export controls, measures to promote and support counterproliferation research and development, and enhanced efforts to prevent the brain-drain of lethal know-how to rogue states and terrorist groups.

The third and last major component stems from the recognition much of the current effort to deal with the NBC threat crosscuts numerous Federal departments and agencies and highlights the need for the creation of a national coordinator for nonproliferation and counterproliferation policy in order to provide a more strategic and coordinated vision and response.

Let me deal briefly with each of these components.

The first component of our amendment concerns domestic preparedness for terrorism involving weapons of mass destruction. Senator NUNN has described this part of the amendment and I will not repeat his explanation. Let me simply say that our hearings have demonstrated that the United States is woefully unprepared for domestic terrorist incidents involving weapons of mass destruction. Although recent Presidential decision directives address the coordination of both crisis and consequence management of a WMD incident, the Federal Government has done too little to prepare for a nuclear threat or nuclear detonation on American soil, and even less for a biological or chemical threat or incident.

The second component of our amendment focuses on further constricting the supply side of the proliferation of weapons of mass destruction. Since the disintegration of the Soviet Union, the Nunn-Lugar or cooperative threat reduction program and related initiatives has sought to address the threat to United States security posed by the nuclear weapons, scientists, and materials of the former Soviet Union. The mission to secure these nuclear assets, as well as their chemical and biological equivalents, is unfinished.

We week to capitalize on the progress achieved in dismantling nuclear weapons of the former Soviet states and in preventing the flight of weapons scientists over the past 5 years and to expand the core mission of the program so as to address strategically the emerging WMD threats that compromise our domestic security. The resources that will be required to implement programs proposed in the amendment are not intended to supplant, but rather to supplement, current Nunn-Lugar funding levels.

More specifically:

First, cooperative programs to improve the protection, control, and accounting of nuclear materials must be accelerated and expanded to encompass all of the nuclear facilities that handle sensitive nuclear materials and components.

Second, the security of nuclear materials during transportation between nuclear facilities must receive greater attention. Transportation risks will grow as more nuclear warheads are disassembled and their materials are shipped to interim or permanent storage sites.

Third, greater programmatic emphasis needs to be placed on safeguarding highly enriched uranium fuel used in Russian naval propulsion. We need to accelerate and expand our programs with the Russian Navy to encompass all unirradiated enriched uranium fuels used for ship propulsion.

Fourth, we need to get on with the business of closing down plutonium production facilities in Russia. Russia agreed to a United States proposal to cease plutonium production for weapons but action has been stymied by the fact that the three reactors in question also produce heat and electricity. These reactors can be converted so that they can no longer produce weapons-grade plutonium while permitting them to continue to produce heat and electricity.

Fifth, in order to expand our transparency program efforts with the Russians, we need to undertake new efforts to evaluate technologies and techniques to verify that weapons are being dismantled and to verify the quantities of nuclear materials from disassembled warheads.

Sixth, in the area of securing weapons and materials, it is time to make a concerted effort at chemical and biological threat reduction. Opportunities do exist to secure materials that can be used to make chemical and biological weapons, and we need to determine the feasibility and priority of moving beyond nuclear threat reduction and beyond chemical-weapons demilitarization efforts to explore possibilities for improving security for chemical and biological weapons materials.

Seventh and last, in addition to enhanced efforts to secure the weapons and materials of mass destruction, we must recognize that the combination of organized crime, porous borders, severe economic dislocation and corruption in the states of the former Soviet Union has greatly increased the risk that lethal materials of mass destruction as well as the know-how for producing them can pass rather easily through the borders of the former Soviet Union.

Although Nunn-Lugar programs have begun to offer training and equipment to establish controls on borders and exports throughout the former Soviet Union, much more needs to be done. Much of the training that is done by the U.S. Customs Service will lapse this year.

The third component of the amendment focuses on the need for a national nonproliferation coordinator. There is a broad consensus that WMD proliferation is now, and will remain for the foreseeable future, the top threat to U.S. national security interests. Yet the American response to this proliferation threat remains scattered and unfocused.

The present nonproliferation and counterproliferation efforts include dozens of departments and agencies that have responsibilities in one way or another to protect the United States from such threats. This patchwork effort suffers from lack of coordination, overlap, and duplication. The very nature of the WMD threat demands not just the attention of our armed services and diplomatic corps, but also our law enforcement community, our scientific community, and our intelligence community.

In my view, our Nation's nonproliferation effort is in need of a strategic and coordinated government-wide plan.

In order to best address the cross-cutting nature of the proliferation challenge, we propose to establish the position of the national nonproliferation coordinator who will be charged with coordinating policies and activities to combat the threat posed by WMD both domestically and internationally. The coordinator should have the authority to review the budgets of all agencies with programs in nonproliferation, counterproliferation, and related areas of intelligence and law enforcement. The office of the coordinator should be augmented with nonproliferation and counterproliferation experts from the Departments of State, Defense, Justice, Energy, Commerce, the intelligence community, and such other agencies as may contribute to the mission of the national coordinator.

To support a comprehensive approach to nonproliferation, the national coordinator should chair a new committee on proliferation, crime, and terrorism, to be established within the National Security Council. That committee should include the Secretaries of State, Defense, Justice, Energy, the DCI, and other department and agency heads the President deems necessary. This committee within the National Security Council should serve as the focal point for all government nonproliferation, counterproliferation, law enforcement, intelligence, counterterrorism, and other efforts to combat threats to the United States posed by weapons of mass destruction.

Mr. President, it is time to go beyond a recitation of the threats posed by the proliferation of weapons of mass destruction and to start developing an appropriate strategic, coordinated response. We know what the threats and the problems are. We even have the knowledge and expertise to deal constructively with these threats.

Difficult as it is, identifying a new challenge is the easier part of the problem. Summoning the political leadership, the political will and resources, and the support of the American people to act is harder still. Despite the threat of loose weapons of mass destruction and weapons-usable materials, will the political leadership of this country, including this Congress, step up to the plate?

Or will this new threat be given the priority it deserves only on the morning after the first act of nuclear, chemical, or biological terrorism takes place on American soil? What will we wish we had done?

This amendment represents our considered judgment as to the appropriate starting points for a national effort to deal with the threats posed by the proliferation of weapons of mass destruction. We have held over 20 hearings during the course of the last year. We have worked with experts in the executive branch—in the law enforcement area, in the Energy Department, in our national laboratories. And we have consulted with officials at the State and local levels—with first responders who will be on the firing line if our efforts at prevention and deterrence should fail.

Senator NUNN, Senator DOMENICI and I are convinced that the programs and measures outlined in the amendment are doable. And we ask for the support of our colleagues in agreeing to this amendment.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I first want to indicate to my good friends, Senator NUNN and Senator LUGAR, how appreciative I am that we have been able to work together to put this comprehensive amendment before the U.S. Senate.

While this is not a session this evening attended by very many Senators, I believe if this amendment is adopted tomorrow and if it remains part of the authorization bill and if it is signed by the President, then this will have been a red-letter day in the future of the United States and our people, because it appears to me that we ought to do everything we can to avoid a catastrophe that can occur in the United States with reference to a nuclear weapon being detonated here or a biological or chemical weapon, which I believe most experts say is probably more apt to happen and more dangerous today to America's future. If we can get our country started in a preventive program and in a coordinated program of using the finest talent we have, scientific and technological, to bear down on this issue, then I believe this will have been an extremely productive defense authorization bill.

Having said that, I would like to make a part of the RECORD the following: a letter dated June 26 to myself from the Secretary of Energy. I will merely paraphrase it. The Secretary says:

Finally, the amendment will improve both our near-term and long-term work to prevent and counter the growing threat of weapons of mass destruction to the United States. We look forward to working with the Congress to address these priority concerns . . .

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, June 26, 1996.

Hon. PETE V. DOMENICI,
U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: I am writing to state my strong support for your efforts to enhance U.S. national security in the face of the increasing threat posed by weapons of mass destruction.

The Amendment No. 4181 that you have proposed to the Defense Authorization bill and published yesterday in the Congressional Record would contribute significantly to our ability to protect the American people and the world from threats posed by unsafeguarded nuclear material.

It would enable us to complete nuclear materials upgrades on an urgent basis at key sites in Russia which were agreed to between Vice President Gore and Prime Minister Chernomyrdin since our budget was submitted. It would aid our ability to fund our very successful "Lab-to-Lab" materials, protection, control and accounting program which has been the pace setter in gaining access to vulnerable sites in the former Soviet Union where nuclear materials are stored and are in need of security upgrades. Our progress in these areas has outpaced available funding. The faster such sites are secured, the less likely that weapons grade material will be diverted to rogue states or terrorist groups. The costs of prevention are far less than the costs of defending against diverted material or coping with the potentially catastrophic consequences of terrorist use of such material.

The amendment also augments our Nuclear Emergency Search Team, or NEST, capability to be transported quickly anywhere in the United States or the world to deal with finding and disarming a nuclear device.

The amendment would leverage existing research and development capabilities of the Department's National Laboratories to better verify and secure U.S. and Russian nuclear weapons pits awaiting disposition, and make full use of DOE's capabilities to detect and counter nuclear smuggling and other weapons of mass destruction.

Finally, the amendment will improve both our near term and long term work to prevent and counter the growing threat of weapons of mass destruction to the United States. We look forward to working with the Congress to address these priority concerns of the Administration.

Sincerely,

HAZEL R. O'LEARY.

(Mr. LUGAR assumed the chair.)

Mr. DOMENICI. Mr. President, on June 26, Senator NUNN received a letter—it was actually for all of us and for this amendment—from Defense Secretary Perry. I quote the last paragraph:

> Taken together, the amendment's provisions will result in important improvements to the Defense Department's capabilities to prevent and respond to the threats both here and abroad posed by terrorists and weapons of mass destruction.

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, June 26, 1996.

Hon. SAM NUNN,
U.S. Senate, Washington, DC.

DEAR SENATOR NUNN: I am writing to express my appreciation and support for your efforts to improve our ability to protect the American people, our troops and allies from the threats posed by weapons of mass destruction and terrorists who might use them.

The amendment you have proposed to the Defense Authorization bill on this issue would provide important support to enhance our defense capabilities against these threats. It would assist us in our efforts to improve our domestic preparedness to prevent and, if necessary, deal with a potential domestic terrorist incident involving weapons of mass destruction. It would also strengthen our ongoing efforts in Cooperative Threat Reduction and other programs to prevent proliferation by reducing and improving control over such lethal weapons and materials at the source and strengthening the international community's ability to interdict them at borders.

Taken together, the amendment's provisions will result in important improvements in the Defense Department's capabilities to prevent and respond to the threats both here and aboard posed by terrorists and weapons of mass destruction.

Sincerely,

WILLIAM J. PERRY.

Mr. DOMENICI. Mr. President, within the last 3 or 4 days, a very interesting report has been forthcoming. I believe it is a godsend for us. It is called "A Nuclear Black Market," and it was a report issued under the auspices of the Center for Strategic and International Studies. It is very significant, because many of the participants in this study have great credibility with many Senators with reference to issues of this type.

Arnaud De Borchgrave, who many know as former editor of the Washington Times, was the project director of this report. I am not going to make it a part of the RECORD; I am merely going to suggest to those who wonder whether this amendment moves us in the right direction, I suggest if they want the recommendations of this group, headed by the person that I just talked about, under the auspices of a very reliable think-tank group and containing the following prognosis—and if this does not sound something like the speeches just given by Senators NUNN and LUGAR—let me share it with you.

The prognosis says—and that is all I will read and urge that Senators or their staffs interested should read it—the prognosis says:

> In the near term, several key variables in the nuclear smuggling equation appear likely to remain bad or may even worsen. Barring an unlikely economic turnaround in the former Soviet Union, struggling nuclear workers will continue to be tempted to steal material. Disarray in the Russian military is apt to worsen in the near term, threatening security at nuclear weapons storage sites.
>
> The current trafficking situation shows a disturbing upward trend. Substantial quantities of materials are likely to remain at large, and the potential for an accident or use of smuggled nuclear materials probably is increasing, partly as a result of dismantling.
>
> By contrast, certain trends are favorable. Improvements in the materials protection and controlled accounting in the former Soviet Union are progressing slowly. The number of deployed warheads and assembled weapons is shrinking and facilities are consolidating. Transit states are beginning to deploy technical detectors and are acquiring needed training and experience. Meanwhile, the international community is starting to respond to this severe challenge. Although any prediction is tenuous, the situation seems likely to get worse over the near term and will not improve unless immediate security enhancements are made.

Then one might be surprised to read the recommendations. The recommendations begin to sound like this bill. For that, I am very pleased, because the three of us and our staffs and an assemblage of experts, not including those who put this report together, have worked very hard in an effort to bring a comprehensive bill before the U.S. Senate tonight.

So, Mr. President, after yesterday's bombing in Saudi Arabia, my colleagues do not need to be reminded of the devastation of a conventional bomb. I am not aware of any of my colleagues who had the opportunity to observe an above-ground nuclear blast, but I believe my colleagues recognize the devastation that such an explosion would have if a nuclear weapon were to explode in New York City or in Indianapolis or in Atlanta or in Chicago.

We are less familiar, however, with the threat of chemical weapons, although we do have some experience from the Tokyo subway incident, which has been discussed thoroughly here tonight, from observing the use of chemical weapons in the Iran-Iraq war, and from dealing with accidental chemical leaks in events such as railroad car derailments.

I think very few of us are aware of what could happen if a rogue nation or group attacked the United States with a biological device. The device could very well be made in a laboratory the size of a kitchen.

My colleagues recognize all the equipment necessary to culture a biological agent. Most of it can be found in a high school or college chemistry laboratory, or ordered, I might say, from a number of mail-order houses in the United States and around the world.

In that kitchen laboratory, the first drop of an agent would be cultured until it multiplied billions of times. To turn those germs into a weapon would be very straightforward. The biological agent would be placed in a container designed to open and disperse the material into the air, possibly with a small fan. The device would be most effective placed in locations of which significant airflows interact. And when that interacts with large numbers of people, they have almost a special place for this kind of destruction: A metro station, the air-conditioning system of a large building, an airport.

People passing through would breathe the agent into their lungs, where it would continue to multiply with every breath. The unknowing transporter would exhale some of the agent, to be breathed in by others. The first illness might not occur for several days. First, those directly exposed would start to die. Then their co-workers, their families, their friends would start to die.

Initially hospitals would be overwhelmed, like we found when we have had viruses before, including the Ebola virus. The virus would flourish at the hospitals, turning them into killing grounds. I could go on.

I do this because I truly think it is imperative that somehow we get the message to the policymakers of this country and ultimately to the people of this Nation that just as we amassed in the Manhattan project the greatest of our scientists with a mission, a mission to save America by developing the atomic bomb, it is imperative that we coordinate our best efforts and resources, our best scientists and technicians to lodge an attack on the impending potential disasters that can come from biological and chemical destruction and the forces that can be set forth and lay millions of people to waste.

There are no easy answers. But there were not easy answers to some of these gigantic technical and scientific problems that we have faced in the past. The longer we sit by and assume it will all be taken care of because a lot of people are working on these kinds of issues, the longer we are being fooled. So we have put together a bill that addresses these issues on many fronts.

Clearly, it addresses the issue of the nuclear black market. That has already been discussed in great detail. I merely want to say to Senators who might wonder whether it is in America's interests to negate this black market or whether it is in somebody else's interest, there can be no question, it is in our interest, the whole notion of a black market coming out of the Soviet Union, because they are dismantling, are in a state of disarray, building down their nuclear weapons, all of which contributes an enormous potential for the dissemination of those kinds of things from whence nuclear bombs can be made.

It is in our interest that we continue, as difficult as it is, to put some resources into trying to tame that which is being loosed on the world through individual conduct in the Soviet Union and in some cases through organized conduct. The genie is out of the bottle there, but it behooves us to try to make that as small as humanly possible. And we can do better.

If we adopt this amendment, and find the resources to fund it, it will be just another very positive stride in the direction of doing what is prudent for our people in reference to this very, very serious threat.

It is kind of amazing and somewhat ironic that as we end the cold war, we turn loose a new hot substance. It is no longer necessarily the fleet of rockets aimed at us, but it is the tremendous inventory from plutonium to enriched uranium and everything in between that can be turned loose because a country cannot control its people and does not have the money to pay its scientists to keep working and do productive things. What a tremendous, difficult situation we are confronted with, difficult enough to do something serious about.

This bill clearly takes some giant steps in the right direction. It directs the Department of Defense to create an emergency response team similar to the Department of Energy's nuclear emergency search team. This team could be called upon to locate and deactivate chemical or biological devices or try to contain them once detonated.

The amendment directs the Departments of Energy and Defense to develop new technologies to detect the production and transportation of these agents. Just think of how tough this one is. But if we do not tell our scientists to try to find ways to detect these devices and the places of their origin, then what chance do we have to make any real strides in inhibiting the devastating potential, a little piece of which I described in my early remarks.

Metro medical strike teams are established. I will not go into great detail. Joint exercises are provided for, and an effort to help our local law enforcement, not take over, but to help them become more proficient in this potential and thus more able to be of help and be part of prevention rather than wait until something happens and then have the clamor that nobody knew what to do, nobody was trained.

We are smart enough to know that these things can happen. Tonight my two colleagues have already explained how they have already happened and how close we have come in our own country to a major—to a major—biological disaster in New York City.

There is much more I could say tonight. Most of my remaining remarks would have to do with the former Soviet Union and certain programs that are working fairly well, some that we ought to enhance and make better. But I will not do that because between Senators NUNN and LUGAR, they have touched on it. I am sure when Senator NUNN finishes his remarks tonight, since he has started in this arena in the former Soviet Union, he will make additional remarks about what we ought to be doing.

I merely want to say that I got some very good education about this from some of our national laboratories. I participated in two national seminars hosted by Los Alamos National Laboratory, and in the last case by them and Harvard University, when they brought the best thinkers together to tell us about the reality of this situation.

Are we pipe dreaming or is it real? If it is real, what should we be doing about it? From those kinds of contacts, I have arrived at the conclusion that if one is going to leave a legacy around here, one ought to leave a legacy in this area of calling this kind of problem to the attention of the policymakers and then doing something about it.

If one would have been part of originating the Manhattan project, one might have been very proud of having a part in assembling this massive talent, managed in an appropriate way, to bring America the first atomic bomb. The same thing might be happening here, for our great scientists might permit us to evolve from this legislation into something that might really preserve and save literally millions of people and literally millions of Americans now and in the future.

Now, let me turn to the threat of nuclear weapons. At its peak in 1992, the Soviet Union possessed approximately 45,000 nuclear warheads and weapons grade nuclear material to fabricate thousands more.

The Soviet Union also produced an unknown amount of highly enriched uranium for reactors and for their nuclear navy. That material is also weapons usable.

While we will never know for certain how much of this material exists, the number 1,200 metric tons of weapons-usable material is frequently used.

If one considers that a simple nuclear weapon requires 15 kilograms of highly enriched uranium and 4 kilograms of plutonium, there is enough weapons usable nuclear material in Russia to build more than 63,000 nuclear weapons, each of which could fit in a briefcase.

That material cannot be accounted for—the best concrete example we have is Project Sapphire.

Project Sapphire occurred when the Government of Kazakhstan found 600 kilograms—enough material for 32 nuclear weapons—of highly enriched uranium that had been inadvertently left in Kazakhstan when the Soviets left.

Not only was 600 kilograms left behind, but the inventory of that material conducted according to Soviet measuring techniques was off by 4 percent—enough to make almost two nuclear weapons.

In the Sapphire case, the Department of Energy secured that material and transported it to the Oak Ridge National Laboratory. But that case demonstrates how lacking inventory control systems are in the former-Soviet Union.

Even when the material is in dedicated storage facilities it represents a threat. At Chelyabinsk-65, bulk plutonium is stored in a warehouse with glass windows and a padlock on the door. Inside the facility are over 10,000 ingots of separated plutonium stored in thermos-sized containers—perfect for picking up and walking out.

If the terrorists who tried to blow up the World Trade Center had used a nuclear weapon made of that weapons usable nuclear material, Manhattan—all the way up to Gramercy Park, would have disappeared. If such a device had been set off in Oklahoma City, most of Oklahoma City would have disappeared.

The examples I have given are using a simple weapon design that is available over the Internet. If a rogue nation were to hire a Russian weapons designer and have access to the necessary material, that designer could build a sophisticated, multiple-stage weapon many times more powerful.

My colleagues need to understand that the weapons used in Nagasaki and Hiroshima were much cruder designs than are easily available today. If a terrorist or rogue nation gains control of weapons usable nuclear material—they immediately become a nuclear power more advanced than the United States was when we bombed Hiroshima and Nagasaki. We cannot let that happen.

For the past 5 years, under the leadership of Senators NUNN and LUGAR, Congress has provided $300–$400 million per year to address this problem. Unfortunately, when the original legislation authorizing that work was enacted in 1991, it included numerous restrictions on its use.

I understand why those restrictions were put in place—when Nunn-Lugar was first enacted, the hammer and sickle of the Soviet Empire still flew over Red Square. But there have been some real successes—a lot of which resulted from the less formal interactions of the Department of Energy with their counterparts in the Russian Ministry of Atomic Energy.

It turns out that these scientists; ours at Los Alamos, Lawrence Livermore, and Sandia; and theirs at Arzamas, Tomsk, and Chelyabinsk; think alike. They have been following each other's work for years and have tremendous respect for one another. So when the Cold War ended, they started getting together and found they have a great deal in common.

Out of those informal relationships have developed some very important programs.

MATERIALS PROTECTION, CONTROL, AND ACCOUNTING

The Department of Energy has already secured nuclear material at 35 facilities in the former-Soviet Union. Those security systems include, cameras, gates, portal monitors, and tagging devices to track nuclear material.

At the January Gore-Chernomyrdin meeting, six more sites were added to the list of sites to which DOE will have access to secure nuclear materials.

Because these sites were only agreed to in January, funds were not included in the President's budget request. However, these sites are a top priority—one of the sites is Krasnoyarsk-26, one of the sites of Russia's remaining three plutonium production reactors.

The amendment includes an additional $15,000,000 for the program.

LAB-TO-LAB

The close relationships developing between the national laboratories here and the Russian Institutes is the foundation of our success to date.

Lab-To-Lab efforts are intentionally diverse. Currently, efforts are focusing on ways to safeguard and transport assembled Russian nuclear weapons.

This amendment expands the Lab-To-Lab Program to include all the states of the former-Soviet Union and provides an additional $20,000,000.

COOPERATION WITH RUSSIAN NAVY ON NUCLEAR MATERIALS SECURITY

Highly enriched uranium intended for naval propulsion can be used in nuclear weapons. To date, our material protection, control, and accounting efforts have focused on the Ministry of Atomic Energy and have not involved the Russian Navy.

Through the Lab-To-Lab Program, the Department of Energy has met with Russian naval officers. In April, a delegation of Russian naval officers visited Oak Ridge, Sandia, and Los Alamos to familiarize themselves with our protection, control, and accounting systems.

In turn, Department of Energy officials have visited Murmansk and an agreement is now in place to secure fresh Russian naval fuel at two locations.

The amendment includes $6,000,000 to initiate this work and expand to eventually include 10 to 15 locations and a navy-wide accounting system.

INDUSTRIAL PARTNERING PROGRAM

Weapons usable nuclear material is a clear threat. However, if that material is combined with someone knowledgeable enough to build a sophisticated, multiple-state system, the threat increases dramatically.

The Industrial Partnering Program seeks to bring together Russian nuclear scientists with U.S. industry to provide new careers so those individuals are less likely to be lured into the service of rogue nations or groups.

U.S. companies benefit from the exceptional technical capabilities of these scientists and engineers, but we also gain the knowledge that at least some of these potentially dangerous people have found a way to feed their families without endangering our national security.

Because the Armed Services Committee has already increased funding for IPP to $50,000,000 from $15,000,000, this legislation simply expands IPP's mandate to include facilities once used to produce biological and chemical weapons.

TECHNOLOGY DEVELOPMENT

The United States has to develop better means of detecting nuclear, biological, and chemical materials.

Using current remote sensing technology, a chemical or biological weapons factory is almost impossible to differentiate from a fertilizer factory or a brewery. Our experience in Iraq demonstrates that, even in a country that allows International Atomic Energy Agency inspections, it is difficult to detect a covert nuclear program.

The amendment includes an additional $20,000,000 to develop technologies so that we can assess whether our enemies are developing nuclear, biological, or chemical weapons capabilities.

PLUTONIUM REACTOR CORE CONVERSION

Unlike the United States, the reactors used to produce plutonium for Soviet nuclear weapons, also produced electricity to heat surrounding towns. Three of those reactors continue to operate and produce plutonium; two at Krasnyarsk-26 and one at Tomsk-7.

Russia has refused to shut the reactors down because they are desperate for the electricity. However, the Russian Ministry of Atomic Energy has agreed to convert the cores of the three reactors so they no longer produce weapons grade plutonium.

It is my understanding that the conversion will cost $70,000,000 to $90,000,000.

The amendment includes $15,000,000 to complete the necessary design analysis and to begin procuring the necessary components.

VERIFICATION, CONVERSION, AND DISPOSITION OF WEAPONS GRADE MATERIAL

Russia is currently dismantling 2,000 warheads per year and storing the nuclear components in facilities one Russian advisor has referred to as "an old warehouse".

The first priority must be to secure that material through the MPC&A Program but our long term objective must be the permanent disposition of that material.

Recently Los Alamos National Laboratory won an R&D 100 award for a new technology that enables us, for the first time, to transform plutonium from weapons into non-weapons usable forms in a verifiable manner.

This is a significant accomplishment because the Russians refuse to let us see the plutonium from their weapons since the shape of the plutonium is one of their most closely guarded secrets.

However, the new ARIES technology will enable us to verifiably transform weapons grade plutonium, removed directly from a weapon, into an ingot of plutonium oxide or hydride unsuitable for weapons use.

The amendment provides $10,000,000 to initiate a joint program in this area.

THIS IS NOT FOREIGN AID

These are the programs we have determined are of the highest national security—they are not foreign aid.

As a result of these programs, we will safely and permanently dismantle and inventory Russian nuclear weapons, and tie up their weapons expertise.

When the original Nunn-Lugar legislation was enacted, it was accompanied by all sorts of requirements for certifications that Russia was meeting certain requirements. That logic is exactly backwards—we are undertaking these programs where they are in our national security interest and the Russian Federation is willing to cooperate.

Again, I am very proud to be part of this amendment. We have worked very hard together on it. I am very grateful to the two Senators, the occupant of the chair and Senator NUNN, for letting me join you in this effort. I hope it does reach fruition. I yield the floor.

Mr. NUNN. Mr. President, I thank my friend from New Mexico and my friend from Indiana who now occupies the chair. This has truly been a partnership. I say that the Senator from New Mexico has been really a part of this overall effort from the very beginning.

I remember very well when we had the original Nunn-Lugar amendment on the floor and the Senator from New Mexico came and spoke up very vigorously in favor of that, as did the Senator from Virginia. The Senator from Virginia has been very helpful in this legislation from the very beginning.

So the Senator from New Mexico has made immense contributions here and in the DOE lab program, the many other programs that the Department of Energy is involved in. And primarily it is the work of the Senator from New Mexico. So we are very proud to be partners in this endeavor, and it is truly a bipartisan endeavor.

I know the Senator from Virginia would like to ask questions. I am going to abbreviate my concluding remarks.

Mr. President, as I said earlier, this training and equipping function is the heart of this amendment, but not the whole amendment. Other parts of the amendment are designed to beef up our customs capability to try to interdict the smuggling of weapons of mass destruction and their components into the United States, and to provide the latest detection technology to customs officials. The best way to prevent a terrorist incident involving a nuclear, radiological, chemical, or biological weapon is to stop these dangerous materials at our ports and airfields and borders. While some equipment is available that is capable of detecting materials related to these weapons, this equipment is not yet widely deployed, and we must speed up the process. In addition, we must speed the development of new technologies that can detect nuclear, chemical, and biological materials before they reach the terrorist who will assemble them, or detect the materials in an assembled weapon before it can be set off. Better technology is essential to guard our borders, and it is essential for our domestic law enforcement.

We are also concerned about interdicting supplies of dangerous materials across frontiers in Eastern Europe, the Caucusus, and along the southern flank of the former Soviet Union, where many newly-independent states effectively have no customs capability. Therefore, the amendment provides modest funding for US customs to train counterparts in those countries, upon request.

In addition, the amendment allocates some funds for expansion and continuation of the original Nunn-Lugar concept through programs run both by the Department of Energy and by the Department of Defense's Cooperative Threat Reduction Program. We are seeking to expand these programs both in Russia, and, increasingly, in other states of the former Soviet Union. My cosponsors will describe these activities in more detail.

Finally, there are three serious deficiencies in planning for contingencies. First is the lack of coordination of activities across the many Federal agencies who have some responsibility for some portions of the overall problem. Second is the lack of coordination of Federal agencies and activities with those of the states and municipalities who will be first to bear the brunt of future attacks. Third is the lack of a national security funding mechanism to match the new national security missions in many of the Federal agencies whose actions must ultimately be integrated with those of DOD and DOE. To address these fundamental problems, this legislation establishes a coordinator in the office of the President to try to bring a degree of order to the fragmented responsibilities that exist today.

With this introduction and description of the main purpose of the legislation, Mr. President, let me next give a brief section-by-section overview of the amendment.

Title One focuses on the need to better train, equip and coordinate our emergency response personnel who are presently unprepared to deal with terrorist incidents involving nuclear, chemical or biological agents. Our bill makes efficient use of the expertise in our military and energy departments to train local officials to response to incidents involving WMD. Our hearings highlighted weaknesses in federal preparedness for WMD incidents, especially regarding coordination among agencies. Our legislation goes a long way toward improving this situation by establishing a chemical and biological response team, modeled after the Department of Energy's nuclear emergency search team. Such assistance and expertise could only be brought to bear if called up by civil authorities to implement the Federal disaster response plan, and would be limited by language that respects the proper demarcation between our military and civilian agencies. Keeping in mind these precautions, it is possible to apply our Nation's hard-won expertise in chemical and biological warfare to this urgent national security threat without infringing on our political traditions.

Additionally, this legislation creates medical responses teams throughout the United States. These highly trained and deployable health care teams will assist the existing local resources in our cities and towns to respond to and mitigate a WMD incident.

Title II includes countermeasures against the smuggling of WMD materials when they do leak from their source. This legislation supports efforts to tighten border security and export controls both at our boarders, and elsewhere on likely routes that these lethal materials might take through states of the former Soviet Union. It also supports research for development of technical means to detect the unauthorized transportation of these lethal materials. Finally, it recommends greater penalties for those criminals involved in smuggling of these materials.

Title III builds upon the successes of the Nunn-Lugar program to address the full range of the proliferation threats to our country. The Nunn-Lugar/cooperative threat reduction programs focus on the problem at its source by improving safeguards on weapons, weapons materials, and expertise inside the FSU. Since its inception, this program had made an enormous contribution to improving the security of our Nation. As of June 1, Ukraine, which held far more nuclear weapons than any state other than the United States and Russia, is no longer a nuclear state. Kazakstan became nuclear free last year, and Belarus will become nuclear free by this fall. Our legislation provides funds to the Defense and Energy Departments in order to promote efforts at control of these weapons and materials, and conversion of facilities that produce them. I often ask the critics of these programs how much it is worth—in terms of our security—to destroy Soviet missiles and to dismantle their warheads, and to keep the resulting nuclear weapons materials out of the hands of terrorists and rogue nations? How much did we spend to deter the use of these same missiles during the cold war?

Finally, what is needed is a comprehensive strategy that encompasses the many facets of the proliferation threat. The time has come to adopt our Government to the complexities of the post cold war national security situation. WMD proliferation crosscuts numerous agencies and departments, including some such as the Customs Department, the FBI and the Department of Health and Human Services, that have not previously been recognized as having major responsibilities for national security. The convergence of proliferation with terrorism and organized crime, the growing awareness of the potential use of chemical and biological agents in a terrorist incident, further complicates the implementation of a comprehensive approach to this problem.

Title IV establishes a national coordinator to pull together the different parts of our nonproliferation policy. The national coordinator would be appointed by the President to serve in the Executive Office of the President. He or she would oversee the senior directors for nonproliferation, counterproliferation, arms control, terrorism and global crime to assure that we remain focused, that our priorities receive consistent high-level attention, and that vital proliferation threats do not slip through the cracks.

I am convinced that we must address this issue before the unthinkable happens. Can we afford to dismiss the possibility that another World Trade Center or Oklahoma City bombing could involve chemicals, biological organisms or radioactive materials? We do so at our peril. The trends are clear: more nations and groups are exploiting increased availability of information, technology, and materials to acquire mass destruction or mass terror capabilities. There is no reason to believe they are not willing to sue them. I have heard too many experts whose opinions and credentials I respect, tell me that it is not a question of if but only of when. I believe this legislation, while only a beginning, responds to a very urgent national security concern of our Nation.

Mr. President, in essence, we have three different ways of trying to protect the American people from weapons of mass destruction in terms of proliferation.

One way is the original Nunn-Lugar program, which is an effort to stop the material at its source, not to have the material, the scientists, the know-how come out of the former Soviet Union and spread all over the world, ending up threatening either the United States and our people or our allies. That is what we are beefing up here. We are trying to accelerate some of the good programs that are ongoing there. So that is step No. 1. Just as we have tried to stop drugs at their source, we are trying to prevent this proliferation from getting out of the former Soviet Union. That is not just Russia.

I hear people talk about "foreign assistance." This is not foreign assistance. We have other programs that are foreign assistance. This program is national security. It is in our national security interests not to have the Russian nuclear weapons, nuclear material, nuclear know-how, scientists all over the world ending up threatening both the United States and our military forces wherever they are deployed, but also threatening American people. This is in no way foreign assistance. As a matter of fact, there is no cash involved here. We are not furnishing cash to Russians. They do not have any way to convert this cash to their own defense programs that do not relate to this. They are basically being furnished equipment and know-how for a specific purpose. There is one cash provision, I believe, going to the Ukraine. That is the only one and that is subject to very strict accounting procedures.

Stopping the proliferation at its source is the best, most productive, the most effective, the most efficient way of dealing with this problem. We ought to continue that effort as long as the window of opportunity is open. It remains open today in Russia and it remains open in Belarus, and it remains open in Ukraine and Kazakhstan. We have succeeded beyond what any of us thought was possible in this regard. Since September 1990, over 4,000 warheads have been removed from operational status in the former Soviet Union; over 1,000 missiles have been removed from launches; over 800 missile launchers and bombers have been destroyed; controls, safety guards and a myriad of nuclear facilities in Russia have been enhanced, adding new layers of defense against proliferation efforts.

Outside of Russia, the most significant event, which I know the occupant of the Chair now, and I, believed at one time was not likely to happen, and that is the other countries that could have become nuclear powers—Ukraine, Kazakhstan and Belarus—are no longer headed down that road. In Kazakhstan, all the nuclear weapons have been removed. No nuclear hand on the trigger or finger on the trigger in Kazakhstan. About a week and a half, 2 weeks ago, the last nuclear warhead came out of the Ukraine. I have been informed by people in Belarus and my own officials that the last warhead will come out of Belarus this year. If nothing else, if nothing else, having one nuclear hand on the trigger, that is Russia, instead of four countries that we have to deal with and defend against and worry about is an enormous accomplishment.

How much would we have paid during the cold war to basically find three countries that had weapons of mass destruction and be able to get rid of them? If the CIA or the Department of Defense had come in and said, "If you will give us x number of dollars in our budget, we will guarantee you that we will get rid of the weapons in three countries that are now aimed at the United States," how much would we have paid for that? Ten billion dollars, $20 billion, $30 billion, $40 billion, $50 billion? Probably $60 billion or $70 billion. It would have been enormous. We spent trillions of dollars defending over the years. Now we have been able to accomplish this not because they were doing us a favor, but because these countries realized it was in their own best interests, their own national security interests to get rid of these weapons, to ship them back to Russia to keep them under central control.

We were able to use these funds to give them the incentive and the priority and the reason to their own people, to their own legislative bodies, to help justify what was fundamentally in their interests. Stopping these weapons at their source is the No. 1 effective way. I am very much in favor of the other parts of this bill, but this is the most effective money we will spend. I hope everyone recognizes that. If you look at what has been accomplished, you can see that very clearly.

The second way we are trying to deal with the problem is through the Customs Service. We are using, yes, DOD and DOE money to help the Customs Service beef up their capability to prevent weapons from coming into this country, so that the Customs Service is able to get from DOD and DOE the best technology we have to be able to detect weapons coming across the border—not just nuclear, but chemical and biological, as well. Also, we are beefing up the DOD-DOE work in finding better ways to detect these weapons.

I have been briefed many times on this subject, most recently this last week, and it is very clear that even with all the work DOD and DOE have done, we still have a long way to go to find, really, effective state-of-the-art methods of detecting particularly chemical and biological weapons. We are better at nuclear detection than chemical and biological. Those are the threats that are more likely to happen. Not only detecting coming across the borders but detecting these in airports, ports and major cities where an attack may be suspected. That is the second way, beefing up customs.

The other facet is customs will also, under this bill, be given a mandate and some money to help these other countries like Kazakhstan, Belarus, the southern countries in the former Soviet Union so that they will be able to beef up their own customs. These countries want to help, they want to be able to help prevent the spread of these weapons, but they do not have the know-how or the expertise. In many cases, they do not have the training, and they certainly do not have the equipment. This is the second way we are dealing with this problem.

Finally, we are dealing with it by acknowledging that we have a serious and fundamental problem in terms of our cities, our States, particularly our metropolitan areas, in being able to, No. 1, detect the materials that may be used for attack against soft targets, against population centers, against airports, against major sporting events, whatever, to detect it and prevent it. Second, to be able to deal with it if it happened. We are woefully unprepared to deal with this kind of catastrophic act of terrorism if it occurs. There is no doubt about that.

We have had before the permanent Subcommittee on Investigations, and the occupant of the Chair has had similar hearings in his Foreign Relations Committee, and we have had hearings in the Subcommittee on Investigations, and there is no doubt the police departments, the fire departments, are on record as saying, "We need help." That is what we are trying to do here.

This will not solve the problem. This is a beginning. This is an effort to help train, probably first of all, some Federal people who can go out and train others. Probably we will have the FEMA people involved. They are not ready to do this now, but it is my hope that we will be able to phase DOD and DOE out of this kind of training for domestic law enforcement officials and firemen, sometime in the next 2 to 3 years. They are the best source now, but perhaps the administration will decide with the flexibility they have been given to train the Federal emergency management people so they can continue this training in the future. Right now, we have no choice but to deal with the expertise we have, and that is in the Department of Defense and the Department of Energy. We are encouraging that.

I know the Senator from Virginia, being a former Marine, would be very interested, and I know he is aware that the Marine Corps is beefing up a considerable amount of talents and capability now to be able to deal, as the NEST team does in the Department of Energy, with nuclear threat, to deal with the chemical and biological threat. The Department of Defense will make that decision as to who is the main resource there, but the Marine Corps is out front, and our special operation forces also very much are involved in this area. So we have some military capability there that is going to be developed.

Mr. President, the only other thing I add, we are beefing up the research capabilities of both DOE and DOD. I emphasize that because we need better methods, we need better tools, we need better equipment, we need better protective gear and we need to do everything we can to bring our considerable technology to bear to deter and to prevent and to detect and finally to deal with this threat, if necessary.

Rather than take more time now, I thank my colleagues. I thank the Senator from Virginia for his patience. I know he has some questions and I know they will be pertinent and relevant questions. Those should be answered here. I thank all of our colleagues and I thank the cosponsors of this amendment, Senator BIDEN, Senator GRAHAM, Senator SPECTER, Senator DASCHLE, and others who will be speaking, I am sure, on this subject in the hours ahead.

I yield the floor.

Mr. WARNER. Mr. President, I do join and commend the principal sponsors for their work product and for their many, many hours of labor devoted, together with staff, in preparing the amendment. I will ask some questions of my colleagues and I am certain they will see these in the spirit of constructive dialog.

First, the joint DOD-DOE report on preparedness of the Government to respond to nuclear, chemical and biological incidents.

That report, which was just issued recently—I think, in the last few weeks—recommended provided authority to establish a training program, authority to establish a chemical biological response team, and the establishment of a regional NBC stockpile, particularly for medical stockpiles and the like.

Can the proponents of the amendment inform the Senate with respect to that report and the parallelism in the amendment and that report?

Mr. President, I just learned of the report. It may well be that the sponsors have not had the opportunity to see it.

Mr. NUNN. I will supplement it for the RECORD. I have not studied that report at this stage. We have had a number of hearings in our committee. We have heard from these same officials, such as the Department of Energy Secretary, and I believe the Senator from New Mexico put a letter in the RECORD from the Department of Energy and Secretary of Defense Perry endorsing this legislation.

It is a strong endorsement for this effort from the DOE and DOD. So I am confident that this report, based on those endorsements, based on the numerous meetings we have had, and based on the testimony—I am sure this amendment would reinforce, supplement, and give impetus to the recommendations in that report. I would have to supplement the RECORD on that particular answer because I have not had a chance to study the report itself.

Mr. WARNER. Mr. President, that is quite satisfactory. I will be glad to work with my colleagues.

Mr. DOMENICI. I just wanted to say we put in the Secretary Perry letter.

Mr. NUNN. Thank you.

Mr. WARNER. My understanding is that the pending amendment includes authority for the Department of Defense to provide assistance to the Department of Justice. There was a comparable attempt made in the antiterrorism bill, but that was specifically dropped in the conference. Can my colleagues enlighten me on that problem?

Again, Mr. President, I am perfectly understanding. Your amendment, Senator, has a provision for the Department of Defense to provide assistance to the Department of Justice. A similar effort was made in the antiterrorism bill, and that comparable provision was dropped in conference.

Mr. NUNN. Yes. I talked to Senator HATCH about that this evening. I have also conversed with Senator BIDEN, and our staffs have been in touch with both of them. This provision we have in this bill is very close to the amendment that passed the Senate overwhelmingly and that was worked out carefully between Senator HATCH and myself and Senator BIDEN. It does provide an extraordinary circumstance that the DOE and DOD can help State and local officials. For instance, if there were a subway attack in New York, if the fire department and police department were overwhelmed with the chemical sarin gas, there would be the ability to ask for emergency assistance. Then the Departments of Defense and Justice—the Secretary of Defense and Attorney General—could respond. It would have to be very narrowly prescribed circumstances, where they could respond to that situation only, in very unique circumstances, where the State and local governments and the normal law enforcement officials would not be capable of responding.

So that provision is in this bill. It was dropped—the Senator from Virginia is correct—from the antiterrorism bill in conference. I think that was a fundamental mistake, a flaw. But it is a part of this legislation.

Mr. WARNER. Mr. President, in essence, we have now renewed the attention of the Senate to the need for that provision.

Mr. NUNN. The Senator is correct.

Mr. WARNER. Two years ago, Mr. President, the Congress authorized $10 million for a joint DOD–FBI training program to assist the independent states of the former Soviet Union, the Baltics, and Eastern Europe to control the export of weapons of mass destruction.

Is there a current status report on that program available, and, if so, at some appropriate time, could it be made a part of the RECORD?

Mr. NUNN. I would also like to supplement that for the RECORD. Director Louis Freeh took a trip to the former Soviet Union, including Eastern Europe, and established liaison offices in a number of those countries. I also know that those countries were very anxious to have FBI cooperation. It also is clear that our Customs Service has liaison with their colleagues in these former Soviet Union countries, as well as all around the world. What we are trying to do here is give the Customs Service of this country the ability, the wherewithal, the mandate, and the funding to begin a much more vigorous program and that kind of coordination. That is where we stand on it, to the best of my knowledge.

Mr. WARNER. I thank my colleague. The costs of eliminating or converting chemical and biological facilities, as we know, are very high both here at home and indeed abroad in the former Soviet Union. What is the justification that we would provide to our taxpayers for authorizing funds for such activities in the former Soviet Union, and, particularly, why would we be authorizing an activity that would, in some respects, contravene our requirement under the CWT, which is to completely destroy the chemical facilities?

Mr. NUNN. I do not know of any contradiction between this legislation and the Chemical Weapons Treaty. Perhaps the Senator could amplify on that question. In fact, everything in this would be aimed toward helping the former Soviet Union countries—not just Russia, but others—comply with their obligations under the arms control agreements, including chemical, but not limited to that.

Mr. WARNER. The question dealt with the conversion as opposed to the destruction in the facility. I would suggest that, at some point, that be supplemented into the RECORD, if I might have that.

Mr. NUNN. We can look at that. Basically, a facility that is converted, from my definition of conversion, would lose its ability to have any kind of production capability. That would be my definition of conversion. If a facility were being assisted in terms of conversion by any of the funding here, it would certainly be my view that that facility should not continue to produce chemical weapons. But we have a long way to go in that regard. There is nothing that I know of that is taking place in that kind of conversion. There has been some conversion with the nuclear facilities, particularly missile fields and that kind of thing.

Mr. WARNER. Mr. President, speaking for myself, although other colleagues and the chairman spoke earlier, I wholeheartedly support the portions of this amendment which relate to the domestic requirements here in the United States. I thought the Senator from New Mexico spoke most eloquently about the contingencies; indeed, all three Senators did, but I was particularly taken by the remarks of the Senator from New Mexico. I, likewise, studied these and have spoken on the floor of the Senate, and elsewhere, about my deep concern facing the United States in view of the simplicity, particularly in the area of chemical and biological, and about the creation of even very small weapons of mass destruction.

My concerns with the amendment, however, are directly and primarily to the continued assistance to the former Soviet Union and the states therein. This is a substantial increase in spending, Mr. President, on this particular program. I point out that, according to my rough calculations here, we are in this bill for the cooperative threat, that is the CTR, with the Soviet Union, $327 million in DOD funds, $108 million in DOE funds, and this amendment would add around another $143 million to this sum.

I think Members of the Senate are hopeful that this amendment will pass. We should address these expenditures either in conference, or at some point in time, to determine the capability of expending such large numbers. Would the Senator wish to comment on that? I stated them in the aggregate. I do not think either Senator that presented it mentioned the other parts of the bill.

Mr. NUNN. If I could just elaborate on that last question, let me state that on the conversion and elimination what we have done in this amendment is provide flexibility because the Chemical Weapons Treaty has not entered into effect yet. So until that enters into effect there would be flexibility for us to assist in. But once it enters into effect, when and if it does—and, of course, we have not ratified it here in the Senate yet—at that stage the parties to that would be obligated to eliminate. And basically that elimination provision would be required. There would be no more conversion.

But I think it is clear that we would not intend to help them convert unless they stopped production. But they could convert, stop production, and not eliminate. But once the treaty goes into effect they would have to eliminate.

If I could elaborate just briefly because I have been handed the report that the Senator from Virginia alluded to between the Department of Energy and the Department of Defense signed by Walter Slocombe and Thomas Grumbly, Slocombe being Undersecretary of Defense, and Grumley being Undersecretary of Energy. And I think that is the one the Senator referred to.

Mr. WARNER. Mr. President, will the Senator give the date of the document?

Mr. NUNN. This was June 13. So that is it. I will quote one paragraph which I think goes right to the point that I think the Senator was asking about, page 24 of the report, paragraph 3:

> The focus of efforts to significantly improve our ability to manage the consequences of a terrorist incidence, however, should be on the first response by local police, fire, and rescue organizations. Local authorities need quick access to NBC detection—that is nuclear, biological, chemical—and decontamination and transport equipment. When an incidence involving NBC materials is suspected, lack of timely arrival in well trained, community based teams, fully equipped with the state of art equipment, could cost thousands of lives in most communities today across the Nation. These casualties would include unacceptable numbers of irreplaceable emergency personnel.

So I think the heart of what we are trying to do is also in this joint report. I think the report is entitled "Preparedness and Response to a Nuclear, Radiological, Biological, Chemical Terrorist Attack."

Mr. WARNER. If I could just summarize that, as I understand for the proponents of the amendment, the objectives to the amendment are in parallel to, consistent and supportive of, the objectives in that report.

Mr. NUNN. That is correct.

I say to my friend from Virginia that in terms of the amount of money here it is not an insignificant sum. We are talking about a total amount under the Nunn-Lugar program thus far of $1.5 billion that has been spent.

Mr. WARNER. Since the inception of the program.

Mr. NUNN. Yes. This amendment tonight represents $235 million. It is not additional money to the DOD-DOE bill. It is shifting of funds within the bill.

So this is not an increase in DOD-DOE funding. I happen to believe—the Senator from Virginia may not share this; others may not—but I think it is clear and in that report that the CSIS just issued by Judge Webster, former head of the FBI and former head of the CIA—there is great respect for him I know in this body on both sides of the aisle, and for others on that very distinguished panel—they came to the conclusion, and I have come to this conclusion and stated it often, that this is our No. 1 one national security threat.

In the era we are in, this is the No. 1 one security threat to American people; that is, the proliferation of weapons of mass destruction—chemical, biological, nuclear, scientific know-how, and scientists themselves ending up in countries like Libya, Iran, Iraq.

As the Senator from Virginia will recall, after World War II the biggest contest we had in the first stages of the cold war was who was going to get the German scientists, whether it would be the Soviet Union or the United States. We got more of them than they did. Much of our space age came from that.

So we are in that unusual period of time when an empire has collapsed still containing 30,000 nuclear weapons, over 40,000 tons of chemical weapons, and no one knows how much in the way of biological weapons—tens of thousands of scientists and technicians that know how to make these weapons, know how to make weapons of mass destruction, with many of those people not knowing where their next paycheck is coming from and how they are going to feed their families.

So this is an unprecedented era that we are in. We have a window of opportunity now that may not be open very long, certainly not with all the countries there. We hope it will. But we could not have any assurance of that. While we have this window of opportunity open, I think that it is a priority expenditure in terms of helping them, focusing enough money, but not doing the job for them because they are spending far more of their money than we are. Ours is only a small part. It is seed money. But what it has succeeded in doing is it has focused their attention and helped them make this a priority.

In the final analysis, Russia, Kazakhstan, Ukraine, and Belarus are not doing us any favor and the other countries. They are going to take steps in their own national security interests. They are in very dire financial straits having cut back on their procurement budget in Russia by 80-some odd percent from the peak in that kind of condition. This kind of funding helps focus the attention and it gives us the ability to communicate with them. It opens them up for us telling them what we think about the threat, and it has an enormous psychological effect in terms of their capability.

I recall Secretary Cheney said—not on this program but on the START II treaty when that one was signed, I believe under the Bush administration—he said then that he recommended that we give substantial amount of aid to Russia so they could accelerate the START II schedule, and take down those missiles on a more rapid pace. That probably is still good advice.

So it is within that context that Secretary Cheney was saying this is our national security. And I would say this is a very small amount of money compared to the $260-some odd billion in our defense budget each year. This is a small amount of money if you compare it to almost any category of expenditure, and what we are getting for it. I think it may be the highest leverage defense money in terms of national security that we spend.

Mr. WARNER. Mr. President, let me reply. I want to make it very clear that the Senator from Virginia agrees entirely with the Senator's premise that this is the most serious national security threat posed against our Nation indeed, and I think the nations of the Western World. So I concur in that.

I simply feel it necessary to ask these various questions so that we have a complete record before the Senate such as they can vote I think in a fully informed manner tomorrow. I agree. I shall not expand beyond that.

I so stated my concern about weapons of mass destruction and about proliferation many, many times on the floor of this Senate, and I hope, may I say, for many years to come.

I yield the floor.

Mr. DOMENICI. Let me go through three or four things that we are doing, and point out to the Senate and in a roundabout way respond to one of your questions.

Some people are going to say that this is foreign aid. Right? This is not foreign aid as I see it. Let me cite a couple of these things we are doing and let us see what kind of aid it is: Materials protection control and accounting. What have we done and what are we going to do with the money?

The Department of Energy has already secured nuclear materials at 35 facilities in the former Soviet Union. Those security systems include cameras, gates, portal monitors, tagging devices to track nuclear materials. And in January when our Vice President met, six more sites were added to the list which the DOE will have access to secure these materials. Because these sites were only agreed upon in January, funds were not included in the President's budget request. We are including them here. And, obviously, that is another $15 million for that entire program.

Then there is a lab-to-lab program. It was developed informally. But because the Soviet nuclear scientists trusted the scientists of our nuclear laboratories in some very strange way they would rather deal with those who made the bombs while they were making the bombs than they would with a bunch of politicians or a bunch of State Department people. And all of a sudden the lab-to-lab relationship grew into something that is very fundamental. They are working together. They are doing things that will cause those labs to move in peaceful ways instead of military ways to produce peaceful products instead of military products, and we are gaining from it. That is a $20-million investment.

Is that foreign aid? It would appear to me that probably is the best kind of investment in national security that we could ever have. Not only what I have just described—but these great scientists who produce this nuclear capability in Russia are now friends with great American scientists. I mean that is sort of worth something even if they were not accomplishing the other things that they are.

Then we have the cooperation with the Russian Navy on nuclear materials—a tough one, a huge undertaking, but if it works, and if we get it started, it is not giving anything to the Soviet Union. In a sense, they get something, but look what we get from it.

We have an industrial partnering program that developed with a one-time expenditure of $35 million. It is doing marvelously. Can you imagine private sector American companies working with Soviet institutions and American laboratory scientists to disengage Soviet scientists from producing nuclear proliferation? They are producing things for their domestic market and moving dramatically away from what they have been doing for all these years.

Now, there are many more things that we are trying to do. We do not have enough money to do everything that is mentioned by our scientists and military people. But I think the Senator asked some wonderful questions, and it is our responsibility here tonight to make sure our colleagues understand this is not foreign aid.

Mr. WARNER. Mr. President, let me press on with another question, perhaps the most troublesome one certainly from this Senator's standpoint, and that is, what do I say to the American taxpayer in reply to the following. It is my understanding as a member of the Armed Services Committee that Russia continues to develop and deploy a new generation of land-based ICBM's, follow-on to the SS-25, first. Second, Russia is pursuing a new generation of sea-launched ballistic missiles, follow-on to the SSN-20, second. Third, our intelligence community forecasts that the Russians are developing a new submarine for the purposes of sea-launched ballistic missiles.

Now, by comparison, the United States currently has no plans for any follow-on strategic systems—land-based, sea-based, not a one. Money is a fungible product. Money in Russia in the defense budget goes to these programs. How do we answer to the American taxpayer, why are they pursuing their modernization program and the United States is not, and yet we will be called upon for these significant expenditures to hopefully pursue and continue the demilitarization of a number of their strategic programs? That is a question with which I conclude tonight's debate with my colleagues.

Mr. NUNN. I say to my friend from Virginia, that is a very good question, and the American people have every right to get an answer to that question.

First of all, this program is much more broader than Russia, and we are encouraging in this amendment that it be broadened beyond the four former nuclear States, primarily to be focused on Kazakstan, Ukraine, Belarus, and Russia, but we think, for instance, the border States with Iran and the southern tier of Russia are very important in terms of border control, in terms of lab work. They may not have nuclear weapons now but the know-how and the chemical weapons and those kinds of technologies are there.

So, first of all, it is not just Russia. It is much broader than that.

Second, I would say to the Senator from Virginia that, as he well knows, the whole thrust of American arms control efforts for years was to get the

Russians, then the Soviet Union, to de-MIRV, to get rid of the multiple warheads and move to single warhead weapons. That was what we ended up getting in START I and START II under the two Republican Presidents, President Reagan and President Bush.

That was the subject of an awful lot of debate on the MX, as you know. We felt that MIRV'd warheads had a chance of basically being used in a first strike, whereas single-warhead missiles, if you used one of them and you basically would be going after another single-warhead missile, therefore the ratio did not favor the offense, it did not favor the first strike—if we both had single warhead weapons. But if we had MIRV'd weapons, and they were vulnerable on a first strike and you could take 10 warheads and destroy 100 warheads by MIRVing and having them moved to different targets, then everybody was on more of an alert hair trigger.

So the effort of U.S. arms control, beginning really with Senator Jackson's amendment in this Chamber back in SALT I, was to move towards de-MIRVing and getting rid of the Soviet very heavy missiles.

That is what the Russians are now building, is the SS–25, a single-warhead missile. It would be the ultimate paradox if we told them, after all these years arguing with them and getting them to move toward that weapon, that we now expect them not to de-MIRV and not to replace. That is a replacement missile for the de-MIRVing that we hope is going to take place under START I and START II.

I would prefer that nobody in the world have weapons but us, but that is not the real world. I would say if you look at the U.S. expenditures in these areas the Senator has named compared to the Russian expenditures now, our expenditures overwhelm them both in submarines and submarine warfare and classified programs, as well as in our overall strategic deterrent.

I think that is appropriate because we have a responsibility all over the world, our allies. We do not have any longer the same equation we had then. The Russians have cut back very substantially. I do not defend some of the expenditures they are making. For instance, we are very concerned about the underground facility. That has come out in the paper. I do not know the answer to that, and we are probing that now, as we should. But I would still say that we are gaining when we can get the Russians to take down weapons that are aimed towards us.

I do not think the goal of this legislation can be or should be realistically to say to the Russians that we expect them to completely demilitarize. They have been a great power. One of these days they will be a great power again.

I do not think that is in the cards. I do think we can demand they use the funds wisely, that we can demand that as long as we are giving them assistance, they be used for their purpose. And I think we can measure that purpose in a way to make sure it is in our national security interest.

I see this as self-interest. If someone says, well, if the Russians were not getting these funds, then perhaps they would have to use their funds they are now using to build SS–25's or submarines for these purposes and thereby not build SS–25's and submarines. I think that would be very unlikely, based on anything I know about not just Russian history but about the history of any country, because no country is going to completely demilitarize. No country is going to put the control of warheads and dismantle warheads in front of what it perceives to be its own national security. We would not, and I think it is not realistic for us to expect them to completely demilitarize.

I would say, though, that one of the original provisions of the Nunn-Lugar amendment that has been certified by the President over and over again is that the Russians are living up to their arms control obligations, and that is a requirement of this amendment. If we find that they are breaching the arms control obligations, then the money is not supposed to be forthcoming. They either are in compliance or the President has to certify that they are intending to be in compliance, as in the case of the CFE Treaty where we know there have been problems, and so forth, but where they are moving forward.

There are occasions where the Russians do things with this equipment that we loan them that we think breach the spirit of the agreement, and in those instances that have come to my attention where that has happened, where we have gotten in touch with them and we have complained about it, they have taken immediate and corrective steps on it.

So we have to be vigilant. We have to be alert. We have to make sure that we understand all the time what is happening here, but again, while this window is open, I think it is very much in our fundamental national security interest to pursue it.

The bottom line, as I mentioned a few minutes ago, is that we have had thousands of warheads dismantled. We have had thousands of missiles that were pointed at the United States and our cities and our targets which are no longer pointed toward us. We have had a tremendous decrease in the risk of nuclear war, and we have had three nuclear states give up their nuclear weapons voluntarily.

In addition to that, we had Kazakhstan basically get in touch with us and tell us they had some weapons-grade uranium, highly enriched, that they would like to have us help them store safely and move out of that territory. That could have been sold for billions of dollars in places all over the globe. We use this Nunn-Lugar funding to help secure that, and that is no longer a threat.

So I would say if we stop right now and put up a scorecard of how much we basically improved our national security compared to the amount of money we have spent, it would be my view, and I may be biased on this one—I do not think too biased, though—that this would be the most effective defense expenditure we have had in many years.

Mr. WARNER. Mr. President, I thank my distinguished colleague. It is a debate he and I have had, I think, for about 3 years. On this very spot on the floor in years past, I posed this question.

I also mentioned, for the RECORD, we well know the United States, likewise, has destroyed a number of its missile launchers and so forth. But all at the expense of the American taxpayer.

I just want to close out my comments tonight reading from a very interesting document called "Worldwide Submarine Proliferation in the Coming Decade."

> Today, for the first time, Russia's front-line submarines are as quiet or quieter in some aspects than America's best. Programs to provide still further reductions in radiated noise are active today and expected to continue. By the year 2000, over half the remaining submarines in Russia will have incorporated stealth technologies on a par with those of modern Western submarines, and 20 percent of Russia's nuclear-powered attack submarines will be quieter than the U.S. Navy's front-line improved Los Angeles class SSN's.

That, to me, represents a tremendous expenditure of money. I do not know what the threat is, other than I suppose to our U.S. submarine force, to require them to pursue that much expenditure in an area where the United States has been preeminent for these many years.

Mr. President, I have no further questions at this time to propose to my distinguished colleagues. Therefore, I observe perhaps the debate on this amendment has concluded, and the Senate could now turn to conclusion of wrapup matters. Would that be correct?

Mr. NUNN. I certainly think so. I appreciate very much the questions and comments of the Senator from Virginia this evening. Perhaps the Chair would like to make further remarks in answer to these questions, because no one has more knowledge in these areas than the Senator from Indiana, who is now presiding.

Other than that, I think we are prepared to basically dispose of the amendments.

Mr. WARNER. I will be happy to take the Chair if the Presiding Officer cares to speak.

The PRESIDING OFFICER. The Chair observes there have been important questions and excellent responses, and suggests we proceed on to wrapup.

Mr. NUNN. I thank the Chair.

Mr. WARNER. Mr. President, at this time I advise my distinguished colleague there are several amendments on the pending bill, which I believe have been cleared and can be acted upon by the Senate, if the Senator from Georgia is prepared to proceed.

AMENDMENT NO. 4350

(Purpose: To express the sense of the Congres that the Secretary of the Navy should name one of the new attack submarines of the Navy the *South Dakota*)

Mr. NUNN. Mr. President, I believe we are ready to proceed. The first amendment I have, I believe, is the Pressler-Daschle amendment.

Mr. WARNER. That is correct. On behalf of Senators PRESSLER and DASCHLE, I offer an amendment that would express the sense of Congress that a submarine, one of the new attack submarine class, should be named the *South Dakota*.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. PRESSLER, for himself and Mr. DASCHLE, proposes an amendment numbered 4350.

The amendment is as follows:

On page 311, between lines 9 and 10, insert the following:

SEC. 1072. SENSE OF CONGRESS ON NAMING ONE OF THE NEW ATTACK SUBMARINE THE "SOUTH DAKOTA".

It is the sense of the Congress that the Secretary of the Navy should name one of the new attack submarines of the Navy the "South Dakota".

Mr. WARNER. Mr. President, if I might inquire of staff, what is the definition of a new class of submarine? Is it the current 688's or *Seawolf* class? What is the new attack submarine? I think we ought to lay this aside until we get clarification.

Being one who follows carefully matters of this nature, I suggest we lay this amendment aside and take it up later. I urge the sponsors of the amendment to advise the managers with respect to the meaning of the phrase "new class of submarines," because that could apply to the 688 class being completed, the *Seawolf* class, the contemplated class of new attack submarines which are the subject of discussion.

I think we will just await a further time. I withdraw from further consideration the amendment.

The PRESIDING OFFICER. Amendment No. 4350 is laid aside.

AMENDMENT NO. 4351

(Purpose: To extend the authority of the Secretary of the Army to carry out the Armament Retooling and Manufacturing Support (ARMS) initiative)

Mr. WARNER. Mr. President, I offer an amendment which extends the Department of Defense authority to conduct the armament retooling and manufacturing support initiative for past fiscal year 1996.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 4351.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. PERMANENT AUTHORITY TO CARRY OUT ARMS INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Initiative Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1996," and inserting in lieu thereof "During fiscal years 1993 through 1998".

Mr. WARNER. Mr. President, I rise to offer this amendment to extend the Armament Retooling and Manufacturing Support [ARMS] Initiative. The ARMS program is intended to provide assistance to DOD ammunition depots in order for them to retool so that they can produce a commercial product while maintaining the industrial capacity to support the National Security Strategy. By producing commercial and defense products, the depots are able to utilize any excess infrastructure and operate more efficiently. Since the initiation of this program several years ago, it has been a remarkably successful defense conversion program.

Mr. President, the Committee recommended an authorization of $58.0 million for this program this year. While this should be sufficient authority to continue the program, this amendment would ensure that there is no question regarding this authority.

Mr. President, I ask my fellow Senators to support the ARMS program and vote to approve this amendment.

Mr. NUNN. Mr. President, I urge support of the amendment.

Mr. WARNER. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4351) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4352

(Purpose: To require a transfer to the Army of jurisdiction over certain lands in the Vernon Ranger District, Kisatchie National Forest, Louisiana)

Mr. NUNN. Mr. President, on behalf of Senators JOHNSTON and BREAUX, I offer an amendment that would direct the Secretary of Agriculture to transfer 85,000 acres of the national forest in Louisiana to the Secretary of the Army for use in connection with training and maneuver activities in connection with Fort Polk, LA.

I believe this amendment has been cleared on the other side of the aisle.

Mr. WARNER. The Senator is correct.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. JOHNSTON, for himself and Mr. BREAUX, proposes an amendment numbered 4352.

The amendment is as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND TRANSFER, VERNON RANGER DISTRICT, KISATCHIE NATIONAL FOREST, LOUISIANA.

(a) TRANSFER PURSUANT TO ADMINISTRATIVE AGREEMENT.—(1) Not later than six months after the date of the enactment of this Act, the Secretary of the Army and the Secretary of Agriculture shall enter into an agreement providing for the transfer to the Secretary of the Army of administrative jurisdiction over such portion of land currently owned by the United States within the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as the Secretary of the Army and the Secretary of Agriculture jointly determine appropriate for military training activities in connection with Fort Polk, Louisiana. The agreement shall allocate responsibility for land management and conservation activities with respect to the property transferred between the Secretary of the Army and the Secretary of Agriculture.

(2) The Secretary of the Army and the Secretary of Agriculture may jointly extend the deadline for entering into an agreement under paragraph (1). The deadline may be extended by not more than six months.

(b) ALTERNATIVE TRANSFER REQUIREMENT.—If the Secretary of the Army and the Secretary of Agriculture fail to enter into the agreement referred to paragraph (1) of subsection (a) within the time provided for in that subsection, the Secretary of Agriculture shall, at the end of such time, transfer to the Secretary of the Army administrative jurisdiction over property consisting of approximately 84,825 acres of land currently owned by the United States and located in the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as generally depicted on the map entitled "Fort Polk Military Installation map", dated June 1995.

(c) LIMITATION ON ACQUISITION OF PRIVATE PROPERTY.—The Secretary of the Army may acquire privately-owned land within the property transferred under this section only with the consent of the owner of the land.

(d) USE OF PROPERTY.—(1) Subject to paragraph (2), the Secretary of the Army shall use the property transferred under this section for military maneuvers, training and weapons firing, and other military activities in connection with Fort Polk, Louisiana.

(2) The Secretary may not permit the firing of live ammunition on or over any portion of the property unless the firing of such ammunition on or over such portion is permitted as of the date of the enactment of this Act.

(e) MAP AND LEGAL DESCRIPTION.—(1) As soon as practicable after the date of the transfer of property under this section, the Secretary of Agriculture shall—

(A) publish in the Federal Register a notice containing the legal description of the property transferred; and

(B) file a map and the legal description of the property with the Committee on Energy and Natural Resources, the Committee on

Agriculture, Nutrition, and Forestry, and the Committee on Armed Services of the Senate and the Committee on Resources, the Committee on Agriculture, and the Committee on National Security of the House of Representatives.

(2) The maps and legal descriptions prepared under paragraph (1) shall have the same force and effect as if included in this subsection, except that the Secretary of Agriculture may correct clerical and typographical errors in the maps and legal descriptions.

(3) As soon as practicable after the date of the enactment of this Act, copies of the maps and legal descriptions prepared under paragraph (1) shall be available for public inspection in the following offices:

(A) The Office of the Secretary of Agriculture.

(B) Such offices of the United States Forest Service as the Secretary of Agriculture shall designate.

(C) The Office of the Commander of Fort Polk, Louisiana.

(D) The appropriate office in the Vernon Parish Court House, Louisiana.

(f) MANAGEMENT OF PROPERTY.—(1) If the transfer of property under this section occurs under subsection (a), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the agreement entered into under that subsection.

(2)(A) If the transfer of property under this section occurs under subsection (b), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the management plan under subparagraph (B) and the memorandum of understanding under subparagraph (C).

(B)(i) For purposes of managing the property under this paragraph, the Secretary of the Army shall, with the concurrence of the Secretary of Agriculture, develop a plan for the management of the property not later than two years after the transfer of the property. The Secretary of the Army shall provide for a period of public comment in developing the plan in order to ensure that the concerns of local citizens are taken into account in the development of the plan. The Secretary of the Army may utilize the property pending the completion of the plan.

(ii) The Secretary of the Army shall develop and implement the plan in compliance with applicable Federal law, including the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(iii) The plan shall provide for the management of the natural, cultural, and other resources of the property, including grazing, the management of wildlife and wildlife habitat, recreational uses (including hunting and fishing), and non-public uses of non-Federal lands within the property.

(C)(i) For purposes of managing the property under this paragraph, the Secretary of the Army and the Secretary of Agriculture shall enter into a memorandum of understanding in order to provide for—

(I) the implementation of the management plan developed under subparagraph (B); and

(II) the management by the Secretary of Agriculture of such areas of the property as the Secretary of the Army and the Secretary of Agriculture designate for use for non-military purposes.

(ii) The Secretary of the Army and the Secretary of Agriculture may amend the memorandum of understanding by mutual agreement.

(g) REVERSION.—If at any time after the transfer of property under this section the Secretary of the Army determines that the property, or any portion thereof, is no longer to be retained by the Army for possible use for military purposes, jurisdiction over the property, or such portion thereof, shall revert to the Secretary of Agriculture who shall manage the property, or portion thereof, as part of the Kisatchie National Forest.

(h) IDENTIFICATION OF LAND FOR TRANSFER TO FOREST SERVICE.—The Secretary of Defense shall seek to identify land equal in acreage to the land transferred under this section and under the jurisdiction of the Department of Defense that is suitable for transfer to the Secretary of Agriculture for use by the Forest Service.

Mr. JOHNSTON. Mr. President, it is with a great sense of urgency that I speak today with my good friend, the Senator from Louisiana [Mr. BREAUX], to bring to the attention of my colleagues an extremely important issue in my State of Louisiana.

Mr. President, since 1991, Fort Polk, Leesville, LA has been home to the Army's Joint Readiness Training Center, or the JRTC, and to elements of the Second Armored Cavalry Regiment. Fort Polk has the only combat training center in the continental United States dedicated to light infantry training. The National Training Center at Fort Irwin, CA, provides a somewhat comparable service to our men and women who train for armored units combat.

Each year, some 50,000 soldiers, sailors, airmen, and marines arrive at Fort Polk for rotational training in infantry maneuvers and joint operations. This involves special operation training, counterinsurgency operations, live fire, brigade defense, and brigade counterattack. The training received is unique, not only because of the terrain at Fort Polk, with its tree-covered grassy areas which are indigenous to western Louisiana, but the total realism this sort of training provides. Even to the extent that there is a complete field hospital set up to attend to simulated wounds and casualties. Our soldiers are given a certain level of comfort, knowing that if they are injured in combat, that they will be evacuated and receive treatment, quickly and efficiently.

Mr. President, I am proposing this amendment to increase the land area of Fort Polk, which will enable the Joint Readiness Training Center to train and maneuver over a larger land area. This is crucial to the continued usefulness of Fort Polk.

Some may ask, why is it necessary to provide additional land to Fort Polk? The answer, Mr. President, is fairly simple.

Fort Polk has a requirement for additional maneuver training lands to support its mission of conducting joint readiness training for Army rotational units as well as maintaining the combat readiness of units permanently home stationed at Fort Polk. Fort Polk and the JRTC currently have access to 40,000 acres of Forest Service land under an intensive-use permit but need additional access to the 45,000 acre limited-use permit parcel below it to meet its training requirements.

The total of 85,000 acres will enable the JRTC to conduct its primary mission—training infantry soldiers. Longer range weapons and sensors are changing the nature of land warfare. Greater ranges are now covered by a smaller force. A brigade will now maneuver in the space once used by a division. Our military must keep abreast of these changes, to maintain the utmost efficiency and to protect our troops in the event of real combat.

Some have raised concerns about how the Army would manage this new acreage. I submit that it would be substantially similar to how Fort Polk is currently managed, in full compliance with all laws and regulations. The Army has forest and land management plans for the Forest Service land it currently uses. When the transfer of land occurs, the Army will comply with all applicable Federal laws including NEPA. All existing land uses for fish and wildlife, hunting, cultural and natural resources management, forestry operations as well as private holdings will be followed.

Fort Polk is a good neighbor and steward of the natural resources they manage. The fort has received a non-jeopardy opinion for both their recovery plan and their training plan regarding the red-cockaded woodpecker. In less than 3 years the woodpecker population has almost doubled. Fort Polk manages the forest using an ecosystem management approach rather than a commercial approach, i.e., the goal is to maximize a balanced ecology, not profit. The fort has reduced sediment loading, mapped all wetlands, and is in compliance with the Clean Water and Scenic Stream Act.

The fort is also a State Wildlife Management Area whose hunting seasons are adjusted to take into account training rotations. These practices will continue on the expansion area. An historic preservation plan has been completed and protection for known sites is in place. Curation facility meets State standards.

The fort is the winner of numerous environmental awards: Louisiana Association of Conservation Districts Good Land Use Award—first time awarded to a Federal facility. Second place winner, Secretary of Defense Natural Resources Conservation Award. U.S. Environmental Protection Agency, Region VI Beneficial Re-Use Award. National Park Service, Southeast Region Preservation Award. Environmentalist of the Year, Dr. Charles H. Stagg, Fort Polk, LA.

Let me go over some of the provisions of this amendment. Our amendment would provide 6 months for the Army and the Forest Service to come to an agreement on transfer of all or some portion of this property. The 6 months may be extended by another 6 months, by mutual agreement. The land transfers automatically if no agreement can be reached between the USDA and the Army.

The amendment does not allow for any live firings on transferred land, except on that land currently used for that purpose. It directs the Department of the Army to develop a management plan, and provides for the return of the property to the Agriculture Department if the land is no longer used by the Army for training purposes. The legislation would prohibit the Army from condemning any private inholdings.

This amendment has strong, broad support. The Army supports this initiative. There is overwhelming civic support, as the following communities and legislative bodies have passed resolutions supporting the transfer: Louisiana State Legislature; Vernon Parish, the local parish; Beauregard Parish; as well as the surrounding communities of Leesville, De Ridder, Alexandria, Pineville, Many, and Natchitoches.

Mr. President, Fort Polk is very important to Louisiana and to the Nation's overall military readiness and the Louisiana delegation overwhelmingly supports the transfer. The land transfer is critical to the fort's mission, light infantry training, and its future. The U.S. Army needs to train its infantry brigades in the most realistic manner possible. The time for our soldiers to learn from their mistakes is while at the Joint Readiness Training Center, not while in harm's way. Additional land will give the JRTC the resources it needs to properly train our Armed Forces to the highest level of readiness.

I ask unamious consent a letter from the Deputy Assistant Secretary of the Army to Mr. Lauffer of the Committee on Armed Services, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, DC, June 19, 1996.

GEORGE W. LAUFFER,
Deputy Staff Director, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. LAUFFER: The Department of the Army supports the legislation proposed by Senator J. Bennett Johnston, "To require a transfer to the Army of jurisdiction over certain lands in the Vernon Range District, Kisatchie National Forest, Louisiana." The transfer would provide the Army with greater flexibility in accomplishing its training mission at Fort Polk, Louisiana.

Sincerely,

PAUL W. JOHNSON,
Deputy Assistant Secretary of the Army (Installations and Housing) OASA (I, L&E).

Mr. BREAUX. Mr. President, I rise today in support of the amendment I offered with Senator JOHNSTON transferring acreage in the Kisatchie National Forest to the Army at Fort Polk, LA. Fort Polk has a requirement for additional maneuver training lands to support its mission of conducting joint readiness training for Army rotational units as well as maintaining the combat readiness of units permanently home stationed at Fort Polk. Fort Polk, home of the Joint Readiness Training Center [JRTC], is very important to the Nation's overall military readiness and national security. It is the only place in the world where light infantry brigades are trained as a unit, complete with Air Force, Navy, and Marine Corps units. Between 50,000 and 64,000 troops are trained at Fort Polk every year. This amendment will enable Fort Polk to expand its training exercises while continuing its unique mission of providing our troops the best training possible.

At the JRTC, our troops participate in training scenarios that help prepare them for all type of missions, including combat, and the terrain in the Kisatchie Forest provides our troops ideal training area for this purpose. We need to ensure that Fort Polk's unique role in training our soldiers continues. Our goal is to train our troops effectively and in an environmentally sensitive way. This is an important point. Some concerns have been about the environmental impact this transfer would have but if you look at the Army's record over the past 5 years, this criticism is unfounded. Fort Polk is a good neighbor and steward of the natural resources they manage. Fort Polk has received a nonjeopardy opinion for both their recovery plan and their training plan regarding the red-cockaded woodpecker on the JRTC. In less than 3 years the woodpecker population has almost doubled. Fort Polk has also won several awards for its conservation and preservation efforts around the JRTC. Additionally, if this transfer occurs, the Army would comply with all applicable Federal laws including National Environmental Policy Act [NEPA].

This amendment would give the Forest Service and the Army 6 months to sit down and try to negotiate a transfer. Ideally, we would like this issue to be solved administratively and have both sides sit down and try to figure out a way to work this out. But if that can't happen, this amendment would automatically transfer the land. The JRTC can't wait a decade for this important transfer to happen. Additionally, the Secretary of Defense will seek to identify an equal number of acres, not required for military use, for conveyance to the Forest Service in exchange for this land. We also provide that if the Army no longer needs the land, it would be transferred back to the Forest Service.

All existing land uses for fish and wildlife, hunting, and forestry operations would remain.

I have also heard from private landowners who are concerned about the impact the transfer would have on them. Our amendment tries to address this concern by prohibiting the Army from expropriating any private property in the forest. The Army would still be able to enter into negotiations with willing sellers but could not condemn any private land.

To address the concerns of these groups and others, this amendment also provides for a period of public comment when the Army develops a management plan to ensure that the concerns of the local citizens are taken into account.

While there is some opposition to this transfer, there is also widespread support for it from the local communities. The transfer has been endorsed by the city councils in Leesville, DeRidder, Pineville, Many, Alexandria and Natchitoches, Beauregard Parish, the Vernon Parish Chamber of Commerce, and the Vernon Parish School Board. They understand that if the Army doesn't get this additional land, the future of Fort Polk and the surrounding communities could be affected. The fort has an annual economic impact in Louisiana of approximately $720 million.

Mr. President, the bottom line is that our Army needs to train its infantry brigades in the most realistic manner possible. The time for our soldiers to prepare for combat and other situations is during training at the JRTC, not while in harms way. The additional land we are seeking will give the JRTC the resources it needs to properly train our Armed Forces and make them ready to meet military challenges when they arise.

As importantly, we authorize this transfer with conditions attached which are sensitive to environmental and private property owners' needs. I thank Senator JOHNSTON for his leadership and I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4352) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4353

(Purpose: To authorize a land conveyance, Air Force Plant No. 85, Columbus, OH)

Mr. WARNER. Mr. President, on behalf of Senator DEWINE, I offer an amendment which would authorize the conveyance of approximately 240 acres from the former Air Force Plant No. 85 to the Columbus, OH, airport authority.

I believe this amendment has been cleared.

Mr. NUNN. It has been cleared. I urge the approval of the amendment. I urge its adoption.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. DEWINE, proposes an amendment numbered 4353.

The amendment is as follows:

At the end of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, AIR FORCE PLANT NO. 85, COLUMBUS, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) Notwithstanding any other provision of law, the Secretary of the Air Force may instruct the Administrator of General Services to convey, without consideration, to the Columbus Municipal Airport Authority (in this section referred to as the "Authority") all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, at Air Force Plant No. 85, Columbus, Ohio, consisting of approximately 240 acres that contains the land and buildings referred to as the "airport parcel" in the correspondence from the General Services Administration to the Authority dated April 30, 1996, and is located adjacent to the Port Columbus International Airport.

(2) If the Secretary does not have administrative jurisdiction over the parcel on the date of the enactment of this Act, the conveyance shall be made by the Federal official who has administrative jurisdiction over the parcel as of that date.

(b) REQUIREMENT FOR FEDERAL SCREENING.—The Federal official may not carry out the conveyance of property authorized in subsection (a) unless the Federal official determines, in consultation with the Administrator of General Services, that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance required under subsection (a) shall be subject to the condition that the Authority use the conveyed property for public airport purposes.

(d) REVERSION.—If the Federal official making the conveyance under subsection (a) determines that any portion of the conveyed property is not being utilized in accordance with subsection (c), all right, title, and interest in and to such portion shall revert to the United States and the United States shall have immediate right of entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Federal official making the conveyance. The cost of the survey shall be borne by the Authority.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Federal official making the conveyance of property under subsection (a) may require such additional terms and conditions in connection with the conveyance as such official considers appropriate to protect the interests of the United States.

Mr. DEWINE. Mr. President, this amendment provides for the transfer of 240 acres from the U.S. Air Force to the Port Columbus International Airport. The Columbus Airport Authority is seeking this transfer for the purpose of constructing a new 10,250-foot south runway. This amendment has been cleared by both the majority and minority side of the Armed Services Committee, the Air Force, and the General Services Administration.

I am pleased that Senator GLENN joins me in offering this amendment to facilitate this public benefit conveyance.

Mr. GLENN. Mr. President, I rise to endorse the amendment offered by my colleague from Ohio, Senator DEWINE, and I ask unanimous consent that I be added as an original cosponsor. This amendment conveys to the Columbus Municipal Airport Authority approximately 240 acres of land owned by the Air Force. This parcel is part of an Air Force industrial facility which has operated at the site for a number of years. In 1988 during consideration of the fiscal year 1989 Defense authorization bill, Congress directed that the entire parcel of more than 400 acres be sold, and the proceeds from the sale be used to pay for the environmental remediation of the property.

As a result of the 1988 legislation, the Air Force and the General Services Administration entered into an agreement to sell the property in 1992, with GSA acting as the Government's property manager. However, the Air Force and its contractors continued to use the facility until 1994. During this time, GSA made a determination after consulting with State and local authorities, that it would be in the best interest of all parties to divide the parcel into two pieces—a so-called industrial parcel and an airport parcel. GSA is currently marketing the industrial parcel and expects to complete the sale later this year. Since 1994 necessary actions, such as consultations with other Federal and DOD agencies, the State of Ohio Historical Preservation Office and some needed environmental remediation, have occurred.

When this amendment was originally brought to my attention, I had some concerns. In particular, I was concerned that the amendment would disrupt the planned sale of the industrial parcel. I was also concerned that the airport parcel be screened for other Federal interest. It is my understanding that in the absence of the 1988 legislation, the airport parcel would be eligible for conveyance to the Columbus Municipal Airport Authority as a public benefit conveyance. The amendment now accomplishes the goal of a public benefit conveyance, under conditions of a satisfactory Federal screen, without affecting the sale of the industrial property. It is also my understanding that this amendment will not alter the fact that the Air Force is liable for the environmental remediation of the site.

I am pleased to work with Senator DEWINE on this amendment, and I congratulate him for offering it.

Mr. WARNER. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4353) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4354

(Purpose: To delete $25,000,000 from the North Atlantic Treaty Organization Security Investment Program; to add $6,600,000 for phase II construction of the Consolidated Education Center at Fort Campbell, KY; and to add $10,800,000 for phase III construction of the Western Kentucky Training Site)

Mr. NUNN. Mr. President, I believe the next amendment will also have an amendment to it by Senator WARNER on behalf of Senator MCCAIN.

On behalf of Senator FORD, I offer an amendment which would delete $25 million for the NATO Security Investment Program, to add $6.6 million for phase II construction of the Consolidated Education Center at Fort Campbell, KY; and $10.8 million for phase 3 of the construction of the Western Kentucky Training Site.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. FORD, proposes an amendment numbered 4354.

The amendment is as follows:

In the table in section 2101(a), strike out the item relating to Fort Campbell, Kentucky, and insert in lieu thereof the following:

Kentucky	Fort Campbell	$67,600,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a), and insert in lieu thereof "$363,050,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,900,897,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$363,050,000".

In section 2502, strike out "$197,000,000" and insert in lieu thereof "$172,000,000".

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$90,428,000".

Mr. FORD. Mr. President, I have an amendment that will provide $6.6 million for phase two construction of the Consolidated Education Center at Fort Campbell, KY and provide $10.8 million for phase three construction of the Western Kentucky Training Site.

Not only are the costs of my amendments fully offset, but I know my colleagues will agree that because these two projects are already underway and because they represent an integral part of the training of our troops, continued funding is both appropriate and necessary.

This Congress has already invested $14.5 million into phase one of Fort Campbell's Education Center. Funding for the final phase, phase two, will provide additional needed classrooms, office space, and additional parking. As many of you may know, Fort Campbell has the largest educational program of any division-level installation in Forces Command. Funding for this last phase will assure we can take a state-of-the-art education program out of World War II-era buildings.

In addition, this Congress has dedicated funds to the first two phases of the Western Kentucky Training Site for a total of $11.1 million. Because this is a five-phase project, providing funding for phase three is critical to keeping this project on time and on track for completion.

The Western Kentucky training facility, in conjunction with the high-technology training available at Fort Knox, puts Kentucky at the forefront of this country's military training. Last year, 16,000 soldiers trained there. But those numbers represent just the beginning in a long line of soldiers who will receive the best state-of-the-art training this country has to offer.

I believe this is an amendment my colleagues will have no trouble supporting.

AMENDMENT NO. 4355 TO AMENDMENT NO. 4354

(Purpose: To provide that funds may not be obligated or expended for the project if the project is not included in the current future-years defense program of the Department of Defense)

Mr. WARNER. I send to the desk on behalf of Senator MCCAIN an amendment to the Ford amendment, to provide the funds may not be obligated or expended until the Secretary of Defense certifies to Congress that the projects are included in current future-years defense program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. MCCAIN, proposes an amendment numbered 4355 to amendment No. 4354.

The amendment is as follows:

At the end of the amendment, add the following:

At the end of title XXVII, add the following:

SEC. 2706. PROHIBITION ON USE OF FUNDS FOR CERTAIN PROJECTS.

(a) PROHIBITION.—Notwithstanding any other provision of this Act, no funds authorized to be appropriated by this Act may be obligated or expended for the military construction project listed under subsection (b) until the Secretary of Defense certifies to Congress that the project is included in the current future-years defense program.

(b) COVERED PROJECTS.—Subsection (a) applies to the following military construction project:

(1) Phase II, Construction, Consolidated Education Center, Ft. Cambpell, KY.

(2) Phase III, Construction, Western Kentucky Training Site.

Mr. MCCAIN. Mr. President, as my colleagues know, I have consistently opposed funding for military construction projects that were not requested by the administration and which do not meet the Senate's criteria for consideration of unrequested military construction projects.

Let me reiterate the criteria to which the Senate agreed 2 years ago. Each project not included in the administration's budget request is judged against four criteria, namely: (1) it is mission essential; (2) it is not inconsistent with any BRAC actions; (3) it is executable during the fiscal year; and (4) it is included in the Future Years Defense Program (FYDP). In addition, there should be a reduction in some other defense program to offset the increased funding for each project.

The bill before the Senate includes $600 million for unrequested military construction projects which, for the most part, meet the first four criteria. However, none of these projects were funded by an offsetting reduction in some other defense account. Therefore, they do not meet all of the Senate's established criteria.

The amendment offered by my colleague from Kentucky, Senator FORD, as originally proposed, does not meet all five criteria. The amendment does include an offsetting reduction in another defense account, which makes it unique among the projects included in this bill. But according to information provided to the Committee by the Department of Defense, the project is not included in the current FYDP.

I am pleased to note, however, that my colleague from Kentucky, Senator FORD, has agreed to accept an amendment to his amendment. The second-degree amendment would prohibit obligation of the funds for this project until the Secretary of Defense certifies that the project is in the FYDP. If that certification is received, the project will then meet all five of the Senate's criteria, and the funds will become available to proceed with the project.

Mr. President, subject to the conditions stated in the modified amendment, I have no objection to including this military construction project in the authorization bill. I appreciate very much the opportunity to work with my colleague from Kentucky. His willingness to work together to resolve this matter is greatly appreciated, and I thank him for his understanding of my position with respect to military construction add-ons.

Mr. GLENN. Mr. President, members of this chamber have heard the Chairman of the Readiness Subcommittee and me speak on several occasions in opposition to funding unrequested military construction projects. Once again, I rise to speak in opposition to this on-going practice. The amendment offered by the Senator from Kentucky would add additional funds for phase II of an Education Center at Fort Campbell and phase III of the Western Kentucky Training Range for the Army National Guard. I would like to voice my opposition to this amendment and express my support for the Chairman of the Readiness Subcommittee's second degree amendment which would require the Secretary of Defense to certify that these projects are in the military services' Future Years Defense Plan (FYDP) before obligating the construction funds.

During the Committee's markup of the defense authorization bill, the two projects addressed in the amendment were screened by the services to determine if the projects met the Committee's criteria. The services indicated, at that time, that the projects were not in the FYDP. However,, I understand that different information regarding these projects has been made available to the Committee. Given the conflicting data on these projects, I believe it is appropriate, as the Senator from Arizona's amendment would require, for the Secretary of Defense to certify information on these projects before the funds are released.

As I have stated before, I will continue to work with the Chairman of the Readiness Subcommittee to reverse the practice of adding millions of dollars to the budget for unrequested projects.

Mr. WARNER. I ask unanimous consent to have the second-degree amendment adopted as well as the underlying amendment.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendment (No. 4355) was agreed to.

The amendment (No. 4354), as amended, was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4356

(Purpose: To amend section 2821, relating to the transfer of lands at Arlington National Cemetery, VA, in order to place conditions on the transfer of certain lands)

Mr. NUNN. Mr. President, on behalf of Senators ROBB and WARNER, I offer an amendment which would modify section 2821 of S. 1745 to require the Secretaries of the Interior and the Army to submit summaries of the land-use plan, environmental assessment and cultural resources studies regarding the land transfer at Arlington Cemetery.

I believe this amendment has been cleared on the other side.

Mr. WARNER. The Senator is correct.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. ROBB, for himself, and Mr. WARNER, proposes an amendment numbered 4356.

The amendment is as follows:

Strike out subsection (a) of section 2821 and insert in lieu thereof the following new subsection (a):

(a) REQUIREMENT FOR SECRETARY OF INTERIOR TO TRANSFER CERTAIN SECTION 29

LANDS.—(1) Subject to paragraph (2), the Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2)(A) The Secretary of the Interior may not make the transfer referred to in paragraph (1)(B) until 60 days after the date on which the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(i) a summary of the document entitled "Cultural Landscape and Archaeological Study, Section 29, Arlington House, The Robert E. Lee Memorial";

(ii) a summary of any environmental analysis required with respect to the transfer under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(iii) the proposal of the Secretary and the Secretary of the Army setting forth the lands to be transferred and the general manner in which the Secretary of the Army will develop such lands after transfer.

(B) The Secretary of the Interior shall submit the information required under subparagraph (A) not later than October 31, 1997.

(3) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, Dated February 22, 1995.

(4) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4356) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4357

(Purpose: To authorize funding for the Corps surface-to-air missile (SAM/Medium Extended Air Defense System (MEADS) program at the level requested by the President)

Mr. NUNN. Mr. President, I send to the desk an amendment by Senator LIEBERMAN from Connecticut that would authorize funding for the Corps surface-to-air missile, known as Corps SAM, at the level requested by the President. I am a cosponsor of this amendment. I believe it has been cleared on the other side of the aisle.

Mr. WARNER. The Senator is correct.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LIEBERMAN, for himself, and Mr. NUNN, proposes an amendment numbered 4357.

The amendment is as follows:

At the end of subtitle C of title II add the following:

SEC. 237. CORPS SAM/MEADS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(4)—

(1) $56,200,000 is available for the Corps surface-to-air missile (SAM/Medium Extended Air Defense System (MEADS) program (PE63869C); and

(2) $515,711,000 is available for Other Theater Missile Defense programs, projects, and activities (PE63872C).

(b) INTERNATIONAL COOPERATION.—The Secretary of Defense may carry out the program referred to in subsection (a) in accordance with the memorandum of understanding entered into on May 25, 1996, by the governments of the United States, Germany, and Italy regarding international cooperation on such program (including any amendments to the memorandum of understanding).

(c) LIMITATIONS.—Not more than $15,000,000 of the amount available for the Corps SAM/MEADS program under subsection (a) may be obligated until the Secretary of Defense submits to the congressional defense committees the following:

(1) An initial program estimate for the Corps SAM/MEADS program, including a tentative schedule of major milestones and an estimate of the total program cost through initial operational capability.

(2) A report on the options associated with the use of existing systems, technologies, and program management mechanisms to satisfy the requirement for the Corps surface-to-air missile, including an assessment of cost and schedule implications in relation to the program estimate submitted under paragraph (1).

(3) A certification that there will be no increase in overall United States funding commitment to the project definition and validation phase of the Corps SAM/MEADS program as a result of the withdrawal of France from participation in the program.

Mr. LIEBERMAN. Mr. President, I would like to propose an amendment to S. 1745 in order to correct an issue with important national security implications. Development of the corps-level surface to air theater missile defense system, called the Medium Extended Air Defense System [MEADS] is adversely affected by the current legislation. Unless the corrections, which I will describe in a moment, are made, the current provisions will likely halt the development of this important program.

First, let me address the necessity for MEADS. There are currently under development a number of theater missile defense systems. However, no system, except for MEADS, protects frontline troops in the corps' maneuver area. Hence, MEADS will fulfill an existing, urgent U.S. operational requirement for a rapidly deployable, highly mobile, robust air defense system designed to protect maneuver forces and expeditionary forces of the U.S. Army and Marine Corps. Both services are in strong agreement on the need for protection against short- to medium-range ballistic missiles and the full spectrum of air-breathing threats—aircraft, cruise missiles, and unmanned aerial vehicles. The urgency of the need for MEADS is testified to by the support of the Commanders-in Chief of Central Command, Atlantic Command, Korean Command and of course, the European Command/NATO. These operational commanders, as well as, the Commandant of the Marine Corps and the Chief of Staff of the Army are all on the record documenting the urgency of the requirement for this system.

It should be noted that this operational need will only become greater with time. Estimates of future threats include the increasing ability of both major and lesser powers, as well as, substate actors, to acquire and utilize the rapidly accessible and increasingly affordable ballistic and cruise missile technologies against our forward deployed units.

The operational need for MEADS has been made clear by our allies. In addition to our partnership with Germany and Italy, in developing a theater missile defense system, for forward deployed, mobile forces, other nations have expressed a strong interest in purchasing such a system to meet their own security requirements.

I must repeat this most essential point: no other planned theater missile defense system can satisfy operational requirements with respect to defending soldiers and marines deployed in the forward area of the theater.

The MEADS system has additional advantages other than this most important operational requirement. It is the most cost-effective approach to meeting the operational requirements for forward coverage in the theater. Two U.S. industry teams, Hughes/Raytheon and Lockheed/Martin/Loral, have been awarded contracts to participate in the first phase of the program, largely because their proposals effectively leverage technology used in current surface to air and air to air missile systems. Both of the U.S. industrial teams propose a system architecture based on proven components and technology.

The program is further leveraged by participation of two key Allies, Italy and Germany. Both countries require a modern system to replace their aging HAWK systems. As a footnote, there are 22 additional nations currently employing HAWK. Those other users will require a replacement system during the next decade. Both partner countries provide technical capabilities that significantly enhance the MEADS Program's access to the world's best technology.

As a result of the leveraging of technology and the significant contributions of Italy and Germany, the United States funding requirement for system development has been reduced from the original $3.1 Billion baseline estimate to about $1.7 Billion. This accounting of costs does not include the revenue and employment benefits that will accrue due to the expected high demand for the purchase of this system.

Given all of these benefits, the current bill does two disruptive things to the MEADS development program. It reduces the program authorization by $10.8 millions and it prohibits the United States from contributing above 50 percent of the funding among her allies. On the face of it, these bill items do not seem very damaging. However, the international nature of the program makes these problems quite damaging. The difficulties in the current bill are due, I believe, to costing assumptions that are no longer valid. The biggest change from last year's authorization bill is the withdrawal of France from the international agreement. However, the bill appears to have inadvertently placed cost constraints on the MEADS project as if France were still in the agreement. Let me now lay out some of the adverse consequences of the current bill's language.

First, the proposed $10.8 million reduction in authorizations for fiscal year 1997 will mean greater overall costs to the U.S. for developing MEADS in the project definition-validation phase of the project. This is due to the obvious stretching out of the development time period.

Second, and more importantly, Germany and Italy are committed to the MEADS Program at the highest levels of government. Neither country views any other system as a viable alternative to meeting its national requirements. As of May 28, 1996, Germany, Italy and the United States have formally agreed upon terms for the program and have signed an international agreement governing the initial program definition and validation phase of the program. Incidently, this satisfies the Armed Services Committee Report's requirement for a Memorandum of Understanding [MOU] among the Allies before funds are obligated.

Of course the memorandum of agreement just described is much different than the one envisioned a year ago. The withdrawal of France from the partnership on MEADS means that the United States cannot meet the 50 percent ceiling on funding, required in the committee report, given the previously agreed upon percentages among the Allies on burden sharing. The restructuring—resulting from the withdrawal of France—results in cost shares, now, of 60 percent for the United States, 25 percent for Germany, and 15 percent for Italy. Previously planned on percentages were: 50 percent for United States, 20 percent for Germany, 10 percent for Italy, and 20 percent for France. All countries in the international agreement have picked up some of the burden that was once assigned to France.

At this point, I must make clear that the requirement for the Corps SAM capability is a unilateral one. The United States needs this capability now, and would need to fund now, with or without Allied participation. The benefits of the partnership are clear. Also, the higher percentage of costs now assumed by the United States also means an accompanying higher percentage of revenues gained from the sale of the weapon system to U.S. Allies.

Paradoxically, restructuring of the program will actually reduce the U.S. cost for the PD/V phase of the program by $4 million, despite the percentage change that I just described. With the pull-out of France, the participating nations have adjusted the scope of the program so that the costs for the development phase are reduced. The reasons are reduced duplication and redundancies, and the elimination of French-unique program requirements which are not demanded by the other participating countries.

Because MEADS is the first major system new start the United States has attempted as a cooperative program in some time, it has received a great deal of attention around the world. Our friends and allies see MEADS as the litmus test of U.S. resolve to carry through on our promise to improve our record in armaments cooperation. MEADS demonstrates that our defense industry can work in concert with the defense industries of other nations.

The committee's report sends a negative signal concerning MEADS. Difficulties in resolving this partnership will invariably impact on other future, international armament partnerships; our credibility will be damaged. Partnerships such as JSTARS for NATO are put at risk by the proposed actions with respect to MEADS.

The Senate Armed Services Committee recommended the program be reduced by $10.8 million, a reduction that makes the program outlined in the recently completed international agreement unexecutable. Given such a reduction, our Allied partners will almost certainly consider the MOU null and void. This, in combination with the 50 percent ceiling, is very debilitating for the success of further cooperative efforts.

In sum, the legislative provisions in the current bill, unless corrected, will likely halt the international agreement on MEADS, halt MEADS development, and cause other international cooperative defense efforts to become suspect.

I believe the amendment that I am proposing will address these issues while also addressing the Armed Services Committee's very valid concerns that cost overruns not emerge from the program. Instead of limitations on percentages with respect to burden sharing among the allies, I propose a spending cap, as outlined in the amendment. This spending cap meets the rightful concerns of the SASC that costs be controlled in the development of MEADS. The $10.8 million put back into the program in this amendment is offset by reducing funding in a catch-all program entitled "Other Theater Missile Defense programs, projects, and activities."

The amendment ensures that the United States complies with her obligations under the international agreement between the United States, Germany, and Italy. By doing so, we bolster our credibility among our allies, while maintaining the existence and effectiveness of an important defense development program for our front-line troops.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4358

(Purpose: To prohibit certain actions relating to the reorganization of the Army ROTC pending a report on the Army ROTC)

Mr. WARNER. Mr. President, on behalf of Senators THURMOND, FORD, SARBANES, BREAUX, DOMENICI, SANTORUM, HOLLINGS, WARNER, and JOHNSTON, I offer an amendment that would prohibit the Secretary of the Army from closing any Reserve officer training corps units until a comprehensive study is complete and the results reported to the Congress of the United States.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, for himself, Mr. FORD, Mr. SARBANES, Mr. BREAUX, Mr. DOMENICI, Mr. SANTORUM, MR. HOLLINGS, Mr. WARNER, and Mr. JOHNSTON, proposes an amendment numbered 4358.

The amendment is as follows:

At the end of subtitle C of title V, add the following:

SEC. 523. PROHIBITION ON REORGANIZATION OF ARMY ROTC CADET COMMAND OR TERMINATION OF SENIOR ROTC UNITS PENDING REPORT ON ROTC.

(a) PROHIBITION.—Notwithstanding any other provision of law, the Secretary of the Army may not reorganize or restructure the Reserve Officers Training Corps Cadet Command or terminate any Senior Reserve Officer Training Corps units identified in the Information for Members of Congress concerning Senior Reserve Officer Training Corps (ROTC) Unit Closures dated May 20, 1996, until 180 days after the date on which the Secretary submits to the congressional defense committees the report described in subsection (b).

(b) REPORT.—The report referred to in subsection (a) shall—

(1) describe the selection process used to identify the Reserve Officer Training Corps units of the Army to be terminated;

(2) list the criteria used by the Army to select Reserve Officer Training Corps units for termination;

(3) set forth the specific ranking of each unit of the Reserve Officer Training Corps of the Army to be terminated as against all other such units;

(4) set forth the authorized and actual cadre staffing of each such unit to be termination for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(5) set forth the production goals and performance evaluations of each Reserve Officer Training Corps unit of the Army on the closure list for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(6) describe how cadets currently enrolled in the units referred to in paragraph (5) will be accommodated after the closure of such units;

(7) describe the incentives to enhance the Reserve Officer Training Corps program that are provided by each of the colleges on the closure list; and

(8) include the projected officer accession plan by source of commission for the active-duty Army, the Army Reserve, and the Army National Guard.

(9) describe whether the closure of any ROTC unit will adversely effect the recruitment of minority officer candidates.

Mr. THURMOND. Mr. President, as an Army ROTC Program graduate and one who believes the program is vital to the national security of our Nation, I was disappointed to learn that the Army announced on May 20, 1996, that it will terminate the program at 31 universities and colleges throughout the Nation, including two in South Carolina.

I expect that many of my Senate colleagues have a strong affiliation for the ROTC Program and are prepared to speak to the merits of the program. I believe that many would echo the comments of Dr. Lee Vickers, the president of Francis Marion University who described the need for the ROTC Program as follows:

> Service to one's community and to the Nation as one of the constituent values of the United States and one that is being heard more and more frequently throughout the higher education community these days. What more vital service can there be than that discipline, skills, and service learned by young men and young women fortunate enough to experience the leadership training of the ROTC Program? No one can easily deny the importance and the value of the present and future citizen-soldiers leaders that the ROTC Program has produced and continues to produce.

Mr. President, it troubles me that the Army terminated programs, not only at Francis Marion University, but also at Presbyterian College, and its two satellite programs at Lander University and at New Berry College. According to U.S. News and World Report Presbyterian College ranked second among 117 regional liberal arts colleges in the South. A key contributor to that reputation has been the ROTC Program which was started in 1919 with the activation of the Scottish Highlander Battalion. For 77 years, ROTC has been a respected and integral part of campus life at Presbyterian College, sending graduates to every major military campaign since World War I. To date, Presbyterian College has graduated 14 general officers and one Medal of Honor recipient and currently more than 100 Presbyterian College graduates serve in uniform.

Mr. President, when I asked the Army to tell me why these programs were being terminated, their answer was the requirements for commissioned officers has decreased and therefore the number of ROTC programs must be reduced. Although that answer may be rationale, the Army could not provide me with the criteria for selecting the ROTC programs to be terminated.

My amendment would require the Army to provide a report detailing the selection criteria and other information to justify the closure of the 31 ROTC units in 20 States. It would further require the Army to wait 180 days after submitting the report before initiating any action to reorganize the ROTC Program.

Mr. President, this is a reasonable amendment in view of the Army's action to terminate such an important program—a program that not only supports the security of our Nation but also impacts the lives of thousands of America's future leaders. I ask my Senate colleagues to show their support for the ROTC Program and adopt this amendment.

Mr. FORD. Mr. President, I rise in support of Senator THURMOND's amendment to the Defense Authorization bill to impose a temporary moratorium on college ROTC unit closures.

The current guidelines will adversely affect several universities across the country, including Murray State University in Kentucky, where the Army ROTC program is schedule for closure at the end of the 1996–97 school year.

Murray State has a long and distinguished ROTC tradition. Since its inception in 1952, over 1,000 ROTC graduates have passed through the program. Many of those graduates went on to serve this country with great distinction and honor both in times of war and peace.

Like ROTC programs across the country, the Army ROTC program at Murray State is not only an important component of the western Kentucky community, but of the entire armed services. And so, I urge my colleagues to support Senator THURMOND's amendment.

Mr. President, I ask unanimous consent that a letter from the president of Murray State University, Kern Alexander, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MURRAY STATE UNIVERSITY,
OFFICE OF THE PRESIDENT,
Murray, KY, June 17, 1996.

Hon. WENDELL FORD,
U.S. Senate, Senate Russell Office Bldg., Washington, DC.

DEAR SENATOR FORD: The Department of the Army has recently announced that the ROTC program at Murray State University will be closed at the end of the 1996/1997 school year. I am seeking your support and assistance in reversing this decision.

ROTC at Murray State University is an integral part of our campus. With over a thousand graduates since 1952, our ROTC program has a long and distinguished history. Many of the Army officers commissioned through our program have served their country with great honor in war and peace. It is important to our country and our Army that future commissioned officers understand and represent the regional values of the soldiers that they will lead in the various components of the Total Army.

As described in the attached fact sheet, our ROTC program has made a threefold enrollment increase in the last three years and has every expectation of fulfilling the requisite enrollment and commissioning goals in the future. We have initiated several dynamic programs to improve recruiting and retention.

I understand that shrinking defense resources will require the closure of several other regional ROTC programs to include Southeast Missouri University and the University of Tennessee at Martin. Given our historic support of ROTC, close proximity to Fort Campbell, excellent ROTC support facilities, and the academic excellence of our University, we could easily accommodate students from these other schools. In fact, we could easily become a primary commissioning source for Army nurses, a commissioned officer specialty of great demand.

I have made a personal commitment to the support of ROTC and intend to see the program flourish. I look forward to your assurance of commitment to this proposal.

Sincerely,

KERN ALEXANDER,
President.

Attachment.

FACT SHEET—REASONS TO KEEP MSU ROTC

1. We serve 38 counties in Western Kentucky plus we receive a large number of students from Northwest Tennessee, Southern Illinois, Indiana, and Southwest Missouri.

These students come to MSU for its high academic standing (top quartile of small regional liberal arts universities by *U.S. News and World Report*) as well as our rural setting.

With the closure of University of Tennessee at Martin, a large portion of West Tennessee and Western Kentucky would be excluded from participation in ROTC in a regional university.

MSU could cover both areas meeting the needs of rural families coupled with our border county agreements to provide in-state tuition.

2. MSU has tripled its overall enrollment over the past three years. We have commissioned nine lieutenants for the past two years, project nine for the next school. Enrollment numbers in ROTC have increased along with the enrollment figures for the University due to the faculty taking ownership of the program and recruiting.

3. We have taken great strides toward attracting ROTC students:

Ten $1,000 dorm scholarships for ROTC scholarship students.

Free room for all four-year ROTC scholarship students who attend MSU.

Ten guaranteed positions in our Nursing Program.

Due to this good rapport between ROTC and Nursing we have requested to be designated a Center for Nursing Excellence.

Nursing elective credit for Nurse Summer Training Program.

Academic Minor in ROTC.

Process of gaining General Education Credit for ROTC courses.

Extensive promotion of ROTC in University publications, brochures, and videos.

4. No other class gives students the education in leadership as does ROTC. We stress oral and written communication, self-confidence, and development of leadership skills.

5. ROTC provides between $250,000–$300,000 annually to MSU and the City of Murray in stipends, scholarships, salaries, and operating and recruiting funds. This money is spent in restaurants, movie theaters, MSU's Bookstore, electric company, gas stations, and in MSU's general accounting office for tuition.

6. ROTC attracts top notch students and provides national marketing for MSU by having a program on campus. Additionally, it helps attract and promotes solid academic performance in athletes and minorities. (Currently 20% female, 10% African American, and 15 athletes enrolled.)

7. MSU has a strong tradition of providing officers for four state National Guard units—Kentucky, Tennessee, Illinois and Indiana. Additionally, numerous officers have played significant roles in the U.S. Army Reserve—most notable, Major General (Retired) Lindsay Freeman who was Commander of the 100th Training Division out of Fort Knox, Kentucky.

8. Long tradition of ROTC at MSU:

Has been an academic program since 1952.

Commissioned over 1,039 officers.

Produced three General officers.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4358) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4359

(Purpose: To provide service credit for service as senior ROTC cadets and midshipmen in the Simultaneous Membership Program)

Mr. NUNN. Mr. President, on behalf of Senator BYRD, I offer an amendment which would provide service credit for longevity and pay to individuals who simultaneously are senior ROTC cadets or midshipmen and members of the Selected Reserve under the Simultaneous Membership Program.

I believe this amendment has been cleared on both sides of the aisle. I urge the adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. BYRD, proposes an amendment numbered 4359.

The amendment is as follows:

At the end of subtitle A of title V add the following:

SEC. 506. SERVICE CREDIT FOR SENIOR R.O.T.C. CADETS AND MIDSHIPMEN IN SIMULTANEOUS MEMBERSHIP PROGRAM.

(a) AMENDMENTS TO TITLE 10.—(1) Section 2106(c) of title 10, United States Code, is amended by striking out "while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve" and inserting in lieu thereof "performed on or after August 1, 1979, as a member of the Selected Reserve".

(2) Section 2107(g) of such title is amended by striking out "while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve" and inserting in lieu thereof "performed on or after August 1, 1979, as a member of the Selected Reserve".

(3) Section 2107a(g) of such title is amended by inserting ", other than enlisted service performed after August 1, 1979, as a member of Selected Reserve" after "service as a cadet or with concurrent enlisted service".

(b) AMENDMENT TO TITLE 37.—Section 205(d) of title 37, United States Code, is amended by striking out "that service after July 31, 1990, that the officer performed while serving on active duty" and inserting in lieu thereof "for service that the officer performed on or after August 1, 1979.".

(c) BENEFITS NOT TO ACCRUE FOR PRIOR PERIODS.—No increase in pay or retired or retainer pay shall accrue for periods before the date of the enactment of this Act by reason of the amendments made by this section.

Mr. BYRD. Mr. President, I propose an amendment that will modify Titles 10 and 37 of the United States Code. This amendment will correct a long-overlooked enlisted service period of selected military members. This amendment allows creditable service for military members who are serving, or have served as enlisted members of our National Guard and Reserve, while also earning a commission through the Simultaneous Membership Program [SMP]. Since the program's inception in 1979, a select number of enlisted soldiers have not received longevity credit for honorably performed duty that they so justly deserve. SMP cadets are enlisted soldiers with contracts and service obligations, they are deployable assets to their units, they are military occupational service qualified, and they are subject to all the regulations and reviews of any other enlisted soldier. this enlisted concurrent service must be creditable for all purposes. I urge my colleagues to support this worthy amendment.

Mr. WARNER. I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4359) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4360

(Purpose: To authorize the Secretary of the Army to accept less than full reimbursement of costs under the agreement for instruction of civilian students at the Foreign Language Center of the Defense Language Institute)

Mr. NUNN. Mr. President, on behalf of Senator BOXER, I offer an amendment which would authorize the Secretary of the Army to accept less than full reimbursement costs under the agreement for instruction of foreign students at the Foreign Language Center of the Defense Language Institute.

I believe the amendment has been cleared by the other side.

Mr. WARNER. That is correct, Mr. President.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mrs. BOXER, proposes an amendment numbered 4360.

The amendment is as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. REIMBURSEMENT UNDER AGREEMENT FOR INSTRUCTION OF CIVILIAN STUDENTS AT FOREIGN LANGUAGE INSTITUTE OF THE DEFENSE LANGUAGE INSTITUTE.

Section 559(a)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2776; 10 U.S.C. 4411 note) is amended by striking out "on a cost-reimbursable, space-available basis" and inserting in lieu thereof "on a space-available basis and for such reimbursement (whether in whole or in part) as the Secretary considers appropriate".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4360) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4361

(Purpose: To provide additional pension security for spouses and former spouses of civil service employees with respect to the military service of such employees)

Mr. NUNN. Mr. President, on behalf of Senator MOSELEY-BRAUN, I offer an amendment which would provide that a former spouse of a military retiree whose military retired pay is part of a divorce settlement would continue to receive the amount of money directed by court order if the military retiree becomes an employee of the Federal Government and has military service count toward Civil Service retirement benefits.

I believe the amendment has been cleared.

Mr. WARNER. The Senator is correct.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Ms. MOSELEY-BRAUN, proposes an amendment numbered 4361.

The amendment is as follows:

At the end of subtitle D of title VI, add the following:

SEC. 636. PREVENTION OF CIRCUMVENTION OF COURT ORDER BY WAIVER OF RETIRED PAY TO ENHANCE CIVIL SERVICE RETIREMENT ANNUITY.

(a) CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(4) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this subchapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.".

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking "Except as provided in paragraph (2)" and inserting "Except as provided in paragraphs (2) and (4)".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(5) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this chapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.".

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking "Except as provided in paragraph (2) or (3)" and inserting "Except as provided in paragraphs (2), (3), and (5)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1997.

Ms. MOSELEY-BRAUN. Mr. President, the amendment I am offering to the Department of Defense authorization bill would protect the military pension benefits awarded to a spouse upon divorce in cases where the retiree rolls the military pension into a civil service pension.

The Uniformed Services Former Spouses' Protection Act of 1982 provides that a court may only treat a military retirees "disposable" retired pay as marital property, and award no more than 50 percent of that amount to the former spouse in a divorce. The definition of disposable retired pay includes, among other deductions, a government pension.

The allowed deductions can leave former wives without pension benefits. For example, if an ex-husband leaves the military and enters the civil service, he can choose to waive his military retired pay and instead, have his military service counted in figuring his civilian retirement benefits. This leaves him without military retired pay and thus leaves his ex-wife without any of the pension benefits she was awarded by the court.

This amendment would merely require the transfer of the court award to the Government retirement system at the same time as the military retirement credits are transferred to the Government retirement system.

A woman's access to pension income determines, in no small part, the kind of life she will live in her older years. For a former military spouse, her access to her husband's pension can mean the difference between poverty and security.

Women married to men serving in the military are often prevented from earning pensions of their own, because they must live on or near a base, transfer from location to location, or live overseas in order to keep their family together. These requirements lessen job opportunities and limit job tenure.

Without working full-time, earning a decent salary, and spending many years at a particular job, it is nearly impossible to secure a pension at retirement. This amendment would provide women, divorced after many years of marriage, with a share of the pension earned during that marriage.

On May 14, I introduced the "Women's Pension Equity Act of 1996," as a first step toward making pension law simpler and more equitable for women. The bipartisan legislation begins to tackle the problems created by a pension system that is not designed for working women, either those in the workforce or in the home. This amendment is one piece of that legislation.

In the population as a whole, women make up 60 percent of seniors over 65—but 75 percent of the elderly poor. Unmarried, widowed, and divorced women are particularly apt to be living in poverty. Nearly four times as many widows live in poverty as married women of the same age.

Too many elderly women spend their retirement years in poverty because less than one-third of all female retirees have pensions, and the majority of those that do, earn less than $5,000 a year. Women who are widowed or divorced are particularly hard hit. The current pension laws are often confusing and illogical, and leave widows and divorced women without any of the pension benefits earned by their husbands over many years of marriage. It is estimated that nearly 80 percent of women who are poor as widows were not poor before their husbands died.

I am keenly aware that we must address broader issues as well. And we will address them. We should focus on making participation in private pension plans easier, and not the game of roulette which all too often leaves people surprised at their retirement. This amendment is one step in the right direction, however, and I urge my colleagues to join me in supporting this amendment today.

The women, now divorced, who have spent their lives married to men in the military, should not spend their retirement years in poverty because of a loophole in the law.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4361) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE AMENDMENTS OF THE SELECT COMMITTEE ON INTELLIGENCE, EN BLOC

Mr. WARNER. Mr. President, I ask unanimous consent that the amendments to S. 1745, offered by the Select Committee on Intelligence, be considered and agreed to, en bloc, and considered original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

AMENDMENT NO. 4254

(Purpose: To improve the committee amendments)

Mr. WARNER. Mr. President, I ask unanimous consent that Senator Thurmond be allowed to modify the committee amendments in more than one place with amendment No. 4254; that no further amendments be in order to the Intelligence Committee amendments; and that the Thurmond modification be deemed to be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4254) was deemed agreed to, as follows:

On page 219, line 11, insert ", for the Secretary's consideration," after "of Defense".

On page 223, strike out lines 1 and 2 and insert in lieu thereof the following:

"(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is a combat support agency of the Department of Defense and has significant national missions.

On page 223, strike out line 17 and all that follows through page 224, line 2 and insert in lieu thereof the following:

"(3) If an officer of the armed forces is appointed to the position of Director under this subsection, the position is a position of importance and responsibility for purposes of section 601 of this title and carries the grade of lieutenant general, or, in the case of an officer of the Navy, vice admiral.

Mr. THURMOND. Mr. President, for approximately the last 7 weeks, the Armed Services Committee and the Select Committee on Intelligence have been engaged in negotiations in an attempt to settle differences between the two committees on a range of intelligence reform measures in both the Defense authorization bill and the Intelligence authorization bill. I am pleased to report that most of our differences have been worked out. With regard to the Defense authorization bill, all our areas of difference have been completely settled.

Mr. President, on May 13, 1996, S. 1745, the Defense authorization bill, was referred to the Select Committee on Intelligence on sequential referral. This unprecedented action has delayed consideration of the Defense authorization bill and, in my view, made it more difficult to work out sound compromises in a timely manner. Although I have been clear and consistent in expressing my willingness to negotiate, I have made it equally clear that I would not be coerced into accepting bad compromises simply because the Defense authorization bill had been taken hostage.

The Intelligence Committee reported S. 1745 out of committee on June 11, 1996, with a series of proposed amendments. With three relatively minor exceptions, I support the Intelligence Committee's amendments. With regard to the three areas where I do not agree with the Intelligence Committee's amendments, we have nonetheless worked out agreements. It is my intention to offer three perfecting amendments to the package of Intelligence Committee amendments. These have been cleared with the Intelligence Committee. Overall, therefore, I believe that we have an acceptable agreement.

Let me briefly describe the three areas that are the subject of the amendment that I will offer along with Senator NUNN.

The Intelligence Committee amendment would strike several sections from the Defense authorization bill that do not relate directly to the National Imagery and Mapping Agency. It also would insert a new section 906 relating to the role of the Director of Central Intelligence in the appointment and evaluation of the heads of certain intelligence agencies within the Department of Defense. With one exception, I do not oppose these changes. The amendment offered by myself and Senator NUNN would modify the Intelligence Committee language having to do with performance evaluations. In my view the Director of Central Intelligence should not be in the business of writing performance evaluations for the heads of defense agencies. The DCI himself has confirmed that this would be inappropriate. The alternative that Senator NUNN and I have offered would allow the DCI to provide input for consideration by the Secretary of Defense in preparation for his annual evaluations of the Defense Department intelligence agency heads. This would make it clear that the authority to write such evaluations resides with the Secretary of Defense, but that the views of the DCI must be taken into account.

The amendment offered by the Intelligence Committee makes a number of changes to the Armed Services Committee's reported legislation establishing the National Imagery and Mapping Agency. For the most part, these changes are the product of agreements that we have reached with the Select Committee over the last few weeks, with two exceptions. I will briefly describe these areas and the changes that the Thurmond/Nunn amendment will make.

First, the Intelligence Committee would strike the reference in the establishment clause to the National Imagery and Mapping Agency being a combat support agency. Since there are ambiguities regarding this issue in title 10 of the United States Code, and since the Department of Defense and the Joint Chiefs of Staff have insisted on NIMA being a combat support agency, the amendment that I am offering with Senator NUNN will restore the language on combat support to the establishment clause. Our amendment would also clarify that the new agency will also have "significant national missions" to make absolutely clear that it serves more than tactical military operations.

Second, the Intelligence Committee proposes a waiver of the cap on three star general officers for the director of the National Imagery and Mapping Agency, if the director is a military officer. The Armed Services Committee has a long standing position in opposition to providing waivers to this cap for defense agency heads. Senator NUNN and I simply propose to eliminate this waiver, while leaving the Intelligence Committee's language regarding the director otherwise unchanged.

Mr. President, given that the amendment offered by Senator NUNN and myself is agreed to between the two committees, it would be my recommendation that the Intelligence Committee amendment, as modified also be adopted. I believe that Senator NUNN and I have proposed reasonable and justifiable adjustments to the Intelligence Committee amendment. It is my intention to oppose any effort to undermine the agreements that have been reached between the two committees, either on the floor or in conference.

Mr. SPECTER. Mr. President, the Select Committee on Intelligence has been engaged over the last year in an intense examination of the Intelligence Community and its role in the post-cold-war world. The Intelligence Authorization Act for fiscal year 1997 reflects the conclusions of the Committee and its proposals for renewal and reform of U.S. intelligence and I hope the Senate will have an opportunity to vote on these proposals in the near future. Similarly, the National Defense Authorization Act for fiscal year 1997, as reported by the Armed Services Committee contained a number of intelligence reform provisions, including authorization for a major reorganization of the intelligence community through the creation of a new agency, the National Imagery and Mapping Agency, as well as a number of provisions directly conflicting with the committee's efforts this year to make substantial improvements in the management and operation of U.S. intelligence activities. In order to consider these provisions in the context of our overall reform effort, the Intelligence Committee sought referral of the Defense bill, pursuant to the Committee's charter, Senate Resolution 400.

After careful review, including extensive discussions and negotiations at the staff and member level with the Armed Services Committee and with the Director of Central Intelligence, the Deputy Secretary of Defense, and the Vice Chairman of the Joint Chiefs of Staff, the committee voted to report the bill with amendments on June 11—well before the expiration of the 30 days of session allotted in Senate Resolution 400 for consideration upon referral.

PRIOR COMMITTEE ACTION

These amendments to the National Defense Authorization Act, along with the Intelligence Authorization Act for fiscal year 1997, S. 1718, reflect the conclusions this committee has reached through 6 years of efforts aimed at making the U.S. intelligence community operate more effectively, more efficiently, and with greater accountability in light of the significant changes in the world over the last decade. In 1994, this effort led Congress, at the urging of Senator WARNER, Senator GRAHAM, and others, to establish a Commission on the Roles and Capabilities of the U.S. Intelligence Community—the "Aspin-Brown Commission"—to conduct a "credible, independent, and objective review" of U.S. intelligence. The Commission was given a deadline of March 1, 1996, with the expectation that its report would inform a legislative debate resulting in enactment of needed changes during this Congress.

Armed with the Commission's report and enlightened by the committee's own examination, including numerous hearings, briefings, and interviews, the Select Committee on Intelligence voted on April 24, 1996, to report S.

1718, the Intelligence Authorization Act for fiscal year 1997, containing a number of measures to improve policy guidance to the intelligence community, strengthen the DCI's ability to manage the community on behalf of all intelligence consumers, and enhance the ability of the Congress and the American public to ensure that the secrecy necessary for the conduct of intelligence does not prevent the vigilance and oversight necessary for an effective democracy. The Armed Services Committee took the bill on a 30-day sequential referral as they have done every year since the establishment of the Select Committee on Intelligence.

On May 13, the Armed Services Committee reported out S. 1745, the National Defense Authorization Act for fiscal year 1997, which included a number of provisions for intelligence reorganization, including the creation of a new national imagery agency and a new structure for military intelligence under a Director of Military Intelligence [DMI]. The bill also included a number of other provisions that directly conflicted with the reform attempts of the Intelligence Committee contained in S. 1718. The Intelligence Committee requested referral of the bill to consider these intelligence provisions, pursuant to section 3(b) of Senate Resolution 400, which provides for referral to the Committee of any legislation containing provisions within its jurisdiction for up to thirty days, not counting days on which the Senate is not in session.

DISCUSSIONS WITH ARMED SERVICES COMMITTEE

During the weeks of negotiations that followed, the Intelligence Committee agreed to a number of changes in S. 1718 to address concerns raised by the Armed Services Committee about protecting the equities of the Secretary of Defense and the Joint Chiefs of Staff. Notwithstanding that the objective of the reform provisions in S. 1718 was to improve the quality of intelligence provided to all consumers, including the Department of Defense, the Armed Services Committee did not want any change that might diminish the current authority of the Secretary of Defense, who now controls about 85 percent of the intelligence community budget. The Intelligence Committee is concerned that the current arrangement, under which the Director of Central Intelligence is responsible for ensuring the nations intelligence needs are met effectively and efficiently yet has direct authority over only the CIA—which represents only a small portion of the intelligence budget—has led to problems. One clear example is the recent revelations regarding several billion dollars at the National Reconnaissance Office (NRO) in funds that were never expended and were carried forward year after year.

As the current DCI John Deutch, who was formerly Deputy Secretary of Defense, testified on April 24,

> [t]he Deputy Secretary of Defense has got a tremendous set of issues covering a much larger range of resources—10 times—managing ten times the resources * * * of the whole intelligence community. So to say that you are going to go to the deputy—and I am not talking about personalities—and say to the Deputy Secretary of Defense, why didn't you catch this, he's going to say, well, I count on the DCI to keep track of this and to let the Secretary of Defense know. So in some sense, if we are going to say that the Director of Central Intelligence does not view himself or herself as being responsible for the NRO, fundamentally nobody will be.

The Director of Central Intelligence is in a unique position to balance the cost and effectiveness of intelligence programs throughout the government. It makes sense to hold this person responsible for ensuring that the various elements of the intelligence community are more responsive to this national objective then to parochial, turf-driven goals that too often typify bureaucracies. Yet he lacks the authority needed to accomplish this objective, particularly with regard to the intelligence elements within the Department of Defense. The DCI can be given enhanced authority without removing the elements of the intelligence community from the various agencies in which they reside or interfering with the ability of those agency heads to manage their departments, i.e., without creating a "Department of Intelligence." The reform provisions in the Intelligence Authorization Act for Fiscal Year 1997 were designed to accomplish this goal.

This fundamental difference of opinion over the need to strengthen the authority of the DCI to match his responsibility as the overall manager of US intelligence made reaching consensus with the Armed Services Committee over its provisions in the DOD bill and the provisions in the Intelligence bill difficult. However, both sides made accommodations and ultimately resolved all but a few issues, agreeing to changes in both bills. On June 6, the Armed Services report S. 1718 with amendments that reflected the consensus and one remaining area of disagreement. The next week, on June 11, the Intelligence Committee reported S. 1745, the DOD Authorization bill, with amendments that similarly reflected the compromises reached with Armed Services Committee. Subsequently, the Armed Services Committee proposed some changes to our amendments, which we agreed to.

The area of disagreement that remains is a provision in the Intelligence bill that gives the DCI the ability to make adjustments in the allocation of funds within the National Foreign Intelligence Program (NFIP) during the fiscal year to meet unexpected intelligence needs. Director Deutch, along with all former DCI's who testified before the Committee, publicly supported this enhanced authority as important to effective management of the national intelligence community. The DCI has the authority today to make the initial allocations within the NFIP in formulating the budget. However, when unforeseen requirements arise during the fiscal year and funds are available from a lower priority intelligence activity, the DCI does not have the authority to transfer those funds unless the affected agency head does not object. S. 1718 contained a provision to enhance the DCI's authority by shifting the burden to the affected agency to convince the President or his designee that the transfer is unwarranted. The Armed Services Committee objected to giving the DCI this authority and amended S. 1718 to delete the provision.

With the exception of this reprogramming issue, the Committee believes the consensus reached by the two committees preserves significant elements of the reform effort and significantly enhances the ability of the DCI to manage intelligence activities. In addition, the Committee is comfortable that, with the changes agreed upon, the DCI will have the ability to ensure that a new National Imagery and Mapping Agency will be responsive to the needs of all national customers.

Specifically, the amendments we have agreed upon to the National Defense Authorization Act will strike provisions that were in direct conflict with the reform efforts in the Intelligence Authorization Act, a number of which would have seriously hampered the ability of the Intelligence Community to function even under existing mechanisms. For example, our amendments strike a prohibition on any non-DOD employee obligating DOD funds. This provision, apparently intended to ensure the DCI did not gain any additional budget execution authority, would have restricted non-DOD employees detailed to DOD intelligence agencies, such as NRO, from managing contracts or performing numerous other tasks they now commonly perform. It also would have interfered with transfers of funds under the Economy Act, which take places regularly when one agency performs a function of common concern on behalf of another agency for reasons of efficiency and effectiveness. In addition, our amendments mandate a larger and more formal role for the DCI in the appointment and evaluation of the heads of the key national agencies: NSA, NRO, and the new NIMA.

As I have noted, the Committee focused a good deal of effort on the provisions in the DOD bill that establish a new National Imagery and Mapping Agency—NIMA. Our amendments add statutory language giving the DCI clear authority to set imagery collection requirements and priorities, and to resolve conflicts among priorities. In addition, the Committee worked out language with Armed Services to ensure that NIMA's mission as stated in its establishment clause includes both combat support and its significant national missions. Finally, our Committee had concerns with the changes Armed Services had made to the provisions relating to the appointment and status of the Director of NIMA as worked out by the Administration. Our amendments restore the balance initially proposed by providing that (1) the Director of NIMA can be either a civilian or a military officer; and (2) that the Secretary of Defense must obtain the concurrence of the DCI, or note the non-concurrence of the DCI, when recommending an individual to the President for appointment as Director of NIMA.

The past few weeks have not been easy, but I believe they have produced a good outcome for U.S. intelligence and the nation and, based on assurances that the leadership of the Armed Services Committee will do likewise, I wish to state my commitment to joining my colleagues in supporting prompt disposition of both bills, opposing any effort to undermine the agreements we have struck, and fully supporting the Senate positions in our respective conferences.

Mr. KERREY. Mr. President, the bill the Senate is now considering, S. 1745, the National Defense Authorization Act for fiscal year 1997, raises many issues essential to our national security. None are more important, however, than the Intelligence Committee's amendments regarding renewal and reform of the Nation's intelligence apparatus, intended to enable that apparatus to respond effectively to the security threats of today and tomorrow.

The amendments under consideration were added to the bill when the Select Committee on Intelligence considered it on sequential referral. All of these amendments have been accepted by the Senate Armed Services Committee during the course of negotiations between our two committees regarding the intelligence provisions in S. 1745 and in S. 1718, the Intelligence Authorization Act for fiscal year 1997.

I would like to make special mention of the Intelligence Committee's proposed amendments to the provisions of S. 1745 relating to the new National Imagery and Mapping Agency, or NIMA. NIMA would be created by consolidating nearly a dozen agencies or offices within the Department of Defense and the Central Intelligence Agency, including the Defense Mapping Agency, the Central Imagery Office, CIA's National Photographic Interpretation Center, into a single agency within the Department of Defense. The creation of NIMA will reduce redundancies in the processing and analysis of imagery, ensure more challenging career opportunities for those in the imagery and mapping fields, and create an important synergy between mapping and imagery—allowing maps to leave the paper and attain all the benefits of today's digital technology.

The creation of NIMA has been jointly proposed by the Director of Central Intelligence, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. The establishment of a single national imagery agency was also endorsed by the Brown Commission. Nevertheless, the creation of NIMA constitutes a major reorganization of U.S.C. intelligence activities and includes the transfer of several imagery-related offices out of the CIA and into the Department of Defense. Accordingly, the Intelligence Committee focused considerable attention on the specific provisions in S. 1745 that would establish NIMA and define its responsibilities. We concluded that these provisions need to be modified in several key respects.

Most important, the committee concluded that the role of the Director of Central Intelligence with respect to the tasking of imagery satellites should be clarified. The DCI must have clear authority to set imagery collection requirements and priorities, and to resolve conflicts among priorities. The DCI has such authority under existing executive orders and presidential decisions, but, in light of the establishment of NIMA as an agency of the Department of Defense, the Committee believes the DCI's authorities should be restated in statute. The committee has amended S. 1745 to include these authorities in both title 10, U.S. Code (together with other provisions establishing NIMA) and in the National Security Act of 1947 in title 50 (which specifies the DCI's authorities as director of the intelligence community).

The committee also focused on the provisions of S. 1745 that define the responsibilities of NIMA to support intelligence consumers outside the Department of Defense. These provisions are especially important because with the consolidation of most of the imagery-related activities of the intelligence community into an agency within the Department of Defense there is a risk that the imagery needs of non-DOD customers might not be met. We concluded that the language of the provisions is sufficient to protect the interests of national consumers but that the provisions should be moved from title 10 to title 50, where they are more appropriately placed since they relate to the authorities of the DCI rather than the organization of the Department of Defense.

The committee was also concerned that, as reported by the Armed Services Committee, the very first provision relating to NIMA in S. 1745 would have stated that NIMA "is a combat support agency of the Department of Defense." The term "combat support agency" was first used in the Goldwater-Nichols Department of Defense Reorganization Act of 1986 to describe certain DOD agencies that have wartime support functions and that are subject to periodic review by the Chairman of the Joint Chiefs with respect to their combat readiness. The four defense agencies designated by Congress as combat support agencies in 10 U.S.C. 193 are the Defense Communications Agency, the Defense Intelligence Agency, the Defense Logistics Agency, and the Defense Mapping Agency.

When Congress passed the Goldwater-Nichols Act, it specifically declined to list the National Security Agency as a combat support agency because NSA serves customers outside the Department of Defense. Congress, however, subjected NSA to the same JCS review procedures as other combat support agencies but only with respect to its combat support functions. The Intelligence Committee believes that it would have been most appropriate to treat NIMA like NSA, i.e. not list NIMA as a combat support agency but subject it to JCS review with respect to its combat support functions. The Department of Defense and the Armed Services Committee, however, have insisted that NIMA be listed as a combat support agency because the Defense Mapping Agency was listed as a combat support agency.

Given that the Defense Mapping Agency will comprise the largest activity within NIMA, the Intelligence Committee has agreed to have NIMA listed as a combat support agency in 10 U.S.C. 193 for purposes of JCS review (but only with respect to its combat support functions). But we continue to believe that it would be a mistake to establish NIMA as a combat support agency in the very first sentence, even if subsequent statutory provisions specifically state that NIMA also has national missions. The implication would be left that NIMA's primary purpose is to provide combat support, and the imagery support to other customers might suffer as a result.

Accordingly, the Intelligence Committee reported S. 1745 with an amendment to the provision establishing NIMA that would delete the reference to NIMA's establishment as a combat support agency. The Armed Services Committee has proposed to reinsert the reference to NIMA's status as a combat support agency in the establishment provision but to add in the same sentence that NIMA has significant national missions. We would not object to this formulation because it emphasizes that NIMA has two equally important functions: combat support and support for national missions.

Our Committee also had concerns regarding the provisions relating to the appointment and status of the Director of NIMA. The legislative package drafted by the Administration to create NIMA provided that (1) the Director of NIMA could be either a civilian or a military officer; and (2) that the Secretary of Defense must obtain the concurrence of the DCI, or note the non-concurrence of the DCI, when recommending an individual to the President for appointment as Director of NIMA. As reported by the Armed Services Committee, S. 1745 would have required that the Director of NIMA be a military officer and that the Secretary of Defense simply consult the DCI before recommending a nominee to the President. The Armed Services Committee's formulation would have prevented the President from appointing a civilian Director of NIMA (thus implying that NIMA performs exclusively military functions) and would have given the DCI only a minor voice in the appointment of the head of a critical national intelligence agency. The Armed Services Committee formulation was opposed by the DCI and by the Secretary of Defense. Accordingly, the two Committees agreed to amend the bill to revert to the Administration's proposal.

Finally, the two Committees agreed to delete from S. 1745 a provision that would have prohibited the Inspector General of the Central Intelligence Agency from conducting any inspection, investigation, or audit of NIMA without the written consent of DOD Inspector General.

We believe that, taken together, our amendments will help to clarify the responsibilities of the DCI with respect to the operation of NIMA and will serve to ensure that the imagery needs of consumers outside the Department of Defense are satisfied.

Mr. NUNN. Mr. President, I rise to support the agreement worked out by the Armed Services and Intelligence Committees on the provisions of our respective bills pertaining to the creation of a new DoD agency, the National Imagery and Mapping Agency known as NIMA, and the renewal and reform of the intelligence community.

By way of background, I want to note that the Armed Services and Intelligence Committees have been negotiating over a number of items in our respective authorization bills. In the course of these negotiations, a number of thorny issues have been settled and only one issue remains which relates to a provision in the Intelligence Authorization bill.

I want to make note of one issue in particular that we have worked out. That issue relates to the establishment of a new Department of Defense agency, called the National Imagery and Mapping Agency or NIMA, which combines the Defense Mapping Agency, the Central Imagery Office, and the National Photographic Interpretation Center. NIMA will provide imagery intelligence and mapping support to both the Department of Defense and other agencies of the Government.

An issue arose concerning the designation of NIMA as a combat support agency. Under the agreement reached between our two committees, the new National Imagery and Mapping Agency will be designated in the agency's establishment clause as a combat support agency and it would also state that the Agency has significant national missions to meet the Intelligence Committee's concerns. Director Deutch, in a letter to Senator THURMOND dated June 6, 1996, stated in pertinent part that, and I quote, "The essence of the NIMA concept for both the Intelligence Community and the Department of Defense is that NIMA be a combat support agency." I ask unanimous consent that the entire text of Director Deutch's letter to Senator THURMOND be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DIRECTOR OF
CENTRAL INTELLIGENCE,
Washington, DC, June 6, 1996.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services,
Washington, DC.

DEAR MR. CHAIRMAN: I write to underscore my previous statements to the leadership of the Select Committee on Intelligence and the Committee on Armed Services concerning legislation creating a National Imagery and Mapping Agency (NIMA) and permitting the collection of foreign intelligence on non-U.S. persons in support of U.S. law enforcement.

The essence of the NIMA concept for both the Intelligence Community and the Department of Defense is that NIMA be a combat support agency. At the same time, it is equally important that there be a clear statement of its national mission and that the authorities of the Director of Central Intelligence to manage and support the national mission of NIMA be undiminished except as required to establish NIMA, i.e., the transfer of operational control of CIA employees and funds to NIMA. NIMA must be responsive to the direction of the Secretary and the Chairman of the Joint Chiefs in its combat support role, but it must also follow the direction of the DCI in matters of collection and tasking to satisfy NIMA's national mission. NIMA resource issues obviously affect both the military and national missions and, as the Administration's legislative proposal makes clear, should be decided jointly. I strongly affirm the statements I made on these points during our meeting of May 23, 1996 including the placement of statutory language in titles 10 and 50 of the U.S. Code.

I also believe, as I have indicated in our previous conversations, that it is important to clarify the authority of the Intelligence Community to provide assistance to law enforcement agencies outside the United States by collecting intelligence information on non-U.S. persons. Much progress has been made in this area over the last few years, but I believe it is important to give the Intelligence Community clear statutory authority to provide such assistance so that our agencies can work together in an efficient and effective manner. Both the Intelligence Community and the Department of Justice support the legislative clarification contained in Sec. 715 of S. 1718.

It is my strongly held view that the Intelligence Community can provide important assistance to law enforcement agencies outside the United States in a far more effective manner than would be the case if law enforcement agencies were to expand their activities into areas traditionally dealt with by the Intelligence Community.

For decades, the Intelligence Community, and the CIA in particular, have developed close working relationships with law enforcement agencies and intelligence services outside the United States. This network of contacts and relationships provides a rich environment from which information required by U.S. law enforcement agencies can be gleaned. There is no reason to replicate it with an extensive law enforcement presence outside the United States. Indeed, such a presence would be counterproductive because it would be confusing, duplicative and undermine longstanding intelligence relationships. It would permit local governments to play one U.S. Government agency off against another and would lead, in my view, to less information reaching the United States, not more.

If I can provide any additional information on these or other matters, please do not hesitate to contact me directly.

An original of this letter is also being sent to Ranking Minority Member Nunn and to the Chairman and Vice Chairman of the Senate Select Committee on Intelligence.

Sincerely,

JOHN DEUTCH.

Mr. NUNN. I am pleased that we have been able to resolve our differences over the provisions in the Department of Defense authorization bill and I look forward to working with the Chairman and Vice Chairman of the Intelligence Committee on the one remaining issue relating to the Intelligence authorization bill. I urge the adoption of these amendments.

Mr. WARNER. Mr. President, I believe that it is the judgment of the managers that all matters relating to this bill that can be concluded on this day have been concluded. The Senate may now proceed to address the remaining matters.

Mr. NUNN. I concur with my friend from Virginia. I think we handled all the amendments we are able to handle now that have been cleared on both sides. We have a lot of amendments remaining, probably in the neighborhood of 50, 60 amendments on this bill. But there are an awful lot of them that are not relevant to this bill, and I hope they will be withdrawn or can be worked out. So I believe that today has been a productive day.

We have stayed on the defense bill by and large. The amendment that we took up that was not relevant to the defense bill was worked out, agreed to, and supported overwhelmingly in this body. So I think it has been a good day. I know Chairman THURMOND has put in a lot of hard hours. The Senator from Virginia has put in a lot of hard hours. We are working together. I think we can make further progress tomorrow. And with good luck, cooperation, good spirit, good will, we can finish this bill tomorrow night, if all that happens.

Mr. WARNER. Mr. President, I just do not know how many times the good Senator from Georgia and I have stood here and wished the Senate well. Let us do it once again. I do so on behalf of the distinguished chairman, Senator THURMOND.

Mr. NUNN. I thank the Senator. I can say, I have been here many times on defense bills when the light in the tunnel was not apparent at all, and I believe I saw a little glimmer earlier this evening.

Mr. WARNER. I am sure we did. I think we should also commend the respective leaders, Mr. LOTT and Mr. DASCHLE, because they indeed became engaged today to assist the matters.

Mr. NUNN. I agree.

Mr. WARNER. Mr. President, I ask unanimous consent that Senators have until the hour of 9:30 a.m., Thursday, in order to file second-degree amendments to the DOD bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON AERONAUTICS AND SPACE FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 156

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during fiscal year 1995, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involved 14 contributing departments and agencies of the Federal Government, and the results of their ongoing research and development affect the Nation in many ways.

A wide variety of aeronautics and space developments took place during fiscal year 1995. The National Aeronautics and Space Administration (NASA) successfully completed seven Space Shuttle flights. A Shuttle program highlight was the docking of the Shuttle Atlantis with the Russian space station *Mir*.

NASA launched three Expendable Launch Vehicles (ELV), while the Department of Defense (DOD) successfully conducted five ELV launches. These launches included satellites to study space physics, track Earth's weather patterns, and support military communications. In addition, there were 12 commercial launches carried out from Government facilities that the Office of Commercial Space Transportation (OCST), within the Department of Transportation (DOT), licensed and monitored.

NASA continued the search for a more affordable space launch system for the coming years with its Reusable Launch Vehicle program. NASA hopes to develop new kinds of launch technologies that will enable a private launch industry to become financially feasible.

In aeronautics, activities included development of technologies to improve performance, increase safety, reduce engine noise, and assist U.S. industry to be more competitive in the world market. Air traffic control activities focused on various automation systems to increase flight safety and enhance the efficient use of airspace.

Scientists made some dramatic new discoveries in various space-related fields. Astronomers gained new insights into the size and age of our universe in addition to studying our solar system. Earth scientists continued to study the complex interactions of physical forces that influence our weather and environment and reached new conclusions about ozone depletion. Agencies such as the Environmental Protection Agency (EPA), as well as the Departments of Agriculture and the Interior, used remote-sensing technologies to better understand terrestrial changes. Microgravity researchers conducted studies to prepare for the long-duration stays of humans that are planned for the upcoming International Space Station.

International cooperation, particularly with Russia, occurred in a variety of aerospace areas. In addition to the Shuttle-*Mir* docking mission and the Russian partnership on the International Space Station, U.S. and Russian personnel also continued close cooperation on various aeronautics projects.

Thus, fiscal year 1995 was a very successful one for U.S. aeronautics and space programs. Efforts in these areas have contributed significantly to the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 26, 1996.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3135. A communication from the Assistant Administrator of the U.S. Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "Pesticide Worker Protection Standard; Decontamination Requirements," (RIN2070-AC93); to the Committee on Agriculture, Nutrition, and Forestry.

EC-3136. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to pork and pork products from Mexico transiting the United States, received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3137. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to screening at privately owned bird quarantine facilities, received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3138. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to viruses, serums, toxins, analogous products, received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3139. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a final rule relative to 1996 amendment to cotton board rules and regulations adjusting supplemental assessment on imports, received on June 21, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3140. A communication from the Administrator and Executive Vice President of the Commodity Credit Corporation, Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, the report of two final rules including a rule entitled "End-Use Certificate Program," (RIN 0560-AE37) received on June 21, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3141. A communication from the Assistant Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "Pesticide Worker Protection Standard; Language and Size Requirement for Warning Sign," (RIN2070-AC93); to the Committee on Agriculture, Nutrition, and Forestry.

EC-3142. A communication from the Assistant Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "Notification Procedures for Pesticides Registration Modifications," (RIN2070-AC98); to the Committee on Agriculture, Nutrition, and Forestry.

EC-3143. A communication from the Under Secretary for Food, Nutrition, and Consumer, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Food Stamp Program: Automated Data Processing and Services; Reduction in Reporting Requirements," (RIN0584-AB92) received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3144. A communication from the Administrator of the Rural Utilities Service, Department of Agriculture, transmitting, pursuant to law, the report of a final rule entitled "Distance Learning and Telemedicine Grant Program," (RIN0572-AB77) received on June 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3145. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report relative to the assessment of whether major and non-major acquisition programs and achievements of cost performance, and schedule goals; to the Committee on Armed Services.

EC-3146. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report on payment of restructuring costs under defense contracts for fiscal year 1995; to the Committee on Armed Services.

EC-3147. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the report of the Securities Investor Protection Corporation for calendar year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC-3148. A communication from the Legislative and Regulatory Activities Division, Comptroller of the Currency, Administrator of National Banks, transmitting, pursuant to law, the report of the regulation entitled "Joint Agency Policy Statement: Interest Rate Risk," received on June 21, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC-3149. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, a draft of proposed legislation relative to flood damage reduction in the Chicago River; to the Committee on Environment and Public Works.

EC-3150. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, a draft of proposed legislation relative to flood damage reduction in Molly Ann's Brook, New Jersey; to the Committee on Environment and Public Works.

EC-3151. A communication from the Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a final rule relative to endangered and threatened wildlife plants, (RIN1018-AC71) received on June 13, 1996; to the Committee on Environment and Public Works.

EC-3152. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a final rule entitled "Importation, Exportation, and Transportation of Wildlife," (RIN1018-AB49) received on June 13, 1996; to the Committee on Environment and Public Works.

EC-3153. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Redwood National Park Bypass Project"; to the Committee on Environment and Public Works.

EC-3154. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three final rules entitled "Approval and Promulgation of Air Quality Implementation Plans," (FRL5463-3, 5375-6, 5519-6) received on June 11, 1996; to the Committee on Environment and Public Works.

EC-3155. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Hazardous Air Pollutant List," (FRL5520-5, 5368-3) received on June 13, 1996; to the Committee on Environment and Public Works.

EC-3156. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "National Priorities List for Uncontrolled Hazardous Waste Sites," (FRL5520-2) received on June 13, 1996; to the Committee on Environment and Public Works.

EC-3157. A communication from the Director of the Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the rule entitled "The Environmental Review for Renewal of Nuclear Power Plant Operating Licenses," received on June 7, 1996; to the Committee on Environment and Public Works.

EC-3158. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the seventh special impoundment message for fiscal year 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Foreign Relations.

EC-3159. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the semiannual report of the Inspector General for the Period ending March 31, 1996; to the Committee on Governmental Affairs.

EC-3160. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 19, 1996; to the Committee on Governmental Affairs.

EC-3161. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of General Accounting Office reports and testimony for May 1996; to the Committee on Governmental Affairs.

EC-3162. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting pursuant to law, the semiannual report of the Inspector General for the period October 1, 1995 to March 31, 1996; to the Committee on Governmental Affairs.

EC-3163. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC-3164. A communication from the Public Printer of the Government Printing Office, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC-3165. A communication from the Regulatory Policy Official, National Archives (College Park), transmitting, pursuant to law, the report of a final rule concerning Audiovisual Records Management (RIN3095-AA18), received on June 25, 1996; to the Committee on Governmental Affairs.

EC-3166. A communication from the Chairman and General Counsel of the National Labor Relations Board, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC-3167. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the rule entitled "Agency Relationships with Organizations Representing Federal Employee and Other Organization," (RIN3206-AG38) received on June 24, 1996; to the Committee on Governmental Affairs.

EC-3168. A communication from the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, the final report on the District of Columbia fiscal year 1997 budget and Financial Plan; to the Committee on Governmental Affairs.

EC-3169. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the report of a rule relative to Indian country and detention facilities and programs (RIN1076-AD77), received on June 19, 1996; to the Committee on Indian Affairs.

EC-3170. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the report of a rule relative to leasing of tribal and allotted lands for mineral development, (RIN1076-AD82) received on June 29, 1996; to the Committee on Indian Affairs.

EC-3171. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the report with respect to the Freedom of Information Act for calendar years 1994 and 1995; to the Committee on the Judiciary.

EC-3172. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, the report entitled "Sex Offenses Against Children: Findings and Recommendations Regarding Federal Penalties"; to the Committee on the Judiciary.

EC-3173. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, the report entitled "Adequacy of Federal Sentencing Guidelines Penalties for Computer Fraud and Vandalism Offenses; to the Committee on the Judiciary.

EC-3174. A communication from the Associate Attorney General, Department of Justice, transmitting, pursuant to law, the report with respect to the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC-3175. A communication from the Director of the Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, the report of a final rule relative to affecting motions and appeals (RIN1125-AA01), received on June 21, 1996; to the Committee on the Judiciary.

EC-3176. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a final rule entitled "Priority Dates for Employment-Base Petitions" (RIN1115-AE24), received on June 21, 1996; to the Committee on the Judiciary.

EC-3177. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, the interim final rule entitled "Acquisition regulation; Department of Energy management and operating contracts," received on June 24, 1996; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–632. A resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania, referred jointly, pursuant to the order of August 4, 1977, to the Committee on Governmental Affairs, and to the Committee on the Budget.

"HOUSE RESOLUTION NO. 341

"Whereas, The Federal Highway Revenue Act of 1956 and the Federal Airport and Airway Development Act of 1970 created the Federal Highway Trust Fund and the Federal Airport and Airway Trust Fund, respectively; and

"Whereas, These funds were established to deposit dedicated taxes and user fees to be used to construct and maintain a transportation infrastructure that is more safe and efficient than any nation in the world; and

"Whereas, The Federal Government has also established the Inland Waterways Trust Fund and the Harbor Maintenance Trust Fund maintained by taxes and user fees; and

"Whereas, Pennsylvanians paid approximately $635 million of the $14.7 billion paid into the Highway Trust Fund in 1994; and

"Whereas, The Highway Trust Fund balance has grown from $9.6 billion in 1983 to $21.4 billion in 1996, with the money being withhold as a way to make the Federal budget deficit appear smaller; and

"Whereas, By the year 2002, the cash balances with total $60.4 billion; and

"Whereas, The Federal Airport and Airway Trust Fund, with a balance of $11.4 billion in 1995, will grow to $17 billion in 2002 according to the President's proposed 1996–97 Federal budget; and

"Whereas, In Fiscal Year 1996–97 proposed transportation spending is reduced by $1 billion; and

"Whereas, The Federal Government is withholding and diverting billions of transportation trust fund dollars and delaying critically needed highway improvements; and

"Whereas, For nearly a decade Congress spent below the financial capacity of the trust funds while delaying critically needed highway improvements; and

"Whereas, Over $200 billion is needed to address current United States highway deficiencies; and

"Whereas, Pennsylvania infrastructure is in need of major repairs; and

"Whereas, Statistics show that for every $1 billion spent on infrastructure, 42,000 good high-wage jobs are created; and

"Whereas, Sound infrastructure is a major factor in business' decision on where to locate; therefore be it

"*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania memorialize Congress to remove the Transportation Trust Funds from the Unified Federal Budget and to release those revenues for transportation improvements; and be it further

"*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania support the efforts of Congress to vote on this issue in April 1996; and be it further

"*Resolved*, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM–633. A resolution adopted by the Board of Commissioners of the Town of Manteo, North Carolina relative to dredging projects and the Oregon Inlet; to the Committee on Appropriations.

POM–634. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION NO. 58

"Whereas, There are approximately 137,000 inmates incarcerated in California's 31 state prison facilities and 38 prison camps; and

"Whereas, The cost of housing one inmate in state prison in California for one year exceeds $21,000; and

"Whereas, The number of felons incarcerated in California's state prison system is expected to increase by 15,000 felons each year; and

"Whereas, Felons are often housed two per cell, and in double-bunked dormitory beds; and

"Whereas, The housing capacity within existing prisons is being rapidly filled with dangerous, violent, and repeat felons; and

"Whereas, All prison housing capacity in California will be exhausted by late 1998; and

"Whereas, Approximately 12 percent of all inmates incarcerated in California's state prison system are illegal, undocumented aliens; and

"Whereas, These illegal, undocumented aliens occupy the equivalent bed space of five prison facilities; and

"Whereas, Over the past 10 years, the budget of the California Department of Corrections has increased at an annual rate of about 8.1 percent, a much faster rate than budgets for other state agencies; and

"Whereas, Without this sizable illegal, undocumented alien population housed in California's state prison system, money that is currently being allocated to the California Department of Corrections could be used instead to build additional public schools and universities, or be appropriated to provide for increased public safety; and

"Whereas, It is the responsibility of the federal government to establish the nation's immigration policy; and

"Whereas, The federal government has been negligent in controlling the flow of illegal, undocumented aliens into the United States; and

"Whereas, The federal government has not adequately compensated the people of California for the costs incurred by the federal government's negligence in failing to control the flow of illegal, undocumented aliens into the United States; and

"Whereas, The undocumented inmates incarcerated in California's state prison system could be imprisoned within their country of origin at less expense to the people of California; and

"Whereas, The United States Constitution explicitly prohibits states from entering into a treaty with any foreign nation; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature requests the President of the United States, with United States Senate ratification, to make treaties with foreign governments to provide for the incarceration of illegal, undocumented alien prisoners in their respective countries of origin; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the Governor, to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–635. A concurrent resolution adopted by the Legislature of the State of Oklahoma; to the Committee on Veterans Affairs.

"ENROLLED SENATE CONCURRENT RESOLUTION NO. 57

"Whereas, Oklahoma's atomic veterans showed steadfast dedication and undisputed loyalty to their country and made intolerable sacrifices in service to their country; and

"Whereas, these atomic veterans gave their all during the terribly hot atomic age to keep our country strong and free; and

"Whereas, these atomic veterans were unknowingly placed in the line of fire, after being assured that they faced no harm, and were subjected to an ungodly bombardment of ionizing radiation; and

"Whereas, the radiation to which they were exposed is now and will continue eating away at their bodies every second of every day for the rest of their lives with no hope of cessation or cure; and

"Whereas, because their wounds were not of the conventional type and were not caused by the enemy but by the United States Government, the atomic veterans did not receive service-connected medical and disability benefits and did not receive a medal such as the Purple Heart; and

"Whereas, many atomic veterans have already died and others will die a horrible and painful death: Now Therefore, be it

"*Resolved by the Senate of the 2nd session of the 45th Oklahoma Legislature (the House of Representatives concurring therein):*

"That atomic veterans be recognized by the federal government.

"That the United States Senators and Representatives from Oklahoma propose or support legislation granting service-connected medical and disability benefits to all atomic veterans who were exposed to ionizing radiation and propose or support legislation issuing a medal to atomic veterans to express the gratitude of the people and government of the United States for the dedication and sacrifices of these veterans.

"That copies of this resolution be distributed to the President of the United States, the Vice President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of Veterans Affairs, the Chairs of the United States House and Senate Veterans Affairs Committees, and each member of the Oklahoma Congressional Delegation."

POM–636. A joint resolution adopted by the Legislature of the State of California; to the Committee on Judiciary.

"ASSEMBLY JOINT RESOLUTION NO. 44

"Whereas, In a complaint to the Los Angeles office of the United States Immigration and Naturalization Service ("the INS") in 1991, INS Special Agent Phillip L. Bonner reported that his supervisors prevented him from investigating sewing shops that may have been using forced Thai labor; and

"Whereas, It has been reported that a Thai-speaking police officer in the Los Angeles Police Department reported, in an affidavit to the INS, an accurate description of the labor conditions that were subsequently discovered in the sewing shop raid in El Monte, California; and

"Whereas, Reports of that raid disclosed the existence of labor conditions involving the exploitation of undocumented immigrants through slavery and involuntary servitude in contravention of Section 6 of Article I of the California Constitution and the Thirteenth Amendment to the United States Constitution; and

"Whereas, The State of California encourages a cooperative effort for open communication between all state and federal agencies that are involved in the enforcement of fair labor standards; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature memorializes the United States Department of Justice and the United States Department of Labor to conduct jointly a full and comprehensive investigation of the events that led to the sewing shop raid in El Monte, California, coordinating that investigation with all agencies involved, including, but not limited to, the INS and the Division of Labor Standards Enforcement of the California Department of Industrial Relations; and be it further

"*Resolved,* That the United States Department of Justice and the United States Department of Labor are further memorialized to provide to the California Legislature a preliminary report of the results of that investigation within 30 days of the date this resolution is adopted, and a final report of the results of that investigation within 90 days after that date; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the Governor, the President and Vice President of the United States, the United States Department of Justice, the United States Department of Labor, the United States Immigration and Naturalization Service, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, the California Department of Industrial Relations, and the Los Angeles Police Department."

POM-637. A petition adopted by the Legislature of the State of Maryland; to the Committee on the Judiciary.

"SENATE BILL 742

"Whereas, Traffic congestion imposes serious economic burdens in the Metropolitan Washington, DC area, costing commuters an estimated $1,000 each per year; and

"Whereas, the volume of traffic in the Metropolitan Washington, D.C. area is expected to increase by more than 70% between 1990 and 2020; and

"Whereas, the deterioration of the Woodrow Wilson Memorial Bridge and the growing population of the Metropolitan Washington, D.C. area contribute significantly to traffic congestion; and

"Whereas, the Woodrow Wilson Memorial Bridge serves as a vital link in the Interstate System and the Northeast corridor, and identifying alternative methods for maintaining the bridges is critical to addressing traffic congestion in the Metropolitan Washington, D.C. area; and

"Whereas, the Woodrow Wilson Memorial Bridge is the only drawbridge in the Metropolitan Washington, D.C. area on the Interstate System and the only segment of the Capital Beltway with less than six lanes and a remaining expected life of less than 10 years; and

"Whereas, the Woodrow Wilson Memorial Bridge was constructed by the Federal Government and is the only part of the Interstate System owned by the Federal Government; and

"Whereas, the Federal Government, in the past, paid 100% of the cost of building and rehabilitating the bridge and has a continuing responsibility to fund the future costs associated with the upgrading of the Potomac River crossing on Interstate 95, including the rehabilitation and reconstruction of the bridge; and

"Whereas, the Woodrow Wilson Memorial Bridge coordination committee is undertaking planning studies pertaining to the bridge, consistent with the National Environmental Policy Act of 1969 and other applicable Federal laws; and

"Whereas, the transfer of the ownership of the bridge to a regional authority under the terms and conditions of this compact would foster regional transportation planning efforts to identify solutions to the growing problem of traffic congestion on and around the bridge; and

"Whereas, the authority should maximize the use of existing public and private sector entities to provide necessary project services, including management, construction, legal, accounting, and operating services, and not create a new bureaucracy or organizational structure; and

"Whereas, any material change to the bridge must take into account the interests of nearby communities, the commuting public, Federal, State, and local government organizations, and other affected groups; and

"Whereas, a commission of Federal, State, and local officials and transportation representatives has recommended to the Secretary of the U.S. Department of Transportation that the bridge be transferred to an independent authority to be established by the Commonwealth of Virginia, the State of Maryland, and the District of Columbia; now, therefore, the State of Maryland, the Commonwealth of Virginia, and the District of Columbia, hereafter referred to as the signatories, covenant and agree as follows:

"CHAPTER I

"WOODROW WILSON BRIDGE AND TUNNEL COMPACT

"General Compact Provisions

"Article I

"DEFINITIONS

"As used in the compact the following words shall have the following meanings:

"1. 'Bridge' means the existing Woodrow Wilson Memorial Bridge.

"2. 'Cost', as applied to the project, means the cost of acquisition of all lands, structures, rights-of-way, franchise, easements, and other property rights and interests; the cost of lease payments; the cost of construction; the cost of demolishing, removing, or relocating any buildings or structures on lands acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of demolition of the current structure; the cost to relocate residents or businesses from properties acquired for the project; the cost of any extensions, enlargements, additions, and improvements; the cost of all labor, materials, machinery, and equipment, financing charges, and interest of all bonds prior to and during construction and, if deemed advisable by the Woodrow Wilson Memorial Bridge and tunnel authority, of such construction; the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of costs and revenues, and other expenses necessary or incident to determining the feasibility or practicability of constructing the project, administrative expenses, provisions for working capital, and reserves for interest and for extensions, enlargements, additions, and improvements; the cost of bond insurance and other devices designed to enhance the creditworthiness of the bonds; and such other expenses as may be necessary or incidental to the construction of the project, the financing of such construction, and the planning of the project in operation.

"3. 'Owner' includes all persons as defined in article 1, § 19 of the code having any interest or title in and to property, rights, franchises, easements, and interests authorized to be acquired by this compact.

"4. 'Project' means the upgrading of the Interstate route 95 Potomac River crossing in accordance with the selected alternative developed by the Woodrow Wilson Bridge Coordinating Committee. "Project" includes on-going short-term rehabilitation and repair of the bridge and may include one or more of the following:

"A. Construction of a new bridge in the vicinity of the bridge;

"B. Construction of a tunnel in the vicinity of the bridge;

"C. Long-term rehabilitation or reconstruction of the bridge;

"D. Upon the bridges or within the tunnel described in subparagraphs A, B, and C, of this paragraph, or in conjunction with work on interstate Route 95 and other approach roadways as described in subparagraph E of this paragraph:

"(1) Work necessary to provide rights-of-way for a rail transit facility or bus or high occupancy vehicle lanes including the construction or modification of footings, piers, bridge deck, roadways, other structural support systems, and related improvements; and

"(2) The construction of travel lanes for high occupancy vehicles or buses;

"E. Work on Interstate Route 95 and other approach roadways if necessitated by, or necessary to accomplish, an activity described in subparagraphs A, B, or C, of this paragraph; and

"F. Construction or acquisition of any building, improvement, addition, replacement, appurtenance, land, interest in land, water right, air right, machinery, equipment, furnishing, landscaping, easement, utility, roadway, or other facility that is necessitated by, or necessary to accomplish an activity described in this paragraph.

"Article II

"There is hereby created the Woodrow Wilson Memorial Bridge and Tunnel Authority, hereinafter referred to as the Authority.

"Article III

"The Authority shall be an instrumentality and common agency of the Commonwealth of Virginia, State of Maryland, and the District of Columbia, and shall have the power and duties set forth in this compact and such additional powers and duties as may be conferred upon it by subsequent action of the signatories.

"Article IV

"1. The Authority shall be governed by a board of nine voting members and two nonvoting members appointed as follows:

"a. Three members shall be appointed by and serve at the pleasure of the Governor of the Commonwealth of Virginia;

"b. Three members shall be appointed by the Governor of the State of Maryland, with the advice and consent of the Senate of Maryland, and shall serve at the pleasure of the Governor of the State of Maryland;

"c. Two members shall be appointed with the concurrence of the Governors of the Commonwealth of Virginia and the State of Maryland and the Mayor of the District of Columbia;

"d. One member shall be appointed by the U.S. Secretary of Transportation; and

"e. Two additional members, who shall be non-voting members, shall be appointed by the Mayor of the District of Columbia.

"2. Members, other than members who are elected officials, shall have backgrounds in finance, construction lending, and infrastructure policy disciplines. At least one member of the board from Maryland and one member of the board from Virginia shall be elected officials each of whom represents a political subdivision that has jurisdiction over the area at an end of the bridge, bridges, or tunnel.

"3. No person in the employment of or holding any official relationship to any person or company doing business with the Authority, or having any interest of any nature in any such person or company or affiliate or associate thereof, shall be eligible for appointment as a member or to serve as an employee of the Authority or to have any power or duty or receive any compensation in relation thereto.

"4. The Chairperson of the Authority shall be elected from among the voting members on a biennial basis.

"5. The voting members may also elect a secretary and a treasurer, or a secretary-treasurer, who may be members of the Authority, and prescribe their duties and powers.

"6. A. Members appointed by the signatories shall serve a six-year term, except that each signatory shall make its appointments as follows:

"(1) The initial terms of the three members appointed solely by each Governor shall be as follows:

"(I) One member shall be appointed for a six-year term;

"(II) One member shall be appointed for a four-year term; and

"(III) One member shall be appointed for a two-year term.

"(2) The initial terms of the members appointed jointly by the Governors of the Commonwealth of Virginia and the State of Maryland and the Mayor of the District of Columbia shall be as follows:

"(I) One member shall be appointed for a six-year term; and

"(II) One member shall be appointed for a four-year term.

"(3) The initial terms of the nonvoting members appointed by the Mayor of the District of Columbia shall be as follows:

"(I) One member shall be appointed for a six-year term; and

"(II) One member shall be appointed for a four-year term.

"B. The term of the member appointed by the U.S. Secretary of Transportation shall be for two years.

"7. The failure of a signatory or the Secretary of Transportation to appoint one or more members shall not impair the Authority's creation when the signatories are in compliance with the other terms of the compact.

"8. Any person appointed to fill a vacancy shall serve for the unexpired term. A member of the Authority may not serve for more than two terms.

"9. The members of the Authority, including nonvoting members, if any, shall not be personally liable for any act done or action taken in their capacities as members of the Authority, nor shall they be personally liable for any bond, note, or other evidence of indebtedness issued by the Authority.

"10. Six voting members shall constitute a quorum and a majority of the quorum shall be required for any action by the Authority, with the following exceptions:

"a. Seven affirmative votes shall be required to approve bond issues and the annual budget of the Authority; and

"b. A motion may not be approved if all three members appointed solely by each Governor cast negative votes.

"11. Any sole source procurement of goods, services, or construction in excess of $250,000 shall require the prior approval of a majority of all of the voting members of the Authority.

"12. Members shall serve without compensation and shall reside in the Metropolitan Washington area. Members shall be entitled to reimbursement for their expenses incurred in attending the meetings of the Authority and while otherwise engaged in the discharge of their duties as members of the Authority.

"13. The Authority may employ such engineering, technical, legal, clerical, and other personnel on a regular, part-time or consulting basis as in its judgment subject to the provisions of chapter I, article X of this compact, may be necessary for the discharge of its duties. The Authority shall not be bound by any statute or regulation of any signatory in the employment or discharge of any officer or employee of the Authority, except as may be contained in this compact.

"14. A. The Authority shall establish its office for the conduct of its affairs at a location to be determined by the Authority and shall publish rules and regulations governing the conduct of its operations.

"B. (1) The rules and regulations shall include, but shall not be limited to, an ethics code, public access to information, administrative procedures, and open meetings, and shall be consistent with similar practices currently adopted in Maryland, Virginia, and the District of Columbia.

"(2) The Authority may adopt regulations after publication of notice of intention to adopt the regulations published in a newspaper of general circulation in the Metropolitan Washington, D.C. area, and after an opportunity for public comment.

"(3) The Authority shall also publish a notice to adopt the regulations in the Maryland register.

"Article V

"Nothing in this compact shall be construed to amend, alter, or in any way affect the power of the signatories and their political subdivisions to levy and collect taxes on property or income or upon the sale of any material, equipment, or supplies or to levy, assess, and collect franchise or other similar taxes or fees for the licensing of vehicles and the operation thereof.

"Article VI

"This compact shall be adopted by the signatories in the manner provided by law. This compact shall become effective after the commonwealth of Virginia and the District of Columbia have adopted acts similar in substance to this act.

"Article VII

"1. Any signatory may withdraw from the compact upon one year's written notice to that effect to the other signatories. In the event of a withdrawal of one of the signatories from the compact, the compact shall be terminated; provided, however, that no revenue bonds, notes, or other evidence of obligation issued pursuant to Chapter II, Article VI or any other financial obligations of the Authority remain outstanding and that the withdrawing signatory has made a full accounting of its financial obligations, if any, to the other signatories.

"2. Upon the termination of this compact, the jurisdiction over the matters and persons covered by this compact shall revert to the signatories and the federal government, as their interests may appear.

"Article VIII

"Each of the signatories pledges to each of the other signatories faithful cooperation in the development and implementation of the project.

"Article IX

"1. The Authority shall not undertake the ownership of the Bridge, or any duties or responsibilities associated therewith, nor undertake any of the responsibilities and powers provided in this compact until the Governors of the State of Maryland and the Commonwealth of Virginia and the Mayor of the District of Columbia have entered into an agreement with the U.S. Secretary of Transportation including provisions governing the transfer of the bridge from the Federal Government to the Authority, and which shall provide for a contractual commitment by the Federal Government to provide Federal funding for the project including at a minimum, a 100% share for the following:

"A. The cost of the continuing rehabilitation of the bridge until such time as the project is operational;

"B. An amount, as determined by the Woodrow Wilson Memorial Bridge Coordination Committee, equivalent to the cost of replacing the bridge with a comparable modern bridge designed according to current engineering standards;

"C. The cost of planning, preliminary engineering and design, right-of-way acquisition, environmental studies and documentation, and final engineering for the project; and

"D. A substantial contribution towards remaining project costs.

"2. Such federal funds shall be in addition to and shall not diminish the federal transportation funding allocated or apportioned to the Commonwealth of Virginia and the State of Maryland. Upon all parties' approval of this agreement, the Authority shall have sole responsibility for duties concerning ownership, construction, operation, and maintenance of the project. At least 30 days before the Governor of Maryland enters into an agreement under this article, the Governor shall submit the agreement to the Legislative Policy Committee for its review and comment.

"Article X

"1. Within a reasonable period after this compact becomes effective under article VI of this chapter, the authority shall prepare and submit to the Governors of the Commonwealth of Virginia and the State of Maryland. And the Mayor of the District of Columbia, a management plan that includes:

"A. An organizational structure;

"B. A staffing plan that includes job descriptions; and

"C. A proposed salary schedule consistent with existing salary schedules for similar positions in the State of Maryland, the Commonwealth of Virginia, and the District of Columbia.

"2. The authority shall not implement the provisions of this compact until the Governors of the Commonwealth of Virginia and the State of Maryland and the Mayor of the District of Columbia have approved the management plan.

"3. Subsequent to the approval of the management plan, the authority may increase the number of its employees and their salary levels, provided that such increases do not result in a 20 percent increase above the level in the approved management plan. Increases in excess of 20 percent shall require an amendment to the approved plan. A proposed amendment shall be submitted to, and approved by, the Governors of the Commonwealth of Virginia and the State of Maryland, and the Mayor of the District of Columbia, prior to becoming effective.

"4. In the conduct of its responsibilities and duties, the authority shall maximize the use of existing public and private sector entities to provide necessary services, including management, construction, legal, accounting, and other services, as the authority may deem necessary.

"Article XI

"1. Except as provided herein, the Authority shall be liable for its contracts and for its torts and those of its directors, officers, employees, and agents. For tort actions arising out of conduct occurring in Maryland, Maryland tort and sovereign immunity law shall apply. The exclusive remedy for such breach of contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against the Authority. Nothing contained in this Act shall be construed as a waiver by the State of Maryland, the Commonwealth of Virginia, or the District of Columbia of any immunity from suit.

"2. The United States district courts shall have original jurisdiction, concurrent with the courts of the Commonwealth of Virginia, the State of Maryland, and the District of Columbia, of all actions brought by or against the Authority. Any such action initiated in a state court or the Superior Court of the District of Columbia shall be removable to the appropriate United States district court in the manner provided by act of June 25, 1948, as amended (28 U.S.C. 1446).

"Article XII

"1. If any part or provision of this compact or the application thereof to any person or circumstance is adjudged invalid by any court of competent jurisdiction, the judgment shall be confined in its operation to the part, provision, or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact or the application thereof to other persons or circumstances, and the signatories hereby declare that they would have entered into this compact or the remainder thereof had the invalidity of such provision or application thereof been apparent.

"2. This compact shall be liberally construed to effectuate the purposes for which it is created.

"CHAPTER II

"WOODROW WILSON BRIDGE AND TUNNEL REVENUE BOND ACT

"Article I

"DEFINITIONS

"The definitions set forth in Chapter I, Article I of the Woodrow Wilson Memorial Bridge and Tunnel Compact shall also apply to this act.

"Article II

"BONDS, NOTES, OR OTHER EVIDENCE OF OBLIGATION, NOT TO CONSTITUTE A DEBT OR PLEDGE OF TAXING POWER

"Revenue bonds, notes, or other evidence of obligation, issued under the provisions of this Act shall not be deemed to constitute a debt or a pledge of the faith and credit of the Authority or of any signatory government or political subdivision thereof, but such bonds, notes, or other evidence of obligation, shall be payable solely from the funds herein provided therefor from tolls and other revenues. The issuance of revenue bonds, notes, or other evidence of obligation, under the provisions of this Act shall not directly or indirectly or contingently obligate the Authority, or any signatory government or political subdivision thereof, to levy or to pledge any form of taxation whatever therefor. All such revenue bonds, notes, or other evidence of obligation, shall contain a statement on their face substantially to the foregoing effect.

"Article III

"ADDITIONAL POWERS OF THE AUTHORITY

"Without in any manner limiting or restricting the powers heretofore given to the Authority, and contingent upon the execution of the agreement referred to in Chapter I, Article IX of this compact, the Authority is hereby authorized and empowered:

"1. To establish, finance, construct, maintain, repair, and operate the project;

"2. To assume full rights of ownership of the Bridge;

"3. Subject to the approval of the Governors of the Commonwealth of Virginia and the State of Maryland and the Mayor of the District of Columbia of the portions of the project in their respective jurisdictions, and in accordance with the recommendations of the Woodrow Wilson Memorial Bridge Coordinating Committee, to determine the location, character, size, and capacity of the project; to establish, limit, and control such points of ingress to and egress from the project as may be necessary or desirable in the judgment of the Authority to ensure the proper operation and maintenance of the project; and to prohibit entrance to such project from any point or points not so designated;

"4. To secure all necessary federal, state, and local authorizations, permits, and approvals for the construction, maintenance, repair, and operation of the project;

"5. To adopt and amend bylaws for the regulation of its affairs and the conduct of its business;

"6. To adopt and amend rules and regulations to carry out the powers granted by this section;

"7. To acquire, by purchase or condemnation, in the name of the Authority; and to hold and dispose of real and personal property for the corporate purposes of the Authority;

"8. To employ consulting engineers, a superintendent or manager of the project, and such other engineering, architectural, construction, and accounting experts, and inspectors, attorneys, and such other employees as may be deemed necessary, and within the limitations prescribed in this Act, and to prescribe their powers and duties and to fix their compensation;

"9. To pay, from any available moneys, the cost of plans, specifications, surveys, estimates of cost and revenues, legal fees, and other expenses necessary or incident to determining the feasibility or practicability of financing, constructing, maintaining, repairing, and operating the project;

"10. To issue revenue bonds, notes, or other evidence of obligation of the Authority, for any of its corporate purposes, payable solely from the tolls and revenues pledged, for their payment, and to refund its bonds, all as provided in this Act;

"11. To fix and revise from time to time and to charge and collect tolls and other charges for the use of the project;

"12. To make and enter into all contracts or agreements, as the Authority may determine, which are necessary or incidental to the performance of its duties and to the execution of the powers granted under this Act;

"13. To accept loans and grants of money, or materials or property at any time from the United States of America, the Commonwealth of Virginia, the State of Maryland, the District of Columbia, or any agency or instrumentality thereof;

"14. To adopt an official seal and alter the seal at its pleasure;

"15. Subject to Chapter I, Article IX, to sue and be sued, plead and be impleaded, all in the name of the Authority;

"16. To exercise any power usually possessed by private corporations performing similar functions, including the right to expend, solely from funds provided under the authority of this Act, such funds as may be considered by the Authority to be advisable or necessary in advertising its facilities and services to the traveling public;

"17. To enter into contracts with existing governmental entities in the Commonwealth of Virginia, the State of Maryland, or the District of Columbia, or with private business entities for the purpose of allowing those entities to undertake all or portions of the project, including, but not limited to, design, engineering, financing, construction, and operation of the project, as the authority may deem necessary;

"18. To establish and maintain a police force, or to enter into a contract with an existing governmental entity in the State of Maryland, the Commonwealth of Virginia, or the District of Columbia to provide police services, as the authority may deem necessary;

"19. To enter into partnerships or grant concessions between the public and private sectors for the purpose of:

"A. Financing, contructing, maintaining, improving, or operating the project; or

"B. Fostering development of new transportation related technologies to be used in the construction and operation of the project, utilizing the law of any signatory in the discretion of the authority;

"20. To carry out or contract with other entities to carry out maintenance of traffic activities during the construction of the project that are considered necessary by the authority to manage traffic and minimize congestion, such as public information campaigns, improvements designed to encourage appropriate use of alternative routes, use of high occupancy vehicles and transit services, and deployment and operation of intelligent transportation technologies; and

"21. To do all acts and things necessary or incidental to the performance of its duties and the execution of its powers under this Act.

"Article IV

"*A. Acquisition of Property*

"The Authority is hereby authorized and empowered to acquire by purchase, whenever it shall deem such purchase expedient, solely from funds provided under the authority of this Act, such lands, structures, rights-of-way, property, rights, franchises, easements, and other interests in lands, including lands laying under water and riparian rights, which are located within the Metropolitan Washington area, as the authority may deem necessary or convenient for the construction and operation of the project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof; and to take title thereto in the name of the Authority.

"All counties, cities, towns and other political subdivisions and all public agencies and authorities of the signatories, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant, or convey to the Authority at the Authority's request, upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, agencies, or authorities may deem reasonable and fair and without the necessity for any advertisement, order of court, or other action or formality, other than the regular and formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the Authority, including public roads and other real property already devoted to public use.

"Whenever a reasonable price cannot be agreed upon, or whenever the owner is legally incapacitated or is absent, unknown or unable to convey valid title, the Authority is hereby authorized and empowered to acquire by condemnation or by the exercise of the power of eminent domain any lands, property, right, rights-of-way, franchises, easements, and other property deemed necessary or convenient for the construction or the efficient operation of the project or necessary in the restoration of public or private property damaged or destroyed.

"Whenever the Authority acquires property under this Article IV of Chapter II, it shall comply with the applicable federal law relating to relocation and relocation assistance. If there is no applicable federal law, the Authority shall comply with the provision of the state law of the signatory in which the property is located governing relocation and relocation assistance.

"In advance of undertaking any acquisition of property or easements in Maryland or the condemnation of such property, the Authority must obtain from the Maryland Board of Public Works approval of a plan identifying the properties to be obtained for the project. Condemnation proceedings shall be in accordance with the provisions of state law of the signatory in which the property is located governing condemnation by the highway agency of such state. Nothing in this Act shall be construed to authorize the Authority to condemn the property of the Commonwealth of Virginia, the State of Maryland , or the District of Columbia.

"*B. Procurement*

"1. Except as provided in subsections 2, 3, and 6 of this Section B, and except in the case of procurement procedures otherwise expressly authorized by law, the Authority in conducting a procurement of goods, services, or construction shall: a. obtain full and open competition through the use of competitive procedures in accordance with the requirements of this section; and b. use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement. In determining the competitive procedure appropriate under the circumstances, the Authority shall: a. solicit sealed bids if: (i) time permits the solicitation, submission, and evaluation of sealed bids; (ii) the award will be made on the basis of price and other price-related factors; (iii) it is not necessary to conduct discussions with the responding sources about their bids; and (iv) there is a reasonable expectation of receiving more than one sealed bid; or b. request competitive proposals if sealed bids are not appropriate under clause a. of this sentence.

"2. The Authority may use procedures other than competitive procedures if: a. the goods, services, or construction needed by the Authority are available from only one responsible source and no other type of goods, services, or construction will satisfy the needs of the Authority; b. the Authority's need for the goods, services, or construction is of such an unusual and compelling urgency that the Authority would be seriously injured unless the Authority limits the number of sources from which it solicits bids or proposals; or c. the goods or services needed can be obtained through federal or other governmental sources at reasonable prices.

"3. For the purpose of applying subsection 2.a of this section: a. in the case of a contract for goods, services, or construction to be awarded on the basis of acceptance of an unsolicited proposal, the goods, services, or construction shall be deemed to be available from only one responsible source if the source has submitted an unsolicited proposal that demonstrates a concept: (i) that is unique and innovative or, in the case of a service, for which the source demonstrates a unique capability to provide the service; and (ii) the substance of which is not otherwise available to the Authority and does not resemble the substance of a pending competitive procurement. b. In the case of a follow-on contract for the continued development or production of a major system or highly specialized equipment or the continued provision of highly specialized services, the goods, services, or construction may be deemed to be available from only the original source and may be procured through procedures other than competitive procedures if it is likely that award to a source other than the original source would result in: (i) substantial duplication of cost to the Authority that is not expected to be recovered through competition; or (ii) unacceptable delays in fulfilling the Authority's needs.

"4. If the Authority uses procedures other than competitive procedures to procure property, services, or construction under subsection 2.b. of this section, the Authority shall request offers from as many potential sources as is practicable under the circumstances.

"5. a. To promote efficiency and economy in contracting, the Authority may use simplified acquisition procedures for purchases of property, services, and construction. b. For the purposes of this subsection, simplified acquisition procedures may be used for purchases for an amount that does not exceed the simplified acquisition threshold adopted by the federal government. c. A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the procedures under paragraph a. of this subsection. d. In using simplified acquisition procedures, the Authority shall promote competition to the maximum extent practicable.

"6. The authority shall adopt policies and procedures to implement this section. The policies and procedures shall provide for publication of notice of procurements and other actions designed to secure competition where competitive procedures are used.

"7. The Authority in its sole discretion may reject any and all bids or proposals received in response to a solicitation.

"8. In structuring ALL procurements the Authority shall comply with Federal laws, regulations or other Federal Requirements set forth in grant agreements or elsewhere, as they may be amended from time to time, governing minority business enterprise participation.

"Article V

"INCIDENTAL POWERS

"The Authority shall have power to construct grade separations at intersections of the project with public highways and to change and adjust the lines and grades of such highways so as to accommodate the same to the design of such grade separation. The cost of such grade separations and any damage incurred in changing and adjusting the lines and grades of such highways shall be ascertained and paid by the Authority as a part of the cost of the project.

"If the Authority shall find it necessary to change the location of any portion of any public highway, it shall cause the same to be reconstructed at such location as the Authority shall deem most favorable and of substantially the same type and in as good condition as the original highway. The cost of such reconstruction and any damage incurred in changing the location of any such highway shall be ascertained and paid by the Authority as a part of the cost of the project.

"Any public highway affected by the construction of the project may be vacated or relocated by the Authority in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project.

"The Authority shall also have power to make regulations for the installation, construction, maintenance, repair, renewal, relocation, and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles, and other equipment and appliances (herein called "public utility facilities") of any public utility in, on, along, over, or under the project. Whenever the Authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over, or under the project should be relocated in the project, or should be removed from the project, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the other of the Authority, provided that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the Authority as a part of the cost of the project. In case of any such relocation or removal of facilities, the public utility owning or operating the same, its successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate such facilities in their former location or locations.

"Article VI

"PROJECT FINANCING

"The authority is hereby authorized to provide for the issuance, at one time or from time to time, of revenue bonds of the authority for the purpose of paying all or any part of the cost of the project or of any portion or portions of the project. The principal of and the interest on the bonds shall be payable solely from the funds provided in this compact for the payment. Any bonds of the authority issued pursuant to this article shall not constitute a debt of the State of Maryland or any political subdivision of the State other than the authority, and shall so state on their face. Neither the members of the authority nor any person executing such bonds shall be liable personally thereon by reason of the issuance thereof. The bonds of each issue shall be dated, shall bear interest at a rate or rates and shall mature at any time not exceeding forty years from the date of the bonds, as may be determined by the authority, at any price and under any terms and conditions as may be fixed by the authority prior to the issuance of the bonds.

"The Authority shall determine the form and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payments of principal and interest, which may be at any bank or trust company within or without the state of Maryland.

"In the event any officer whose signature or facsimile of whose signature shall appear on any bonds or coupons shall cease to be the officer until the delivery of such bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes as if the officer had remained in office until such delivery. The bonds may be issued in a form as determined by the Authority. The Authority may sell the bonds in any manner, either at public or private sale, and for any price as it may determine will best effect the purposes of this compact.

"The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project and shall be disbursed in the manner and under the restrictions, if any, as the Authority may provide in the resolution authorizing the issuance of the bonds or in the trust indenture securing the same.

"If the proceeds of the bonds of any issue shall be less than such cost by error of estimates or otherwise, additional bonds may be issued to provide the amount of such deficit and unless otherwise provided in the resolutions authorizing the issuance of such bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds.

"Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds that have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds that become mutilated, destroyed, or lost. Bonds may be issued under the provisions of this compact without obtaining the consent of any department, division, commission, board, bureau, or agency of the compact signatories, and without any provisions or requirements other than those proceedings, conditions, or things which are specifically required by this article.

"Article VII

"TRUST INDENTURE

"In the discretion of the Authority, any bonds, notes, or other evidence of obligation issued under the provisions of this Act may be secured by a trust indenture by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State of Maryland. Such trust indenture or the resolution providing for the issuance of such bonds may pledge or assign the tolls and other revenues to be received, but shall not convey or mortgage the project or any part thereof.

"Article VIII

"REVENUES.

"The Authority is hereby authorized to fix, revise, charge, and collect tolls for the use of the project, and to contract with any person, partnership, association, or corporation desiring the use thereof, and to fix the terms, conditions, rents, and rates of charges for such use.

"Such tolls shall be so fixed and adjusted in respect of the aggregate of tolls from the project as to provide a fund sufficient in combination with other revenues, if any, to pay (i) the cost of maintaining, repairing, and operating such project and (ii) the principal of and the interest on such bonds as the same shall become due and payable, and to create reserves for such purposes. The tolls and all other revenues derived from the project in connection with which the bonds of any issue shall have been issued, except such part thereof as may be necessary to pay such cost of maintenance, repair, and operation and to provide such reserves therefor as may be provided for in the resolution authorizing the issuance of such bonds or in the trust indenture securing the same, shall be set aside at such regular intervals as may be provided in such resolution or such trust indenture in a sinking fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due, and, upon the approval of the Governors of the Commonwealth of Virginia and the State of Maryland and the Mayor of the District of Columbia, the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the tolls or other revenues or other moneys so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust indenture by which a pledge is created need be filed or recorded except in the records of the Authority. The use and disposition of moneys to the credit of such sinking fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust indenture. Except as may otherwise be provided in such resolution or such trust indenture, such sinking fund shall be a fund for all such bonds without distinction or priority of one over another.

"Tolls shall be set at rates such that revenues generated by the project shall not exceed that necessary to meet requirements under any applicable trust indenture for the project.

"Article IX

"TRUST FUNDS

"All moneys received pursuant to the authority of this Act, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this Act. The resolution authorizing the bonds of any issue or the trust indenture securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes thereof, subject to such regulations as this Act and such resolution or trust indenture may provide.

"Article X

"REMEDIES

"Any holder of bonds, notes, or other evidence of obligation issued under the provisions of this Act or any of the coupons appertaining thereto, and the trustee under any trust indenture, except to the extent the rights herein given may be restricted by such trust indenture or the resolution authorizing the issuance of such bonds, notes, or other evidence of obligation, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State of Maryland, the Commonwealth of Virginia, or the District of Columbia or granted hereunder or under such trust indenture or the resolution authorizing the issuance of such bonds, notes, or other evidence of obligation, and may enforce and compel the performance of all duties required by this Act or by such trust indenture or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging, and collecting of tolls.

"Article XI

"TAX EXEMPTION

"The exercise of the powers granted by this Act will be in all respects for the benefit of the people of the State of Maryland and for the increase of their commerce and prosperity, and as the operation and maintenance of the project will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon the project or any property acquired or used by the Authority under the provisions of this Act or upon the income therefrom, and the bonds, notes, or other evidence of obligation issued under the provisions of this Act, and the income therefrom shall at all times be free from taxation within the State of Maryland.

"Article XII

"BONDS, NOTES, OR OTHER EVIDENCE OF OBLIGATION ELIGIBLE FOR INVESTMENT

"Bonds, notes, or other evidence of obligation issued by the Authority under the provisions of this Act are hereby made securities in which all public officers and public bodies of the State of Maryland and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds, notes, or other evidence of obligation are hereby made securities which may properly and legally be deposited with and received by any State of Maryland or municipal officer or any agency or political subdivision of the State of Maryland for any purpose for which the deposit of bonds, notes, or other evidence of obligation is now or may hereafter be authorized by law.

"Article XIII

"MISCELLANEOUS

"Any action taken by the Authority under the provisions of this Act may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted.

"The project when constructed and opened to traffic shall be maintained and kept in good condition and repair by the Authority. The project shall also be policed and operated by such force of police, toll-takers, and other operating employees as the Authority may in its discretion employ. The authority may enter into a contractual agreement with an existing governmental entity in Maryland or Virginia to provide these services. An Authority police officer shall have all the powers granted to a peace officer and a police officer of the State of Maryland. However, an Authority police officer may exercise these powers only on property owned, leased, operated by, or under the control of the Authority, and may not exercise these powers on any other property unless:

"(1) Engaged in fresh pursuit of a suspected offender;

"(2) Specially requested or permitted to do so in a political subdivision by its chief executive officer or its chief police officer; or

"(3) Ordered to do so by the Governors of the State of Maryland, the Commonwealth of Virginia, or the Mayor of the District of Columbia, as the circumstances may require.

"All other police officers of the signatory parties and of each county, city, town, or other political subdivision of the State of Maryland through which the project, or portion thereof, extends shall have the same powers and jurisdiction within the limits of such project as they have beyond such limits and shall have access to the project at any time for the purpose of exercising such powers and jurisdiction.

"On or before the last day of August in each year, the Authority shall make an annual report of its activities for the preceding fiscal year to the Governors of the State of Maryland and the Commonwealth of Virginia and the Mayor of the District of Columbia. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The Authority shall cause an audit of its books and accounts to be made at least one in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation of the project. The records, books, and accounts of the Authority shall be subject to examination and inspection by duly authorized representatives of the governing bodies of Maryland, Virginia, and the District of Columbia and by any bondholder or bondholders at any reasonable time, provided the business of the Authority is not unduly interrupted or interfered with thereby.

"Any member, agent, or employee of the authority who contracts with the Authority or is interested, either directly or indirectly, in any contract with the Authority or in the sale of any property, either real or personal, to the Authority shall be guilty of a misdemeanor, and, upon conviction may be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or both.

"Any person who uses the project and fails or refuses to pay the toll provided therefore shall be guilty of a misdemeanor, and, upon conviction may be punished by a fine not more than $100 or by imprisonment for not more than thirty days, or both.

"SECTION 2. And be it further enacted, That this Act may not take effect until a similar Act is passed by the Commonwealth of Virginia and the District of Columbia; that the Commonwealth of Virginia and the District of Columbia are requested to concur in this Act of the General Assembly of Maryland by the passage of a similar Act; that the Department of Legislative Reference shall notify the appropriate officials of the Commonwealth of Virginia, the District of Columbia, and the United States Congress of the passage of this Act; and that upon the concurrence in this Act by the Commonwealth of Virginia and the District of Columbia and approval by the United States Congress, the Governor of the State of Maryland shall issue a proclamation declaring this Act valid and effective and shall forward a copy of the proclamation to the Director of the Department of Legislative Reference.

"SECTION 3. And be it further enacted, That, subject to Section 2 of this Act, this Act shall take effect October 1, 1996."

POM–638. A resolution adopted by the Senate of the Legislature of the Commonwealth of Massachusetts; to the Committee on the Judiciary.

"RESOLUTION

"Whereas, in a five-to-four decision on April eighteenth, nineteen hundred and ninety, the United States Supreme Court extended the power of the judicial branch of government beyond any defensible bounds; and

"Whereas, in *Missouri* v. *Jenkins* (110 Sup. Ct. 1651 (1990)), the United States Supreme Court held that a Federal court had the power to order an increase in State and local taxes; and

"Whereas, this unprecedented decision violates one of the fundamental tenets of the doctrine of separation of powers, that the members of the Federal judiciary should not have the power to tax; and

"Whereas, in response to this decision, several Members of Congress have introduced a constitutional amendment to re-establish a principle that has been well settled: judges do not have the power to tax; and

"Whereas, the passage of such constitutional amendment (first by a two-thirds majority in both Houses of Congress and then by three-fourths of the several States' legislatures or conventions) would serve not only to reverse in unfortunate decision, but also to reassert the legislature's constitutional role in maintaining a strong tripartite system of government, a system in which each of the branches is constrained by the others; and

"Whereas, such proposed constitutional amendment is a long overdue response to a federal judiciary that, in the pursuit of seemingly good ends, fails to recognize the constitutional limits on its power; and

"Whereas, in addition to being introduced in the United States Congress such constitutional amendment has also been proposed by several States; and

"Whereas, the test of such proposed constitutional amendment reads: "Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a State or political subdivision thereof, or an official of such State or political subdivision, to levy or increase taxes"; and

"Whereas, such amendment seeks properly to prevent Federal courts from levying or increasing taxes without representation of the people and against the people's wishes; therefore be it

"*Resolved*, That the Massachusetts Senate hereby memorializes the United States Congress to propose and submit to the several States for ratification no later than January first, nineteen hundred and ninety-six, an amendment to the Constitution of the United States, the text of which amendment shall read; 'Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a State or political subdivision thereof, or an official of such State or political subdivision, to levy or increase taxes'; and calls upon the Massachusetts Congressional Delegation to use immediately the full measure of its resources and influence in order to ensure the passage of such amendment to the Constitution of the United States, which provides that no court shall have the power to levy or increase taxes; and further proposes that the legislatures of each of the several States comprising the United States which have not yet made similar requests apply to the United States Congress requesting enactment of such amendment to the United States Constitution; and be it further

"*Resolved*, That the copies of these resolutions be transmitted forthwith by the clerk of the Senate to the Vice President of the United States as the Presiding Officer of the Senate, the Speaker of the House of Representatives, each member of the Massachusetts Congressional Delegation, and the presiding officer and minority party leader in each House of the legislatures of each State in the Union."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1730. A bill to amend the Oil Pollution Act of 1990 to make the Act more effective in preventing oil pollution in the Nation's waters through enhanced prevention of, and improved response to, oil spills, and to ensure that citizens and communities injured by oil spills are promptly and fully compensated, and for other purposes (Rept. No. 104–292).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1815. A bill to provide for improved regulation of the securities markets, eliminate excess securities fees, reduce the costs of investing, and for other purposes (Rept. No. 104–293).

By Mr. STEVENS, from the Committee on Governmental Affairs, without amendment:

H.R. 1508. A bill to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park (Rept. No. 104–294).

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

H.R. 2070. A bill to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life".

By Mr. HELMS, from the Committee on Foreign Relations, with amendments:

H.R. 3121. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those Acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

H. Con. Res. 160. A concurrent resolution congratulating the people of the Republic of Sierra Leone on the success of their recent democratic multiparty elections.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 271. An original resolution expressing the sense of the Senate with respect to the international obligation of the People's Republic of China to allow an elected legislature in Hong Kong after June 30, 1997, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources:

Doris B. Holleb, of Illinois, to be a Member of the National Council of the Humanities for a term expiring January 26, 2002.

Alan G. Lowry, of California, to be a Member of the Board of Trustees of the James Madison Memorial Fellowship Foundation for a term expiring May 29, 2001.

Luis Valdez, of California, to be a Member of the National Council on the Arts for a term expiring September 3, 2000.

Reginald Earl Jones, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2000.

Levar Burton, of California, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 2000.

Marciene S. Mattleman, of Pennsylvania, to be a Member of the National Institute for Literacy Advisory Board, for a term expiring October 12, 1998.

Victor H. Ashe, of Tennessee, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2000.

Reynaldo Flores Macias, of California, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. FOR APPOINTMENT

To be medical director

Michael M. Gottesman
Harold W. Jaffe

To be senior surgeon

James F. Battey, Jr.

To be surgeon

Helene D. Gayle
Jeffrey R. Harris
Douglas B. Kamerow
Thurma G. McCann
Michael E. St Louis

To be senior assistant surgeon

Robert T. Chen
Susan L. Crandall
Ahmed M. Elkashef
Michael M. Engelgau
Richard L. Hays
Brockton J. Hefflin
Clare Helminiak
Kathleen L. Irwin
Connie A. Kreiss
Boris D. Lushniak
Douglas L. McPherson
Manette T. Niu
Robert J. Simonds
Jonathan T. Weber

To be senior assistant dental surgeon

Thomas T. Barnes, Jr.
Mitchel J. Bernstein
Brenda S. Burges
Deborah P. Costello
David A. Crain
Richard L. Decker
James V. Dewhurst III
Debra L. Edgerton
Paul J. Farkas
Janie G. Fuller
Kent K. Kenyon
Ruth M. Klevens
Edward E. Neubauer
Thomas A. Reese
Jose C. Rodriguez
Adele M. Upchurch

To be dental surgeon

Michael E. Korale

To be nurse officer

Cathy J. Wasem

To be senior assistant nurse officer

Donna N. Brown
Gracie L. Bumpass
Martha E. Burton
Annette C. Currier
Thomas E. Daly
Terence E. Deeds
Joseph P. Fink
Robert C. Frickey
Judy A. Gerry
Annie L. Gilchrist
Byron C. Glenn
Margaret A. Hoeft
Lorraine D. Kelwood
Mary M. Leemhuis
Susan R. Lumsden
Brenda J. Murray
Michael J. Papania
Monique V. Petrofsky
Patricia K. Rasch
Letitia L. Rhodes-Bard
Thomas M. Scheidel
Ruth A. Shults
Jerilyn A. Thornburg
Scott A. Vanomen
Ellen D. Wolfe

To be assistant nurse officer

Susan Z. Mathew
Terry L. Porter
Richard M. Young

To be senior assistant engineer officer

Terry L. Aaker
Cheryl Fairfield Estill
Debra J. Hassinan
Donald J. Hutson
Allen K. Jarrell
Jeffrey J. Nolte
Mutahar S. Shamsi
George F. Smith

To be assistant engineer officer

Nathan D. Gjovik

To be scientist

Deloris L. Hunter

To be senior assistant scientist

Anne T. Fidler
Patrick J. McNeilly
Helena O. Mishoe
Paul D. Siegel
William H. Taylor III

To be sanitarian

Thomas C. Fahres
Daniel M. Harper
Charles L. Higgins
Michael M. Welch

To be senior assistant sanitarian

Gail G. Buonviri
Larry F. Cseh
Alan J. Dellapenna, Jr.
Alan S. Echt
Thomas A. Hill
Florence A. Kaltovich
David H. McMahon
Nathan M. Quiring
David H. Shishido
Linda A. Tiokasin
Richard E. Turner
Berry F. Williams

To be veterinary officer

Stephanie I. Harris

To be senior assistant veterinary officer

Hugh M. Mainzer
Shanna L. Nesby
Meta H. Timmons

To be senior assistant pharmacist

Sarah E. Arroyo
Edward D. Bashaw
Charles C. Bruner
Vicky S. Chavez
Scott M. Dallas
Michele F. Gemelas
Terry A. Hook
Alice D. Knoben
Nancy E. Lawrence
Andrew J. Litavecz IV
Josephine A. Lyght
William B. McLiverty
M. Patricia Murphy
Anna M. Nitopi
Robert G. Pratt
Kurt M. Riley

To be assistant pharmacist

Gary L. Elam
James A. Good
Valerie E. Jensen
Kimberly D. Knutson
Sandra C. Murphy
Jill A. Sanders
Pamela Stewart-Kuhn

To be assistant pharmacist pharmacist

L. Jane Duncan

To be senior assistant dietitian

Celia R. Hayes
David M. Nelson

To be therapist

Michael P. Flyzik

To be assistant therapist

Mark T. Melanson

To be health services director

James H. Sayers

To be health services officer

Maureen E. Gormley

To be senior assistant health services officer

Corinne J. Axelrod
Deborah Dozier-Hall
William M. Gosman
Janet S. Harrison
Rebecca D. Hicks
Brian T. Hudson
Richard D. Kennedy
Edward M. McEnerney
Michael R. Milner
Anne M. Perry
Elizabeth A. Rasbury
Ray J. Weekly
Craig S. Wilkins

To be assistant health services officer

Willard E. Dause

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Foreign Relations:

John Christian Kornblum, of Michigan, to be an Assistant Secretary of State.

Barbara Mills Larkin, of Iowa, to be an Assistant Secretary of State.

Gerald S. McGowan, of Virginia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1998.

(The following is a list of all members of the nominees' immediate family and their spouses. Each of these persons has informed the nominee of the pertinent contributions made by them. To the best of the nominees knowledge, the information contained in this report is complete and accurate.)

A. Vernon Weaver, of Arkansas, to be the Representative of the United States of America to the European Union, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Nominee: Arthur Vernon Weaver, Jr.

Post: U.S. Representative to the European Union.

Contributions, amount, date, and donee:

1. Self, $1,000, 9/19/91, Cong. Ray Thorton; $1,000, 9/19/91, Cong. Ray Thornton; $1,000, 3/5/93, Cong. Ray Thornton; $1,000, 6/28/94, Cong. Ray Thornton; $1,000, 4/12/95, Cong. Ray Thornton; $250, 7/10/95, Sen. Bob Dole; $1,000, 11/8/91, Clinton/Gore; $1,000, 8/31/95, Clinton/Gore; $644.90, 1/8/93, Sen. Larry Pressler; $355.10, 1/8/93, Sen. Larry Pressler; $144.80, 11/2/93, Sen. Larry Pressler; $210.30, 11/11/93, Sen. Larry Pressler.

2. Spouse: Joyce Weaver, $500, 5/16/90, Cong. Ray Thornton; $500, 8/12/90, Cong. Ray Thornton; $1,000, 3/5/93, Cong. Ray Thornton; $1,000, 4/12/95, Cong. Ray Thornton; $1,000, 11/8/91, Clinton/Gore; $1,000, 8/3/95, Clinton/Gore.

3. Children and spouses: Vanessa Weaver, (daughter age 40), $1,000, 9/95, Clinton/Gore. Daphne Weaver, (daughter age 37), $250, 9/95, Clinton/Gore.

Robert Katt, (husband of Vanessa Weaver), $1,000, 9/95, Clinton/Gore.

4. Parents: Arthur Vernon Weaver (deceased), and Geneviene Phillips Weaver (deceased).

5. Grandparents: Arthur B. Weaver, Sarah Banks Weaver, Sean Phillips, and Nellie Mae Phillips Strang (all deceased).

6. Brothers and spouses: none.

7. Sisters and spouses: Beatrice Mae Fryen, none.

Madeleine May Kunin, of Vermont, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Nominee: Madeleine May Kunin.

Post: Ambassador to Switzerland.

Contributions, amount, date, and donee:

1. Self: 1996—Clinton/Gore Campaign, $100; Emily's List, $125; Democratic Senate Campaign Committee, $50. 1995—Clinton/Gore Campaign, $100; Democratic Senate Campaign Committee, $50; Democratic Congressional Campaign Committee, $50; Democratic Congressional Campaign Committee, $50. 1994—Emily's List, $100; Vermont Democratic Party, $100. 1993—Howard Dean Campaign for Governor, $50; Democratic Congressional Campaign Committee, $50; Elaine Baxter for Congress, $50; Don Hooper for Senate, $50; Doug Racine for Lt. Governor, $50. 1992—Vermont Democratic Party, $200; Clinton for President, $100; Carol Mosley Braun, $50; Leahy for Senate, $25; Arnie Arneson for Governor, NH, $100; Howard Dean for Governor, $50; Women's Campaign Fund, $50; Clinton Inaugural Committee, $550; Lynn Yeakel for Senate, $50; Vermont Women's Political Caucus, $50; Barbara Boxer for Senate, $50; Hooper for VT Secretary of State, $50. 1991—Vermont Democratic Party, $100; Chittenden County Democratic Party, $50; Women's Political Caucus $50.

2. Spouse: (divorced).

3. Children and spouses: Names: Peter and Lisa Kunin, none, Julia Kunin, none, Adam Kunin, none Daniel Kunin, none.

4. Parents: (deceased).

5. Grandparents: (deceased).

6. Brothers and spouses: Names: Edgar May $100, 1992, Clinton Campaign; $150, 1993, Doug Racine Campaign.

7. Sisters and spouses: none.

Harold Walter Geisel, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Nominee: Harold W. Geisel.

Post: Mauritius.

Contributions, amount, date, and donee.

1. Self: Harold W. Geisel, none.

2. Spouse: Susan L. Geisel, none.

3. Children and Spouses: Names: Jacqueline J. Geisel (9) none, and Katherine L. Geisel (7) none.

4. Parents: Names: Gustav Geisel, none, and Stefi S. Geisel, none.

5. Grandparents: Names: Herman Geisel and Sophie Geisel, (deceased) and Sigfried Siegel and Fridel Siegel, (deceased).

6. Brothers and spouses: Names: Jerome M. Geisel, none, and Roseanne White Geisel, none.

7. Sisters and spouses: None.

Alan R. McKee, of Maryland, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Nominee: Alan R. McKee.

Post: Kingdom of Swaziland.

Contributions, amount, date, and donee.

1. Self: None.

2. Spouse: None.

3. Children and spouses: Names: Amanda K. McKee, none, and Alexander B. McKee none.

4. Parents: T. Bonar McKee and Lois Ellen McKee (deceased).

5. Grandparents: Nora Reel and Daniel Reel: John and Isabel McKee, (All deceased.)

6. Brothers and spouses; Name: Harris B. McKee, $35, 1/29/94, Minnesota Moderate Republicans.

7. Sisters and spouses: None.

Arlene Render, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Nominee: Arlene Render.

Post: Republic of Zambia.

Contributions, amount, date, and donee.

1. Self: none.

2. Spouse: N/A.

3. Children and Spouses: none.

4. Parents: none.

5. Grandparents: (deceased).

6. Brothers and spouses: none.

7. Sisters and spouses: none.

Marisa R. Lino, of Oregon, a Career Member of the Senior Foreign Service, Class of Minister Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Albania.

Nominee: Marisa Rose Lino.

Post: Ambassador to Albania.

Contributions, amount, date, and donee.

1. Self: none.

2. Spouse: single.

3. Children and Spouses: none.

4. Parents: Luigi Lino, $10.00, Mar. 29, 1995, Democratic Nat'l Comm, $10.00, May 26, 1995, Democratic Nat'l Comm; Vida Lino, none.

5. Grandparents: Names: Antonio and Rosa Lino, Pasko and Emma Bego, (all deceased).

6. Brothers and Spouses: none.

7. Sisters and Spouses: Names: Silva Emma Prosak, none, and Steve Prosak, none.

John F. Hicks, Sr., of North Carolina, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Eritrea.

Nominee: John F. Hicks, Sr.

Post: Eritrea.

Contributions, amount, date, and donee:

1. Self: John F. Hicks, none.

2. Spouse: Jacqueline M. Hicks, none.

3. Children and spouses; Names: Jocelyn F. Hicks (daughter), John F. Hicks, Jr. (son), none.

4. Parents: Names: Mack L. Hicks (father) (deceased); Annie H. Hicks (mother) (deceased).

5. Grandparents: Names: John Frederick and Addie Hicks (deceased—paternal grandparents); Stephen and Maggie Sherad (deceased—maternal grandparents).

6. Brothers and spouses: Names: Clarence and Rhonda Hicks, none; Osceola Hicks, none.

7. Sisters and spouses: Names: Katrina and James Goldsby, none; Joyce Hicks, none.

Avis T. Bohlen, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bulgaria.

Nominee: Avis T. Bohlen.

Post: Ambassador to Bulgaria.

Contributions, amount, date, and donee:

1. Self: none.

2. Spouse: David P. Calleo, $50, 1991—Friends of Les Aspin; $200.00, 1992—Tsongas for President.

3. Children and spouses: Not applicable.

4. Parents: Names: Charles Bohlen (deceased, 1973); Avis Bohlen (deceased, 1982).

5. Grandparents: Names: Charles Bohlen and Celestine Bohlen (deceased); George Thayer and Gertrude Thayer (deceased).

6. Brothers and spouses: Names: Charles Bohlen, $100, 1992—Becerra for Congress; $200, 1994—Doug Kahn; Jaye Scholl, None.

7. Sisters and spouses: Names: Celestine Bohlen, none; Vladimir Lebedev, none.

Leslie M. Alexander, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ecuador.

Nominee: Leslie M. Alexander.

Post: Quito.

Contributions, amount, date, and donee:

1. Self: none.

2. Spouse: none.

3. Children and spouses: Names: Margaret, none; Natalia, none.

4. Parents: Names: Leslie M. Alexander, none; Ginette R. Alexander (deceased).

5. Grandparents: Names: Mr. and Mrs. L.M. Alexander (deceased); Mr. and Mrs. R. Chevalon (deceased).

6. Brothers and spouses: Names: Michael and Lorri Alexander, none; Bruce and Lisa Alexander, none; Steven Alexander, none.

7. Sisters and spouses: none.

Tibor P. Nagy, Jr., of Texas, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Nominee: Tibor Peter Nagy, Jr.

Post: Ambassador to Guinea.

Contributions, amount, date, and donee:

1. Self: Tibor P. Nagy, Jr., none.

2. Spouse: Eva Jane Nagy, none.

3. Children and spouses: Names: Tisza Ann, none; Peter William, none; Stephen Branson, none.

4. Parents: Names: Tibor Nagy, none; Zsuzsa Kovacs, none.

5. Grandparents: Names: Gyorgyi Kalman (deceased); Gyorgyi Emilia (deceased); Nagy Jozsef (deceased); Nagy Vilma (deceased).

6. Brothers and Spouses: Names: Redey Peter, none; Redey Jutka, none; Andras Goldinger, none.

7. Sisters and spouses: Name: Redey Jutka, none.

Donald J. Planty, of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

Nominee: Donald J. Planty.

Post: Guatemala.

Contributions, amount, date, and donee:

1. Self: Donald J. Planty, none.

2. Spouse: Regina E. Planty, none.

3. Children and spouses: Names: Rev. Donald J. Planty, Jr., none; Matthew D. Planty, none.

4. Parents: Names: Mark Planty, none; Donald E. Planty, none; Bernadette A. Planty, none.

5. Grandparents: Names: Nicholas Boliver (deceased); Ora Planty (deceased); Arletha Boliver (deceased); Cora Planty (deceased).

6. Brothers and spouses: Names: Brian and Kelly Planty, none; Brent and Linda Planty, none.

7. Sisters and spouses: Names: Elaine Planty, none; Karen and Steve Vout, none; Dawn Planty, none; Renee and Gary Davoy, none.

Dennis C. Jett, of New Mexico, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Peru.

Nominee: Dennise C. Jett.

Post: Lima, Peru.

Contributions, amount, date, and donee:

1. Self: none.

2. Spouse: Lynda Schuster, none.

3. Children and spouses: Names: Brian Jett, none; Allison Jett, Non.

Parents: Clifton Jett (deceased); Helen Jett, none.

5. Grandparents: Names: (deceased).

6. Brothers and spouses: Names: James and Evangeline Jett, Michael and Barbara Jett, and Paul Jett, none.

7. Sisters and spouses: none.

Lino Gutierrez, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nicaragua.

Nominee: Lino Gutierrez.

Post: Ambassador to Nicaragua.

Contributions, amount, date, and donee:

1. Self: Lino Gutierrez, none.

2. Spouse: Miriam Messina-Gutierrez, none.

3. Children and spouses: Names: Alicia Tio-Messina, none; Diana Lynn Gutierrez, none; Susana Marie Gutierrez, none.

4. Parents: Names: Lino Gutierrez (father) (deceased); Maria F. Gutierrez (mother), none.

5. Grandparents: Names: Lino Gutierrez, Eugenia Gutierrez, Luis Fernandez, Etelvina Fernandez (all grandparents deceased).

6. Brothers and spouses: none.

7. Sisters and spouses: none.

Wendy Jean Chamberlin, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Lao People's Democratic Republic.

Nominee: Wendy Chamberlin.

Post: Vientiane, Laos.

Contributions, amount, date, and donee:

1. Self: Wendy Chamberlin, none.

2. Spouse: John H. Hawes, none.

3. Children and spouses: Names: Chynna Hawes, none; Jade Hawes, none; Fabrizia Hawes, none; Christiana Hawes, none; Ceazere LaFranconia, none (husb. of Christiana); Alessia Kirkland, none; Kevin Kirkland, none (husb. of Alessia).

4. Parents: Names: Col. William C. Chamberlin, none; Beverly Mann Chamberlin, (deceased).

5. Grandparents: Names: Ann Mann (deceased); Admiral William Mann (deceased); Henry Barrett Chamberlin (deceased); Margaret Chamberlin (deceased).

6. Brothers and spouses: Names: Henry Barrett Chamberlin, none; Ruth Chamberlin, none (wife of brother Henry); Lt. Col. William Chamberlin, none; Shanta Chamberlin, none (wife of William).

7. Sisters and spouses: No sisters.

James Francis Creagan, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Honduras.

Nominee: James F. Creagan.

Post: Honduras.

Contributions, amount, date, and donee:

1. Self: James F. Creagan, none.

2. Spouse Gwyn Jonsson Creagan, none.

3. Children and spouses: Names: Sean M.A. Creagan, none; Kevin and Noemi Creagan, none.

4. Parents: Names: Mareta T. Creagan (deceased) James M. Creagan, none; Alice Svete Creagan, none.

5. Grandparents: Names: Carl Creagan (deceased); Mary Traxler (deceased); Leota Creagan (deceased).

6. Brothers and spouses: Names: Tom and Sue Creagan, none; David and Janet Creagan, none.

7. Sisters and spouses: Names: Judith Creagan Brown and Hank Brown, Jr., none.

Glen Robert Rase, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

Nominee: Glen Robert Rase.

Post: Ambassador, Brunei Darussalam.

Contributions, Amount, date, and donee:

1. Self: none.

2. Spouse: none.

3. Children and spouses: none.

4. Parents: Names: Robert F. Rase, none; Gloria R. Rase, none.

5. Grandparents: Names: Catherine Rase, none; Caroline Ready, none.

6. Brothers and spouses: none.

7. Sisters and spouses: Names: Carol Rase, none; Steven Frasier, none.

Thomas C. Hubbard, of Tennessee, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Palau.

Nominee: Thomas C. Hubbard.

Post: Philippines and Palau.

Contributions, amount, date, and donee:

1. Self: none.

2. Spouse: Joan M. Hubbard, none.

3. Children and spouses: Names: Lindley Taylor Hubbard, none; Carrie Hubbard, none.

4. Parents: Names: Thomas N. Hubbard (deceased); Rebecca Taylor Hubbard (deceased).

5. Grandparents: Names: Cato Taylor (deceased); Lolabelle Taylor (deceased).

6. Brothers and spouses: Names: Edward Dow Hubbard, none.

7. Sisters and spouses: Names: Piera Springstead, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I also report favorably three nomination lists in the Foreign Service which were printed in full in the Congressional Records of May 9, and June 18, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of May 9, and June 18, 1996 at the end of the Senate proceedings.)

FOREIGN SERVICE

The following-named persons of the agencies indicated for appointment as Foreign Service Officers of the classes stated, and also for the other appointments indicated herewith:

For appointment as Foreign Service Officers of Class Two, Consular Officers and Secretaries in the Diplomatic Service of the United States of America;

AGENCY FOR INTERNATIONAL DEVELOPMENT

Donald C. Masters, of the District of Columbia

U.S. INFORMATION AGENCY

Gail Milissa Grant, of Missouri
Patricia McMahon Hawkins, of New Hampshire

For appointment as Foreign Service Officers of Class Three, Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Richard W. Loudis, of Florida
Mark Stewart Miller, of Florida
Allen F. Vargas, of New York

DEPARTMENT OF COMMERCE

Reginald A. Miller, of California
Judy R. Reinke, of Virginia

DEPARTMENT OF STATE

Juan M. Bracete, of Florida

For appointment as Foreign Service Officers of Class Four, Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF AGRICULTURE

Karl Hampton, of the District of Columbia

UNITED STATES INFORMATION AGENCY

Susan Tebeau Bell, of South Carolina
Rebecca Tracy Brown, of California
Kate Marie Byrnes, of Florida
Margot Carrington, of Florida
Anne Sara Casper, of Nevada
Charles Gary Cole, of California
Lincoln D. Dahl, of Nevada
David Adams Duckenfield, of the District of Columbia
David Joseph Firestein, of Texas
Stefen Granito, of Florida
Marjorie R. Harrison, of Pennsylvania
Erik Anders Holm-Olsen, of New Jersey
Robert C. Howes, of Michigan
Tiffany Ann Jackson-Zunker, of California
Geraldine F. Keener, of California
Christine A. Leggett, of California
Deena Fathi Mansour, of Wyoming
Karen Morrissey, of Florida
George P. Newman, of New York
Thomas Joseph Nicholas Pierce, of Connecticut
Adele E. Ruppe, of Maryland
R. Stephen Schermerhorn, of Florida
Dana Cohn Shell, of California
Victoria L. Sloan, of Florida
Susan Nan Stevenson, of Florida
Scott D. Weinhold, of Wisconsin
Ivan Weinstein, of New Jersey
Richard Morgan Wilbur, of New York

DEPARTMENT OF STATE

Robert M. Anthony, of Oklahoma
Jonathan Jay Beighle, of Washington
Randy William Berry, of Colorado
Paul W. Blankenship, of Texas
Sharon T. Bowman, of New York
Frances Chisholm, of New Hampshire
Nancy Ann Cohen, of California
Marie Christine Damour, of Virginia
Nathaniel Pabody Dean, of the District of Columbia
Shwan Dorman, of New York
Christopher G. Dunnett, of Florida
Levon A. Eldemir, of California
Robert Frank Ensslin, of Florida
George H. Frowick, of California
Joanne Gilles, of New York

William Lewis Griffith, of New York
Alexander Grossman, of Texas
David C. Hermann, of Massachusetts
Andrew S. Hillman, of New York
Irma J. Hopkins, of Indiana
Mark Scott Johnsen, of California
Marc C. Johnson, of the District of Columbia
Christopher A. Landberg, of Washington
Scott D. McDonald, of Florida
Edward Vincent O'Brien, of Florida
Edward W. O'Connor, of Pennsylvania
Derrick Meyer Olsen, of Oregon
Michael Joseph Petrucelli, of Maryland
Patrick Robert Quigley, of Florida
Jennifer Ann Richter, of Pennsylvania
Cynthia Corbin Sharpe, of Texas
Kathleen S. Sheehan, of Massachusetts
Catherine Ann Shumann, of New Jersey
Raymond Daniel Toma, Jr., of Michigan
Pamela M. Tremont, of Texas
James J. Turner, of Maryland

The following-named Members of the Foreign Service of the United States Information Agency and the Department of State to be Consular Officers and/or Secretaries in the Diplomatic Service of the United States of America, as indicated:

Consular Officers and Secretaries in the Diplomatic Service on the United States of America:

Amanda L. Blanck, of Missouri
Patrick W. Boyden, of Indiana
Bruce W. Brett, of Virginia
David H. Cannon, of California
Robert W. Chapman, of Virginia
Richard K. Choate, of Virginia
Collette M. Christian, of Oregon
Jennifer N.M. Coile, of Wyoming
Daniel Keith Hall, of Virginia
James L. Harris, of Virginia
Mary Heintzelman, of the District of Columbia
Maureen Matter Howard, of Washington
Michael J. Hughes, of Virginia
Michael C. John, of Virginia
Patricia Kozlik Kabra, of California
Andrew M. Langenbach, of Virginia
David Kent Mason, of Virginia
Maryann McKay, of California
Andrea Linda Meyer, of Pennsylvania
Cynthia L. Morrow, of Virginia
Duc Tan Ngo, of Virginia
Jean T. Olson, of Florida
Robert E. Orkosky, of Virginia
Elizabeth C. Pokorny, of Virginia
Laura B. Pramuk, of Colorado
Ann M. Roubachewsky, of Maryland
Norville B. Spearman, Jr., of California
Karen Sullivan, of New York
Kurt N. Theodorakos, of Virginia

The following-named Career Members of the Senior Foreign Service of the Department of Commerce for promotion in the Senior Foreign Service to the class indicated:

Career Members of the Senior Foreign Service of the United States of America, Class of Minister-Counselor:

Terence Flannery, of Virginia
Laron L. Jensen, of Virginia

The following-named Career Members of the Foreign Service for promotion into the Senior Foreign Service, as indicated:

Career Members of the Senior Foreign Service of the United States of America, Class of Counselor:

Dolores F. Harrod, of New Hampshire
James L. Joy, of Florida
David K. Katz, of California
George W. Knowles, of Florida
Kay R. Kuhlman, of Florida
John L. Priamou, of the District of Columbia
George F. Ruffner, of Pennsylvania

The following-named persons of the agencies indicated for appointment as Foreign Service Officers of the classes stated, and also for the other appointments indicated herewith:

For appointment as Foreign Service Officers of Class Two, Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Justin Emmett Doyle, of New York
Hector Nava, of California

DEPARTMENT OF COMMERCE

Craig B. Allen, of Wisconsin
Robert M. Murphy, of Washington

DEPARTMENT OF STATE

David M. Buss, of Texas
Patricia M. Haslach, of Oregon

For appointment as Foreign Service Officers of Class Three, Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

AGENCY FOR INTERNATIONAL DEVELOPMENT

David John Clark, of Texas
Amy Renneisen Fawcett, of Tennessee
James B. Gaughran, of Virginia
Michael J. Greene, of Washington
Philip D. Horschler, of California
Virginia Howell Poole, of Virginia
Claude Wilbur Mark Reece, of Virginia
Caroline Truesdell, of New York
Ruth F. Woodcock, of Florida
Albert Obiri Yeboah, of Virginia

DEPARTMENT OF AGRICULTURE

Sharon A. Bylenga, of Florida

DEPARTMENT OF COMMERCE

Ann M. Bacher, of Florida
Nancy K. Charles-Parker, of Virginia
David K. Schneider, of Virginia
Dale N. Tasharski, of Tennessee

For appointment as Foreign Service Officers of Class Four, Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF COMMERCE

Linda F. Archer, of California
Frank G. Carrico, Jr., of Texas
James M. Fluker, of New York
Rosemary D. Gallant, of Virginia
Kenneth H. Keefe, of Florida
James M. McCarthy, of Maryland

DEPARTMENT OF STATE

Michael Jonathan Adler, of Maryland
Stefanie Amadeo, of New Jersey
Mary Ruth Avery, of Florida
Daniel Karl Balzer, of Ohio
Douglas Covell Bayley, of Wisconsin
Mark D. Bysfield, of Missouri
Paul M. Cantrell, of California
Robin Lisa Dunnigan, of California
Monica Elizabeth Eppinger, of Arizona
Jill Marie Esposito, of New York
Nicholas A. Ferro, of Virginia
Michael Edward Garrote, of Pennsylvania
Pamela L. Gomez, of Texas
Brian A. Goggins, of the District of Columbia
Deborah Zamora Grout, of New Mexico
Helen Hamilton Hahn, of Florida
Ruth Mary Hall, of Virginia
Scott Ian Hamilton, of Illinois
Richard Alan Hinson, of Florida
Gerard Thomas Hodel, of New York
Dirk J. Hofschire, of Nebraska
Todd Michael Huizinga, of Michigan
Donald Emil Jacobson, of California
Catherine Elias Kay, of Illinois
Michael Christopher Keays, of California
Kristina A. Kvien, of California
Christopher John Lamora, of Rhode Island
Jeanne M. Maloney, of Tennessee
Colette A. Marcellin, of Texas
Michael John Mates, of Washington
Ann Barrows McConnell, of California
Jennifer Allyn McIntyre, of Maryland
Kellie A. Meiman, of Georgia
Elizabeth Inga Millard, of Virginia
Douglas Alan Morris, of Nebraska
W. Patrick Murphy, of New Hampshire
Courtney R. Nemroff, of Pennsylvania
Matthew A. Palmer, of Massachusetts
Sooky Wynne Park, of Maryland
Richard Carlton Paschall, III, of North Carolina
Sarah S. Penhune, of Massachusetts
Mark Stephen Prokop, of Connecticut
Charles Randolph, IV, of Connecticut
Thomas Metzger Ramsey, of New York
Howard Verne Reed, of New York
Walter Scott Reid, III, of Virginia
Sonja Kay Rix, of New York
William Vernon Roebuck, Jr., of North Carolina
Ava L. Rogers, of Louisiana
Marilynn Williams Rowdybush, of Ohio
Paul M. Simon, of Florida
Sherry Lynn Steeley, of Pennsylvania
Gregory William Sullivan, of Florida
Joseph F. Tilghman, of Connecticut
Donna Visocan Vandenbroucke, of Virginia
Steven Craig Walker, of Hawaii
Deirdre M. Warner, of Pennylvania
Robert Forrest Winchester, of California
James A. Wolfe, II, of California

The following-named Members of the Foreign Service of the Departments of Commerce and State to be Consular Officers and/or Secretaries in the Diplomatic Service of the United States of America, as indicated:

Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Rebecca Arends, of Virginia
Kathleen T. Austin, of the District of Columbia
Frank Joseph Babetski, of Virginia
Bartholomew Louis Barbessi, of New York
Allison M. Beck, of Virginia
Jemile L. Bertot, of Connecticut
Harry Arthur Blanchette, of Florida
Lillian A. Braman, of Virginia
Ron A. Braverman, of New Jersey
Mary Kathleen Bryla, of the District of Columbia
Guillermo Santiago Christensen, of Virginia
David F. Davison, of Virginia
Paul J. DeFrancesco, Jr., of Ohio
Catherine I. Ebert-Gray, of Colorado
David J. Fineman, of Virginia
Clarence Franklin Foster, Jr., of Virginia
Dennis David Grabulis, of Virginia
Richard Jason Grimes, of Virginia
Brian Gibbs Gunderson, of Virginia
Kent Frendon Hallberg, of Virginia
Jerry Hersh, of New York
Sallie Marie Hicks, of Virginia
Tyrena L. Holley, of the District of Columbia
Jon Clarke Hooper, of Virginia
Horace P. Jen, of Virginia
Jennifer J. Jordan, of Virginia
Scott H. Jung, of Maryland
Kurtis Michael Kessler, of Virginia
Mark A. LaBrecque, of Virginia
Kristine R. Lansing, of Virginia
Michael W. Liikala, of California
Douglas M. Littrel, of Virginia
Frank J. Manganiello, of Virginia
Mark J. Martin, of Virginia
Kevin Bruce McKinney, of Virginia
Marion K. McMahel, of Maryland
Tara K. Nathan, of Virginia
Geraldine H. O'Brien, of Virginia
Henry Oppermann, of Maryland
Homer C. Pickens III, of Virginia
Phyllis Marie Powers, of Texas
Christopher C. Rand, of Virginia
Helen Patricia Reed-Rowe, of Maryland

William Rodman Regan, of Virginia
Cornelio Rivera III, of Virginia
Fed A. Schellenberg, of Virginia
David D. Shilling, of Maryland
James B. Sizemore, of Virginia
Mary Emerson Slimp, of Virginia
Amy Katherine Stamps, of Virginia
Andrea Robin Starks, of Maryland
Revalee Stevens, of the District of Columbia
Louis V. Surgent, Jr., of Maryland
Dwayne Leo Therriault, of Virginia
Michael S. Tulley, of California
Bruce G. Valentine, Jr., of Virginia
Randall R. Videgar, of Virginia
Anthony David Watt, of Wyoming
Ann G. Webster, of Virginia
Helga L. Weisto, of Maryland
David S. Wick, of Delaware
Robert T. Yurko, of Maryland

TREATY DOC 104–24 AGREEMENT CONCERNING STRADDLING FISH STOCKS AND HIGHLY MIGRATORY FISH STOCKS (EXEC. REPT. 104–20)

Text of the committee-recommended resolution of advice and consent:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, with Annexes ("The Agreement"), which was adopted at United Nations Headquarters in New York by Consensus of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks on August 4, 1995, and signed by the United States on December 4, 1995 (Treaty Doc. 104–24), subject to the following declaration:

It is the Sense of the Senate that "no reservations" provisions as contained in Article 42 have the effect of inhibiting the Senate from exercising its constitutional duty to give advice and consent to a treaty, and the Senate's approval of this treaty should not be construed as a precedent for acquiescence to future treaties containing such a provision.

TREATY DOC 104–27 INTERNATIONAL NATURAL RUBBER AGREEMENT, 1995 (EXEC. REPT. 104–21)

Text of the committee-recommended resolution of advice and consent:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The International Natural Rubber Agreement, 1995, done at Geneva on February 17, 1995 (Treaty Doc. 104–27), subject to the following declaration:

It is the Sense of the Senate that "no reservations" provisions as contained in Article 68 have the effect of inhibiting the Senate from exercising its constitutional duty to give advice and consent to a treaty, and the Senate's approval of this treaty should not be construed as a precedent for acquiescence to future treaties containing such a provision.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON:

S. 1907. A bill to provide for daylight saving time on an expanded basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1908. A bill to amend title 18, United States Code, to prohibit the sale of personal information about children without their parents' consent, and for other purposes; to the Committee on the Judiciary.

By Mrs. BOXER:

S. 1909. A bill to require the offer in every defined benefit plan of a joint and 2/3 survivor annuity option and to require comparative disclosure of all benefit options to both spouses; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS:

S. Res. 271. An original resolution expressing the sense of the Senate with respect to the international obligation of the People's Republic of China to allow an elected legislature in Hong Kong after June 30, 1997, and for other purposes; from the Committee on Foreign Relations; placed on the calendar.

By Mr. D'AMATO:

S. Res. 272. A resolution to amend Senate Resolution 246; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1908. A bill to amend title 18, United States Code, to prohibit the sale of personal information about children without their parents' consent, and for other purposes; to the Committee on the Judiciary.

THE CHILDREN'S PRIVACY PROTECTION AND PARENTAL EMPOWERMENT ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise to urge my colleagues to support this simple but strong legislation to protect our children.

This bill, which I introduce with Senator BOXER, would provide three simple protections:

First, the bill would prohibit commercial list brokers from selling personal information about children under 16 to anyone, without first getting the parent's consent.

All kinds of information about our children—more facts than most of us might think or hope for—is rapidly becoming available through these list brokers. It is only a matter of time before this information begins to fall into the wrong hands.

Recently, a reporter in Los Angeles was easily able to purchase parent's names, birth months and addresses for 5,500 children aged 1–12 in a particular neighborhood. The reporter used the name of a fictitious company, gave a nonworking telephone number, had no credit card or check, and identified herself as "Richard Allen Davis," the notorious murderer of Polly Klaas. When ordering the list, the company representative simply told her, "Oh, you have a famous name," and sent her the information COD. This is simply unacceptable.

Second, the bill would give parents the authority to demand information from the list brokers who traffic in the personal data of their children—brokers will be required to provide parents with a list of all those to whom they sold information about the child, and must also tell the parent precisely what kind of information was sold.

If this personal information is out there, and brokers are buying and selling it back and forth, it is only reasonable that we allow parents to find out what information has been sold and to whom that information has been given.

Finally, this bill would prohibit list brokers from using prison labor to input personal information. This seems like common sense to most of us, but unfortunately the use of prison labor is not currently prohibited.

Mr. President, I ask unanimous consent that a May 6, 1996, Wall Street Journal article be printed in the RECORD. This recent Wall Street Journal article described the terrible experience of Beverly Dennis, an Ohio grandmother who filled out a detailed marketing questionnaire about her buying habits for a mail-in survey. She filled out the questionnaire when she was told that she might receive free product samples and helpful information. Rather than receiving product information, however, she soon began to receive sexually explicit, fact-specific letters from a convicted rapist serving time.

The rapist, writing from his prison cell, had learned the very private, intimate details about her life because he was keypunching her personal questionnaire data into a computer for a subcontractor. Ms. Dennis received letters with elaborate sexual fantasies, woven around personal facts provided by her in the questionnaire. This bill would have prevented the situation from ever occurring.

This bill is really very simple. Some marketing companies may be unhappy that the Government is trying to legislate how they do business, but we have to weigh the safety and well-being of our children against the small inconvenience of requiring parental consent in these cases. Given the rapidly changing nature of the marketing business and the ways in which child molesters and other criminals operate, this bill is an important step in protecting our kids from those who would do them harm.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Privacy Protection and Parental Empowerment Act of 1996".

SEC. 2. PROHIBITION OF CERTAIN ACTIVITIES RELATING TO PERSONAL INFORMATION ABOUT CHILDREN.

(a) IN GENERAL.—Chapter 89 of title 18, United States Code, is amended by adding at the end of the following:

§ 1822. Sale of personal information about children

"(a) Whoever, in or affecting interstate or foreign commerce—

"(1) being a list broker, knowingly—

"(A) sells, purchases, or receives remuneration for providing personal information about a child knowing that such information pertains to a child without the consent of a parent of that child; or

"(B) conditions any sale or service to a child or to that child's parent on the granting of such a consent;

"(2) being a list broker, knowingly fails to comply with the request of a parent—

"(A) to disclose the source of personal information about that parent's child;

"(B) to disclose all information that has been sold or otherwise disclosed by that list broker about that child; or

"(C) to disclose the identity of all persons who whom the list broker has sold or otherwise disclosed personal information about that child;

"(3) being a person who, using any personal information about a child in the course of commerce that was obtained for commercial purposes, has directly contacted that child or a parent of that child to offer a commercial product or service to that child, knowingly fails to comply with the request of a parent—

"(A) to disclose to the parent the source of personal information about that parent's child;

"(B) to disclose all information that has been sold or otherwise disclosed by that person about that child; or

"(C) to disclose the identity of all persons to whom such a person has sold or otherwise disclosed personal information about that child;

"(4) knowingly uses prison inmate labor, or any worker who is registered pursuant to title XVII of the Violent Crime Control and Law Enforcement Act of 1994, for data processing of personal information about children; or

"(5) knowingly distributes or receives any personal information about a child, knowing or having reason to believe that the information will be used to abuse the child or physically to harm the child;

shall be fined under this title or imprisoned not more than one year, or both.

"(b) A child or the parent of that child with respect to whom a violation of this section occurs may in a civil action obtain appropriate relief, including statutory money damages of not less than $1,000. The court shall award a prevailing plaintiff in a civil action under this subsection a reasonable attorney's fee as a part of the costs.

"(c) As used in this section—

"(1) the term 'child' means a person who has not attained the age of 16 years;

"(2) the term "parent" includes a legal guardian;

"(3) the term 'personal information' means information (including name, address telephone number, social security number, and physical description) about an individual identified as a child, that would suffice to physically locate and contact that individual; and

"(4) the term 'list broker' means a person who, in the course of business, provides mailing lists, computerized or telephone reference services, or the like containing personnel information of children."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 89 of title 18, United States Code, is amended by adding at the end the following new item:

"1822. Sale of personal information about children.".

[From the Wall Street Journal, May 6, 1996]

PRIVACY ISSUE RAISED IN DIRECT-MAIL CASE

(By James P. Miller)

Beverly Dennis thought she'd receive free product samples through the mail when she filled out a detailed Metromail Corp. questionnaire about her buying habits. Instead, she got a disturbing letter from an imprisoned rapist.

Although Ms. Dennis didn't know it at the time, prison inmates were processing data from the questionnaires for the direct-marketing unit of R.R. Donnelley & Sons Inc. The "highly offensive, sexually graphic and threatening" letter came from a Texas inmate who learned about her life while keypunching data from the questionnaires, according to a lawsuit Ms. Dennis filed last month in state court in Travis County, Texas.

The suit accuses Metromail of fraud for not telling Ms. Dennis that prisoners would process the surveys and alleges that the disclosure of personal information to violent criminals constitutes and "intentional or reckless disregard" of her safety. The suit seeks class-action status on behalf of all consumers whose privacy interests were allegedly injured in the same way.

The inmate's 12-page letter "referred to the magazines of interest to Ms. Dennis, her interest in physical fitness, the fact that she is divorced, her income level, her birthday, and the personal care products she uses," according to her lawsuit. In one chilling passage quoted in the lawsuit, the convict spun out a sexual fantasy involving a brand of soap Ms. Dennis had mentioned in the survey.

The 1994 episode underscores the dangers of giving prison inmates access to highly personal information about consumers. "It's an important case," says Marc Rotenberg, of the Electronic Privacy Information Center in Washington, a privacy advocacy group. "It goes right to the question of privacy safeguards in the marketing industry."

Mr. Rotenberg, who teaches privacy law at Georgetown University, says the "novel questions" raised by the suit include "how you establish harm in the misuse of personal information, as well as what the appropriate limitations are" when handling personal data.

Michael Lenett, an attorney with the Cuneo Law Group in Washington, D.C., who is representing Ms. Dennis, says the defendants "would have had to know that disclosure of personal private information to convicted felons would run a very serious risk of possible harm."

A Donnelly spokesman says senior management didn't know that prisoners were entering the data because the work was handled through a contractor. Senior management learned of the arrangement when Ms. Dennis received the letter and "we ordered it stopped," he says. Using prisoners to handle consumer data, he says, "wasn't Metromail's policy then, it isn't now, and it never will be." He said he couldn't comment on the suit's specific allegations.

The suit names as defendants Metromail and its parent, along with the Texas Department of Criminal Justice. Also named is closely held Computerized Image & Data Systems Inc., the tiny Roslyn Heights, N.Y., concern that contracted to process Metromail's survey data and then subcontracted the work to the Texas prison system.

A spokesman for the Texas correctional system said prisoners still process data, but declined comment on the suit. A Computerized Image official said he couldn't immediately respond, but he said the company no longer uses prisoners to process data.

Inmates in the prison systems of more than a dozen states routinely process data, answer 800-number calls for information, even work as telemarketers. Electronic Privacy's Mr. Rotenberg says the suit will probably shed some light on the questions of how much sensitive consumer information is being handled by prisoners, and how adequate the safeguards are.

Metromail gathers information about consumers through a variety of sources, such as new-car registrations, birth notices and title transfers. It sells the lists to commercial customers, such as telemarketers.

Ms. Dennis provided the information about herself in response to Metromail circulars that suggested national grocery-product concerns were prepared to send free product samples and coupons to consumers who got on Metromail's "Shopper Mail list" by filling out the questionnaire.

If it said [on the circular] it would be sent to a prison, I certainly wouldn't have filled it out," the Ohio grandmother said in an interview, adding that when she received the letter, she was "terribly frightened."

ADDITIONAL COSPONSORS

S. 1397

At the request of Mr. KYL, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1397, a bill to provide for State control over fair housing matters, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1491

At the request of Mr. GRAMS, the names of the Senator from Utah [Mr. HATCH], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1644

At the request of Mr. BROWN, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1644, a bill to authorize the extension of nondiscriminatory treatment (most-favored-nation) to the products of Romania.

S. 1687

At the request of Mr. KERRY, the name of the Senator from Montana

[Mr. BAUCUS] was added as a cosponsor of S. 1687, a bill to provide for annual payments from the surplus funds of the Federal Reserve System to cover the interest on obligations issued by the Financing Corporation.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1730

At the request of Mr. CHAFEE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1730, a bill to amend the Oil Pollution Act of 1990 to make the Act more effective in preventing oil pollution in the Nation's waters through enhanced prevention of, and improved response to, oil spills, and to ensure that citizens and communities injured by oil spills are promptly and fully compensated, and for other purposes.

S. 1794

At the request of Mr. GREGG, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1794, a bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

S. 1871

At the request of Mr. CHAFEE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1871, a bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes.

S. 1890

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 1890, a bill to increase Federal protection against arson and other destruction of places of religious worship.

At the request of Mr. KENNEDY, the names of the Senator from New Mexico [Mr. BINGAMAN] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1890, supra.

AMENDMENT NO. 4090

At the request of Mr. HELMS, his name was added as a cosponsor of amendment No. 4090 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4165

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 4165 intended to be proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4166

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 4166 intended to be proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4266

At the request of Mr. WELLSTONE, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. DORGAN], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of amendment No. 4266 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

At the request of Mrs. BOXER, her name was added as a cosponsor of amendment No. 4266 proposed to S. 1745, supra.

SENATE RESOLUTION 271—ORIGINAL RESOLUTION REPORTED EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. HELMS, from the Committee on Foreign Relations, reported the following original resolution:

S. RES. 271

Whereas under the Sino-British Joint Declaration on the Question of Hong Kong of 1984, the People's Republic of China will assume sovereignty over Hong Kong on July 1, 1997.

Whereas both the People's Republic of China and Great Britain committed themselves to the Joint Declaration's explicit provisions for Hong Kong's future;

Whereas the Joint Declaration is a binding international agreement registered at the United Nations that guarantees Hong Kong a "high degree of autonomy" except in defense and foreign affairs, an elected legislature, an executive accountable to the elected legislature, and an independent judiciary with final power of adjudication over Hong Kong law;

Whereas the United States-Hong Kong Policy Act of 1992 expresses the support of the United States Congress for full implementation of the Joint Declaration and declared that—

(1) the United States has a "strong interest in the continued vitality, prosperity, and stability of Hong Kong";

(2) "the human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong";

(3) "a fully successful transition in the exercise of sovereignty over Hong Kong must safeguard human rights in and of themselves"; and

(4) "human rights also serve as a basis for Hong Kong's continued economic prosperity";

Whereas on September 17, 1995, the Legislative Council was elected for a 4-year term expiring in 1999;

Whereas the election of Hong Kong's legislature is the cornerstone of the principle that the people of Hong Kong shall enjoy "one country, two systems" after the Government of the People's Republic of China assumes sovereignty over Hong Kong; and

Whereas the Government of the People's Republic of China and its appointed Preparatory Committee have announced their intention to abolish the elected Legislative Council and appoint a provisional legislature: Now, therefore, be it

Resolved, That (a) the Senate finds that—

(1) respect for Hong Kong's autonomy and preservation of its institutions will contribute to the stability and economic prosperity of the region; and

(2) the United States has an interest in compliance with treaty obligations.

(b) It is the sense of the Senate that—

(1) the People's Republic of China and the United Kingdom should uphold their international obligations specified in the Joint Declaration, including the commitment to an elected legislature in Hong Kong after June 30, 1997;

(2) the establishment of an appointed legislature would be a violation of the Joint Declaration, and the People's Republic of China should allow the Legislative Council elected in September 1995 to serve its full elected term; and

(3) the President and the Secretary of State should communicate to the People's Republic of China and to the Hong Kong government and Legislative Council the full support of the United States for Hong Kong's autonomy and the interest of the United States in full compliance by both the People's Republic of China and Great Britain with the Joint Declaration as a matter of international law.

SEC. 2. As used in this resolution, the term "Joint Declaration" means the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong, done at Beijing on December 19, 1984.

SEC. 3. The Secretary of State shall transmit a copy of this resolution to the President and the Secretary of the Senate.

SENATE RESOLUTION 272—TO AMENDMENT SENATE RESOLUTION 246

Mr. D'AMATO submitted the following resolution; which was considered and agreed to:

S. RES. 272

Resolved, That Senate Resolution 246, 104th Congress, agreed to April 17, 1996, is amended in section 1(1)(A), by inserting before the semicolon "incurred during the period beginning on May 17, 1995, and ending on February

29, 1996, or during the period beginning on April 17, 1996, and ending on June 17, 1996''.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

KYL AMENDMENTS NOS. 4278–4280

(Ordered to lie on the table.)

Mr. KYL submitted three amendments intended to be proposed by him to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities to the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

AMENDMENT NO. 4278

At the end of subtitle C of title II, add the following:

SEC. 237. DEPLOYMENT OF THEATER MISSILE DEFENSE SYSTEMS UNDER THE ABM TREATY.

(a) FINDINGS.—The Senate makes the following findings:

(1) The threat posed to the national security of the United States, the Armed Forces, and our friends and allies by the proliferation of ballistic missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of theater missile defense systems will deny potential adversaries the option of threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction as a way of offsetting the operational and technical advantages of the United States Armed Forces and the armed forces of our coalition partners and allies.

(3) Although technology control regimes and other forms of international arms control agreements can contribute to nonproliferation, such measures are inadequate for dealing with missile proliferation and should not be viewed as alternatives to missile defense systems and other active and passive measures.

(4) The Department of Defense is currently considering for deployment as theater missile defense interceptors certain systems determined to comply with the ABM Treaty, including PAC3, THAAD, Navy Lower Tier, and Navy Upper Tier (also known as Navy Wide Area Defense).

(5) In the case of the ABM Treaty, as with all other arms control treaties to which the United States is signatory, each signatory bears the responsibility of ensuring that its actions comply with the treaty, and the manner of such compliance need not be a subject of negotiation between the signatories.

(b) SENSE OF SENATE.—It is the sense of the Senate that the theater missile defense systems currently considered for deployment by the Department of Defense comply with the ABM Treaty.

(c) DEPLOYMENT OF SYSTEMS.—The Secretary of Defense may proceed with the development, testing, and deployment of the theater missile defense systems currently considered for deployment by the Department of Defense.

AMENDMENT NO. 4279

At the appropriate place, insert:

Subtitle ___—National Missile Defense

SEC. 261. SHORT TITLE.

This subtitle may be cited as the "Defend America Act of 1996".

SEC. 262. FINDINGS.

Congress makes the following findings:

(1) Although the United States possesses the technological means to develop and deploy defensive systems that would be highly effective in countering limited ballistic missile threats to its territory, the United States has not deployed such systems and currently has no policy to do so.

(2) The threat that is posed to the national security of the United States by the proliferation of ballistic missiles is significant and growing, both quantitatively and qualitatively.

(3) The trend in ballistic missile proliferation is toward longer range and increasingly sophisticated missiles.

(4) Several countries that are hostile to the United States (including North Korea, Iran, Libya, and Iraq) have demonstrated an interest in acquiring ballistic missiles capable of reaching the United States.

(5) The Intelligence Community of the United States has confirmed that North Korea is developing an intercontinental ballistic missile that will be capable of reaching Alaska or beyond once deployed.

(6) There are ways for determined countries to acquire missiles capable of threatening the United States with little warning by means other than indigenous development.

(7) Because of the dire consequences to the United States of not being prepared to defend itself against a rogue missile attack and the long-lead time associated with preparing an effective defense, it is prudent to commence a national missile defense deployment effort before new ballistic missile threats to the United States are unambiguously confirmed.

(8) The timely deployment by the United States of an effective national missile defense system will reduce the incentives for countries to develop or otherwise acquire intercontinental ballistic missiles, thereby inhibiting as well as countering the proliferation of missiles and weapons of mass destruction.

(9) Deployment by the United States of a national missile defense system will reduce concerns about the threat of an accidental or unauthorized ballistic missile attack on the United States.

(10) The offense-only approach to strategic deterrence presently followed by the United States and Russia is fundamentally adversarial and is not a suitable basis for stability in a world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(11) Pursuing a transition to a form of strategic deterrence based increasingly on defensive capabilities and strategies is in the interest of all countries seeking to preserve and enhance strategic stability.

(12) The deployment of a national missile defense system capable of defending the United States against limited ballistic missile attacks would (A) strengthen deterrence at the levels of forces agreed to by the United States and Russia under the START I Treaty, and (B) further strengthen deterrence if reductions below START I levels are implemented in the future.

(13) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(14) Articles XIII and XIV of the treaty establish means for the parties to amend the treaty, and the parties have in the past used those means to amend the treaty.

(15) Article XV of the treaty establishes the means for a party to withdraw from the treaty, upon six months notice "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests".

(16) Previous discussions between the United States and Russia, based on Russian President Yeltsin's proposal for a Global Protection System, envisioned an agreement to amend the ABM Treaty to allow (among other measures) deployment of as many as four ground-based interceptor sites in addition to the one site permitted under the ABM Treaty and unrestricted exploitation of sensors based within the atmosphere and in space.

SEC. 263. NATIONAL MISSILE DEFENSE POLICY.

(a) It is the policy of the United States to deploy by the end of 2003 a National Missile Defense system that—

(1) is capable of providing a highly-effective defense of the territory of the United States against limited, unauthorized, or accidental ballistic missile attacks; and

(2) will be augmented over time to provide a layered defense against larger and more sophisticated ballistic missile threats as they emerge.

(b) It is the policy of the United States to seek a cooperative transition to a regime that does not feature an offense-only form of deterrence as the basis for strategic stability.

SEC. 264. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) REQUIREMENT FOR DEVELOPMENT OF SYSTEM.—To implement the policy established in section 263(a), the Secretary of Defense shall develop for deployment an affordable and operationally effective National Missile Defense (NMD) system which shall achieve an initial operational capability (IOC) by the end of 2003.

(b) ELEMENTS OF THE NMD SYSTEM.—The system to be developed for deployment shall include the following elements:

(1) An interceptor system that optimizes defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks and includes one or a combination of the following:

(A) Ground-based interceptors.

(B) Sea-based interceptors.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

(2) Fixed ground-based radars.

(3) Space-based sensors, including the Space and Missile Tracking System.

(4) Battle management, command, control, and communications (BM/C^3).

SEC. 265. IMPLEMENTATION OF NATIONAL MISSILE DEFENSE SYSTEM.

The Secretary of Defense shall—

(1) upon the enactment of this Act, promptly initiate required preparatory and planning actions that are necessary so as to be capable of meeting the initial operational capability (IOC) date specified in section 264(a);

(2) plan to conduct by the end of 1998 an integrated systems test which uses elements

(including BM/C^3 elements) that are representative of, and traceable to, the national missile defense system architecture specified in section 264(b);

(3) prescribe and use streamlined acquisition policies and procedures to reduce the cost and increase the efficiency of developing the system specified in section 264(a); and

(4) develop an affordable national missile defense follow-on program that—

(A) leverages off of the national missile defense system specified in section 264(a), and

(B) augments that system, as the threat changes, to provide for a layered defense.

SEC. 266. REPORT ON PLAN FOR NATIONAL MISSILE DEFENSE SYSTEM DEVELOPMENT AND DEPLOYMENT.

Not later than March 15, 1997, the Secretary of Defense shall submit to Congress a report on the Secretary's plan for development and deployment of a national missile defense system pursuant to this subtitle. The report shall include the following matters:

(1) The Secretary's plan for carrying out this subtitle, including—

(A) a detailed description of the system architecture selected for development under section 264(b); and

(B) a discussion of the justification for the selection of that particular architecture.

(2) The Secretary's estimate of the amount of appropriations required for research, development, test, evaluation, and for procurement, for each of fiscal years 1997 through 2003 in order to achieve the initial operational capability date specified in section 264(a).

(3) A cost and operational effectiveness analysis of follow-on options to improve the effectiveness of such system.

(4) A determination of the point at which any activity that is required to be carried out under this subtitle would conflict with the terms of the ABM Treaty, together with a description of any such activity, the legal basis for the Secretary's determination, and an estimate of the time at which such point would be reached in order to meet the initial operational capability date specified in section 264(a).

SEC. 267. POLICY REGARDING THE ABM TREATY.

(a) ABM TREATY NEGOTIATIONS.—In light of the findings in section 262 and the policy established in section 263, Congress urges the President to pursue high-level discussions with the Russian Federation to achieve an agreement to amend the ABM Treaty to allow deployment of the national missile defense system being developed for deployment under section 264.

(b) REQUIREMENT FOR SENATE ADVICE AND CONSENT.—If an agreement described in subsection (a) is achieved in discussions described in that subsection, the President shall present that agreement to the Senate for its advice and consent. No funds appropriated or otherwise available for any fiscal year may be obligated or expended to implement such an amendment to the ABM Treaty unless the amendment is made in the same manner as the manner by which a treaty is made.

(c) ACTION UPON FAILURE TO ACHIEVE NEGOTIATED CHANGES WITHIN ONE YEAR.—If an agreement described in subsection (a) is not achieved in discussions described in that subsection within one year after the date of the enactment of this Act, the President and Congress, in consultation with each other, shall consider exercising the option of withdrawing the United States from the ABM Treaty in accordance with the provisions of Article XV of that treaty.

SEC. 268. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, and signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

AMENDMENT NO. 4280

At the end of subtitle C of title II, add the following:

SEC. 237. REQUIREMENT THAT MULTILATERALIZATION OF THE ABM TREATY BE DONE ONLY THROUGH TREATY-MAKING POWER.

Any addition of a new signatory party to the ABM Treaty (in addition to the United States and the Russian Federation) constitutes an amendment to the treaty that can only be agreed to by the United States through the treaty-making power of the United States. No funds appropriated or otherwise available for any fiscal year may be obligated or expended for the purpose of implementing or making binding upon the United States the participation of any additional nation as a party to the ABM Treaty unless that nation is made a party to the treaty by an amendment to the Treaty that is made in the same manner as the manner by which a treaty is made.

JEFFORDS (AND PELL) AMENDMENT NO. 4281

(Ordered to lie on the table.)

Mr. JEFFORDS (for himself and Mr. PELL) submitted an amendment intended to be proposed by them to amendment No. 4112 submitted by Mr. FORD to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4310

On page 1, strike lines 6 through 8, and insert the following: 7703(a)) is amended—

(1) by striking "2000 and such number equals or exceeds 15" and inserting "1000 or such number equals or exceeds 10"; and

(2) by inserting ", except that notwithstanding any other provision of this title the Secretary shall not make a payment computed under this paragraph for a child described in subparagraph (F) or (G) of paragraph (1) who is associated with Federal property used for Department of Defense activities unless funds for such payment are made available to the Secretary from funds available to the Secretary of Defense" before the period.

McCAIN AMENDMENT NO. 4282

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to amendment No. 4237 submitted by Mr. SHELBY to the bill, S. 1745, supra; as follows:

In matter proposed to be inserted, insert after "Depot" the following: "(the inclusion of which in the text of this section shall constitute a repeal of section 2466 of title 10, United States Code)".

McCAIN AMENDMENT NO. 4283

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to amendment No. 4154 submitted by Mr. HELMS to the bill, S. 1745, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

In section 1031(a), strike out "The Secretary of Defense" and insert in lieu thereof "Subject to subsection (e), the Secretary of Defense".

At the end of section 1031, add the following:

(e) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (3) the certification described in paragraph (2).

(2) The certification referred to in paragraph (1) is a written certification of the following:

(A) That the provision of support under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and material provided as support will be used only by officials and employees of the Government of Mexico who have undergone a background check by the Government of Mexico.

(C) That the Government of Mexico has certified to the Secretary that—

(i) the equipment and material provided as support will be used only by the officials and employees referred to in subparagraph (B);

(ii) none of the equipment or material will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or material; and

(iii) the equipment and material will be used only for the purposes intended by the United States Government.

(D) That the Government of Mexico has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of the Government of Mexico will grant United States Government personnel access, subject to the terms and conditions specified in section 505 of the Foreign Assistance Act, to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel.

(F) That the Government of Mexico will provide security with respect to the equipment and materiel provided as support that is equal to the security that the United States Government would provide with respect to such equipment and materiel.

(G) That the Government of Mexico will permit end use monitoring of equipment and materiel provided as support by United States Government personnel for use by the Government of Mexico subject to the terms and conditions specified in section 505 of the Foreign Assistance Act.

(3) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services and Foreign Relations of the Senate.

(B) the Committees on National Security and International Relations of the House of Representatives.

McCAIN AMENDMENT NO. 4284

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to amendment No. 4132 submitted by Mr. EXON to the bill, S. 1745, supra; as follows:

Instead of the matter proposed to be added, add the following:

SEC. 368. AUTHORITY OF AIR NATIONAL GUARD TO PROVIDE CERTAIN SERVICES AT LINCOLN MUNICIPAL AIRPORT, LINCOLN, NEBRASKA.

(a) AUTHORITY.—Subject to subsection (b), the Air National Guard may provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, Nebraska, on behalf of the Lincoln Municipal Airport Authority, Lincoln, Nebraska.

(b) AGREEMENT.—The Air National Guard may not provide services under subsection (a) until the Air National Guard and the authority enter into an agreement under which the authority reimburses the Air National Guard for the cost of the services provided.

(c) CONDITIONS.—These services may only be provided:

(1) to the extent that such services cannot reasonably be provided by a source other than the Department;

(2) to the extent that the provision of such services does not adversely affect the military preparedness of the Armed Forces.

MCCAIN AMENDMENT NO. 4285

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to amendment No. 4204 submitted by Mr. HARKIN to the bill, S. 1745, supra; as follows:

In lieu of the matter to be stricken in section 305(a), strike "$14,526,000 may be made available to" and insert in lieu thereof "not more than $14,526,000 may be made available to".

In lieu of the matter to be inserted in section 305(b), insert the following "search and rescue and disaster relief missions.".

After 305(b) add:

"(c) DEPARTMENT OF DEFENSE INSPECTOR GENERAL INVESTIGATION.—The Inspector General of the Department of Defense shall conduct an investigation into the lobbying activities of the Civil Air Patrol in order to determine if federally provided funds are being used to lobby the Congress of the United States".

MCCAIN AMENDMENT NO. 4286

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to amendment No. 4139 submitted by Mr. HEFLIN to the bill, S. 1745, supra; as follows:

In matter proposed to be inserted, insert after "Depot" the following: "(the inclusion of which in the text of this section shall constitute a repeal of section 2466 of title 10, United States Code)".

KYL AMENDMENT NO. 4287

(Ordered to lie on the table.)

Mr. KYL submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Strike out section 231 and insert in lieu thereof the following new section:

SEC. 231. POLICY ON COMPLIANCE WITH THE ABM TREATY.

(a) POLICY CONCERNING SYSTEMS SUBJECT TO ABM TREATY.—Congress finds that, unless and until a missile defense system, system upgrade, or system component is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), such system, system upgrade, or system component—

(1) has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles; and

(2) therefore is not subject to any application, limitation, or obligation under the ABM Treaty.

(b) PROHIBITIONS.—(1) Funds appropriated to the Department of Defense may not be obligated or expended for the purpose of—

(A) prescribing, enforcing, or implementing any Executive order, regulation, or policy that would apply the ABM Treaty (or any limitation or obligation under such Treaty) to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component; or

(B) taking any other action to provide for the ABM Treaty (or any limitation or obligation under such Treaty) to be applied to research, development, testing, or deployment of a theater missile defense system, a theater missile defense system upgrade, or a theater missile defense system component.

(2) This subsection applies with respect to each missile defense system, missile defense system upgrade, or missile defense system component that is capable of countering modern theater ballistic missiles.

(3) This subsection shall cease to apply with respect to a missile defense system, missile defense system upgrade, or missile defense system component when that system, system upgrade, or system component has been flight tested in an ABM-qualifying flight test.

(c) ABM-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM-qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds—

(1) a range of 3,500 kilometers; or

(2) a velocity of 5 kilometers per second.

MCCAIN AMENDMENTS NOS. 4288–4291

(Ordered to lie on the table.)

Mr. MCCAIN submitted four amendments intended to be proposed by him to amendment No. 4116 submitted by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4288

On page 1, line 2, strike all after the phrase "SEC. .", and insert in lieu thereof the following:

"It is the sense of the Senate that, notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104–107), the price of the transferred equipment shall not exceed the lowest level at which the same or similar equipment has been transferred to any other country under any other U.S. government program."

AMENDMENT NO. 4289

On page 1, line 2, strike all after the phrase "SEC. .", and insert in lieu thereof the following:

"Notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104–107), the value assigned to the equipment to be transferred under this authority shall not exceed the lowest value assigned to any of the same or similar types of equipment transferred to any other country under any other U.S. government program. Nothing in this section shall be construed as requiring the Department of Defense to transfer any equipment under this authority."

AMENDMENT NO. 4290

On page 1, line 2, strike all after the phrase "SEC. .", and insert in lieu thereof the following:

"Notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104–107), the value assigned to the equipment to be transferred under this authority shall not exceed the lowest value assigned to any of the same or similar types of equipment transferred to any other country under any other U.S. government program."

AMENDMENT NO. 4291

On page 1, line 2, strike all after the phrase "SEC. .", and insert in lieu thereof the following:

"It is the sense of the Senate that, notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104–107), the value assigned to the equipment to be transferred under this authority shall not exceed the lowest value assigned to any of the same or similar types of equipment transferred to any other country under any other U.S. government program."

FAIRCLOTH AMENDMENT NO. 4292

(Ordered to lie on the table.)

Mr. FAIRCLOTH submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II add the following:

SEC. 223. SOUTHERN OBSERVATORY FOR ASTROPHYSICAL RESEARCH PROJECT.

Of the total amount authorized to be appropriated under section 201(4), $3,000,000 is available for the Southern Observatory for Astrophysical Research (SOAR) project of the Defense Advanced Research Projects Agency.

COHEN (AND LOTT) AMENDMENT NO. 4293

Mrs. HUTCHISON (for Mr. COHEN, for himself and Mr. LOTT) proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out section 124 and insert in lieu thereof the following:

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal

Year 1996 (Public Law 104-106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR MULTIYEAR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized, pursuant to section 2306b of title 10, United States Code, to enter into multiyear contracts for the procurement of a total of 12 Arleigh Burke class destroyers at a procurement rate of three ships in each of fiscal years, 1998, 1999, 2000, and 2001 in accordance with this subsection and subsections (a)(4) and (c), subject to the availability of appropriations for such destroyers. A contract for construction of one or more vessels that is entered into in accordance with this subsection shall include a clause that limits the liability of the Government to the contractor for any termination of the contract.

SANTORUM (AND KYL) AMENDMENT NO. 4294

Mr. NUNN (for Mr. SANTORUM, for himself and Mr. KYL) proposed an amendment to the bill, S. 1745, supra; as follows:

At an appropriate place in the bill, add the following:

SEC. . COMPUTER EMERGENCY RESPONSE TEAM AT SOFTWARE ENGINEERING INSTITUTE.

(a) FUNDING.—Of the amounts authorized to be appropriated under this Act, $2,000,000 shall be available to the Software Engineering Institute only for use by the Computer Emergency Response Team.

(b) Funds authorized by section 301(2) for the Challenge Athena program shall be reduced by $2,000,000.

THURMOND AMENDMENT NO. 4295

Mrs. HUTCHISON (for Mr. THURMOND) proposed an amendment to the bill, S. 1745, supra; as follows:

Beginning on page 127, strike out line 20 and all that follows through page 129, line 10, and insert in lieu thereof the following:

"(2)(A) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.

"(B) In the administration of subparagraph (A), the following officers shall not be counted:

"(i) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(ii) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(iii) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.".

FEINSTEIN AMENDMENT NO. 4296

Mr. NUNN (for Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. FUNDING FOR BASIC RESEARCH IN NUCLEAR SEISMIC MONITORING.

Of the amount authorized to be appropriated by section 201(3) and made available for arms control implementation for the Air Force (account PE0305145F), $6,500,000 shall be available for basic research in nuclear seismic monitoring.

LOTT AMENDMENT NO. 4297

Mrs. HUTCHISON (for Mr. LOTT) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title V add the following:

SEC. 506. GRADE OF CHIEF OF NAVAL RESEARCH.

Section 5022(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) Unless appointed to higher grade under another provision of law, an officer, while serving in the Office of Naval Research as Chief of Naval Research, has the rank of rear admiral (upper half).".

DORGAN (AND CONRAD) AMENDMENT NO. 4298

Mr. NUNN (for Mr. DORGAN, for himself and Mr. CONRAD) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 393, after line 23, add the following:

SEC. 2828. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under the subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103-335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

THOMAS AMENDMENT NO. 4299

Mrs. HUTCHISON (for Mr. THOMAS) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. REPORT ON DEPARTMENT OF ENERGY LIABILITY AT DEPARTMENT SUPERFUND SITES.

(a) STUDY.—The Secretary of Energy shall, using funds authorized to be appropriated to the Department of Energy by section 3102, carry out a study of the liability of the Department for damages for injury to, destruction of, or loss of natural resources under section 107(a)(4)(C) of the Comprehensive Environmental Response, and Compensation, and Liability Act of 1980 (42 U.S.C. 9607(a)(4)(C) at each site controlled or operated by the Department that is or is anticipated to become subject to the provisions of that Act.

(b) CONDUCT OF STUDY.—(1) The Secretary shall carry out the study using personnel of the Department or by contract with an appropriate private entity.

(2) In determining the extent of Department liability for purposes of the study, the Secretary shall treat the Department as a private person liable for damages under section 107(f) of that Act (42 U.S.C. 9607(f)) and subject to suit by public trustees of natural resources under such section 107(f) for such damages.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit a report on the study carried out under subsection (a) to the following committees:

(1) The Committees on Environment and Public Works and Armed Services and Energy and Natural Resources of the Senate.

(2) The Committees on Commerce and National Security and Resources of the House of Representatives.

ROBB (AND WARNER) AMENDMENT NO. 4300

Mr. NUNN (for Mr. ROBB, for himself and Mr. WARNER) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title X, add the following:

SEC. 1054. INFORMATION ON PROPOSED FUNDING FOR THE GUARD AND RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

(a) REQUIREMENT.—The Secretary of Defense shall specify in each future-years defense program submitted to Congress after the date of the enactment of this Act the estimated expenditures and proposed appropriations for the procurement of equipment and for military construction for each of the Guard and Reserve components.

(b) DEFINITION.—For purposes of this section, the term "Guard and Reserve components" means the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Naval Reserve.

(4) The Marine Corps Reserve.

(5) The Air Force Reserve.

(6) The Air National Guard of the United States.

CHAFEE AMENDMENT NO. 4301

Mrs. HUTCHISON (for Mr. CHAFEE) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of section 348, add the following:

(c) REPORT ON COMPLIANCE WITH ANNEX V TO THE CONVENTION.—The Secretary of Defense shall include in each report on environmental compliance activities submitted to Congress under section 2706(b) of title 10, United States Code, the following information:

(1) A list of the ships types, if any, for which the Secretary of the Navy has made the determination referred to in paragraph (2)(C) of section 3(c) of the Act to Prevent Pollution from Ships, as amended by subsection (a)(2) of this section.

(2) A list of ship types which the Secretary of the Navy has determined can comply with Regulation 5 of Annex V to the Convention.

(3) A summary of the progress made by the Navy in implementing the requirements of paragraphs (2) and (3) such section 3(c), as so amended.

(4) A description of any emerging technologies offering the potential to achieve full compliance with Regulation 5 of Annex V to the Convention.

(d) PUBLICATION REGARDING SPECIAL AREA DISCHARGES.—Section 3(e)(4) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(e)(4)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The amount and nature of the discharges in special areas, not otherwise authorized under this title, during the preceding year from ships referred to in subsection (b)(1)(A) of this section owned or operated by the Department of the Navy.".

FEINSTEIN AMENDMENT NO. 4302

Mr. NUNN (for Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. FISCAL YEAR 1998 FUNDING FOR GREENVILLE ROAD IMPROVEMENT PROJECT, LIVERMORE, CALIFORNIA.

(a) FUNDING.—The Secretary of Energy shall include in budget for fiscal year 1998 submitted by the Secretary of Energy to the Office of Management and Budget a request for sufficient funds to pay the United States portion of the cost of transportation improvements under the Greenville Road Improvement Project, Livermore, California.

(b) COOPERATION WITH LIVERMORE, CALIFORNIA.—The Secretary shall work with the City of Livermore, California, to determine the cost of the transportation improvements referred to in subsection (a).

BROWN AMENDMENT NO. 4303

Mrs. HUTCHISON (for Mr. BROWN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. STUDY REGARDING NEUTRALIZATION OF THE CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—The Secretary of Defense shall conduct a study to determine the cost of incineration of the current chemical munitions stockpile by building incinerators at each existing facility compared to the proposed cost of dismantling those same munitions, neutralizing them at each storage site and transporting the neutralized remains and all munitions parts to a centrally located incinerator within the United States for incineration.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a report on the study carried out under subsection (a).

WELLSTONE AMENDMENT NO. 4304

Mr. NUNN (for Mr. WELLSTONE) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VII add the following:

SEC. 708. PREVENTIVE HEALTH CARE SCREENING FOR COLON AND PROSTATE CANCER.

(a) MEMBERS AND FORMER MEMBERS.—(1) Section 1074d of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by inserting "(1)" before "Female"; and

(ii) by adding at the end the following new paragraph:

"(2) Male members and former members of the uniformed services entitled to medical care under section 1074 or 1074a of this title shall also be entitled to preventive health care screening for colon or prostate cancer at such intervals and using such screening methods as the administering Secretaries consider appropriate."; and

(B) in subsection (b), by adding at the end the following new paragraph:

"(8) Colon cancer screening, at the intervals and using the screening methods prescribed under subsection (a)(2).".

(2)(A) The heading of such section is amended to read as follows:

"§ 1074d. Primary and preventive health care services

(B) The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"1074d. Primary and preventive health care services.".

(b) DEPENDENTS.—(1) Section 1077(a) of such title is amended by adding at the end the following new paragraph:

"(14) Preventive health care screening for colon or prostate cancer, at the intervals and using the screening methods prescribed under section 1074d(a)(2) of this title.".

(2) Section 1079(a)(2) of such title is amended—

(A) in the matter preceding subparagraph (A), by inserting "the schedule and method of colon and prostate cancer screenings," after "pap smears and mammograms,"; and

(B) in subparagraph (B), by inserting "or colon and prostate cancer screenings" after "pap smears and mammograms".

DOMENICI AMENDMENT NO. 4305

Mrs. HUTCHISON (for Mr. DOMENICI) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II add the following:

SEC. 237. SCORPIUS SPACE LAUNCH TECHNOLOGY PROGRAM.

Of the amount authorized to be appropriated under section 201(4) for the Ballistic Missile Defense Organization for Support Technologies/Follow-On Technologies (PE 63173C), up to $7,500,000 is available for the Scorpius space launch technology program.

HEFLIN (AND SHELBY) AMENDMENT NO. 4306

Mr. NUNN (for Mr. HEFLIN, for himself and Mr. SHELBY) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 1102(a)(2), strike out "during fiscal year 1997".

LOTT AMENDMENT NO. 4307

Mrs. HUTCHISON (for Mr. LOTT) proposed an amendment to the bill, S. 1645, supra; as follows:

At the end of subtitle E of title X add the following:

SEC. 1054. REPORT ON FACILITIES USED FOR TESTING LAUNCH VEHICLE ENGINES.

(a) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this

Act, the Secretary of Defense, in consultation with the Administrator of the National Aeronautics and Space Administration, shall submit to Congress a report on the facilities used for testing launch vehicle engines.

(b) CONTENT OF REPORT.—The report shall contain an analysis of the duplication between Air Force and National Aeronautics and Space Administration hydrogen rocket test facilities and the potential benefits of further coordinating activities at such facilities.

THURMOND AMENDMENTS NOS. 4308–4309

Mrs. HUTCHINSON (for Mr. THURMOND) proposed two amendments to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4308

At the end of subtitle C of title I add the following:

SEC. 124. ADDITIONAL EXCEPTION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

Section 133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 211) is amended—

(1) in subsection (a), by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) COSTS NOT INCLUDED.—The previous obligations of $745,700,000 for the SSN-23, SSN-24, and SSN-25 submarines, out of funds appropriated for fiscal years 1990, 1991, and 1992, that were subsequently canceled (as a result of a cancellation of such submarines) shall not be taken into account in the application of the limitation in subsection (a).".

AMENDMENT NO. 4309

At the end of section 634, add the following:

(e) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

Strike out section 2812, relating to the disposition of proceeds of certain commissary stores and nonappropriated fund instrumentalities.

KENNEDY (AND COATS) AMENDMENTS NOS. 4310–4311

Mr. NUNN (for Mr. KENNEDY, for himself and Mr. COATS) proposed two amendments to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4310

At the end of subtitle F of title X, add the following:

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES UNDER MILITARY YOUTH PROGRAMS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Programs of the Department of Defense for youth who are dependents of members of the Armed Forces have not received the same level of attention and resources as have child care programs of the Department since the passage of the Military Child Care Act of 1989 (title XV of Public Law 101-189; 10 U.S.C. 113 note).

(2) Older children deserve as much attention to their developmental needs as do younger children.

(3) The Department has started to direct more attention to programs for youths who are dependents of members of the Armed Forces by funding the implementation of 20 model community programs to address the needs of such youths.

(4) The lessons learned from such programs could apply to civilian youth programs as well.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Department of Defense, Federal, State, and local agencies, and businesses and communities involved in conducting youth programs could benefit from the development of partnerships to foster an exchange of ideas, information, and materials relating to such programs and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships could benefit all families by helping the providers of services for youths exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that such partnerships could be developed, including—

(A) cooperation between the Department and Federal and State educational agencies in exploring the use of public school facilities for child care programs and youth programs that are mutually beneficial to the Department and civilian communities and complement programs of the Department carried out at its facilities; and

(B) improving youth programs that enable adolescents to relate to new peer groups when families of members of the Armed Forces are relocated.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the youth programs of the Department of Defense and to improve such program so as to benefit communities in the vicinity of military installations.

AMENDMENT NO. 4311

At the end of subtitle F of title X, add the following:

SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DEFENSE SHARING OF EXPERIENCES WITH MILITARY CHILD CARE.

(a) FINDING.—The Senate makes the following findings:

(1) The Department of Defense should be congratulated on the successful implementation of the Military Child Care Act of 1989 (title XV of Public Law 101-189; 10 U.S.C. 113 note).

(2) The actions taken by the Department as a result of that Act have dramatically improved the availability, affordability, quality, and consistency of the child care services provided to members of the Armed Forces.

(3) Child care is important to the readiness of members of the Armed Forces because single parents and couples in military service must have access to affordable child care of good quality if they are to perform their jobs and respond effectively to long work hours or deployments.

(4) Child care is important to the retention of members of the Armed Forces in military service because the dissatisfaction of the families of such members with military life is a primary reason for the departure of such members from military service.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the civilian and military child care communities, Federal, State, and local agencies, and businesses and communities involved in the provision of child care services could benefit from the development of partnerships to foster an exchange of ideas, information and materials relating to their experiences with the provision of such services and to encourage closer relationships between military installations and the communities that support them;

(2) such partnerships would be beneficial to all families by helping providers of child care services exchange ideas about innovative ways to address barriers to the effective provision of such services; and

(3) there are many ways that these partnerships can be developed, including—

(A) cooperation between the directors and curriculum specialists of military child development centers and civilian child development centers in assisting such centers in the accreditation process;

(B) use of family support staff to conduct parent and family workshops for new parents and parents with young children in family housing on military installations and in communities in the vicinity of such installations;

(C) internships in Department of Defense child care programs for civilian child care providers to broaden the base of good-quality child care services in communities in the vicinity of military installations; and

(D) attendance by civilian child care providers at Department child-care training classes on a space-available basis.

(c) REPORT.—Not later than June 30, 1997, the Secretary of Defense shall submit to Congress a report on the status of any initiatives undertaken this section, including recommendations for additional ways to improve the child care programs of the Department of Defense and to improve such programs so as to benefit civilian child care providers in communities in the vicinity of military installations.

THURMOND AMENDMENT NO. 4312

Mrs. HUTCHINSON (for Mr. THURMOND) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title IV, add the following:

SEC. 413. PERSONNEL MANAGEMENT RELATING TO ASSIGNMENT TO SERVICE IN THE SELECTIVE SERVICE SYSTEM.

Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended—

(1) in subsection (b)(2), by inserting ", subject to subsection (e)," after "to employ such number of civilians, and"; and

(2) by inserting after subsection (d) the following:

"(e)(1) The number of armed forces personnel assigned to the Selective Service System under subsection (b)(2) may not exceed 745, except in a time of war declared by Congress or national emergency declared by Congress or the President.

"(2) Members of the Selected Reserve assigned to the Selective Service System under subsection (b)(2) shall not be counted for purposes of any limitation on the authorized strength of Selected Reserve personnel of the reserve components under any law authorizing the end strength of such personnel.".

HATFIELD (AND WYDEN) AMENDMENT NO. 4313

Mrs. HUTCHISON (for Mr. HATFIELD, for himself and Mr. WYDEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. OPPORTUNITY FOR REVIEW AND COMMENT BY STATE OF OREGON REGARDING CERTAIN REMEDIAL ACTIONS AT HANFORD RESERVATION, WASHINGTON.

(a) OPPORTUNITY.—(1) Subject to subsection (b), the Site Manager at the Hanford Reservation, Washington, shall, in consultation with the signatories to the Tri-Party Agreement, provide the State of Oregon an opportunity to review and comment upon any information the Site Manager provides the State of Washington under the Hanford Tri-Party Agreement if the agreement provides for the review of and comment upon such information by the State of Washington.

(2) In order to facilitate the review and comment of the State of Oregon under paragraph (1), the Site Manager shall provide information referred to in that paragraph to the State of Oregon at the same time, or as soon thereafter as is practicable, that the Site Manager provides such information to the State of Washington.

(b) CONSTRUCTION.—This section may not be construed—

(1) to require the Site Manager to provide the State of Oregon sensitive information on enforcement under the Tri-Party Agreement or information on the negotiation, dispute resolution, or State cost recovery provisions of the agreement;

(2) to require the Site Manager to provide confidential information on the budget or procurement at Hanford under terms other than those provided in the Tri-Party Agreement for the transmission of such confidential information to the State of Washington;

(3) to authorize the State of Oregon to participate in enforcement actions, dispute resolution, or negotiation actions conducted under the provisions of the Tri-Party Agreement;

(4) to authorize any delay in the implementation of remedial, environmental management, or other programmatic activities at Hanford; or

(5) to require the Department of Energy to provide funds to the State of Oregon.

SEC. 3162. SENSE OF SENATE ON HANFORD MEMORANDUM OF UNDERSTANDING.

It is the sense of the Senate that—

(1) the State of Oregon has the authority to enter into a memorandum of understanding with the State of Washington, or a memorandum of understanding with the State of Washington and the Site Manager of the Hanford Reservation, Washington, in order to address issues of mutual concern to such States, regarding the Hanford Reservation; and

(2) such agreements are not expected to create any additional obligation of the Department of Energy to provide funds to the State of Oregon.

MURKOWSKI AMENDMENT NO. 4314

Mrs. HUTCHISON (for Mr. MURKOWSKI) proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out section 3158 and insert in lieu thereof the following new section 3158:

SEC. 3158. SENSE OF CONGRESS RELATING TO REDESIGNATION OF DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT PROGRAM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, be redesignated as the Defense Nuclear Waste Management Program of the Department of Energy.

(b) REPORT ON REDESIGNATION.—Not later than January 31, 1997, the Secretary of Energy shall submit to the congressional defense committees a report on the costs and other difficulties, if any, associated with the following:

(1) The redesignation of the program known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, as the Defense Nuclear Waste Management Program of the Department of Energy.

(2) The redesignation of the Defense Environmental Restoration and Waste Management Account as the Defense Nuclear Waste Management Account.

SIMON (AND MOSELEY-BRAUN) AMENDMENT NO. 4315

Mr. NUNN (for Mr. SIMON, for himself and Ms. MOSELEY-BRAUN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII add the following:

SEC. 2828. REAFFIRMATION OF LAND CONVEYANCES, FORT SHERIDAN, ILLINOIS.

As soon as practicable after the date of the enactment of this Act, the Secretary of the Army shall complete the land conveyances involving Fort Sheridan, Illinois, required or authorized under section 125 of the Military Construction Appropriations Act, 1996 (Public Law 104-32; 109 Stat. 290).

SMITH (AND GREGG) AMENDMENT NO. 4316

Mrs. HUTCHISON (for Mr. SMITH, for himself and Mr. GREGG) proposed an amendment to the bill, S. 1745 supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, CRAFTS BROTHERS RESERVE TRAINING CENTER, MANCHESTER, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZATION.—The Secretary of the Army may convey, without consideration, to Saint Anselm College, Manchester, New Hampshire, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 3.5 acres and located on Rockland Avenue in Manchester, New Hampshire, the site of the Crafts Brothers Reserve Training Center.

(b) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not make the conveyance authorized by subsection (a) until the Army Reserve units currently housed at the Crafts Brothers Reserve Training Center are relocated to the Joint Service Reserve Center to be constructed at the Manchester Airport, New Hampshire.

(c) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

GORTON AMENDMENTS NOS. 4317–4318

Mrs. HUTCHISON (for Mr. GORTON) proposed two amendments to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4317

At the end of title XXXI, add the following:

Subtitle E—Environmental Restoration at Defense Nuclear Facilities

SEC. 3171. SHORT TITLE.

This subtitle may be cited as the "Defense Nuclear Facility Environmental Restoration Pilot Program Act of 1996".

SEC. 3172. APPLICABILITY.

(a) IN GENERAL.—The provisions of this subtitle shall apply to the following defense nuclear facilities:

(1) Hanford.

(2) Any other defense nuclear facility if—

(A) the chief executive officer of the State in which the facility is located submits to the Secretary a request that the facility be covered by the provisions of this subtitle; and

(B) the Secretary approves the request.

(b) LIMITATION.—The Secretary may not approve a request under subsection (a)(2) until 60 days after the date on which the Secretary notifies the congressional defense committees of the Secretary's receipt of the request.

SEC. 3173. DESIGNATION OF COVERED FACILITIES AS ENVIRONMENTAL CLEANUP DEMONSTRATION AREAS.

(a) DESIGNATION.—Each defense nuclear facility covered by this subtitle under section 3172(a) is hereby designated as an environmental cleanup demonstration area. The purpose of the designation is to establish each such facility as a demonstration area at which to utilize and evaluate new technologies to be used in environmental restoration and remediation at other defense nuclear facilities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal and State regulatory agencies, members of the surrounding communities, and other affected parties with respect to each defense nuclear facility covered by this subtitle should continue to—

(1) develop expedited and streamlined processes and systems for cleaning up such facility;

(2) eliminate unnecessary administrative complexity and unnecessary duplication of regulation with respect to the clean up of such facility;

(3) proceed expeditiously and cost-effectively with environmental restoration and remediation activities at such facility;

(4) consider future land use in selecting environmental clean up remedies at such facility; and

(5) identify and recommend to Congress changes in law needed to expedite the clean up of such facility.

SEC. 3174. SITE MANAGERS.

(a) APPOINTMENT.—(1)(A) The Secretary shall appoint a site manager for Hanford not later than 90 days after the date of the enactment of this Act.

(B) The Secretary shall develop a list of the criteria to be used in appointing a site manager for Hanford. The Secretary may consult with affected and knowledgeable parties in developing the list.

(2) The Secretary shall appoint the site manager for any other defense nuclear facility covered by this subtitle not later than 90 days after the date of the approval of the request with respect to the facility under section 3172(a)(2).

(3) An individual appointed as a site manager under this subsection shall, if not an employee of the Department at the time of the appointment, be an employee of the Department while serving as a site manager under this subtitle.

(b) DUTIES.—(1) Subject to paragraphs (2) and (3), in addition to other authorities provided for in this subtitle, the site manager for a defense nuclear facility shall have full authority to oversee and direct operations at the facility, including the authority to—

(A) enter into and modify contractual agreements to enhance environmental restoration and waste management at the facility;

(B) request that the Department headquarters submit to Congress a reprogramming package shifting among accounts funds available for the facility in order to facilitate the most efficient and timely environmental restoration and waste management at the facility, and, in the event that the Department headquarters does not act upon the request within 30 days of the date of the request, submit such request to the appropriate committees of Congress for review;

(C) negotiate amendments to environmental agreements applicable to the facility for the Department; and

(D) manage environmental management and programmatic personnel of the Department at the facility.

(2) A site manager shall negotiate amendments under paragraph (1)(C) with the concurrence of the Secretary.

(3) A site manager may not undertake or provide for any action under paragraph (1) that would result in an expenditure of funds for environmental restoration or waste management at the defense nuclear facility concerned in excess of the amount authorized to be expended for environmental restoration or waste management at the facility without the approval of such action by the Secretary.

(c) INFORMATION ON PROGRESS.—The Secretary shall regularly inform Congress of the progress made by site managers under this subtitle in achieving expedited environmental restoration and waste management at the defense nuclear facilities covered by this subtitle.

SEC. 3175. DEPARTMENT OF ENERGY ORDERS.

Effective 60 days after the appointment of a site manager for a defense nuclear facility under section 3174(a), an order relating to the execution of environmental restoration, waste management, technology development, or other site operation activities at the facility may be imposed at the facility if the Secretary makes a finding that the order—

(1) is essential to the protection of human health or the environment or to the conduct of critical administrative functions; and

(2) will not interfere with bringing the facility into compliance with environmental laws, including the terms of any environmental agreement.

SEC. 3176. DEMONSTRATIONS OF TECHNOLOGY FOR REMEDIATION OF DEFENSE NUCLEAR WASTE.

(a) IN GENERAL.—The site manager for a defense nuclear facility under this subtitle shall promote the demonstration, verification, certification, and implementation of innovative environmental technologies for the remediation of defense nuclear waste at the facility.

(b) DEMONSTRATION PROGRAM.—To carry out subsection (a), each site manager shall establish a program at the defense nuclear facility concerned for testing environmental technologies for the remediation of defense nuclear waste at the facility. In establishing such a program, the site manager may—

(1) establish a simplified, standardized, and timely process for the testing and verification of environmental technologies;

(2) solicit and accept applications to test environmental technology suitable for environmental restoration and waste management activities at the facility, including prevention, control, characterization, treatment, and remediation of contamination;

(3) consult and cooperate with the heads of existing programs at the facility for the certification and verification of environmental technologies at the facility; and

(4) pay the costs of the demonstration of such technologies.

(c) FOLLOW-ON CONTRACTS.—(1) If the Secretary and a person demonstrating a technology under the program enter into a contract for remediation of nuclear waste at a defense nuclear facility covered by this subtitle, or at any other Department facility, as a follow-on to the demonstration of the technology, the Secretary shall ensure that the contract provides for the Secretary to recoup from the contractor the costs incurred by the Secretary pursuant to subsection (b)(4) for the demonstration.

(2) No contract between the Department and a contractor for the demonstration of technology under subsection (b) may provide for reimbursement of the costs of the contractor on a cost plus fee basis.

(d) SAFE HARBORS.—In the case of an environmental technology demonstrated, verified, certified, and implemented at a defense nuclear facility under a program established under subsection (b), the site manager of another defense nuclear facility may request the Secretary to waive or limit contractual or Department regulatory requirements that would otherwise apply in implementing the same environmental technology at such other facility.

SEC. 3177. REPORTS TO CONGRESS.

Not later than 120 days after the date of the appointment of a site manager under section 3174(a), the site manager shall submit to Congress and the Secretary a report describing the expectations of the site manager with respect to environmental restoration and waste management at the defense nuclear facility concerned by reason of the exercise of the authorities provided in this subtitle. The report shall describe the manner in which the exercise of such authorities is expected to improve environmental restoration and waste management at the facility and identify saving that are expected to accrue to the Department as a result of the exercise of such authorities.

SEC. 3178. TERMINATION.

The authorities provided for in this subtitle shall expire five years after the date of the enactment of this Act.

SEC. 3179. DEFINITIONS.

In this subtitle:

(1) The term "Department" means the Department of Energy.

(2) The term "defense nuclear facility" has the meaning given the term "Department of Energy defense nuclear facility" in section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(3) The term "Hanford" means the defense nuclear facility located in southeastern Washington State known as the Hanford Reservation, Washington.

(4) The term "Secretary" means the Secretary of Energy.

AMENDMENT NO. 4318

At the end of title XXVI of the bill, insert the following:

SEC. 2602. FUNDING FOR CONSTRUCTION AND IMPROVEMENT OF RESERVE CENTERS IN THE STATE OF WASHINGTON.

(a) FUNDING.—Notwithstanding any other provision of law, of the funds appropriated under the heading "MILITARY CONSTRUCTION, NAVAL RESERVE" in the Military Construction Appropriations Act, 1995 (Public Law 103-307; 108 Stat. 1661), that are available for the construction of a Naval Reserve center in Seattle, Washington—

(1) $5,200,000 shall be available for the construction of an Army Reserve Center at Fort Lawton, Washington, of which $700,000 may be used for program and design activities relating to such construction;

(2) $4,200,000 shall be available for the construction of an addition to the Naval Reserve Center in Tacoma, Washington;

(3) $500,000 shall be available for unspecified minor construction at Naval Reserve facilities in the State of Washington; and

(4) $500,000 shall be available for planning and design activities with respect to improvements at Naval Reserve facilities in the State of Washington.

(b) MODIFICATION OF LAND CONVEYANCE AUTHORITY.—Paragraph (2) of section 127(d) of the Military Construction Appropriations Act, 1995 (Public Law 103-337; 108 Stat. 1666), is amended to read as follows:

"(2) Before commencing construction of a facility to be the replacement facility for the Naval Reserve Center under paragraph (1), the Secretary shall comply with the requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) with respect to such facility.".

THURMOND AMENDMENTS NOS. 4319–4320

Mrs. HUTCHISON (for Mr. THURMOND) proposed two amendments to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4319

At the end of subtitle F of title X, add the following:

SEC. 1072. INCREASE IN PENALTIES FOR CERTAIN TRAFFIC OFFENSES ON MILITARY INSTALLATIONS.

Section 4 of the Act of June 1, 1948 (40 U.S.C. 318c) is amended to read as follows:

"SEC. 4. (a) Except as provided in subsection (b), whoever shall violate any rule or regulation promulgated pursuant to section 2 of this Act may be fined not more than $50 or imprisoned for not more than thirty days, or both.

"(b) Whoever shall violate any rule or regulation for the control of vehicular or pedestrian traffic on military installations that is promulgated by the Secretary of Defense, or the designee of the Secretary, under the authority delegated pursuant to section 2 of this Act may be fined an amount not to exceed the amount of a fine for a like or similar offense under the criminal or civil law of the State, territory, possession, or district where the military installation is located, or imprisoned for not more than thirty days, or both.".

AMENDMENT NO. 4320

At the end of section 1061 add the following:

(c) REPEAL OF 13-YEAR SPECIAL LIMIT ON TERM OF TRANSITIONAL JUDGE OF UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.—(1) Subsection (d)(2) of section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1575; 10 U.S.C. 942 note) is amended by striking out "to the judges who are first appointed to the two new positions of the court created as of October 1, 1990—" and all that follows and inserting in lieu thereof "to the judge who is first appointed to one of the two new positions of the court created as of October 1, 1990, as designated by the President at the time of appointment, the anniversary referred to in subparagraph (A) of that paragraph shall be treated as being the seventh anniversary and the number of years referred to in subparagraph (B) of that paragraph shall be treated as being seven.".

(2) Subsection (e)(1) of such section is amended by striking out "each judge" and inserting in lieu thereof "a judge".

KYL (AND BINGAMAN) AMENDMENT NO. 4321

Mrs. HUTCHISON (for Mr. KYL, for himself and Mr. BINGAMAN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title X, add the following:

SEC. 1043. PROHIBITION ON COLLECTION AND RELEASE OF DETAILED SATELLITE IMAGERY RELATING TO ISRAEL AND OTHER COUNTRIES AND AREAS.

(a) COLLECTION AND DISSEMINATION.—No department or agency of the Federal Government may license the collection or dissemination by any non-Federal entity of satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

(b) DECLASSIFICATION AND RELEASE.—No department or agency of the Federal Government may declassify or otherwise release satellite imagery with respect to Israel, or to any other country or geographic area designated by the President for this purpose, unless such imagery is no more detailed or precise than satellite imagery of the country or geographic area concerned that is routinely available from commercial sources.

LEAHY (AND BOXER) AMENDMENT NO. 4322

Mr. NUNN (for Mr. LEAHY, for himself and Mrs. BOXER) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title II, add the following:

SEC. 204. FUNDS FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATING TO HUMANITARIAN DEMINING TECHNOLOGIES.

Of the amounts authorized to be appropriated by section 201(4), $18,000,000 shall be available for research, development, test, and evaluation activities relating to humanitarian demining technologies (PE0603120D), to be administered by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

THURMOND AMENDMENTS NOS. 4323–4324

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4323

In section 301(1) strike "$18,147,623,000" and insert in lieu thereof "18,295,923,000".

In section 201(4) is reduced by $148,300,000.

AMENDMENT NO. 4324

In section 3131(e), in the matter preceding paragraph (1), strike out "section 3101" and insert in lieu thereof "section 3101(b)(1)".

In section 3131(e)(1), strike out "and" after the semicolon.

In section 3131(e)(2), strike out the period at the end and insert in lieu thereof "; and".

At the end of section 3131(e), add the following:

(3) not more than $100,000,000 shall be available for other tritium production research activities.

In section 3132(a), strike out "requirements for tritium for" and insert in lieu thereof "tritium requirements for".

CONRAD AMENDMENT NO. 4325

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Strike out subtitle C of title II, and insert in lieu thereof the following:

Subtitle C—Ballistic Missile Defense

SEC. 231. GENERAL POLICY.

The Secretary of Defense shall initiate preparations that would enable the deployment of an affordable national missile defense system that would be operational by 2003.

SEC. 232. SYSTEM REQUIREMENTS AND ARCHITECTURE.

(a) SYSTEM REQUIREMENTS.—The national missile defense system authorized shall be a system that—

(1) is effectively capable of defending all 50 States against a limited ballistic missile attack;

(2) complies with the arms and control treaties applicable to the United States;

(3) can reach initial operational capability within six years after the date of the enactment of this Act;

(4) limits cost by maximizing use of existing infrastructure and technology;

(5) is capable of reliably countering a nearly simultaneous attack composed of, at most, five warheads; and

(6) is fully consistent with current United States strategic defense policy and acquisition strategy.

(b) SYSTEM ARCHITECTURE.—The national missile defense system authorized under subsection (a) shall consist of the following components:

(1) An interceptor system that—

(A) utilizes kinetic kill vehicles atop intercontinental ballistic missiles in existence on the date of the enactment of this Act that are launchable from silos existing on such date; and

(B) is capable of defending all 50 States from a single field of ground-based interceptors.

(2) Early warning radars and other fixed ground-based radars that are in existence on the date of the enactment of this Act or are based on existing designs, upgraded as necessary.

(3) Space-based sensors in existence on such date.

(4) To the maximum extent possible, battle management, command, control, and communications systems that are in existence on such date.

SEC. 233. PLANNING AND DEVELOPMENT ACTIVITIES BEFORE EMERGENCE OF NEED FOR DEPLOYMENT.

The Secretary of Defense shall—

(1) initiate or continue the planning that is necessary to achieve, consistent with the requirements set forth in section 232(a), initial operational capability of a national missile defense system described in section 232(b); and

(2) plan to conduct an integrated systems test of such a system within three years after the date of the enactment of this Act.

SEC. 234. REPORT ON THREAT AND NECESSARY DEFENSES.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the President or the Secretary of Defense shall submit to Congress a report on—

(1) the threat of—

(A) a limited, unauthorized ballistic missile attack on the United States; or

(B) a limited, accidental ballistic missile attack on the United States; and

(2) the defenses necessary to counter the limited threat.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A detailed description of the extent of—

(A) the existing threat of attack by rogue foreign states; and

(B) the existing threat of an unauthorized or accidental attack by a foreign state that is an established nuclear power.

(2) A detailed description of the probable development of the threat and a discussion of the reliability of the evidence supporting that description.

(3) A discussion of whether, in order to defend the United States effectively against the limited threat—

(A) it is sufficient to deploy a system capable of defending against five warheads nearly simultaneously; or

(B) it is necessary to deploy a more robust system with up to 100 interceptors.

(4) A discussion of any adjustments to the other elements of the missile defense program of the Department of Defense that are necessary in order to accommodate deployment of the necessary system (taking into consideration projections regarding the technological evolution of the emerging ballistic missile threat).

(c) FORM OF REPORT.—A report under this section may be submitted in classified form.

SEC. 235. SENSE OF CONGRESS REGARDING MODIFICATION OF THE ABM TREATY.

It is the sense of Congress that—

(1) some level of consultation between the parties to the ABM Treaty (as well as other arms control agreements) could be necessary to implement a limited national missile defense provided for under this subtitle; and

(2) the President should undertake such consultations to agree, in a manner that does not necessitate advice and consent of the Senate, upon a limited redefinition or clarification of the ABM Treaty as it relates to the deployment of a limited national missile defense described in section 232.

SEC. 236. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty between the United States and the Union of Soviet

Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, and includes Protocols to that Treaty signed at Moscow on July 3, 1974, and all Agreed Statements and amendments to such Treaty in effect.

ROBB (AND WARNER) AMENDMENT NO. 4326

(Ordered to lie on the table.)

Mr. ROBB (for himself and Mr. WARNER) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

Strike out subsection (a) of section 2821 and insert in lieu thereof the following new subsection (a):

(a) REQUIREMENT FOR SECRETARY OF INTERIOR TO TRANSFER CERTAIN SECTION 29 LANDS.—(1) Subject to paragraph (2), the Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2)(A) The Secretary of the Interior may not make the transfer referred to in paragraph (1)(B) until 60 days after the date on which the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(i) a summary of the document entitled "Cultural Landscape and Archaeological Study, Section 29, Arlington House, The Robert E. Lee Memorial";

(ii) a summary of any environmental analysis required with respect to the transfer under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(iii) the proposal of the Secretary and the Secretary of the Army setting forth the lands to be transferred and the general manner in which the Secretary of the Army will develop such lands after transfer.

(B) The Secretary of the Interior shall submit the information required under subparagraph (A) not later than October 31, 1997.

(3) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, Dated February 22, 1995.

(4) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

CONRAD AMENDMENT NO. 4327

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of section 1062, add the following:

(d) RETENTION OF B-52H AIRCRAFT.—Notwithstanding any other provision of law, the Secretary of the Air Force shall maintain in active status (including the performance of standard maintenance and upgrades) the current fleet of B-52H bomber aircraft at least until the later of—

(1) the date that is five years after the date of the enactment of this Act; or

(2) the date on which the START II Treaty enters into force.

CONRAD AMENDMENT NO. 4328

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 4236 submitted by Mr. KYL to the bill, S. 1745, supra; as follows:

Beginning on the first page, strike out line and all that follows and insert in lieu thereof the following:

Subtitle —Ballistic Missile Defense

SEC. 1. GENERAL POLICY.

The Secretary of Defense shall initiate preparations that would enable the deployment of an affordable national missile defense system that would be operational by 2003.

SEC. 2. SYSTEM REQUIREMENTS AND ARCHITECTURE.

(a) SYSTEM REQUIREMENTS.—The national missile defense system authorized shall be a system that—

(1) is effectively capable of defending all 50 States against a limited ballistic missile attack;

(2) complies with the arms control treaties applicable to the United States;

(3) can reach initial operational capability within six years after the date of the enactment of this Act;

(4) limits cost by maximizing use of existing infrastructure and technology;

(5) is capable of reliably countering a nearly simultaneous attack composed of, at most, five warheads; and

(6) is fully consistent with current United States strategic defense policy and acquisition strategy.

(b) STYSTEM ARCHITECTURE.—The national missile defense system authorized under subsection (a) shall consist of the following components:

(1) An interceptor system that—

(A) utilizes kinetic kill vehicles atop intercontinental ballistic missiles in existence on the date of the enactment of this Act that are launchable from silos existing on such date; and

(B) is capable of defending all 50 States from a single field of ground-based interceptors.

(2) Early warning radars and other fixed ground-based radars that are in existence on the date of the enactment of this Act or are based on existing designs, upgraded as necessary.

(3) Space-based sensors in existence on such date.

(4) To the maximum extent possible, battle management, command, control, and communications systems that are in existence on such date.

SEC. 3. PLANNING AND DEVELOPMENT ACTIVITIES BEFORE EMERGENCE OF NEED FOR DEPLOYMENT.

The Secretary of Defense shall—

(1) initiate or continue the planning that is necessary to achieve, consistent with the requirements set forth in section 2(a), initial operational capability of a national missile defense system described in section 2(b); and

(2) plan to conduct an integrated systems test of such a system within three years after the date of the enactment of this Act.

SEC. 4. REPORT ON THREAT AND NECESSARY DEFENSES.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the President or the Secretary of Defense shall submit to Congress a report on—

(1) the threat of—

(A) a limited, unauthorized ballistic missile attack on the United States; or

(B) a limited, accidental ballistic missile attack on the United States; and

(2) the defenses necessary to counter the limited threat.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A detailed description of the extent of—

(A) the existing threat of attack by rogue foreign states; and

(B) the existing threat of an unauthorized or accidental attack by a foreign state that is an established nuclear power.

(2) A detailed description of the probable development of the threat and a discussion of the reliability of the evidence supporting that description.

(3) A discussion of whether, in order to defend the United States effectively against the limited threat—

(A) it is sufficient to deploy a system capable of defending against five warheads nearly simultaneously; or

(B) it is necessary to deploy a more robust system with up to 100 interceptors.

(4) A discussion of any adjustments to the other elements of the missile defense program of the Department of Defense that are necessary in order to accommodate deployment of the necessary system (taking into consideration projections regarding the technological evolution of the emerging ballistic missile threat).

(c) FORM OF REPORT.—A report under this section may be submitted in classified form.

SEC. 5. SENSE OF CONGRESS REGARDING MODIFICATION OF THE ABM TREATY.

It is the sense of Congress that—

(1) some level of consultation between the parties to the ABM Treaty (as well as other arms control agreements) could be necessary to implement a limited national missile defense provided for under this subtitle; and

(2) the President should undertake such consultations to agree, in a manner that does not necessitate advice and consent of the Senate, upon a limited redefinition or clarification of the ABM Treaty as it relates to the deployment of a limited national missile defense described in section 2.

SEC. 6. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty between the United States and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, and includes Protocols to that Treaty signed at Moscow on July 3, 1974, and all Agreed Statements and amendments to such Treaty in effect.

GREGG AMENDMENTS NOS. 4329–4330

(Ordered to lie on the table.)

Mr. GREGG submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4329

Strike all after the first word and insert:

CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE.

(a) SHORT TITLE.—This section may be cited as the "Congressional, Presidential, and Judicial Pension Forfeiture Act".

(b) CONVICTION OF CERTAIN OFFENSES.—

(1) IN GENERAL.—Section 8312(a) of title 5, United States Code, is amended—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or";

(C) by adding after paragraph (2) the following new paragraph:

"(3) is convicted of an offense named by subsection (d), to the extent provided by that subsection.";

(D) by striking "and" at the end of subparagraph (A);

(E) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(F) by adding after subparagraph (B) the following new subparagraph:

"(C) with respect to the offenses named by subsection (d) of this section, to the period after the date of the conviction.".

(2) IDENTIFICATION OF OFFENSES.—Section 8312 of title 5, United States Code, is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) The offenses under paragraph (2) are the offenses to which subsection (a) of this section applies, but only if—

"(A) the individual is convicted of such offense committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) the individual was a Member of Congress (including the Vice President), a congressional employee, or a Federal justice or judge at the time of committing the offense; and

"(C) the offense is punishable by imprisonment for more than 1 year.

"(2) The offenses under this paragraph are as follows:

"(A) An offense within the purview of—

"(i) section 201 of title 18 (bribery of public officials and witnesses);

"(ii) section 203 of title 18 (compensation to Members of Congress, officers, and others in matters affecting the Government);

"(iii) section 204 of title 18 (practice in United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Members of Congress);

"(iv) section 219 of title 18 (officers and employees acting as agents of foreign principals);

"(v) section 286 of title 18 (conspiracy to defraud the Government with respect to claims);

"(vi) section 287 of title 18 (false, fictitious, or fraudulent claims);

"(vii) section 371 of title 18 (conspiracy to commit offense or to defraud the United States;

"(viii) section 597 of title 18 (expenditures to influence voting);

"(ix) section 599 of title 18 (promise of appointment by candidate);

"(x) section 602 of title 18 (solicitation of political contributions);

"(xi) section 606 of title 18 (intimidation to secure political contributions);

"(xii) section 607 of title 18 (place of solicitation);

"(xiii) section 641 of title 18 (public money, property or records); or

"(xiv) section 1001 of title 18 (statements or entries generally).

"(B) Perjury committed under the statutes of the United States in falsely denying the commission of an act which constitutes an offense within the purview of a statute named by subparagraph (A).

"(C) Subornation of perjury committed in connection with the false denial of another individual as specified by subparagraph (B).".

(c) ABSENCE FROM THE UNITED STATES TO AVOID PROSECUTION.—

(1) IN GENERAL.—Section 8313 of title 5, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

"(b) An individual, or his survivor or beneficiary, may not be paid annuity or retired pay on the basis of the service of the individual which is creditable toward the annuity or retired pay, subject to the exceptions in section 8311(2) and (3) of this title, if the individual—

"(1) is under indictment, after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act, for an offense named by section 8312(d)(2) of this title, but only if such offense satisfies section 8312(d)(1)(C) of this title;

"(2) willfully remains outside the United States, or its territories and possessions including the Commonwealth of Puerto Rico, for more than 1 year with knowledge of the indictment or charges, as the case may be; and

"(3) is an individual described in section 8312(d)(1)(B).".

(2) CONFORMING AMENDMENT.—Subsection (c) of section 8313 of title 5, United States Code (as redesignated under paragraph (1)(A)) is amended by inserting "or (b)" after "subsection (a)".

(d) REFUND OF CONTRIBUTIONS AND DEPOSITS.—

Section 8316(b) of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) if the individual was convicted of an offense named by section 8312(d) of this title, for the period after the conviction of the violation.".

(e) FORFEITURE OF PRESIDENTIAL ALLOWANCE.—Subsection (a) of the first section of the Act entitled "An Act to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (Public Law 85–745; 72 Stat. 838; 3 U.S.C. 102 note) is amended—

(1) by striking "Each former President" and inserting "(1) Subject to paragraph (2), each former President"; and

(2) by inserting at the end the following new paragraph:

"(2) The allowance payable to an individual under paragraph (1) shall be forfeited if—

"(A) the individual is convicted of an offense described under section 8312(d)(2) of title 5, United States Code, committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) such individual committed such offense during the individual's term of office as President; and

"(C) the offense is punishable by imprisonment for more than 1 year.".

This section shall become effective 1 day after the date of enactment.

AMENDMENT NO. 4330

At the appropriate place, insert:

SEC. ____. CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE.

(a) SHORT TITLE.—This section may be cited as the "Congressional, Presidential, and Judicial Pension Forfeiture Act".

(b) CONVICTION OF CERTAIN OFFENSES.—

(1) IN GENERAL.—Section 8312(a) of title 5, United States Code, is amended—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or";

(C) by adding after paragraph (2) the following new paragraph:

"(3) is convicted of an offense named by subsection (d), to the extent provided by that subsection.";

(D) by striking "and" at the end of subparagraph (A);

(E) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(F) by adding after subparagraph (B) the following new subparagraph:

"(C) with respect to the offenses named by subsection (d) of this section, to the period after the date of the conviction.".

(2) IDENTIFICATION OF OFFENSES.—Section 8312 of title 5, United States Code, is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) The offenses under paragraph (2) are the offenses to which subsection (a) of this section applies, but only if—

"(A) the individual is convicted of such offense committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) the individual was a Member of Congress (including the Vice President), a congressional employee, or a Federal justice or judge at the time of committing the offense; and

"(C) the offense is punishable by imprisonment for more than 1 year.

"(2) The offenses under this paragraph are as follows:

"(A) An offense within the purview of—

"(i) section 201 of title 18 (bribery of public officials and witnesses);

"(ii) section 203 of title 18 (compensation to Members of Congress, officers, and others in matters affecting the Government);

"(iii) section 204 of title 18 (practice in United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Members of Congress);

"(iv) section 219 of title 18 (officers and employees acting as agents of foreign principals);

"(v) section 286 of title 18 (conspiracy to defraud the Government with respect to claims);

"(vi) section 287 of title 18 (false, fictitious, or fraudulent claims);

"(vii) section 371 of title 18 (conspiracy to commit offense or to defraud the United States;

"(viii) section 597 of title 18 (expenditures to influence voting);

"(ix) section 599 of title 18 (promise of appointment by candidate);

"(x) section 602 of title 18 (solicitation of political contributions);

"(xi) section 606 of title 18 (intimidation to secure political contributions);

"(xii) section 607 of title 18 (place of solicitation);

"(xiii) section 641 of title 18 (public money, property or records); or

"(xiv) section 1001 of title 18 (statements or entries generally).

"(B) Perjury committed under the statutes of the United States in falsely denying the commission of an act which constitutes an offense within the purview of a statute named by subparagraph (A).

"(C) Subornation of perjury committed in connection with the false denial of another individual as specified by subparagraph (B).".

(c) ABSENCE FROM THE UNITED STATES TO AVOID PROSECUTION.—

(1) IN GENERAL.—Section 8313 of title 5, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

"(b) An individual, or his survivor or beneficiary, may not be paid annuity or retired pay on the basis of the service of the individual which is creditable toward the annuity or retired pay, subject to the exceptions in section 8311(2) and (3) of this title, if the individual—

"(1) is under indictment, after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act, for an offense named by section 8312(d)(2) of this title, but only if such offense satisfies section 8312(d)(1)(C) of this title;

"(2) willfully remains outside the United States, or its territories and possessions including the Commonwealth of Puerto Rico, for more than 1 year with knowledge of the indictment or charges, as the case may be; and

"(3) is an individual described in section 8312(d)(1)(B).".

(2) CONFORMING AMENDMENT.—Subsection (c) of section 8313 of title 5, United States Code (as redesignated under paragraph (1)(A)) is amended by inserting "or (b)" after "subsection (a)".

(d) REFUND OF CONTRIBUTIONS AND DEPOSITS.—

Section 8316(b) of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) if the individual was convicted of an offense named by section 8312(d) of this title, for the period after the conviction of the violation.".

(e) FORFEITURE OF PRESIDENTIAL ALLOWANCE.—Subsection (a) of the first section of the Act entitled "An Act to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (Public Law 85–745; 72 Stat. 838; 3 U.S.C. 102 note) is amended—

(1) by striking "Each former President" and inserting "(1) Subject to paragraph (2), each former President"; and

(2) by inserting at the end the following new paragraph:

"(2) The allowance payable to an individual under paragraph (1) shall be forfeited if—

"(A) the individual is convicted of an offense described under section 8312(d)(2) of title 5, United States Code, committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) such individual committed such offense during the individual's term of office as President; and

"(C) the offense is punishable by imprisonment for more than 1 year.".

MCCAIN AMENDMENT NO. 4331

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Strike sections 321 through 330 of S. 1745.

DOMENICI AMENDMENTS NOS. 4332–4339

(Ordered to lie on the table.)

Mr. Domenici submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4332

In the table in section 2101(a), insert after the item relating to Fort Polk, Louisiana, the following new item:

New Mexico	White Sands Missile Range.	$10,000,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a) and insert in lieu thereof "$366,450,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,904,297,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$366,450,000".

AMENDMENT NO. 4333

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,813,356,000".

AMENDMENT NO. 4334

In section 103(3), strike out "$5,880,519,000" and insert in lieu thereof "5,889,519,000".

AMENDMENT NO. 4335

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,791,356,000".

AMENDMENT NO. 4336

In section 201(4), strike out "$9,662,542,000" and insert in lieu thereof "$9,687,542,000".

AMENDMENT NO. 4337

In section 201(4), strike out "$9,662,542,000" and insert in lieu thereof "$9,679,542,000".

AMENDMENT NO. 4338

In section 201(4), strike out "$9,662,542,000" and insert in lieu thereof "$9,687,542,000".

AMENDMENT NO. 4339

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,789,356,000".

MCCAIN AMENDMENT NO. 4340

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Amend section 322 of S. 1745 by striking out the current language and inserting in lieu thereof "Section 2466 of title 10, United States Code, is repealed.".

THE CHURCH ARSON PREVENTION ACT OF 1996

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 4341

Mr. FAIRCLOTH (for himself, Mr. KENNEDY, Mr. HATCH, Mr. BIDEN, Mr. KOHL, Mr. SARBANES, Mr. NUNN, Ms. MOSELEY-BRAUN, Mr. THURMOND, Mr. EXON, Mr. BINGAMAN, Mr. CONRAD, Mr. LAUTENBERG, and Mr. STEVENS) proposed an amendment to the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Church Arson Prevention Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The incidence of arson or other destruction or vandalism of places of religious worship, and the incidence of violent interference with an individual's lawful exercise or attempted exercise of the right of religious freedom at a place of religious worship pose a serious national problem.

(2) The incidence of arson of places of religious worship has recently increased, especially in the context of places of religious worship that serve predominantly African-American congregations.

(3) Changes in Federal law are necessary to deal properly with this problem.

(4) Although local jurisdictions have attempted to respond to the challenges posed by such acts of destruction or damage to religious property, the problem is sufficiently serious, widespread, and interstate in scope to warrant Federal intervention to assist State and local jurisdictions.

(5) Congress has authority, pursuant to the Commerce Clause of the Constitution, to make acts of destruction or damage to religious property a violation of Federal law.

(6) Congress has authority, pursuant to section 2 of the 13th amendment to the Constitution, to make actions of private citizens motivated by race, color, or ethnicity that interfere with the ability of citizens to hold or use religious property without fear of attack, violations of Federal criminal law.

SEC. 3. PROHIBITION OF VIOLENT INTERFERENCE WITH RELIGIOUS WORSHIP.

Section 247 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "subsection (c) of this section" and inserting "subsection (d)";

(2) by redesignating subsections (c), (d), and (e), as subsections (d), (e), and (f), respectively;

(3) by striking subsection (b) and inserting the following:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.

"(c) Whoever intentionally defaces, damages, or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so, shall be punished as provided in subsection (d).";

(4) in subsection (d), as redesignated—

(A) in paragraph (2)—

(i) by inserting "to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section," after "bodily injury"; and

(ii) by striking "ten years" and inserting "20 years";

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(C) by inserting after paragraph (1) the following:

"(2) if bodily injury results to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section, and the violation is by means of fire or an explosive, a fine under this title or imprisonment for not more that 40 years, or both;";

(5) in subsection (f), as redesignated—

(A) by striking "religious property" and inserting "religious real property" both places it appears; and

(B) by inserting ", including fixtures or religious objects contained within a place of religious worship" before the period; and

(6) by adding at the end the following new subsection:

"(g) No person shall be prosecuted, tried, or punished for any noncapital offense under this section unless the indictment is found or the information is instituted not later than 7 years after the date on which the offense was committed.".

SEC. 4. LOAN GUARANTEE RECOVERY FUND.

(a) IN GENERAL.—

(1) IN GENERAL.—Using amounts described in paragraph (2), the Secretary of Housing and Urban Development (referred to as the "Secretary") shall make guaranteed loans to financial institutions in connection with loans made by such institutions to assist organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 that have been damaged as a result of acts of arson or terrorism in accordance with such procedures as the Secretary shall establish by regulation.

(2) USE OF CREDIT SUBSIDY.—Notwithstanding any other provision of law, for the cost of loan guarantees under this section, the Secretary may use not more than $5,000,000 of the amounts made available for fiscal year 1996 for the credit subsidy provided under the General Insurance Fund and the Special Risk Insurance Fund.

(b) TREATMENT OF COSTS.—The costs of guaranteed loans under this section, including the cost of modifying loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(c) LIMIT ON LOAN PRINCIPAL.—Funds made available under this section shall be available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $10,000,000.

(d) TERMS AND CONDITIONS.—The Secretary shall—

(1) establish such terms and conditions as the Secretary considers to be appropriate to provide loan guarantees under this section, consistent with section 503 of the Credit Reform Act; and

(2) include in the terms and conditions a requirement that the decision to provide a loan guarantee to a financial institution and the amount of the guarantee does not in any way depend on the purpose, function, or identity of the organization to which the financial institution has made, or intends to make, a loan.

SEC. 5. COMPENSATION OF VICTIMS; REQUIREMENT OF INCLUSION IN LIST OF CRIMES ELIGIBLE FOR COMPENSATION.

Section 1403(d)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(3)) is amended by inserting "crimes, whose victims suffer death or personal injury, that are described in section 247 of title 18, United States Code," after "includes".

SEC. 6. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, in fiscal years 1996 and 1997 such sums as are necessary to increase the number of personnel, investigators, and technical support personnel to investigate, prevent, and respond to potential violations of sections 247 and 844 of title 18, United States Code.

SEC. 7. REAUTHORIZATION OF HATE CRIMES STATISTICS ACT.

The first section of the Hate Crimes Statistics Act (28 U.S.C. 534 note) is amended—

(1) in subsection (b), by striking "for the calendar year 1990 and each of the succeeding 4 calendar years" and inserting "for each calendar year"; and

(2) in subsection (c), by striking "1994" and inserting "2002".

SEC. 8. SENSE OF THE CONGRESS.

The Congress—

(1) commends those individuals and entities that have responded with funds to assist in the rebuilding of places of worship that have been victimized by arson; and

(2) encourages the private sector to continue these efforts so that places of worship that are victimized by arson, and their affected communities, can continue the rebuilding process with maximum financial support from private individuals, businesses, charitable organizations, and other non-profit entities.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

FORD (AND BROWN) AMENDMENT NO. 4342

(Ordered to lie on the table.)

Mr. FORD (for himself and Mr. BROWN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) PILOT PROGRAM.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) PROGRAM REQUIREMENTS.—(1) the Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) ANNUAL REPORT.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) EVALUATION AND REPORT.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is as safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) LIMITATION ON LONG LEAD CONTRACTING.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), the Secretary may not enter into any contract for the purchase of long lead materials considered to be baseline incineration specific materials for the construction of an incinerator at any site in Kentucky or Colorado until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky or the law of the State of Colorado, as the case may be, for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(2) The Secretary may enter into a contract described in paragraph (1) beginning 60 days after the date on which the Secretary submits to Congress—

(A) the report required by subsection (d)(2); and

(B) the certification of the executive agent that—

(i) there exists no alternative technology as safe and cost efficient as incineration for demilitarizing chemical munitions at non-bulk sites; and

(ii) no alternative technology can meet the requirements of section 1412 of the Department of Defense Authorization Act, 1986.

(f) ASSEMBLED CHEMICAL MUNITION DEFINED.—For the purpose of this section, the term "assembled chemical munition" means an entire chemical munition, including component parts, chemical agent, propellant, and explosive.

(g) FUNDING.—(1) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section. Such funds may not be derived from funds to be made available under the chemical demilitarization program for the alternative technologies research and development program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

(3) No funds authorized to be appropriated by section 107 (other than the funds referred to in paragraph (1)) that remain available for obligation on January 1, 1997, may be obligated after that date unless—

(A) the funds referred to in that paragraph have been transferred to the executive agent for use for the pilot program; and

(B) the pilot program has commenced.

COHEN AMENDMENT NO. 4343

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of title XXXIII, add the following:

SEC. 3303. ADDITIONAL AUTHORITY TO DISPOSE OF MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $110,000,000 during the five-fiscal year period ending September 30, 2001;

(2) $260,000,000 during the seven-fiscal year period ending September 30, 2003; and

(3) $440,000,000 during the nine-fiscal year period ending September 30, 2005.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Chrome Metal, Electrolytic	8,471 short tons.
Cobalt	9,902,774 pounds.
Columbium Carbide	21,372 pounds.
Columbium Ferro	249,395 pounds.
Diamond, Bort	91,542 carats.
Diamond, Stone	3,029,413 carats.
Germanium	28,207 kilograms.
Indium	15,205 troy ounces.
Palladium	1,249,601 troy ounces.
Platinum	442,641 troy ounces.
Rubber	567 long tons.
Tantalum, Carbide Powder	22,688 pounds contained.
Tantalum, Minerals	1,748,947 pounds contained.
Tantalum, Oxide	123,691 pounds contained.
Titanium Sponge	36,830 short tons.
Tungsten	76,358,235 pounds.
Tungsten, Carbide	2,032,942 pounds.
Tungsten, Metal Powder	1,181,921 pounds.
Tungsten, Ferro	2,024,143 pounds.

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury and used to offset the revenues lost as a result of the amendments made by subsection (a) of section 4303 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 658).

(2) This section shall be treated as qualifying offsetting legislation for purposes of subsection (b) of such section 4303.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

LOTT AMENDMENT NO. 4344

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

SEC. . OCEANOGRAPHIC SHIP OPERATIONS AND DATA ANALYSIS.

(a) Of the funds provided by Section 301(2), an additional $6,200,000 may be authorized for the reduction, storage, modeling and conversion of oceanographic data for use by the navy, consistent with Navy's requirements.

(b) Such funds identified in (a) shall be in addition to such amounts already provided for this purpose in the budget request.

EXON (AND OTHERS) AMENDMENT NO. 4345

Mr. EXON (for himself, Mr. KOHL, Mr. BINGAMAN, Mr. LEVIN, Mr. DORGAN, Mr. WELLSTONE, Mr. FEINGOLD, and Mr. HARKIN) proposed an amendment to the bill, S. 1745, supra; as follows:

After section 3, insert the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 under the provisions to this Act is $263,362,000,000.

THURMOND (AND NUNN) AMENDMENT NO. 4346

Mr. THURMOND (for himself and Mr. NUNN) proposed an amendment to the bill, S. 1745, supra; as follows:

After section 3, add the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1997 for the national defense function under the provisions of this Act is $265,583,000,000.

WELLSTONE (AND OTHERS) AMENDMENT NO. 4347

Mr. WELLSTONE (for himself, Mr. BUMPERS, Mrs. BOXER, Mr. FEINGOLD, Mr. WYDEN, and Mr. PELL) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title X add the following:

SEC. . TRANSFERS FOR EDUCATION AND EMPLOYMENT ASSISTANCE PROGRAMS.

(a) EDUCATION PROGRAMS.—Of the total amount authorized to be appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense is authorized to transfer to the Secretary of Education—

(1) $577,000,000, to carry out subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a), relating to Federal Pell Grants;

(2) $158,000,000, to carry out part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), relating to Federal Perkins Loans; and

(3) $71,000,000, to carry out part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.), relating to Federal Direct Stafford/Ford Loans.

(b) EMPLOYMENT ASSISTANCE PROGRAMS.—Of the total amount authorized to be appropriated for the Department of Defense for fiscal year 1997 pursuant to the authorizations of appropriations contained in this Act, the Secretary of Defense is authorized to transfer to the Secretary of Labor—

(1) $193,000,000, to provide employment and training assistance to dislocated workers under title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.);

(2) $246,000,000, to carry out summer youth employment and training programs under part B of title II of the Job Training Partnership Act (29 U.S.C. 1630 et seq.);

(3) $25,000,000, to carry out School-to-Work Opportunities programs under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 2101 et seq.); and

(4) $40,000,000, to carry out activities, including activities provided through one-stop centers, under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

GLENN AMENDMENT NO. 4348

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

In section 1022(a), strike out ". Such transfers" and insert in lieu thereof ", if the Secretary determines that the tugboats are not needed for transfer, donation, or other disposal under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.). A transfer made under the preceding sentence".

NUNN (AND OTHERS) AMENDMENT NO. 4349

Mr. NUNN (for himself, Mr. LUGAR, Mr. DOMENICI, Mr. DASCHLE, Mr. BIDEN, Mr. GRAHAM, Mr. LIEBERMAN, and Mr. SPECTER) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of division A, add the following new title:

TITLE XIII—DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

SEC. 1301. SHORT TITLE.

This title may be cited as the "Defense Against Weapons of Mass Destruction Act of 1996".

SEC. 1302. FINDINGS.

Congress makes the following findings:

(1) Weapons of mass destruction and related materials and technologies are increasingly available from worldwide sources. Technical information relating to such weapons is readily available on the Internet, and raw materials for chemical, biological, and radiological weapons are widely available for legitimate commercial purposes.

(2) The former Soviet Union produced and maintained a vast array of nuclear, biological, and chemical weapons of mass destruction.

(3) Many of the states of the former Soviet Union retain the facilities, materials, and technologies capable of producing additional quantities of weapons of mass destruction.

(4) The disintegration of the former Soviet Union was accompanied by disruptions of command and control systems, deficiencies in accountability for weapons, weapons-related materials and technologies, economic

hardships, and significant gaps in border control among the states of the former Soviet Union. The problems of organized crime and corruption in the states of the former Soviet Union increase the potential for proliferation of nuclear, radiological, biological, and chemical weapons and related materials.

(5) The conditions described in paragraph (4) have substantially increased the ability of potentially hostile nations, terrorist groups, and individuals to acquire weapons of mass destruction and related materials and technologies from within the states of the former Soviet Union and from unemployed scientists who worked on those programs.

(6) As a result of such conditions, the capability of potentially hostile nations and terrorist groups to acquire nuclear, radiological, biological, and chemical weapons is greater than any time in history.

(7) The President has identified North Korea, Iraq, Iran, and Libya as hostile states which already possess some weapons of mass destruction and are developing others.

(8) The acquisition or the development and use of weapons of mass destruction is well within the capability of many extremist and terrorist movements, acting independently or as proxies for foreign states.

(9) Foreign states can transfer weapons to or otherwise aid extremist and terrorist movements indirectly and with plausible deniability.

(10) Terrorist groups have already conducted chemical attacks against civilian targets in the United States and Japan, and a radiological attack in Russia.

(11) The potential for the national security of the United States to be threatened by nuclear, radiological, chemical, or biological terrorism must be taken as seriously as the risk of an attack by long-range ballistic missiles carrying nuclear weapons.

(12) There is a significant and growing threat of attack by weapons of mass destruction on targets that are not military targets in the usual sense of the term.

(13) Concomitantly, the threat posed to the citizens of the United States by nuclear, radiological, biological, and chemical weapons delivered by unconventional means is significant and growing.

(14) Mass terror may result from terrorist incidents involving nuclear, radiological, biological, or chemical materials, even if such materials are not configured as military weapons.

(15) Facilities required for production of radiological, biological, and chemical weapons are much smaller and harder to detect than nuclear weapons facilities, and biological, and chemical weapons can be deployed by alternative delivery means that are much harder to detect than long-range ballistic missiles.

(16) Such delivery systems have no assignment of responsibility, unlike ballistic missiles, for which a launch location would be unambiguously known.

(17) Covert or unconventional means of delivery of nuclear, radiological, biological, and chemical weapons, which might be preferable to foreign states and nonstate organizations, include cargo ships, passenger aircraft, commercial and private vehicles and vessels, and commercial cargo shipments routed through multiple destinations.

(18) Traditional arms control efforts assume large state efforts with detectable manufacturing programs and weapons production programs, but are ineffective in monitoring and controlling smaller, though potentially more dangerous, unconventional proliferation efforts.

(19) Conventional counterproliferation efforts would do little to detect or prevent the rapid development of a capability to suddenly manufacture several hundred chemical or biological weapons with nothing but commercial supplies and equipment.

(20) The United States lacks adequate planning and countermeasures to address the threat of nuclear, radiological, biological, and chemical terrorism.

(21) The Department of Energy has established a Nuclear Emergency Response Team which is available in case of nuclear or radiological emergencies, but no comparable units exist to deal with emergencies involving biological, or chemical weapons or related materials.

(22) State and local emergency response personnel are not adequately prepared or trained for incidents involving nuclear, radiological, biological, or chemical materials.

(23) Exercises of the Federal, State, and local response to nuclear, radiological, biological, or chemical terrorism have revealed serious deficiencies in preparedness and severe problems of coordination.

(24) The development of, and allocation of responsibilities for, effective countermeasures to nuclear, radiological, biological, or chemical terrorism in the United States requires well-coordinated participation of many Federal agencies, and careful planning by the Federal Government and State and local governments.

(25) Training and exercises can significantly improve the preparedness of State and local emergency response personnel for emergencies involving nuclear, radiological, biological, or chemical weapons or related materials.

(26) Sharing of the expertise and capabilities of the Department of Defense, which traditionally has provided assistance to Federal, State, and local officials in neutralizing, dismantling, and disposing of explosive ordnance, as well as radiological, biological, and chemical materials, can be a vital contribution to the development and deployment of countermeasures against nuclear, biological, and chemical weapons of mass destruction.

(27) The United States lacks effective policy coordination regarding the threat posed by the proliferation of weapons of mass destruction.

SEC. 1303. DEFINITIONS.

In this title:

(1) The term "weapon of mass destruction" means any weapon or device that is intended, or has the capability, to cause death or serious bodily injury to a significant number of people through the release, dissemination, or impact of—

(A) toxic or poisonous chemicals or their precursors;

(B) a disease organism; or

(C) radiation or radioactivity.

(2) The term "independent states of the former Soviet Union" has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

(3) The term "highly enriched uranium" means uranium enriched to 20 percent or more in the isotope U-235.

Subtitle A—Domestic Preparedness

SEC. 1311. EMERGENCY RESPONSE ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—(1) The Secretary of Defense shall carry out a program to provide civilian personnel of Federal, State, and local agencies with training and expert advice regarding emergency responses to a use or threatened use of a weapon of mass destruction or related materials.

(2) The President may designate the head of an agency other than the Department of Defense to assume the responsibility for carrying out the program on or after October 1, 1999, and relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(3) Hereafter in this section, the official responsible for carrying out the program is referred to as the "lead official".

(b) COORDINATION.—In carrying out the program, the lead official shall coordinate with each of the following officials who is not serving as the lead official:

(1) The Director of the Federal Emergency Management Agency.

(2) The Secretary of Energy.

(3) The Secretary of Defense.

(4) The heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergency responses described in subsection (a)(1).

(c) ELIGIBLE PARTICIPANTS.—The civilian personnel eligible to receive assistance under the program are civilian personnel of Federal, State, and local agencies who have emergency preparedness responsibilities.

(d) INVOLVEMENT OF OTHER FEDERAL AGENCIES.—(1) The lead official may use personnel and capabilities of Federal agencies outside the agency of the lead official to provide training and expert advice under the program.

(2)(A) Personnel used under paragraph (1) shall be personnel who have special skills relevant to the particular assistance that the personnel are to provide.

(B) Capabilities used under paragraph (1) shall be capabilities that are especially relevant to the particular assistance for which the capabilities are used.

(e) AVAILABLE ASSISTANCE.—Assistance available under this program shall include the following:

(1) Training in the use, operation, and maintenance of equipment for—

(A) detecting a chemical or biological agent or nuclear radiation;

(B) monitoring the presence of such an agent or radiation;

(C) protecting emergency personnel and the public; and

(D) decontamination.

(2) Establishment of a designated telephonic link (commonly referred to as a "hot line") to a designated source of relevant data and expert advice for the use of State or local officials responding to emergencies involving a weapon of mass destruction or related materials.

(3) Use of the National Guard and other reserve components for purposes authorized under this section that are specified by the lead official (with the concurrence of the Secretary of Defense if the Secretary is not the lead official).

(4) Loan of appropriate equipment.

(f) LIMITATIONS ON DEPARTMENT OF DEFENSE ASSISTANCE TO LAW ENFORCEMENT AGENCIES.—Assistance provided by the Department of Defense to law enforcement agencies under this section shall be provided under the authority of, and subject to the restrictions provided in, chapter 18 of title 10, United States Code.

(g) ADMINISTRATION OF DEPARTMENT OF DEFENSE ASSISTANCE.—The Secretary of Defense shall designate an official within the Department of Defense to serve as the executive agent of the Secretary for the coordination of the provision of Department of Defense assistance under this section.

(h) FUNDING.—(1) Of the total amount authorized to be appropriated under section

301, $35,000,000 is available for the program required under this section.

(2) Of the amount available for the program pursuant to paragraph (1), $10,500,000 is available for use by the Secretary of Defense to assist the Surgeon General of the United States in the establishment of metropolitan emergency medical response teams (commonly referred to as "Metropolitan Medical Strike Force Teams") to provide medical services that are necessary or potentially necessary by reason of a use or threatened use of a weapon of mass destruction.

(3) The amount available for the program under paragraph (1) is in addition to any other amounts authorized to be appropriated for the program under section 301.

SEC. 1312. NUCLEAR, CHEMICAL, AND BIOLOGICAL EMERGENCY RESPONSE.

(a) Department of Defense.—The Secretary of Defense shall designate an official within the Department of Defense as the executive agent for—

(1) the coordination of Department of Defense assistance to Federal, State, and local officials in responding to threats involving biological or chemical weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of biological and chemical weapons and related materials and technologies; and

(2) the coordination of Department of Defense assistance to the Department of Energy in carrying out that department's responsibilities under subsection (b).

(b) Department of Energy.—The Secretary of Energy shall designate an official within the Department of Energy as the executive agent for—

(1) the coordination of Department of Energy assistance to Federal, State, and local officials in responding to threats involving nuclear weapons or related materials or technologies, including assistance in identifying, neutralizing, dismantling, and disposing of nuclear weapons and related materials and technologies; and

(2) the coordination of Department of Energy assistance to the Department of Defense in carrying out that department's responsibilities under subsection (a).

(c) Funding.—(1)(A) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for providing assistance described in subsection (a).

(B) The amount available under subparagraph (A) for providing assistance described in subsection (a) is in addition to any other amounts authorized to be appropriated under section 301 for that purpose.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for providing assistance described in subsection (b).

(B) The amount available under subparagraph (A) for providing assistance is in addition to any other amounts authorized to be appropriated under title XXXI for that purpose.

SEC. 1313. MILITARY ASSISTANCE TO CIVILIAN LAW ENFORCEMENT OFFICIALS IN EMERGENCY SITUATIONS INVOLVING BIOLOGICAL OR CHEMICAL WEAPONS.

(a) Assistance Authorized.—(1) The chapter 18 of title 10, United States Code, is amended by adding at the end the following:

"§ 382. Emergency situations involving chemical or biological weapons of mass destruction

"(a) In General.—The Secretary of Defense, upon the request of the Attorney General, may provide assistance in support of Department of Justice activities relating to the enforcement of section 175 or 2332c of title 18 during an emergency situation involving a biological or chemical weapon of mass destruction. Department of Defense resources, including personnel of the Department of Defense, may be used to provide such assistance if—

"(1) the Secretary of Defense and the Attorney General jointly determine that an emergency situation exists; and

"(2) the Secretary of Defense determines that the provision of such assistance will not adversely affect the military preparedness of the United States.

"(b) Emergency Situations Covered.—As used in this section, the term 'emergency situation involving a biological or chemical weapon of mass destruction' means a circumstance involving a biological or chemical weapon of mass destruction—

"(1) that poses a serious threat to the interests of the United States; and

"(2) in which—

"(A) civilian expertise and capabilities are not readily available to provide the required assistance to counter the threat immediately posed by the weapon involved;

"(B) special capabilities and expertise of the Department of Defense are necessary and critical to counter the threat posed by the weapon involved; and

"(C) enforcement of section 175 or 2332c of title 18 would be seriously impaired if the Department of Defense assistance were not provided.

"(c) Forms of Assistance.—The assistance referred to in subsection (a) includes the operation of equipment (including equipment made available under section 372 of this title) to monitor, contain, disable, or dispose of the weapon involved or elements of the weapon.

"(d) Regulations.—(1) The Secretary of Defense and the Attorney General shall jointly issue regulations concerning the types of assistance that may be provided under this section. Such regulations shall also describe the actions that Department of Defense personnel may take in circumstances incident to the provision of assistance under this section.

"(2)(A) Except as provided in subparagraph (B), the regulations may not authorize the following actions:

"(i) Arrest.

"(ii) Any direct participation in conducting a search for or seizure of evidence related to a violation of section 175 or 2332c of title 18.

"(iii) Any direct participation in the collection of intelligence for law enforcement purposes.

"(B) The regulations may authorize an action described in subparagraph (A) to be taken under the following conditions:

"(i) The action is considered necessary for the immediate protection of human life, and civilian law enforcement officials are not capable of taking the action.

"(ii) The action is otherwise authorized under subsection (c) or under otherwise applicable law.

"(e) Reimbursements.—The Secretary of Defense shall require reimbursement as a condition for providing assistance under this section to the extent required under section 377 of this title.

"(f) Delegations of Authority.—(1) Except to the extent otherwise provided by the Secretary of Defense, the Deputy Secretary of Defense may exercise the authority of the Secretary of Defense under this section. The Secretary of Defense may delegate the Secretary's authority under this section only to an Under Secretary of Defense or an Assistant Secretary of Defense and only if the Under Secretary or Assistant Secretary to whom delegated has been designated by the Secretary to act for, and to exercise the general powers of, the Secretary.

"(2) Except to the extent otherwise provided by the Attorney General, the Deputy Attorney General may exercise the authority of the Attorney General under this section. The Attorney General may delegate that authority only to the Associate Attorney General or an Assistant Attorney General and only if the Associate Attorney General or Assistant Attorney General to whom delegated has been designated by the Attorney General to act for, and to exercise the general powers of, the Attorney General.

"(g) Relationship to Other Authority.—Nothing in this section shall be construed to restrict any executive branch authority regarding use of members of the armed forces or equipment of the Department of Defense that was in effect before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"382. Emergency situations involving chemical or biological weapons of mass destruction.".

(b) Conforming Amendment to Condition for Providing Equipment and Facilities.—Section 372(b)(1) of title 10, United States Code, is amended by adding at the end the following: "The requirement for a determination that an item is not reasonably available from another source does not apply to assistance provided under section 382 of this title pursuant to a request of the Attorney General for the assistance.".

(c) Conforming Amendments Relating to Authority To Request Assistance.—(1)(A) Chapter 10 of title 18, United States Code, is amended by inserting after section 175 the following:

"§ 175a. Requests for military assistance to enforce prohibition in certain emergencies

"The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 175 of this title in an emergency situation involving a biological weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 175 the following:

"175a. Requests for military assistance to enforce prohibition in certain emergencies.".

(2)(A) The chapter 133B of title 18, United States Code, that relates to terrorism is amended by inserting after section 2332c the following:

"§ 2332d. Requests for military assistance to enforce prohibition in certain emergencies

"The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 2332c of this title during an emergency situation involving a chemical weapon of mass destruction. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2332c the following:

"2332d. Requests for military assistance to enforce prohibition in certain emergencies.".

(d) CIVILIAN EXPERTISE.—The President shall take reasonable measures to reduce the reliance of civilian law enforcement officials on Department of Defense resources to counter the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States. The measures shall include—

(1) actions to increase civilian law enforcement expertise to counter such a threat; and

(2) actions to improve coordination between civilian law enforcement officials and other civilian sources of expertise, within and outside the Federal Government, to counter such a threat.

(e) REPORTS.—The President shall submit to Congress the following reports:

(1) Not later than 90 days after the date of the enactment of this Act, a report describing the respective policy functions and operational roles of Federal agencies in countering the threat posed by the use or potential use of biological and chemical weapons of mass destruction within the United States.

(2) Not later than one year after such date, a report describing—

(A) the actions planned to be taken to carry out subsection (d); and

(B) the costs of such actions.

(3) Not later than three years after such date, a report updating the information provided in the reports submitted pursuant to paragraphs (1) and (2), including the measures taken pursuant to subsection (d).

SEC. 1314. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, AND BIOLOGICAL WEAPONS.

(a) EMERGENCIES INVOLVING CHEMICAL OR BIOLOGICAL WEAPONS.—(1) The Secretary of Defense shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving biological weapons and related materials and emergencies involving chemical weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Energy, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(b) EMERGENCIES INVOLVING NUCLEAR AND RADIOLOGICAL WEAPONS.—(1) The Secretary of Energy shall develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving nuclear and radiological weapons and related materials.

(2) The program shall include exercises to be carried out during each of five successive fiscal years beginning with fiscal year 1997.

(3) In developing and carrying out the program, the Secretary shall coordinate with the Director of the Federal Bureau of Investigation, the Director of the Federal Emergency Management Agency, the Secretary of Defense, and the heads of any other Federal, State, and local government agencies that have an expertise or responsibilities relevant to emergencies described in paragraph (1).

(c) ANNUAL REVISIONS OF PROGRAMS.—The official responsible for carrying out a program developed under subsection (a) or (b) shall revise the program not later than June 1 in each fiscal year covered by the program. The revisions shall include adjustments that the official determines necessary or appropriate on the basis of the lessons learned from the exercise or exercises carried out under the program in the fiscal year, including lessons learned regarding coordination problems and equipment deficiencies.

(d) OPTION TO TRANSFER RESPONSIBILITY.—(1) The President may designate the head of an agency outside the Department of Defense to assume the responsibility for carrying out the program developed under subsection (a) beginning on or after October 1, 1999, and relieve the Secretary of Defense of that responsibility upon the assumption of the responsibility by the designated official.

(2) The President may designate the head of an agency outside the Department of Energy to assume the responsibility for carrying out the program developed under subsection (b) beginning on or after October 1, 1999, and relieve the Secretary of Energy of that responsibility upon the assumption of the responsibility by the designated official.

(e) FUNDING.—(1) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for the development and execution of the programs required by this section, including the participation of State and local agencies in exercises carried out under the programs.

(2) The amount available under paragraph (1) for the development and execution of programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purposes.

Subtitle B—Interdiction of Weapons of Mass Destruction and Related Materials

SEC. 1321. UNITED STATES BORDER SECURITY.

(a) PROCUREMENT OF DETECTION EQUIPMENT.—(1) Of the amount authorized to be appropriated by section 301, $15,000,000 is available for the procurement of—

(A) equipment capable of detecting the movement of weapons of mass destruction and related materials into the United States;

(B) equipment capable of interdicting the movement of weapons of mass destruction and related materials into the United States; and

(C) materials and technologies related to use of equipment described in subparagraph (A) or (B).

(2) The amount available under paragraph (1) for the procurement of items referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such purpose.

(b) AVAILABILITY OF EQUIPMENT TO COMMISSIONER OF CUSTOMS.—To the extent authorized under chapter 18 of title 10, United States Code, the Secretary of Defense may make equipment of the Department of Defense described in subsection (a), and related materials and technologies, available to the Commissioner of Customs for use in detecting and interdicting the movement of weapons of mass destruction into the United States.

SEC. 1322. NONPROLIFERATION AND COUNTERPROLIFERATION RESEARCH AND DEVELOPMENT.

(a) ACTIVITIES AUTHORIZED.—The Secretary of Defense and the Secretary of Energy are each authorized to carry out research on and development of technical means for detecting the presence, transportation, production, and use of weapons of mass destruction and technologies and materials that are precursors of weapons of mass destruction.

(b) FUNDING.—(1)(A) There is authorized to be appropriated for the Department of Defense for fiscal year 1997, $10,000,000 for research and development carried out by the Secretary of Defense pursuant to subsection (a).

(B) The amount authorized to be appropriated for research and development under subparagraph (A) is in addition any other amounts that are authorized to be appropriated under this Act for such research and development, including funds authorized to be appropriated for research and development relating to nonproliferation of weapons of mass destruction.

(2)(A) Of the total amount authorized to be appropriated under title XXXI, $19,000,000 is available for research and development carried out by the Secretary of Energy pursuant to subsection (a).

(B) The amount available under subparagraph (B) is in addition to any other amount authorized to be appropriated under title XXXI for such research and development.

SEC. 1323. INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) is amended—

(1) in subsection (a)(1)(B), by striking out "importation or exportation of," and inserting in lieu thereof "importation, exportation, or attempted importation or exportation of,"; and

(2) in subsection (b)(3), by striking out "importation from any country, or the exportation" and inserting in lieu thereof "importation or attempted importation from any country, or the exportation or attempted exportation".

SEC. 1324. CRIMINAL PENALTIES.

It is the sense of Congress that—

(1) the sentencing guidelines prescribed by the United States Sentencing Commission for the offenses of importation, attempted importation, exportation, and attempted exportation of nuclear, biological, and chemical weapons materials constitute inadequate punishment for such offenses; and

(2) Congress urges the United States Sentencing Commission to revise the relevant sentencing guidelines to provide for increased penalties for offenses relating to importation, attempted importation, exportation, and attempted exportation of nuclear, biological, or chemical weapons or related materials or technologies under—

(A) section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410);

(B) sections 38 and 40 the Arms Export Control Act (22 U.S.C. 2778 and 2780);

(C) the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(D) section 309(c) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 2156a(c).

SEC. 1325. INTERNATIONAL BORDER SECURITY.

(a) SECRETARY OF DEFENSE RESPONSIBILITY.—The Secretary of Defense, in consultation and cooperation with the Commissioner of Customs, shall carry out programs for assisting customs officials and border guard officials in the independent states of the former Soviet Union, the Baltic states, and other countries of Eastern Europe in preventing unauthorized transfer and transportation of nuclear, biological, and chemical weapons and related materials. Training, expert advice, maintenance of equipment, loan of equipment, and audits may be provided under or in connection with the programs.

(b) FUNDING.—(1) Of the total amount authorized to be appropriated by section 301, $15,000,000 is available for carrying out the programs referred to in subsection (a).

(2) The amount available under paragraph (1) for programs referred to in that paragraph is in addition to any other amounts authorized to be appropriated under section 301 for such programs.

Subtitle C—Control and Disposition of Weapons of Mass Destruction and Related Materials Threatening the United States

SEC. 1331. PROTECTION AND CONTROL OF MATERIALS CONSTITUTING A THREAT TO THE UNITED STATES.

(a) DEPARTMENT OF ENERGY PROGRAM.—Subject to subsection (c)(1), the Secretary of Energy may, under materials protection, control, and accounting assistance of the Department of Energy, provide assistance for securing from theft or other unauthorized disposition nuclear materials that are not so secured and are located at any site within the former Soviet Union where effective controls for securing such materials are not in place.

(b) DEPARTMENT OF DEFENSE PROGRAM.—Subject to subsection (c)(2), the Secretary of Defense may provide materials protection, control, and accounting assistance under the Cooperative Threat Reduction Programs of the Department of Defense for securing from theft or other unauthorized disposition, or for destroying, nuclear, radiological, biological, or chemical weapons (or related materials) that are not so secure and are located at any site within the former Soviet Union where effective controls for securing such weapons are not in place.

(c) FUNDING.—(1)(A) Of the total amount authorized to be appropriated under title XXXI, $15,000,000 is available for materials protection, control, and accounting assistance of the Department of Energy for providing assistance under subsection (a).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated under title XXXI for materials protection, control, and accounting assistance of the Department of Energy.

(2)(A) Of the total amount authorized to be appropriated under section 301, $10,000,000 is available for the Cooperative Threat Reduction Programs of the Department of Defense for providing materials protection, control, and accounting assistance under subsection (b).

(B) The amount available under subparagraph (A) is in addition to any other funds that are authorized to be appropriated by section 301 for materials protection, control, and accounting assistance of the Department of Defense.

SEC. 1332. VERIFICATION OF DISMANTLEMENT AND CONVERSION OF WEAPONS AND MATERIALS.

(a) FUNDING FOR COOPERATIVE ACTIVITIES FOR DEVELOPMENT OF TECHNOLOGIES.—Of the total amount authorized to be appropriated under title XXXI, $10,000,000 is available for continuing and expediting cooperative activities with the Government of Russia to develop and deploy—

(1) technologies for improving verification of nuclear warhead dismantlement;

(2) technologies for converting plutonium from weapons into forms that—

(A) are better suited for long-term storage than are the forms from which converted;

(B) facilitate verification; and

(C) are suitable for nonweapons use; and

(3) technologies that promote openness in Russian production, storage, use, and final and interim disposition of weapon-usable fissible material, including at tritium/isotope production reactors, uranium enrichment plants, chemical separation plants, and fabrication facilities associated with naval and civil research reactors.

(b) WEAPONS-USABLE FISSILE MATERIALS TO BE COVERED BY COOPERATIVE THREAT REDUCTION PROGRAMS ON ELIMINATION OR TRANSPORTATION OF NUCLEAR WEAPONS.—Section 1201(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 469; 22 U.S.C. 5955 note) is amended by inserting ", fissile material suitable for use in nuclear weapons," after "other weapons".

SEC. 1333. ELIMINATION OF PLUTONIUM PRODUCTION.

(a) REPLACEMENT PROGRAM.—The Secretary of Defense, in consultation with the Secretary of Energy, shall develop a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium by modifying or replacing the reactor cores at Tomsk-7 and Krasnoyarsk-26 with reactor cores that are less suitable for the production of weapons-grade plutonium.

(b) PROGRAM REQUIREMENTS.—(1) The program shall be designed to achieve completion of the modifications or replacements of the reactor cores within three years after the modification or replacement activities under the program are begun.

(2) The plan for the program shall—

(A) specify—

(i) successive steps for the modification or replacement of the reactor cores; and

(ii) clearly defined milestones to be achieved; and

(B) include estimates of the costs of the program.

(c) SUBMISSION OF PROGRAM PLAN TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress—

(1) a plan for the program under subsection (a);

(2) an estimate of the United States funding that is necessary for carrying out the activities under the program for each fiscal year covered by the program; and

(3) a comparison of the benefits of the program with the benefits of other nonproliferation programs.

(d) FUNDING FOR INITIAL PHASE.—(1) Of the total amount authorized to be appropriated by section 301 other than for Cooperative Threat Reduction programs, $16,000,000 is available for the initial phase of the program under subsection (a).

(2) The amount available for the initial phase of the reactor modification or replacement program under paragraph (1) is in addition to amounts authorized to be appropriated for Cooperative Threat Reduction programs under section 301(20).

SEC. 1334. INDUSTRIAL PARTNERSHIP PROGRAMS TO DEMILITARIZE WEAPONS OF MASS DESTRUCTION PRODUCTION FACILITIES.

(a) DEPARTMENT OF ENERGY PROGRAM.—The Secretary of Energy shall expand the Industrial Partnership Program of the Department of Energy to include coverage of all of the independent states of the former Soviet Union.

(b) DEPARTMENT OF DEFENSE PROGRAM.—The Secretary of Defense shall establish a program to support the dismantlement or conversion of the biological and chemical weapons facilities in the independent states of the former Soviet Union to uses for nondefense purposes. The Secretary may carry out such program in conjunction with, or separately from, the organization designated as the Defense Enterprise Fund (formerly designated as the "Demilitarization Enterprise Fund" under section 1204 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 22 U.S.C. 5953)).

(c) FUNDING FOR DEPARTMENT OF DEFENSE PROGRAM.—(1)(A) Of the total amount authorized to be appropriated under section 301, $15,000,000 is available for the program under subsection (b).

(B) The amount available under subparagraph (A) for the industrial partnership program of the Department of Defense established pursuant to subsection (b) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

(2) It is the sense of Congress that the Secretary of Defense should transfer to the Defense Enterprise Fund, $20,000,000 out of the funds appropriated for Cooperative Threat Reduction programs for fiscal years before fiscal year 1997 that remain available for obligation.

SEC. 1335. LAB-TO-LAB PROGRAM TO IMPROVE THE SAFETY AND SECURITY OF NUCLEAR MATERIALS.

(a) PROGRAM EXPANSION AUTHORIZED.—The Secretary of Energy is authorized to expand the Lab-to-Lab program of the Department of Energy to improve the safety and security of nuclear materials in the independent states of the former Soviet Union where the Lab-to-Lab program is not being carried out on the date of the enactment of this Act.

(b) FUNDING.—(1) Of the total amount authorized to be appropriated under title XXXI, $20,000,000 is available for expanding the Lab-to-Lab program as authorized under subsection (a).

(2) The amount available under paragraph (1) is in addition to any other amount otherwise available for the Lab-to-Lab program.

SEC. 1336. COOPERATIVE ACTIVITIES ON SECURITY OF HIGHLY ENRICHED URANIUM USED FOR PROPULSION OF RUSSIAN SHIPS.

(a) RESPONSIBLE UNITED STATES OFFICIAL.—The Secretary of Energy shall be responsible for carrying out United States cooperative activities with the Government of the Russian Federation on improving the security of highly enriched uranium that is used for propulsion of Russian military and civilian ships.

(b) PLAN REQUIRED.—(1) The Secretary shall develop and periodically update a plan for the cooperative activities referred to in subsection (a).

(2) The Secretary shall coordinate the development and updating of the plan with the Secretary of Defense. The Secretary of Defense shall involve the Joint Chiefs of Staff in the coordination.

(c) FUNDING.—(1) Of the total amount authorized to be appropriated by title XXXI, $6,000,000 is available for materials protection, control, and accounting program of the Department of Energy for the cooperative activities referred to in subsection (a).

(2) The amount available for the Department of Energy for materials protection, control, and accounting program under paragraph (1) is in addition to other amounts authorized to be appropriated by title XXXI for such program.

SEC. 1337. MILITARY-TO-MILITARY RELATIONS.

(a) FUNDING.—Of the total amount authorized to be appropriated under section 301, $2,000,000 is available for expanding military-to-military programs of the United States that focus on countering the threats of proliferation of weapons of mass destruction so as to include the security forces of independent states of the former Soviet Union, particularly states in the Caucasus region and Central Asia.

(b) Relationship to Other Funding Authority.—The amount available for expanding military-to-military programs under subsection (a) is in addition to the amount authorized to be appropriated for Cooperative Threat Reduction programs under section 301.

SEC. 1338. TRANSFER AUTHORITY.

(a) Secretary of Defense.—(1) To the extent provided in appropriations Acts, the Secretary of Defense may transfer amounts appropriated pursuant to this subtitle for the Department of Defense for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

(b) Secretary of Energy.—(1) To the extent provided in appropriations Acts, the Secretary of Energy may transfer amounts appropriated pursuant to this subtitle for the Department of Energy for programs and authorities under this subtitle to appropriations available for programs authorized under subtitle A.

(2) Amounts so transferred shall be merged with the appropriations to which transferred and shall be available for the programs for which the amounts are transferred.

(3) The transfer authority under paragraph (1) is in addition to any other transfer authority provided by this Act.

Subtitle D—Coordination of Policy and Countermeasures Against Proliferation of Weapons of Mass Destruction

SEC. 1341. NATIONAL COORDINATOR ON NONPROLIFERATION.

(a) Designation of Position.—The President shall designate an individual to serve in the Executive Office of the President as the National Coordinator for Nonproliferation Matters.

(b) Duties.—The Coordinator shall have the following responsibilities:

(1) To be the principal adviser to the President on nonproliferation of weapons of mass destruction, including issues related to terrorism, arms control, and international organized crime.

(2) To chair the Committee on Nonproliferation established under section 1342.

(3) To take such actions as are necessary to ensure that there is appropriate emphasis in, cooperation on, and coordination of, nonproliferation research efforts of the United States, including activities of Federal agencies as well as activities of contractors funded by the Federal Government.

(c) Relationship to Certain Senior Directors of National Security Council.—(1) The senior directors of the National Security Council report to the Coordinator regarding the following matters:

(A) Nonproliferation of weapons of mass destruction and related issues.

(B) Management of crises involving use or threatened use of weapons of mass destruction, and on management of the consequences of the use or threatened use of such a weapon.

(C) Terrorism, arms control, and organized crime issues that relate to the threat of proliferation of weapons of mass destruction.

(2) Nothing in paragraph (1) shall be construed to affect the reporting relationship between a senior director and the Assistant to the President for National Security Affairs or any other supervisor regarding matters other than matters described in paragraph (1).

(d) Allocation of Funds.—Of the total amount authorized to be appropriated under section 201, [$2,000,000] is available for carrying out research referred to in subsection (b)(3). Such amount is in addition to any other amounts authorized to be appropriated under section 201 for such purpose.

SEC. 1342. NATIONAL SECURITY COUNCIL COMMITTEE ON NONPROLIFERATION.

(a) Establishment.—The Committee on Nonproliferation (in this section referred to as the "Committee") is established as a committee of the National Security Council.

(b) Membership.—(1) The Committee shall be composed of the following:

(A) The Secretary of State.

(B) The Secretary of Defense.

(C) The Director of Central Intelligence.

(D) The Attorney General.

(E) The Secretary of Energy.

(F) The Administrator of the Federal Emergency Management Agency.

(G) The Secretary of the Treasury.

(H) The Secretary of Commerce.

(I) Such other members as the President may designate.

(2) The National Coordinator for Nonproliferation Matters shall chair the Committee on Nonproliferation.

(c) Responsibilities.—The Committee has the following responsibilities:

(1) To review and coordinate Federal programs, policies, and directives relating to the proliferation of weapons of mass destruction and related materials and technologies, including matters relating to terrorism and international organized crime.

(2) To make recommendations to the President regarding the following:

(A) Integrated national policies for countering the threats posed by weapons of mass destruction.

(B) Options for integrating Federal agency budgets for countering such threats.

(C) Means to ensure that the Federal, State, and local governments have adequate capabilities to manage crises involving nuclear, radiological, biological, or chemical weapons or related materials or technologies, and to manage the consequences of a use of such a weapon or related materials or technologies, and that use of those capabilities is coordinated.

(D) Means to ensure appropriate cooperation on, and coordination of, the following:

(i) Preventing the smuggling of weapons of mass destruction and related materials and technologies.

(ii) Promoting domestic and international law enforcement efforts against proliferation-related efforts.

(iii) Countering the involvement of organized crime groups in proliferation-related activities.

(iv) Safeguarding weapons of mass destruction materials and related technologies.

(v) Improving coordination and cooperation among intelligence activities, law enforcement, and the Departments of Defense, State, Commerce, and Energy in support of nonproliferation and counterproliferation efforts.

(vi) Ensuring the continuation of effective export controls over materials and technologies that can contribute to the acquisition of weapons of mass destruction.

(vii) Reducing proliferation of weapons of mass destruction and related materials and technologies.

SEC. 1343. COMPREHENSIVE PREPAREDNESS PROGRAM.

(a) Program Required.—The President, acting through the Committee on Nonproliferation established under section 1342, shall develop a comprehensive program for carrying out this title.

(b) Content of Program.—The program set forth in the report shall include specific plans as follows:

(1) Plans for countering proliferation of weapons of mass destruction and related materials and technologies.

(2) Plans for training and equipping Federal, State, and local officials for managing a crisis involving a use or threatened use of a weapon of mass destruction, including the consequences of the use of such a weapon.

(3) Plans for providing for regular sharing of information among intelligence, law enforcement, and customs agencies.

(4) Plans for training and equipping law enforcement units, customs services, and border security personnel to counter the smuggling of weapons of mass destruction and related materials and technologies.

(5) Plans for establishing appropriate centers for analyzing seized nuclear, radiological, biological, and chemical weapons, and related materials and technologies.

(6) Plans for establishing in the United States appropriate legal controls and authorities relating to the exporting of nuclear, radiological, biological, and chemical weapons, and related materials and technologies.

(7) Plans for encouraging and assisting governments of foreign countries to implement and enforce laws that set forth appropriate penalties for offenses regarding the smuggling of weapons of mass destruction and related materials and technologies.

(8) Plans for building the confidence of the United States and Russia in each other's controls over United States and Russian nuclear weapons and fissile materials, including plans for verifying the dismantlement of nuclear weapons.

(9) Plans for reducing United States and Russian stockpiles of excess plutonium, reflecting—

(A) consideration of the desirability and feasibility of a United States-Russian agreement governing fissile material disposition and the specific technologies and approaches to be used for disposition of excess plutonium; and

(B) an assessment of the options for United States cooperation with Russia in the disposition of Russian plutonium.

(10) Plans for studying the merits and costs of establishing a global network of means for detecting and responding to terroristic or other criminal use of biological agents against people or other forms of life in the United States or any foreign country.

(c) Report.—(1) At the same time that the President submits the budget for fiscal year 1998 to Congress pursuant to section 1105(a) of title 31, United States Code, the President shall submit to Congress a report that sets forth the comprehensive program developed under subsection (a).

(2) The report shall include the following:

(A) The specific plans for the program that are required under subsection (b).

(B) Estimates of the funds necessary for carrying out such plans in fiscal year 1998.

(3) The report shall be in an unclassified form. If there is a classified version of the report, the President shall submit the classified version at the same time.

SEC. 1344. TERMINATION.

After September 30, 1999, the President—

(1) is not required to maintain a National Coordinator for Nonproliferation Matters under section 1341; and

(2) may terminate the Committee on Nonproliferation established under section 1342.

Subtitle E—Miscellaneous

SEC. 1351. CONTRACTING POLICY.

It is the sense of Congress that the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State—

(1) in the administration of funds available to such officials in accordance with this title, should (to the extent possible under law) contract directly with suppliers in independent states of the former Soviet Union to facilitate the purchase of goods and services necessary to carry out effectively the programs and authorities provided or referred to in subtitle C; and

(2) to do so should seek means, consistent with law, to utilize innovative contracting approaches to avoid delay and increase the effectiveness of such programs and of the exercise of such authorities.

SEC. 1352. TRANSFERS OF ALLOCATIONS AMONG COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) FINDINGS.—Congress makes the following findings:

(1) The various Cooperative Threat Reduction programs are being carried out at different rates in the various countries covered by such programs.

(2) It is necessary to authorize transfers of funding allocations among the various programs in order to maximize the effectiveness of United States efforts under such programs.

(b) TRANSFERS AUTHORIZED.—Funds appropriated for the purposes set forth in subsection (a) of section 1202 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 409) may be used for any such purpose without regard to the allocation set forth in that section and without regard to subsection (b) of such section.

SEC. 1353. ADDITIONAL CERTIFICATIONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Cooperative Threat Reduction programs and other United States programs that are derived from programs established under the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484; 22 U.S.C. 2901 et seq.) should be expanded by offering assistance under those programs to other independent states of the former Soviet Union in addition to Russia, Ukraine, Kazakstan, and Belarus; and

(2) the President should offer assistance to additional independent states of the former Soviet Union in each case in which the participation of such states would benefit national security interests of the United States by improving border controls and safeguards over materials and technology associated with weapons of mass destruction.

(b) EXTENSION OF COVERAGE.—Assistance under programs referred to in subsection (a) may, notwithstanding any other provision of law, be extended to include an independent state of the former Soviet Union if the President certifies to Congress that it is in the national interests of the United States to extend the assistance to that state.

SEC. 1354. PURCHASE OF LOW-ENRICHED URANIUM DERIVED FROM RUSSIAN HIGHLY ENRICHED URANIUM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the allies of the United States and other nations should participate in efforts to ensure that stockpiles of weapons-grade nuclear material are reduced.

(b) ACTIONS BY THE SECRETARY OF STATE.—Congress urges the Secretary of State to encourage, in consultation with the Secretary of Energy, other countries to purchase low-enriched uranium that is derived from highly enriched uranium extracted from Russian nuclear weapons.

SEC. 1355. PURCHASE, PACKAGING, AND TRANSPORTATION OF FISSILE MATERIALS AT RISK OF THEFT.

It is the sense of Congress that—

(1) the Secretary of Defense, the Secretary of Energy, the Secretary of the Treasury, and the Secretary of State should purchase, package, and transport to secure locations weapons-grade nuclear materials from a stockpile of such materials if such officials determine that—

(A) there is a significant risk of theft of such materials; and

(B) there is no reasonable and economically feasible alternative for securing such materials; and

(2) if it is necessary to do so in order to secure the materials, the materials should be imported into the United States, subject to the laws and regulations that are applicable to the importation of such materials into the United States.

SEC. 1356. REDUCTIONS IN AUTHORIZATION OF APPROPRIATIONS.

(a) NAVY RDT&E.—(1) The total amount authorized to be appropriated under section 201(2) is reduced by $150,000,000.

(2) The reduction in paragraph (1) shall be applied to reduce by $150,000,000 the amount authorized to be appropriated under section 201(2) for the Distributed Surveillance System.

(b) OPERATIONS AND MAINTENANCE, DEFENSE-WIDE.—The total amount authorized to be appropriated under section 301(5) is reduced by $85,000,000.

PRESSLER (AND DASCHLE) AMENDMENT NO. 4350

Mr. WARNER (for Mr. PRESSLER, for himself and Mr. DASCHLE) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 316, between lines 9 and 10, insert the following:

SEC. 1072. SENSE OF CONGRESS ON NAMING ONE OF THE NEW ATTACK SUBMARINE THE "SOUTH DAKOTA".

It is the sense of the Congress that the Secretary of the Navy should name one of the new attack submarines of the Navy the "South Dakota".

WARNER AMENDMENT NO. 4351

Mr. WARNER proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. PERMANENT AUTHORITY TO CARRY OUT ARMS INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Initiative Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1996," and inserting in lieu thereof "during fiscal years 1993 through 1998".

JOHNSTON (AND BREAUX) AMENDMENT NO. 4352

Mr. NUNN (for Mr. JOHNSTON, for himself and Mr. BREAUX) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND TRANSFER, VERNON RANGER DISTRICT, KISATCHIE NATIONAL FOREST, LOUISIANA.

(a) TRANSFER PURSUANT TO ADMINISTRATIVE AGREEMENT.—(1) Not later than six months after the date of the enactment of this Act, the Secretary of the Army and the Secretary of Agriculture shall enter into an agreement providing for the transfer to the Secretary of the Army of administrative jurisdiction over such portion of land currently owned by the United States within the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as the Secretary of the Army and the Secretary of Agriculture jointly determine appropriate for military training activities in connection with Fort Polk, Louisiana. The agreement shall allocate responsibility for land management and conservation activities with respect to the property transferred between the Secretary of the Army and the Secretary of Agriculture.

(2) The Secretary of the Army and the Secretary of Agriculture may jointly extend the deadline for entering into an agreement under paragraph (1). The deadline may be extended by not more than six months.

(b) ALTERNATIVE TRANSFER REQUIREMENT.—If the Secretary of the Army and the Secretary of Agriculture fail to enter into the agreement referred to paragraph (1) of subsection (a) within the time provided for in that subsection, the Secretary of Agriculture shall, at the end of such time, transfer to the Secretary of the Army administrative jurisdiction over property consisting of approximately 84,825 acres of land currently owned by the United States and located in the Vernon Ranger District of the Kisatchie National Forest, Louisiana, as generally depicted on the map entitled "Fort Polk Military Installation map", dated June 1995.

(c) LIMITATION ON ACQUISITION OF PRIVATE PROPERTY.—The Secretary of the Army may acquire privately-owned land within the property transferred under this section only with the consent of the owner of the land.

(d) USE OF PROPERTY.—(1) Subject to paragraph (2), the Secretary of the Army shall use the property transferred under this section for military maneuvers, training and weapons firing, and other military activities in connection with Fort Polk, Louisiana.

(2) The Secretary may not permit the firing of live ammunition on or over any portion of the property unless the firing of such ammunition on or over such portion is permitted as of the date of the enactment of this Act.

(e) MAP AND LEGAL DESCRIPTION.—(1) As soon as practicable after the date of the transfer of property under this section, the Secretary of Agriculture shall—

(A) publish in the Federal Register a notice containing the legal description of the property transferred; and

(B) file a map and the legal description of the property with the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Armed Services of the Senate and the Committee on Resources, the Committee on Agriculture, and the Committee on National Security of the House of Representatives.

(2) The maps and legal descriptions prepared under paragraph (1) shall have the same force and effect as if included in this

subsection, except that the Secretary of Agriculture may correct clerical and typographical errors in the maps and legal descriptions.

(3) As soon as practicable after the date of the enactment of this Act, copies of the maps and legal descriptions prepared under paragraph (1) shall be available for public inspection in the following offices:

(A) The Office of the Secretary of Agriculture.

(B) Such offices of the United States Forest Service as the Secretary of Agriculture shall designate.

(C) The Office of the Commander of Fort Polk, Louisiana.

(D) The appropriate office in the Vernon Parish Court House, Louisiana.

(f) MANAGEMENT OF PROPERTY.—(1) If the transfer of property under this section occurs under subsection (a), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the agreement entered into under that subsection.

(2)(A) If the transfer of property under this section occurs under subsection (b), the Secretary of the Army and the Secretary of Agriculture shall manage the property in accordance with the management plan under subparagraph (B) and the memorandum of understanding under subparagraph (C).

(B)(i) For purposes of managing the property under this paragraph, the Secretary of the Army shall, with the concurrence of the Secretary of Agriculture, develop a plan for the management of the property not later than two years after the transfer of the property. The Secretary of the Army shall provide for a period of public comment in developing the plan in order to ensure that the concerns of local citizens are taken into account in the development of the plan. The Secretary of the Army may utilize the property pending the completion of the plan.

(ii) The Secretary of the Army shall develop and implement the plan in compliance with applicable Federal law, including the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(iii) The plan shall provide for the management of the natural, cultural, and other resources of the property, including grazing, the management of wildlife and wildlife habitat, recreational uses (including hunting and fishing), and non-public uses of non-Federal lands within the property.

(C)(i) For purposes of managing the property under this paragraph, the Secretary of the Army and the Secretary of Agriculture shall enter into a memorandum of understanding in order to provide for—

(I) the implementation of the management plan developed under subparagraph (B); and

(II) the management by the Secretary of Agriculture of such areas of the property as the Secretary of the Army and the Secretary of Agriculture designate for use for non-military purposes.

(ii) The Secretary of the Army and the Secretary of Agriculture may amend the memorandum of understanding by mutual agreement.

(g) REVERSION.—If at any time after the transfer of property under this section the Secretary of the Army determines that the property, or any portion thereof, is no longer to be retained by the Army for possible use for military purposes, jurisdiction over the property, or such portion thereof, shall revert to the Secretary of Agriculture who shall manage the property, or portion thereof, as part of the Kisatchie National Forest.

(h) IDENTIFICATION OF LAND FOR TRANSFER TO FOREST SERVICE.—The Secretary of Defense shall seek to identify land equal in acreage to the land transferred under this section and under the jurisdiction of the Department of Defense that is suitable for transfer to the Secretary of Agriculture for use by the Forest Service.

DEWINE (AND GLENN) AMENDMENT NO. 4353

Mr. WARNER (for Mr. DEWINE, for himself and Mr. GLENN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, AIR FORCE PLANT NO. 85, COLUMBUS, OHIO.

(a) CONVEYANCE AUTHORIZED.—(1) Notwithstanding any other provision of law, the Secretary of the Air Force may instruct the Administrator of General Services to convey, without consideration, to the Columbus Municipal Airport Authority (in this section referred to as the "Authority") all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, at Air Force Plant No. 85, Columbus, Ohio, consisting of approximately 240 acres that contains the land and buildings referred to as the "airport parcel" in the correspondence from the General Services Administration to the Authority dated April 30, 1996, and is located adjacent to the Port Columbus International Airport.

(2) If the Secretary does not have administrative jurisdiction over the parcel on the date of the enactment of this Act, the conveyance shall be made by the Federal official who has administrative jurisdiction over the parcel as of that date.

(b) REQUIREMENT FOR FEDERAL SCREENING.—The Federal official may not carry out the conveyance of property authorized in subsection (a) unless the Federal official determines, in consultation with the Administrator of General Services, that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance required under subsection (a) shall be subject to the condition that the Authority use the conveyed property for public airport purposes.

(d) REVERSION.—If the Federal official making the conveyance under subsection (a) determines that any portion of the conveyed property is not being utilized in accordance with subsection (c), all right, title, and interest in and to such portion shall revert to the United States and the United States shall have immediate right of entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Federal official making the conveyance. The cost of the survey shall be borne by the Authority.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Federal official making the conveyance of property under subsection (a) may require such additional terms and conditions in connection with the conveyance as such official considers appropriate to protect the interests of the United States.

FORD AMENDMENT NO. 4354

Mr. NUNN (for Mr. FORD) proposed an amendment to the bill, S. 1745, supra; as follows:

In the table in section 2101(a), strike out the item relating to Fort Campbell, Kentucky, and insert in lieu thereof the following:

Kentucky	Fort Campbell	$67,600,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a), and insert in lieu thereof "$363,050,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,900,897,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$363,050,000".

In section 2502, strike out "$197,000,000" and insert in lieu thereof "$172,000,000".

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$90,428,000".

MCCAIN AMENDMENT NO. 4355

Mr. WARNER (for Mr. MCCAIN) proposed an amendment to amendment No. 4354 proposed by Mr. FORD to the bill, S. 1745, supra; as follows:

At the end of the amendment, add the following:

At the end of title XXVII, add the following:

SEC. 2706. PROHIBITION ON USE OF FUNDS FOR CERTAIN PROJECTS.

(a) PROHIBITION.—Notwithstanding any other provision of this Act, no funds authorized to be appropriated by this Act may be obligated or expended for the military construction project listed under subsection (b) until the Secretary of Defense certifies to Congress that the project is included in the current future-years defense program.

(b) COVERED PROJECT.—Subsection (a) applies to the following military construction project:

(1) Phase II Construction, Consolidated Education Center, Ft. Campbell, KY

(2) Phase III, Construction, Western Kentucky Training Site.

ROBB (AND WARNER) AMENDMENT NO. 4356

Mr. NUNN (for Mr. ROBB, for himself and Mr. WARNER) proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out subsection (a) of section 2821 and insert in lieu thereof the following new subsection (a):

(a) REQUIREMENT FOR SECRETARY OF INTERIOR TO TRANSFER CERTAIN SECTION 29 LANDS.—(1) Subject to paragraph (2), the Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2)(A) The Secretary of the Interior may not make the transfer referred to in paragraph (1)(B) until 60 days after the date on which the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(i) a summary of the document entitled "Cultural Landscape and Archaeological Study, Section 29, Arlington House, The Robert E. Lee Memorial";

(ii) a summary of any environmental analysis required with respect to the transfer under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(iii) the proposal of the Secretary and the Secretary of the Army setting forth the lands to be transferred and the general manner in which the Secretary of the Army will develop such lands after transfer.

(B) The Secretary of the Interior shall submit the information required under subparagraph (A) not later than October 31, 1997.

(3) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, Dated February 22, 1995.

(4) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

LIEBERMAN (AND NUNN) AMENDMENT NO. 4357

Mr. NUNN (for Mr. Lieberman, for himself and Mr. NUNN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II add the following:

SEC. 237. CORPS SAM/MEADS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 201(4)—

(1) $56,200,000 is available for the Corps surface-to-air missile (SAM)/Medium Extended Air Defense System (MEADS) program (PE63869C); and

(2) $515,711,000 is available for Other Theater Missile Defense programs, projects, and activities (PE63872C).

(b) INTERNATIONAL COOPERATION.—The Secretary of Defense may carry out the program referred to in subsection (a) in accordance with the memorandum of understanding entered into on May 25, 1996 by the governments of the United States, Germany, and Italy regarding international cooperation on such program (including any amendments to the memorandum of understanding).

(c) LIMITATIONS.—Not more than $15,000,000 of the amount available for the Corps SAM/MEADS program under subsection (a) may be obligated until the Secretary of Defense submits to the congressional defense committees the following:

(1) An initial program estimate for the Corps SAM/MEADS program to, including a tentative schedule of major milestones and an estimate of the total program cost through initial operational capability.

(2) A report on the options associated with the use of existing systems, technologies, and program management mechanisms to satisfy the requirement for the Corps surface-to-air missile, including an assessment of cost and schedule implications in relation to the program estimate submitted under paragraph (1).

(3) A certification that there will be no increase in overall United States funding commitment to the project definition and validation phase of the Corps SAM/MEADS program as a result of the withdrawal of France from participation in the program.

THURMOND (AND OTHERS) AMENDMENT NO. 4358

Mr. WARNER (for Mr. THURMOND, for himself, Mr. FORD, Mr. SARBANES, Mr. BREAUX, Mr. DOMENICI, Mr. SANTORUM, Mr. HOLLINGS, Mr. WARNER, and Mr. JOHNSTON) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title V, add the following:

SEC. 523. PROHIBITION ON REORGANIZATION OF ARMY ROTC CADET COMMAND OR TERMINATION OF SENIOR ROTC UNITS PENDING REPORT ON ROTC.

(a) PROHIBITION.—Notwithstanding any other provision of law, the Secretary of the Army may not reorganize or restructure the Reserve Officers Training Corps Cadet Command or terminate any Senior Reserve Officer Training Corps units identified in the Information for Members of Congress concerning Senior Reserve Officer Training Corps (ROTC) Unit Closures dated May 20, 1996, until 180 days after the date on which the Secretary submits to the congressional defense committees the report described in subsection (b).

(b) REPORT.—The report referred to in subsection (a) shall—

(1) describe the selection process used to identify the Reserve Officer Training Corps units of the Army to be terminated;

(2) list the criteria used by the Army to select Reserve Officer Training Corps units for termination;

(3) set forth the specific ranking of each unit of the Reserve Officer Training Corps of the Army to be terminated as against all other such units;

(4) set forth the authorized and actual cadre staffing of each such unit to be termination for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(5) set forth the production goals and performance evaluations of each Reserve Officer Training Corps unit of the Army on the closure list for each fiscal year of the 10-fiscal year period ending with fiscal year 1996;

(6) describe how cadets currently enrolled in the units referred to in paragraph (5) will be accommodated after the closure of such units;

(7) describe the incentives to enhance the Reserve Officer Training Corps program that are provided by each of the colleges on the closure list; and

(8) include the projected officer accession plan by source of commission for the active-duty Army, the Army Reserve, and the Army National Guard.

(9) describe whether the closure of any ROTC unit will adversely effect the recruitment of minority officer candidates.

BYRD AMENDMENT NO. 4359

Mr. NUNN (for Mr. BYRD) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title V add the following:

SEC. 506. SERVICE CREDIT FOR SENIOR R.O.T.C. CADETS AND MIDSHIPMEN IN SIMULTANEOUS MEMBERSHIP PROGRAM.

(a) AMENDMENTS TO TITLE 10.—(1) Section 2106(c) of title 10, United States Code, is amended by striking out "while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve" and inserting in lieu thereof "performed on or after August 1, 1979, as a member of the Selected Reserve".

(2) Section 2107(g) of such title is amended by striking out "while serving on active duty other than for training after July 31, 1990, while a member of the Selected Reserve" and inserting in lieu thereof "performed on or after August 1, 1979, as a member of the Selected Reserve".

(3) Section 2107a(g) of such title is amended by inserting ", other than enlisted service performed after August 1, 1979, as a member of Selected Reserve" after "service as a cadet or with concurrent enlisted service".

(b) AMENDMENT TO TITLE 37.—Section 205(d) of title 37, United States Code, is amended by striking out "that service after July 31, 1990, that the officer performed while serving on active duty" and inserting in lieu thereof "for service that the officer performed on or after August 1, 1979.".

(c) BENEFITS NOT TO ACCRUE FOR PRIOR PERIODS.—No increase in pay or retired or retainer pay shall accrue for periods before the date of the enactment of this Act by reason of the amendments made by this section.

BOXER AMENDMENT NO. 4360

Mr. NUNN (for Mrs. BOXER) proposed an amendment to the bill S. 1745, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. REIMBURSEMENT UNDER AGREEMENT FOR INSTRUCTION OF CIVILIAN STUDENTS AT FOREIGN LANGUAGE INSTITUTE OF THE DEFENSE LANGUAGE INSTITUTE.

Section 559(a)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2776; 10 U.S.C. 4411 note) is amended by striking out "on a cost-reimbursable, space-available basis" and inserting in lieu thereof "on a space-available basis and for such reimbursement (whether in whole or in part) as the Secretary considers appropriate".

MOSELEY-BRAUN AMENDMENT NO. 4361

Mr. NUNN (for Ms. MOSELEY-BRAUN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title VI, add the following:

SEC. 636. PREVENTION OF CIRCUMVENTION OF COURT ORDER BY WAIVER OF RETIRED PAY TO ENHANCE CIVIL SERVICE RETIREMENT ANNUITY.

(a) CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(4) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this subchapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.''.

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking ''Except as provided in paragraph (2)'' and inserting ''Except as provided in paragraphs (2) and (4)''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) IN GENERAL.—Subsection (c) of section 8411 of title 5, United States Code, is amended by adding at the end the following:

''(5) If an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this chapter only if, in accordance with regulations prescribed by the Director of the Office of Personnel Management, the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter, and to pay to the former spouse covered by the court order, the same amount that would have been deducted and withheld from the employee's or Member's retired pay and paid to that former spouse under such section 1408.''.

(2) CONFORMING AMENDMENT.—Paragraph (1) of such subsection is amended by striking ''Except as provided in paragraph (2) or (3)'' and inserting ''Except as provided in paragraphs (2), (3), and (5)''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1997.

THE MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1997

BURNS AMENDMENT NO. 4362

Mr. WARNER (for Mr. BURNS) proposed an amendment to the bill (H.R. 3517) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 2, line 13, strike out ''$37,323,000'' and insert in lieu thereof ''$20,723,000''.

On page 3, line 11, strike out ''$53,709,000'' and insert in lieu thereof ''$44,809,000''.

On page 6, line 24, strike out ''September 30, 2001.'' and insert in lieu thereof ''September 30, 2001: *Provided*, That of the amount made available under this heading, $10,800,000 shall be available for construction, phase III, at the Western Kentucky Training Site, Kentucky, with the amount made available for such construction to be derived from sums otherwise available under this heading for minor construction.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 26, 1996, to conduct a markup of S. 1317, the Public Utility Holding Company Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, June 26, 1996, session of the Senate for the purpose of conducting a hearing on S. 1726, the Promotion of Commerce On-Line in the Digital Era (Pro-CODE) Act of 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, June 26, 1996, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 1804, a bill to make technical and other changes to the laws dealing with the territories and freely associated States of the United States; oversight considering the law enforcement initiative in the Commonwealth of the Northern Mariana Islands; and S. 1889, a bill to authorize the exchange of certain lands conveyed to the Kenai Natives Association pursuant to the Alaska Native Claims Settlement Act, to make adjustments to the National Wilderness System, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Wednesday, June 26, 1996 beginning at 10 a.m. in room SH–215, to conduct a markup on S. 1795.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 26, 1996, at 2 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 26, 1996, at 10:30 a.m. to hold a business meeting to vote on pending items.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet Wednesday, June 26, 1996, at 9:30 a.m. for a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet Wednesday, June 26, 1996, at 10 a.m. for a hearing on Senate Resolution 254, sense of the Senate regarding the reopening of Pennsylvania Avenue.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, June 26, 1996, at 9:30 a.m. to conduct a hearing on amendments to the Indian Child Welfare Act [ICWA]. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, June 26, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, June 26, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on FEC reauthorization, oversight, and campaign finance reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FEDERAL MINERAL WITHDRAWAL IN THE COOKE CITY, MT AREA

• Mr. BURNS. Mr. President, I rise today to bring to the attention of the Senate two thoughts. No. 1, which is the inconsistency with which the present administration deals with land use policy decisions. No. 2, the concept of balance in dealing with land use policy.

Earlier this month the Bureau of Land Management and the Forest Service announced that they propose to withdraw from mineral entry approximately 19,100 acres in the area surrounding Cooke City, MT. This follows a pledge made by the President to disallow mineral entry into this area for a period of 2 years.

This is an area that is surrounded by lands which already protect the land in question. Congress has previously acted to create a National Park and a Wilderness area to protect the fragile lands in this area. Now the Secretary of the Interior wants to put more land in Montana out of reach for the people of Montana.

In the statement that the Secretary included with the proposal, he has stated in numerous locations that it is the policy of Federal agencies to foster and encourage private enterprise in the development of stable domestic mining. The document also discusses that there will not be any effect on valid existing claims, referring to the New World Mine site presently under study by the Federal land management agencies and the States of Montana and Wyoming.

The purpose of this proposal is exactly the opposite. Before the States can finish their purposed action on mining in this area, the Federal Government steps in to say that they know what is best for everybody. They state that they will consult with local communities on the process. Yet when it comes to the final process they give little or no credit to the words and thoughts of the people that will be most directly impacted by their actions.

All this is stated very clearly in a letter written by Mr. David Rovig of Montana. His letter sets forth a precise description of the inconsistencies in the proposal put forth by Secretary Babbitt.

Mr. President, I ask that the letter by Mr. Rovig be printed in the RECORD following my statement.

In recent years our Government has fallen prey to the actions of special interest groups that seek to exempt others of the future they are so privileged to have lived. If we are to increase the stability of our country and to develop our future we need to open our minds and eyes to balance, and not close the door on development. We need to be prepared to use our resources to protect the land. These are the aims that the Government needs to seek. It is the goal of the State of Montana to find sound science in the development of the resources my State has been so blessed with.

Work is being done in Montana to protect the future and the land. What Montana seeks is work and jobs to move into the future.

The letter follows:

ROVIG MINERALS, INC.,
Billings, MT, June 21, 1996.

Senator CONRAD BURNS,
Dirksen Senate Office Building,
Washington, DC.

DEAR CONRAD: I am writing this letter on behalf of the Montana Mining Association in my position as President.

I was recently made aware of a Bureau of Land Management and Forest Service action (see attachments) whereby they propose to withdraw from mineral entry approximately 19,100 acres in the Cooke City area. This administrative action is purportedly being undertaken at the request or direction of Secretary Bruce Babbitt of the Department of the Interior. It follows on the heels of President Clinton's promise, catering to the environmental community, that this area would be suspended from mineral entry for a period of two years. I think you know the history of this hoax—the President flew over the area at 10,000 feet and then determined in a secret meeting with multiple environmental groups that he would save the area from the nasty miners.

The continued effort now being foisted on us by the Bureau of Land Management and the Forest Service is a very expensive attempt to appease environmental groups with taxpayer money while in reality accomplishing nothing. Cooke City sits in the middle of a multi-million acre area of previously withdrawn wilderness and national parks. The 19,000 or 20,000 acres represented is one of the very few areas in this gigantic enclave where any degree of free enterprise can be pursued. The Bureau of Land Management, the Forest Service, the Secretary and the environmental community keep trying to portray the Cooke City area as a forgotten or overlooked part of their personal preserve. The reality is that the New World Mining district was specifically excluded when Yellowstone Park was formed by virtue of the fact that it was an active mining district. Furthermore, in the 1970's when the Absaroka-Beartooth Wilderness Area was formed, it was again specifically excluded by virtue of its intense mineral potential. That mineral potential still exists today as demonstrated by the reserves recently drilled out by Crown Butte Mines, Inc.

In the government support information, the following statement was made, "The withdrawal has been proposed by the Secretary of the Interior to maintain, to the extent practical, resource values in the area and on adjacent lands in Yellowstone National Park and the Absaroka-Beartooth Wilderness Area." It is obvious from this statement that the Secretary has redefined resource values to exclude mineral resources. Yet in the accompanying information sheet dated June 1996, we see the following paragraph: "Under the Mining and Mineral Policy Act, it is the policy of all Federal agencies to foster and encourage private enterprise in the development of economically sound and stable domestic mining, minerals, metal and mineral reclamation industries; and the orderly and economic development of domestic mineral resources, reserves, and reclamation of metals and minerals to help assure satisfaction of industrial, security and environmental needs."

There are many other inconsistencies in the government's position such as the statement: "The withdrawal would not affect those lands in the area for which there are valid existing rights of mineral entry or any other associated rights, such as access to private land or existing mineral claims."

This is inconsistent since the very concept of mineral entry allows for the staking of mill site claims to help develop a mining claim. Under Babbit's proposal new mill site claims would not be allowed thus denying owners of valid existing mineral rights, their other associated rights. The information sheet makes the absurd statement that: "The New World Mine proposal, being analyzed by the Gallatin National Forest, is not considered as a 'connected action' to the withdrawal proposal and will not be considered in the analysis. The New World Mine proposal applies to an area for which there were valid rights established prior to the proposed withdrawal."

Anyone who has followed the proposed development of the New World Mine knows very well that the withdrawal issue would never have arisen were it not for Clinton's secret meeting with the environmentalists. Of course, the New World Mine proposal should be considered a connected action, and the very fact that its multi-volume Environmental Impact Statement has been written to cover the very heart of the proposed withdrawal demands that it be considered as a connected action, thus proving the district's mineral viability.

Even if you accept the position that this proposed activity will not affect existing mining activities and claims, then you must seriously question why the government wants to take this very expensive multi-year action to withdraw the surrounding ground. Another major consideration is the concept of administrative withdrawals on our ever dwindling mineral resource locales. The prospector and the wildcatter cannot find their minerals where no minerals exist. We must be allowed to look in those places where geologic conditions allow for the presence of commercial minerals. Already thousands of acres of highly prospective mineral locations have been lost to the bureaucratic procedures that simply do not recognize the incredible importance of minerals to this country's past, present and future. There are no great nations that do not have near self-sufficiency for their mineral needs.

I hope that through the budget process, or some of the other magic that goes on in Washington, you can stop this wasteful and unnecessary proposal but, if not, I plead for you to work with us to ensure that a degree of logic and common sense is incorporated in the procedure. This would include review of the studies by the United States Bureau of Mines, the United States Geological Survey and various states agencies. It must also consider how small this area is when compared to the vast wilderness and park system that surrounds it. It is clear to me that if Babbitt's mineral withdrawal succeeds there will be subsequent steps to pick away at the area until it ultimately would be consumed by the wilderness system.

As a matter of standing policy, the Montana Mining Association is opposed to administrative withdrawals of any lands from mineral entry. In this instance, the egregious violation of the intent of the withdrawal procedure for the sole purpose of mollifying preservationist interests solidifies our resolve. We firmly believe that the continual hijacking of established procedures to achieve political ends must stop. Please help us help ourselves and the country to thwart this effort.

Very truly yours.

DAVID B. ROVIG.•

GLEN GENSEAL AND SPRINGFIELD'S NEW KOREAN WAR MEMORIAL

• Mr. SIMON. Mr. President, the community of Springfield, IL, recently dedicated a new Korean War Memorial which features, inscribed in stone, this poem, written by Glen Genseal in tribute to our fallen soldiers in Korea:

MY BRAVE YOUNG MEN

(by Glen Genseal)

I took a walk in the park of my old home town
Hardly noticing anything that was around.

Just this day, I don't know why,
I looked at the cannon and stone war plaque when passing by.

There were name upon names written on the plaque
Of brave young men who never came back.

A certain guilty feeling came over me,
I didn't know why, but I was soon to see.

Off in the distance, I thought I heard
Soldiers marching to cadence and time.
I blinked my eyes, shook my head,
Looked at the plaque,
And here's what it said:

Take a good look at my brave young men as they go marching by,
I want you to hear all their widows and mothers cry.

I want you to touch each salty tear,
And feel each heartache, that will never disappear.

Look into the lost eyes of every wife, mother, and dad,
Then gently squeeze the small hand of each fatherless child
That war has left so sad.

Oh my friend, never forget as you walk by,
The sacrifice of my brave young men who had to die.

Let it be known and always ever so plain,
That my brave young men did not die in vain.

America will always be the home of the brave,
America will always be the land of the free.

Because of the life of each young man
Whose name, written in blood, is upon me.

God bless America and my brave young men.

Mr. President, Tracy Johnson, who has done a superb job for the people of Illinois and for me in my office in Springfield, is the daughter of Glen Genseal. She is proud of her father and of his contribution to this lasting and fitting memorial to those who served and died in Korea, and I am proud of them both.

SURGING TAX BURDEN UNDER PRESIDENT CLINTON

• Mr. ABRAHAM. Mr. President, under President Bill Clinton, the Federal tax burden as a percentage of national income has risen to the second highest level in American history. As reported by economist Bruce Bartlett, according to the U.S. Department of Commerce, in the first quarter of 1996 Federal taxes consumed 20.5 percent of gross domestic product. Only during periods of war and other unique economic circumstances has the tax burden risen to such levels. For instance, at the height of World War II in 1945, and of the Vietnam war in 1969, Federal taxes took only 20.1 percent and 20.3 percent of GDP, respectively. During the late 1970's and early 1980's, double-digit inflation and a Tax Code that was not indexed for inflation pushed the tax burden to an all-time high of 20.8 percent of GDP. President Clinton's 1993 tax increase—the biggest tax increase in the history of the world—is largely responsible for raising the tax burden from 19.2 percent of GDP in President Bush's last year to today's 20.5 percent of GDP. In my view, there is absolutely no justification for imposing such a heavy tax burden on the American people. We ought to let American people keep more of what they earn so that they can do more for their families and communities. And the best way to accomplish this is to reduce income tax rates for everyone by at least 15 percent.

I ask that Mr. Bartlett's Detroit News editorial be printed in the RECORD immediately following my remarks.

The editorial follows:

[From the Detroit News, June 24, 1996]

A SURGING RECORD OF CLINTON TAX LOAD

(By Bruce Bartlett)

Recently released data show federal taxes continuing their relentless upward trend. As I have previously reported, federal taxes consumed 20.4 percent of the gross domestic product (GDP) last year—the second highest level in American history.

According to the U.S. Department of Commerce, however, in the first quarter of 1996 federal revenues have risen by another 0.1 percent to 20.5 percent of GDP. As the figure indicates, federal revenues have now risen by 1.5 percentage points of GDP during the Clinton administration.

This works out to an increase of just over 0.1 percent of GDP every quarter Bill Clinton has been in office. On this basis, we can anticipate that by the fourth quarter of 1996 federal revenues will equal their all-time high of 20.8 percent.

The Congressional Budget Office now estimates that gross domestic product will amount to $7,584 billion in 1996. Thus if revenues were simply to return to the level they were at when Bill Clinton took office, we would have to cut taxes by $114 billion this year. And every quarter that tax revenues as a share of GDP rise another 0.1 percent, we must increase the size of the tax cut by an additional $7.6 billion.

Predictably, the Clinton administration is hostile to the idea of a tax cut. With the sole exception of John F. Kennedy, no Democratic president in history has ever proposed a major tax cut. Democrats always want to hold on to every last dollar of the taxpayers' money—no tax cut is ever as valuable to them as the equivalent amount of government spending.

Even if they were convinced that a tax cut was justified, it is always "unfair" to cut tax rates because that means that those who pay the most taxes get a bigger tax cut. That is why Democrats like tax credits, because they are tax equivalent of government spending. Republicans, by contrast, have historically supported tax rate reductions and increases in tax exemptions, which allow people to keep more of their own money.

Republicans in Congress, therefore, committed a fatal error when they made the $500 child credit the centerpiece of their tax plan. It essentially is Democratic tax policy. As a result, the differences between the two parties on the central issue of taxation have become blurred.

Moreover, the Republicans' obsession with balancing the budget at all costs has blinded them to the need for a tax cut vastly larger than the minuscule $122 billion over six years that they have proposed in their latest budget. They should be talking about a tax rate reduction of at least 15 percent across the board.•

LT. COL. BRYAN T. LAWLER

• Mr. GRASSLEY. Mr. President, I rise today to honor a gentleman of outstanding character and dedication to his country. Lieutenant Colonel Bryan T. Lawler of Eldora, IA has served in the U.S. Air Force for 22 years and will retire from active duty on August 1, 1996.

Colonel Lawler's military education in 1974, when he attended and graduated from the Minuteman Missile Launch Officer training course. Subsequently, after graduating in the top third of the class from Squadron Officer's school, Bryan Lawler's education culminated with a Juris Doctor degree from the University of Iowa's College of Law. He had been competitively selected for the Funded Legal Education Program and graduated with high distinction. Colonel Lawler also attended the Air Command and Staff College.

During his 22 years of service, Colonel Lawler put his Iowa Hawkeye law degree to exemplary use. He served in the base legal office at Seymour-Johnson AFB, defense counsel at RAF Upper Heyford in the United Kingdom, and Utility Legislation Counsel at Tyndall AFB in Florida. He also served as the Staff Judge Advocate at Moody AFB. He continued his service overseas, being stationed, again, in the United Kingdom and in Saudi Arabia. While in Saudi Arabia Colonel Lawler was selected to serve as one of the legal advisors who investigated the shootdown of two U.S. Army helicopters in Northern Iraq. The Colonel finishes his distinguished career as Deputy Staff Judge Advocate for the Headquarter Fifteenth Air Force at Travis AFB.

Because of his outstanding achievements during his services with the U.S. Air Force, Lieutenant Colonel Lawler has been honored with the Meritorious Service Medal with two Oak Leaf Clusters, the Joint Commendation Medal, and the Air Force Commendation Medal with two Oak Leaf Clusters. Bryan Lawler's military service reflects hard work, pride, and efficiency. The work done by Colonel Lawler in the service of his country is greatly appreciated. I know that all Iowans and all Americans join me in expressing their thanks for a job well done.

Mr. President, I would like to quote the words of one of Colonel Lawler's fellow officers. I believe that these words describe the Colonel well. "Colonel Lawler has been a leader, guiding hundreds of young people who have learned and themselves succeeded under his steady influence. Few members of the Department are as well respected, admired and liked by his superiors, peers and subordinates as is Colonel Lawler."

Mr. President, I sincerely congratulate Lieutenant Colonel Bryan T. Lawler on his service with the U.S. Air Force. He is the type of officer that our military needs. I wish him the best of luck in the years to come.●

VICE PRESIDENT GORE ON THE 40TH ANNIVERSARY OF THE INTERSTATE HIGHWAY SYSTEM

Mr. DASCHLE. Mr. President, today the President of the Senate, the Vice President of the United States, AL GORE, Jr., issued a statement commemorating the 40th anniversary of the Interstate Highway System. His statement is fitting, not only because of the unparalleled significance the Interstate Highway System holds for every American, but also because of the key role in the development of that system played by the Vice President's father, Al Gore, Sr. I ask unanimous consent that the Vice President's statement be printed in the RECORD and commend it to my colleagues' and the public's attention.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY VICE PRESIDENT AL GORE COMMEMORATING THE 40TH ANNIVERSARY OF THE INTERSTATE HIGHWAY SYSTEM, JUNE 26, 1996

This week marks the 40th anniversary of the historic legislation that created our nation's Interstate Highway System. Tonight, at the Zero Milestone Market on the Ellipse, there will be an event to honor the four visionary Americans who made it possible: President Dwight Eisenhower; Congressman Hale Boggs; former Federal Highway Administrator Frank Turner; and my hero, my mentor, one of Tennessee's finest sons and one of America's greatest Senators . . . my father, Senator Al Gore, Sr.

The Interstate Highway System has meant so much to our country. Its creation led to an unprecedented period of national growth and prosperity. It increased safety and dramatically reduced traffic fatalities. And it enhanced our national defense and security.

The Interstate Highway System has literally changed the way we work and even the way we live. But it has done something else, too—something that can't be measured by statistics or dollar signs.

The Interstate Highway System unified our great and diverse nation. As President Clinton has said, it "did more to bring Americans together than any other law this century." And by so doing, it gave our citizens—and still gives our citizens 40 years and about 44,000 miles later—the very freedom that defines America.

Inherent in our Bill of Rights—whether the freedom of religion or press—is the freedom of mobility . . . to go where we please, when we please. Families driving to our national parks on vacation, mothers coming home from work, fathers taking their children to baseball games . . . all depend on the Interstate Highway System—a system that has paved the way not only to the next destination, but to opportunity itself.

A highway to opportunity—that is America. And that is the freedom, I am proud to say, made possible in part by my father's dedication. I'm equally proud to continue that tradition—inspired by him—by working to connect all Americans to the 21st century's highway to opportunity, the information superhighway.

I was always amazed how the voice that called me to the dinner table or reminded me to do my homework could be the same voice that argued so eloquently in the Senate for what can only be described as the greatest public works project in the history of the United States of America. And on this, the 40th anniversary of that accomplishment, I would like to thank my father, Senator Al Gore, Sr.

On behalf of all Americans, I would like to thank him for the Interstate Highway System that, in his words, is truly an "object of national pride." And I would like to thank him, personally, for teaching me both what it means to be a dedicated public servant and a dedicated father.

SECURITY AT THE WHITE HOUSE

Mr. WARNER. Mr. President, yesterday's Washington Post contained a very interesting op-ed piece written by William T. Coleman, Jr., former Secretary of Transportation in the Ford administration, who is chairman of the NAACP Legal Defense and Education Fund. I have known, through the years, this distinguished public servant very, very well. He enjoys the confidence and respect of the broadest possible spectrum here in the Nation's Capital, certainly of this Senator.

Mr. President, he was addressing the serious problem with respect to security at the White House, and I point out that he is a Republican. He goes into considerable detail on the issue recently voted on in the Senate, the closing of Pennsylvania Avenue. I voted against that Sense of the Senate Resolution. I feel that matters relating to security, such as the closing of Pennsylvania Avenue, no matter the considerable inconvenience to many citizens and in particular citizens from my State of Virginia, contiguous to the Nation's capital, should best be left to those who are responsible for decisions relating to security.

Quite frankly, in my State, my vote was not popular because of the inconvenience to those utilizing Pennsylvania Avenue for transportation to and from their places of employment and the like. I cast a vote to table that resolution.

Today, in our newspapers and on television, we have seen the absolutely tragic news about the bombing in Saudi Arabia. Mr. President, the first thought in my mind is a great sense of compassion, of course, for the families, for the victims, those who have lost their lives, those who are injured. How many times I and others, including the presiding officer and the distinguished chairman of the Armed Services Committee, have reminded the American public of the risk taken every day by men and women of the Armed Forces. They volunteer to go beyond our shores to provide that framework of security, together with our allies, such that we can enjoy what we are doing here today—freedom of speech and every other type of freedom guaranteed by our Constitution. We honor the great sense of obligation that these men and women have and the generations that have preceded them and worn the uniforms, knowing they take risks of varying levels once they depart the shores of our United States.

I think we should take a lesson from that tragedy as it relates to security and the type of weapon employed by those terrorists; namely, a truck, from outward appearances being a fuel truck. I consulted today with the intelligence staff of the Department of Defense. I think it can be said that a fuel truck was carefully reconfigured and the contents carefully put in by expert individuals. It was not some back-garage type of manufacturing job by persons in that region.

The article by Mr. Coleman is relevant to the tragedy within the last 24 hours in Saudi Arabia. Terrorism against our men and women of the Armed Forces abroad, in my judgment, is directly related to the issue regarding Pennsylvania Avenue and the house of the President of the United States, which is the public property of every citizen in this country. I ask unanimous consent this article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Will the Senator yield?

Mr. WARNER. I am happy to yield to the Senator.

Mr. EXON. I would like to say a few things complimenting my friend from Virginia on the remarks he made.

Mr. WARNER. Take such time as the Senator desires.

Mr. EXON. While the Senator from Virginia and I have not always agreed on all subjects, we have agreed on more than we have disagreed on. I could not help but ask for a moment, if I might, to congratulate the Senator from Virginia for his very thoughtful remarks with regard to the security of the White House. I voted against the resolution when it came up because I thought it was ill-advised.

I believe it is safe to say that what happened, the tragedy that happened to our people serving the United States overseas with the terrorist attack yesterday, if it can happen in Dhahran, Saudi Arabia, it can happen even more easily at an open Pennsylvania Avenue, 1600 Pennsylvania Avenue.

I thank the Senator for his thoughtful comments and remarks.

Mr. WARNER. I thank my colleague. Also, I feel the President of the United States, President Clinton, has addressed thus far this tragedy in

Dhahran in an exemplary manner. He has dispatched all known resources in this country to analyze how this could have happened, and I was told by the Department of Defense a short time ago, every possible means of medical care and logistics are en route by air to the scene to help those many, many who are still suffering in the hospital.

EXHIBIT 1

[From the Washington Post, June 25, 1996]

KEEP THE AVENUE CLOSED

(By William T. Coleman, Jr.)

When the Secret Service first described to us its proposal to eliminate vehicular traffic from two busy blocks of Pennsylvania Avenue, I and the five other persons serving as outside advisers to the Treasury Department's White House Security Review were dead set against it. We were all well aware that the presidency carries with it inevitable risks: Certainly, this president has been far more vulnerable on his two trips to the Middle East than he would ever be in the White House.

Moreover, as longtime Washington area residents and commuters, we were concerned about the effects on the city. We were also mindful of the public's possible reaction to restricting access to the people's house, and with this in mind, we consulted three of the four living former presidents.

But in the final analysis—and unfortunately much of that analysis cannot be made public because it concerns sensitive security matters—it became clear to us: The evidence unequivocally established that the No. 1 threat to the president in the White House, and to all those who work and visit there, would be an explosive-laden truck driven right up to the White House gates. A limousine, a large car, a station wagon, a bus would also have the capacity to carry such dangerous devices. And in fact all of these vehicles have been used to deliver explosives in one place or another in the world.

Surely those clamoring for the reopening of Pennsylvania Avenue to vehicular traffic cannot believe that the risks are imaginary [editorial, May 22; op-ed, June 8]. The increase in fanatical terrorism, foreign and domestic, the availability of powerful explosives and the proliferation of information explaining how to build explosive devices yield a potent mix that can no longer be ignored.

The recommendation we finally made to the Treasury Department was based on the realization that failure to adopt the Secret Service's proposal would undercut the service's responsibility to protect the first family and the government's responsibility to protect the people who visit or work in or near the White House.

Eliminating vehicular traffic from those two blocks of Pennsylvania Avenue was not a response to any of the specific events that precipitated the review. That is to say it was not intended simply to prevent another plane crash or an assault by a gunman. Our mandate from the beginning was to review all aspects of White House security. In fact our recommendation and Secretary Robert Rubin's decision were made prior to the tragic incident in Oklahoma City. But that tragedy, as well as the earlier bombing of the World Trade Center, painfully underscored the reality we must face.

Having served as secretary of transportation in the Ford administration, I was especially concerned about the transit implications of this act. So were the other advisers. All six of us racked our brains, our imaginations and our experience to come up with a solution that would keep some vehicular traffic on that segment of Pennsylvania Avenue. In the end, however, we determined that there was no feasible way to do it.

Nevertheless, the White House remains one of the most accessible executive residences and offices in the Western World. While the avenue is closed to motor vehicles, it is more open than ever to pedestrians. (And I do sense a weakness in the critics' argument that barring vehicles limits or thwarts the chances of out-of-town visitors to see the White House. I doubt that many who visit Washington to see the president's home content themselves with merely passing by in a car, tax or bus.)

The security situation changes, and not always for the worse. American schoolchildren, for example, no longer have to go through drills to prepare for nuclear attack. On the other hand, we all now take for granted metal detectors at airports, and are becoming accustomed, reluctantly, to presenting photographic identification before boarding a plane. In the 1980s, access to the Capitol, the home of the people's Congress, was restricted to pedestrians in response to threats of Libyan-sponsored terrorism. Then as now, many Washingtonians grumbled about the traffic disruption, and complained that the deployment of Jersey barriers created a concrete perimeter around the Capitol grounds. We now take that change for granted.

The Jersey barriers currently blocking Pennsylvania Avenue are indeed unsightly. But they are temporary measures, to be employed only until a permanent redesign can be accomplished. The Park Service's proposed design shows that protecting the White House will not require unsightly barricades. The federal government should move quickly to implement a permanent plan.

Although only a handful of individuals will know the specific facts underlying our recommendation, anyone who reads the newspapers or watches television news will recognize that Secretary Rubin made the right decision.

ADMIRAL BERNARD A. CLAREY REMEMBERED

Mr. WARNER. Mr. President, America lost a great hero this week. That was Admiral Bernard A. Clarey, former Commander in Chief of the Pacific Fleet. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the New York Times article detailing his extraordinary career.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. Mr. President, when it was my privilege to serve in the Department of Defense between the years 1969 and 1974 in the posts of Under Secretary and Secretary of the Navy, Admiral Clarey was Vice Chief of Naval Operations. The No. 2 man under the CNO, who at that time was Adm. Thomas Moorer; Admiral Clarey subsequently was transferred, and I had the privilege of cutting his orders, to the position of Commander in Chief of all U.S. Forces in the Pacific, one of the most important commands. Admiral Zumwalt had become the CNO, and together we decided that Admiral Clarey was the best qualified flag officer in the Navy to take on this post at the time of the very serious conflict in Vietnam.

I had the privilege of working very closely with this distinguished naval officer in both his capacity as Vice Chief and as Commander in Chief of the Pacific Forces. I say with the greatest humility that I looked upon him as one might look upon an older brother. He was an extraordinary man, decorated with the second highest decoration of the United States Navy, the Navy Cross, in three separate instances, for his heroism during World War II, and he earned his distinguished naval record ever since graduating from the U.S. Naval Academy in 1934.

I remember so well in the fall of 1972, during a very intense period of the war in Vietnam, I, as Secretary, went out to, as we called it in those days, "West Pac," with Admiral Clarey. We proceeded to the theater of operations in Vietnam. We stopped several times inland, and then we proceeded to visit each of the ships off the coast of Vietnam in a period of 72 hours. My recollection is that we visited some 24 ships, being lowered by helicopter onto the deck of each ship to make our brief inspection, but mainly to commend the sailors for their service to country and the cause of freedom. We then completed our trip and returned to the United States.

I recall very vividly that we participated in a Christmas service offshore on the bow of one of our larger cruisers, which at that very moment was conducting operations to rescue airmen who had been shot down during the night in bombing missions.

Admiral Chick Clarey was a man whom I shall always identify as the epitome of what every sailor aspires to be. His wife, Jean, was wonderful with him—no finer Navy Wife ever existed. I pay him his final salute as he goes on to his just rewards.

I yield the floor.

EXHIBIT 1

[From the New York Times]

FORMER PACIFIC FLEET COMMANDER DIES

Adm. Bernard A. Clarey, a former vice chief of naval operations who commanded America's naval might in the Pacific as the country sought to extricate itself from the quagmire of war in Indochina, died on Saturday at Tripler Hospital in Honolulu. He was 84 and lived in Honolulu, where he retired in 1973 as commander in chief of the Pacific Fleet.

The cause was a heart attack, his family said.

In 1968, President Lyndon B. Johnson gave Clarey his fourth star and appointed him vice chief, the No. 2 spot in the Navy's uniformed hierarchy. But when Adm. Elmo R. Zumwalt became chief of Naval Operations two years later, he chose his own closest aides and Clarey assumed the Pacific command in Hawaii.

It was a familiar duty station for Clarey, who had survived the attack on Pearl Harbor as executive officer on the submarine Dolphin. But now, in December 1970, he took charge of the entire Pacific Fleet, including its vessels off Vietnam and naval-air operations over North Vietnam.

The assignment put him in a sensitive position. American military strength in the war had peaked at nearly 550,000 in 1969; the country was racked by mass demonstration's and peace negotiations in Paris proceeded fitfully despite the raids on the North. And racial conflict aboard the Pacific Fleet led to a congressional inquiry.

Bernard Ambrose Clarey was born in Oskaloosa, Iowa, and graduated from the Naval Academy in 1934. He trained at Submarine School in New London, Cohn., in the late 1930s.

After his baptism of fire at Pearl Harbor, he went on a war patrol in the Marshall Islands aboard the Dolphin. Rising in rank and command, he continued on patrol duty in various parts of the Pacific and was one of the early commanders in the highly damaging forays against Japanese shipping late in the war, He was awarded three Navy Crosses for valor.

He was back in combat in the Korean War as executive officer on the heavy cruiser Helena, earning a Bronze Star. Further duty tours took him to Washington, back to Pearl Harbor, and to Norfolk where he planned NATO training exercises and took part in high-level conferences.

Recalled to the Pentagon in 1967, he served as director of Navy Program Planning and Budgeting in the Office of Chief of Naval Operations until his appointment as vice chief the next year.

After his retirement from the Navy he worked as vice president of the Bank of Hawaii for Pacific Rim Operations.

Clarey is survived by his wife of 59 years, Jean Scott Clarey; two sons, Rear Adm. Stephen S. Clarey, retired, of Coronado, Calif., and Michael O. Clarey of Scarsdale, N.Y.; a brother, William A. of Peoria, Ill; a sister, Janice Bracken of Paramus, N.J.; five grandchildren, and one great-granddaughter.

THE BOMBING OF THE UNITED STATES MILITARY BASE IN SAUDI ARABIA

Mr. ABRAHAM. Mr. President, I rise today to express my sincere condolences to the families and friends who lost their loved ones in the horrible terrorist act which took place at the Khobar Towers housing facility in Dhahran, Saudi Arabia. My prayers and thoughts are with the victims and with those who lost their loved ones or who had their loved ones injured by this terrorist attack. And, like every Member of this Senate, I am fully supportive of United States and Saudi cooperative efforts to ensure that those terrorists who committed this crime will be apprehended and prosecuted to the fullest extent of the law.

Our top priority today and always ought to be the protection and safety of all the citizens of our country wherever they may reside or are stationed. We are all very proud of the American servicemen and women who serve and represent our country all over the world. We must do everything we rightfully can to prevent future tragedies of this sort and to see to it that the perpetrators of this terrible act are brought to justice.

When incidents like this occur, we in the United States become acutely aware of the highly sensitive position that we, as Americans, are often in at home and abroad. Whether it is a foreign or domestic terrorist, we must unfortunately take extra precautions and institute extra security measures to protect ourselves.

The administration has greatly emphasized how the Saudi Government has acted with urgency and professionalism in assisting with our response to this tragedy. I believe this highlights the deep and significant relationship the United States does have, and must continue to maintain with the Saudi Government, bilaterally, and in conjunction with our other gulf allies. Just as the United States has steadfastly refused to bow to terrorism, so to must we preserve and sustain this critical bilateral relationship in order to continue to fight against terrorism.

IN HONOR OF T.H. BELL, FORMER SECRETARY OF EDUCATION

Mr. BENNETT. Mr. President, today in Utah, memorial services will be held in Salt Lake City for Terrel Howard Bell, who passed away on Saturday. Since I cannot be there, I would like to make a few remarks to honor him. While he is best known inside the beltway as the Secretary of Education in the Reagan Administration, his time in Washington comprised only a small period of a lifetime of dedication to education.

The words, "A Nation at Risk" mark the legacy of T.H. Bell. Commissions come and commissions go in Washington. Most have long been forgotten. However, I believe most of us would recognize the blunt assessment of American education contained in the report by The National Commission on Excellence in Education, the creation of then Secretary T. H. Bell:

> Our Nation is at risk. Our once unchallenged preeminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world. . .
>
> . . .[T]he educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. . .. If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves.

This warning got the attention of America and started the wheels of reform moving.

The life of T.H. Bell was marked by an interest and passion for education. He believed that anybody who got a good education could accomplish whatever they wanted. This belief drove him to spend his life working to ensuring a good education was provided in public schools first in Idaho, Wyoming, Utah, and then the entire United States.

His belief in opportunity was not a mere philosophy based on a good idea he had read about, but was based on his own life experiences. He was born in Lava Hot Springs, Idaho in 1921. His father died in a mining accident when he was 8, and his mother, left penniless during the Depression, supported the family and they never did have much. Attending college, while his dream, was not a foregone conclusion given the financial challenges he experienced growing up.

In his own words, he shared his uncertainty about succeeding in college:

> When my senior year in high school came along, my mother had succeeded in her long campaign to get me to make the impossible happen. I was going to leave Lava Hot Springs for college. Since we had no money at all, I was compelled to attend Albion State Normal School, a teachers training institution, but my love of my hometown school made it easy for me to accept that necessity. If I could make it, I was going to be a teacher. So I hoped as I labored, full of doubts and fearful of the possibility of failure. . ..
>
> Each term I attended seemed likely to be my last. My borrowed textbooks, threadbare clothing, skimpy meals, and constant apprehensiveness that I was not college material caused me—indeed drove me—to study with a dogged passion and urgency.

He attended Albion State Normal School, beginning in 1940. After serving in the Marines during World War II, he became a high school science teacher. At age 25, he became superintendent of schools in Rockland, ID. He also held that position in Afton, WY, and Ogden, UT. He then served as Utah's state schools chief from 1963 to 1970, and then moved on to Washington, DC, to work in education under President's Nixon and Ford as Deputy Commissioner and then Commissioner of Education in the Department of Health, Education, and Welfare.

He took office as President Ronald Reagan's Education Secretary in 1981, where the landmark report, "A Nation at Risk" was issued. His strong belief in State and local control of schools was often misunderstood, given his view that the Federal Government should provide some leadership role in education reform.

After leaving his post as education chief in 1985, he established a nonprofit consultant group focusing promoting academic excellence at middle schools, and co-authored "How to Shape Up Our Nation's Schools." T.H. Bell died in his sleep on Saturday. He was 74.

T.H. Bell worked to ensure the opportunity for a quality education was open to all, and with it, the hope of a better life, just as it had been opened to him. I would like to conclude my remarks, using his own words:

> My life would have been a great void had it not been for that public school in Lava Hot

> Springs staffed by caring teachers who treasured their jobs. From them I learned that I could learn. I learned as well that the joy of understanding surpasses all else. . .
>
> To look into a test tube, to marvel for the first time at a chemical reaction swirling around before your eyes in an Erlenmeyer flask in a public school chemistry laboratory, is to describe the experience that is at the heart of the Nation's commitment to the doctrine of life, liberty, and the pursuit of happiness. We cannot promise happiness. But we must promise the pursuit. . . ..
>
> I was not only promised the pursuit, I was enabled to fulfill it.

In this, he spoke of pursuing an education. But I believe this is a fitting description of his life. He had the opportunity to pursue a life in educational service. He pursued it, and fulfilled it.

PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE

Mr. PELL. Mr. President, I am delighted to join with my colleague, Senator CHAFEE, as a cosponsor of S. 1871, legislation to expand the existing boundary of the Pettaquamscutt Cove National Wildlife Refuge.

Senator CHAFEE has worked hard for many years to designate this vital area as one of our Nation's wildlife refuges and then to assure that we continue necessary financial resources. I have enjoyed working with him in this effort and I am pleased to join in support of the expansion.

This bill will help clear the way for Fish and Wildlife Service [FWS] to acquire 100 acres adjacent to long cove on the pond's northeastern shore. The owner, who has declared his intention to make a partial donation of the value of the property, has been talking to FWS for about a year.

I am delighted to advise my colleagues that several additional landowners with valuable habitat in the vicinity of the refuge also have contacted FWS to express their interest in selling their property so it may be maintained as open space.

Recent biological surveys of upper Point Judith Pond indicate that wildlife species have become more diverse and are using the pond habitat more heavily than in the past. The bill would allow the FWS to expand the refuge boundary when opportunities to acquire valuable habitat arise.

Specifically, the bill would authorize the Secretary of the Interior to expand the refuge boundary, after appropriate public notice and comment, and compliance with the National Environmental Policy Act. The Secretary currently is only authorized to make minor revisions to the boundary.

The Pettaquamscutt National Wildlife Refuge truly is one of our national treasures in Rhode Island and it protects a vital ecosystem that includes rare and endangered species among its wildlife.

SAUDI BOMBING

Mr. PELL. Mr. President, yesterday, as we all know, a horrendous bombing occurred at a United States military facility in Saudi Arabia. As of this morning, 19 Americans were dead, and nearly 300 wounded. As time goes on, it is probable that number of those killed will increase.

A number of things come to my mind in response to this awful news. First, of course, is the tremendous sympathy that I have for the families of the victims. Service for one's country—whether in the military, the diplomatic corps, or government—is one of the noblest of callings. And to give one's life in that service is the supreme sacrifice. I do hope that the families of those lost in this tragedy can take some small comfort in that fact. Their loved ones made a difference—each and every one made our country a better and safer place.

Second, it is our duty to those killed, and in our utmost national interest, to find and punish those responsible. There is no more cowardly act than a terrorist attack—the victims have no warning, no chance to defend themselves. They have done no wrong and are chosen solely for their symbolism.

Third, and regrettably, today's news was no bolt from the blue. Months ago, a similar act occurred wherein five Americans were killed. Since then, and particularly since the perpetrators of the previous bombing were executed, United States personnel in Saudi Arabia have been bracing for another attack. On top of that, the Kingdom has been rife with reports about the health and well-being of King Fahd and about his eventual replacement by Crown Prince Abdullah. These same reports have carried unsettling news about the growing prominence and strength of extremist Islamic groups, and of their disputes with the royal family.

These developments ought to have a direct bearing on the United States Government's calculus of our role, interests and presence in Saudi Arabia. Saudi Arabia is, of course, our most important partner in the Persian Gulf, and arguably the entire Middle East. There is no doubt that America should be well represented there, and that our troop presence is a key element of U.S. military strategy. Yet the fact remains that more Americans have been killed in Saudi Arabia during the past year than in Bosnia, where United States troops were placed in a combat situation. It seems to me that the United States must undertake a serious examination of the entire spectrum of our relationship with Saudi Arabia—including the prospects for future instability, the return on our investment of troops and other personnel, and the efforts of the Saudi Government to deal effectively with political dissent. Clearly, the sooner Ambassador-designate Fowler is cleared by the Senate, the better. The sands in Saudi Arabia are shifting, and I believe we ought to have a much better handle on what to expect in the months ahead. The memory of those killed demands no less.

FOREIGN OIL CONSUMED BY THE U.S.? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending June 21, the United States imported 7,900,000 barrels of oil each day, 1,100,000 barrels more than the 6,800,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 55 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf War, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America s oil supply.

Anybody else interested in restoring domestic production of oil? United States producers provide jobs for American workers. Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,900,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 25, 1996, the Federal debt stood at $5,114,148,773,023.82.

On a per capita basis, every man, woman, and child in America owes $19,287.21 as his or her share of that debt.

CIVIL WAR: IOWA'S SACRIFICE

Mr. GRASSLEY. Mr. President, many men and women of our Nation have been called to service during times of crises. Iowans, too, have boldly answered the call of duty. Today, as I continue my remarks about Iowa's spirit, I want to focus on one of our country's most bloody episodes—the Civil War—and, specifically, remember one university that almost was not.

From 1861 through 1864, Iowans eagerly responded to the need for soldiers to serve in the infantry, cavalry, and artillery. It has been recorded in the "Roster of Iowa Soldiers" that approximately 73,000 Iowans enrolled with the Union Army. Among these soldiers, over 2,000 were killed in action, almost 9,000 were wounded in action, and over 10,000 died of their wounds or disease. These numbers are quite significant since Iowa, in proportion to its population, outfitted more troops than any other State in the Union. In fact, Perry Township, located in Jackson County, gave the largest per capita troop enrollment during the Civil War.

Iowa women also played a vital role during the Civil War. Soldier's relief societies were formed to support the troops. These women sewed uniforms, provided bedding, and collected necessary funds to help purchase military supplies. One woman in particular, Annie Wittenmyer, played an instrumental role in organizing these societies throughout Iowa. Because soldiers were dying more from diseases than from their wounds, she created diet kitchens in hospitals to help rebuild their strength and aid in their recovery. Furthermore, Annie Wittenmyer campaigned to provide relief for mothers, wives, and children adversely affected by the war because their sons, husbands, and fathers were killed or disabled during their service. Not only did she campaign for financial assistance for these women and children, but her efforts also helped build orphans' homes.

Unfortunately, as with every hard-fought battle, there comes a price. A battle-scarred Civil War flag, on display at Upper Iowa University in Fayette, is a poignant reminder of this sacrifice.

Upper Iowa was founded in 1857 by pioneer families living in the wooded hills surrounding the tiny village of Fayette. The nearest college, Cornell in Mount Vernon, was a long dangerous trip away by stagecoach over rough dirt roads and through territory roamed by native tribes. Colonel Robert Alexander, a veteran of the Black Hawk War, donated $10,000 in gold pieces toward the funding of a college, and a hall was constructed of native white limestone. The university doors opened on January 7, 1857.

Three short years after Upper Iowa's founding, though, the Civil War broke out, and the university's young men, many of them on the verge of graduating, enlisted in a body, along with many of their professors. Company C of the 3rd Iowa Volunteer Infantry went on to participate in 17 major battles, including the bloody fields of Vicksburg and Shiloh. For many young Upper Iowans, a battlefield grave ended their dreams for a future. In a quirk of fate, Upper Iowa's mathematics professor, Nathan Cornell, now a colonel in the Confederate Army, was captured by Colonel E.C. Byam of the Union Army—Upper Iowa's business manager.

With so much of the student body gone, the university was on the verge of closing, but the women students and the female professors were determined to carry on. Dean of Students Elizabeth Sorin, although born in the South, wholeheartedly supported the decision of the men to fight for the Union. She and the women students fashioned the first American flag that the men carried into battle, and later she recalled those dedicated women whose "hearts went in with their stitches in the red, white, and blue." When the flag was captured at the bloody conflict called the Hornet's Nest during the battle of Shiloh, the women made a second flag for their soldiers and continued to support them with their letters and prayers. They were there to welcome home the remnant of Company C, and mourn the fallen. Life slowly returned to normal, and the university that almost wasn't became a thriving academic community once more.

Now, almost 140 years later, Upper Iowa University still stands amid the wooded hills of northeast Iowa, a tribute to the power of the academic spirit and a living memorial to those young Iowa soldiers and their fellow students who made sure they had a university to return to.

DUBUQUE: IOWA'S LINK

Mr. GRASSLEY. Mr. President, travellers see many different sights while boating down the mighty Mississippi River. One point of interest is found at the intersection of Iowa, Illinois, and Wisconsin where a large town emerges from the Iowa bluffs. Dubuque, named after the French Canadian fur trader and lead miner Julien Dubuque, not only boasts beautiful architecture and prominent landmarks, but it has the distinction of being Iowa's oldest settlement.

When the area now known as the city of Dubuque opened to settlers in June 1833, many miners were primarily attracted to this land because of lead. This resource promised great wealth. In fact, the Shot Tower still stands today as a tribute to those who produced lead shot that was used during the Civil War era.

Not only did the mining of lead help build Dubuque, but the location on the Mississippi River played an important role in its economic development. For instance, wood was transferred downstream from the northern forests to Dubuque where it was milled into lumber. Steamboats brought settlers to Dubuque who loaded up with supplies and equipment before venturing further West.

Moreover, the Third Street Ice Harbor holds a strong link between Dubuque and the Mississippi. Constructed in the mid 1800's, the Ice Harbor originally served as a winter haven for steamboats. It also housed the Dubuque Boat and Boiler Works which, for many years, was ranked as the largest inland boat building center in the Nation. Now, the Ice Harbor is a place of recreation with many museums and other added attractions. The museums located on and around the banks of the Mississippi, remind us of Dubuque's significant relationship with the river.

A historical center of trade and commerce, Dubuque continues to thrive in today's competitive market. In a performance report released from the International Trade Administration, Dubuque ranks No. 1 in the North Central Region with the greatest percentage change in metro area exports between 1993 and 1994. With an almost 91 percent jump, Dubuque nationally ranks No. 2 in growth behind the tri-city area of Biloxi, Gulfport, and Pascagoula, Mississippi.

Mr. President, I ask unanimous consent that the Department of Commerce charts ranking Dubuque's export growth be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Everyday we are exposed to examples of how our world seems to be shrinking and global connections are becoming a greater asset to growing businesses and services. Dubuque has indeed adapted to meet these international challenges while staying true to its roots. Exports today range from new technology, such as computer services, to heavy machinery like John Deere tractors.

I am proud to see Iowa's oldest settlement sustain its role in linking Iowa to the world.

Furthermore, this year, Dubuque was one of 30 finalists for the National Civic League's All-American City and Community Award. This award recognizes those communities who successfully address local needs and concerns. Being in the running for this nationwide civic award pays tribute to Dubuque's commitment to serving its community.

And today, Mr. President, I salute the good citizens of Dubuque, who spread the Iowa Spirit of Community in their homes, workplaces, schools, places of worship and neighborhoods each and every day.

EXHIBIT 1

METROPOLITAN AREA EXPORTS: AN EXPORT PERFORMANCE REPORT ON OVER 250 U.S. CITIES, NORTH CENTRAL REGION

[Percentage Changes in Metro Area Exports, 1993–94]

Rank		Metropolitan Statistical Area (MSA)	1993	1994	1993–94 Change	
Regional	National				Amount	Percent
1	2	Dubuque, IA	$93,056,279	$177,562,181	$84,505,902	90.8
2	8	Muncie, IN	64,329,690	107,404,131	43,074,441	67.0
3	10	Detroit, MI	16,780,888,732	27,469,655,137	10,688,766,405	63.7
4	12	Eau Claire, WI	289,715,835	465,707,890	175,992,055	60.7
5	21	Waterloo-Cedar Falls, IA	102,706,259	149,660,963	46,954,704	45.7
6	27	Green Bay, WI	134,096,711	187,1289,675	53,192,964	39.7
7	30	Rochester, MN	53,026,135	72,680,026	19,653,891	37.1
8	34	Hamilton-Middletown, OH	49,285,459	66,255,465	16,970,006	34.4
9	35	Kalamazoo-Battle Creek, MI	650,330,732	868,950,604	218,619,872	33.6
10	40	Terre Haute, IN	67,300,401	88,796,473	21,496,072	31.9
11	42	Omaha, NE–IA	299,777,818	393,250,149	93,472,331	31.2
12	49	Springfield, MO	81,120,882	103,823,081	22,702,199	28.0
13	51	Canton-Massillon, OH	250,176,671	315,936,317	65,759,646	26.3
14	55	Springfield, IL	23,906,115	29,803,555	5,897,440	24.7
15	56	Milwaukee-Waukesha, WI	2,337,304,875	2,913,554,707	576,239,832	24.7
16	68	Fargo-Moorhead, ND–MN	111,847,927	137,258,753	25,410,826	22.7
17	77	Fort Wayne, IN	640,583,777	770,882,450	130,298,673	20.3
18	79	Chicago, IL	14,446,576,063	17,333,603,392	2,887,027,329	20.0
19	84	Lawrence, KS	5,238,501	6,243,631	1,005,130	19.2
20	88	Gary, IN	225,347,242	267,480,658	42,133,416	18.7
21	92	Rockford, IL	521,617,189	616,148,483	94,531,294	18.1
22	93	Toledo, OH	836,073,213	986,928,080	150,854,867	18.0
23	94	Sheboygan, WI	207,104,066	244,345,672	37,241,606	18.0
24	103	Grand Rapids-Muskegon-Holland, MI	1,704,959,504	1,993,494,017	288,534,513	16.9
25	104	Columbia, MO	42,934,889	50,173,690	7,238,801	16.9
26	105	Madison, WI	357,688,184	417,083,076	59,394,892	16.6
27	111	Kansas City, MO-KS	2,225,900,542	2,578,559,820	352,659,278	15.8
28	115	Indianapolis, IN	2,626,625,792	3,003,834,284	377,208,492	14.4
29	117	Cleveland-Lorain-Elyria, OH	3,582,759,333	4,093,322,966	510,563,633	14.3
30	123	Lansing-East Lansing, MI	185,665,447	208,627,069	22,961,622	12.4
31	125	Akron, OH	1,434,941,835	1,606,289,098	171,347,263	11.9
32	132	Columbus, OH	1,167,012,557	1,295,467,590	128,455,033	11.0
33	136	Racine, WI	365,126,982	403,153,387	38,026,405	10.4
34	139	Lincoln, NE	188,537,132	207,173,028	18,635,896	9.9
35	141	Elkhart-Goshen, IN	419,879,457	460,350,316	40,470,859	9.6
36	152	Benton, Harbor, MI	338,674,082	368,813,560	30,139,478	8.9
37	155	Kankakee, IL	79,077,304	85,978,927	6,901,623	8.7
38	157	Evansville-Henderson, IN–KY	448,533,992	487,403,232	38,869,240	8.7

ADM. J. PAUL REASON

Mr. WARNER. Mr. President, I am pleased to welcome the return of a senior Navy constituent to Virginia. Last week, the Senate confirmed the promotion of Vice Adm. J. Paul Reason to full admiral, and he will be assigned as commander in chief, U.S. Atlantic Fleet in Norfolk. He will relieve Adm. Bud Flanagan, who is a respected friend to many in this Chamber.

Admiral Reason is the first African-American to receive a promotion to four-star admiral in the U.S. Navy's history. He has had a spectacular career, beginning with graduation from the Naval Academy in 1965. Subsequently, he was trained in nuclear propulsion engineering, and served three sea duty tours aboard nuclear-powered ships. Along the way, he also managed to earn a master's degree in computer systems management.

From 1976 until mid-1979, he served as naval aide to President Jimmy Carter—another nuclear-trained, Naval Academy graduate—and then was executive officer of U.S.S. *Mississippi* (CGN–40). He had command of two combatants, U.S.S. *Coontz* (DDG–40) and U.S.S. *Bainbridge* (CGN–25). After selection for flag rank, he was commander, Naval Base Seattle and later, commander, Cruiser-Destroyer Group 1. After promotion to vice admiral, Paul was assigned as commander, Naval Surface Force, U.S. Atlantic Fleet, in Norfolk. He was assigned as deputy chief of naval operations—plans, policy, and operations—his current assignment, in August 1994. (I include his attached biography for the record.)

The selection of Paul Reason to command the Atlantic Fleet is an inspired decision. I have known of him over the years, and I am confident that he will be a superb CINCLANTFLT. I congratulate Admiral Reason and his wife, Dianne, and I look forward to working with him for years to come.

THE BOMBING IN SAUDI ARABIA

Mr. FEINGOLD. Mr. President, I rise today to join my colleagues to speak about the tragedy which occurred yesterday in Dhahran, Saudi Arabia. It is reported that around 10 p.m. Saudi time, a bomb attached to a fuel tanker truck parked just in front of a concrete security barrier about 35 yards from Khobar Towers, a facility housing United States Air Force pilots and other American military personnel on King Abdul Aziz Air Base near Dhahran in eastern Saudi Arabia, ripped through the building, killing 19 United States military personnel and injuring more than 300 others.

It has been further reported that about 2,400 American military personnel, most of them working for the Air Force, are assigned to the area around the air base in Dhahran. This base serves as the headquarters of the Air Force's 4404th Air Wing, which is assigned the task of carrying out the enforcement of the no-fly zone over southern Iraq which was imposed at the end of the Persian Gulf war. Mr. President, at this early time, it seems clear that this apparent act of terrorism was targeted specifically against U.S. military personnel serving in Dhahran.

Mr. President, I deplore in the strongest possible terms this despicable act. I join the President in announcing to those both within the United States and abroad that such extremist acts will not go unpunished. To that end, I am pleased that the President has dispatched a team of investigators from the FBI to Saudi Arabia to assist in the investigation of the blast. I strongly support our men and women serving their country overseas and feel that we must take all steps necessary both to apprehend and bring to justice those who perpetrated this act and to ensure the future safety of all American troops serving abroad.

Mr. President, this tragedy hits me and the State of Wisconsin quite personally. Of the U.S. military personnel confirmed dead, one such patriot is from my home State of Wisconsin. T.Sgt. Patrick P. Fennig, from Greendale, WI, who is assigned to Eglin Air Force Base in Florida and is serving in Saudi Arabia was one of the 19 service members confirmed killed in the blast. I send my condolences to Technical Sergeant Fennig's family. My heart goes out to his family and to the families of the other U.S. military personnel who either lost their lives or were injured at the hands of this apparent act of terrorism.

This terrorism comes 7 months after a car bomb ripped through an American-run military training center in the Saudi capital city of Riyadh, killing five Americans and two Indians and wounding several dozen others. Yesterday's attack was the worst terrorist assault against Americans in the Middle East since the 1983 bombing of the United States Marine Corps barracks in Beirut, Lebanon, in which 241 American service personnel lost their lives.

Mr. President, this bombing is the latest, and certainly one of the most deadly terrorist attacks on American military personnel serving overseas. We must never forget that, whether serving in times of war or supposed peace, American troops are continually in danger when serving their country overseas. Again, I am sickened by and deplore this horrific act and urge the President to use all available means to bring the perpetrators of this terrorism to justice.

I yield the floor.

MILITARY CONSTRUCTION APPROPRIATIONS ACT FOR FISCAL YEAR 1997

Mr. WARNER. Mr. President, turning to the military construction appropriations bill, I ask unanimous consent that the Senate now turn to the consideration of calendar 448, H.R. 3517, the military construction appropriations bill and the committee amendments be agreed to en bloc and considered original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3517) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in bold face brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, for military construction, family housing, and base realignment and closure functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, **[**$603,584,000**]** *$448,973,000*, to remain available until September 30, 2001: *Provided*, That of this amount, not to exceed **[**$54,384,000**]** *$37,323,000* shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further, That of the funds appropriated for "Military Construction, Army" under Public Law 103–110, $2,028,000 is hereby rescinded.*

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, **[**$724,476,000**]** *$642,484,000*, to remain available until September 30, 2001: *Provided*, That of this amount, not to exceed **[**$50,959,000**]** *$53,709,000* shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: **[***Provided further*, That of the funds appropriated for "Military Construction, Navy" under Public Law 102–136, $6,900,000 is hereby rescinded:**]** *Provided further*, That of the funds appropriated for "Military Construction, Navy" under Public Law 102–380, **[**$2,800,000**]** *$9,000,000* is hereby rescinded: *Provided further*, That of the funds appropriated for "Military Construction, Navy" under Public Law 103–110, $2,300,000 is hereby rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, **[**$678,914,000**]** *$704,689,000*, to remain available until September 30, 2001: *Provided*, That of this amount, not to exceed **[**$47,387,000**]** *$29,797,000* shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further, That of the funds appropriated for "Military Construction, Air Force" under Public Law 103–307, $2,100,000 is hereby rescinded.*

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS *and rescissions*)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, **[**$772,345,000**]** *$771,758,000*, to remain available until September 30, 2001: *Provided*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed **[**$12,239,000**]** *$17,139,000* shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further, That of the funds appropriated for "Military Construction, Defense-wide" under Public Law 104–32, $7,000,000 is hereby rescinded.*

[DEPARTMENT OF DEFENSE MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND

[(INCLUDING TRANSFER OF FUNDS)

[For the Department of Defense Military Unaccompanied Housing Improvement Fund, $10,000,000, to remain available until expended: *Provided*, That subject to thirty days prior notification to the Committees on Appropriations, such additional amounts as may be determined by the Secretary of Defense may be transferred to the Fund from amounts appropriated in this Act for the acquisition or construction of military unaccompanied housing in "Military Construction" accounts, to be merged with and to be made available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: *Provided further*, That appropriations made available for the Fund in this Act shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans and loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169 of title 10, United States Code, pertaining to alternative means of acquiring and improving military unaccompanied housing and ancillary supporting facilities.**]**

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, **[**$41,316,000**]** *$142,948,000*, to remain available until September 30, 2001.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, **[**$118,394,000**]** *$224,444,000*, to remain available until September 30, 2001.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, **[**$50,159,000**]** *$75,474,000*, to remain available until September 30, 2001.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, [$33,169,000] *$49,883,000*, to remain available until September 30, 2001.

Military Construction, Air Force Reserve

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, [$51,655,000] *$67,805,000*, to remain available until September 30, 2001.

North Atlantic Treaty Organization Security Investment Program

For the United States share of the cost of the North Atlantic Treaty Organization Security Investment Program for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in military construction authorization Acts and section 2806 of title 10, United States Code, [$177,000,000] *$172,000,000*, to remain available until expended.

Family Housing, Army

For expenses of family housing for the Army for constrution, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, [$176,603,000] *$189,319,000*, to remain available until September 30, 2001; for Operation and Maintenance, and for debt payment, [$1,257,466,000] *$1,212,466,000*; in all [$1,434,069,000] *$1,401,785,000*.

Family Housing, Navy and Marine Corps

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, [$532,456,000] *$418,326,000*, to remain available until September 30, 2001; for Operation and Maintenance, and for debt payment, [$1,058,241,000] *$1,014,241,000*; in all [$1,590,697,000] *$1,432,567,000*.

Family Housing, Air Force

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, [$304,068,000] *$291,464,000*, to remain available until September 30, 2001; for Operation and Maintenance, and for debt payment, [$840,474,000] *$829,474,000*; in all [$1,144,542,000] *$1,120,938,000*.

Family Housing, Defense-wide

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $4,371,000, to remain available until September 30, 2001; for Operation and Maintenance, $30,963,000; in all $35,334,000.

Department of Defense Family Housing Improvement Fund

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense Family Housing Improvement Fund, [$35,000,000] *$20,000,000*, to remain available until [expended] *September 30, 2001*: *Provided*, That, subject to thirty days prior notification to the Committees on Appropriations, such additional amounts as may be determined by the Secretary of Defense may be transferred to the Fund from amounts appropriated [in this Act] for construction in "Family Housing" accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: *Provided further*, That appropriations made available to the Fund in this Act shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of Chapter 169, title 10, United States Code, pertaining to alternative means of acquiring and improving military family housing and supporting facilities.

Homeowners Assistance Fund, Defense

For use in the Homeowners Assistance Fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3374), $36,181,000, to remain available until expended.

Base Realignment and Closure Account, Part II

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101–510), $352,800,000, to remain available until expended: *Provided*, That not more than $223,789,000 of the funds appropriated herein shall be available solely for environmental restoration, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

Base Realignment and Closure Account, Part III

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101–510), $971,925,000, to remain available until expended: *Provided*, That not more than $351,967,000 of the funds appropriated herein shall be available solely for environmental restoration, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

Base Realignment and Closure Account, Part IV

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101–510), $1,182,749,000, to remain available until expended: *Provided*, That not more than $200,841,000 of the funds appropriated herein shall be available solely for environmental restoration, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor: *Provided*, That the foregoing shall not apply in the case of contracts for environmental restoration at an installation that is being closed or realigned where payments are made from a Base Realignment and Closure Account.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan, in any NATO member country, or in countries bordering the Arabian Gulf, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Gulf, may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 113. The Secretary of Defense is to inform the appropriate Committees of Congress, including the Committees on Appropriations, of the plans and scope of any proposed military exercise involving United States personnel thirty days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

SEC. 114. Not more than 20 per centum of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 115. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 116. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 117. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

(TRANSFER OF FUNDS)

SEC. 118. During the five-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriation to which transferred.

SEC. 119. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Gulf to assume a greater share of the common defense burden of such nations and the United States.

(TRANSFER OF FUNDS)

SEC. 120. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to be merged with, and to be available for the same purposes and the same time period as that account.

[SEC. 121. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

[SEC. 122. (a) In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

[(b) In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.**]**

SEC. 121. The National Guard Bureau shall annually prepare a future years defense plan based on the requirement and priorities of the National Guard: Provided, That this plan shall be presented to the committees of Congress concurrent with the President's budget submission for each fiscal year.

SEC. 122. No funds from the Base Realignment and Closure accounts shall be used to pay for fines or penalties resulting from violations of any law pertaining to the environment.

(TRANSFER OF FUNDS)

SEC. 123. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

This Act may be cited as the "Military Construction Appropriations Act, 1997".

Mr. BURNS. Mr. President, I am pleased to bring before the Senate the military construction appropriation bill and report for fiscal year 1997.

Mr. President, this bill was reported out of the full Appropriations Committee last Thursday. The bill recommended by the full committee on appropriations is for $9,832,000,000. This is $700 million over the budget request, $200 million under the House bill, and $1,344,000,000 under the level enacted last year.

Also, I am pleased to report to the Senate that the bill is within the committee's 602(b) budget allocation for both budget authority and outlays.

My colleagues should know that the Committee on Appropriations in the House approved an appropriations bill that was $900 million over the budget request. Once again we will be faced with a difficult conference with the House. We have over $1 billion in differences.

The addition of projects to the Defense authorization while it was on the floor has even further strained the process.

Mr. President, this bill has some points I want to mention. The bill funds the base closure and realignment accounts. The base realignment and closure account comprises 26 percent of our appropriation. It includes $353 million for round two of the BRAC process, $972 million for round three and $1,183,000,000 for the final round. We made sure that there would be no impediments to moving forward with the decisions that the President approved.

Last year, I was concerned with the growth of this program. The base closure program should not replace the regular military construction program. I am pleased to see that this account has been reduced below last year's level. It has come down by over $1.3 billion. The program has been reduced by a third.

We supported the Secretary's initiative to provide more housing to our military members. This is part of the $4 billion included in this bill for family housing.

We did not, however, support the Army and Air Force's request to build new general officer quarters. We will not support building new homes for generals when there are enlisted people with families on waiting lists unable to get a home.

We also addressed the shortfalls that continue to plague our Reserve components. The Department continues to walk away from the total force concept. Recognizing this, we have again lent support by adding $366 million to the Guard and Reserve accounts. In each case the funds either are for quality of life or readiness.

Mr. President, the administration has available to it the same information used by the subcommittee to develop this bill. The administration knows that the construction backlog of the Army and Air Guard, and the

Army, Navy, Marine Corps, and Air Force Reserves is billions of dollars and that this backlog is growing, even as the force levels have been reduced.

Instead of increasing the funding, the Office of the Secretary of Defense deleted every project that we added last year which was in the future years Defense plan for many of our Reserve components. This left the Reserve components with very little in the future years Defense plan. Afterwards the Senate Armed Services Readiness Subcommittee used a criteria which required projects to be in the future years Defense plan. The Department was pleased to walk away from the Reserve component. The Armed Services Committee only funded projects within the future years Defense plan. We now have a situation where we have unilaterally given up our duty to check and balance the President's request. We have also given up our option to represent our States which each have their own military department.

So against this construction requirement, the administration budgeted only $194 million for all the Reserve components of the Department of Defense. We could not allow this to happen.

The $194 million is not adequate. We cannot expect the National Guard to continue to be capable of performing their mission. Mr. President, that mission is not one to be taken lightly. It is defending this country.

We have only reduced the administration request of $197 million for the NATO Security Investment Program by 13 percent. We believe this is a responsible reduction considering the requirements that NATO may incur in the near future.

We recommended $36 million for the Homeowners Assistance Program which provides partial compensation to homeowners for their financial losses incurred in the sale of their homes at closed or realigned bases. We also recommended $20 million for the family housing improvement fund which will be used to build or renovate family housing by utilizing private capital and know how.

Mr. President, before I close I want to thank the ranking minority member for his participation and his contributions to the subcommittee this year. I also want to thank Dick D'Amato and B.G. Wright of his staff as well and Warren Johnson and Jim Morhard on my staff. We would not have gotten here without their effort and expertise.

Mr. President, I yield the floor.

Mr. REID. Mr. President, I fully support the recommendations in this bill that is now before the Senate. I compliment the chairman of the subcommittee, the distinguished Senator from Montana [Mr. BURNS], for his excellent work and that of his staff.

The chairman of the subcommittee and I have again this year, enjoyed an open and productive working relationship in bringing the recommendations in this bill to the Senate.

This bill, reported here today is $1.345 billion lower than last year's appropriated amount, and is also $200 million lower than the construction bill proposed by the House of Representatives.

Again this year, our bill strives to improve the quality of life for the Nation's military service members. This military construction bill emphasizes housing initiatives, both for families and improved housing for single service members. It provides $4 billion for the construction, operation and maintenance of family housing, and to the Homeowner's Assistance Program.

The Committee continues to support the NATO Security Investment program, however it is concerned that member nations are not properly helping to defray construction program costs. The Committee therefore urges the Secretary to seek increased contributions from our allies. The report includes language that supports preposition of Brigade material in Southwest Asia, but only following treaty relationships with our allies there. It allows the military to proceed with such projects, but encourages secure long term bilateral agreements and full cost sharing arrangements prior to the initiation of any construction projects in the region.

The subcommittee has added certain needy projects to the administrations request—$700 million was added to the budget that would include $50 million for minor construction, $368 million for Guard and Reserve projects, and over $189 million in badly needed family housing.

I commend the chairman for taking the many requests from Senators to include projects in this bill. This is necessitated, annually, in large part, because the Department of Defense has again, as it has in the past, refused to adequately fund the construction projects for the National Guard, requiring the subcommittee to review many worthy projects suggested by Senators and the National Guard and to come up with a fair and equitable solution to the problem.

I add, Mr. President, in time of crisis, we rely heavily on the Guard and Reserve. During the gulf war crisis, we called upon the Guard and Reserve to bear more than their share of the burden, especially based on how we have funded them in the past. This year's administration request included NO, I repeat, NO major construction projects for the Army National Guard. This practice is completely unacceptable. Administration requests including no major construction projects for the Army Guard mandates that we seriously review any Member request for its worthiness, and there are many worthy and badly needed projects, without which, our reserve forces could not continue to function. It simply would be unfair to not give them some consideration simply because they have been ignored by the Pentagon.

The administration requested only $7 million for Army National Guard construction, compared to $137 million appropriated in fiscal year 1996, and that amount was well below the previous year's $188 million appropriation. This is a 95 percent reduction in only 1 year. This type of request is incomprehensible and irresponsible. To help try to balance the scale, the subcommittee used strict criteria to evaluate many worthy projects suggested by Members, and a strong effort was made to take all Members' interest into consideration.

I think the result is as fair and equitable as possible, given the significant budget constraints that we are working under.

Mr. President, I believe that this is a good product, and I hope that the Senate will support it. I thank at this time the majority staff director, Jim Morhard and his assistant Warren Johnson, for their work and cooperation with my staff, Dick D'Amato, a member of the Appropriations Committee assigned to me to work on this and other appropriations matters, and B.G. Wright, also of the Appropriations Committee, and also Peter Arapis and Jerry Reed of my personal staff who have dedicated many hours to the completion of this bill.

Mr. BYRD. Mr. President, I commend the leadership of the Military Appropriations Subcommittee, the distinguished chairman, Mr. CONRAD BURNS of Montana, and the ranking member, Mr. HARRY REID of Nevada, for their work on this bill. It is within its 602(b) allocation, and conforms very closely to the provisions of the Department of Defense Authorization bill which is pending before the Senate. I know the subcommittee has worked hard to ensure that its provisions are authorized, and at the same time that the budget request of the President has been given full consideration.

Mr. President, the bill, at $9.8 billion, is some $1.3 billion below last year. In addition, it is some $200 million below the level as passed by the House. At the same time, it is about $700 million above the President's request, but $368 million of that amount is for additional National Guard and Reserve accounts which have been badly underfunded by the Administration, and $189 million of that is for badly needed additional family housing for our troops. The committee has taken the right step by adding needed funds for the Guard and Reserve, in that the Administration traditionally underfunds these accounts, in the expectation that the Congress will add the money. I hope that the Administration will, in next year's request, adequately fund the Guard and Reserve, and relieve the

Committee of the responsibility of completely rewriting that part of the budget as it is now forced to do.

Again, this year, as last year, the military appropriations bill is the first of all the appropriations bills to be passed by the Senate. The subcommittee is to be commended, and, as usual, the bill has wide support in the Senate. I believe all Senators' interests and requests have been considered fairly and impartially by the Committee. I commend the staff of the subcommittee, the staff director for the Chairman, Mr. Jim Morhard, and his assistant, Warren Johnson; the minority staff director, who is also the counsel to the full Committee, and on loan to the subcommittee; Mr. Dick D'Amato, and his assistant, Mr. B.G. Wright, as well as Peter Arapis and Jerry Reed of Senator REID's staff, all of whom have done excellent work in delivering this measure in a timely manner to the full Senate.

Mr. DOMENICI. Mr. President, the Senate is now considering the first of the fiscal year 1997 appropriations bills.

The pending military construction appropriations bill provides a total of $9.8 billion in new budget authority and $3.1 billion in new outlays for the military construction and family housing programs of the Department of Defense for fiscal year 1997.

When outlays from prior-year budget authority and other completed actions are taken into account, the bill totals $9.8 billion in budget authority and $10.3 billion in outlays for fiscal year 1997.

Mr. President, the bill provides for readiness and quality of life programs for our service men and women. the bill falls within the subcommittee's 602 (b) allocation.

I want to convey my thanks to the committee for the support given to several priority projects in New Mexico.

I commend the distinguished subcommittee chairman, the Senator from Montana, for bringing this bill to the floor within the subcommittee's section 602(b) allocation.

I urge its adoption.

Mr. President, I ask unanimous consent that a table showing the relationship of the reported bill to the subcommittee's 602(b) allocation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MILITARY CONSTRUCTION SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED BILL

[Fiscal year 1997, in millions of dollars]

Category	Budget authority	Outlays
Defense discretionary:		
Outlays from prior-year BA and other actions completed		7,204
H.R. 3517, as reported to the Senate	9,832	3,115
Scorekeeping adjustment		
Adjusted bill total	9,832	10,319
Senate subcommittee 602(b) allocation: Defense discretionary	9,833	10,375
Adjusted bill total compared to Senate subcommittee 602(b) allocation: Defense discretionary	−1	−56

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. MCCAIN. Mr. President, I will not delay the Senate in its efforts to proceed to a vote on the fiscal year 1997 military construction appropriations bill, and I do not plan to offer any amendments to the legislation. I want to be on record, however, in strong opposition to the $600 million added in this bill for unrequested, low-priority military construction projects.

A few days ago, I offered an amendment to the fiscal year 1997 Defense authorization bill to strike $600 million in authorizations for these same projects. Not surprisingly, only 12 of my colleagues voted with me, and the amendment failed. I will not waste the time of the Senate in revisiting that vote.

But, Mr. President, I cannot stand aside and allow this bill, laden with $600 million in pork-barrel spending, to pass the Senate without objection.

Let me remind my colleagues of the magnitude of the wasteful spending for unrequested building projects.

Since 1990, the Congress has added more than $6 billion to the military construction accounts. This bill increases the amount of waste by another $600 million. That's almost $1 billion in pork-barrel spending every year.

I listened to the comments of my colleagues in just the last few days about the inadequacy of the administration's Defense budget request. Many of my colleagues, on both sides of the aisle, cited the $60 billion target set by the Chairman of the Joint Chiefs of Staff for procurement funding, contrasted with the $39 billion requested by the administration. These sentiments reflected my own views and repeated what has been expressed here in the Senate many times over the past several months.

Therefore, I am somewhat puzzled at the increase in this military construction bill. While the Defense authorization and appropriations bills include an additional $6 or $7 billion for procurement, this amount is only about one-third of the $21 billion needed to meet General Shalikashvili's target. We still have a $14 or $15 billion shortfall in urgently needed modernization funding, yet we are wasting $600 million on unrequested, low-priority military construction projects. It just doesn't make sense to me.

Mr. President, I am somewhat gratified to learn that the close scrutiny focused on military construction projects has at least forced a degree of control on the process. Most of the projects in this bill meet four of the five criteria established 2 years ago for Senate consideration of unrequested military construction projects. The projects are: mission essential, not inconsistent with BRAC, in the FYDP, and executable in fiscal year 1997.

And all of the projects in this bill are included in the authorization bill or are authorized in other legislation. In any event, the bill specifically requires an authorization for each project before the money can be spent.

But none of the projects meet the fifth criterion, which requires the added funding to offset by a reduction in some other defense account. All of these projects are funded because the Appropriations Committee allocated additional funding for this bill to accommodate Members' requests for add-ons.

Mr. President, I am tired of seeing us acquiesce to a practice which only feeds on itself. We must instill some discipline in our budget review process—by resisting the temptation to add money simply because it serves our constituents.

We have made progress in reducing the total amount of pork-barrelling in the defense budget. Last year, about $4 billion was wasted on pork-barrel projects; this year, we are wasting only $2 billion. But in military construction, we will probably end up adding $900 million, the House level, or more again this year to fund the special interests of Members of both the Senate and the House; $900 million is a lot of taxpayer dollars to waste. How do we explain to the American people why we need $11 billion more for Defense this year, when we spend nearly a billion dollars for projects that do little or nothing to contribute to our Nation's security?

Mr. President, again, I plead with my colleagues. For the sake of ensuring public support for adequate defense spending now and in the future, let's stop the pork-barrelling now.

GOVERNOR O'CALLAGHAN HOSPITAL

Mr. REID. Mr. President, I should like to discuss a matter of some importance to me in the State of Nevada, and to many Nevadans. We had an outstanding two-term Governor in Mike O'Callaghan. He is only one of five two-term governors in Nevada's history. He has been an exemplary public servant. More than that, he is a role model for the younger generation, having serviced his country valiantly in one of the ugliest of the wars that America has been involved in, Korea. At the age of 16, he enlisted in the Marine Corps to serve during the closing months of World War II. During the Korean war he served in combat, sustaining injuries which resulted in the amputation of part of his left leg. He has served in three branches of the armed services: the Air Force, the Army and the Marine Corps. He served with great courage and was decorated for valor. To recognize his achievements, I have felt it appropriate to name the hospital at Nellis Air Force Base after him, and my fellow Nevadans in our delegation agree with me. In fact, the Nellis hospital has been named for him in the Defense authorization measures in both the House and the Senate for fiscal year 1997.

Mr. BURNS. Mr. President, I understand the Senator's interest in this matter and I share his admiration for Governor O'Callaghan. What he suggests is entirely appropriate and fitting. I would point out, to my ranking member, that there is no precedent in a military appropriations bill for naming a facility after an individual. My fear is that there would be many requests, legitimate requests, for the committee to do so in the event that we were to take this action on this bill.

Mr. REID. Mr. President, I appreciate the Senator's concern. I would not be concerned about further legislative action on this matter, given the action taken by the authorization committees. Obviously if the authorization bill became law, this action to name the hospital would have been taken. My problem is that we are not certain what the administration's attitude will be about the funding levels and the content of the authorization measure, nor do we know, of course, what it will look like after emerging from their conference committee. Therefore, I would seek the chairman's assurance that if the authorization bill is vetoed, or appears very likely headed for a veto, that he and I will revisit this issue in our own conference committee on this measure, the military construction appropriations bill, and take action to name the facility in our conference report in the event that the authorization bill does not become law.

Mr. BURNS. Mr. President, that is a fair solution, and agree that revisiting the issue in the conference committee is entirely appropriate if the circumstances that he describes occur or appear likely.

AMENDMENT NO. 4362

(Purpose: To make available $6,600,000 for construction of a consolidated education center in Kentucky; $10,800,000 for construction, phase III, at the Western Kentucky Training Site, Kentucky; $10,000,000 for construction of phase I of the National Range Control Center at White Sands Missile Range, NM; and $8,900,000 for construction of the Undersea Weapons Systems Laboratory at the Naval Undersea Warfare Center, Newport, RI; and to provide offsets for such amounts)

Mr. WARNER. Mr. President, I send an amendment to the desk on behalf of Senator BURNS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. BURNS, proposes amendment numbered 4362.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 13, strike out "$37,323,000" and insert in lieu thereof "$20,723,000".

On page 3, line 11, strike out "$53,709,000" and insert in lieu thereof "$44,809,000".

On page 6, line 24, strike out "September 30, 2001." and insert in lieu thereof "September 30, 2001: *Provided*, That of the amount made available under this heading, $10,800,000 shall be available for construction, phase III, at the Western Kentucky Training Site, Kentucky, with the amount made available for such construction to be derived from sums otherwise available under this heading for minor construction.".

Mr. BURNS. Mr. President, the managers amendment includes projects that were accepted by the Armed Services Committee while they were on the floor. We have added the following projects.

First, a consolidated education center for the Army at Fort Campbell, KY.

Second, phase III of the western Kentucky training site for the Army National Guard at Greenville, KY.

Third, phase I of the National Range Control Center at White Sands Missile Range in New Mexico.

Fourth, the Undersea Weapons Laboratory at the Naval Undersea Warfare Center at Newport, RI.

The offsets for the Army and Navy projects will come from reductions to the planning and design lines of that service. We are also taking funds from the Army National Guard minor construction account to pay for the one Guard project that is in this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4362) was agreed to.

The PRESIDING OFFICER. Without objection, the bill is deemed read the third time, and passed.

The bill (H.R. 3517), as amended, was deemed read the third time and passed.

Mr. WARNER. Mr. President, I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BURNS, Mr. STEVENS, Mr. GREGG, Mr. CAMPBELL, Mr. HATFIELD, Mr. REID, Mr. INOUYE, Mr. KOHL, and Mr. BYRD CONFEREES ON THE PART OF THE SENATE.

AMENDING SENATE RESOLUTION 246

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 272, submitted earlier today by Senator D'AMATO.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 272) to amend Senate Resolution 246.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WARNER. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 272) was agreed to, as follows:

S. RES. 272

Resolved, That Senate Resolution 246, 104th Congress, agreed to April 17, 1996, is amended in section 1(1)(A), by inserting before the semicolon "incurred during the period beginning on May 17, 1995, and ending on February 29, 1996, or during the period beginning on April 17, 1996, and ending on June 17, 1996".

IRANIAN BAHA'I COMMUNITY EMANCIPATION

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 102.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H.Con.Res. 102) concerning the emancipation of the Iranian Baha'i community.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mrs. KASSEBAUM. Mr. President, the Senate today will adopt legislation condemning Iran's persecution of the Baha'i community. We have taken similar action in the past, and I regret that our continued vigilance on this matter is required.

We choose today to adopt this legislation in remembrance of a great tragedy for the Baha'i community and for all who value human rights and religious freedom. Thirteen years ago this month, Iranian religious officials executed, by hanging, 10 Baha'i women—including 3 teenage girls—in the city of Shiraz.

This killing of innocent women and children came amid a series of Baha'i executions during the first half of 1983. At the time, President Reagan had expressed America's alarm at the religious persecution of the Baha'is in Iran and had called upon the Iranian leadership to spare the lives of those Baha'is condemned to death in Shiraz. The Iranian response to this plea was to carry out without hesitation the schedule of June executions.

We know that those men, women, and children were executed not for any crimes but for their religious beliefs. We also know the persecution continues to this day in many forms, both great and small.

Thirty-nine other Senators have joined with me in sponsoring this legislation, and the Senate today will unanimously adopt an identical resolution already passed by the House of Representatives. By today's action, the U.S. Senate once again will make clear to all who will listen: "We have not forgotten."

Mr. LIEBERMAN. Mr. President, at many times during the past 14 years the Congress has condemned the Government of Iran for its repressive policies and actions toward its Baha'i community. Today, I am honored to be celebrating the passage of a resolution which calls on Iran to change its repressive anti-Baha'i policies and to protect the rights of all its people including religious minority groups such as the Baha'is. The concurrent resolution we are adopting today is similar to the one which Senator KASSEBAUM, Senator MCCAIN, Senator DODD, and I submitted in this body in February.

Congress has adopted six previous resolutions on this important issue. The record of their success is certainly a mixed one, at best. Since their enactment, many Baha'is have been penalized by the government, and some even sentenced to death, just because of their religious beliefs. On the contrary, previous resolutions have shown some success as well, particularly in the case of one man who had been sentenced to death for his religious convictions. This man's life was saved as the apostasy case was later overturned by the courts in Iran. Although the relationship between the Baha'is and the Iranian Government has improved since the first resolution was passed, not enough action has been taken. This open policy of repression is in clear violation of the obligation of sovereign states to uphold the Universal Declaration of Human Rights.

In the past, President Clinton and former Presidents Reagan and Bush have all shown support of the Baha'is. The United Nations and many of its member states have also adopted numerous resolutions supporting religious freedom in Iran. Today, in adopting this concurrent resolution, we have succeeded in maintaining vigilance on the actions of Iranian Government. Only through continued support for change in the Iranian regime can over 300,000 Baha'is experience true religious freedom.

Mr. WARNER. Mr. President, I ask unanimous consent that the resolution be considered and agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appeared in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 102) was agreed to.

The preamble was agreed to.

EXCHANGE OF CERTAIN LANDS IN GILPIN COUNTY, CO

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 297, H.R. 2437.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2437) to provide for the exchange of certain lands in Gilpin County, Colorado.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WARNER. I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the proper place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2437) was deemed read the third time, and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. WARNER. Mr. President, on the Executive Calendar, I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar en bloc: Calendar Nos. 633, 634, 635, and 636.

I further ask unanimous consent that the nominations be confirmed en bloc; the motion to reconsider be laid upon table en bloc; and that any statements relating to the nominations appear at the appropriate place in the RECORD, and that the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF THE TREASURY

Raymond W. Kelly, of New York, to be Under Secretary of the Treasury for Enforcement.

U.S. INTERNATIONAL TRADE COMMISSION

Marcia E. Miller, of Indiana, to be a Member of the U.S. International Trade Commission for the term expiring December 16, 2003.

DEPARTMENT OF DEFENSE

John W. Hechinger, Sr., of the District of Columbia, to be a Member of the National Security Education Board for a term of four years.

DEPARTMENT OF ENERGY

Vicky A. Bailey, of Indiana, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2001.

NOMINATION OF RAYMOND W. KELLY TO BE UNDER SECRETARY OF THE TREASURY FOR ENFORCEMENT

Mr. MOYNIHAN. Mr. President, Raymond W. Kelly may be the most superbly qualified nominee ever nominated to head the enforcement operations of the Treasury Department. From 1992 to 1994, he served as Commissioner of the New York City Police Department, which with 38,000 officers is the world's largest police force.

Over the course of his 32-year career with the NYPD, he served in every rank in 25 different commands. In 1993, he was widely praised for his work in investigating the bombing of the World Trade Center in lower Manhattan.

At a recent event in New York, no less a skeptic than Dan Rather called Ray "the best New York City Police Commissioner since Teddy Roosevelt."

After leaving the NYPD, Commissioner Kelly served the United States as Director of the International Police Monitors of the Multinational Force in Haiti. He was charged with the difficult and delicate task of putting a stop to human rights abuses by the Haitian police. Upon leaving Haiti in 1995, Mr. Kelly was awarded a commendation by President Clinton for exceptionally meritorious service in Haiti. He was also awarded the Commander's Medal for Public Service by Gen. John Shalikashvili, Chairman of the Joint Chiefs of Staff.

Earlier in life, Mr. Kelly served in the U.S. Marine Corps, including combat in Vietnam. He retired with the rank of colonel in the Marine Corps Reserve.

He is also an attorney with law degrees from St. John's University and New York University. He earned his undergraduate degree from Manhattan College and his master of public administration degree from the Kennedy School at Harvard.

I know Raymond Kelly as a very smart and very tough law enforcement officer. The Senate has acted wisely to confirm him. To Ray, to his wife Veronica, and to their sons James and Gregory, great good wishes and congratulations.

NOMINATION OF MARCIA E. MILLER TO BE COMMISSIONER, INTERNATIONAL TRADE COMMISSION

Mr. MOYNIHAN. Mr. President, I rise in strong support of the nomination of Marcia E. Miller to become Commissioner of the International Trade Commission, a position for which she is manifestly well-qualified. I do so, Mr. President, without reservation, but with some regret: Ms. Miller has been an invaluable asset to the Finance Committee for nearly a decade.

Ms. Miller started with the committee in January 1987. I take some credit for her long tenure: one of my first accomplishments when I became chairman of the Finance Committee in 1993 was persuading Ms. Miller to serve as our Chief Trade Counselor.

And why? There was simply no better candidate. Ms. Miller has had a hand in drafting all of the major trade bills of the past decade, beginning with the comprehensive Omnibus Trade and Competitiveness Act of 1988.

As Chief Trade Counselor, Marcia guided the Finance Committee expertly over difficult terrain: our sometimes contentious consideration of the North American Free-Trade Agreement implementing legislation, and our lengthy deliberations over the complex bill implementing the Uruguay round agreements and establishing the World Trade Organization.

Over the past decade, she has grappled with the major trade issues before the Senate—issues such as trade with China, textile and apparel trade, and disputes with Japan. Significantly, I must add to this list the range of the trade laws administered by the International Trade Commission, which she will soon join—the antidumping and countervailing duty laws, safeguards actions against imports, as well as actions under section 337 of the Tariff Act of 1930 protecting against imports of products that infringe intellectual property rights.

Unquestionably, Ms. Miller will bring to the International Trade Commission great expertise in the trade laws. And more. She will bring as well a powerful command of details, and unique skill in forging consensus among persons with widely divergent views. The International Trade Commission will now be the beneficiary of these skills, just at the Finance Committee was for so many years.

Ms. Miller will be an important asset to the Commission. She will bring to the job sound judgment and clear-headed analysis, and she will, I am certain, ensure that the Commission functions as the Congress intended—as an independent fact-finding and adjudicative body free from political pressures.

Mr. President, I urge my colleagues to join me in supporting Ms. Miller's nomination, in thanking her for her years of service to the committee and the Senate and in congratulating her and her family in this richly deserved honor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

CHANGE OF CONVENING TIME

Mr. WARNER. Mr. President, I ask unanimous consent that the previous consent agreement be modified so that the Senate will now reconvene at 8:15 tomorrow morning, and that the time allocated to Senator DEWINE be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 8:15 A.M. TOMORROW

Mr. WARNER. Mr. President, if there is no further business, I ask that the Senate stand in adjournment under the previous order.

Thereupon, the Senate, at 11:34 p.m., adjourned until 8:15 a.m., Thursday, June 27, 1996.

NOMINATIONS

Executive nominations received by the Senate June 26, 1996:

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES INFORMATION AGENCY FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASSES INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF CAREER MINISTER:

PAUL P. BLACKBURN, OF THE DISTRICT OF COLUMBIA
MARILYN MCAFEE, OF FLORIDA
CYNTHIA JANE MILLER, OF TEXAS
ANNE M. SIGMUND, OF KANSAS

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER-COUNSELOR:

CHARLES MILLER CROUCH, OF CONNECTICUT
PETER CHARLES DESHAZO, OF FLORIDA
RICHARD ANDREW VIRDEN, OF MINNESOTA
E. ASHLEY WILLS, OF TEXAS

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE UNITED STATES INFORMATION AGENCY FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE AS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

KATHLEEN A. BRION, OF VIRGINIA
JOHN SHIELDS DICKSON, OF NEW HAMPSHIRE
PATRICK DENNIS DUDDY, OF MAINE
FRANKLIN E. HUFFMAN, OF NEW YORK
ARLENE R. JACQUETTE, OF THE DISTRICT OF COLUMBIA
WILLIAM PHILIP LUKASAVICH, OF VIRGINIA
VEDA B. WILSON, OF NEW JERSEY

CONFIRMATIONS

Executive nominations confirmed by the Senate June 26, 1996:

DEPARTMENT OF THE TREASURY

RAYMOND W. KELLY, OF NEW YORK, TO BE UNDER SECRETARY OF THE TREASURY FOR ENFORCEMENT.

U.S. INTERNATIONAL TRADE COMMISSION

MARCIA E. MILLER, OF INDIANA, TO BE A MEMBER OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION FOR THE TERM EXPIRING DECEMBER 16, 2003.

DEPARTMENT OF DEFENSE

JOHN W. HECHINGER, SR., OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF 4 YEARS.

DEPARTMENT OF ENERGY

VICKY A. BAILEY, OF INDIANA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2001.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, June 26, 1996*

The House met at 10 a.m., and was called to order by the Speaker pro tempore [Ms. GREENE of Utah].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> WASHINGTON, DC,
> *June 26, 1996.*
>
> I hereby designate the Honorable ENID GREENE to act as Speaker pro tempore on this day.
>
> NEWT GINGRICH,
> *Speaker of the House of Representatives.*

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember with gratitude and appreciation, O God, the members of our Armed Forces who serve in our land and in distant places. We recognize their commitment and faithfulness and they are with us in our prayers. On this day we specially remember those who faced violence and death in places of service so many miles from home. We reach out to their families and those they love asking that the power of Your promises and Your abiding strength will be with them in their need. May those whose joy has been turned to sorrow sense our prayers for them and may Your peace be with them, now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania [Mr. KLINK] come forward and lead the House in the Pledge of Allegiance.

Mr. KLINK led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minute speeches on each side.

IN MEMORY OF D. PRESCOTT GRIFFITHS

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARR of Georgia. Madam Speaker, D. Prescott Griffiths, known to friends as "Don" or "Grif," was an outstanding example of the American Hero. He lived in Douglasville, in the Seventh District of Georgia, where he recently passed away. Born in New York City during the Great Depression, Don grew up in an atmosphere of family devotion, decency, and service.

Enlistment in the U.S. Army brought him to combat service in Korea, where after being shot down over enemy territory and wounded, it was discovered he had been underage at enlistment in order to serve his country. Later, he was recruited to hold an important post in counterintelligence with the Army C.I.D. in England, and he continued to give honorable service until his retirement. His absolute and complete memory recall made him one of the best counterintelligence agents of the cold war era.

His international and political contacts were legion, and he could always be counted on for encouragement and friendly advice.

Perhaps his memory can best be summed up in his own words. He said:

> Life is a slice of time, brief and brutal. It is important to know love, to be loved, and to give love. And that's what it's all about.

To his country, which he deeply loved, D. Prescott Griffiths gave his all. He will be sorely missed and fondly remembered.

EXPRESSION OF SYMPATHY TO THE FAMILIES OF THE VICTIMS OF THE BOMB EXPLOSION IN DHAHRAN, SAUDI ARABIA

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Madam Speaker, on behalf of the minority leader, Mr. GEPHARDT, who cannot be here this morning, and myself, I wish to express sadness to the families who have lost their loved ones in the bomb explosion in Saudi Arabia. Not only Americans were killed, but others from France and from Great Britain probably were killed or hurt.

Now, Madam Speaker, this has to be a terrorist attack, in my opinion. Who did it, we do not know. But only 7 months ago, a car bomb explosion killed 5 Americans in Riyadh, Saudi Arabia. You know, we are really there in these countries for no other reason but to help these people and to bring peace in these areas. Why do these bad people hurt our innocent victims that are only doing their jobs? The President has sent FBI teams to help the Saudis to find out who did this heinous crime.

THE WORKING FAMILIES FLEXIBILITY ACT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Madam Speaker, anyone watching the news this week would have been impressed with the President's sudden commitment to promoting workplace flexibility, but my question is this: Where was the President last year when I introduced the Working Families Flexibility Act; a bill that would allow an employee to choose between cash wages or paid time off for overtime work—a valuable opportunity to spend more time with family. Not only did the President oppose this bill—at the request of the Washington union bosses who are spending $35 million to run false and misleading campaign ads against Republicans—but his Chief of Staff, Leon Panetta, calls it a poison pill. Why the sudden change of heart?

Madam Speaker, my guess is the President's army of political hacks and spin gurus suddenly discovered in their polling that American women overwhelmingly support the Republican Working Families Flexibility Act, and they had better do some good ole stump proposals just to cover their electoral bases. While Washington pundits might praise the President's ability to hijack important issues for political gain, this kind of gamesmanship only hurts the American people and their ability to balance the conflicting pressures of work and family—especially working women. This is hardly a formula for election year success.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

EXPRESSING SYMPATHY TO THE FAMILIES OF VICTIMS OF BOMB EXPLOSION IN SAUDI ARABIA

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Madam Speaker, I rise today to recognize the loss of life that took place in Saudi Arabia, those United States troops and soldiers serving a peacekeeping mission, an important peacekeeping mission. Nearly 2,500 United States troops, mainly Air Force, are still stationed in Saudi Arabia today. I want to extend my sympathies and that of this House to those in uniform that are serving and the families that have experienced this loss of life, as well as the civilians and other loss of life that occurred. Nearly 150, perhaps more, were injured. We know at least 24 have lost their lives in this tragic accident.

The President rightly has put a top priority on this in terms of investigating and trying to deal with the forces within Saudi Arabia, even as we are doing peacekeeping, that are politically unstable and causing serious problems and outrageous actions and issues that we face. I think it is important to remember that any time anyone puts on a uniform, whether in war or in peacekeeping, obviously their lives are at risk. And it is enormously important as the U.S. Nation assign duties and responsibilities and assume the role that we do, that leadership consider the security, safety, and mission risks that our Armed Forces experience in the important and changing role that they fulfill.

ATTEMPTING TO REACH AN AGREEMENT WITH THE CLINTON ADMINISTRATION ON HEALTH CARE REFORM

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Madam Speaker, I just rise to report again to my colleagues that we are trying to reach an agreement with the Clinton administration on health reform so that every working family that has health insurance would be able to change jobs, would be able to continue their insurance without any worry about a precondition.

We think it is very, very important that every American know that once they are in the insurance system, they are there for the rest of their life. I have had personal experience in my family, I think every Member has either family or friends who have had the experience of not being able to buy health insurance because of a precondition.

We can reach an agreement this week before we go home. It is good for America. It is important for America. This House has voted to go to conference. We should pass health reform to guarantee that every family in America has access to health insurance without regard to preconditions, and we should do it before we go home this week. I hope the Clinton administration will reach an agreement with us today to have that kind of health reform for all Americans.

HORROR IN SAUDI ARABIA

(Mr. HASTINGS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTINGS of Florida. Madam Speaker, like my colleagues previously, I rise to offer my heartfelt condolences to the families of the victims and the injured survivors of the bombing in Dhahran, Saudi Arabia. Also, Madam Speaker, on behalf of the minority of this House, I would like to thank them for recognizing this as the priority issue of the day in allowing the first few of us to speak to this concern.

Terrorism and extremism know no territorial boundary. We must, here in this House, engage the international community in working vigilantly to identify and eradicate the perpetrators of terrorism at their cancerous roots. We in this body must give our law enforcers the tools they need to infiltrate terrorist organizations, deport terrorists and choke their funding mechanisms.

As President Clinton said yesterday, whoever harms an American anywhere in the world will pay. The difference, however, between us and the perpetrators of this kind of crime is that we resolve our disputes in a legal fashion using the rule of law and not of the jungle or desert.

LIBERALS WANT TO SCUTTLE HEALTH CARE REFORM

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Madam Speaker, I wish to follow up on Speaker GINGRICH's comment on health care.

It is very simple to see what is going on here. Liberals lost the battle over nationalizing health care. Now they want to scuttle any health care plan that does not make the Government bigger. It is a shame. It is a shame because millions of American families would benefit from the health care reform bill being held up by the liberals in the Senate. Millions of people would be able to establish medical savings accounts. Many others would be forced to remain in job lock because they have a prior condition.

Madam Speaker, the health care reform bill now before Congress has bipartisan support. In fact, last week, 25 Democrats sent a letter to President Clinton urging him to support these commonsense reforms that the American people have been demanding for years. They do not want more government. They want portable, available, and affordable health care.

Madam Speaker, let us pass the health care bipartisan reform bill now.

WHITE HOUSE USE OF SECRET FBI AND IRS FILES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, the White House use of secret FBI files was bad. The White House use of secret IRS files is even worse. After all this, FBI Director Freeh said it is an honest mistake and Secretary Rubin blamed it on a junior detailee. Beam me up.

Who in God's name gave the White House the power to snoop into our private lives? Who at the FBI has the right to violate the Privacy Act? Who at the Internal Revenue Service has the right to violate their oaths and betray American taxpayers? These are not honest mistakes. They are looking day in and day out. Looks like a crime to me.

When Congress allows the White House to act like the KGB, Congress allows the Government of Jefferson and Lincoln to stink just like the governments of Stalin and Franco. Think about that.

NO APPEASEMENT OR MFN FOR BEIJING

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute.)

Mr. FUNDERBURK. Madam Speaker, appeasement of dictators is always bad policy. When Neville Chamberlain left Munich after meeting with Adolf Hitler, he said we have "peace in our time." Appeasement is a sign of weakness which only whets the appetite of dictators. Now we want to appease the Communist Chinese dictators once more, and we will lose because of it. I know, I saw first-hand the United States appease Ceausescu when I lived in Communist Romania for 6 years.

After last year's MFN, Beijing's human rights record is even worse. Persecution of Christians has increased. Nuclear weapons transfers are taking place, and slave labor continues.

Are we getting hurt in the trade relationship? We are really getting hurt. It mainly benefits Beijing. In 1995, the United States exported $11.7 billion of goods to China and we imported $45.6 billion in return, a colossal trade deficit of $33.9 billion.

In North Carolina, textile mills and other companies are closing down and people are losing jobs because of slave labor produced goods being dumped on the U.S. market. It is time to look out for America's interest in jobs. No MFN for Communist China.

GRANTING TAX BREAKS TO CORPORATIONS

(Mr. KLINK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLINK. Madam Speaker, we the people of the United States grant tax breaks to people in corporations who donate money to nonprofit organizations. Nonprofit status is granted so that services can be provided to the public. That means the public at large and where need occurs, with no regard to what political party you may or may not belong to.

Well, now this week there comes evidence in virtually every major newspaper in this country that the Speaker of the House of Representatives may have also manipulated a half dozen nonprofit organizations. They say it was in order to funnel $6 million toward helping the Republican Party gain control of our Government.

□ 1015

The question is, Is the Speaker guilty of criminal wrongdoing? We do not know, but we do know this. The Committee on Standards of Official Conduct had knowledge of this evidence, in this case, for many months, and they have not taken action.

Now, to our embarrassment, Congress, it is the news media that has taken action, where we in Congress have taken none. The time has come for Congress to clean its own House.

GOVERNMENT IS ALWAYS THERE WHEN IT NEEDS YOU

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Madam Speaker, today I call to your attention a study released yesterday by the U.S. Chamber of Commerce regarding the effects of Federal regulations on business.

The results are overwhelming.

One in six survey respondents reported having to lay off employees in order to offset the cost of Federal regulation compliance like the minimum wage, OSHA, and environmental laws.

Only 1 in 10 respondents said they had ever learned about a new Federal regulation from the agency that enacted it. In other words, "We'll come up with whatever we want, and it's your job to find out what that is."

Forty-four percent of the respondents who currently do not offer employee benefit plans said they would if Federal regulations were not so confusing.

Madam Speaker, I commend the U.S. Chamber of Commerce for conducting this study and I look forward to working with them and other Members of this body to get some commonsense reform to our heavy-handed regulatory process.

Some regulation is necessary but we have carried it to ridiculous levels. It is time for a change, Madam Speaker. It is time to unleash the potential of our economic system to create a better life for American workers.

CHARITABLE ACTIVITIES ARE COVER FOR LAUNDERING POLITICAL DONATIONS

(Mr. BONIOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR. Madam Speaker, yesterday, the L.A. Times reported that from 1984 to 1994, GOPAC ran a massive, $6 million tax fraud scheme that used six different nonprofit organizations as cover to defraud U.S. taxpayers and funnel money to its own political machine.

These are organizations that claimed to be involved in charitable activities—like helping inner-city youth and teaching kids to read through programs like Earning for Learning.

But in reality—the L.A. Times says—these were just a cover, part of a conspiracy to launder political donations and fuel a partisan, political agenda.

Madam Speaker, this cesspool has gone on long enough.

First, we had a $10 to $20 million GOPAC slush fund. Now, we have a $6 million tax fraud scheme.

We have got to get to the bottom of this. It's time that the individuals responsible for this fraud on American taxpayers are brought to justice and held accountable for their actions.

SUPPORT H.R. 3715, THE LAM DISEASE RESEARCH ACT OF 1996

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Madam Speaker, I rise today to speak about a rare but deadly disease called lymphangiomyomatosis, or commonly referred to as LAM. The disease is so little known, it is commonly misdiagnosed and we, therefore, lose many opportunities to find a cure for this disease. Currently, it is always fatal.

LAM affects only women, primarily women of childbearing age. Abnormal cells are spread throughout the woman's lungs, making breathing more and more painful and eventually causing death. Most victims of LAM die within 10 years of the onset of the disease.

The Federal Government does all sorts of things it should not do and it wastes literally billions of dollars every year on things like paying big corporations to advertise overseas, paying farmers not to grow crops. There is no legitimate Federal role in things like that, but there is an important Federal role in conducting research on killer diseases such as LAM.

Tht is why 15 of us, both Democrats and Republicans, have proposed the LAM Disease Research Act of 1996, devoting $5 million to help fight this disease. We ask our colleagues to join us in supporting this bill.

GOPAC

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Madam Speaker, who ran GOPAC from 1984 to 1994? We all know that it was our autocratic Speaker, NEWT GINGRICH, while as a Member of this body ran this very political Republican organization. Where did he get his money? Well, he got a lot of it from tax-exempt organizations, six of them, which he set up, which he ran. They got donations from the public to go to help children, to help college courses, to help learning disabled, and what did he use it for? He used it to elect the Republicans. That is what the Speaker did. It is pure fraud. And what is being done about it? Nothing.

The Committee on Standards of Official Conduct has permitted the special counsel to look into two of those, but not the other four. Why not? It is a coverup, folks. They are taking care of the Speaker. They do not want the American public to know that the Speaker used tax-exempt organizations, defrauded the people who sent the money down there. They thought it was going for kids. What did it go to? It went to elect Republicans.

VOTE TODAY TO HELP THE DISABLED AND THE ELDERLY

(Mr. LAZIO of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO of New York. Madam Speaker, this morning we are going to have an opportunity to stand up for the most vulnerable members of society, the disabled and the elderly. There will be an amendment that was debated on the floor yesterday that will be up for a vote. We will have a chance to step forward and to do something important in terms of providing shelter and housing to give people the ability to have a meaningful life who have disabilities and who are elderly.

Now, when we talk about the word "disabled," it is almost a sanitized word, but let us think about it in terms of the veteran who has returned from the war and who is in a wheelchair and lost his legs, or the 90-year-old grandmother who is in a wheelchair and wants her own home, not a nursing home, or the young girl who has lost her sight, and the young man who was born so mentally challenged that he needs the help that only a community house can provide to him.

In 1996, we were spending about $387 million out of a $30 billion budget for housing for the disabled. We are now talking about reducing funding down to $174 million. Please vote for the Lazio amendment that will restore about $40 million of that.

WEST GEORGIA STATE WILL INVESTIGATE CHARITABLE ACTIVITIES OF SPEAKER

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Madam Speaker, get in line. Even West Georgia State in the Speaker's home State is investigating the charitable activities of Speaker GINGRICH. Newspaper after newspaper, conservative and liberal alike, have questioned the Speaker's activities and his fundraising apparatus.

West Georgia College Foundation oversees the Speaker's reading charity, something called Earning by Learning. That charity pays schoolchildren to read books, and Speaker GINGRICH has said the charity is all volunteer, with all proceeds going directly to children.

But let me quote from Speaker GINGRICH's hometown paper, a paper which has supported him regularly.

> The vast majority of the charity's money was paid not to children but to college instructor Mel Steely and several of his colleagues. Steely, who served as Gingrich's campaign manager in 1986 and a congressional aide in the 1990's, is the charity's coordinator. Some of the work done by Steely and paid for with charitable funds apparently focused on Gingrich's reelection chances and was written on the Marietta Congressman's campaign stationery.

Madam Speaker, that is simply wrong.

CALL FOR APOLOGY TO MEMBERS SERVING ON COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Madam Speaker, 10 good men and women from this body, 5 from each side of the aisle, have responded to the request of their colleagues and their leadership to serve on the Committee on Standards of Official Conduct, known as the ethics committee. They have taken a responsibility on that most of us would shun, most of us would avoid, and they have done so with integrity, discipline, and the confidentiality required by the rules of the House.

These 10 good men and women deserve to be respected and appreciated. They do not deserve to have their work or their integrity called into question by people who are so full of zeal for vengeance on another of our Members they would ask this committee to violate its own standards.

I have seen a lot of speeches given from the well of the House, but never have I seen speeches that expressed so much disdain and lack of regard and appreciation for those 10 among us who would take on the toughest job we have to do. I would suggest apologies are in order.

MOVE TOTALITY OF COMPLAINTS AGAINST SPEAKER GINGRICH TO INDEPENDENT COUNSEL

(Mr. STUPAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUPAK. Madam Speaker, the Los Angeles Times said Gingrich politics got boosts from nonprofits. GOPAC's use of six tax-exempt agencies raises questions by legal experts and special counsel. Questions by legal experts and special counsel.

With all due respect to the majority leader, this House is under a cloud of suspicion that does not seem to go away because of the actions of the Speaker and GOPAC. As a former police officer, I just cannot understand why the Committee on Standards of Official Conduct has failed to investigate and has failed to refer this matter to a special prosecutor.

Take the totality of the circumstance, the six investigations, and send it to the independent counsel. It is foolish for politicians to be investigating politicians. Let us get it to the independent counsel, let us get to the bottom of these questions by legal experts and other specialists in the field and get it off this floor. Get the cloud off our head. Move it to the independent counsel.

TIME TO REFORM THE ENDANGERED SPECIES ACT

(Mr. BONILLA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONILLA. Madam Speaker, it is time to reform the Endangered Species Act and our people have waited long enough. Private property owners are sick and tired of the Federal Government stepping in and taking their land because the ESA cares more about bugs than about people.

There has been a lot of talk in this Congress about reforming the ESA to make it work for people and species. I commend the gentleman from Alaska, Chairman YOUNG, and the gentleman from California, Mr. POMBO, for the tremendous efforts in developing legislation to reform ESA. But this bill deserves our immediate attention. This is why I have chosen to go the extra mile for hard-working farmers and ranchers who have suffered the consequences of a bad law.

Today I am beginning the process of submitting a discharge petition to get much-needed ESA reform to this floor as quickly as possible. The current ESA legislation has failed to recover species. The ESA has saddled property owners with outrageous fines because of Federal designation of critical habitat.

ESA reform establishes a cooperative framework for these landowners to work together with the Government to protect species. The people of Texas want to conserve species and to protect the environment. I ask everyone in this Congress to support me and sign the Bonilla discharge petition.

APPROVE THE PRIVILEGED RESOLUTION AND STOP THE COVERUP

(Mr. DOGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOGGETT. Madam Speaker, I would say to the gentleman from Texas [Mr. ARMEY], the only apology that is due in this House is one from him for obstructing the investigation which ought to be occurring; an apology that is due to the American people.

I think one of the world's most majestic monuments is that which sits in this city honoring Abraham Lincoln. But apparently not content with that, NEWT GINGRICH and his crowd decided they would erect a second monument to Lincoln. They called it the Abraham Lincoln Opportunity Foundation. It was supposedly created to help poor teenagers, but it was converted into a vehicle to recruit more Gingrichites for Congress.

Political donors to this partisan organization were advised they could take a tax deduction just as if they were giving to their church or soup kitchen, even though what they were doing was supporting GINGRICH'S GOPAC farm team.

In the name of Lincoln, our tax laws were perverted and our democracy was polluted. It is time for this to end. It is time to explore these misdeeds. Approve the privileged resolution today and get to the bottom of this and stop the coverup.

WOMEN OF AMERICA WANT THE SAME THINGS THE REPUBLICAN CONGRESS DOES

(Ms. DUNN of Washington asked and was given permission to address the

House for 1 minute and to revise and extend her remarks.)

Ms. DUNN of Washington. Madam Speaker, when women back home in my district talk to me about what Congress is doing these days, I tell them that Congress is dealing with the very problems that women are concerned about.

Well, what is it that we women care about? We want opportunity for ourselves and our families. We want some sense that there will be a retirement system we can count on. We want personal safety. We want health care security. We want a homemaker IRA because we know that the work that is done inside the home is every bit as important, if not more important, than that work done outside the home.

I have found that my friends at home care about the very same things that this Republican Congress does, helping families keep more of their paychecks so they can decide how to do more for their children in their communities; saving Medicare for our parents and encouraging local answers as we solve the major problems of crime and education and protecting the environment.

Madam Speaker, our solutions are not complicated and they do not require congressional studies. I have found if I listen to the American woman and respect her advice, the answers are all there.

□ 1030

CALL FOR AN INDEPENDENT COUNSEL

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Madam Speaker, I do agree with my colleague from Texas, majority leader DICK ARMEY, in that the ethics committee members have a tough job, one that a lot of us do not want. But they also need to know when they need to refer it to a higher authority and in particularly a special counsel.

Let me quote today's Los Angeles Times when it says:

> In cases involving the Lincoln and West Georgia foundations, money that was intended to support troubled innercity teenagers and at-risk third graders was used instead to benefit GOPAC and to compensate a Gingrich confidant.

Six tax-exempt foundations were used to funnel money for political purposes. I know we have talked about tax cuts in this Congress, but that is the ultimate tax cut before we have even voted on it. We get a tax cut to contribute to political campaigns. Not even average folks can do that. That was taken away a good while back on tax reform.

But I think that is why we need to vote today for these special resolutions, the privileged resolutions by our colleague, the gentleman from Florida, HARRY JOHNSTON, to make sure that we have an independent counsel to investigate this use of the IRS tax deduction.

THE GRAY WHALE

(Mr. METCALF asked and was given permission to address the House for 1 minute.)

Mr. METCALF. Madam Speaker, this week the International Whaling Commission is meeting in Scotland. One of the major issues it is considering is whether to allow the Makah Tribe of Washington State to hunt and kill gray whales, which were on the endangered species list just 2 years ago. Incredibly the U.S. delegation to the commission supports the plan, but seven elders of the Makah Tribe strongly oppose the plan. One has questioned the motives of tribal officials, fearing the hunt will become a commercial enterprise.

According to the Seattle Post Intelligencer, one gray whale could fetch as much as $1 million in Japan. Norwegian whaling interests have offered the tribe harpoons and a boat. Thirteen native groups in Canada have already indicated their intention to resume whaling if the Makah Tribe is given a green light by the IWC. The Makah tribal leaders say they want to take only five whales a year; but then how many more would be taken by the other native groups? Where would commercial whaling stop if it is started?

SERIOUS CHARGES AGAINST THE SPEAKER

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Madam Speaker, unfortunately this House has now been presented with prima facie evidence of the serious charges against Speaker GINGRICH and the manipulation of, violations of, some very sacred laws in this country: the laws of how we conduct our elections and elect our people to represent us, the tax laws that protect the taxpayers of this country and try to encourage people to give money to nonprofit foundations to do good works on behalf of our society and the ethics rules of this House.

Those are the basic laws that speak from us to the people of this country. Now we see that the Speaker has been engaged in a widespread conspiracy to intentionally violate those laws. Now we see that the ethics committee is engaged in a widespread coverup of the investigation. The ethics committee must understand what Speaker GINGRICH understood about the ethics committee many years ago. It does not have the ability and has an inherent conflict trying to investigate the most powerful Member of this House. This investigation should be turned over to the special prosecutor.

FBI FILES AND THE WHITE HOUSE

(Mr. DICKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKEY. Madam Speaker, I come here in somewhat of a solemn fashion. I represent the Fourth District of Arkansas, the home district of the President of the United States. Because of that, I have studiously avoided publicly criticizing him in any way. Today I want to do that. I want to criticize him. I want to criticize the White House. The way that the FBI files have been handled is a disgrace. It is improper. It is causing unrest among the people of America, and something needs to be done about it.

The White House needs to make corrections in this area. We need to hear the full story and not have it dribbled out one press release and one rumor at a time. Mr. President, I ask you to stop this, to confess what has been done, send those people to the courts who have done these felonies and committed these crimes, and let us get on with the business of America.

THE SPEAKER'S ETHICS PROBLEMS

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Madam Speaker, I have never addressed the issue of the Speaker's ethics problems, but I am very concerned about what I read in the Los Angeles Times today. I do believe there is a need for a wider probe of the Speaker's use of nonprofit foundations for political purposes and appointment of an independent counsel.

This information about the Earnings by Learning project which basically was trying to help third grade students read, and now we find out that the majority of the money was actually paid to individuals who were associated with the Gingrich campaign and with the Republican campaign. It is inappropriate to use tax-exempt foundations that are for nonprofit purposes to help children and then turn around and have the majority of that money used for political purposes.

Now we are finding out that this is not just true in one case; this is true for a number of these tax-exempt foundations that were set up by Speaker GINGRICH and that were associated with him. The time has come for an independent counsel to look into every one of these foundations. Anything less than that is really a betrayal of the American people.

USE OF SURPLUS FEDERAL PROPERTIES FOR PUBLIC SAFETY NEEDS

(Mr. CALVERT asked and was given permission to address the House for 1 minute.)

Mr. CALVERT. Madam Speaker, I want to offer my condolences to the families and loved one of those killed in Saudi Arabia yesterday, another act of terror. Madam Speaker, under current law, the Bureau of Justice may transfer any surplus property which they administer over to the State and local authorities provided that the property is used for the establishment of prisons. I am introducing a bill that would allow State and local authorities to use surplus Federal properties and other public safety needs such as police and firefighting training facilities. This will help prevent terror and lawlessness in our own country. Prisons may still be build under this measure.

This bill provides flexibility to make the best use of these facilities, based on local needs.

This is particularly helpful for communities attempting to reuse closed or realigned military bases. I work closely with the Bureau of Justice on this measure and it has bipartisan support. I intend to introduce this legislation tomorrow. Please join me and cosponsor this important measure.

ETHICS COMMITTEE MUST STOP STALLING

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Madam Speaker, the Los Angeles Times details how House Speaker NEWT GINGRICH used six nonprofit foundations to funnel money for his own political profit. I quote:

> From 1984 to 1994, Gingrich and his cadre of key advisers used no fewer than six nonprofit groups to extend the reach of GOPAC, the partisan committee that fueled the successful 1994 Republican drive to gain control of the Congress. Together the foundations were part of a loose network of Gingrich-related enterprises dubbed Newt's world.

This is outrageous, it is unseemly and it is illegal. It violates Federal tax law that prohibits exempt organizations from any, any form of partisan politics. Those are the issues, serious issues. The serious questions are, why has not the Ethics Committee pursued the ethics compliant filed in January 1996 that alleges the misuse of the tax-free foundation called the Abraham Lincoln Opportunity Society? Why has not the committee forwarded these allegations to Special Investigator Cole? Can it be that in NEWT'S world the laws that the average person must abide by do not apply?

FUNDS FOR ELDERLY AND DISABLED HOUSING, SUPPORT FOR THE LAZIO AMENDMENT

(Mrs. JOHNSON of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Madam Speaker, I rise in strong support of the Lazio amendment to restore funding for housing for the elderly and disabled. The Lazio amendment would restore $140 million for section 202 elderly housing and section 811 housing for the disabled. This amendment is deficit neutral because it is offset from reductions in HUD's annual contributions fund, HUD's unallocated dollars.

By adding these funds over the life of these buildings, tens of thousands of our Nation's seniors and disabled persons will have housing opportunities they would otherwise not have. These funds not only provide affordable housing; they also provide those key supportive services that mean independence to seniors and our disabled citizens.

Madam Speaker, I strongly urge all Members on both sides of the aisle to support the Lazio amendment.

MORE ON THE ETHICS COMMITTEE

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Madam Speaker, it is a shame to have used children to raise funds for political campaigns. I believe an independent counsel is needed.

Madam Speaker, I yield to the majority whip, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Madam Speaker, I want to respond to the majority leader who came to the floor this morning. We have had repeated stories now, in the Washington Post, the Washington Times, the Atlanta Constitution Journal, the Los Angeles Times, papers all across this country, revealing that, as my colleagues have stated on the floor, there were six separate tax-exempt foundations in which the Speaker's committee GOPAC funneled money to the tune of about at least $6 million through.

We have waited for 6 months for the Committee on Standards of Official Conduct to act on a complaint that I filed 6 months ago. No action has been taken, not even an action to do a preliminary inquiry to investigate. They have not referred it to the outside counsel.

It is incumbent upon them to act in one way or another or to dismiss this case. But to sit there, let the clock run out, idle away the time so they can escape without any consequences by the end of this session is irresponsible. It is disrespectful to this institution.

PARLIAMENTARY INQUIRIES

Mr. DOGGETT. Madam Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Ms. GREENE of Utah). The gentleman will state it.

Mr. DOGGETT. Madam Speaker, if no motion to table is filed to immediately cut off debate on the privileged motion this afternoon on this matter about the Speaker's ethics, then will the gentleman from Georgia [Mr. LINDER] and all of his side have an opportunity to speak and ask questions at that time?

The SPEAKER pro tempore. The Chair is not ruling on that at this point. It would be appropriate to bring up at a later time.

Mr. LINDER. Madam Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LINDER. Madam Speaker, I have just heard several Members speak on the floor of the House with respect to matters that they claim the Ethics Committee is doing or not doing with regard to claims made against the Speaker. Is it appropriate, under the rules of the House, to refer to matters that are before the Ethics Committee when no one is supposed to know what they are discussing?

The SPEAKER pro tempore. The Chair will respond to the gentleman's parliamentary inquiry as follows:

It is an essential rule of decorum in debate that Members should refrain from references in debate to the conduct of other Members where such conduct is not the question actually pending before the House by way of a report from the Committee on Standards of Official conduct or by way of another question of the privileges of the House. This principle is documented on pages 168 and 526 of the House Rules and Manual and reflects the consistent rulings of the Chair in this and in prior Congresses and applies to 1-minute and special order speeches.

Neither the filing of a complaint before the Committee on Standards of Official Conduct, nor the publication in another forum of charges that are personally critical of another Member, justify the references to such charges on the floor of the House. This includes references to the motivations of Members who file complaints and to Members of the Committee on Standards of Official Conduct.

Clause 1 of rule 14 is a prohibition against engaging in personality in debate. It derives from article I, section 5 of the Constitution, which authorizes each House to make its own rules and to punish its Members for disorderly behavior, and has been part of the rules of the House in some relevant form since 1789. This rule supersedes any claim of a Member to be free from questioning in any other place.

On January 27, 1909, the House adopted a report that stated the following:

> It is . . . the duty of the House to require its Members in speech or debate to preserve that proper restraint which will permit the House to conduct its business in an orderly manner and without unnecessarily and unduly exciting animosity among its Members—(Cannon's Precedents, volume 8, at section 2497).

This report was in response to improper references in debate to the President, but clearly reiterated a principle that all occupants of the Chair in this and in prior Congresses have held to be equally applicable to members's remarks in debate toward each other.

Mr. DOGGETT. Madam Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOGGETT. Madam Speaker, in view of the Chair's statement, what mechanism exists under the rules for a Member of the House to bring to the attention here on the floor of the House the failure of the Ethics Committee to explore fully and thoroughly ethical complaints that have been pending for over 6 months against Speaker GINGRICH?

The SPEAKER pro tempore. Proper questions of privilege may be brought before the House. This is not now a forum, however, to restate allegations where there is not pending a parliamentary privilege.

Mr. DOGGETT. Madam Speaker, is the privileged resolution that the gentleman from Florida, Mr. HARRY JOHNSTON, has filed for consideration later today regarding the failure of the committee to thoroughly investigate these charges and refer them to a special counsel the type of motion that would be proper for presentation of these matters?

The SPEAKER pro tempore. The Chair will rule on that at the time the resolution is brought to the floor. It is not properly before the House at this time.

POINT OF ORDER

Mr. LINDER. Madam Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. LINDER. Madam Speaker, the references by the gentleman from Texas as to whether or not he believes the Ethics Committee has faithfully carried out its duty refers specifically to matters he appears to know are before the Ethics Committee, and I think it is out of order.

□ 1045

The SPEAKER pro tempore (Ms. GREENE of Utah). The Chair again asks all Members to follow the admonition of the Chair to abide by the rules of this House that have been in place since 1789.

MOTION TO ADJOURN

Mr. VOLKMER. Madam Speaker, I have a privileged motion which I send to the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. VOLKMER moves that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. VOLKMER].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. VOLKMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 55, nays 345, answered "present" 2, not voting 31, as follows:

[Roll No. 271]

YEAS—55

Barcia
Blumenauer
Bonior
Brown (OH)
Bryant (TX)
Clay
Clyburn
Collins (IL)
Collins (MI)
Conyers
Coyne
Dellums
Dicks
Dingell
Dixon
Doggett
Engel
Evans
Filner
Frank (MA)
Frost
Gejdenson
Gutierrez
Hastings (FL)
Hilliard
Hoyer
Jackson (IL)
Jefferson
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Klink
Levin
Lewis (GA)
Martinez
McNulty
Miller (CA)
Mink
Moran
Owens
Payne (NJ)
Pomeroy
Rangel
Rush
Slaughter
Stokes
Stupak
Thompson
Velazquez
Volkmer
Waters
Wise
Woolsey
Wynn

NAYS—345

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cummings
Cunningham
Davis
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Royce
Sabo
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Studds
Stump
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—2

Pelosi
Sawyer

NOT VOTING—31

Becerra
Browder
Brown (FL)
Chapman
Chenoweth
Coleman
Cubin
Danner
de la Garza
Fattah
Fields (TX)
Ford
Franks (NJ)
Graham
Hinchey
Johnson (SD)
Lincoln
McCrery
McDade
McDermott
Norwood

Peterson (FL)
Pombo
Riggs
Roth
Roybal-Allard
Stockman
Talent
Torres
Torricelli
Wilson

☐ 1106

Messrs. LIVINGSTON, NUSSLE, RICHARDSON, ABERCROMBIE, FLANAGAN, FLAKE, and BISHOP changed their vote from "yea" to "nay."

Mrs. COLLINS of Illinois changed her vote from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall vote numbers 272 and 273, taken earlier today. Had I been present, I would have voted "aye" on both rollcall 272 and rollcall 273.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2740

Mr. CRANE. Madam Speaker, my name was inadvertently added as a cosponsor of H.R. 2740. I ask unanimous consent that my name be removed as a cosponsor of H.R. 2740.

The SPEAKER pro tempore (Ms. GREENE of Utah). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. LAZIO of New York. Madam Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: the Committee on Banking and Financial Services; the Committee on Economic and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on the Judiciary; the Committee on National Security; the Committee on Resources; the Committee on Science; the Committee on Small Business; the Committee on Transportation and Infrastructure; the Committee on Veterans' Affairs; and the Permanent Select Committee on Intelligence.

Madam Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3666).

☐ 1109

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, with Mr. COMBEST in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, June 25, 1996, the bill had been read through page 58, line 21.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 456, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: the amendment offered by the gentleman from New York [Mr. LAZIO]; amendment No. 46 offered by the gentleman from Connecticut [Mr. SHAYS]; amendment No. 41 offered by the gentleman from Vermont [Mr. SANDERS]; and amendment No. 15 offered by the gentleman from Colorado [Mr. HEFLEY].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. LAZIO OF NEW YORK

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New York [Mr. LAZIO] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. LAZIO of New York:

Page 19, line 9, after "$5,372,000,000" insert "(reduced by $140,000,000)".

Page 19, line 19, after "$800,000,000", insert "(reduced by $140,000,000)".

Page 20, line 18, after "$595,000,000" insert "(increased by $100,000,000)".

Page 20, line 24, after the dollar amount insert "(increased by $40,000,000)".

Mr. LEWIS of California. Mr. Chairman, with almost the entire House present, and with the number of votes that are coming forth, I ask unanimous consent to have 1 minute on my side and 1 minute for the gentleman from Ohio [Mr. STOKES] to briefly outline what these votes are.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. LAZIO of New York. Reserving the right to object, Mr. Chairman, we have had a debate on this yesterday. I was kind enough to allow the gentleman from Florida [Mr. CANADY] to go twice out of order. We had to roll the vote until today so that we had the opportunity to live within the context of the agreement with the other side.

If this is an opportunity to debate this issue one more time and spin it in a way against those offering amendments, I would have to press this objection.

Mr. LEWIS of California. Mr. Chairman, I withdraw my unanimous consent request.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 353, noes 61, not voting 19, as follows:

[Roll No. 272]

AYES—353

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilirakis
Bishop
Blumenauer
Blute
Boehlert
Boehner
Bonior
Bono
Borski
Boucher
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coburn
Collins (GA)
Collins (MI)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cummings
Cunningham
Danner
Davis
DeFazio
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hoekstra
Hoke
Holden
Horn

Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Rush
Sabo
Salmon
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stokes
Studds
Stupak
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Wynn
Young (FL)
Zeliff
Zimmer

NOES—61

Abercrombie
Barr
Barton
Beilenson
Berman
Bilbray
Bliley
Bonilla
Brewster
Brown (CA)
Bryant (TX)
Bunning
Callahan
Coble
Collins (IL)
Conyers
Cooley
Coyne
Deal
DeLay
Dellums
Foglietta
Frank (MA)
Furse
Geren
Hansen
Hastings (FL)
Hilliard
Hobson
Hostettler
Houghton
Istook
Jones
Kennedy (RI)
Knollenberg
Kolbe
Lewis (CA)
Livingston
Lofgren
McCarthy
Meek
Millender-McDonald
Miller (CA)
Minge
Mink
Pelosi
Peterson (MN)
Reed
Regula
Sanders
Sanford
Schroeder
Stark
Stenholm
Stump
Vucanovich
Walker
Waters
Woolsey
Yates
Young (AK)

NOT VOTING—19

Becerra
Browder
Coleman
Laughlin
Lincoln
McDade
Peterson (FL)
Cubin
de la Garza
Fattah
Roybal-Allard
Slaughter
Talent
Torres
Fields (TX)
Ford
Hinchey
Torricelli
Wilson

□ 1129

The Clerk announced the following pair:

On this vote:

Mr. Torres for, with Mrs. Cubin against.

Mr. DELLUMS, Mr. MINGE, Mrs. SCHROEDER, Ms. WOOLSEY, and Mrs. COLLINS of Illinois changed their vote from "aye" to "no."

Messrs. LIGHTFOOT, COMBEST, HALL of Texas, and LEWIS of Georgia, Ms. MCKINNEY, and Mr. FRELINGHUYSEN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BILBRAY. Mr. Chairman, while I intended to vote "no" on rollcall vote No. 272, when voting by electronic device, my vote was unfortunately recorded as "aye."

AMENDMENT NO. 46 OFFERED BY MR. SHAYS

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 46 offered by Mr. SHAYS: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS", after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MISSION SUPPORT", after the last dollar amount, insert the following: "(reduced by $15,000,000)".

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 177, noes 236, not voting 20, as follows:

[Roll No. 273]

AYES—177

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Beilenson
Berman
Bilbray
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (OH)
Burr
Camp
Campbell
Castle
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Durbin
Engel
English
Ensign
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Furse
Ganske
Gejdenson
Gephardt
Geren
Gilchrest
Gilman
Gonzalez
Greenwood
Gunderson
Gutierrez
Hamilton
Harman
Heineman
Hilliard
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
LaHood
Lantos
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Longley
Lowey
Luther
Maloney
Manton
Markey
Martini
McCarthy
McCrery
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Moran
Morella
Myrick
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pomeroy
Porter
Pryce
Rahall
Ramstad
Rangel
Reed
Riggs
Rivers
Roemer
Ros-Lehtinen
Roukema
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Stark
Stokes
Studds
Stupak
Torkildsen
Towns
Upton
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Weller
Williams
Woolsey
Yates
Zimmer

NOES—236

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bono
Brewster
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Cardin
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cramer
Crane
Crapo
Cremeans
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Frisa
Frost
Funderburk
Gallegly
Gekas
Gibbons
Gillmor
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson, Sam
Johnston
Jones
Kanjorski
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lofgren
Lucas
Manzullo
Martinez
Mascara
McCollum
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Mollohan

Montgomery
Moorhead
Murtha
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Portman
Poshard
Quillen
Quinn
Radanovich
Regula
Richardson
Roberts
Rogers
Rohrabacher
Rose
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Traficant
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—20

Ballenger
Becerra
Browder
Coleman
Cox
Cubin
Fattah
Fields (TX)
Ford
Hinchey
Lincoln
Matsui
McDade
Peterson (FL)
Roybal-Allard
Slaughter
Talent
Torres
Torricelli
Wilson

☐ 1137

The Clerk announced the following pair:

On this vote:

Mr. Torres for, with Mrs. Cubin against.

Mr. MORAN and Ms. JACKSON-LEE of Texas changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. SLAUGHTER, Mr. Speaker, I was unable to be present for rollcall vote numbers 272 and 273, taken earlier today. Had I been present, I would have voted "aye" on both rollcall 272 and rollcall 273.

AMENDMENT NO. 41 OFFERED BY MR. SANDERS

The CHAIRMAN. The unfinished business is the demand for the amendment offered by the gentleman from Vermont [Mr. SANDERS] for a recorded vote on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 41 offered by Mr. SANDERS: Page 37, line 13, after the first dollar amount, insert the following: "(reduced by $1,411,000)".

Page 64, line 9, after the dollar amount, insert the following: "(increased by $1,411,000)".

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 358, noes 55,

[Roll No. 274]

AYES—358

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blumenauer
Blute
Boehner
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Ramstad
Reed
Regula
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Rush
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zimmer

NOES—55

Baker (LA)
Barton
Bateman
Beilenson
Bliley
Boehlert
Bonilla
Brown (FL)
Chrysler
Clay
Clayton
Combest
Coyne
DeLay
Ehlers
Fields (LA)
Gekas
Geren
Hansen
Hastings (FL)
Hilliard
Hobson
Jackson (IL)
Jefferson
Knollenberg
Lewis (CA)
Lewis (GA)
Livingston
McDermott
Meek
Moran
Morella
Myers
Payne (NJ)
Pryce
Quillen
Radanovich
Rangel
Riggs
Roth
Roukema
Sabo
Schroeder
Serrano
Skeen
Smith (MI)
Stokes
Taylor (NC)
Thomas
Velazquez
Vucanovich
Walker
Waters
Watt (NC)
Zeliff

NOT VOTING—20

Becerra
Browder
Coleman
Cox
Cubin
de la Garza
Fattah
Fields (TX)
Ford
Gephardt
Hinchey
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Talent
Torres
Torricelli
Whitfield
Wilson

☐ 1144

The Clerk announced the following pair:

On this vote:

Mr. Torres for, with Mrs. Cubin against.

Messrs. WELLER, SAWYER, and LAZIO of New York changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. HINCHEY. Mr. Chairman, due to a delay this morning I did not make it to the floor to vote on several rollcall votes. On rollcall No. 274, the Sanders amendment to increase funding for the Court of Veterans Appeals, I would have voted "yes." On rollcall No. 273, the Shays-Lowey amendment on increasing funds for the Housing Opportunities for Persons with AIDS amendment I would have voted "yes." The funding for this program has remained flat for the last 3 years while the number of AIDS cases has increased by an additional one-third in that time and the number of States and cities qualifying for grants has increased by 23 percent. We must do better—this Congress should not be abandoning people with AIDS and having them live on the street.

PERSONAL EXPLANATION

Mr. TALENT. Mr. Speaker, on June 26, I

1997 VA/HUD appropriations bill because I was unavoidably detained. Had I been present, I would have voted as follows:

On rollcall vote 272, I would have voted "yes";

On rollcall vote 273, I would have voted "no"; and

On rollcall vote 274, I would have voted "yes."

AMENDMENT OFFERED BY MR. HEFLEY

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado [Mr. HEFLEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HEFLEY: Page 37, after "$962,558,000" insert "(reduced by $42,000,000)".

Page 69, line 8, after "$46,500,000" insert "(increased by $20,000,000)".

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 260, noes, 157, not voting 16, as follows:

[Roll No. 275]

AYES—260

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bono
Borski
Boucher
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bunn
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Conyers
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
Davis
Deal
DeFazio
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Eshoo
Evans
Ewing
Farr
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hinchey
Hoekstra
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Inglis
Istook
Jacobs
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Klug
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Leach
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lucas
Luther
Manzullo
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Montgomery
Moran
Murtha
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Pallone
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Ramstad
Reed
Richardson
Riggs
Rivers
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Visclosky
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Young (AK)
Young (FL)
Zimmer

NOES—157

Abercrombie
Ackerman
Baesler
Barrett (WI)
Bateman
Beilenson
Berman
Bonilla
Bonior
Brown (FL)
Brown (OH)
Bryant (TX)
Bunning
Callahan
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Coyne
Cummings
de la Garza
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Durbin
Edwards
Ehlers
Engel
Everett
Fazio
Fields (LA)
Filner
Flake
Foglietta
Frank (MA)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hobson
Hoke
Hoyer
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennelly
Kildee
Kleczka
Knollenberg
Kolbe
Lantos
Lazio
Levin
Lewis (CA)
Lewis (GA)
Livingston
Lowey
Maloney
Manton
Markey
Matsui
McNulty
Meehan
Meek
Menendez
Minge
Mink
Moakley
Molinari
Mollohan
Moorhead
Morella
Myers
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Parker
Pastor
Payne (NJ)
Pelosi
Pryce
Quillen
Radanovich
Rahall
Rangel
Regula
Rogers
Roukema
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (TX)
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Towns
Velazquez
Vento
Volkmer
Vucanovich
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Zeliff

NOT VOTING—16

Becerra
Browder
Coleman
Costello
Cubin
Fattah
Fields (TX)
Ford
Hilleary
Lincoln
McDade
Peterson (FL)
Pickett
Roybal-Allard
Torres
Wilson

☐ 1151

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. McKEON) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in order to lay the foundation very briefly for a unanimous consent to inform the Members that we have somewhere in the neighborhood of only 30 or 40 amendments left on this bill. There seems to be some agreement coming together, and some of those hopefully will fall off because of duplication and so forth.

But by way of expediting the time for the Members, I will be asking unanimous consent for a 10-minute time limitation on a series of amendments. So if the Members will bear with me, I ask unanimous consent for a 10-minute time limit on the following amendments: one amendment by the gentleman from Louisiana [Mr. FIELDS]; one amendment by the gentleman from Michigan [Mr. HOEKSTRA]; one amendment by the gentleman from Indiana [Mr. HOSTETTLER]; one amendment by the gentleman from Illinois [Mr. DURBIN]; one amendment by the gentleman from Massachusetts [Mr. KENNEDY]; similarly by the gentleman from New Jersey [Mr. PALLONE]; two by the gentleman from Indiana [Mr. ROEMER]; one by the gentleman from Pennsylvania [Mr. WALKER]; one by the gentleman from Connecticut [Mr. GEJDENSON]; all in title III.

It will be 10 minutes on a side.

The CHAIRMAN. The Chair would ask, the unanimous-consent agreement is for 10 minutes total or 10 minutes on each side?

Mr. LEWIS of California. Ten minutes on a side.

The CHAIRMAN. On each amendment and all amendments thereto?

Mr. LEWIS of California. On each of those amendments mentioned and amendments thereto, that is correct.

Mr. Chairman, this will not restrict other amendments being brought forth that have been filed. It is on those specific areas.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. STOKES. Reserving the right to object, Mr. Chairman, I do not intend to object, but I would just pose a further question to the gentleman from California. By 10 minutes per amendment, does the gentleman mean each side, a total of 20 minutes on those that we agree upon, is that correct?

Mr. LEWIS of California. Mr. Chairman, if the gentleman would yield, the gentleman is correct. I would almost desperately hope that neither of us would want to take all that time.

Mr. STOKES. Time will also be controlled by the offerer and the chairman, is that correct?

Mr. LEWIS of California. Mr. chairman, the gentleman is correct.

Mr. Chairman, my staff helps me a little. I failed to recognize that on this list as prepared that my own amendment is not on the list and that needs to be included, as well. I think probably my staff wanted to cut me off, but I know the gentleman would not want to do that.

Mr. STOKES. Mr. chairman, I certainly would not want to do that. I would want the gentleman's amendment to be included.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Ms. HARMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do so on behalf of myself, my colleague from New York, Mr. BOEHLERT, in order to engage the gentleman from California, Mr. LEWIS, chairman of the VA-HUD Subcommittee, in a colloquy regarding NASA's Mission to Planet Earth.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I would be happy to engage in a colloquy.

Ms. HARMAN. Mr. Chairman, as you know, Mission to Planet Earth is one of NASA's most important and relevant programs. It will benefit our environment by providing scientific information on global climate change. It will benefit our economy by providing farmers with a better understanding of how climatic conditions like El Nino can affect their crops. I understand the budget constraints under which the subcommittee must operate and commend the gentleman for the job he is doing within them, but I am very concerned by the proposed $220 million cut in this bill, especially in light of the National Research Council's recent review of the U.S. Global Climate Change Research Program and NASA's Mission to Planet Earth, which stated that further budgetary cuts would hurt Mission to Planet Earth.

Is the gentleman from California aware of this recommendation by the National Research Council and does he agree with it?

Mr. LEWIS of California. If the gentlewoman will yield, first I appreciate the gentlewoman raising this subject.

I am indeed aware of the National Research Council's recommendation which states that the program requires an adequate and stable level of funding. I would like to ensure the gentlewoman and the House that I agree with this recommendation and believe that Mission to Planet Earth must have sufficient fiscal year 1997 funds to succeed.

As the gentlewoman knows, there is strong bipartisan support for Mission to Planet Earth and its programs in the Senate. When we go to conference with the Senate on the VA-HUD bill, I expect to spend a lot of time dealing with this program.

Ms. HARMAN. Mr. Chairman, I appreciate those remarks, and as the chairman knows, I am particularly concerned about the near-term components of the Earth observing system, EOS, including the P.M.-1 and CHEM-1 missions.

☐ 1200

Does the chairman agree with the National Research Council that these near-term components should be implemented without delay?

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I agree with the NRC that the program's first group of components should not be delayed. Neither this bill nor its accompanying report instructs NASA to terminate or delay these very important missions.

Mr. BOEHLERT. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from New York, and I commend him for his bipartisan leadership on issues such as this.

Mr. BOEHLERT. Mr. Chairman, like the gentlewoman from California, I strongly support NASA's Mission to Planet Earth. I view this program as a crucial piece of our Nation's commitment to environmental research and development. I would like to emphasize that Mission to Planet Earth is truly about science. As the chairman knows, the National Research Council stated that the science underlining the U.S. Global Climate Change Research Program and Mission to Planet Earth is fundamentally sound.

Does the chairman agree with this assessment?

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I agree with the National Research Council that the program is scientifically sound. I believe that we need Mission to Planet Earth to provide us with better scientific understanding of global climate change. I believe that this remote sensing data will help regulatory agencies make sound, scientifically based risk assessments.

As I stated earlier, I support Mission to Planet Earth, and I will keep this program in the forefront of my mind when we go to conference with the Senate. I commend the gentlewoman from California [Ms. HARMAN] and the gentleman from New York [Mr. BOEHLERT] and many others on both sides of the aisle for their work in support of Mission to Planet Earth.

Ms. HARMAN. Mr. Chairman, reclaiming my time, I thank my friends for their comments.

Mr. BARR of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I thank the gentleman from California [Mr. LEWIS], the chairman of the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, for agreeing to enter into this colloquy on a very important matter.

Mr. Chairman, I would like to seek clarification of the committee's intent with regard to the Clean Lakes Program. I note that the committee report designates $100 million for the Clean Lakes Program and specifically for section 319 projects under the Clean Water Act. I would like to know if it is the intent of the committee to allow section 314 projects to be funded from the $100 million designated for section 319?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BARR of Georgia. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, it is the committee's intent to allow for section 314 projects under the Clean Water Act to be funded with the $100 million designated for the Clean Lakes Program.

In fact, the State is authorized to use any portion of the $100 million under the State and tribal grants heading for section 314 projects. It is vital that we allow States to set their own priorities for specific lake water projects and, in fact, last year we granted States the flexibility to set their own priorities for pollution control projects most critical to that individual State.

Mr. BARR of Georgia. Mr. Chairman, reclaiming my time, would the chairman be willing to incorporate this clarification in report language as the bill emerges from conference?

Mr. LEWIS of California. Mr. Chairman, if the gentleman will continue to yield, I would be happy to work with the gentleman to incorporate into the conference report a clarification of the committee's intent.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take this opportunity to engage in a colloquy with the gentleman from California, Chairman LEWIS, about the air quality crisis in the Hunts Point area of the South Bronx, NY, where there is a concentration of waste transfer and sewage treatment facilities.

Mr. Chairman, I have been working closely with the Environmental Protection Agency and the regional authorities about this air quality crisis at Hunts Point over the past year. Over 43 waste transfer facilities are located in the Hunts Point community area, and over 70 percent of New York City's sludge is processed in this area. Asthma and respiratory illness in Hunts Point are higher than the city average. Over 25 percent of the 1,100 students at Public School 48 have asthma and are frequently hospitalized. In one first grade class alone 47 percent of the students have asthma and 33 percent have been hospitalized.

Would the chairman agree that the Environmental Protection Agency should continue to commit resources and work closely with my congressional office and State and local officials to continue to identify and, if possible, mitigate any environmental causes of this problem?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, to my colleague from New York I say that these types of local problems must be addressed, and EPA can offer particular expertise and guidance in providing solutions. I strongly urge, EPA to continue to work closely with him, as well as with State and local officials, to resolve this problem as quickly as practicable.

Mr. SERRANO. Mr. Chairman, reclaiming my time, it would be helpful if the Environmental Protection Agency made an effort to evaluate and correlate the very specific air emissions that are present at the time that health problems affecting the children in my congressional district actually take place.

Would the chairman agree that the Environmental Protection Agency should conduct air quality testing in conjunction with the occurrence of specific health incidents during the next phase of testing?

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield further, the relationship between air quality problems and its impact upon people's health is fundamental to all of these efforts. The situation you describe certainly seems to fall within EPA's particular expertise, and again, I join the gentleman in encouraging EPA to review this matter and to bring to bear its own expertise and resources along with the expertise resources of the State and the local governments.

Mr. BASS. Mr. Chairman, I move to strike the last word to enter into a very brief colloquy with my distinguished colleague from California, the chairman of the subcommittee.

The gentleman and I have had numerous discussions about the plight of the Johns Manville site in Nashua, NH. This is an abandoned asbestos manufacturing plant that poses a serious threat to the health and public safety to the city of Nashua. The danger was evidenced when one of the buildings on the site experienced a partial collapse of its roof. Fortunately, the weight of the snow on top of the building prevented the release of asbestos. Nevertheless, a recently issued report indicates that any further collapse or fire at this site could necessitate a full-scale evacuation of the area's residents.

Unfortunately, the cleanup cost analysis included in the recent report was not available in time to seek funding for this project through the normal committee process. The new report indicates that the site should qualify for emergency funding and may require up to $5.3 million for the cleanup.

From previous conversations, I know the chairman understands the importance of the project to my district. Therefore, I would like to ask him if he and the committee can work with me to address this dire situation.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BASS. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I must say to the gentleman that he certainly made me aware of this project and its problems and I commend him for his hard work on this issue.

The committee is very much concerned and aware of the situation that the gentleman from New Hampshire [Mr. BASS] has described and we are willing to pursue whatever avenue is available to address it.

Mr. BASS. Mr. Chairman, reclaiming my time, I thank the gentleman very much for his willingness to work on this matter.

Mr. TORKILDSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I seek recognition in order to engage the distinguished chairman of the appropriations subcommittee in a colloquy.

I want to inquire of the subcommittee chairman with regard to the bill before us, the VA–HUD and Independent Agencies Appropriations Act of 1997. Specifically, I am inquiring as to the committee's commitment to alleviate the disproportionate financial burden on families and businesses on the North Shore of Massachusetts due to the cost of complying with the federally mandated Clean Water Act.

My district includes communities within the South Essex Sewage District, known as SESD, which is in the midst of a funding crisis. Families will soon face water and sewage rates in excess of $2,000 a year to pay for federally imposed clean water mandates. The effects of these rates on families will be devastating, and the rate of increase may force some businesses to relocate elsewhere.

Also, the communities of Gloucester, Amesbury, Manchester By-the-Sea, Rockport, Essex, Ipswich, Salisbury and Lynn are facing similar funding crises.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. TORKILDSEN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the gentleman from Massachusetts has been diligent in making the subcommittee aware of the severity of the water and sewer rates on the North Shore of Massachusetts. To say the least, the gentleman does not exactly twist my arm, but I am very aware of these problems.

Complying with the Clean Water Act is a costly endeavor. I would assure the gentleman this committee is committed to alleviating the financial burdens associated with the Clean Water Act which are passed down from the Federal Government to families and businesses throughout the country, but particularly in his area the severity of this challenge is great.

Accordingly, we have placed $1.35 billion in the State revolving fund. Due to budget constraints, the subcommittee was challenged to provide minimum funding this year, let alone funding for new starts.

Mr. TORKILDSEN. Mr. Chairman, reclaiming my time, I wish to thank the chairman for his leadership on this issue. I am concerned, however, whether the subcommittee's policy precludes the chair from working with the other body in the conference committee to secure additional funds for some worthy new starts.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will further yield, I would answer your question by saying it simply indicates how serious the gentleman is about pursuing this matter.

Clearly, the other body is entitled to raise whatever issues it chooses in our upcoming conference, and I expect the Clean Water Act mandate funding to be addressed. When the issue be raised, I can assure my colleague I will work with the gentleman to find a solution to the problems of water and sewer mandates on the North Shore of Massachusetts.

Furthermore, I will recommend to the conference committee that should additional funds become available priority be given to water and sewer projects, including SESD and the others the gentleman has made reference to on the North Shore of Massachusetts.

I thank the gentleman from Massachusetts for bringing this issue to the committee's attention and in particular the personal time he has spent write me.

Mr. TORKILDSEN. Reclaiming my time, Mr. Chairman, I want to thank the distinguished chairman, and my friend and colleague for clarifying this most important point. I look forward to working with him in the upcoming conference.

Mr. DEAL of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage the distinguished chairman of the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations in a colloquy regarding language to encourage the establishment of an outpatient VA clinic in Gainesville, GA.

This is an area located in rural Hall County, and there are close to 10,000 veterans who must travel over 200 miles to receive services at the VA hospital in Atlanta. This language was included under an amendment No. 4 to the statement of the managers in the conference report on VA-HUD appropriations in fiscal year 1996, that being H.R. 2099.

I would ask the distinguished chairman if the committee would continue to encourage the outpatient VA clinic be established in Gainesville, GA?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. DEAL of Georgia. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am pleased to join with my colleague from Georgia in this colloquy, and I want to say to the gentleman that I am very sensitive about the problems in Gainesville as well as the problems of veterans who live in rural America.

The gentleman may know that my own district is very much a rural district. In fact, in the desert portion of my territory we can comfortably fit four Eastern States, so I am acutely aware of the distances veterans must travel for care.

Please be assured that the committee continues to want to help veterans in rural areas and will continue to encourage the VA to establish an outpatient clinic in Gainesville, GA.

Mr. BUNN of Oregon. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to enter into a colloquy with the chairman of the subcommittee, the gentleman from California.

Mr. Chairman, I would first like to applaud the chairman of the subcommittee for the excellent work he has done in crafting a very balanced bill. However, I am concerned that this year's bill before the House does not include funding for the wastewater operator training grants under section 104(g) of the Clean Water Act.

As the chairman knows, this is a program that provides assistance to small communities to help them comply with the demands of the Clean Water Act. I have supported this program in the past and continue to be supportive. I ask the chairman, is it his intent that the administration should continue this program within the funds provided in this bill?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BUNN of Oregon. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the answer is yes, it is my intent that the administration continue with this program.

Mr. BUNN of Oregon. Mr. Chairman, reclaiming my time, I thank the gentleman for that clarification.

If the other body specifically includes funding for the program, would the distinguished chairman consider accepting the other body's recommendation?

Mr. LEWIS of California. Mr. Chairman, if the gentleman will continue to yield, I very much appreciate the gentleman bringing forward this colloquy, and I want to assure the gentleman that I will not oppose funding for the program if the other body provides it. We are working very closely with the committee in the other body on this matter and matters that are similar.

Mr. BUNN of Oregon. Mr. Chairman, reclaiming my time, I thank the chairman for his assistance on this issue. It is greatly appreciated.

□ 1215

Mr. RIGGS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all I want to thank the distinguished subcommittee chairman and my good friend, the gentleman from California [Mr. LEWIS], and the other members of the subcommittee for their hard work and tireless dedication to producing a bill that is fiscally responsible and good for America's veterans.

This 1997 VA, HUD appropriation bill fulfills a bipartisan commitment, a long-standing bipartisan commitment to the northern California veterans who served our country in the armed services. Specifically, the bill provides for phased construction of a replacement VA medical center at Travis Air Force Base located in Fairfield, CA, in my congressional district. As the gentleman, Mr. LEWIS, knows, there is a great need for an additional acute care medical facility in northern California as a result of the closure of the veterans medical center facility in Martinez, CA, after the 1989 earthquake. Northern California veterans should be able to obtain the necessary medical care within their designated catchment area, and that northern California catchment area includes 400,000-plus military veterans.

Currently the same veterans have to drive up to 8 hours to the nearest medical facility. Last year in the face of severe budgetary pressures and in view of our commitment as the new congressional majority to balancing the Federal budget in 7 years or less, the Congress appropriated $25 million for a state-of-the-art outpatient clinic at Travis Air Force Base to be located adjacent to the David Grant Medical Center Air Force Hospital.

I viewed these funds as a place holder, an adequate first step that would provide a foundation for additional funding for phased construction of the replacement hospital. The VA will build the replacement hospital adjacent to the existing military hospital at Travis Air Force Base and it will be a coventure between the VA and the Department of Defense. The plan is innovative and an ideal choice since much of the infrastructure is already in place and these two facilities will be able to share medical technology and other high-cost services.

As a veteran myself, I wholly understand the sacrifices made by veterans and their families while serving our country. The replacement VA medical center at Travis represents the fulfillment of a 6-year-old commitment spanning the last two Presidential administrations. The effort to replace the Martinez facility has enjoyed broad bipartisan support in the Congress.

At this time I would like to confirm my understanding with the distinguished subcommittee chairman that funding for phased construction of the replacement VA medical center at Travis Air Force Base in the fiscal year 1997 VA, HUD appropriations bill is at $57.1 million and that would be the $25 million from fiscal year 1996, reprogrammed for the replacement hospital, plus an additional $32.1 million in this bill.

I also wish to confirm that this will provide the Veterans' Administration with full first-year funding to begin phased construction of the hospital.

Mr. Chairman, I yield to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I must say to the gentleman, I very much appreciate the opportunity to enter into this colloquy with him regarding this very important matter.

The gentleman may be aware of the fact that over 20 years ago, as a result of another earthquake, a major VA hospital that collapsed in southern California. The replacement hospital is located in an area that serves both my district and the district of Congressman GEORGE BROWN and others in southern California. This facility is very important to veterans who live in rural communities, similar to the long distances that Mr. DEAL was talking about earlier.

It is important for the gentleman to know that, the House as well, to know that there is indeed $57.1 million between the fiscal year 1997 and 1996 VA, HUD appropriations bills to begin phased construction of the replacement hospital at Travis Air Force Base. This subcommittee remains and will continued to be committed to fully funding and completing construction of the replacement Travis Hospital.

I also want to emphasize to my colleague that funding for this hospital at Travis is included in this bill because, to say the least, Mr. RIGGS has been waging a highly intensive campaign on its behalf. Furthermore, that full-phased construction of the Travis Hospital would not be possible, if a place holder for funding had not been adopted by way of a clinic, as we did our work in 1996.

This is a very, very difficult time in terms of funding availability. Earthquake replacement hospitals seem logical but, nonetheless, my colleague has had to struggle because of very scarce dollars. Yet those people who we are committed to serve, especially in rural areas, to deserve this kind of response. I salute the gentleman for his tenacity and dedication as a tireless advocate for his district and northern California veterans.

Mr. RIGGS. I thank the gentleman, Mr. Chairman.

I include for the RECORD a newspaper letter to the editor entitled Saluting the Real Heroes in the Drive for a VA Hospital.

[From the Vacaville Reporter, June 22, 1996]

SALUTING THE REAL HEROES IN THE DRIVE FOR A VA HOSPITAL

REPORTER EDITOR: This is in response to a letter to the editor (The Reporter, June 1) in which the writer states he is not one of Kelli Eberle's veterans and that Congressman Frank Riggs was not effective in obtaining funding for the Department of Veterans Affairs Hospital at Travis Air Force Base.

Few have worked longer or harder at securing funding for the VA hospital than Frank Riggs and his efforts at securing funding within his own party have finally been successful.

I would like to ask the writer the following questions:

When is the last time you wrote a letter or called your representative in support of the VA hospital?

When was the last time you attended an Operation VA meeting?

In addition to his efforts in Congress, Frank Riggs has also been in constant contact with Solano County veterans.

The real heroes are: Art Jarrett and Robert Fletcher of the American Legion, who have written thousands of letters and made hundreds of phone calls to veterans organizations and representatives, lobbying for the VA hospital; the city of Fairfield, for having the courage to spend money in support of this project; and the people of Operation VA, who have spent the last four years working and lobbying for the VA hospital.

For the record, one of the most active advocates of the VA hospital is Kelli Eberle. I, and the 30-plus signers of this letter, am proud to have Kelli refer to me as one of "her veterans."

JEFFREY L. JEWELL,
President, United Veterans Memorial Association, plus 30-plus signers.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. HOSTETTLER] be permitted to offer amendment number 54 on page 64, line 4, a portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. HOSTETTLER

Mr. HOSTETTLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOSTETTLER: Page 64, after line 4, insert the following new item:

ELIMINATION OF FUNDING FOR CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Each amount appropriated or otherwise made available by this title for "Corporation for National and Community Service" is hereby reduced to $0.

The CHAIRMAN. Pursuant to the order of the committee of today, the gentleman from Indiana [Mr. HOSTETTLER] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. HOSTETTLER. Mr. Chairman, first of all, I want to thank the distinguished chairman of the Subcommittee on VA, HUD, and Independent Agencies and the distinguished ranking member for allowing me to proceed out of order.

Mr. Chairman, I rise today on behalf of taxpayers and concerned citizens in my district and across the country, to appeal to my colleagues to help me defend a wasteful bureaucracy. In addition, there is an even more basic principle at issue here that I will touch on in a moment.

Mr. Chairman, I am offering an amendment to eliminate funding for AmeriCorps and its office of inspector general.

Now before I go any further in explaining my amendment, I want to remind everyone in this Chamber of a very important fact. When the VA/HUD appropriations bill came to the floor last year—it came without any funding for the AmeriCorps Program.

In fact, the VA/HUD appropriations bill also passed the Senate—without any funding for the AmeriCorps Program. It was only in the final omnibus appropriations bill, which was passed and signed into law, that we funded AmeriCorps.

Let's not allow our appropriations bills to be held captive again in order to fund a program that goes against the best interests of this country's fiscal health and our children's future.

I would also like to remind the Members in this Chamber and the American people, that when President Clinton signed into law the National and Community Service Trust Act of 1993, he created one of the largest so-called volunteer service bureaucracies in history—that is, AmeriCorps.

Not only does this program compete with depression-era programs in size, it also competes with the Pentagon in examples of outrageous spending, such as $900 hammers, and the NEA in ludicrous granting of funds.

AmeriCorps was founded upon President Clinton's idea of a new kind of public-private partnership—whereby the Government splits community service costs with the private sector. However, a 1995 GAO audit found that the agency received little support from the private sector, and instead relied heavily upon public support.

Less than 12 percent of the program's per-participant costs were leveraged from the private sector.

The remaining 88 percent, $309 million in 1994, was funded by the taxpayers.

The same GAO report shows annual costs can range from about $22,200 to as high as $66,715 per participant.

It isn't surprising then that the GAO audit finds volunteers working for Federal agencies cost the public an average of $31,000 each.

I find it quite a paradox that we are paying individuals to volunteer for the Federal Government.

I would also like to share with the rest of America what they don't always get to hear: That is, AmeriCorps promotes a politically correct agenda, earning it the name "P.C. Corps" by the Washington Monthly.

Taxpayers may be shocked to know that AmeriCorps recruits volunteers such as former gang members and ex-convicts to engage in activities such as teaching sex education to children, providing HIV courses to sixth-graders, and using methods such as a soft-core porn novel to teach character development.

Moreover, after my colleague, Mr. HOEKSTRA, discovered in congressional hearings that much of AmeriCorps' books were unauditable, the House Opportunities Committee began to investigate.

Oddly enough, the committee found a number of questionable grants, including a $400,000 grant to the AFL–CIO to provide financial management training to AmeriCorps grantees.

And although the act which established the program clearly states that no funding or participant shall be used to directly benefit any partisan political organization, AmeriCorps has predictably funded liberal advocacy groups.

I wonder if the people know that part of a $1.2 million grant to a local coalition in Denver was used to require AmeriCorps members to distribute campaign-related leaflets opposing a city councilman's re-election bid? Fortunately for the taxpayers, this grant was withdrawn after reports surfaced.

Such flagrant use of taxpayers' dollars does not even take into account that AmeriCorps volunteers often can be seen at administration photo-ops and media events, bearing their now familiar grey AmeriCorps T-shirts and cheering for President Clinton and Vice President GORE. It's no wonder that the President supports this program, Mr. Chairman.

But there is a larger issue at work here, too. How long do we allow the Federal Government to wrestle away the power of the people to join together out of civic virtue in order to meet our communities' needs?

At what costs to society and liberty do we allow the Federal Government to demean the entire ideal of citizenship by paying workers to volunteer?

My friend, Balint Vazsonyi says, "The spirit of voluntarism is being choked by coercion." Mr. Chairman, I couldn't agree more. Our Government wants to replace active civic compassion with coercive community service programs.

We need to support the kind of civic virtue that promotes private voluntarism—not the kind that is bought with Federal tax dollars by a government that crushes the spirit of citizenship and undermines the value of personal and civic responsibility.

Finally, with soaring budget deficits and a more than $5 trillion national debt, I am standing up for the taxpayers who cannot support such a proposition any longer.

I believe it was Representative HOEKSTRA who wrote in regard to AmeriCorps: "Like many Washington programs, good intentions and bad philosophy equal wasted money and disappointing results." Mr. Chairman, AmeriCorps boils down to nothing more than a Federal jobs program. It must be eliminated on the basis of economics and principle.

That is why I am asking all of my colleagues to support this amendment to eliminate AmeriCorps funding.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member who seeks recognition in opposition to the amendment?

The gentleman from Ohio [Mr. STOKES] is recognized for 10 minutes.

Mr. STOKES. Mr. Chairman, I ask unanimous consent to yield half of my time to the chairman of the subcommittee, the gentleman from California [Mr. LEWIS].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment to take all of the money out of the AmeriCorps program. I think we made substantial progress this year by putting this money in and avoiding the veto that we received last year of this legislation. This is a program that the President has initiated. It is a program that he feels is a national program to help the young people of this Nation be active in terms of the kind of jobs that they perform on behalf of the Nation, and they proceed to acquire their educations.

I think it is important for us to look at the fact that this is a bipartisan program. I think AmeriCorps takes a great deal of pride in the fact that it is bipartisan. Two-thirds of the AmeriCorps programs are chosen by governor-appointed State commissions, three-fifths of which are headed by Republicans to address local needs.

It is a program that works. An evaluation of the AmeriCorps programs found that just one-tenth of AmeriCorps members taught 23,641 students, tutored 24,867 individuals, mentored 14,878 youth, helped 2,551 homeless people find shelter, planted more than 210,000 trees, collected, organized, and distributed 974,103 pounds of food and 5,000 pounds of clothes, developed and distributed 38,546 sets of information about drug abuse, street safety, health care, and other issues.

□ 1230

They also ran violence prevention, after-school programs for 49,632 youth, performed energy audits for more than 18 million square feet of buildings, levied 69,369 hours of service by unstipended volunteers.

In additional to it, I think one of the factors that is very important is that a recent 1995 GAO report concluded that AmeriCorps almost tripled the amount it was required to raise from noncorporation sources in its first year. Congress directed AmeriCorps programs to raise $31 million. They raised $91 million. Of this amount, $41 million, a figure more than the amount required from all sources, came from the private sector alone. We think this financial support proves that leaders at the local level across the country feel that AmeriCorps is an effective way to meet the needs of their communities.

Mr. Chairman, I do not know of any greater investment that we can have than the amount of money we are putting into investing in the young people of this country. They are the future of this country. As we move into the year 2000, the 21st century, it seems to me that we ought to be doing more to equip our young people for the future leadership that we are going to give them for this country.

I would urge the Members to reject the gentleman's amendment and vote "no" on the gentleman's amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

My colleagues, I must say that this is the first occasion, at least in my recollection, that I have seen the gentleman from Indiana [Mr. HOSTETTLER] present an amendment on the floor, at least on one of my bills. I must say, as I was watching him make that presentation, he reminded me of one of my brothers, and I wondered what he was doing here, a younger brother, I might mention, Mr. HOSTETTLER. Unfortunately, for that and other reasons, I rise reluctantly to oppose the amendment by my colleague.

I do realize that not all the Members of the House support the AmeriCorps program. There are a couple of other potential amendments that would impact funding of the corporation as well. I know that Members may differ as to why they do not support the AmeriCorps program.

I personally have felt from our first involvement in this program that we needed to carefully evaluate its effectiveness. We are in the midst of trying to continue to move forward on that evaluation at this very moment. I believe the program has merit and deserves a chance to prove itself. I am also very sensitive to some of the questions that have been raised by my colleague. He particularly mentioned one that involved campaign activity, which I must say, if it did actually take place, would be against the law. I am sure the corporation is not advocating that sort of activity. However, some young person could have found themselves in excess, and we want to review that sort of activity with great care.

As stated in a committee report, there is need for a further independent evaluation of this program. But lack of further evaluation does not warrant eliminating the program, at least at this point.

I also believe that Senator Wofford, who is making beneficial modifications to the program, has provided a good deal of energy and time, not just working on the program, but communicating to us about his efforts. Zeroing out the funding for the Corporation for National and Community Service simply ignores the experience of this past year. There is no way that I can see where this bill can be signed into law without funding for the corporation. I mean it made the bill veto bait doing the fiscal year 1996 debate.

So let me suggest to my colleagues that there are two points here. First, the House has been very responsive to the work of the committee dealing with a very, very difficult series of Federal responsibilities, balancing one program or agency against another. At this point in time, I don't believe that we should inject an item that would very likely lead to a veto of all this work. It does not matter to me specifically in terms of the level of funding, but indeed to zero out the program would help none of us in the final analysis.

We have been down this road before; I do not wish and do not believe the leadership wants to have last year's fight all over again. Mr. Stokes and I both want this bill to be signed. I think it is a bill the President will be able to sign when we get through the conference, and so I urge the Members on that basis and others to vote "no" on this amendment.

Mr. HOSTETTLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, this is a program that, I think, is a little misguided. It is a failed Government program. It does follow the liberal mantra of the need for perceived voluntarism in America. Whenever there is a problem, let us come up with a program, and once again we have done that with our Federal Government. But it sends such a confusing message.

The American College Dictionary says a volunteer is someone, and I quote, someone who does charitable work or helpful work without pay, end of quote. Well, AmeriCorps pays people even while there are 89.2 million Americans, according to the independent survey conducted in 1994, 89.2 million Americans 18 and over volunteer about 4.2 hours per week, and yet we have a program here that pays volunteers $31,000 per year. That is $15.65 per hour. It includes health insurance; it includes a stipend to go to college. It is not the type of voluntarism that is the American tradition.

It also takes money away from programs that could be very valuable like Pell grants or like money for volunteers. People have actually risked their lives for this country, and yet they get better benefits by being a paid volunteer. And where do these people work? Well, 1,200 of these AmeriCorps volunteers are at the Department of Ag, 525 are at the Interior Department, 210 at the Justice Department, 135 at the EPA, 60 at the National Endowment for the Arts.

Another example is the political activity during the Summer of Safety, quote unquote, program in San Francisco. They were out there campaigning against the three strikes and you're out provision in the crime bill.

This is what President Clinton called citizenship at its best. I think most taxpayers disagree.

Although I respect the goals of the young men and women who are involved in the AmeriCorps, I admire the other 89.2 million Americans who truly volunteer without pay. They volunteer their time, they volunteer their energy and their spirit. Let us not fool ourselves and the American people into believing that AmeriCorps has anything to do with true voluntarism or true citizenship.

Mr. Chairman, this amendment is a commitment to both true spirit of voluntarism and to reducing the Federal deficit. I support its adoption.

Mr. STOKES. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] has 1½ minutes remaining, the gentleman from California [Mr. LEWIS] has 1½ minutes remaining, and the gentleman from Indiana [Mr. HOSTETTLER] has 2½ minutes remaining.

Mr. STOKES. Mr. Chairman, I ask unanimous consent that we be given 10 additional minutes to be equally divided.

The CHAIRMAN. Five minutes on each side?

Mr. STOKES. That is correct, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. DINGELL], ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Chairman, the idea of terminating AmeriCorps is perhaps appealing if one does not know the issues, but it is very dangerous and unwise if the facts are analyzed which are involved here.

Thousands of young Americans have been educated and benefited by this; enormous public good has been achieved by the program. The program is cost effective. It pays back better than $1.54 to $3.90 for every dollar that is invested. It has generated thousands of volunteer hours by nonparticipants. It has come in well below the costs per participants, better than a thousand dollars less per participant. It raised $41 million in the private sector during the first year alone.

This is something which appeals to Republican Governors. Governor Engler, Governor Weld, Governor Wilson, Governor Merrill all support AmeriCorps. Religious groups, the Catholic Network of Volunteer Service, the Episcopal Church, Aguda Israel of America and more support AmeriCorps. Corporations like General Motors, IBM, Microsoft, American Express, Nike, Tenneco, Bell South, U.S. Health Care, Home Depot support AmeriCorps. Even the wives of our Presidential candidates, Hillary Clinton and, to my Republican colleagues I would observe, Elizabeth Dole, support this program.

In Michigan alone it has stimulated the creation of some 13 major programs. Better than 400 participants a year are involved in this, and the work on behalf of the State of Michigan has been productive indeed.

Why then would we want to terminate a program which is showing such tremendous success on behalf of the people? Why would we want to terminate a program which has such widespread beneficial consequences and such enthusiastic support of prominent and responsible Americans? I cannot conceive of a reason. Perhaps someone can better that.

I urge rejection of the amendment.

Mr. HOSTETTLER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Nebraska [Mr. CHRISTENSEN].

Mr. CHRISTENSEN. Mr. Chairman, I rise in support of the amendment because I strongly support balancing the Federal budget by ending wasteful Government spending.

Mr. Chairman, the AmeriCorps Program is just that, a wasteful Government program. The Hostettler amendment will end the boondoggle that the AmeriCorps Program has stood for, and I believe it will end it once and for all.

We have worked very hard to balance the budget these last 2 years, and I do not believe that we have a dime to spare for the feel good programs that do not really have any purpose. Ending AmeriCorps is the right thing to do.

Let us look at the facts. AmeriCorps costs the U.S. taxpayer a breathtaking $600 million a year. That is over $21,000 a year per volunteer, with more than half the money drained away by the bloated administrative costs.

What do grantees get out of this? Well, besides a very heartwarming experience they could do for free, they get $5,000 toward their college education. Well, I am all in favor of encouraging college education, which is why my Republican colleagues and I voted to increase the student loan program, but AmeriCorps manages to spend $21,000 to give young people a $5,000 grant for college. Well, would it not make more sense just to hand over the $5,000 without spending the other $16,000? Instead, President Clinton, instead of cutting this program, he wants to expand it. Yes, he would like to spend $6 billion over the next 5 years expanding this program.

Well, Mr. Chairman, the Corporation for the National Service, which oversees the AmeriCorps Program, spends millions of dollars for contracts to provide, quote, training to its grantees. Who does that training? Well, a $400,000 contract to the AFL–CIO, the big Washington labor bosses who provide the financial management training. Well, how interesting. From this program alone our Nation is handing out $400,000 to the labor bosses who are trying to buy Congress for themselves and the liberals that they favor. No wonder the President and his liberal followers enjoy the AmeriCorps Program so much. It doles out money to liberal groups that lobby for his reelection and for his liberal policies.

An editorial entitled "AmeriCorps Programs Should End," in my local paper, the Omaha World-Herald, put it best. It says the program will teach a new contingent of young Americans the glories of landing on the public payroll, thereby carrying on a Democratic tradition of more Government, more benefits, and more make-work jobs. That is the editorial out of the Omaha World Herald, July 18, 1995.

The article is as follows:

[From the Omaha World Herald, July 18, 1995]

AMERICORPS PROGRAM SHOULD END

Sen. Charles Grassley of Iowa has looked again at the numbers behind President Clinton's AmeriCorps program and come to an inescapable conclusion: The program should be ended.

It is a costly boondoggle. It costs an average of $27,000 for each volunteer, Grassley said, using figures from the General Accounting Office. More than half the spending is on administration.

The five-year program consumers $600 million a year, Grassley said, and involves 20,000 "volunteers," who are paid a salary and provided medical benefits, child care and tuition waivers. They are assigned to government agencies or nonprofit organizations. Clinton has said he wants the program to expand every year until 100,000 people are enrolled. He has estimated the cost at $6 billion over five years.

All that to deliver a college-tuition certificate worth less than $5,000 to each participant. If the goal were merely to hand out tuition money, it could obviously be achieved more efficiently by putting the money in an envelope and mailing it to anyone who managed to be accepted by a college or university.

As government programs go, this one is spectacularly inefficient and breathtakingly expensive.

Defenders contend that the program has much more to it than merely the distribution of tuition assistance. It is intended to "re-knit community," they contend, although exactly how the program will re-knit anything has yet to be explained. More probably, the program will teach a new contingent of young Americans the glories of landing on the public payroll, thereby carrying on the Democratic tradition of more government, more benefits and more make-work jobs.

But taxpayers seem to be getting tired of all that. Witness what happened Nov. 8 to the make-up of both the House and the Senate. So Congress may have a better idea about whether re-knitting communities with a national service corps should be among the highest priorities.

Facts such as those highlighted by Grassley provide effective ammunition against the program. It only remains for Congress to consider again the message that voters conveyed so emphatically last November—and then act on it.

Mr. Chairman, I support this amendment because it makes the right choice in ending a wasteful Government program. That is the necessary step in our fight for a balanced budget.

As my colleagues know, it would be nice to turn volunteers back into what they originally were meant to be, and that is a volunteer, and as the gentleman from Wichita, KS [Mr. TIAHRT] said, a volunteer is someone who works without pay.

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Mr. STOKES. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, I rise in opposition to the Hostettler amendment.

Mr. Chairman, my colleague's amendment is misguided and shortsighted. We should be engaged in expanding AmeriCorps, not in its elimination.

Almost 3 years ago, when Congress created the AmeriCorps Program, we expected great things from national service. The Congress expected AmeriCorps to help communities meet their public service needs with real results.

We expected AmeriCorps to unite individuals from different backgrounds in the common effort to improve our communities.

We expected AmeriCorps to encourage its members to explore and exercise their responsibilities to their communities, their families, and themselves.

Today, almost 2 years after the first 20,000 AmeriCorps members hit the field in over 1,000 communities across the country, the Corporation for National Service and its AmeriCorps Program has met every one of these expectations. And in many cases, it's exceeded them.

The essence of the Republican opposition lies in the fact that they don't want to support something so closely identified with President Clinton, especially something that's been proven as successful as AmeriCorps. Mr. HOSTETTLER, and the rest of my Republican colleagues know that the President will veto this bill if this amendment passes.

I believe that the attacks on AmeriCorps are not based on merit. In 1995, the General Accounting Office reported on the status the National Service programs.

In the GAO's year-long review of AmeriCorps the GAO confirmed the corporation's statements about its funding for each AmeriCorps member.

The GAO said that the corporation's resources total about $17,600 per member. In testimony before the Congress earlier this year, the corporation projected its costs at approximately $18,800 per member. This is precisely in line with what the Congress directed the program to spend. The GAO also saw accomplishments that are consistent with the purpose of the national service legislation, concluding that AmeriCorps is fulfilling the mission we gave it in all of its detail and complexity.

Finally, the GAO's figures show that the AmeriCorps programs have far exceeded anyone's expectations regarding their ability to raise nontaxpayers' dollars to support their programs. Congress told AmeriCorps that it had to meet our commitment to national service with $31 million in locally based matching funds this year. From the private sector alone, the AmeriCorps programs raised $41 million. Every cent of this money came from private donations—not taxpayer dollars—from individuals and over 600 companies and foundations. The decision on whether or not to continue national service will tell us a lot about ourselves. We should put partisan politics aside. Let's work together to continue to provide young people an opportunity to help themselves, as they help our communities and learn service as a way of life. AmeriCorps has kept its promise to the American people. The Congress should, too.

Mr. STOKES. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Illinois [Mr. DURBIN], a member of the Committee on Appropriations.

Mr. DURBIN. Mr. Chairman, I rise in opposition to this amendment. I think it is noteworthy that this is being sponsored and spoken for primarily by the freshman Republicans in this House of Representatives. Those who have followed their agenda over the last year and a half will not be surprised that they would come out for an amendment to end AmeriCorps.

This amendment is mean-spirited. This amendment is cynical. This amendment says to young men and women who are willing to give a year or two of their lives in public service for the lowest wages, with the chance at the end of it that they will get a $5,000 scholarship, they are saying that this is wasteful. Wasteful. Wasteful, that these young men and women would take the personal responsibility for their own lives and futures, and be willing to give back to this country?

Mr. Chairman, this is the same spirit that motivated the Peace Corps under President Kennedy, to say to young men and women, step forward, serve your country, do something, and we will be proud of you, and you will be proud of your experience. But these freshman Republicans will hear none of that. For them, it is a liberal boondoggle. They have forgotten, many of them, how many times they have had to turn to the Government for college student loans.

We should vote against this amendment and stand up for the idealism that this program represents.

Mr. HOSTETTLER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, the gentleman from Michigan, asked us to give one reason why AmeriCorps should be eliminated. I can think of many. Perhaps let us go back to what the President said he was going to give us when he promised us AmeriCorps: a well-run, businesslike program; a national service corporation which will run like a big venture capital outfit, not like a bureaucracy.

This year we had oversight hearings. We had oversight hearings because we asked Arthur Andersen, the auditors who took a look at AmeriCorps, to tell us what they found. Over $300 million of taxpayer funding per year. The auditors came back and said this corporation that was going to be the benchmark for the private sector, the corporation lacks strong management controls, the corporation lacks data integrity, the corporation lacks data security, the corporation has failed to segregate accounting duties, the corporation lacks budgetary controls, the corporation could not prepare reliable financial statements. The bottom line: The benchmark of Government service is a program whose books are not auditable.

Mr. Chairman, stopping a program like that is not mean-spirited; it is realistic, and it is being good stewards of the taxpayers' dollars. The problem with AmeriCorps is, yes, those radical Republican freshmen, they have a vision for service. They know what makes America great. The authentic American spirit is, in 1993, 89.2 million American adults volunteered in this country. They gave on an average of 4.2 hours per week, or 19 billion hours of total service, with an estimated value of $182 billion.

Americans also contributed $126 billion in charitable causes. This is in addition to the $324 billion the American people spent on assistance to the poor in Federal, State, and local taxes. We have a great volunteer spirit.

The problem in Washington, Mr. Chairman, is that we think Washington defines voluntarism. We believe that the bureaucracies on Independence Avenue, which is more like Dependence Avenue, that they are better equipped to define volunteers; that this faceless bureaucrat in Washington can better define what needs to happen at the local level in voluntarism; that we ask American taxpayers not to send money to charities directly, because they cannot make that decision, send it to Washington so we can make that decision for them, so we can be the bureaucrat that says, "This charity in your community deserves support. This one does not."

End this program. Move decisionmaking back to where it should be, back to the local citizens, back to the taxpayers. Let them decide which charities to support, not the Federal Government, which cannot even keep its own books.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Chairman, I rise in order to offer a different perspective on the same set of hearings we just heard commented about. The amendment, which would eliminate funding for AmeriCorps, ignores the steps that have been taken to answer the concerns that have been raised and that were investigated at that series of hearings. We heard about the progress to correct the shortcomings. While I initially shared many of the concerns we have heard discussed here about cost overruns or potential political abuses, we have found that even the strongest critics from the other body have worked out a 10-point program which the director presented at these hearings to deal with the AmeriCorps Program and to strengthen its administration, based on its start-up experience.

We had hearings on the financial standards, and in fact the director came in and made a commitment to working with the inspector general, with the auditors, Arthur Andersen and Williams, Adley, to correct its financial weakness. In fact, one of the opponents to this, one of the critics of the program from the Financial Executives Institute at this hearing gave away his time and decided not to use his prepared statement after hearing the director's testimony. Instead, he offered his assistance to the Corporation for National Service, based on the trust that he had seen pledged there.

"I think there is a sincere desire to do this now," he said, to work this out, "and I will pledge whatever resources my committee and FEI has to help the organization achieve what is within reach," and that is a clean audit. But do not leave it to me to suggest this.

Let me just close by suggesting what the Governor of Massachusetts, Republican Bill Weld, said of AmeriCorps: "It is a fine deal all the way around, and possibly one of the most intelligence uses of taxpayer dollars ever."

In the words of Republican Governor John Engler of Michigan, he said, "AmeriCorps captures the promise found in all citizens, young and old, who see the problem in their communities and work together to solve those problems." This is community-driven, community decisionmaking, and community problem-solving from the grass-roots up. We should do no less with AmeriCorps itself. I urge that we reject the amendment.

The CHAIRMAN. For clarification purposes, the Chair would like to indicate, for the dividing of time, since the unanimous-consent request for the additional 5 minutes on both sides was made by the gentleman from Ohio [Mr. STOKES], the Chair granted the additional 5 minutes to the gentleman from Ohio and to the gentleman from Indiana [Mr. HOSTETTLER].

That being the case, the gentleman from Ohio [Mr. STOKES] has 1½ minutes remaining, the gentleman from California [Mr. LEWIS] has 1½ minutes remaining and the gentleman from Indiana [Mr. HOSTETTLER] has 1 minute remaining. The gentleman from Ohio [Mr. STOKES] has the right to close.

Mr. HOSTETTLER. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, a few minutes ago I met with a number of high school students out on the House steps. They had a lot of questions, particularly as it pertained to the deficit. I reminded them about my record and I told them about my priority: Education. I was a cosponsor of this bill when it first came up several years ago. It sounded like a wonderful idea.

But we have spent more than $1 billion so far and it just has not worked. In fact, the statistics have come out and said that it is an average of about $26,000 a student. That is not worth it. As we look at education, the needs for parents today to send their kids, sons and daughters, on to higher education, it is important that those doors are open, but not at $26,000 a student. We can find a lot of Pentagon coffee pots to buy before we buy a pig in a poke like this program here. I would just urge my colleagues to support this amendment. We have tried it for a couple of years. It has not worked.

As I have talked to my students and families in higher education institutions, there is not a lot of love for this program. It does not work. We need to be surgeons here, particularly with the deficit we have today. We need to weed out programs that do not work. I urge my colleagues to vote "yes".

Mr. STOKES. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I rise in opposition to the Hostettler amendment. In just 2 years, AmeriCorps has made it possible for thousands of young people to realize the dream of an affordable college education. AmeriCorps participants earn part of their tuition by working in their communities.

In my district, AmeriCorps members are protecting the environment in the Berkshires, under the direction of those Berkshire County communities. They are tutoring low-income students in Gardner, and they are working with the police department on community policing and elder abuse protection, the Triad Program, in Holyoke. At a time when college costs are skyrocketing, AmeriCorps presents a good way for students to earn money to pay their tuition while working in their communities.

To quote again from the Republican Governor of my State, and I quote, "The Federal Government shouldn't pass up the opportunity national service represents to help people help themselves." I urge a no vote on the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Indiana [Mr. HOSTETTLER] to close.

Mr. HOSTETTLER. Mr. Chairman, I just want to close by pointing out a few things. A vote for this amendment is not a vote against volunteerism. Let me highlight what the American Heritage College Dictionary says that a volunteer is. A volunteer is a person who performs or offers to perform a service of his or her own free will, or to do charitable or helpful work without pay.

It was alleged earlier that weaknesses have been taken care of as a result of some work done inside the corporation, but I need to point out that since that hearing, that there has only been action to take care of 9 of 33 material weaknesses in the corporation. Usually with one of those situations, any other corporation would be out of business.

It was also alleged earlier that for some reason freshmen of the House, of the Republican side of this House, have offered this initiative. The fact is that we are freshmen, and by the very nature of that term, we have been out in the real world before we came to Congress, before we came to this Capitol Hill address. We have seen real volunteerism at work. We have seen, and we know the statistics are true, that 90 million Americans every year volunteer. This is a vote for fiscal soundness and not against volunteerism.

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge all Members of the House to defeat this amendment. Some in the well a few moments ago said we need more surgeons here. I disagree with the gentleman. We need to train more of our young people in America today to be surgeons. We need to make a greater investment in the young people in this country.

I would hope that today the Members of this House will show that they have great faith in our young people in this country, and want to give them the chance and the opportunity by defeating this amendment. I urge a "no" vote.

Mr. LEWIS of California. Mr. Chairman, I simply ask the Members for a "no" vote, and I yield back the balance of my time.

Ms. PELOSI. Mr. Chairman, I rise in opposition to the amendment to decrease AmeriCorps funding.

The AmeriCorps National Service Program gives Americans of all backgrounds the opportunity to serve our country and defray the cost of a college education. It is not a wasteful program, as some critics contend, unless you truly believe that public service and increased educational opportunity are wasteful.

In response to Mr. HOSTETTLER's contention that the AmeriCorps Program represents coercive volunteerism, I remind him that members of the U.S. armed services are also compensated financially and are praised, as they should be, for their volunteer efforts to protect and defend our country.

AmeriCorps members increase volunteerism. Harris Wofford and the Corporation for National Service are committed to maintaining a cost-effective, productive program through public-private partnership.

This innovative program has produced impressive results in increased volunteerism and access to higher education. More than 20,000 AmeriCorps participants each year have met needs in communities while realizing the dream of a college education. This program represents a solid investment in our young people, who represent the future of America.

In a Congress determined to slash education funding, we must recognize the AmeriCorps Program as a student financial aid program that reaps significant rewards for local communities.

Ms. DELAURO. Mr. Chairman, here they go again. As NEWT GINGRICH and his Republican leadership team slash Federal funding in such critical areas as education, the environment, and housing, they often refer to the growing need for nonprofit charitable and religious organizations to take on more responsibility in meeting critical needs in these areas. At the same time they are calling for these institutions to shoulder a greater burden, however, they are intent on destroying one of the newest and most innovative resources such groups have to increase their capacity to handle these additional responsibilities.

The AmeriCorps Program strengthens traditional volunteering. From the Boys and Girls Clubs to the YMCA, America's largest and most respected volunteer organizations all utilize and vigorously support AmeriCorps. Habitat for Humanity, one of Speaker GINGRICH's favorite nonprofits, has become an enthusiastic partner of AmeriCorps. They've experienced first hand how the full-time sustained presence of AmeriCorps members helps them accomplish more, while at the same time teaching them to use occasional volunteers more effectively.

In my congressional district, this partnership was used to create LEAP—Leadership, Education, and Athletics in Partnership [LEAP]. LEAP was designated an AmeriCorps Program by the Corporation for National and Community Service in August. LEAP helps about 1,000 inner-city children build their learning skills through mentoring and community support.

LEAP is best known for its summer program. During the summer, college and high school students serve as counselors in public housing developments where the kids whom they counsel live. The program has both academic and social components. The kids spend 3 days a week in a classroom environment. They learn things such as swimming, photography, and the like.

Participating college students are from New Haven area colleges. The high school students are all from New Haven public schools and, in most cases, serve their own, or nearby, neighborhoods.

With a grant from AmeriCorps, contributions from individuals, private and corporate foundation and other grants, LEAP's budget has doubled. And for every 900 hours of service to AmeriCorps, students receive $2,300 toward their student loans or college tuition payments.

AmeriCorps enhances the work of traditional volunteer organizations, while allowing them to significantly expand their reach and enhance their accomplishments. Charities and religious institutions—the backbone of the voluntary sector in America—view AmeriCorps as a tool to increase their capacity to deal with social problems.

I urge my colleagues to vote against the tide of funding cuts to programs that help our Nation's kids. Vote against the Hostettler amendment.

Mr. DINGELL. Mr. Chairman, I am certain most of our colleagues remember the bruising fight waged last year in an attempt to end funding for the AmeriCorps Program.

I am equally certain that most of our colleagues remember the loud public outcry and the Presidential veto which occurred once that misguided priority was passed by the Congress.

And lastly, I am perfectly certain that most of our colleagues remember the large bipartisan majority who eventually voted to increase AmeriCorps funding. While some of my colleagues may have voted "yes" in an effort to keep the Government open, I voted "yes" because I believe AmeriCorps is a vital example of the good work Government can do.

The gentleman from Indiana has offered an amendment to reverse this bipartisan agreement to preserve AmeriCorps. It also would reverse the efforts of the VA–HUD Appropriations Subcommittee and the full Appropriations Committee to provide the funding needed to sustain this program. Both of these committees have voted in support of funding the well-run, highly popular AmeriCorps Program.

I plan on following the recommendations of the Appropriations Committee. I will vote to continue funding for AmeriCorps, with my only regret being that difficult budget circumstances make it unlikely that Congress can provide the full amount this program deserves.

I hope that, at minimum, the 399 Members who voted in favor of increasing AmeriCorp funding in last year's Omnibus Appropriations bill join me once again in support of this worthwhile program.

The question raised by the gentleman from Indiana remains: Can our country afford to reward voluntarism in this period of fiscal austerity? My answer, and the answer of the appropriators is "yes," which is why we have before us a program that will return as much as almost $4 to the taxpayers for every dollar spent.

Investing in AmeriCorps volunteers, produces homes in poor neighborhoods, feeds the hungry, shelters the homeless, cleans the cities and towns, teaches the uneducated.

Investing in AmeriCorp volunteers, produces a core of educated youth who have learned a strong dedication to their fellow Americans with sweat and toil.

Mr. Chairman, with that education, and that volunteer ethic, AmeriCorp participants are going on to make our country a more prosperous, and more compassionate, place to live.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER].

The question was taken; and the chairman announced that the nose appeared to have it.

Mr. HOSTETTLER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] will be postponed.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I ask unanimous consent to offer an amendment to a portion of the bill not yet read.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. DURBIN: Page 65, line 16, after the second dollar amount, insert the following: "(reduced by $1,500,000)".

Page 66, line 8, after the dollar amount, insert the following: "(increased by $1,500,000)".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. HOEKSTRA. Reserving the right to object, Mr. Chairman, may I just have an explanation? I believe my amendment was up next.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentleman from Illinois.

Mr. DURBIN. Certainly, Mr. Chairman, I thought I had spoken to the chairman of the committee.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I would tell the gentleman, it is a matter of other business taking place around the Capitol that is very important now. If we have a series of votes now, that will not help that process, so we are going to delay the vote on this and the gentleman's amendment will follow.

Mr. HOEKSTRA. The agreement is my amendment will come up after the vote on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER]?

Mr. LEWIS of California. The logic is that if that should pass, there is not a need for a lot of other amendments.

Mr. HOEKSTRA. I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

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The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Illinois [Mr. DURBIN] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

This amendment which I offer restores $1.5 million for the Environmental Protection Agency for a program known as the Toxic Release Inventory. To put this in layman's terms, we are talking about chemicals. We all understand from our human experience that chemicals are very important. They are important of course in medicine, they are important of course in our commerce, and they are important in our daily lives. But we also realize that chemicals can be dangerous, and toxic chemicals by definition are dangerous in nature.

So in 1988, we said to the Environmental Protection Agency under this Toxic Release Inventory Program that they should monitor the toxic chemicals across the United States to determine whether or not they are being discharged in a way that might cause a serious public health problem.

This was a program which over the years was applauded, not only by those in government, environmental groups, and consumer groups, but even by responsible business groups who realized that they had to be good corporate citizens. They did not want to misuse toxic chemicals and cause cancer, learning disabilities, any type of deformities that might result from their misuse.

It was interesting when we passed this toxic release, community right-to-know law that many of the major chemical companies in the United States announced that they accepted the challenge from the Federal Government: They would announce the release of their toxic chemicals into the environment, and they went a step further, large companies did, and said, we are going to set out to dramatically diminish the release of toxic chemicals.

So, since this program was put in effect in 1988, it has been estimated that the release of toxic chemicals in communities and cities and locals across the United States has been reduced over 40 percent. Why? Quite simply, because many of these businesses faced with disclosure, faced with the requirement to report to the Environmental Protection Agency were much more careful.

This is a good program. It is one which major companies subscribe to and understand to be part of their responsibility as American citizens. Yet, the Republicans again this year, as last year, come forward in an effort to stop this program, to cut the funds from the Toxic Release Inventory, the community right-to-know program.

I say to my colleagues, this is a mistake; $1.5 million in a bill of this magnitude is a very small amount. This is an effort by a special interest group, and I would say a very selfish special interest group, which does not want to report to the American people what is happening to toxic chemicals in the workplace.

Now, that is not fair. It is not fair to the families which count on this reporting so that they know whether the drinking water which they are using in a community is safe, whether the emissions out of a smokestack near the community are safe; it is not fair to the workers at the place of employment who basically should know whether or not they are being exposed to toxic chemicals every day; and it is not fair to the local units of government who should be advised as to whether or not there are toxic chemicals on the premises. If there is a fire, a hurricane, a tornado, an earthquake, the local mayor, the police department, the fire department have a right to know whether toxic chemicals are being used.

This effort by the Republicans to cut money for this program is very shortsighted. The people across America understand that the era of big government is over, but families across America count on our government to protect them from invisible dangers and threats. Each time we drink a glass of water in our home communities, we expected it to be pure and safe. We hope that some governmental unit is protecting our family to make sure there is not an unseen danger in that drinking water.

This effort, this Republican effort to stop the community right-to-know legislation, to stop the Toxic Release Inventory strikes a dagger at the heart of the relationship between families and their government. We have got to make sure that families have that confidence. I urge my colleagues to support this amendment which restores the money to the Environmental Protection Agency.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Is the gentleman in opposition to the amendment?

Mr. LEWIS of California. Mr. Chairman, I have not made up my mind.

The CHAIRMAN. Under the unanimous-consent agreement, there is 10 minutes reserved on each side, 10 minutes for and 10 minutes against.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent to take 5 minutes of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would ask my colleagues to focus just for a moment, for I do not rise in opposition to this amendment. In fact, I intend to suggest to my colleagues that we accept this amendment.

However, before doing that, I would like the gentleman from Illinois [Mr. DURBIN] to note that I had the privilege in my past life to serve in the California State legislature as chairman of an air quality subcommittee. There I led the fight of a very, very important and early environmental battle. It led to the creation of the toughest air quality management district in the entire country, one that has served as a model for the country.

I know from that experience and others that work on behalf of the environment has absolutely nothing to do with partisan politics. I have heard the gentleman today on the floor consistently inject Republican versus Democrat on issues that are critical to the American people and have nothing to do with politics, especially partisan politics.

So, I am very disconcerted by that pattern of the gentleman to try to partisanize almost every issue that comes to the floor.

Having said that, we need effective and adequate reporting. There has been dramatic decreases in the problem we are dealing with here, and it is time to consider readjusting. Timing is the question. I would urge the gentleman to restrain himself in terms of creating polarization around here when the environment is best served by our working together and recognizing that we are all concerned about our environment.

So, I would suggest to the gentleman from Ohio [Mr. STOKES] that I am willing to accept this amendment, if he feels the same.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I thank my distinguished chairman for yielding to me.

First, I want to express to him my acknowledgment of the fact that even prior to coming to this body, he had an outstanding record in terms of environmental laws which he enacted during the time he served in the California legislature.

Mr. LEWIS of California. I thank the gentleman.

Mr. STOKES. I am quite aware of, and I am sure that other Members of this body are quite aware of, your concerns and your distinguished record in that area.

Mr. LEWIS of California. I thank the gentleman.

Mr. STOKES. I also want to say that in terms of the Durbin amendment, on its merits, I support fully the amendment, and I am pleased to join with the chairman in the acceptance of this amendment.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

I would like to say to my friend from California, I did not suggest that your record on the environment is at issue here. I do suggest that this provision of the bill of which you are the chairman is at issue here, and I think it is a very important one. And though the gentleman may have an exemplary record, I do not question that you do, I do believe that this amendment is shortsighted, and I believe what it attempts to do really is not in the best interests of protecting our environment.

I hope the gentleman does not take that personally. It is a political difference between us, and the gentleman from California suggested at the outset that he may support my amendment, and I thank him for that. I welcome him aboard.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am tempted to say that filling out a form does not do an awful lot necessarily for the environment, but that really is not the point. Indeed, it is my judgment that in this country and often in this body, our very positive work on behalf of the environment has become swept up in the polarization of the entire place. We work best in this subject area when the House comes together and recognizes that all of us care about the air, all of us care about clean water. Hand in hand, working together, we can take this issue out of the hands of the shrill voices, the extremes on the one hand who want to do absolutely nothing, and the extremes on the other hand that would like to use this for some population or no-growth policy of their own.

The environment is most critical to all of our existence, and working together, separate from partisanship, is the most helpful step that I could imagine we could take. I encourage the gentleman to help us participate in that direction.

Mr. DURBIN. Mr. Chairman, reclaiming my time, I thank the gentleman from California [Mr. LEWIS], and I would say that if I misinterpreted the gentleman's position, it may have been because of the vote in the committee. When my amendment came up before the committee, there was not a single Republican supporting the amendment which I have brought to the floor today. It was not a totally partisan rollcall, because some Democrats opposed my position, but not a single Republican supported my position in committee.

Mr. LEWIS of California. Mr. Chairman, if the gentleman would continue to yield, I would suggest to the gentleman that even in committee, if we reserve partisan rhetoric, we get different kinds of results.

Mr. DURBIN. Mr. Chairman, reclaiming my time, I would say to the gentleman that I will reserve all the rhetoric necessary in order to achieve the results that we are talking about today.

I would just like to say in closing, and I think the gentleman has indicated that he is going to be supportive of this amendment, that we have several things that should be taken into consideration.

There are responsible businesses in this country which support community right-to-know. There are responsible businesses in this country which support the Toxic Release Inventory. When one can have the head of Dow Chemical Co. say of this law that mandatory disclosure has done more than all other legislation put together in getting companies to voluntarily reduce emissions of toxic chemicals, we know this program works. This program should be funded.

We also have comments from Monsanto, and this is an interesting comment: The law is having an incredible effect on industries to reduce emissions. There is not a chief executive officer around who wants to be the biggest polluter in his State. We know that if disclosure is out there, it works.

I hope that my colleague from California and my colleague from Ohio will not only agree to this amendment, but also do their best to preserve this when it comes to conference. This is an important program, important not only for the EPA, but more important for families and for the workers and for the communities who rely upon it.

Mr. Chairman, I yield 45 seconds to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me this time. I want to speak in favor of the amendment offered to restore the funding for the Toxic Release Inventory.

I really believe our constituents and our families and our workers have a right to know what toxic releases are being released into the environment. Some 10 years ago, in reflecting upon what the gentleman from California said, we in Massachusetts adopted a program of right-to-know that passed and has been implemented, and since that time there has been a reduction of millions of tons of toxic chemicals which previously had been emitted into the atmosphere and into the streams. In many instances, the companies have been able to find ways that are cheaper and better, both for the environment and for their company operations to function.

So I certainly support this amendment, and I am glad that the gentleman from California is going to accept it.

Mr. Chairman, I rise in strong support of the Durbin amendment. This amendment is about individual rights and Government of the People. This amendment may provide funding for the EPA, but its really about funding the greatest source of environmental protection we have—an informed citizenry.

The right to know provision was passed in my State of Massachusetts by referendum. The people decided they wanted it—and they got it. But today this Congress is saying that we know better. That it might be bad for business. That its better to keep people in the dark. Well, what justice Brandeis said back in 1913 is just as true today: sunlight is the best disinfectant.

Right to know simply says that the factory down the street ought to be neighborly. Just like a good neighbor puts up a beware of the dog sign, a good neighboring factory ought to inform its neighbors just what's coming out of the smokestack.

Imagine—just yesterday we all agreed that people ought to have the right to know what's in their drinking water, but today this House says they do not have the right to know which chemicals their kids are breathing in their own backyards.

The freedom of speech requires the freedom of information. Rather than causing unnecessary alarm about the unknown—let's allow people to make informed assessments.

Is it too much to ask for industry to be a good corporate citizen? This bill eliminates industry's personal responsibility.

This public disclosure calls for corporations to have some public accountability. This amendment says that corporations have a duty not only to respond to their shareholders—but also to their workers and neighbors.

Furthermore, many companys would be the first to admit that such accounting often leads to their discovering trouble spots and focusing their attention on that which might be otherwise ignored. I believe that most corporations want to be able to address community concerns.

These funds are for Outreach, Data Quality, and Training in the Community Right to Know Program. Companys want this so that the citizenry can make informed statements without relying on the unknown which can often lead to unwarranted mass hysteria.

Often the Right To Know Program has led to corporations voluntarily reducing emissions, often saving money, and exceeding Federal standards.

I urge my colleagues to support the public's right to know.

Mr. DURBIN. Could I ask the Chair if there is any time remaining that has not been yielded back beyond the 45 seconds of my time?

The CHAIRMAN. The gentleman from California has 2 minutes remaining of the 5 minutes. There are still 5 minutes unallocated.

Mr. LEWIS of California. Mr. Chairman, I intend to use my time.

Mr. DURBIN. Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

I had not intended that we have this discussion since we were going to accept the amendment. We obviously are going forward with discussion. So I think it is important to say in response to my colleague that EPA is now moving into phase 3 of their implementation of TRI. Part of this phase is the expansion of the TRI to several more industries and hundreds of additional substances.

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The reporting requirements and cost to business for this will be enormous. However, the committee's action to reduce TRI by $1.5 million was not intended to affect this issue.

The reduction was taken to prohibit EPA from moving into the collection of toxic use data which is also part of their phase 3 plans. As we stated in this year's report, in last year's report, and in the 1996 conference report, collection of toxic use data is not authorized by law. The authorizing committees of the House and the Senate agree on this position.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 45 seconds to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, since the chairman, the ranking member and others have all accepted this, I just want to thank them for that. I do believe this is a very important amendment.

I just want to give an example from my State to show that this is not only important to the community at large but also for businesses, because in New Jersey the information from the toxic release inventory has actually been used in order for companies to streamline their permitting process. In cases where we have had, say, 30 permits that had to be granted to a company, sometimes now there is only one because of the information that has been provided. So it is not only good government, if you will, from the point of view of the right to know and the community's right to know, but also for business's right to know because oftentimes they can use that information also to their advantage in terms of streamlining the permitting process.

I just wanted to again thank the gentleman from Illinois for introducing this. I think that every effort that we make to increase right to know is important to this Congress and to the public in general.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments at this point?

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I ask unanimous consent to offer my amendment 39 to a portion of the bill not yet read. I have talked to both the chairman and the ranking member to accommodate their schedules.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 39 offered by Mr. ROEMER: In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after the dollar amount, insert the following: "(reduced by $75,000,000)".

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. Pursuant to the order of the committee of today, the gentleman from Indiana [Mr. ROEMER] and a Member in opposition will each control 10 minutes.

The Chair recognizes the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have two amendments. One amendment would be to totally eliminate the funding, which is about $2 billion annually for the space station. I have not called that amendment up.

This amendment that I have called up would simply let us save about $75 million out of the $2 billion annually appropriated to the space station in order to have the space station pay some of its fair share of deficit reduction.

Around this place in the U.S. Congress, everybody has some very neat and flowery speeches about how we are going to get to a zero budget, how we are going to balance the budget for the American people, which would give them the single best tax cut possible. That helps them with their mortgage rates, that helps them with their interest payments on their car, that helps them have more confidence that in a bipartisan way we can accomplish some things around the U.S. Congress. Balancing the budget is certainly one of my highest priorities.

However, the space station has been absolutely insulated from any of the pain and sacrifice. The NASA budget continues to go down and will go down from about $18 or $19 billion several years ago to, sometime after the turn of the century, go down to about $11 or $12 billion.

Many good things that NASA accomplishes, the personnel at NASA are doing some wonderful work on Galileo and Clementine and the Hubble, these projects are getting squeezed, they are getting rescheduled, they are getting eliminated, they are being delayed. A host of different good programs that we might be doing in NASA are being put on the back burner or canceled because Space Station is continually protected and insulated from any kind of cut, from any kind of pain, from any kind of sacrifice.

Why is that? One might even say the Space Station is doing a great job, they should not get any kind of cut. Well, the space station was first designed in 1984 to cost $8 billion. My colleagues might ask me, how much is that space station today? GAO estimates about $90 billion—$8 billion to $90 billion, and we are trying to balance the budget in the next 6 years.

Maybe one might say we are getting great science out of the space station. No, the scientific objectives on the space station have gone from about $8 billion in 1984, including platforms to study the environmental problems on the Earth, platforms to study space, and a docking station to repair broken satellites. It cannot do any of that anymore. Now all it can do is help us study the gravitational effects on men and women in space. For $90 billion? And all it can do is help us study the gravitational effects on men and women in space. For $90 billion? And Congress does not want to cut 3 percent of that $2 billion annual appropriation?

Come on, Mr. Chairman. If we are going to get to a balanced budget, if we are going to do it in a bipartisan and in a fair manner, space station should be on the table for a $75 million, 3 percent cut out of its budget.

One might ask, too, NASA in doing many good things is also cooperating with the Russians on this program. Are the Russians paying their fair share on the Space Station? No. We send our tax dollars to Russia to help them do their work on the Space Station. We will send them $100 million out of the NASA budget this year, $100 million of hardworking taxpayer money next year.

This all goes straight from the United States taxpayer over to Russia for them to do what they should be doing for their participation in what is so-called international space station. It seems to me it is a U.S. space station when we are sending our money around the world to buy and coerce international cooperation.

The Russians in the last few months have indicated that they might want to renegotiate the contract. That could cost the U.S. taxpayers even more money in terms of scheduling delays and whether or not this hardware that they make and produce and manufacture is going to fit together with our hardware.

Mr. Chairman, for many reasons, for good science, for sound and fair deficit reduction, all I am asking my colleagues to do is to vote for a 3 percent reduction in the space station budget.

Finally, we hear from some that the space station is economic and world leadership for us, that it is the crowning jewel of economic and world leadership for the United States of America.

I think what we should be looking at to determine if the United States is actually the leader in the world, actually the best country in the world, which we are, it is not whether we can build a $90 billion space station which is $82 billion over budget. It is how we get to a balanced budget in a fair manner, and can we do that in a bipartisan way. It is how we treat our children, where 20 to 25 percent of our children are being born into poverty in the United States of America. It is how we educate our children, and whether our children have access to student loans. That is going to determine world leadership, not a space station that has moved from $8 billion in cost to $90 billion, and then nobody wants to cut even 3 percent from that $90 billion budget.

So I would encourage my colleagues, I would encourage the distinguished chairman from California, I would hope he would accept this amendment of a 3-percent cut in a $2 billion annual appropriation. I am not offering the elimination of the space station amendment, Mr. Chairman, because we have had this vote. We had this vote on elimination a few weeks ago. The House has spoken on that particular matter.

We actually offered this amendment as well, too, and we were defeated on this particular matter. But that does not mean, Mr. Chairman, that I do not think that this is the right thing to do in order to get to a balanced budget, and in order to get shared sacrifice, and in order to get good science and to protect NASA from itself. I think that we should see some pain and sacrifice, and not see the rest of the NASA budget squeezed and eliminate good programs that are working very, very successfully and being implemented by the hardworking men and women at NASA.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from California [Mr. LEWIS] rise in opposition to the amendment?

Mr. LEWIS of California. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from California is recognized for 10 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in very strong opposition to the gentleman's amendment. My colleague from Indiana [Mr. ROEMER] suggests that he does not have this amendment to kill the space station or to even do serious damage to manned space flight or serious damage to NASA's mission. Nonetheless, with great consistency my colleague has demonstrated opposition to the fundamental work that NASA is doing and especially man's venture in space.

In the past, we have had these discussions within our subcommittee. We have talked a lot on the floor about the difficulty of these competing accounts, having housing competing with money against veterans' medical care and against EPA and, indeed, competing with NASA. When dollars get tighter and tighter, it is extremely tough competition. In the past the committee even made the decision to eliminate a station, for example.

What my colleague fails to recognize is the general public knows often a little better than we know, either in committee or on the floor. For when that occurred in the past, literally Members, many of whom were not very active in terms of the committee work here, came to the floor in support of man's mission in space. They provided an amendment on the floor to return money in funding for the space station in the face of committee opposition. The public's will was heard by sizable margins, and moneys were put back into this very bill in order to make sure that we continue with what is a part of the American pioneer spirit.

There is no question that the public supports our work of man's presence in space. The gentleman's relatively small amendment would not have very much effect but it would significantly impact the upgrades and maintenance of space shuttle. It would significantly affect the flights of space shuttle. We need to have funds available to make sure as we go forward with this work, we do it with all of the equipment that is necessary.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Indiana.

Mr. ROEMER. I would say to the gentleman, being on the Science Committee, the Science Committee that authorizes many of these same programs that the distinguished gentleman from California works on, what we are worried about, quite frankly, is precisely that fact, that when we continue to insulate and protect the space station from any kind of cut, we have seen devastating cuts in the space shuttle program and we are very concerned.

Mr. LEWIS of California. Reclaiming my time, Mr. Chairman.

Mr. ROEMER. Would the gentleman engage in dialogue here. We are very worried about the safety of the shuttle.

The CHAIRMAN. The gentleman from California controls the time.

Mr. LEWIS of California. This amendment addresses $75 million and does not eliminate all the funding for space station. But clearly the House has spoken in that connection and it almost is in a separate category. We have on a bipartisan basis struck an agreement that provides very significantly broad-based support for an annual amount for space station. We are going forward with that. We have international agreements that take us forward with that. But this amendment addresses the shuttle specifically and in my judgment could in a very significant was impair the process and the work that we are doing there.

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Mr. Chairman, I urge the Members to recognize what this amendment is in terms of its real purpose; that is, to undermine the mission of NASA, to undermine man's presence in space and, indeed, it would undermine what has been the past will of the House as it reflects the will of the American people for us to continue on this pioneering effort in space.

Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just say in response to the gentleman, I would be happy to yield some of my time to the gentleman to engage him in a debate about the space shuttle safety. That is precisely one of the reasons why we are interested in seeing that the space station have some of the cut put to their program, rather than continue to decimate the shuttle safety program, science programs in the NASA account, see cancellation of other programs take place within the NASA budget. We are seeing the NASA budget go down from 15 and 15 and 17 billion to about 11 or 12 billion in the next century. And the space station is a 16-ounce Texas steak that is being jammed into a sardine can of a shrinking and squeezed NASA budget.

Now, I am very worried about what that does to space shuttle safety. The shuttle, we are very concerned about it. We have had a couple NASA former employees say they are very concerned about it. We had a resignation at NASA, saying one of the reasons, he said that one of the things he was very concerned about was shuttle safety. I am very concerned about shuttle safety.

I would also say to the gentleman, this amendment is not anti-NASA. It is anti-space-station. I do not like the space station. But I think NASA does some wonderful things in other areas. Marie Antoinette once said let them eat cake. I think what we say in protecting the space station from any kind of cut is let NASA eat crumbs. They do not get anything else, and the space station gets everything.

Mr. Chairman, this amendment is to protect NASA. This is not to let the space station cannibalize the rest of the NASA budget.

With that, Mr. Chairman, I think I have said my piece on this particular amendment. I feel very strongly about it. I sincerely respect the gentleman from California. He and I agree on a host of different issues. But I think that this will really endanger the safety of the shuttle if the space station continues to cannibalize other programs. I think that the space station should have its fair share of deficit reduction and this is 3 percent in terms of a cut. I also think that if this is really international leadership, we should not be paying the Russians $100 million a year for their participation. Let them pay rubles and let them do their fair share, not have hard-working taxpayers in Indiana send $100 million a year over to Russia.

Mr. Chairman, I yield back the balance of my time.

Mr. LEWIS of California. Mr. chairman, far be it from me to stand and defend the Russians' role in this international partnership. We asked them to participate with us and we sought the partnership as much as anybody. We have allies in Europe who are very much involved and committed to this partnership. Canada, the same. The Russians, for example, do contribute some 250,000 pounds of hardware to this project. That is a lot of rubles.

In the meantime, there is not any doubt in my mind that the vision of America of man in space very much is intrigued with man's presence in space by way of a space station. Much of the public support for the work of NASA would indeed be on a very thinly based glacier of ice if it were not for that vision of man in space.

Space station is a very important part of our international partnership that affects peace, but it also is fundamental to America's support for this kind of scientific as well as space activity. I urge a very strong no vote to the gentleman's amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. PELOSI. Mr. Chairman, I rise today in support of the Roemer amendment to cut $75 million from the Space Station Program. I support the concept of space exploration, and in better fiscal times would support the space station, but the time is now, Mr. Chairman, and the space station raises a question of priorities.

We are all in agreement that Federal dollars need to be stretched farther and work harder. The only question is which programs we choose to fund and which we choose to cut or eliminate. The United States can no longer afford to fund a budget-busting project which has run out of control.

Mr. Chairman, the VA–HUD appropriations bill before us provides $2.1 billion for the Alpha Space Station for fiscal year 1997. This money is in addition to the $16.5 billion taxpayers have already spent since 1984. The General Accounting Office [GAO] indicates that the final bill for the space station will be in excess of $94 billion, a 1,075 percent increase from the original $8 billion price tag.

How are we to pay for the space station? The Republican majority has passed a budget bill which freezes NIH funding until 2002 at $11.9 billion per year. The total NASA budget for fiscal year 1997 is nearly $20 billion. What does it say about our national values that we prioritize space exploration over medical research? Mr. Chairman, the question is simple: Can we afford a $94 billion project at this time?

We still have too many people without adequate housing, food, and medical care to be funding soda fountains for astronauts. This Congress cannot pay for space exploration when so many more pressing needs remain unmet here at home.

I urge my colleagues to support the Roemer amendment to reduce funding for space station alpha. I hope that the day will come when we will be able to fund a space station, but not at the expense of our poor, our sick, our elderly, and our children. It is clear, Mr. Chairman, that if we choose to look at the stars, we must first make sure we have our feet firmly on the ground.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment was rejected.

Mr. HOKE. Mr. Chairman, I move to strike the last word in order to engage in a colloquy with the chairman.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOKE. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am happy to join in a colloquy with my colleague from Ohio.

Mr. HOKE. Mr. Chairman, as you know, for the past several years, NASA has been proposing a number of various plans to consolidate research support aircraft from various NASA centers around the country to the Dryden Flight Research Center in California. Since 1993, the agency has conducted 12 different financial and management analyses of these consolidation proposals and still has not been able to show convincingly that the consolidation is going to save NASA money or that it is programmatically wise.

In fact, NASA's own inspector general, the agency's last line of defense against questionable policies, has repeatedly warned that the proposed consolidation is "neither cost effective nor programmatically sound."

Just 3 weeks ago, on June 4, the IG recommended in a widely circulated draft report that, "NASA should reevaluate its decision to implement the current aircraft consolidation plan because it is not cost effective."

Mr. Chairman, in the June 4 draft report, the IG has estimated that it will take 72 years to break even on the aircraft consolidation plan, even though the agency believes that it can save money on the plan. That, of course, does not even take into account the catastrophic impact on the agency's research or the scientific community that it helps support.

Mr. Chairman, I yield such time as he may consume to the distinguished chairman, the gentleman from California [Mr. LEWIS], for his thoughts.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate my colleague yielding and involving me in this colloquy. I hope my colleagues, know just how intensely the gentleman from Ohio has worked on this matter. Indeed, he has insisted that it be at the top of the subcommittee's priority list. Although there is not a lot of money involved, Mr. HOKE is doing a very effective job of making sure that we focus upon this important question to him and to his district.

The committee has been pushing NASA, to take a number of steps to help consolidate programs, to reduce personnel, to emphasize on efficiency in every possible way. the debate last year flowed around the potential of closing entire centers. This was really an effort to get everybody to pay attention to the need for efficiency in NASA and other Federal agencies.

In connection with that, NASA is responding to suggest that the aircraft consolidation proposal was a high priority for the agency in its zero-based review plan released in 1995. It is my intent that NASA and the NASA inspector general reach a meeting of the minds so they both would make the same recommendation with respect to these aircraft, regardless of the final finding.

The gentleman reports correctly on the preliminary work of the IG. The agency would then review the preliminary report and respond to it. Then the IG will come forth with a final report. I am willing to take a hard look at whatever the recommendation is and hope that we get a unanimous recommendation coming from all the sources involved.

Mr. HOKE. Mr. Chairman, I really appreciate the comments from the chairman, and I think, as you know, I certainly want consolidation plans to go forward that make sense, that make sense programmatically, that make sense financially. We all want our Government to work as efficiently as it possibly can. But we have to also take into account reports that show something very much to the contrary, and that is why I am delighted that the chairman is concerned to make sure that these things be harmonized.

Mr. Chairman, I yield to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I thank the gentleman for yielding, and I would like to join him in expressing concern that the consolidation plan be a sound one which is truly cost effective and certainly that it be programmatically sound.

I have looked at this issue over many months and have been very concerned that programmatically it does not seem to pass the commonsense test. I am not an accountant. I am not a cost accountant, but I know that the comptroller of NASA has questioned the original premise that said consolidate all these aircraft at any particular single center. I also know of the IG's report, on an earlier occasion, who was asked then to go back and reexamine it. They reexamined it and again found that it is not cost effective from their analysis.

Like the chairman and everyone else, I look forward to seeing what NASA headquarters' reaction to the IG report is. But certainly I would hope that when all the evidence is in that we in the Congress will do that which is necessary, if it becomes necessary, to see that a sound judgment is ultimately made with this issue.

Mr. HOKE. Reclaiming my time, I appreciate the gentleman's comments. I would just say one thing with respect to the commonsense test as to the programmatic issue. I happen to have the privilege of living in what is known as the frost belt where one of these research planes does deicing research in northeastern Ohio. Somehow, somebody missed the point about sending deicing research aircraft to the middle of the California desert where it is going to be a very difficult challenge to find some ice to do the research on.

Mr. Chairman, I yield to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I am tempted to lightly say we are just looking for some rain.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent to offer an amendment on page 67, a portion of the bill not yet read.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California: On page 67, line 17, strike the number "$2,200,000,000" and insert in lieu thereof the number "$2,201,200,000";

On page 67, line 18, strike the number "$1,950,000,000" and insert in lieu thereof the number "$1,951,200,000"; and

On page 68, line 24, before the period add the following new proviso:

": *Provided further*, That $1,200,000 of the funds appropriated under this heading shall be used by the Agency for Toxic Substances and Disease Registry to conduct a health effects study of the Toms River Cancer cluster in the Toms River area in the State of New Jersey".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair would question, is this the amendment of the gentleman from California in which there was a time agreement reached?

Mr. LEWIS of California. Yes, Mr. Chairman.

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from California [Mr. LEWIS] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. LEWIS].

Mr. STOKES. Mr. Chairman, I reserve a point of order against the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I am offering on behalf of myself and the gentleman from New Jersey [Mr. ZIMMER] is a relatively straightforward amendment and I believe is necessary to address a serious health problem in the Toms River area in the State of New Jersey.

This issue was brought to my attention by my very good friend from new Jersey [Mr. ZIMMER] and his three distinguished colleagues, the gentleman from New Jersey [Mr. FRELINGHUYSEN], the gentleman from New Jersey [Mr. SAXTON], and the gentleman from New Jersey [Mr. SMITH]. It is my understanding that the entire New Jersey delegation representing both sides of the aisle is supporting the intent of this amendment.

The amendment will simply add $1,200,000 of excess budget authority available under the committee's 602(b) allocation to the Hazardous Substance Superfund and then stipulate that these funds are to be used by the agency for toxic substance and disease registry to conduct a health effects study of the Toms River cancer cluster.

Mr. Chairman, I would note that in the committee report, we stipulate that certain studies be conducted by ATSDR using funds available to them. If we had all the necessary details relative to this matter prior to markup, I am confident that we would have included this provision in the report in a similar manner. It has not been our practice to stipulate these health studies in bill language, nevertheless, I am convinced that the health concerns in the Toms River area are so critical that it is absolutely necessary that we take this unusual action of including specific funds for this health study.

I want to mention, Mr. Chairman, that my colleague, the gentleman from New Jersey [Mr. ZIMMER], has been very effective in articulating the priority of this manner, and for that reason, not only do I bring it to the House's attention and ask for its support, I know of no opposition to the amendment and know of no other Members who are eager to speak on my side of the question.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. ZIMMER].

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Mr. ZIMMER. Mr. Chairman, I thank the gentleman for yielding me this time and I commend him for bringing this amendment before the House.

In the context of an $84 billion appropriations bill, $1.2 million may seem insignificant, but this additional amount will make a big difference because it will provide critically needed funds to study a cancer cluster that has been discovered in the Toms River area of my State of New Jersey.

I requested this funding, together with the Congressmen from Toms River, the gentleman from New Jersey, JIM SAXTON, and the gentleman from New Jersey, CHRIS SMITH, and the gentleman from New Jersey, ROD FRELINGHUYSEN, who is New Jersey's Representative on the Committee on Appropriations.

Last year a study by the New Jersey department of health found that Ocean County, in which Toms River is located, had 54 cases of childhood brain and central nervous system cancers between 1979 and 1991. This represents 15 more cases of childhood brain and CNS cancers than were statistically expected. In Toms River alone, the rate was 49 percent higher than expected.

The Toms River area includes two Superfund sites which the Agency for Toxic Substances and Disease Registry, known as ATSDR, has previously studied in conjunction with the New Jersey department of environmental protection and the Federal Environmental Protection Agency.

ATSDR has already tapped its fiscal year 1996 discretionary funds to respond directly to the increased incidence of childhood cancer, but it says it cannot complete a thorough, comprehensive study without the $1.2 million provided by this amendment; and without a comprehensive study, we have no real hope of sorting out the factors that may be contributing to this tragic situation.

Mr. Chairman, this study must be done, not only for the sake of the children who are now afflicted but for the many who are not. We need to know, if it is at all possible, within the limits of our current scientific capabilities, what is causing the cancers in the Toms River area. If we can shed light on this mystery, it will have benefits nationwide because this kind of knowledge can help protect children elsewhere who may face similar risks.

The Lewis amendment will finance an action plan that has been developed by the State and the Federal governments and that will be participated in by a volunteer committee headed by Mrs. Linda Gillick, whose own child, Michael, is a cancer victim. This additional funding will help ensure that every tool available to science is brought to bear to identify the cause of these cancers.

Mr. Chairman, no amount of money in the world can guarantee that we will find all the answers, but we must try. We cannot protect our children from a danger we do not understand.

I would like to salute the gentlemen from New Jersey, Congressman SAXTON, Congressman FRELINGHUYSEN, and Congressman SMITH, for their efforts, and I would again like to thank the gentleman from California, Chairman LEWIS, for offering this amendment on our behalf. I urge all Members to support this critical amendment.

Mr. LEWIS of California. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Ohio [Mr. STOKES] insist on his point of order?

Mr. STOKES. Mr. Chairman, technically, the amendment is a violation of clause 2 of rule XXI because it seeks to earmark funding for an unauthorized program.

With the understanding of the gentleman from California [Mr. LEWIS] that the bill language will be deleted in conference and the issue addressed only in the statement of the managers, I will be pleased to withdraw my point of order.

Mr. LEWIS of California. Mr. Chairman, if the gentleman would yield, I would simply say his understanding is correct.

Mr. STOKES. Mr. Chairman, based upon the representation of the chairman, I withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn.

Does any Member seek time in opposition to the amendment?

Mr. PALLONE. Mr. Chairman, I would like to speak in favor of the amendment.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] controls the time in support of the amendment.

Mr. PALLONE. Mr. Chairman, I ask unanimous consent to speak for 1 minute in favor of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PALLONE. Mr. Chairman, I wanted to say that I believe this is a very important provision on a bipartisan basis for the State of New Jersey. I used to represent Toms River, which was actually part of Dover township before the redistricting. Of course, now it is represented by the gentleman from New Jersey [Mr. SAXTON].

I know the concerns of the people in the area with regard to this cancer cluster or the possibilities that exist in terms of the source of it. So I do believe that the funding to be made available for this health analysis is really crucial not only to Toms River, but something that we need as a delegation in our State to see effected.

So I would like to join with my colleagues, the gentlemen from New Jersey, Mr. SAXTON, Mr. ZIMMER, and others, in support of the amendment and ask that I be considered a cosponsor of the amendment or however they are proceeding.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding me this time, and I would like to express my personal appreciation to the chairman of the subcommittee and to the gentlemen from New Jersey, Mr. ZIMMER and Mr. FRELINGHUYSEN, on behalf of myself, but more on behalf of the constituents that I represent in the Toms River area.

If we can imagine for a minute being in a situation where an inordinate percentage or number of young people have developed brain cancer in a relatively small area among a population of people, it is a heart-wrenching experience for those families and, to a large extent, for me and my staff who have worked with these families and with the Whitman administration and commissioner of health, Lynn Fishman, from New Jersey.

Just briefly, Mr. Chairman, on behalf of the people that I represent, I thank the gentleman very, very much for what he has done here to help us get a handle on this most important problem.

Mr. LEWIS of California. Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey [Mr. FRELINGHUYSEN], my colleague from the committee.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the Lewis amendment and to thank the gentleman from California, Chairman LEWIS, for offering this amendment and for his leadership and cooperation in working with the Members of Congress from New Jersey, Governor Christine Todd Whitman, and Commissioner of Health Lynn Fishman from New Jersey.

I would also like to thank my colleagues from New Jersey, Congressmen DICK ZIMMER, CHRIS SMITH, and JIM SAXTON, for working on this important issue and for bringing it to my and our committee's attention.

This amendment will for the first time provide the needed funding for the Toms River cancer cluster study. The funding will allow the Agency for Toxic Substances and Disease Registry to begin to look at possible causes for the increased cancer rate around Toms River. We have a responsibility to the people of this area to find out what is causing these cases and this funding will help us find this out.

Mr. Chairman, again, I would like to thank Chairman LEWIS of this subcommittee, most particularly for his leadership and his cooperation, and urge adoption of this amendment on behalf of all the citizens of New Jersey.

Mr. LEWIS of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEWIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent to offer the amendment at the desk dealing with page 77, a portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California: On page 77, beginning on line 1, strike the words "established for such rates as of June 1, 1996", and insert in lieu thereof the words, "authorized by the National Flood Insurance Reform Act of 1994".

Mr. LEWIS of California. Mr. Chairman, this is noncontroversial and essentially corrects the earlier action of the committee with respect to flood insurance rates. We had inadvertently included language which would freeze the flood rates in place on June 1, 1996, and did not realize this would greatly reduce the flexibility FEMA has to adjust rates up or down in accordance with the provisions of the Flood Insurance Reform Act of 1994.

This amendment merely restores the necessary flexibility needed by FEMA to operate this program successfully. I know of no opposition to this amendment and urge its adoption.

Mr. STOKES. Mr. Chairman, I rise in support of the amendment. This amendment has been cleared with us, and we have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEWIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent to offer an amendment to a portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: Page 66, line 8, after the dollar amount, insert the following: "increased by $2,000,000)".

Page 82, line 7, after the dollar amount, insert the following: "(reduced by $2,000,000)".

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Massachusetts [Mr. KENNEDY] will be recognized for 10 minutes and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, let me thank the chairman of the committee and his staff for clarifying some of the issues pertaining to this amendment over the course of the last half hour or so. I appreciate the forbearance and the loud talking that occurred from time to time.

Mr. Chairman, the purpose of this amendment was to deal with the issue of indoor air. Americans spend 90 percent of their time indoors and yet indoor air is a thousand times more polluted than outdoor air. Despite that fact and despite the fact that going back as far as the administrator of the Environmental Protection Agency, Mr. Reilly, who was appointed, I believe by President Reagan, although it might have been President Bush, indicated during his time at the EPA that the No. 1 health problem that we face as a people in this country is the issue of indoor air pollution.

We spend literally billions and billions of dollars that is appropriated in this House to clean up outdoor air and yet we have not a single solitary regulation pertaining to the quality of the air we breathe indoors.

Indoor air causes a myriad of problems. We have seen vast increases in the outbreak of asthma, we see a continuing problem with regard to issues such as the quality of our air in schools. A number of Members of Congress on both sides of the aisle are very familiar with sick-building syndrome.

Even the EPA building here in Washington, DC, has had to be cleared out on a number of different occasions because of the quality of the air indoors. All of us are familiar with the problems of secondary tobacco smoke as well as radon, that is now, I believe, the second leading cause of cancer deaths in this country, second only to cigarette smoke.

The truth is that if we look at how much money we are spending on indoor air, it is a piddling amount in comparison to the size of the problem.

Now, it had come to my attention from the EPA itself that there was overall a reduction in spending this year as compared to years past on indoor air. So I understand, and I would appreciate it if the chairman might work with me on these numbers. As I understand, last year there was about $17 million spent on indoor air pollution. This year, as I understand, there will be about $18 million spent. There is an additional $2 million that will go to the Office of Enforcement and Compliance Assurance, completing a total of about $20 million.

That $17 million that I quoted from last year's spending did not include the Office of Enforcement and Compliance Assurance or it would have brought that up to $19 million plus.

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The point here is that the overall amount of funds that has been allocated for this account has some language that is included in the committee print, which suggests that, if there is a funding shortfall, the radon protection programs will be fully protected and that all other programs will have to deal with the funding shortfall that exists.

I think that is a serious potential problem. I hope to work with the chairman of the committee over the course of the next week or two to try and determine what the potential problem is.

My understanding is the chairman does in fact fully support full funding for the indoor air account that was contained in last year's budget and was requested in this year's budget.

Would the chairman engage in a colloquy so that I might understand his intention?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am very happy to engage in a colloquy with the gentleman from Massachusetts. I must say that he and I share interest and concern about the impact and especially the potential health effects of indoor air quality problems.

The data that was just outlined. The dollar amounts appear to be essentially correct. We came close to spending $18 million last year, and this year the proposal is in excess of $20 million. It is a problem that is very real. We tried to confirm these dollar amounts with the budget officer as late as this morning. In the meantime we both know that an individual constituency, like the office that handles indoor air quality, may be more enthusiastic than another office at EPA regarding this.

At this point we do not really see an intense need for additional money other than that program within EPA's proposal and that which we have outlined in the bill. It is an important problem. I would suggest that the gentleman and I continue to communicate with one another. I am sure that we can make progress in that connection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman for his comments.

Let me just make clear that, as I understand the real problem here is that, yes, the funding has increased to the $20 million that the gentleman suggests. What I am being told by the EPA in the last few minutes is that the reason why there is a difference in the numbers pertains to the inclusion of this Office of Enforcement and Compliance in this year's $20 million versus last year's $18 million and that that might offer some of the confusion.

The difficulty of course is that, if in fact there is a cut that is included in these numbers, that there is a bent in the language of the report that stipulates that the radon portion of the funding will be fully protected. And yet all of these other accounts, including sick-building syndrome, including the issues pertaining to a range of other health problems, would have to have the lion's share of the cut.

I would appreciate if the chairman would be willing to work with us, if in fact the numbers do not add up, to work with us to make certain that we are allowing this flexibility to make sure that the funding goes to the programs that are in most need.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will continue to yield, I am very concerned that we make certain that we are not adversely affecting one program over another as we proceed in this process. But is has been my understanding that funding as proposed is adequate for indoor air quality.

It seems to be pretty clear that there is not a need for an 11-percent increase over the 1996 level. If, in the meantime, we want to make sure that we are providing adequate funding, if we can work together between now and conference, I am sure that we can be assured together that the numbers are correct and get this job done.

Mr. KENNEDY of Massachusetts. I appreciate the chairman's willingness to work. I take that as a demonstration of his good faith to try to work out the difficulties.

The one issue that I would take issue with is the idea that this is an adequately funded program under any of these scenarios. I am sure the chairman would agree, given the pressures that he is under in order to deal with these four agencies and their needs, this is a very difficult choice for the gentleman to make. But the truth of the matter is that, when we look at the problem of indoor air pollution, $20 million a year spent by the entire Federal Government to investigate it to try to come up with any rules and regulations, to try to come up with ways of mitigating the problem is not near enough.

This is a very serious health issue. It is one that I think in the overall context, even this new report that suggests that was done largely by Members of the gentleman's side of the aisle to determine where excess Government regulation and spending occur, indicates that the one area that we are not spending enough, and there are not significant enough regulations is in fact on indoor air. So I would look forward to working with the chairman over the course of the next few weeks.

Let me finish by thanking my good friend, the ranking member of the Committee on Science, the gentleman from California [Mr. BROWN] who came to the floor to speak in favor of the amendment. Given the shellacking he gave me last night, it does my heart good to know that he was here with me this afternoon.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

AMENDMENT OFFERED BY MR. PALLONE

Mr. PALLONE. Mr. Chairman, I ask unanimous consent to offer an amendment to a portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PALLONE: Strike the last proviso under the heading HAZARDOUS SUBSTANCE SUPERFUND.

Mr. OXLEY. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order.

Pursuant to the order of the committee of today, the gentleman from New Jersey [Mr. PALLONE] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I yield myself such time as I may consume.

Last Thursday a group of senior Republicans on the Committee on Commerce and the Committee on Transportation and Infrastructure proclaimed that House Republicans are willing to put "our money where our mouths are" on the issue of Superfund reform. These same Republicans also said that they were putting more money into the program than the Democrats ever did.

Well, I do not think that is the case, Mr. Chairman. While Republicans say they are appropriating $2.2 billion for Superfund in this bill, I think my colleagues should take a good, hard look at a provision on page 68 of this bill that sets aside $861 million of that appropriation to pay for the Superfund reform. You see, the $861 million is available only if Congress enacts future legislation to appropriate it. So in essence this is future spending that may or may not ever occur.

The amendment that myself and the gentleman from Pennsylvania [Mr. BORSKI] and the gentleman from Massachusetts [Mr. MARKEY] have simply strikes that contingency and would truly fund the Superfund Program at $2.2 billion this year. Our amendment gives the Republicans the chance to make good on their promise. If extra Superfund money really does exist, it should be available immediately and for the purpose it was intended.

Mr. Chairman, if the money is really in the bill, then why should it be subject to a point of order. All we are saying is that if it is there, it should be used now for cleanups and not later. My fear also is that this money will only be available if Congress enacts a Superfund reform bill that allows the money to be given back as rebates to polluters, which is one of the provisions in the Republican Superfund bill that has come before the Committee on Commerce. Mr. MARKEY is going to address this issue later so I will not discuss it now, but the bottom line is if this money is not available this year, then basically we are appropriating about $55 million less than the President requested for the Superfund Program.

I would like to see the money spent this year. The EPA has already told me that they would use the additional money to begin 70 to 90 additional cleanups in communities across the country. They would expand the brownfields program, promote more voluntary cleanups and further fund Superfund administrative reforms. There are 107 sites still left on the national priority list, including 7 in my district. I should say, 9 in my district. And I know that Superfund is serious business, not only in New Jersey but also across the country.

I just want to believe my friends on the other side of the aisle when they say they are committed to funding this program at $2.2 billion. If that is the case, here is your chance to prove it. Vote for our amendment. If you bring this point of order and you have it sustained, then you are admitting that the $2.2 billion figure is not real, that it is a sham. And if this point of order is sustained and the money is not real, then I think you can figure out what that means for Republican Superfund reform proposals. We will not get the money. We will not have additional cleanups or the money is going to be available later as rebates to polluters which certainly is not something that is going to help either the taxpayers or the cause of Superfund reform.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Ohio continue to reserve his point of order?

Mr. OXLEY. Mr. Chairman, I continue my reservation of a point of order.

The CHAIRMAN. Does the gentleman from California [Mr. LEWIS] rise in opposition to the amendment?

Mr. LEWIS of California. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] is recognized for 10 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as you know from previous discussions, as modified by the rule of H.R. 3666, this last proviso is, technically speaking, meaningless. The intent of preappropriating the $861 million contingency on further legislation obviously left open the possibility of the authorizing committee's legislation triggering our preappropriation.

Unfortunately, the reinterpretation of what this language should look like to avoid a BA problem has resulted in this required change rendering the whole proviso essentially without any meaning.

Neverthless, the proviso still represents a commitment on the part of the committee and the majority to take the necessary appropriation step of providing this $861 million as soon as the program is reformed and reauthorized by the authorizing committees. The money actually awaits in a special seaside in the budget resolution pending this reauthorization. The matter is not all illusory, as opponents would have us believe.

The Chairman, the committee stands ready, willing and able to proceed in an appropriations sense. We have been long waiting the reauthorization that would fix this broken program. We have begun a dialog with the administration regarding their suggested intent that they want to fix the program. If we find ourselves at a place where reasonable reauthorization takes place, we intend to fund this effort.

Mr. BORSKI. Mr. Chairman, I join with the gentleman from New Jersey [Mr. PALLONE] and the gentleman from Massachusetts [Mr. MARKEY] in sponsoring this amendment to bring truth to the superfund section of the bill.

The Pallone-Borski-Markey amendment will get this bill to do what all the Republican press release machinery has said it does—provide an increase in funding for the Superfund Toxic Waste Cleanup Program.

While the Republican press releases say there is an increase in Superfund money, the bill doesn't say that.

For fiscal year 1997, the bill actually cuts funding below the 1996 level and 3.5 percent below the level requested by President Clinton.

Less money than last year—that's a cut.

The majority has talked about an additional $861 million in the bill for Superfund. But the bill requires an additional appropriations act for the money to be spent.

The $861 million in this bill is totally meaningless and misleading. This bill has $1.3 billion for Superfund in 1997—and no more.

The Pallone-Borski-Markey amendment would remove the restrictions preventing the $861 million from being used for toxic waste cleanup.

Adopt our amendment and there will be a real increase in money available for cleaning up toxic waste.

If the amendment is rejected and the bill is left as reported, there will be a cut in toxic waste cleanup money.

With the additional $861 million, EPA projects that an additional 90 sites could be cleaned up in 1997.

The $861 million that would be freed by our amendment would allow communities across the Nation to move forward with the cleanup of toxic wastesites.

Under the committee bill, the $861 million would be kept in the Superfund trust fund to be used for cleanup only when a future appropriations bill allows it.

What are we waiting for? Why don't we use the money now to clean up toxic waste?

We may be waiting for one of the Republican Superfund proposals to come out of committee so the money can be used to pay polluters to clean up the messes they created.

That's all we've seen in the authorizing committees—one proposal after another to let polluters off the hook and reduce cleanup standards.

These proposals to pay polluters and reduce standards are opposed by the States, they're opposed by the communities who desperately want the cleanup and they are opposed by the administration.

If we're waiting for a chance to pay polluters, then we will never see the $861 million.

Mr. Chairman, the Superfund Program needs reforms but not the kind that will reduce cleanup standards and allow polluters off the hook.

We can do a real reform bill that will eliminate the unfairness in the current Superfund Program with a fair share allocation system as we have proposed.

We can exempt the small businesses that only contributed small amounts of waste from Superfund liability.

We can exempt municipalities that transported household trash and limit the liability of those who operated landfills that accepted household trash.

We can get the smaller parties out of the system as quickly as possible.

We can place more emphasis on future land use when deciding on remedies and we can limit the preference to permanent treatment to hot spots only.

We can provide help to cities attempting to clean up their brownfield sites to attract economic development.

We can provide protection for innocent prospective purchasers and lenders so that development projects can proceed.

The adoption of all of these proposals to reform Superfund—which we have made—would produce a program with more fairness, less litigation, lower transaction costs, and faster cleanups.

Mr. Chairman, nobody wants real Superfund reform more than EPA Administrator Carol Browner.

These proposals for real superfund reform have been rejected, however, because of the unrestrained desire of the Republican majority to pay polluters and reduce cleanup standards.

Hard as it is to believe, the Republican proposals would actually create more litigation by allowing the reopening of every decision made since 1980. It would be a lawyer's dream.

Adoption of these proposals would mean the money in this bill would not be used for cleanup but would be used for payments to polluters and for even more transaction costs and litigation.

Nobody wants real Superfund reform more than EPA Administrator Carol Browner.

In 1994, she devoted many long, hard hours to forging a compromise reform package that was supported by industry, States, local governments, and the environmental community.

Charges that she is not serious about wanting reform are simply baseless and unfair.

Under this administration, the Superfund Program has worked better than it ever did in the past. More sites have been cleaned up in the past 3 years than were cleaned up in the 12 years of the previous administrations.

EPA is ready to move forward with cleanups—up to 90 cleanups can be funded if we give them the $861 million.

Instead of talking about the $861 million, let's put our money where our mouth is and use the money for toxic waste cleanup. Then let's do real reform.

I urge support of the Pallone-Borski-Markey amendment to free the $861 million. Instead of a preview of coming attractions that will only happen if another bill is passed, let's make it real money that can be used now.

POINT OF ORDER

Mr. OXLEY. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. OXLEY. Mr. Chairman, I make a point of order against the amendment because it is in violation of section 302(f) of the Congressional Budget Act as amended. The Committee on Appropriations filed a subcommittee allocation for fiscal year 1997 on June 17, 1996 (H. Rept. 104-624). This amendment would provide a new budget authority in excess of the subcommittee allocation and is not permitted under section 302(f) of the act.

Mr. Chairman, I ask that the amendment be ruled out of order.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

The Chair recognizes the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, again, as I said before, if the money is really in this bill, then why should it be subject to a point of order. All we are saying is that if it is really there, if the money is really there, it should be used now for cleanups and not later for some polluter slush fund which basically gives money back in rebates to polluters. As I said on page 60 of the committee report, it says that the committee is appropriating $2.2 billion for Superfund in fiscal year 1997.

In addition, it claims that they are appropriating almost 861 million more than the President included in his budget. Our amendment simply strikes that contingency and would truly fund the Superfund Program at the 2.2 billion and have the money spent this year.

If the amendment is subject to a point of order, then the money really is not there after all and the Republicans are appropriating about 55 million less than the President requested. So I just wanted to make it clear that by bringing this point of order and having it sustained, they are admitting that the $2.2 billion figure is basically a sham. They are admitting that they funded the program at $55 million less than the President requested and that they have turned this appropriation process into something that we may never see.

The gentleman from Ohio [Mr. OXLEY] and some of the others said last week that Republicans are willing to put their money where their mouths are on Superfund reform. If this point of order is sustained and the money is not real, then I think the bottom line means that the Republicans really do not intend to provide additional money for the Superfund Program and what they are really up to is trying to provide this fund, this slush fund that ultimately will be used for rebates to polluters when the Superfund reform that they advocate is passed into law or comes up on the floor.

The CHAIRMAN. Does the gentleman from New York, [Mr. BOEHLERT] wish to be heard on the point of order?

Mr. BOEHLERT. Yes, Mr. Chairman, I wish to speak in support of the point of order.

The usually mild-mannered gentleman from New York is incensed by what my mild-mannered friend from New Jersey is saying. He is just at odds with the facts.

The budget resolution creates a Superfund reserve fund. This reserve fund allows the chairman of the Committee on the Budget to increase the committee allocations when the Superfund taxes are extended and the program is reformed. That is what we are all about. We want to reform a program that everyone agrees is broken.

It is deficit neutral, this fund, because it will come from the reauthorized Supefund business taxes. This bill sets the marker for the funding level that will be provided when these conditions are met. We are saying that we are committed, let me repeat that, we are saying that we are committed to fund a reformed Superfund at $2.2 billion and will use the extension of the Superfund taxes for that purpose.

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What we have said repeatedly from the beginning of this historic 104th Congress is that we want to reform Superfund. We have a plan; it is falling on deaf ears.

Mr. Chairman, I support the point of order.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. BORSKI] seek to be heard on the point of order?

Mr. BORSKI. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania.

Mr. BORSKI. Mr. Chairman, I urge that the point of order raised against this amendment be overruled. The Pallone-Borski-Markey amendment does not change any of the monetary figures in the bill. It simply strikes the very unusual language limiting the use of $861 million, language that makes the $861 million totally meaningless. If the $861 million is real and will impact the budget, then our amendment will have no impact whatsoever on the budget. If this point of order is sustained, the ruling will support the contention that the $861 million is meaningless. The $861 million figure in this bill is the most meaningless thing I have seen on this House floor in 14 years.

Mr. Chairman, this bill is like a house of mirrors at an amusement park. First we pass a Budget Act, then we waive the Budget Act. Next we put $861 million in the bill for Superfund, then we include language to make sure that it will not be spent. Then we invoke the Budget Act to keep it from being spent.

Mr. Chairman, I urge my colleagues to reject the point of order so that we can move forward with this amendment to fund the toxic waste cleanup program.

Mr. PALLONE. Mr. Chairman, will the gentleman yield?

Mr. BORSKI. I yield to the gentleman from New Jersey.

Mr. PALLONE. Again on the point of order, what I do not understand, listening to my friend from New York again, is that if in fact we need to have an authorization for the Superfund program and we need to have a——

The CHAIRMAN. The Chair will hear each Member on his own time. Members may not yield on a point of order.

Mr. PALLONE. Mr. Chairman, could I be recognized on the point of order?

The CHAIRMAN. The Chair will again hear the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Just very quickly, Mr. Chairman, again responding to the gentleman from New York. If we need a budget waiver, if we need the authorization for the Superfund Program or the reauthorization, and we need another appropriation, we have to go through that anyway in future Congresses. So there is nothing here. This is a totally unreal situation where they are suggesting that we will do this in the future if we can get it authorized, if we can get an appropriation and if we can get a budget waiver. It seems to me that in the next Congress, or whenever this comes up again, we would have to do all those things anyway to proceed.

So, there is nothing here. As my friend from Pennsylvania said, this is nothing really but a publicity effort or advertising effort to make it look like the Republican leadership is actually doing something. The reality is they are doing nothing on the Superfund Program, and, if anything, it may cause mischief and suggest that somehow, if this money does become available in the future, it might be used for some kind of rebate program, and that is my concern.

But I do not see that we are really doing anything here at all. This is just advertising promotion to make the Republicans feel that they, as my colleagues know, look good or appear that they are trying to do something when they are not.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from New Jersey proposes to strike from the bill the last proviso under the heading "Hazardous Substance Superfund." That proviso states that a specified increment of the amount ostensibly provided in that paragraph of the bill "shall become available for obligation only upon the enactment of future appropriations legislation that specifically makes these funds available for obligation."

The Chair is advised that the Committee on the Budget has analyzed this proviso under scorekeeping rule 9 from the joint explanatory statement of managers on the Budget Enforcement Act of 1990, entitled "Delay of obligations." That rule reads in part as follows:

> If the authority to obligate is contingent upon the enactment of a subsequent appropriation, new budget authority and outlays will be scored with the subsequent appropriation.

Thus, pursuant to section 302(g) of the Budget Act, the Committee on the Budget estimates that the incremental amount of funding affected by this proviso is presently attributable to the "future appropriations legislation" and not to the pending appropriation bill. Consequently, to strike the proviso would cause the incremental amount of budget authority affected by the proviso to be attributed to the pending bill.

The Chair is further advised that the Committee on the Budget estimates that the bill, as perfected to this point, provides new discretionary budget authority in the approximate amount of $64,327,000,000, and that the pertinent allocation of such budget authority for this bill under sections 302 and 602 of the Budget Act is $64,354,000,000. Thus, an amendment providing new discretionary budget authority in an amount greater than $27 million would breach the pertinent allocation, in violation of section 302(f) of the Budget Act.

Beause the amendment offered by the gentleman from New Jersey would cause the pending bill to provide an additional $861 million in new discretionary budget authority, it violates section 302(f) of the Budget Act.

The point of order is sustained.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. BROWN] be permitted to offer amendment number 10 to a portion of the bill not yet read and that the time be limited to 5 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. BROWN of California: At the end of the bill, insert after the last section (preceding the short title) the following new section:
>
> SEC. . None of the funds made available in this Act for the National Aeronautics and Space Administration may be used for the National Center for Science Literacy, Education and Technology at the American Museum of National History.

The CHAIRMAN. Pursuant to the unanimous-consent agreement, the gentleman from California [Mr. BROWN] will be recognized for 5 minutes and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from California [Mr. BROWN].

Mr. BROWN of California. I thank my good friend, the gentleman from California [Mr. LEWIS], for allowing us this opportunity to take up the amendment which I have offered.

Mr. Chairman, before I unleash a flood of oratory with regard to my amendment, I want to say that I understand that my good friend, the gentleman from California [Mr. LEWIS], the distinguished chair of the subcommittee, and my friend, the gentleman from Ohio [Mr. STOKES], have indicated the possibility that they might consider accepting this amendment, and in light of this fact I will merely state that this amendment was aimed at eliminating an earmark contained in the language of the report having to do with an extremely meritorious museum project in the city of New York.

I have no objections whatsoever to the museum project. However, I spent the better part of the decade of the 1980's lecturing my Democratic friends on the Committee on Appropriations as to the value of authorizing programs of this sort in the appropriate legislation. I do not wish to spend the decade of the 1990's, assuming I live that long, lecturing my Republican friends with regard to the value of authorization. I would merely point out that the chairman of the authorizing committee, in this case the Committee on Science, the gentleman from Pennsylvania [Mr. WALKER], and I have historically agreed on the importance of authorization, that we have passed a NASA authorization bill which is in the Senate and is pending action in the Senate and that I am more than willing to work with the distinguished chairman and ranking member on this side and their corresponding Members on the Senate side to include in the authorizing bill in the Senate and within a few days of action, as I understand it, to include the appropriate language that would authorize a museum program.

I would say that I have separately introduced, and I hope I can get a few cosponsors, to make this a permanent authority for NASA to fund on a limited basis science museums which are appropriate to its role, and I will seek to move this bill forward if it is the will of the House to do so. In the meantime, I will do whatever I can, as I say, in cooperation with the gentleman to use an existing vehicle to authorize this program, and if it is so authorized, I will be an enthusiastic supporter of this particular program.

I would like to point out that this will be of no handicap to the New York museum. They have a $300 million reserve fund which could easily finance the whole of what they propose. The interest on that trust fund alone could support the amount of the Federal contribution that they are asking for, and I, therefore, feel that this would not do any substantial damage to the progress of their project, which, as I have said, I am an enthusiastic supporter of, and I appreciate the willingness of my good friends on the House Committee on Appropriations to consider the importance of due process with regard to authorization and the other matters that I have mentioned in connection with this program.

Mr. Chairman, I rise to offer an amendment cosponsored by Mr. ROYCE of California, Mr. MINGE of Minnesota, and Mr. NEUMANN of Wisconsin, to bar funding for one of a rather substantial number of earmarks contained in the report accompanying this appropriations bill. My amendment is a simple one: It is a limitation on NASA funding that would prohibit the expenditure of Federal funds for the American Museum of Natural History's National Center for Science Literacy, Education, and Technology. I would like to explain why I am offering this amendment.

The VA-HUD-Independent Agencies appropriations bill is an important piece of legislation, and crafting a bill that can properly balance all the competing needs represented within it has always been a difficult task. Mr. LEWIS, the subcommittee chair, is to be commended on his efforts to strike a reasonable balance among the various priorities.

As you know, the VA-HUD-Independent Agencies bill contains funding for the bulk of the Nation's civilian scientific research budget, including such agencies such as NASA and the National Science Foundation. When the bill was marked up at subcommittee, I felt that the bill represented a serious attempt to balance competing scientific initiatives, although I also believed that overall funding—as well as funding for some specific research accounts—fell significantly below what was needed.

However, something happened at the full committee markup that compromised the good efforts that had been made in the bill. Specifically, an amendment was adopted to the report language that directed NASA to make a noncompetitive award of $13 million out of existing funds to the American Museum of Natural History in New York to establish a "National Center for Science Literacy, Education, and Technology."

Is this a good idea? I really can't criticize the merits of the proposed project, nor can I praise them. The simple fact is that there is no basis for Congress to properly evaluate the project, because it was never requested by NASA, it was never brought before the authorizing committee for review, it has never been peer reviewed, and it was never offered for authorization when the Omnibus Civilian Science Authorization Act of 1996 was considered by the House only a few weeks ago.

However, I would note parenthetically that the American Museum of Natural History's $300 million endowment could finance the museum's entire $130 million renovation program 2½ times over. In fact, the annual interest alone on that endowment could more than pay for the proposed Federal grant of $13 million.

Mr. Chairman, I am certainly not opposed to the promotion of science education and literacy. Indeed, museums and educational centers all over the country are beginning to focus on this very issue and are struggling to find innovative ways to fund these efforts. Thus, the American Museum of Natural History is not alone in their desire to obtain Federal funds. In past Congresses I have sponsored legislation to establish a competitively based grants program for museums and educational institutions. I reintroduced this legislation yesterday. The problem I was trying to correct with that legislation was the rise in noncompetitive congressional science-related earmarks that was eroding the buying power of our science agencies as well as degrading the integrity of the peer review process.

Unfortunately, the funding that my amendment would remove represents a resurgence of the pernicious practice that members of authorizing committees have protested against in past years. I find it particularly ironic that we are seeing the resurgence of such earmarking in the midst of all the reform rhetoric emanating from the 104th Congress.

I would also note that concern over earmarks such as the one my amendment would remove is not partisan based. H.R. 3322, the Omnibus Civilian Science Authorization Act of 1996, recently passed by the House, contains an antiearmarking provision, and at a 1994 Science Committee hearing on science earmarks, then ranking member and now Chairman WALKER stated: "The bottom line is that most earmarked projects are funded that way because they wouldn't be able to withstand the close scrutiny of peer review or even of authorization, and so therefore they do not represent the best that this nation knows how to do, and we ought not to be funding anything which is not our best effort with the limited resources that we have." [Hearing on Academic Earmarks, Vol. I, June 16, 1994, page 2]

I heartily concur with the assessment of the chairman of the Science Committee.

Finally, like so many other science-related earmarks, the one that my amendment seeks to eliminate is an earmark that would further erode the ability of the affected science agency—in this case NASA—to carry out its authorized science programs. Specifically, this earmark would take $13 million from NASA's Mission to Planet Earth—a research program whose funding already has been cut by more than $220 million in this appropriations bill—and would use it for a completely different activity. That is both bad budgeting and bad policy.

In sum, the earmark that my amendment seeks to remove is noncompetitive, unauthorized, lacking peer review, lacking Authorizing Committee review, and an additional lien on already seriously diminished NASA research funding.

Most of these problems could be easily and quickly removed by an amendment to either the fiscal year 1996 NASA authorization bill, still languishing in the Senate; the fiscal year 1997 NASA authorization bill recently marked up by the Senate Authorizing Committee, or the fiscal year 1997 omnibus civilian science authorization bill, likewise languishing in the Senate. I would hope that such an amendment would address the generic need identified in the legislation I reintroduced yesterday rather than simply aiding a single institution. I would be pleased to assist in such an effort.

I urge my colleagues to support my amendment to remove this earmark.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] is recognized for 5 minutes in opposition.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, the project that this amendment seeks to remove from this bill is an extremely important project. The American Museum of Natural History is raising a total of private funding and local public funding for $135 million investment in a national center for science literacy. What they are going to do is to rebuild the Hayden planetarium and create a brand-new planetarium with the most up-to-date resources, and not only is this going to be the best planetarium probably in the world, and that is all being done with local funds, but the national center for science literacy, which lists $13 million for that fund, will make the resources, the scientific and educational resources of the museum, available to every classroom in the country, to every library in the country, to anyone who could hook into the Internet, to anyone with a computer and access.

So this $13 million is not a local pork project for New York, it is to take a major investment being made by the New York City government and the New York State government and private philanthropy in New York, and this $13 million will make the fruits of this investment available to everyone in the country. Not a dime of the Federal appropriation would go toward construction of anything in New York. All the Federal funds would go toward the development of the exhibits and the computer capability to make those exhibits available to every classroom, to every library in the country, and it is one of the most important investments we can make in scientific literacy in this country, and if we value our productivity and our competitiveness, we had better value scientific literacy.

So, Mr. Chairman, I hope we do not do anything that will jeopardize this project today.

Mr. Chairman, I rise in strong opposition to this amendment. The sponsors of the amendment are seeking to weed out unnecessary projects that have no value to the American people. I support their goal, but differ with them as to the value to the American people of this important program the sponsors wish to eliminate under this amendment. As I said, I share the goal of the sponsors of this amendment of cutting wasteful spending. That is why I have stood on this floor again and again in support of amendments to accomplish this important goal—that is why I have introduced amendments to eliminate funding for wasteful projects within my own Congressional district. But before supporting amendments that claim to cut funding for projects with no merit, we have a responsibility to study carefully the question of whether such programs may indeed have real value to the American people. I believe the education program this amendment seeks to eliminate truly does have value to millions of Americans nationwide, and we would be acting irresponsibly by eliminating these funds. The project is an extremely important project.

The American Museum of Natural History is raising private and public local funds for a $135 million investment in a National Center for Science Literacy that will link one of the nation's most well-respected and virtually unparalleled exhibitions and resources with schools, families, science and technology centers throughout the Nation, including NASA's science education campaign. This project has the potential to make some of our Nation's most important achievements in science and research more accessible to schools and families, allowing taxpayers to utilize directly the fruits of their investment.

The funds in this bill for the literacy center is less than 10 percent of the total cost. Over half of the funds come from private donors and foundations with the balance being paid by New York City and New York State. This project strikes a balance between private and Federal money to benefit the greater good, the education of our Nation.

Not one dime of the Federal appropriation would go toward construction of any new buildings for the center. All of the Federal funds would go to develop exhibits and educational technology initiatives that will bring science to people across the Nation. This program is entirely consistent with the congressionally authorized Mission to Planet Earth, through which it is funded. NASA's Mission to Planet Earth states specifically that its mission is "to help translate knowledge about our own planet to the broader community, to schoolchildren and families, to the general public, to share NASA's knowledge and investments with more scientists, science and technology centers throughout the nation."

This science literary center is an effort to make available the resources, science, research, educational, and exhibition resources to the American Museum, as it is known the world over, to as many parts of this country as possible. Already, the museum hosts over 3 million visitors from every State in this country and provides services to more than 500,000 schoolchildren annually—again, from all regions of this Nation. The national center's mission is to take science education further: to make the resources available at the museum to more Americans, and translate our Nation's Federal science investments for every American and for the current and future generations of our youth.

I want to read from a New York Times editorial in which they say of the proposed project, "it will also turn the already remarkable Museum of Natural History into one of the world's greatest scientific resources." Additionally, I want to read from a statement by Dr. E.O. Wilson, a Harvard professor, winner of two Pulitzer Prizes and named by Time magazine last week as one of the 20 most influential people in America. "An institution with such great strengths * * * from its world class collections and library to its outstanding staff, is automatically in a position of leadership. It also has a responsibility to lead because of its * * * historical importance of its collections."

I urge my colleagues to vote against this amendment.

Mr. LEWIS of California. Mr. Chairman, I yield myself the balance of my time or a small piece thereof.

First, I very much appreciate my colleague from California having this discussion with us. There is little question of the tremendous contribution that has been made by the American Museum of Natural History in New York and particularly, in this case, its literacy center. As the chairman and our colleagues know, we are committed to making certain that the public have access to that which we develop and learn about as we proceed with our presence in space. The gentleman from California [Mr. BROWN] has suggested that we should not designate this program at this time. He has, in conversation with me, indicated that there is an authorization process potential in the other body. He knows full well that I intend to proceed as best I can as we go to discuss these things with the other body. In the meantime, I have indicated to the gentleman from California [Mr. BROWN] that we are willing at this point to accept his amendment.

Mr. BROWN of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I can only express again my admiration for my distinguished colleague from California for his reasonableness and his statesmanship in this regard, and, as he indicated, I pledge my full support to get the funding for the museum through authorized channels, and I think that no hardship will be worked if we do that.

Mr. MANTON. Mr. Chairman, I rise today in opposition to the Brown amendment that would eliminate funding for this most important and worthwhile project. While I understand that my colleague from California offers this amendment with good intentions, I believe this project is a much needed investment in science education for this, and future generations.

Should the Hayden Planetarium renovation be completed, it will be one of the greatest planetariums in the world. The American Museum of Natural History opens its doors to over 3 million people a year from all over this Nation and abroad. Such a facility provides an opportunity for students and families not only from New York, but all over the country to participate and share in the knowledge and information gained by NASA research and technology.

Mr. Chairman, it is also important for my colleagues to know that 90 percent of the funding necessary to complete this project has been raised through a unique public/private partnership between the city of New York and a variety of public and private resources. The $13 million provided in this legislation for the Hayden Planetarium only constitutes 10 percent of the total cost of this project.

I ask my colleagues to vote against this amendment, as it would jeopardize this valuable project and deprive us all of the education and understanding such a learning center would provide.

□ 1430

Mr. BROWN of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BROWN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Chairman, I offer amendment No. 62.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 62 offered by Mr. GEJDENSON: Page 87, after line 17, insert the following:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $1,811,000, to be derived from amounts provided in this Act for "National Aeronautics and Space Administration—Human space flight": *Provided*, That notwithstanding any other provision of law, that Office may accept and deposit to this account, during fiscal year 1997, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials; may expend up to $1,110,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purposes to the extent authorized in subsequent appropriations Acts: *Provided further*, That none of the funds provided under this heading may be made available for any other activities within the Department of Health and Human Services.

The CHAIRMAN. Pursuant to the order of the committee of today, the gentleman from Connecticut [Mr. GEJDENSON] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Connecticut [Mr. GEJDENSON].

Mr. LEWIS of California. Mr. Chairman, I reserve a point of order on the amendment.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to express my appreciation to the chairman who, in cooperation, raised this issue. It is clear under the present rules that we are unable to offer this amendment. I will withdraw it shortly.

I wanted to make sure that my colleagues understood that this bill eliminates the Office of Consumer Affairs. It is the only consumer advocate at the Federal level. It was started by President Kennedy. President Nixon appointed Elizabeth Dole as the deputy director during the Nixon years. It receives 10,000 calls per month and provides a valuable service to Americans who have consumer problems.

When we look at its review, it is supported by both consumer groups and by corporations, because it often works to work these things out without litigation. It operates with a staff of 13 people, and Money magazine investigated and showed that most States are actually cutting back on programs that assist consumers. They found that nearly 50 percent of the attorney general offices and State, county, and city consumer affairs offices experienced dramatic cuts in recent years. We can be sure that with a crisis at both the State and local level, this will not be picked up at the State and local level.

We have here a critical aid to citizens, to average citizens. The program, again, is supported by MCI, Ford, MasterCard, the Direct Marketing Association, and consumer organizations across America. It seems to me for 2 cents a household, consumers ought to have that additional voice in the executive branch.

I want to say that it is something we need to do. I would hope that we can reinstate the funding, or through the Senate, and again I thank the chairman for his cooperation.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Connecticut is withdrawn.

Mrs. LOWEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to be sure that I expressed my strong opposition to the amendment offered by the gentleman from California to remove funding for the National Center for Science Literacy, Education, and Technology at the American Museum of Natural History. I do so not merely as a New Yorker, but as someone who recognizes the need to enhance our knowledge—especially our young people's knowledge—of science and technology.

For more than a century, the American Museum of Natural History has been one of the world's preeminent institutions of scientific research and education. More than 3 million people from across our Nation and from around the world visit the museum every year. And the museum's research stations span the globe—from Long Island to China, from Arizona to Madagascar, from Georgia to Mongolia.

Why should the Federal Government spend $13 million out of NASA's $13.6 billion budget for this project? Well, the American Museum of Natural History is really the institution best suited to further the purposes of NASA's "Mission to Planet Earth" by telling the story of our planet—from the big bang, to the age of the dinosaurs, to global warming.

The resources and capabilities of the American Museum of Natural History are virtually unparalleled anywhere. The museum offers the largest natural history library in the Western Hemisphere, more than 30 million cultural artifacts, the world-renowned Hayden Planetarium, 200 research scientists in nine departments, and the experience that comes from having over 3 million visitors every year—including over 500,000 school children.

The funding contained in NASA's budget for this important scientific and educational project is only 10 percent of its total cost. In fact, over half of the $130 million needed to establish the national center have already been raised through a unique public/private partnership between the city of New York and numerous private foundations, individuals, and corporations.

Mr. Speaker, the national center will allow the American Museum of Natural History to translate ground-breaking science into exciting, real-life programs for millions of Americans—precisely one of the purposes of the Mission to Plant Earth.

This is far from a waste of Federal tax dollars. It is about providing a nominal amount of support for a program of the highest quality that will benefit millions of school children and enhance our competitiveness in the global economy.

I urge defeat of the Brown amendment.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, even though we have accepted this amendment, let me say to the gentlewoman that my colleagues from New York especially have brought this museum to my attention. Between the gentlewoman from New York [Mrs. LOWEY] and the gentleman from New York [Mr. NADLER], in whose district this museum is located, they have educated me in a short time. It is a magnificent effort of private funding and the expanding of a very, very important commitment on the part of the people of New York. I am sure we can work with each other and attempt to continue to make progress in the weeks as well as the months ahead.

Mrs. LOWEY. Mr. Chairman, I want to thank the chairman of the committee for his support, and I look forward to working with him and my colleagues to ensure that this invaluable resource, not only to New York but to the country, can be supported by the Federal Government. I thank the gentleman.

Mr. BROWN of California. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I want to do something to encourage the gentlewoman to thank me, also, because I am an enthusiastic supporter of museums. I have introduced legislation to include museums in the role of NASA and other scientific agencies. That legislation is currently pending. I hope some of the language in my bill can be included in the final conference on the NASA authorization bill for this year, so it will be clear that we intend to support museums, and to do so on a basis which is open, aboveboard, open to all good museums, and which can do as the gentlewoman says, can help to enlighten the public of the United States on the importance of scientific achievement. I pledge her my fullest cooperation in achieving that goal within the earliest possible timeframe.

Mrs. LOWEY. I want to thank the chairman, and I look forward to working with him. I appreciate his support for this extraordinary institution. I know together we can be successful in providing Federal support.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word in order to enter into a colloquy with my colleague, the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I would like to discuss with the chairman of the committee the need for a training program for chief fire officers at the U.S. Fire Academy. This training program will assure that chief officers are fully prepared before being thrust into disaster situations.

Currently there is no national training program available to chief fire officers. These officers are usually the first to arrive at a fire or a disaster, and their leadership is crucial to saving lives and property. Yet these officers receive little or no formal training. I have been working with the gentleman from New York [Mr. BOEHLERT], chairman of the Congressional Fire Services Institute, to put this training program in place.

It is estimated that this program would only cost $400,000, and it seems to me that $400,000 is a small price to pay in order to assure that chief fire officers receive the training that they need to protect the lives and property of American citizens.

There is a national consensus that this training is needed. In fact, petitions containing over 5,000 signatures supporting this program have been collected from all over the country. This training program is supported by leading firefighting publications, including Fire Engineering, Fire Chief, Firehouse, and the American Fire Journal.

Mr. Chairman, I would ask the chairman if he would work with me to add report language at conference to direct the U.S. Fire Academy to develop this program and to offer the course as soon as possible. There are many lives at stake.

Mr. LEWIS of California. Mr. Chairman, I would say to the gentlewoman from New York [Mrs. LOWEY] that I appreciate her bringing this very important matter to our attention. I agree that it is also very important that chief officers, firefighters who take immediate charge of fires and disasters, receive the training they need to protect both the firefighters under their command and the lives and property of our citizens. I certainly agree that the U.S. Fire Academy should begin to develop a curriculum for this kind of training. Four hundred thousand dollars, it seems to me, even in these difficult times, is a modest price to pay to assure that chief officers are fully prepared when they arrive at the site of disasters, where property damage alone can cost much more than the figure under discussion.

I would say to the gentlewoman that I would be glad to work with her to ensure that the conference report directs FEMA to review this matter and to report their findings to the Congress no later than the first of next year. If appropriate, I will strongly urge the U.S. Fire Academy to develop a curriculum for this training and to begin to offer this training program as soon as possible.

Our chief fire officers should not be forced to learn the skills needed to take charge of a fire or disaster site on the job. We should assure that they are fully prepared well before they are faced with these circumstances, and I must say I appreciate deeply the gentlewoman bringing this to my attention.

Mrs. LOWEY. Mr. Chairman, it is an honor for me to serve with the chairman of the Committee on Appropriations. I appreciate the gentleman's leadership and I thank him for his support. I look forward to working with him on this language. I do believe this training will save many lives. I thank the chairman very much.

Mr. Chairman, I rise in reluctant opposition to the amendment offered by my friend, Mr. BROWN of California.

The U.S. Government spends billions of dollars a year on science and technology, particularly for defense programs and NASA space exploration. Surely we can spend $13 million to bring some of that technology home to the American people.

Especially for a project where 90 percent of the $130 million required is coming from private and non-Federal sources. Let's not send the message to all these private contributors that the Federal Government is not willing to participate in the project that will make our Federal science and technology initiatives accessible to the citizens.

The American Museum of Natural History is the one institution that can attract this support because it is truly national in its scope, mission, and resources.

For more than 125 years, the American Museum of Natural History has been nourishing young minds with scientific enlightenment in a readily understandable form.

Three million people from all 50 States flock to the museum every year to learn about the cutting edge scientific research interpreted, explained, and performed by the museum's 200 scientists and leaders in their fields.

The landmark project—whose Federal funding this amendment would prevent—would greatly expand the range and the capabilities of the world-renowned Hayden Planetarium, and would bring more of its treasures home to all Americans.

The project calls for a new Sky Theater, a Hall of the Universe, a Hall of the Planet Earth, and a Hall of Life's Diversity.

And it will allow the museum's exhibitions to be visited not just by Americans who can afford a trip to New York, but by anyone with access to the World Wide Web at work, at home, at school.

Just imagine: real-time images from the Hubble Telescope will no longer just be available to Government bureaucrats and scientists at NASA headquarters in Houston. They'll be available in a user-friendly format to students, as well as other scientists and educators.

Mr. Chairman, for all that the American museum has done for scientific understanding in our country, the museum has never once come to the Federal Government for a major funding initiative.

Granting this modest request is the least we can do. Denying it would be a tragic setback and loss to scientific literacy in this Nation. I reluctantly urge my colleagues to oppose the amendment offered by my friend, Mr. BROWN.

Mrs. MALONEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I had been here, I would have risen reluctantly in opposition to the amendment offered by my friend, the gentleman from California [Mr. BROWN], and in support of a 10-percent, $13 million Federal funding for the National Center for Science, Literacy, Education, and Technology at the Museum of Natural History. It was a mere 10-percent funding of a $130 million project that would have expanded science and new technologies into the homes of millions of Americans through all types of fora, not only at the museum but through computers and through the Web. I regret that I was not here to speak in opposition to his amendment, and I am sorry that this has been struck from the budget.

Mr. BOEHLERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise for the purpose of engaging the chairman of the committee in a colloquy. It is my understanding that the gentlewoman from New York [Mrs. LOWEY] also would like to enter into part of this discussion.

Mr. Chairman, I want to thank the chairman of the committee again for the excellent environmental section of this bill. This is something I know the chairman has worked on very hard, and I appreciate that, following through on what he did in his days as a California legislator.

As we know, the House passed another excellent environmental bill yesterday, the Safe Drinking Water Act. That bill was passed by a voice vote and it authorized $16 billion for the New York City watershed, which is the water supply for nearly 10 million Americans. The Senate version of the bill, which passed unanimously, includes $15 million for the watershed. That money would implement a model agreement in which the watershed will be protected without imposing burdensome limits on development in my area, and without forcing the expenditure of $8 billion on the part of the city of New York on a new filtration plant.

The program is a model because it relies on voluntary changes in land use policy to protect drinking water for the Nation's largest city. It is my understanding that the chairman is supportive of this agreement, and that funding the watershed agreement will be a priority in conference.

Is my understanding correct, Mr. Chairman?

□ 1445

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I would say to the gentleman from New York [Mr. BOEHLERT] that I am very aware of this commitment to this project, as well as his concern about environmental matters that affect the country, and especially New York. The gentleman has discussed many such items, including this watershed problem with me in some detail. I very much appreciate the gentleman bringing it to our attention.

There is little question that I informed the gentleman that dollars are mighty thin, and we are having great difficulty providing specific funding for individual projects. But between now and the time conference, I think we will better know about the availability of funds.

The watershed agreement is, as the gentleman suggested, a model that is widely supported in both Houses of the Congress. The committee and I will do everything possible to seek funding for the project in conference.

Mr. BOEHLERT. Reclaiming my time, I thank the chairman very much for those comforting words, because we are talking about something that has broad implications affecting the water supply for 10 million people.

Mr. Chairman, I yield to my distinguished colleague, the gentlewoman from New York [Mrs. LOWEY], who has worked with me on this very important matter.

Mrs. LOWEY. Mr. Chairman, I thank the gentleman, [Mr. BOEHLERT], my outstanding colleague from New York who has truly been a leader on this issue. It has been an honor for me to work with the gentleman and to see this project actually become a reality.

I also want to thank the gentleman, because we know that for more than 150 years, Mr. Chairman, the residents of the New York metropolitan area have received their drinking water from reservoirs in upstate New York. This 2,000-square-mile watershed has the distinction of being the largest unfiltered surface drinking water supply in the entire Nation.

As my colleagues from New York State know, protecting the New York City watershed is absolutely critical, and it is simply a matter of dollars and cents. Why? Reserving the purity of the city's water system at its source in the upstate reservoirs will avoid the need to construct a filtration plant that would cost more than $6 billion, I repeat, $6 billion.

For too long, there was antagonism and mistrust between residents of the metropolitan area, who want to ensure the water's purity, and upstate residents, who rely on the land for their economic livelihood. It used to be that the interests of upstate residents were diametrically opposed to the interests of my constituents in Queens and Westchester County, but not anymore.

Late last year, the city and State of New York, the Environmental Protection Agency, and farmers and local officials from the watershed agreed to a landmark watershed protection program that will avoid the need for costly filtration while still safeguarding public health and allowing those who make a living off the land to continue to do so. If successful, this program promises to become a national model for locally driven, economically friendly environmental protection.

New York City alone has pledged to invest over $1.2 billion over the next 15 years to implement the program, but a modest investment by the Federal Government is also needed.

Regrettably, the first installment of these funds has not been included in the EPA's budget for 1997. But I will withdraw my amendment. I will not offer my amendment, which would provide the $15 million that is needed. I appreciate the leadership again of the gentleman from New York [Mr. BOEHLERT] and the willingness of our chairman, the gentleman from California [Mr. LEWIS], to work with us to ensure that these vital funds will be provided.

So thank you again, thanks to our chairman, thank you to the gentleman from New York [Mr. BOEHLERT]. And I look forward to working with my colleagues on this vital issue for the entire region.

Mr. BOEHLERT. Mr. Chairman, reclaiming my time, my colleague was a little bit conservative when she suggested that the filtration plant would cost $6 billion. As a matter of fact, we have had cost estimates as high as $8 billion. In addition to that, it would cost $350 million a year just for operation and maintenance.

We are getting smarter around this institution. What we are proposing is a modest expenditure to save billions of dollars. I am comforted by the chairman's good words, and I appreciate the gentlewoman's support.

Mrs. CHENOWETH. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, as we are aware, the community of Cataldo on the Coeur d'Alene River, which is in the northern part of my Idaho district, is facing an impending disaster. Dangerous flooding this spring has already resulted in the area being listed as a Federal disaster area. But this Federal disaster designation, while helpful, has not ended the danger, nor has it ended the fear my constituents do face.

We are dealing with an old, but newly exacerbated problem. The steady buildup of rock and other deposits which has been worsening in recent years has been greatly accelerated as a result of the floods. This has caused unusually high water levels to rise even higher. This flooding, coupled with a leaking dike that the Army Corps of Engineers has determined is 2 feet too short is threatening the community of Cataldo. If next spring's floods are anything like this year's, and there are indications that they may be even worse, this small community will be destroyed, and a major freeway, Interstate 90, will be cut off.

If I-90 is lost, Mr. Chairman, literally 10,000 vehicles it carries every day will have a roughly 200-mile detour around the closure. The economic impact on those highway users and on residents in surrounding areas will be devastating. But even worse, the loss of I-90 will make emergency evacuation extremely difficult and rescue efforts nearly impossible.

Mr. Chairman, my constituents are can-do, roll-up-your-sleeves kind of people, and they would like nothing better than to get in and fix that dike, raise it by 2 feet and fix it and make it right. But restrictive Federal regulations prohibit them from solving this problem on their own. In order to raise and reinforce its dike to Federal standards, Cataldo needs $300,000. Tragically, there has been little success in finding the necessary funds, and we fear that fiscal year 1997 will simply be too late.

Mr. Chairman, the citizens of Cataldo are afraid for their property, their homes, and most importantly, their lives. May I reassure them that the Federal Emergency Management Agency will allocate needed funds from their fiscal year 1996 budget?

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. CHENOWETH. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, let me say to my colleague, the gentlewoman from Idaho [Mrs. CHENOWETH] that the citizens of Cataldo sound very much like the citizens of beautiful San Bernardino County. It is a great pleasure for me to enter into this discussion with the gentlewoman. I very much appreciate her bringing to my attention and to the committee's attention this very important issue. As in this case, human lives, property, and an important interstate highway could be protected with a relatively small expenditure. It certainly bears further review.

While I am not sure if allocating these funds is within FEMA's authority, some people are trying to limit the authority of my subcommittee. In the meantime, it very much involves serious potential property damage and threat to human life. I will examine the possibility and try to help exercise every option we have available.

Mrs. CHENOWETH. Mr. Chairman, I very much appreciate that consideration and so do the people of Cataldo.

AMENDMENT OFFERED BY MR. HOSTETTLER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 240, not voting 10, as follows:

[Roll No. 276]

AYES—183

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Fowler
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gillmor
Goodlatte
Goodling
Graham
Greene (UT)
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Hostettler
Hunter
Hutchinson
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kim
King
Kingston
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (KY)
Lightfoot
Linder
LoBiondo
Longley
Lucas
Manzullo
McCollum
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Radanovich
Ramstad
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—240

Abercrombie
Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Castle
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Goss
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Hobson
Holden
Horn
Houghton
Hoyer
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
Knollenberg
LaFalce
Lantos
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCrery
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Pryce
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Ros-Lehtinen
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (WA)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates

NOT VOTING—10

Becerra
Browder
Coleman
Fields (TX)
Ford
Lincoln
McDade
Peterson (FL)
Rose
Roybal-Allard

☐ 1512

Mr. MOLLOHAN changed his vote from "aye" to "no."

Mr. PARKER changed his vote from "no" to "aye".

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mrs. CHENOWETH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we will conclude consideration of H.R. 3666, a bill to appropriate fiscal year 1997 funds to the Veterans' Administration, the Department of Housing and Urban Development, and other independent agencies.

☐ 1515

Mr. Chairman, it is with these other independent agencies that I would like to address this issue today.

At the close of consideration of H.R. 3666, we, as Members of the House of Representatives, will be asked to cast one single vote on this entire package of funding for agencies that are wholly unrelated. This is absolutely unfair.

H.R. 3666 includes not only funds for VA and HUD, but funding for AmeriCorps and the Selective Service System, the EPA and OSTP, and CEQ, and FEMA, and GSA, and NASA, and NSF, and CDFI, and other minor agencies that sound like alphabet soup.

I want to be very clear here, Mr. Chairman, I support veterans' programs. We owe our vets a debt of gratitude that more money can never repay, and I have supported some of the other programs, too.

But it is precisely because I believe we need to keep our promises to our veterans who served so valiantly that I am supporting this bill today.

But, Mr. Chairman, I think it is a fraud on the American people to force their Representatives in Congress, Representatives who are supposed to be watching their tax dollars, to cast one single vote on all these various agencies. How can we justify including the veterans of our Armed Forces in the same measure as AmeriCorps, EPA and the like? It is fundamentally unfair to pit our veterans, whom I support, against EPA and AmeriCorps programs, of which I have serious reservations.

I want my constituents to know that when I cast my vote today in favor of H.R. 3666, it is for my veterans, not a vote for AmeriCorps and EPA.

I would suggest, Mr. Chairman, that we reexamine our appropriations process to inject more germaneness and fairness into our ability to represent our constituents.

AMENDMENT OFFERED BY MR. FIELDS OF LOUISIANA

Mr. FIELDS of Louisiana. Mr. Chairman, I ask unanimous consent to offer an amendment to a portion of the bill not yet read.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FIELDS of Louisiana:

Page 61, line 14, afte each of the two dollar amounts, insert the following: ("increased by $3,500,000)".

Page 61, line 17, after the dollar amount, insert the following: "(increased by $178,500,000)".

page 61, line 22, after the dollar amount, insert the following: "(increased by $89,000,000)".

Page 62, line 1, after the dollar amount, insert the following: "(increased by $60,000,000)".

Page 62, line 7, after the dollar amount, insert the following: "(increased by $1,000,000)".

Page 62, line 19, after the dollar amount, insert the following: "(increased by $4,500,000)".

Page 62, line 24, after the dollar amount, insert the following: "(increased by $11,500,000)".

Page 63, line 2, after the dollar amount, insert the following: "(increased by $7,000,000)".

Page 63, line 6, after the dollar amount, insert the following: "(increased by $2,000,000)".

Page 74, line 5, after the dollar amount, insert the following: "(increased by $178,500,000)".

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Louisiana [Mr. FIELDS] and a member opposed will each control 10 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. FIELDS].

Mr. FIELDS of Louisiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment increased funding of the National and Community Service Programs by $178.5 million above its level in the bill. It raises it to $543.5 million for fiscal year 1997. It provides $28.5 million for administrative services, $129 million for national service trust account for educational awards, $261 million for grants under the national service trust program. It also provides $6 million for Points of Light Foundation, $22 million for the Civilian Community Corps. It provides $53 million for school- and community-based service learning programs across the country. It provides $37 million for quality and innovative activities. Lastly, Mr. Chairman, it provides $7 million for audits and other evaluations of the program itself.

Each of these programs provides our Nation with one thing that we lack most, and that is community involvement. This program is a network of community-based programs which provides Americans with results-driven programs. In exchange for a year or 2 years of hard work, AmeriCorps members earn education awards to finance their way through college, graduate school, vocational training or to help pay back student loans.

Mr. Chairman and members of the committee, during a time that many young people are defaulting on their student loans, there could not be a better program than the National Service Program to give individuals an opportunity to earn their way through college and not only earn their way through college and graduate school but give them an opportunity once they finish college and graduate school. They can in fact be a part of one of these national service programs and pay for their educational enhancement.

More of our youth should be able to earn a college education by helping in the community, so we receive a twofold effort. One, we give an opportunity to a young person to earn their way through college, and we also help many facets of our community at the same time. In my State of Louisiana, there are over a million people who participate in this program. The exact number, Mr. Chairman, is 1.2 million persons involved in the National Service Program. That only costs the Federal Government about $6.20. We have allocated to the State of Louisiana about $7.8 million. Some of the programs that the individuals participate in: the Delta Service Program, with 50 participants who help find affordable housing for low-income residents, facilitate independent living for home-bound individuals, and tutor children on literacy skills. Those are great programs that have taken place in my State, and those programs are taking place all across the country.

I tender this amendment to the Members of this House as a friendly amendment to simply bring national service funding up to the level that it was so that more young people can participate in a very worthwhile program.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] is recognized for 10 minutes.

Mr. LEWIS of California. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Louisiana [Mr. FIELDS]. The amendment, as he has said, would add $178.5 million to the Corporation for National and Community Service, with an offset in the FEMA disaster relief account. The difficulty with this is obvious to those members who have been following the appropriations process. There is a lot of controversy that swirls around this program. There is a need for careful reconsideration as well as evaluation. There are a number of amendments before us that would reduce the spending for AmeriCorps.

Recognizing that we will have a number of votes in connection with Americorps funding, the passage of this amendment would be in and of itself a budget-buster. It does not match the outlay requirements and is potentially subject to a point of order.

Unfortunately, the offset that is proposed by my colleague, Mr. FIELDS is FEMA. That is, he suggests we could take this money from the Federal Emergency Management Agency, an account that seems to be everybody's favorite account. FEMA is everybody's favorite account when they have a disaster in their district and their State and they need some help. FEMA is also everybody's favorite account when they see some money sitting there that is not spent yet and they want to tap it for one of their favorite programs that may affect their district or their State.

Indeed, when we had our major budget conference in which we put five Appropriations Committee bills together and sent them to the President, there was a need for a big offset, roughly $1 billion. The administration and Congress went to FEMA, took away its money and used it as an offset to fund other spending priorities. Eventually we have got to pay the piper for past and future disasters.

FEMA needs these funds. There are disasters and obligations outstanding out there, and indeed America should keep its commitment to those people who faced those disaster circumstances. So because of that, Mr. Chairman, I oppose the amendment.

Mr FIELDS of Louisiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the comments of the gentleman from California, the distinguished chairman, and I want the gentleman to know that I get no great pride out of taking money out of FEMA. I simply had to take it somewhere because the bill has to be budget neutral, as the gentleman knows.

But I do think, when it comes to our kids, when it comes to giving kids an opportunity to earn their way through college, that is something very positive that we should do everything we can to do that. This is only $170 some million and I do appreciate the gentleman's comments.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I, like the gentleman from Louisiana, certainly appreciate the remarks of the chairman, but what I might add is that this National Service Corps allows for us to serve the disasters of broken life. So this is quite, I think, appropriate that we invest in AmeriCorps and invest in the National Service Corps to remedy the ravages of life in our urban communities, in our rural communities, and that is what this organization does.

There is not a place that I have gone that I have not seen the works of the National Service Corps. They get things done. In Houston, TX, they get things done. They work with Habitat for Humanity. They build homes for people who do not have homes. They work with youth that do not have the kinds of role models that they need to have, and at the same time, as we are here on the floor of the U.S. Congress, acknowledging the importance of responsibility, that is teaching our young people responsibility, as well.

This National Service Corps goes into communities; it does not take over communities. It embraces communities. It builds them up. It picks them up. It gives them new hope that things can be done. What are we doing in the 21st century if we are not reinvesting in our youth?

Mr. Chairman, there was a report that just was reported that said we are backhanded in our solutions. We build prisons, but we do not provide for at-risk youth. The National Service Corps brings talented youth together who themselves may have been at risk but yet they are now at the stage of going to college, and they can go into these communities that are hopeless, that are broken, that do not see a way out and they can build them up and make them whole again.

This is a good program. This takes care of lives, the disasters of life, which I think is so very important.

I would ask my colleagues to join the gentleman from Louisiana [Mr. FIELDS] in supporting AmeriCorps with this additional funding which only brings it equal to last year's funding. So I do not want anyone to think that we are going beyond. Fiscal responsibility is important, but investment in our youth, in our future in this country is equally important.

Mr. Chairman, I ask that we support this amendment and remember it is important to fix broken lives as well as broken communities.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume in order to have a little discussion with the gentleman from Louisiana [Mr. FIELDS] for just a moment.

□ 1530

Mr. Chairman, I appreciate very much where my colleague is coming from, and I just want to make a couple of points here.

First, let me point to the State of Texas, the State of the gentlewoman who just spoke. I want to mention that since 1988 there have been a number of disasters for which we have appropriated and obligated funds. In the State of Texas since that time, there have been 15 major disasters. The total projections of costs are $305,366,000. Of that, $298 million has already been obligated to address very serious problems in which FEMA was asked to respond.

In Louisiana there have been eight major disasters, $77,891,000; $62 million of that has been obligated and the balance is in the offing. Very serious needs. Louisiana has not had a major disaster of late, but who knows what happens around the corner.

So FEMA becomes the quick whipping boy or the quick source when we have difficult problems in one sense, but then we look to it as a source for our favorite programs as well.

Let me suggest to the gentleman that we have just recently had a vote in which we were successful relative to the program for which she seeks to increase funding. We have a number of amendments before us that would reduce that spending. If we go forward with this amendment and have a vote that ends up being in the negative, it could provide considerable incentive in terms of those other amendments that remain before us.

So, Mr. Chairman, I would ask the gentleman to consider that as he decides whether to take this amendment to a vote or not.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I just want to echo the same comment the gentleman has just made. I think the author of the amendment should realize that we have just been able to defeat an amendment which would have taken all of the money out of AmeriCorps. We won, but we did not win by such a margin that four or five other people who have amendments to reduce funding in AmeriCorps have not been dissuaded from offering their amendments.

I would think in light of that, the gentleman from Louisiana having made his point here, that he would consider what the chairman has said in terms of realizing that this is not the type of amendment to take all the way to a vote. I think the gentleman has made his point, it is a good point. This is certainly an excellent program, but we have to consider all the circumstances here and we have to remember that last year when this bill came in, it was zeroed out. There was no funding.

Of course after a veto of the bill, we did put $400 million in for AmeriCorps, and in this bill there is $365 million. So I think the chairman has gone a long way in trying to work out funding for this program in a House where there are some people who do not want this program.

Mr. FIELDS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. Mr. Chairman, I want to thank the ranking member of this committee, and as I said to the ranking member, and let me just say to Members of the House, I do not have any plans to take a vote on this amendment.

I want to thank the gentleman, the chairman, in all honesty, for his hard work in this effort. I really thank the gentleman for his efforts.

I come from the school of thought that we have to do all that we can do to improve opportunities for higher education in this country, and I know both gentlemen, particularly this gentleman and the chairman, have worked hard to provide that opportunity for young people.

We have too many young people who graduate from college in this country who will leave a college or a medical school or some graduate school with over $100,000 worth of debt. If they have that opportunity to work their way through college, work their way through graduate school, or even have the opportunity to work in community programs to pay back their loans, that is the point that this gentleman and the gentlewoman from Texas had made and is making.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I wanted to take a minute and commend the gentleman from Louisiana for the kind of leadership he has offered in this House in terms of education and scholarship, particularly of young people; and in terms of the TRIO program, which he has been a real leader on here in the House. He is to be commended for the amendment which he has offered here today and the principle which lies behind it. I appreciate it.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I appreciate the chairman's comments with respect to FEMA and certainly with respect to the great State of Texas. My comments are not in any way to suggest that FEMA is not both worthy and well needed in times of need, and I acknowledge that we have been forced in this time of fiscal responsibility to look in places where we would not want to look.

So to my FEMA employees and those that may need FEMA ultimately, let me say this is not directed and intended to undermine, but it is a choice.

I do thank both the gentleman, who is chairman, and the ranking member for their leadership, and I thank my colleague from Louisiana.

Understand that I leave Members with the thought that there are disasters of life that I believe, if we look at the record of the National Service Corps, that they have been able to amend and fix. I recognize that we are certainly at a better place than we were before, but this is to offer opportunities for us to fix broken lives, that these young people participate in doing, and helping them reinvest in their lives as well.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, I must say to the gentlewoman that I am sure many of her constituents would remember in just as crystal clear a fashion the needs that they had when the disasters faced them personally that involved FEMA's work.

And they have been very responsive to Texas. To presume that time and time again we can tap their account without having to pay the price eventually and have dollars not available when another kind of disaster affects either her State or Louisiana or my State of California could be a very big mistake.

Mr. LEWIS of California. Mr. Chairman, I reserve the balance of my time.

Mr. FIELDS of Louisiana. Mr. Chairman, I yield myself the balance of my time, and in closing I want to lastly thank the chairman and thank the ranking member for their work in this effort.

I can only say that I know how to count and I know where the votes are, but I would like to say to the Members of this House that even in disasters, and I understand FEMA's budget, but whenever there is a national disaster and the moneys are not there in the FEMA's budget, the chairman knows as well as the ranking member knows and every Member of this House knows that this Congress has the right and the obligation to go back to the Federal war chest and appropriate additional funds.

So while I understand and respect the gentleman's argument about FEMA, I wish not to take the money from FEMA, but the amendment has to be budget neutral.

I think I have made the point, Mr. Chairman, that there are a lot of young people across this country who should have the opportunity to go to college. They are caught in the middle. Their parents make a little too much money to qualify for a student loan or a grant but they do not make enough money to send them to college. National service is a program for the future, and this Congress should be totally committed to it.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do so to announce for my colleagues our plan as to how we are going to proceed. It is my intention to proceed out of order with the Solomon amendment No. 49, then proceed with the regular order of reading. I believe there are only two amendments left in title III. We will then be on title IV, the last title of the bill, and will try to move as quickly as possible on this title.

We do have a number of amendments left. if Members would restrain themselves, not just in terms of time but maybe consider eliminating amendments where there is duplication, it would expedite the work of the House. I am sure all our colleagues would appreciate that effort.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent to offer an amendment to a portion of the bill not yet read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SOLOMON: Page 95, after line 21, insert the following new sections:

SEC. 422. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of title 10, United States Code, and other applicable Federal laws) at the institution (or subelement); or

(2) a student at the institution (or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 423. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

(2) access to the following information pertaining to students (who are 17 years of age or older) for purposes of Federal military recruiting, student names, addresses, telephone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 424. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

Mr. SOLOMON. Mr. Chairman, a few minutes ago we were talking about national service. Let me tell Members what real national service is. That is what my amendment deals with. It talks to volunteer national service in the most honorable career in this country today, and that is service in the Armed Forces of the United States of America.

The provisions in the amendment that I am offering before us now with the gentleman from California [Mr. POMBO] has passed this House several times and should be familiar to Members, so I will be very brief.

Mr. Chairman, in many places across the country military recruiters are being denied access to educational facilities, preventing recruiters from explaining the honorable benefits of an honorable career in our Armed Forces of the United States to our young people. Likewise, ROTC units have been kicked off of several campuses around the country.

This amendment today would simply prevent any funds appropriated in this act from going into institutions of higher learning which prevent military recruiting on their campuses or have an anti-ROTC policy.

Mr. Chairman, these institutions that are receiving Federal taxpayer money just cannot be able to then turn their back on the young people who defend this country. It is simple common sense and fairness, and that is why this language has already become the law of the land for Defense Department funds and passed the House by voice vote last month in the science authorization bill.

Mr. Chairman, recruiting is the key to our all-voluntary force, which has been such a spectacular success. Recruiters have been able to enlist such promising volunteers for our Armed Forces by going into high schools and to colleges, by informing young people of the increased opportunities that an honorable military career can provide, such as the Sonny Montgomery peacetime GI bill, which can let them earn up to $25,000, even $30,000 towards that education. That is why we need this amendment.

Last, a third of part of the amendment would also deny contracts or grants to institutions that are not in compliance with the law; that they submit an annual report on veterans hiring practices to the Department of Labor. In the same vein, this is simple common sense and fairness to the people who defend our country.

Mr. Chairman, all we are doing here is asking for compliance with existing law. This particular language was also passed by voice vote on the Defense appropriations bill just 2 weeks ago.

Having said all that, I urge Members to vote for my amendment that the gentleman from California [Mr. POMBO] and I are offering right now.

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from California, the cosponsor of this amendment.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding, and I too will be brief.

This amendment has passed the House on several previous occasions. As little as a few weeks ago this amendment passed the House. This is an issue of fairness. In our universities and colleges across the country, if Federal tax dollars are good enough to put into those universities, then they should not deny ROTC on their campuses or recruiters entrance onto those campuses.

I think in this new age of political correctness at times we have overstepped our bounds, and this is one instance where many of our universities and colleges have truly overstepped their bounds. They have forced ROTC students off campus, they are forcing recruiters off campus, and at the same time they have their hand out for Federal grants and Federal research dollars, and I believe that that is unfair.

I believe that this amendment is one way of curing that problem and it is something that is much needed in our country today, and I thank the gentleman for yielding me this time and for bringing up this amendment.

Mr. SOLOMON. Mr. Chairman, reclaiming my time, I thank the gentleman, and I urge support of the amendment.

The CHAIRMAN. Are there other Members wishing to be heard on the amendment?

If not, the question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; $22,265,000, to remain available until expended: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, $45,000,000, to remain available until September 30, 1998, of which $8,000,000 may be used for the cost of direct loans, and up to $800,000 may be used for administrative expenses to carry out the direct loan program: *Provided*, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That not more than $19,400,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $42,500,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the "Corporation") in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the "Act") (42 U.S.C. 12501 et seq.), $365,000,000, of which $265,000,000 shall be available for obligation from September 1, 1997, through September 30, 1998: *Provided*, That not more than $25,000,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)): *Provided further*, That not more than $2,500 shall be for official reception and representation expenses: *Provided further*, That not more than $40,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601 et seq.): *Provided further*, That not more than $201,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the Americorps program): *Provided further*, That not more than $5,000,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): *Provided further*, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): *Provided further*, That to the maximum extent feasible, funds appropriated in the preceding proviso shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: *Provided further*, That not more than $17,500,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): *Provided further*, That not more than $41,500,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): *Provided further*, That not more than $30,000,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): *Provided further*, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): *Provided further*, That no funds from any other appropriation, or from funds otherwise made available to the Corporation, shall be used to pay for personnel compensation and benefits, travel, or any other administrative expense for the Board of Directors, the Office of the Chief Executive Officer, the Office of the Managing Director, the Office of the Chief Financial Officer, the Office of National and Community Service Programs, the Civilian Community Corps, or any field office or staff of the Corporation working on the National and Community Service or Civilian Community Corps programs: *Provided further*, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

AMENDMENT OFFERED BY MR. HOEKSTRA

Mr. HOEKSTRA. Mr. Chairman, I offer amendment No. 18.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOEKSTRA: In the item relating to "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE—NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES"—

(1) after the sixth dollar amount, insert the following: "(increased by $30,000,000)"; and

(2) strike the tenth proviso.

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Michigan [Mr. HOEKSTRA] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last week I informed the House of two very disturbing examples of waste in the AmeriCoprs Program. The first was the $13 million spent on training and technical assistance contracts with such organizations as the AFL–CIO and the new Multicultural Institute.

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Both of those were funded for $400,000 each. The other was the opening of the new AmeriCorps Leadership Training Center overlooking the San Francisco Bay and the Golden Gate Bridge. This amendment seeks to strike the line-item appropriation which funds what I consider wasteful spending and put the money in the pockets of local and national charities around the country.

This amendment moves $30 million back into the direction and the priorities for this program, a program that I voted for 3 years ago. This amendment moves money away from Washington bureaucracy, Washington bureaucrats, and moves it directly back to local charities, individuals, and young people in our communities.

Let us talk about these two examples. The Presidio. What is the Presidio Leadership Center? It is nothing more than magical bureaucrats telling local charities, charities like Big Brothers, Big Sisters, you need the Federal Government in order to find a shared purpose or to develop new leaders.

This is a myth. Private charities have operated for years without training provided by the magical bureaucrats. I am sure they will continue to do so long after AmeriCorps and its magical bureaucrats are gone. Remember, AmeriCorps is the organization that cannot even balance its books.

The real danger here is that the training at the Presidio contributes to the deterioration of the identity of local and national charities and replaces it with a Federal cookie-cutter look and a Federal way of operating. This is destructive to the goodwill of many, if not of all, of these charities. It is destructive of the goodwill these charities have earned in the communities in which they serve.

Furthermore, the costs of housing magical bureaucrats at the Presidio are very high. Staff on site of the Presidio have noted that they expected to train only 300 people in 1996. For that they need a budget of $1.1 million. this equals a cost of approximately $3,300 per trainee, not including the cost of transportation or lodging. The Washington office of AmeriCorps disputes this figure and expects costs to average almost $900 per member, again excluding the cost of transportation.

Either way, in my opinion, this is an awfully expensive means of training volunteers and their leaders. There is a better way to spend this money. There is a better way that we should do it. This is by moving it to local volunteers.

Why are the costs so high? Well, according to the GSA, San Francisco is not the bargain basement place to rent facilities. Rentable space in San Francisco is almost twice as expensive as Midwestern cities.

In fact, the rate paid by AmeriCorps for this space, while lower than the allowable amount, is still substantial. Additionally, since grantees are responsible to pay for the cost of getting to the Presidio, its coastal location makes for an expensive trip for the vast majority of AmeriCorps members. It would appear that this site was chosen by magical bureaucrats for its beautiful location and not for its cost or proximity to local charities.

This is a fact even AmeriCorps is beginning to see. According to Harris Wofford, the corporation is considering closing the Presidio Leadership Center in line with its reinvention program. A document provided to me last week by Mr. Wofford stated:

> Given the current investment in reinventing government, the Corporation for National Service is exploring the possibility of whether the services provided by the Presidio Leadership Center could be done more cost-effectively by an outside provider by privatizing the current operations.

In short, the Presidio Leadership Center could not pass the reinventing-Government test, and even the corporation is beginning to see that it should be closed. When AmeriCorps started, it was intended to be a catalyst for volunteers at the local level. It was not intended to try to become an national training center. It does not have the capabilities. It does not have the skills to fulfill that mission. Restore AmeriCorps back to the intent and the direction that we put in place.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who wishes to control the time in opposition to the amendment?

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] is recognized for 10 minutes.

Mr. STOKES. Mr. Chairman, I ask unanimous consent to yield one-half of that time to the gentleman from California [Mr. LEWIS], chairman of the subcommittee, and that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the ranking member for yielding me the time.

I rise in opposition to the amendment eliminating funding for AmeriCorps Presidio Leadership Center.

The AmeriCorps Program reaps many benefits for local communities. The leadership center ensures that national service leaders administering national service programs receive quality training, leadership development, and environmental technical assistance to train corps members to provide services in communities such as tutoring and conflict resolution, environmental cleanup, and improving community service and other community services.

The Presidio Leadership Center exclusively trains only individuals and program staff associated with the Corporation for National Service, program directors of Learn and Serve America, the National Senior Service Corps, and the AmeriCorps Program. While it may use training techniques developed by corporate trainers, the learning center does not conduct training for any corporate clients.

In the interest of time, Mr. Chairman, I may have to put some of my statement in the RECORD. I did want to say the cost for rental at the Presidio is 26 percent less than the current GSA approved rate for San Francisco.

I would like to address the gentleman from Michigan [Mr. HOEKSTRA], the author of the amendment, to say that so much confidence do people have in the Presidio Leadership Center that I would be willing to put on the record language that would say, provided further that the corporation shall submit to the subcommittee on VA, HUD and Independent Agencies of the House Committee on Appropriations no later than 6 months from the date of enactment of this act a plan to ensure that the corporation will not directly operate the Presidio Leadership Center, that there would be an effort to privatize the funding of the Presidio Leadership Center and the corporation would no longer be operating it.

Would the gentleman be receptive to that idea?

Mr. HOEKSTRA. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Chairman, later on this afternoon I will have an amendment specifically dealing with the Presidio. At that point in time, I would be very willing to incorporate that language into the amendment. Perhaps we could have a dialog between now and then, if necessary, to put that language into the amendment at that time.

Ms. PELOSI. Mr. Chairman, is this not the gentleman's amendment on the Presidio Leadership Center?

Mr. HOEKSTRA. Mr. Chairman, if the gentlewoman will continue to yield, this amendment includes the Presidio Training Center but also includes significant other funds used by the corporation in training, including contracts with the AFL–CIO and a number of other agencies.

Ms. PELOSI. Mr. Chairman, I hope that the gentleman would consider first of all supporting the National Service and AmeriCorps but specifically in terms of Presidio Leadership Center, when we get to that particular amendment, the language that I have just stated.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to the amendment offered by my colleague, the gentleman from Michigan [Mr. HOEKSTRA]. The amendment would transfer the $30 million earmarked for quality and innovative activities to the $201 million earmarked for AmeriCorps grants. If this amendment is adopted, there would be no need for the series of amendments involving number 16, 17, 19, and 20, because this amendment would terminate all quality and innovative activities.

It reduces those accounts further than any of the other amendments. Innovative and demonstration grants help to build the ethic of service among AmeriCorps programs, and persons of every age who participate in the program. Disability grants, these grants assist programs to enroll participants with disabilities and to accommodate their participation.

Mr. Chairman, there are people who have questions about AmeriCorps; however, AmeriCorps has not had adequate time to be evaluated. There are some very positive results as well as questions developing on the horizon.

I want a bill. Yet, I really believe I will not get a bill signed into law if this amendment and others like it were to be passed. I must say that if we have a bill that does not include quality and innovative grants, I personally would be very disconcerted by this level of funding. Clearly, at a level of $365 million in this total program, there is no reason to add funds for AmeriCorps grants. The various programs are well balanced. So, I would oppose my colleague's amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Chairman, I rise in opposition to these amendments to cut back on AmeriCorps. Let me just tell my colleagues a personal story.

In 1960, when President Kennedy got elected, I was a young college student. He introduced the concept that young Americans could serve this country by serving in the Peace Corps. I and 60 other Members of Congress now serving joined the Peace Corps all at different times and had this incredible experience. That cost this country probably about $18,000 for 2 years experience. I think everybody will recognize that on the 35th anniversary of the Peace Corps that this country has gotten out a lot more than it has put in.

I think AmeriCorps serves the same purpose in this country and certainly it has gotten even stronger support by the private sector than Peace Corps ever had. AmeriCorps is getting private funding from General Electric Corp., from Tenneco Gas, from Nike Shoes, from Fannie Mae, and others because this program is out reaching the needs of this country and in places where all of the good programs that we in the Federal Government try to trickle down to the people, they still do not reach certain hard niche areas. AmeriCorps is doing that.

Part of AmeriCorps is certainly bringing together the attention of the private nonprofits in this country that we need to collaborate. I find that the AmeriCorps volunteers in our district are doing an incredible job and get complimented all the time. In fact, what they want is more and more.

It gets to the issue here then, as you get more sophisticated in your dealing with the management of AmeriCorps and the management of felt needs in the local communities, you are going to need these leadership training programs sufficient as offered at the Presidio in San Francisco. I think it would be a great damage to this country to even cut back on AmeriCorps, to cut back on the programs that are supporting AmeriCorps and, in fact, if anything this Congress ought to be increasing it, not making a political football out of it.

I ask that Members reject these amendments.

Mr. HOEKSTRA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment does not cut AmeriCorps. My amendment moves spending from training 300 people at a cost of $1.1 million at the Presidio or going through expensive training programs by different agencies, my amendment actually moves that into block grants or moves it into the grant dollars, meaning that we will have 1,500 more young people earning dollars for college and higher education. That is where we are moving the dollars. We are moving it to the communities. We are moving it to the young kids. We are taking it away from the bureaucrats.

And to think that AmeriCorps is the place for innovation. Eighty-nine million Americans today volunteer on a regular basis. To believe that AmeriCorps, remember, this is the organization that does not even keep auditable books. This is the place that the rest of the charitable world is going to look to in terms of innovation and how to run quality programs. Give me a break. AmeriCorps should be looking to places like Habitat for Humanity, looking at places like the Salvation Army and saying, how do you get 89 million Americans to volunteer in your organizations?

Come on, we have been having charitable organizations in America long before AmeriCorps existed. AmeriCorps was intended to be a catalyst to facilitate these organizations, not to tell them how to do it.

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Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, am I correct that I have the right to close?

The CHAIRMAN. The gentleman from Ohio is correct.

The gentleman from Michigan [Mr. HOEKSTRA] has 4 minutes remaining, the gentleman from California [Mr. LEWIS] has 3¼ minutes remaining, and the gentleman from Ohio [Mr. STOKES] has one-half minute remaining.

Mr. STOKES. Mr. Chairman, I reserve the balance of my time.

Mr. HOEKSTRA. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. ROEMER], my colleague, that I see wanted to speak.

Mr. ROEMER. Mr. Chairman, I thank the gentleman from Michigan [Mr. HOEKSTRA] for that very gracious and bipartisan gesture.

First of all, I hate to do this to the gentleman, but I will take his time and rise in opposition to his amendment.

Mr. HOEKSTRA. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. Mr. Chairman, I yield but say to the gentleman, do not take up all my time.

Mr. HOEKSTRA. That is not a surprise, Mr. Chairman.

Mr. ROEMER. Mr. Chairman, the gentleman is a gentleman with that gesture.

I rise in opposition to the amendment for a couple reasons. First of all, it does not save a dime, it just simply moves $30 million from one account to another account. Second, it micromanages the AmeriCorps Program, and it says:

> We in Congress know exactly the way that you should be spending your money, we are going to tell you exactly what to do with an innovative education training program that the Governors are running pretty darn well.

Governor Engler is doing welfare reform out of this program. Governor Romer is doing quality child-care providing out of this program. Governor Wilson is improving education mentoring through this program.

So innovative things are going on at the State level, and Thomas Jefferson said many, many years ago that we should allow our States to serve as laboratories for democracy and see what works best at the local level. That is precisely what is happening with this program now, from Republican and Democratic Governors, from mentoring children to reforming welfare.

I urge, even though the gentleman has granted me all this time, my colleagues to vote against this amendment.

Mr. HOEKSTRA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree with my colleague that this may be perceived as micromanaging. It is micromanaging to the tune of $30 million, it is micromanaging back to the direction of a program that I voted for 3 years ago that said we are going to focus these dollars at local programs, we are going to focus it on the young people, and we are going to try to make an impact at the grass-roots level, and we are also going to be a world-class organization. In too many places with this program we have consistently been disappointed. It is not a world-class organization. We are moving money into bureaucracies and buildings and bureaucrats in Washington. We want, I want, to have the impact at the local level.

I have got serious questions about this program after 3 years. But it is kind of like if we are going to do the program, let us move the money to the kids in the local agencies, and that is what it does. Let us not put it in the Presidio, let us not give it to the AFL-CIO. These people that are running these agencies at the local level are some of our most talented people, the people that are involved in the charitable organization are some of the most talented people at the local level. They work for Fortune 500 companies, they are successful entrepreneurs, they know how to manage, they have access to these training capabilities at the local level.

We do not need a redundant organization here in Washington or in San Francisco. When organizations at this level, when these people at the local level, are looking to enhance their capabilities and their skills, they are not going to come to the Corporation for National Service to see how they can improve their programs. They have got those skills at the local level.

Let us save this $30 million, let us move it to where it can have a positive impact, and I think that that is the right place to go. This is what is characterized earlier today—this is not a mean-spirited amendment. I believe that this is a constructive amendment to move dollars back to the direction where we wanted this program to be when we passed it in 1993.

Mr. STOKES. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. FARR].

The CHAIRMAN. The gentleman from California [Mr. FARR] is recognized for 30 seconds.

Mr. FARR of California. Mr. Chairman, I obviously will be very brief.

As my colleagues can tell, I am a great supporter of AmeriCorps. I think it is one of the greatest programs that we have done here in Congress, and I hope that we will give it strong support, increasing support.

The issue here is not AmeriCorps. It is about cost. And remember that it is not just a debate about cost, but it is a debate about value.

Defeat these amendments. It is not just the price of everything, but it is also the value of something. The AmeriCorps is a great value to this country.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. HOEKSTRA].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HOEKSTRA. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Michigan [Mr. HOEKSTRA] will be postponed.

The Clerk will read.

The Clerk read as follows:

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $2,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251–7292, $9,229,000, of which $634,000, to remain available until September 30, 1998, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–227.

DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,600,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed $75,000 per project, $540,000,000, which shall remain available until September 30, 1998.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,703,000,000, which shall remain available until September 30, 1998.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $28,500,000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $107,220,000, to remain available until expended: *Provided*, That EPA is authorized to establish and construct a consolidated research facility at Research Triangle Park, North Carolina, at a maximum total construction cost of $232,000,000, and to obligate such monies as are made available by this

Act for this purpose: *Provided further*, That EPA is authorized to construct such facility through multi-year contracts incrementally funded through appropriations hereafter made available for this project: *Provided further*, That, notwithstanding the previous provisos, for monies obligated pursuant to this authority, EPA may not obligate monies in excess of those provided in advance in annual appropriations, and such contracts shall clearly provide for this limitation.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $2,200,000,000, to remain available until expended, consisting of $1,950,000,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101–508: *Provided*, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: *Provided further*, That $11,000,000 of the funds appropriated under this heading shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 1997: *Provided further*, That notwithstanding section 111(m) of CERCLA or any other provision of law, not to exceed $59,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of the Superfund Amendments and Reauthorization Act of 1986: *Provided further*, That $35,000,000 of the funds appropriated under this heading shall be transferred to the "Science and technology" appropriation to remain available until September 30, 1998: *Provided further*, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1997: *Provided further*, That $861,000,000 of the funds appropriated under this heading shall become available for obligation only upon the enactment of future appropriations legislation that specifically makes these funds available for obligation.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $46,500,000, to remain available until expended: *Provided*, That no more than $7,000,000 shall be available for administrative expenses: *Provided further*, That $577,000 shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 1997.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended: *Provided*, That not more than $8,000,000 of these funds shall be available for administrative expenses.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $2,768,207,000, to remain available until expended, of which $1,800,000,000 shall be for making capitalization grants for State revolving funds to support water infrastructure financing; $100,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; $50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State resources, for the purpose of improving wastewater treatment for colonias; $15,000,000 for grants to the State of Alaska subject to an appropriate cost share as determined by the Administrator, to address wastewater infrastructure needs of rural and Alaska Native Villages; $129,000,000 for making grants for the construction of wastewater treatment facilities and the development of groundwater in accordance with the terms and conditions specified for such grants in the Report accompanying this Act; and $674,207,000 for grants to States and federally recognized tribes for multi-media or single media pollution prevention, control and abatement and related activities pursuant to the provisions set forth under this heading in Public Law 104–134: *Provided*, That, from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multi-media environmental programs: *Provided further*, That of the $1,800,000,000 for capitalization grants for State revolving funds to support water infrastructure financing, $450,000,000 shall be for drinking water State revolving funds, but if no drinking water State revolving fund legislation is enacted by June 1, 1997, these funds shall immediately be available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended.

WORKING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

There is hereby established in the Treasury a franchise fund pilot to be known as the "Working capital fund", as authorized by section 403 of Public Law 103–356, to be available as provided in such section for expenses and equipment necessary for the maintenance and operation of such administrative services as the Administrator determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize such fund: *Provided further*, That such fund shall be paid in advance from funds available to the Agency and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Administrator: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed four percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Agency financial management, ADP, and other support systems: *Provided further*, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: *Provided further*, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103–356.

ADMINISTRATIVE PROVISION

SEC. 301. Notwithstanding any other provision of law, funds made available in this Act to the Environmental Protection Agency for any account, program or project may be transferred to Science and Technology for necessary research activities, subject to the terms and conditions set forth in the Report accompanying this Act.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $4,932,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, $2,250,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $1,320,000,000, and, notwithstanding 42 U.S.C. 5203, to become available for obligation on September 30, 1997, and remain available until expended.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,385,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $548,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5

U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, $168,000,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $4,533,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, $209,101,000.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended, $100,000,000: *Provided*, That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and the National Flood Insurance Reform Act of 1994, not to exceed $20,981,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available until September 30, 1998. In fiscal year 1997, no funds in excess of (1) $47,000,000 for operating expenses, (2) $335,680,000 for agents' commissions and taxes, and (3) $35,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1997, flood insurance rates shall not exceed the level established for such rates as of June 1, 1996.

WORKING CAPITAL FUND

For the establishment of a working capital fund for the Federal Emergency Management Agency, to be available without fiscal year limitation, for expenses and equipment necessary for maintenance and operations of such administrative services as the Director determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize such fund: *Provided further*, That such fund shall be reimbursed or credited with advance payments from applicable appropriations and funds of the Federal Emergency Management Agency, other Federal agencies, and other sources authorized by law for which such centralized services are performed, including supplies, materials, and services, at rates that will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve as determined by the Director: *Provided further*, That income of such fund may be retained, to remain available until expended, for purposes of the fund: *Provided further*, That fees for services shall be established by the Director at a level to cover the total estimated costs of providing such services, such fees to be deposited in the fund shall remain available until expended for purposes of the fund: *Provided further*, That such fund shall terminate in a manner consistent with section 403(f) of Public Law 103–356.

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1997 applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1997 shall approximate, but not be less than, 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of costs of providing radiological emergency planning, preparedness, response and associated services. Such fees shall be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. Assessment and collection of such fees are only authorized during fiscal year 1997.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,260,000, to be deposited into the Consumer Information Center Fund: *Provided*, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Administrative expenses of the Consumer Information Center in fiscal year 1997 shall not exceed $2,602,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1997 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts: *Provided further*, That notwithstanding any other provision of law, the Consumer Information Center may accept and deposit to this account, during fiscal year 1997, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational material; may expend up to $1,100,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purpose to the extent authorized in subsequent appropriations Acts.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,362,900,000, to remain available until September 30, 1998.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,662,100,000, to remain available until September 30, 1998. Chapter VII of Public Law 104–6 is amended under the heading, "National Aeronautics and Space Administration" by replacing "September 30, 1997" with "September 30, 1998" and "1996" with "1997".

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles; $2,562,200,000, to remain available until September 30, 1998.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $17,000,000.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding the limitation on the availability of funds appropriated for

"Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, when (1) any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, or (2) amounts are provided for full-funding for the Tracking and Data Relay Satellite (TDRS) replenishment program, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in "Mission support" pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 1999.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1997 and may be used to enter into contracts for training, investigations, cost associated with personnel relocation, and for other services, to be provided during the next fiscal year.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1997, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1997 shall not exceed $560,000: *Provided further*, That $1,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; $2,422,000,000, of which not to exceed $226,000,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 1998: *Provided*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WALKER: In the item relating to "NATIONAL SCIENCE FOUNDATION—RESEARCH AND RELATED ACTIVITIES", after the first dollar amount, insert the following: "(increased by $9,110,000)".

In the item relating to "NATIONAL SCIENCE FOUNDATION—SALARIES AND EXPENSES", after the second dollar amount, insert the following: "(reduced by $9,110,000)".

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Pennsylvania [Mr. WALKER] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, just 3 weeks ago the House voted by a 70-vote margin not to increase the salaries and expense account of the National Science Foundation by $9.1 million to a total of $134.3 million. Unfortunately, the VA–HUD bill that we have before us now defies that specific House vote and puts the money into the salary and expense account despite the House determination.

What this amendment does is merely conforms the NSF salaries and expense account to the House-passed authorization level and moves the freed-up money, the $9.1 million into the NSF research account where it is authorized. In other words, it takes the money out of bureaucracy where the money is not authorized and puts it into university research where it has been authorized.

The reason for doing this is because the administration has been playing election-year politics with this account. If my colleagues can look on this chart, the administration actually takes salaries and expenses up in 1997 and then drops them off a cliff out to the year 2000, and the fact is it will cost, under the administration's plan, several hundred jobs at NSF, according to a letter that I have recently received from the NSF director.

The President proposes to increase the National Science Foundation S&E account in fiscal 1997, then cut it by $11 million in fiscal 1998 down to $118 million and then another $11 million in fiscal 1999 to $107 million, and then another $6 million in the year 2000 to a level of $101 million.

In the meantime, what we intend to do in our proposal is to reduce the S&E account from $127 million in fiscal 1996 to $120 million in fiscal year 1997.

Furthermore, our plan then calls for level funding until the year 2000, and our plan allows NSF to make the proper gradual steps to maintain efficiency. Our plan would not have the drastic cuts represented in the administration plans between the years 1998 and the year 2000. Over the same time frame our plan provides $34 million more for salaries and expenses than does the President's plan. The additional $34 million in our overall budget plan buys a lot more morale.

Our science authorization bill adopted the S&E account numbers used in the budget resolution for $120 million. Ironically, the administration was quick to point to our authorization bill and the impact that it would have on NSF. However, when we asked for the same analysis applied to the President's numbers, suddenly that was not available.

I would like to include a record at this point of our exchange of letters on that matter.

□ 1615

By confirming the NSF S&E account to the House-passed authorization level, we can increase the NSF account by $9 million. The research account supports all aspects of science to promote discovery, integration, dissemination, and employment of new knowledge to society. The research account funds a broad range of fundamental research activities, including awards for individuals and small groups of investigators, research centers, national user facilities such as the supercomputing centers, the national astronomy centers, and the academic research fleet. Also, the research account supports activities such as the international scientific partnerships and the research and logistics in the Arctic and Antarctic regions.

Mr. Chairman, I urge my colleagues to support this amendment. It increases science funding and reduces bureaucracy. It makes the VA–HUD bill consistent with the House-passed authorization. It adds no budget authority and reduces budget outlays.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Ohio [Mr. STOKES] seek time in opposition to the amendment?

Mr. STOKES. Yes, I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] is recognized for 10 minutes.

Mr. STOKES. Mr. Chairman, I ask unanimous consent to yield half of my time to the gentleman from California [Mr. LEWIS], chairman of the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, and that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. LEWIS] will be recognized for 5 minutes.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from California [Mr. BROWN], the ranking member of the Committee on Science.

Mr. BROWN of California. Mr. Chairman, I express my appreciation to the distinguished ranking member for yielding me this time.

Mr. Chairman, I rise in opposition to this amendment. The amendment will harm what is widely recognized as an efficient and well run Federal agency that has the vital role of supporting basic research and education.

With NSF, we have the unusual situation of a Federal agency that is the inverse of a bloated bureaucracy. For the past 10 years, as its workload has doubled, the agency had held its staffing level constant, while learning to work smarter.

NSF has moved aggressively to streamline the proposal review process, for example, by moving toward electronic proposal submission and review. Paper has been reduced and the interactions between external reviewers and NSF staff has been made more effective.

Despite the record of holding down administrative costs and the evident progress NSF has made to improve the efficiency of its internal operations, the amendment seeks to punish the agency by cutting its budget for salaries and administrative expenses by nearly 6 percent relative to the fiscal year 1996 appropriations level. But the actual impact of the amendment on personnel is worse—closer to a 9 percent cut—because fixed expenses, such as building rent and utility costs, cannot be reduced.

This proposal has not been advanced on the basis of any evidence whatsoever that suggests that NSF is squandering resources or has an excess of staff. The cut is proposed in the absence of any supporting facts, without any convincing rationale, and in fact, contrary to available evidence on the efficiency and effectiveness of NSF in administering its programs.

What other Federal agency operates on 4 percent of its total budget and has a better record for administrative efficiency? Because NSF is a lean organization with little management flab, the cut that would be imposed by the amendment will translate into slashing staff positions by as much as 10 percent and in turn reduce the ability of the agency to carry out its responsibilities.

The amendment cuts the internal operating budget for NSF and shifts the funds to the account for research grant support. That is, it increases the research budget for NSF while simultaneously degrading the ability of the agency to administer the extra funds. The losers will be the researchers at universities and colleges throughout the Nation who rely on NSF for support. If this amendment succeeds, they can expect delays in proposal reviews and awards.

The bill as reported by the Appropriations Committee provides the appropriate and necessary funding for NSF's internal operations. It will provide only a 1.5 percent increase above the fiscal year 1996 appropriations level for salaries and administrative expenses—hardly a lavish increase.

But by providing this funding, the bill as reported will help ensure that NSF continues to effectively manage its research programs and will avoid significant demoralization of one of the Federal Government's most effective and dedicated cadre of employees.

I urge my colleagues to oppose this ill-considered and harmful amendment.

Mr. LEWIS of California. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, following the comments of my colleague, the gentleman from California, GEORGE BROWN, I would like to repeat one of the points that he made. The National Science Foundation's operating expenses are approximately 4 percent of the agency's budget. That is a figure that compares quite favorably with the 10 percent in overhead costs, which is the norm for nonprofit research foundations. Beyond that, it probably competes very well with a broad cross-section of other Federal Government programs as well as agencies.

The argument that taking this action merely reflects the actions planned for fiscal year 1998 by the administration is sending the wrong message is it relates to these percentages. Congress has already supported the Foundation and its efforts to promote sound science research. We should take this opportunity to show that we continue to support the Foundation and will not let the administration compromise the operations of the agency by reducing its capacity to conduct merit-based reviews of proposals prior to awarding grants.

Fundamental to the merit-based review process is an adequate staff to prepare documents and abstracts for use by peer panels. Reducing the staff by up to 10 percent, as is likely under this proposal, would hinder the operations of the organization and place the peer review process in jeopardy.

Mr. Chairman, I reserve the balance of my time.

Mr. WALKER. Mr. Chairmam, I yield 2½ minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Chairman, I thank the chairman of the committee for yielding time to me.

Mr. Chairman, I rise in support of the Walker amendment. I want to say first, as chairman of the Subcommittee on Basic Research of the Committee on Science, with direct authorization and jurisdiction over the National Science Foundation, that I believe it is a well-run agency. They have their problems internally, like every other agency does, including the Congress, of course, but their overall reputation under director Neal Lane is very good.

Nevertheless, I want to point out two things about the Walker amendment. First, I understand, of course, that the National Science Foundation would rather have the administration's recommendations for the salaries and expense account than it would like to have the authorizing committee, the Committee on Science's recommendations. This is because for the first year, the year we are debating right now, the administration recommends an increase in funding on that account, while the Committee on Science recommends a decrease.

Mr. Chairman, I certainly cannot blame anybody for preferring an increase over a decrease. But the point is it does not stop there. The point is that after the first year, after the fiscal year we are debating now, fiscal year 1997, look what happens to the salaries and expense account of the National Science Foundation under the administration's proposal. It drops precipitously, until after the first year the proposal from the administration for this very account falls below the Committee on Science recommendation. The Committee on Science recommendation does indeed go down, but then it is level to the year 2000. The administration's proposal goes down and keeps going down, year after year.

Mr. Chairman, it seems to me that even if this reduction takes place, the National Science Foundation ought to be able to find ways, other than laying off personnel, to cut its overhead. But I would point out that if we are creating really such a disaster for the National Science Foundation, then it is off the Richter scale what the administration will do to the National Science Foundation if their complete budget recommendations are followed.

So I believe that in the long run, the National Science Foundation is better off in this account under the chairman's amendment than under the administration's.

Mr. Chairman, I just want to point out one other thing. That is that certainly every agency is facing tight budgets here. Every agency would like to have greater funds, but every agency must tighten its belt as we seek to balance the budget. it seems to me that $9 million is better put into the account that does actual research funding, which is the purpose of the National Science Foundation, and they find other ways to cut their overhead.

Mr. STOKES. Mr. Chairman, I yield myself a minute.

Mr. Chairman, a reduction of $9 million from the level in this bill could require a reduction of up to 120 FTE's, and would hinder the management and operation of NSF's programs and its merit review decisionmaking process, the distinguishing characteristic of NSF's mission.

Staff cuts and other reductions would significantly impede the quality, timeliness, and effectiveness of important research and education programs, and would have a negative effect on the agency's ability to serve the science community and the public. This is contrary to everything we are trying to do to make Government work better and to serve the public more effectively.

Mr. Chairman, I reserve the balance of my time.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. EHLERS].

Mr. EHLERS. Mr. Chairman, I thank the chairman of the committee for yielding time to me.

Mr. Chairman, I rise to speak in support of this amendment. I recognize the point that has been made by others, that the National Science Foundation employees are loyal, they are hardworking, and it would be improper and not good practice to pass the amendment and reduce the amount available for salaries and expenses. That is true of many areas of Government.

I am very familiar with the National Science Foundation. Indeed, I can verify that these are very good employees. They are loyal employees and they work very, very hard. But we are in a time where we are facing a $5 trillion national debt. We are facing interest payments of $300 billion per year. We have to tighten the belt. The question is, where is the belt going to be tightened?

When it comes to the National Science Foundation, are we going to tighten the belt in grants or are we going to tighten it in administration? Those are issues we struggled with in the Committee on Science. We reached the conclusion that we should tighten the belt in a number of areas, but certainly also in the administrative expenses, salaries. It is a difficult decision, but it was one that was made in the committee and that was adopted by the House as a whole.

The question before us now is whether we are going to stick with that decision, whether we are going to follow the authorization that was made by the Committee on Science and the House, or whether we are going to change gears here and shift to another approach based on the Committee on Appropriations' recommendation. I believe it is very important for us to stick with the authorization that was passed out of the Committee on Science and through the full House, and not switch at this point. We want to stay with the previous decision, and pass an appropriation that matches the authorization.

At issue here is more than just where the money is going. At issue is the role of the authorization committees. I believe we have to be consistent and stay with the recommendation we decided on earlier.

Mr. WALKER. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] is recognized for 1¾ minutes.

Mr. WALKER. Mr. Chairman, the argument made against this amendment coming from those who have spoken suggests that the NSF is a well-run agency. Indeed, the NSF has been a well-run agency, but the problem is that NSF is going to have to face the need for budget reductions. The question is, does it come out of the hide of research or does it come out of the hide of administration?

We have suggested that we can in fact eliminate one directorate at NSF and save the kinds of money we are talking about saving, and put NSF on the track toward the kinds of personnel that can be sustained over a long period of time while we balance the budget.

The pattern that is suggested by the approach of the Committee on Appropriations is what Neal Lane has told me in a letter will result in a reduction from 1,200 full-time equivalent employees at the present time to 800 people in the year 2000. That is what will destroy the NSF. So we suggested it is time now to begin the process of changing NSF to a better administrative structure. That is what we do. That is what the House has endorsed.

At the same time, we put more money into the universities and into the localities across the country; take the power out of Washington and put the power back out in the country; make certain that the money is spent for research, nor for bureaucracy. That is what we will do in this amendment. This amendment will permit us to begin the reform of NSF, to get a better administrative structure there, to have less expense for administration and more money for basic research. I think that is the right route to go.

Mr. Chairman, I ask the Members to support the amendment, and I yield back the balance of my time.

□ 1630

Mr. LEWIS of California. Mr. Chairman, I yield back the balance of my time.

Mr. STOKES. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. BROWN].

The CHAIRMAN. The gentleman from California [Mr. BROWN] is recognized for 2¼ minutes.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me time. I appreciate the opportunity to say a few more good words about the National Science Foundation.

Basically, the message I want to communicate to Members here is that the Committee on Appropriations has done a better job of facing up to the needs of our science establishment in this country than, in my opinion, the authorizing committee has done. I do not often say this, because I, as the gentleman from Pennsylvania [Mr. WALKER] does, have a very high opinion for the work of the authorizing committee. So when I say it in this connection, I hope it will carry a little bit of extra weight.

The fact of the matter is that since the early 1980's the NSF budget has tripled, the workload doubled, and its staffing levels have actually declined and they will continue to decline. The charts that the gentleman from Pennsylvania [Mr. WALKER] has shown show two different rates of decline, and the gentleman thinks that that portion of the chart which reflects his views as to the rate of decline is the best.

I happen to disagree with that. I think in this situation the rate of decline which is mandated by almost any effort to balance the budget is best reflected by the President's own budget over this period of time, which in my opinion will provide additional funding.

Now, it would be a normal situation that we would not propose a drastic cut in an agency's staffing level when that agency is known to be extremely efficient and have probably the best record of overhead costs or operating costs of any agency in the Government. One would expect that there would be something egregious about the way the agency is being conducted to warrant that kind of a drastic cut. But this is not the case with the National Science Foundation. I know of nothing said here that speaks to the issue of their efficiency in an adverse fashion.

So I ask my colleagues to vote to support the Committee Appropriations in this case and reject the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. STOKES. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER] will be postponed.

The Clerk will read.

The Clerk read as follows:

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $80,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $612,000,000, to remain available until September 30, 1998: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For necessary salaries and expenses of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services and headquarters relocation; $134,310,000: *Provided*, That contracts may be entered into under salaries and expenses in fiscal year 1997 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $4,690,000, to remain available until September 30, 1998.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $50,000,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; and not to exceed $1,000 for official reception and representation expenses; $22,930,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for Level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. 417. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1997.

SEC. 420. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1997 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 421. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries of personnel who approve a contract for the purchase, lease, or acquisition in any manner of supercomputing equipment or services after a preliminary determination, as defined in 19 U.S.C. 1673b, or final determination, as defined in 19 U.S.C. 1673d, by the Department of Commerce that an organization providing such supercomputing equipment or services has offered such product at other than fair value.

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title IV through page 95, line 21, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. STUMP

Mr. STUMP. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. STUMP: Page 95, after line 21, insert the following new section:

SEC. . The amount provided in title I for "Veterans Health Administration—Medical care" is hereby increased by, the amount provided in title I for "Departmental Administration—General operating expenses" is hereby increased by, and the total of the amounts of budget authority provided in this Act for payments not required by law for the fiscal year ending September 30, 1997 (other than any amount of budget authority provided in title I and any such amount provided in title III for the American Battle Monuments Commission, the Court of Veterans Appeals, or Cemeterial Expenses, Army), is hereby reduced by, $40,000,000, $17,000,000, and 0.40 percent, respectively.

Mr. STUMP. Mr. Chairman, the amendment I am offering today is coauthored with my good friend and ranking member of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY], and also by the chairman of the Committee on Rules, the gentleman from New York [Mr. SOLOMON].

Mr. Chairman, we offer this amendment with great regard for the difficulty of assembling the annual appropriation bill for departments and agencies as diverse as those in H.R. 3666.

The amendment is very straightforward and addresses two areas of funding in the bill we are concerned about—VA medical care and the general operating expenses for the Veterans Benefits Administration.

The effect of this amendment would be to increase VA medical care funding by $40 million and increase the general operating expenses for the Veterans Benefits Administration by $17 million over the amounts currently provided in the bill.

The increase in VA medical care would be consistent with the House Budget Resolution.

It would also provide the VA with the potential for increasing the number of outpatient visits at hospitals experiencing substantial workload increase due to seasonal, as well as permanent migration of veterans;

Beginning to address the nearly $1 billion backlog in medical equipment purchases through expanded sharing with the private sector on capital costs and operation of expensive high-tech medical equipment; and

Establishing a limited number of community based clinics in areas with increased veteran population.

The increase in the amendment for the Veterans Benefits Administration will help prevent funding from falling to levels which would negatively impact the current backlog in claims processing.

The President's budget request already cuts 624 positions out of the benefit claims processing staff. Currently, 373,505 claims are backlogged at VA regional offices around the country. Original compensation claims decisions are taking 151 days, while original pension claims are taking 88 days.

Appealing a claim through the Board of Veterans Appeals currently averages 641 days and the appeals backlog now stands at nearly 60,000 cases. The VA has indicated that the additional $20 million reduction in this bill would add 50,000 cases to the current claims backlog.

This amendment is supported by the following veterans service organizations: the American Legion, Veterans of Foreign Wars, Disabled American Veterans, AMVETS (American Veterans of WWII, Korea and Vietnam), Vietnam Veterans of America, Paralyzed Veterans of America, and the Non-Commissioned Officers Association.

Mr. Chairman, I strongly urge Members to support the Stump-Montgomery-Solomon amendment.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the Stump-Montgomery-Solomon amendment.

Mr. Chairman, the increased funding for veterans health care contained in this bill really is not enough. For years funding for the medical care account could not keep pace with the increase in medical inflation. To be fair to the committees, we have been getting about a 5- to 6-percent increase for medical care. In our hospitals it takes 10 percent to really cover these hospitals and take care of the inflation.

Even though this bill is at the level requested by the administration, it would lead to a reduction, Mr. Chairman, of over 5,000 employees in the VA health care system in 1997. These 5,000 employees are presently working, providing health care and helping the veterans and their families.

Mr. Chairman, adding $40 million to the VA medical care account will not restore all of the employees who are being cut, but it will help some of them.

We also ought to provide at least the amount requested for the Veterans Benefits Administration. We had a hearing last week at our committee at which we discussed the delays in processing claims for benefits, and a number of my colleagues on the floor today have mentioned that veterans' claims do not get processed quickly.

It now takes 154 days to process a claim for compensation, and veterans would like to see this cut in half. Even with the additional $17 million which the gentleman from Arizona [Mr. STUMP] is recommending, the Veterans Benefits Administration projects a loss of 600 employees, nearly 5 percent of the work force. if we cannot at least meet the administration's request, current delays in deciding claims will probably get worse.

I appreciate the support of our colleagues on this amendment, and the gentleman from Arizona [Mr. STUMP] and the gentleman from New York [Mr. SOLOMON] have worked with the chairman and the ranking minority, and I certainly hope they will accept this amendment.

Mr. SOLOMON. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, just a few words on behalf of the amendment. The first thing I want to do is just to commend the gentleman from California [Mr. LEWIS] and certainly the ranking member for the great job that they have done on this particular bill.

This bill takes in not only the Department of Veterans Affairs, but the housing and all of the other independent agencies, and I do not think I would want their job, because when they are given the overall caps and the allocations to mete out these moneys, they just do not go that far. So again, I want to commend them for the great job they have done.

We have a problem, though. One problem is that President Clinton has said that he will veto this bill for, among other things, the fact that it does not have quite enough funding for the Veterans' Administration. Specifically he mentioned the hospital health care, medical care delivery system.

This amendment does provide $40 million for that, and another $17 million, as the gentleman from Mississippi [Mr. MONTGOMERY] has outlined, and I will not get into that. But the truth of the matter is that we have two reasons why we need to support this amendment.

One is that we depend on an all-voluntary military in our country today, and the people that are attracted to the military have to know that that medical care delivery system is going to be there. That is an earned benefit; it is a part of the contract that we make in enticing them to join the military today. They have to know it is going to be there tomorrow, 20 years from now, 40 years from now.

The other reason is because we have such an aging veterans population. I had a meeting in Saratoga Springs just last Monday with all of the veterans. We were talking about the funding that we have in this bill for the Saratoga National Veterans Cematere. It is the only one within hundreds of miles for any these veterans around the Albany capital district area. All of these veterans that were there, almost every one of them, some of them were from the Korean war, but most from World War II, ages between 72 and 77 years of age, and those people need help.

This small amendment here will go a long way toward not only sending a message and letting the President know that he no longer can veto this bill because of a lack of funding for the Veterans' Administration, but it will go a long way toward satisfying the concerns that our veteran population have.

So I want to commend the gentleman from Arizona [Mr. STUMP], the gentleman from Mississippi [Mr. MONTGOMERY], the gentleman from California [Mr. LEWIS], and our ranking member over here for the outstanding job that they have done.

I hope my colleagues will accept the amendment. I know they have had a terrible job in trying to work this out. But the gentleman from California [Mr. LEWIS] will find a way; he is the kind of guy that can do it. So I wish him luck.

Mr. LEWIS of California. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, we have learned over time that when we present an amendment or a bill on the floor that involves funding for veterans medical care, the House is going to pass that amendment regardless of what the amendment does. As we have gone through this process over the last year-and-a-half, every one of the accounts in this bill have been asked to reduce their rates of growth. But every time we have had a discussion relative to restraining areas of growth in the veterans accounts, to say the least, the House has indicated that, these programs are a sacred cow to Members on both sides of the aisle

This Member has spent a great deal of time since assuming this chairmanship attempting to evaluate the past history of veterans programs, what the veterans authorizing committee has done for veterans, and the responses of the Committee on Appropriations.

The one thing that I would like to suggest to the membership as well as to others who are listening, it is most disconcerting to me that we seem to be very proud of the funding levels provided to veteran programs. We pound our chests and tell our constituents how great we are, and yet seemingly, many of us have failed to try to measure effectively how these funds are being used out there in the hospitals where the veterans are supposedly being served.

I must tell you, we treat veterans like sacred cows on the House floor and sometimes they are treated like cattle out there where the service is delivered, and it is time that we changed that, and the authorizing committees as well as the appropriations committees should take a serious look at the way these services are being delivered. Oh, we are so proud, but I must say, I know of a veteran who slept in the hall of a hospital for 2 weeks in Los Angeles recently because he was just being ignored, despite the money that was provided. These stories drive this Member nuts. In the meantime, I must suggest that we do none of these things without pain.

This account has been treated differently than any other within our entire bill. And with this amendment, we go beyond the President's request which is already an increase of $444 million, and add another $40 million. But we take it from other accounts. Each of you have an interest in these accounts, so you should know exactly what this amendment does. It reduces $79 million from HUD housing; that is, aged housing, disabled people, and the poorest of the poor. It reduces $26 million from EPA, $54 million from NASA. It is a 0.4 percent across-the-board cut. Well, frankly, that is easy to do. You say it is a small amount, but every account should give, except very select accounts.

I would suggest to the Members that this across-the-board cut jeopardizes the amendment in the long term, for I believe the other body will look somewhat askance at this action. Indeed, the question of this general funding will be seriously attended to in the conference committee.

So while I have suggested to the authorizing committee I had other sources in mind to increase this account, they chose an across-the-board cut. I think the general membership should know that the authorizing committee chose this action rather than other specific tradeoffs that were feasible offsets.

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Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this amendment. I want to congratulate my good friend BOB STUMP whom I served with many years ago on the Veterans' Affairs Committee, SONNY MONTGOMERY who has been a real stalwart on behalf of veterans, and Mr. SOLOMON for so many years who has always taken the case of our veterans. For years before I came to this body, I had a commitment to the veterans hospitals and the veterans delivery system in this country. I think this is an excellent amendment. I understand the frustrations of Mr. LEWIS. I share those same frustrations because as the former chairman of military construction, I have fought the battle about quality of life and helping our veterans. There is never enough money and never enough of a high priority for our veterans.

I want to congratulate everybody that has worked so hard on this amendment and I hope that it will pass overwhelmingly because it is a debt that we owe to our veterans and it is something that we do not do enough of. I congratulate everyone who had a part in this amendment. I thank the Members for bringing it to our attention.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. The gentleman from California [Mr. LEWIS] was concerned, and I understand what he said about some of the treatment at these VA hospitals.

We have the largest hospital system in the world, 171 hospitals, 234 outpatient clinics, and a number of nursing homes. The system cannot be run perfectly. At the Mayo Hospital and Johns Hopkins, they have a lot of problems also, the service is very complicated and problems develop.

But if they will come to the committee when they have these problems, to the gentleman, as I told Mr. LEWIS, we will try to help him or her. We will get that man out of the hall. We will get him a bed. We are doing the best we can, we are making some improvements, and I appreciate the gentleman yielding.

Mr. HEFNER. I thank the gentleman. Certainly they are not without their faults and without their problems. Even our private hospitals sometimes have instances where they operate on the wrong foot or what have you. These things happen, but they are not unique. Our veterans hospitals, the people that work in those VA hospitals are so committed, they work long hours, they work for less pay in most cases, the doctors are committed.

I just commend the people that work in these health delivery systems, the hospitals. Again I want to thank the people that put together this amendment, and I hope that the committee will accept it. If they do not accept it, I hope it is passed overwhelmingly.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to associate myself with the remarks of my chairman of the VA–HUD Subcommittee on Appropriations. He brings to this floor a tough bill. It is a bill that has many other sections in it where we have had, because of the fiscal constraints, to cut very important programs affecting people. Housing is one specific example where earlier today we had an amendment, where people who are poor, who are disadvantaged, who are dependent upon public funds have had to suffer from these cuts.

In the area of the veterans, VA medical care was funded at the budget request, receiving an increase of $444 million above 1996. Veterans were not shortchanged here at all. I do not think anyone ought to think that the amendment that is before us today was based upon or predicated upon the fact that veterans in this bill were in any way shortchanged.

At some point in time, we have to understand that we cannot just continue to increase the veterans budget at the expense of all the other Americans who are dependent upon other sections in this bill. I understand the predicament the chairman is in, and I understand what will happen in terms of this amendment. But I think that at some point in time we have to understand, and this comes from one who happens to be a veteran, that there are other Americans whom we have to treat in the same manner that we treat veterans.

Mr. HUTCHINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Stump-Solomon-Montgomery amendment to the fiscal year 1997 VA–HUD appropriations bill. The amendment, as we know, would add 40 million much needed dollars to the VA's medical care account. We all know that $40 million will not solve the funding problems being experienced by the VA. However, it will permit the VA to add to its flexibility in providing services such as community nursing home care and adult day care to our Nation's veterans, and it will allow the VA to continue to establish more access points in its further effort to bring VA care to the communities across the Nation right where the veteran is.

As chairman of the Hospitals and Health Care Subcommittee, I have seen over and over again how often our veterans have in fact been shortchanged. Our veterans are aging. As they get older, there are greater needs that they have. They experience more acute care needs. The cost of providing that health care is increasing every year. Yet we have seen over and over in the discretionary spending, the veterans taking a disproportionate amount of the cuts. And so earlier this year the Committee on Veterans' Affairs, the full committee in which SONNY MONTGOMERY for years was chairman, on which BOB STUMP is doing such a wonderful job, in its views and estimates to the Committee on the Budget, recommended a $505 million increase in VA medical care. This increase of $40 million will not get us there, but it will at least move us in that direction. It will get us closer to what the full committee recommended.

Mr. Chairman, I believe that this is a responsible amendment, and that it will move this spending bill in the direction of helping our veterans and meeting our commitment to our veterans. I strongly urge my colleagues to endorse the Stump-Solomon-Montgomery amendment to the VA–HUD and that we work toward this. Our veterans have always enjoyed strong bipartisan support. I am hopeful that that tradition will continue today.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield, I just want to say that from the perspective of the majority, and I believe the minority, it is our intention to accept this amendment and clearly it would receive a positive vote. I would just as soon not take too much time of the House as we go through these votes.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to express my enthusiastic support for the Stump-Montgomery-Solomon amendment.

Mr. Chairman, this amendment will increase the VA's medical care account by $40 million. I would like to commend the bipartisan sponsors of this amendment for their recognition of the pressing need to maintain an adequately funded VA medical care account.

The bill that we are currently considering already provides a substantial increase in the medical care account over last year's funding level. It includes the budget request of the President of more than $17 billion. This is $444.5 million dollars more than the fiscal 1996 level. By passing this amendment, we are further strengthening our commitment to providing quality medical care for our Nation's veterans.

The need for adequate resources for veterans health care is nowhere more evident than in the congressional district that I represent. Located within New York's 19th District are two VA hospitals: the Castle Point Medical Center and the Franklin D. Roosevelt Medical Center. Both of these facilities are working to improve efficiency and extend the limited Federal resources they have, without compromising the quality of the health care provided to the veterans. Many of these reforms and changes are going to be difficult to adjust to, but many of them are also necessary to eliminate waste and maintain a viable and healthy VA health care system. Other reforms are still necessary to ensure the long-range stability of the system.

However, as this reform process moves forward, we must never lose sight of the fact that the freedom that our veterans have provided us and secured for our country did not come without a price. Accordingly, we must remember that providing health care for our veterans when they are in need, as they provided service when the Nation was in need, does not come without a price, either. It is a fundamental responsibility of our Government to see the adequate medical care is always provided to our veterans. This bill, improved by this amendment, will help to ensure that this responsibility is met.

Mr. Chairman, this amendment will help the veterans in my district, my State, and the country as a whole. I strongly urge all Members to join with me and support its passage.

Mr. EVERETT. Mr. Chairman, I rise today to indicate my strong support for the amendment to H.R. 3666 offered by VA Committee Chairman STUMP and our ranking member, SONNY MONTGOMERY.

Mr. Chairman, these days it is very difficult to put together an appropriation bill that will meet with agreement on both sides of the aisle, let alone with the other body and the White House. I congratulate Chairman LEWIS on a fine job overall, and hope he will be able to agree to Chairman STUMP's amendment.

As I understand, the amendment will add $40 million to VA healthcare and $17 to VA's benefit administration general operating expenses. This additional funding will go a long way to improve healthcare for our veterans. But, as chairman of the Veterans Compensation and Pension Subcommittee, I would be especially gratified to see improvements to processing times for VA claims as a result of the $17 million increase.

Nobody has been a bigger watchdog of VA claims processing than I have been over the past couple of sessions. I am a firm supporter of making sure VA moves down the path of strategic planning and business process reengineering. Veterans who depend on their benefits, whether its for education or compensation, should receive those benefits in a timely fashion. I encourage the VA to carefully prioritize these extra funds for the purpose of serving veterans through improved claims processing.

We owe a debt to our veterans. We can continue our commitment to honor them by actively working to reform and improve VA healthcare, compensation and benefits processes, among other programs. This additional funding will go a long way toward reinforcing our support for veterans and their families. And, I urge my colleagues to vote in favor of the Stump-Montgomery amendment and H.R. 3666.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. STUMP].

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. THURMAN

Mrs. THURMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 69 offered by Mrs. THURMAN: Page 95, after line 21, insert the following new section:

SEC. (a) PLAN FOR ALLOCATION OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF VETERANS AFFAIRS.—(1) The Secretary of Veterans Affairs shall develop a plan for the allocation of health care resources (including personnel and funds) of the Department of Veterans Affairs among the health care facilities of the Department so as to ensure that veterans having similar economic status, similar eligibility priority, or similar medical conditions and who are eligible for medical care in those facilities have similar access to care in those facilities, regardless of the region of the United States in which they reside.

(2) The plan shall reflect, to the maximum extent possible, the Veterans Integrated Service Network, as well as the Resource Planning and Management System developed by the Secretary of Veterans Affairs to account for forecasts in expected workload and to ensure fairness to facilities that provide cost-efficient health care. The plan shall include procedures to identify reasons for variations in operating costs among similar facilities and ways to improve the allocation of resources among facilities so as to promote efficient use of resources and provision of quality health care.

(3) The Secretary shall prepare the plan in consultation with the Under Secretary for Health of the Department of Veterans Affairs.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall set forth—

(1) milestones for achieving the goal referred to in the subsection; and

(2) a means of evaluating the success of the Secretary in meeting that goal through the plan.

(c) SUBMITTAL TO CONGRESS.—The Secretary shall submit the plan developed under subsection (a) to Congress not later than 180 days after the date of the enactment of this Act.

(d) PLAN IMPLEMENTATION.—the Secretary shall implement the plan developed under subsection (a) within 60 days of submitting it to Congress under subsection (b), unless within such period the Secretary notifies the appropriate committees of Congress that the plan will not be implemented, along with an explanation of why the plan will not be implemented.

Mrs. THURMAN. Mr. Chairman, I listened with interest in this last debate, and I think there are very few people on this floor that do not support the amendment that our colleagues from Arizona and Mississippi have introduced, and has been accepted, giving an additional $40 million to the VA system. However, and I am sure that the gentleman from Arizona [Mr. STUMP] knows this better than anybody, in Arizona he needs additional money because between the years of 1980 and 1990 more than 24 veterans came to Arizona per day.

But what I cannot understand in all of this conversation is why Congress, when appropriating all of these extra resources, and maybe even somewhat based on the comments of Mr. LEWIS about the gentleman from Los Angeles, why are we not making sure that those resources are going to those States that need these dollars, rather than under the same funding formula that we have seen over the last 50 years to, in fact, some hospitals that have empty beds.

Mr. Chairman, my amendment today has four qualities that I think should compel this Congress to rise in unanimous support of it: It costs nothing. It eliminates wasteful spending. It is bipartisan in nature. And, most importantly, it is about equity for our Nation's veterans.

This amendment is identical to a bill that I introduced on April 25, H.R. 3346. This measure would require the VA to link the allocation of its resources to facility workloads, and is based on the resource planning and management system in which the VA has already invested a great deal of time and money. Moreover, this measure would require the VA to implement the plan within 60 days of submitting it to Congress.

Unfortunately, under the VA-HUD appropriations we are not going to be able to offer this amendment. I ask the chairman, and I beg the question, if not now, when?

I brought up this very same issue on the floor last year during the fiscal year 1996 VA-HUD appropriations. Similar language was stripped from the Senate fiscal year 1996 bill in conference, and now it appears that we may go another year without implementing the basic, budget-neutral, cost-cutting measure that would benefit all veterans.

The VA recently released census data which shows that Florida's Fifth District has the highest veterans' population in the country. In fact, of the 10 highest-ranked congressional districts in veterans' populations, 7 are in Florida.

The migration of veterans continues a pattern that we have been seeing for years. For example, in my home State of Florida, between 1980 and 1990, more than 96 veterans came to Florida per day. This should come as no shock to States such as Georgia, Nevada, North Carolina, Alaska, Hawaii, and Virginia, because they also have seen similar growth.

Make no mistake about it, Mr. Chairman, I welcome them to Florida, these brave men and women who have courageously sacrificed so much for our country. However, I have been urging the VA for years to reallocate its resources based on the shift in veterans' population.

On June 6, Congress took a step in that direction and passed H.R. 3376, which requires the VA to develop a 5-year strategic plan for its health care system. While I supported this measure, it was a modest attempt to address the problem of the reallocation of health care resources.

Quite simply, H.R. 3376 does not go far enough because it does not compel the VA to enact it. If Congress does not compel the VA to enact such plans, they simply become more ineffectual studies.

I challenge each Member to go home to their districts and ask the veterans that they represent if the VA needs another study. For years the VA has studied the problem of resource allocation and, accordingly, developed the RPM system. While the aim of the 1994 measure was on target, the results continue to be unsatisfactory.

According to the GAO, and I quote:

> Although the RPM lets the VA identify inequities in resource distribution, VA has, so far, chosen not to use the system to help ensure that resources are distributed more equitably.

Let me emphasize that Congress needs to do more than request additional resource allocation plans, and instead compel the VA to implement those in which they have already invested.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mrs. THURMAN. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Florida.

Mrs. THURMAN. Mr. Chairman, under a previous agreement, I will ask unanimous consent to withdraw my amendment. But I would hope that in this debate, and as we have heard in the conversations that have taken place on this floor in previous amendments, I still hope that we do not lose sight. We can all talk about veterans' health care, but if the dollars are not going where the veterans are, we can all say we have done a great job, but if they are not following where those veterans are, then we have all done a disservice to those veterans.

Mr. LEWIS of California. Reclaiming my time, Mr. Chairman, let me say that I was very hesitant to even reserve the point of order relative to the gentlewoman's proposed amendment, largely because I believe her amendment and this discussion is very important.

There is not any question that if we do not use the moneys we deliver with priority and properly to serve our Nation's veterans. I think she makes a very, very important point.

Since I have had this job, the Department has indicated that they are going to be responsive to our requests for similar prioritization.

□ 1700

I would urge the gentlewoman to keep her eye on this target, for it is an important one. I think it is very significant that Members who are not necessarily on this subcommittee put the needle in our side, as well as the Department's side, to make sure that we follow through in this process.

So while the gentlewoman suggests she is going to withdraw the amendment, nonetheless she has provided a great service by providing this very important point to us.

Mr. ENSIGN. Mr. Chairman, I want to voice in my strongest support for linking future VA medical funding with the demographic shift in veterans' populations, as the Thurman amendment would do today. I would urge the chairman to work to include some version of the amendment in future VA authorizing and funding bills.

VA medical expenditures are determined largely by past expenditures, not by veterans populations. Veterans populations, like that in my home State of Nevada, are rapidly growing without any comparable increase in funding resources.

For example, Nevada has experienced the fastest growth of veterans in the Nation—with no other State in the country even close. Between 1980 and 1990, Nevada's veterans population grew an amazing 37 percent—or at an average rate of 13 veterans a day; while others like the District of Columbia have seen their veterans population drop by as much as 20 percent over the same period. Yet, the money does not follow the veterans.

This is not an equitable allocation of scarce resources.

Total VA expenditures in Nevada in fiscal year 1995 amounted to $1,258 per veteran. This puts Nevada at the bottom of the scale. Many States that have been losing veterans get twice the funding per veteran, and some even more than that. This is patently unfair and I will continue to push for Congress to develop an equitable funding equation.

Thank you, Mr. Chairman, for responding to our push last year to increase VA medical care funding to the President's request. Until Congress can allow veterans more choice in how they receive care, and until we can take care of the bloated bureaucracy, full-funding is a minimum level we must maintain to ensure our former warriors receive promised health care coverage.

Also, Mr. Chairman, thank you for recognizing the continued need to fully fund the State veterans home grant account. This year's level of $47 million is $7 million over the President's request. It is my hope that some of this grant can be used in southern Nevada to help build a critically needed home for our veteran population.

Representing a State with the fastest veteran population growth, the largest amount of veterans as a percentage of population, and one of only a handful of States without a veterans home, I can tell you that this will mean a great deal to Nevada veterans.

Mrs. THURMAN. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. It there objection to the request of the gentlewoman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. TIAHRT

Mr. TIAHRT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. TIAHRT: Page 95, after line 21, insert the following new section:

SEC. 422. The amounts otherwise provided by this Act are revised by increasing the amount made available for "Veterans Health Administration—Medical Care", increasing the amount made available for "Veterans Health Administration—Medical and Prosthetic Research", reducing the amount made available for "Corporation for National and Community Service—National and Community Service Programs Operating Expenses", and reducing the amount made available for "Corporation for National and Community Service—Office of Inspector General", by $20,000,000, $20,000,000, $365,000,000, and $2,000,000, respectively.

Mr. TIAHRT. Mr. Chairman, this amendment is very simple, very straightforward. It asks for a very clear choice. We can either fund this so-called paid volunteer program called AmeriCorps or we can fund the veterans. It would transfer approximately $20 million to the Veterans Health Administration medical care and $20 million to VA medical and prosthetic research. The remaining would go toward deficit reduction.

Let us remember for just a moment the gulf war crisis. We had a crisis; our young men and women rose to the occasion. They answered the call. They volunteered their time, even their lives in some instances. We succeeded with victory. They came home. We declared them heroes. We had parades. But yet for many of them, for many of them, the war is not over. They still face gulf war syndrome. Instead of spending money on this higher priority, we are spending it on paid volunteers.

What is a volunteer, Mr. Chairman? Earlier today we heard that the American Heritage College Dictionary defines a volunteer as someone who does charitable or helpful work without pay. The stated purpose of the creation of the AmeriCorps in 1993, was to promote voluntarism in this country, particularly among young people. The problem with AmeriCorps is quite clear. It pays people to do something that millions of Americans already do without financial reward. An independent survey showed that in 1994, 89.2 million Americans, 18 and over, volunteered in some capacity for an average of 4.2 hours per week. They were not moved by the lure of a lucrative Government job, but instead by the true spirit of voluntarism and genuine service.

True volunteers are people, both young and old, who donate their time and energy and spirit to help others. AmeriCorps is not true voluntarism. According to a 1995 GAO audit, it was reported that it cost taxpayers about $27,000 per year per recipient in AmeriCorps. Mr. Chairman, true volunteers do not expect to be paid $15.65 an hour or receive health insurance or a stipend to go to college, as the average AmeriCorps volunteer does.

During 1993 and 1994, it was reported that 1,200 paid AmeriCorps volunteers worked at the Department of Agriculture, 525 work at the Interior Department, 210 at the Justice Department, 135 at EPA, and 60 at the National Endowment for the Arts. If that is not bad enough, Mr. Chairman, almost half of the money spent on AmeriCorps ends up funding the Federal bureaucracy or paperwork, rather than in community service.

Mr. Chairman, while I respect the goals of these young men and women who are involved in AmeriCorps, I greatly admire the 89.2 million Americans who volunteer their time, energy, and their spirit without being paid. AmeriCorps may do worthy work, but can we really afford to pay volunteers to do volunteer work? Can we afford to teach our youth that voluntarism means getting paid over $15 per hour? Do we really believe that the best way to help cultivate a new generation of true volunteers is by paying college students to do volunteer-type work? And do we really believe that this money cannot be better spent on the veterans?

Last week the Pentagon confirmed, Mr. Chairman, what many of us had believed, that some of our gulf war vets may have been exposed to nerve gas after the Army blew up an Iraqi ammunition depot that contained rockets armed with chemical agents.

The intent of my amendment would be to transfer $40 million from AmeriCorps to the VA health care and research. I believe these accounts are underfunded in the committee's mark, especially in light of last week's revelation by the Pentagon. What Member does not believe we should not have a moral obligation of this Congress to do whatever we can to find out what is causing the ailments that have plagued nearly 10,000 of our courageous gulf war vets? If American soldiers were exposed to chemical agents, it is incumbent upon this Congress to allocate American tax dollars in a judicious and prudent manner.

We still have veterans who suffer from agent orange and even some that go back to problems that come out of the Korean conflict and World War II. So, Mr. Chairman, my amendment offers a simple choice for this House. Will we continue to fund the President's liberal experiment on how to kill the flame of real voluntarism in America, or will this House vote to allocate those precious dollars to the courageous men and women who are willing to volunteer their lives to protect our freedom?

My amendment would require that each Member of this House decide for themselves who will they support, this Nation's veterans or President Clinton's paid volunteers. Mr. Chairman, this amendment is a commitment to both the true spirit of voluntarism and to our Nation's vets. I urge its adoption and I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I suggest to the House that we have had a number of amendments on the floor today that relate to the veterans. Right now as I understand it, the discussion between my colleagues on the other side of the aisle, we have kind of all concluded that veterans' amendments have kind of the same fate in this place, so I am going to propose that we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. TIAHRT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BENTSEN

Mr. BENTSEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BENTSEN:

Page 95, after line 21 insert the following new section:

SEC. 422. None of the funds made available in this Act may be used by the Environmental Protection Agency to issue, reissue, or renew any approval or authorization for any facility to store or dispose of polychlorinated biphenyls when it is made known to the Federal official having authority to obligate or expend such funds that there is in effect at the time of the issuance, reissuance, or renewal a rule authorizing any person to import into the customs territory of the United States for treatment or disposal any polychlorinated biphenyls, or polychlorinated biphenyl items, at concentrations of more than 50 part per million.

Mr. BENTSEN. Mr. Chairman, I rise today to offer my amendment to prohibit the Environmental Protection Agency from using any fund to allow the importation of PCB waste to be incinerated in the United States.

Mr. Chairman, it is a simple proposition that we should not be in the business of importing more hazardous waste into the United States. It is particularly disturbing that the Federal Government would agree to import PCB's when such a decision flies in the face of scientific evidence, our international trade agreements, and most importantly, our constituents' health and safety.

On March 18, 1996, the EPA issued a final rule allowing the importation of large quantities of polychlorinated biphenyls, reversing a ban that had been in place since 1980. PCB's are a dangerous class of chemicals used in electrical insulation and other products that cause adverse health effects, including cancer, reproductive damage, and birth defects. The March 18 rule gives a blanket authority to domestic waste incinerators to import PCB's with no new regulation or oversight by EPA. It is a bad idea and it is a fatally flawed rule.

We know from scientific research that PCB's accumulate in the environment and move toward the top of the food chain, contaminating fish, birds, and ultimately, humans. When incinerated, PCB's release dioxin, one of the most toxic chemicals known to man. As a result, PCB's are the only chemical that Congress identified for phaseout under the Toxic Substances Control Act of 1976. Since 1976, PCB's have not been manufactured in the United States.

With this ban in place, the amount of PCB's in the United States has steadily decreased, but the range of health and environmental effect has not. Incinerators in Kansas, Utah, Pennsylvania and two sites in southeast Texas burn more than 800,000 tons of domestic PCB waste each year.

Let me be perfectly clear. My amendment does not intend to address the incineration of domestic PCB's; rather, I seek to halt the importation of PCB's for incineration. The EPA has failed to offer scientific data or analysis to justify a reversal of this ban. Their longstanding position has always been that PCB imports pose an unreasonable risk to health and safety.

On December 6, 1994, EPA emphasized that, and I quote: "The import of PCB's into the United States and the distribution of commerce of PCB's present an unreasonable risk of injury to human health and the environment."

Now, a year and a half later, the EPA has reversed itself with no new studies, no new research, and no new reports that PCB's are anything less than a substantial risk to human health and the environment. It is difficult to understand why the EPA would change its position without any new scientific evidence.

This rule might be necessary if Canada and Mexico, the two countries expected to send us most of the PCB's, did not have facilities located within their borders to dispose of PCB waste. Both countries have facilities designed to handle PCB waste, and Mexico even exports some PCB waste to Europe for disposal.

I would also like to add that the Canadian disposal industry proposed EPA's rule and presented compelling evidence that Canada is fully capable of handling their own PCB waste, and Mexico even exports some PCB waste to Europe for disposal. EPA agreed with that view as late as December 1994 when they said and I quote: "EPA does not want to encourage the expansion of PCB's when there are feasible alternatives already in place."

In addition, EPA's new rule to allow the importation of PCB's also contradicts our international trade agreements. I believe in free trade but this issue is not about trade. It is about human health and the environment. We are not trying to erect a barrier to trade in order to protect the domestic PCB market. Congress long ago established that PCB's should not be considered for international trade on the ground of public health and safety. The GATT and the World Trade Organization expressly permit a ban on the importation of PCB's. Although the general objectives in NAFTA encourage open borders, the agreement clearly dictates that domestic laws and procedures should be given priority with regards to hazardous waste.

The United States should not unilaterally make this decision to allow the import of PCB waste, especially if international discussions are ongoing on how to address this problem. EPA is currently involved in negotiations between the United States and our NAFTA partners, and the United Nations is preparing recommendations on the disposal and transport of hazardous waste including PCB's. We should continue these negotiations instead of moving unilaterally forward to set their course.

Ultimately, the United States has the potential to import over 230,000 more tons of PCB waste from Canada and Mexico and many more tons from other nations as far away as Japan and Europe. These countries do not accept our PCB waste, so I find it difficult to understand why we should accept theirs. The United States should not become the world's wastebasket, but this misguided EPA rule does just that.

As I mentioned before, PCB's are a known carcinogen that have been linked to cancer, birth defects, and other health problems in numerous studies. A report released by the Center for the Biology of Natural Systems concludes that emissions from incinerators are migrating long distances and contaminating the Great Lakes.

Mr. Chairman, I would ask that the Members support the Bentsen amendment to ban the importation of PCB's.

This does not address the domestic incineration, but it is something we should not be in the business of importing hazardous waste.

Mr. GENE GREEN of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Bentsen amendment, and I commend my colleague from Houston for his leadership on this important issue.

On March 15, the EPA issued a final rule to amend the Federal PCB regulations and allow the import of PCB waste for disposal in permitted facilities in the United States.

This rule allows the importation of foreign PCB waste for disposal in the United States.

The EPA has estimated that the United States disposal industry would receive $50 to $100 million annually if PCB's are imported into the United States from Canada and Mexico.

And where would PCB's be disposed? In Kansas, Utah, Pennsylvania, Port Arthur, TX, and Deer Park, TX.

Mr. BENTSEN's amendment would prohibit the EPA from using any funds to implement its final rule.

PCB's when incinerated release dioxin—one of the most toxic chemicals known.

Dioxin, as we all know, causes a wide range of adverse health effects and it accumulates in the environment.

The incineration of PCB's is recognized as a health hazard.

That's why the Congress designed a phaseout of domestic PCB manufacture in the Toxic Substance Control Act of 1976.

It is irresponsible to reverse ourselves now and I urge my colleagues to support this important amendment.

Ms. RIVERS. Mr. Chairman, I move to strike the requisite number of words.

□ 1715

Mr. Chairman, I rise in support of the amendment of the gentleman from Texas, Representative BENTSEN, a proposal to put a moratorium on the importation of PCB's.

I speak particularly because a community in my district is struggling with this very issue. Not only is there a proposed dump site for PCB's, it is situated about 500 yards from a lake, which is, of course, connected, as all water is in Michigan, to the Great Lakes system.

For those not familiar with PCB's, these are not just garden variety carcinogens. In fact, PCB's are the only substance ever specifically banned by an act of the U.S. Congress. This happened under the Toxic Substance Control Act, section 6(e), enacted in 1976. And now we are on the verge of importing PCB's from other countries.

PCB's are a menace in many ways. They are a group of extremely toxic and long-lived chemicals formerly used as insulating materials in electrical transformers. They are known carcinogens. They disrupt the hormone system and cause reproductive and developmental damage. There have been estimates that a lot of the fertility costs in this country for people dealing with sterility comes from exposure to PCB's. Tumors, deformities, reproductive abnormalities and reduced survivorship are widespread in exposed fish, birds and mammal populations.

This is a terrible problem here in this country and, yes, we are working hard to find ways to deal with the materials that we have generated here within our own borders, but why would we want to open our borders to this kind of poison from all over the world, not just from Canada and Mexico? If we look at the rule, it is not limited to those two countries.

My understanding is that the only reason for doing this is to make the existing dump sites profitable, and, of course, this should not be the goal of the U.S. Government. The goal of the U.S. Government should be to keep its citizens safe. And to keep our citizens safe we should stand very clearly with the gentleman from Texas [Mr. BENTSEN] in support of no longer importing PCB's.

Mr. SAWYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in extraordinary sympathy with the goals that have been expressed by my colleagues from Texas and the previous speaker from Michigan. There is no question but that PCB's represent an enormous danger to the health and well-being of people in the United States and, yes, in Canada and in Mexico and other places in the world. But I rise in opposition to this amendment.

I understand the intent of the gentleman from Texas [Mr. BENTSEN] to protect the environment and public health, and I share that goal; however, I believe that this amendment would actually harm efforts to deal in an intelligent and economical and in an environmentally sound and friendly way with the problem posed by large quantities of PCB's in storage in North America.

Now, just as my friends from Texas have facilities in their districts which deal, I believe inappropriately, with PCB's, so in my district is there a company which recycles PCB-contaminated electrical equipment. This company can in most instances recycle 75 percent or more of the equipment material. This process saves an enormous amount of landfill space by allowing the reuse of the large carcasses of transformers and other electrical equipment. The recycling method also reduces by a significant amount the volume of materials that need to be incinerated.

With 24,000 metric tons of PCB-contaminated equipment in storage in Canada and the Great Lakes Basin area, a complete prohibition on importing will have a potential health risk for the United States citizens. Canada has only one permanent disposal facility and incinerator in the Province of Alberta, more than 2,000 miles away from the closest storage site. This means that those 24,000 metric tons of PCB-contaminated equipment will not be disposed of any time soon.

Canadian industries and United States companies operating there benefit from an additional disposal option: Recycling. Beyond this, the Great Lakes region benefits from the disposal rather than the continued storage of this material, and we all benefit in encouraging recycling rather than incineration of PCB's.

This company is currently working to develop a process that would completely neutralize PCB's, eliminating the need for incineration altogether. I will absolutely concede that that need still remains. But without the ability to access recyclable material from Canada and Mexico, this company, S.D. Myers, will be unable to continue that environmentally beneficial work and will be forced to lay off dozens of employees.

I raise this simply because of the importance that the U.S. EPA places on this particular technology. They point out that the concept that legitimate recycling of these materials is an option that should be available. Both costs and long-term liability can be significant issues, but they should not preclude someone from choosing proper recycling as the best value option for disposal. EPA promotes green technology, including recycling; however, in this instance the terms of the enforcement agreement were negotiated on the contracts that they had in place at the time. EPA generally does not require another Federal agency to dispose of PCB's using specific EPA-approved disposal technology.

And I emphasize this point in particular. On the issue of environmental advantage of recycling PCB-contaminated material, recycling is preferred to landfilling or incineration. On this matter, we agree entirely.

Mr. BENTSEN. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Texas.

Mr. BENTSEN. Mr. Chairman, I would just say that the gentleman and I have tried to work out our differences on this amendment. I think we are trying to head in the right direction. Unfortunately, we are at cross-purposes because of the PCB by-product. What they are doing with the transformers I think makes sense, except it still results in the importation of PCB's whether they are landfilled or incinerated, and the transport of that, which is the problem.

And it still comes back to our feeling that we should just not be importing that. We disagree with EPA on their analysis.

Mr. SAWYER. Mr. Chairman, reclaiming my time, I appreciate the gentleman's desire to protect the health of citizens he represents. If his amendments passes, however, there would be some reduction in the activity of the facility in his district. However, the incineration of domestic PCB's, and perhaps those from our military posts overseas would continue. If the goal of his amendment is to stop the incineration of PCB's, then I firmly believe the fastest way to accomplish that is to allow companies like S.D. Myers to continue to develop the technologies that will make incineration obsolete.

I appreciate his willingness to discuss this technical issue with my office prior to the offering of this amendment on the floor, but in offering it in this way, it precludes the kind of option that requires careful consideration through the legislative process, and I therefore oppose his amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to have a discussion with the gentleman in the well.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Chairman, I appreciate the opportunity that the gentleman offers me. I had just really gotten to the end of the presentation I wanted to offer. I believe, however, to expand on the last point, that we have the opportunity to reach a congenial agreement on this matter, something that I have been working with EPA for the last 3 years to reach a responsible, environmentally sound accommodation on and one that I believe can be made to meet the needs of his district and many others across the United States if we have the time.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, let me suggest to the gentleman, as well as the gentleman who is offering the amendment, that this discussion and this issue reminds me very much of the low-level radioactive waste issue that is facing many of our States currently.

Years ago we in the Congress recognized the problem of accumulations of low-level radioactive waste in location after location around the country. So we sort of regionalized it and said that areas or States would create compacts where this could be accumulated. Then when we got to the point where there was such a site located, the local people became involved and nobody wanted something like this in their own backyard.

We have a PCB problem that is very real. We have to deal with it. Candidly, we are not going to particularly be successful opposing this amendment at this point, but it certainly is not helping us really get a handle on this important problem. In the final analysis, we have a responsibility to do that.

Mr. BENTSEN. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Texas.

Mr. BENTSEN. Mr. Chairman, I appreciate what the gentleman is saying about not in our backyard or whatever. The gentleman from Texas, Mr. GENE GREEN, and I and others represent probably the largest petrochemical complex or one of the largest petrochemical complexes in the United States, and we appreciate the need for taking care of our own and we appreciate the need to take care of what is produced domestically in the United States. But what the issue here is, and it contradicts everything EPA has said up through 1994, they have consistently said we should not be importing PCB's.

All we are saying is let us not get into the business of importing hazardous waste. Let us deal with what is our own right now before we get into turning this into some bulge bracket market.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, I appreciate both the gentlemen, particularly the gentleman from Ohio's comments recognizing this difficulty, and it is a policy problem that needs to be approved. I must say that at this point I do not see us dealing with it in a serious way, and I would hope as we go forward here that we do come together and find real solutions.

Ms. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Michigan.

Ms. RIVERS. Mr. Chairman, I wanted to raise a question with both of the gentlemen, but particularly with the gentleman from Ohio, Representative SAWYER.

I had an opportunity to speak with people from the Canadian government a couple of weeks ago on this issue and I was surprised to find, A, that the Canadian landfills are not at this point overutilized, and they have no problem with accommodating their PCBs generated in that country. Second, they have not determined as a matter of public policy that they want to see their PCB waste leave.

So, in fact, are we not talking about allowing PCBs to come into the country as a way to accommodate those landfills already here in the country as opposed to necessarily trying to help out Canada or Mexico?

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Chairman, I thank my friend from California. Our goal is not to accommodate any particular landfill, but rather to reduce in the Great Lakes region the enormous concentration of stored PCB's. Landfilling by most environmental accounts, including the EPA, is a decidedly inferior technology to the kinds that are involved in recycling. We are trying to improve the volume of those PCB's that can be recycled along with PCB-contaminated equipment rather than simply storing them there or landfilling them there or anywhere else.

Ms. RIVERS. Mr. Chairman, if the gentleman will continue to yield, in my district the dump is not yet created. The dump is not yet created, and the incoming waste is what will allow that to become profitable.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, at this point let me say that we do have a serious problem with PCB's, but also with a number of amendments remaining on this bill.

Let me say to the author of the amendment it is my intention to accept the amendment, and we will have some discussion, hopefully between now and the time we go to conference. There are some very serious difficulties remaining for the country, as well as, indeed, the world, but I would suggest that we accept the amendment and see if we can move forward.

Mr. BENTSEN. Mr. Chairman, if the gentleman will yield further, I appreciate that and I would be more than happy to work with the chairman.

Mr. SAWYER. Mr. Chairman, if the gentleman will yield further, I just wanted to express my thanks to the gentleman for his concern and interest in this matter and that of the ranking member, the gentleman from Ohio, Congressman STOKES, and for the willingness of my friend from Texas to accommodate a variety of conflicting needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BENTSEN].

The amendment was agreed to.

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOEHNER) having assumed the chair, Mr. COMBEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3666), making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

REQUEST TO LIMIT FURTHER CONSIDERATION OF H.R. 3666, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 3666 in the Committee of the Whole pursuant to House Resolution 456, the bill be considered as read; and no amendment be in order except for the following amendments, which shall be considered as read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

An amendment offered by Mr. Koble for 60 minutes;

An amendment offered by Mr. Gutknecht for 20 minutes;

An amendment offered by Ms. Jackson-Lee of Texas for 10 minutes;

An amendment offered by Mr. Kingston for 10 minutes;

An amendment offered by Mr. Markey for 40 minutes;

An amendment offered by Mr. Roemer for 20 minutes;

An amendment offered by Mr. Weller for 10 minutes; and

An amendment offered by Mr. Orton for 10 minutes.

The CHAIRMAN. Is there objections to the request of the gentleman from California?

□ 1730

Mr. BOEHLERT. Reserving the right to object, Mr. Speaker, how do we address the Boehlert amendment, which will serve as a substitute for the Markey amendment?

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, it would not be in order.

If I could verbalize a minor little amendment to this list, at the point of the Markey amendment, with the exception of one amendment to the Markey amendment, within the time limit of 40 minutes by Mr. Boehlert.

The SPEAKER pro tempore (Mr. Boehner). Is there objection to the request of the gentleman from California?

Mr. MARKEY. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. Lewis].

Mr. LEWIS of California. Mr. Speaker, I will give the gentleman the time, if he would like. What the gentleman wants to do is eliminate all these limitations on time in order not to have this amendment come forward. If we eliminate all the limitations on time, surely we will get there eventually and the amendment will come forward anyway.

Mr. MARKEY. Mr. Speaker, it is difficult to agree to a unanimous-consent request which makes an amendment to the Markey amendment, being Markey, when the amendment has not even been shared with Markey as a way of ensuring that the unanimous-consent request could be done in an amicable way and in a bipartisan fashion seeking to resolve the issue. So I would ask if the gentleman could withhold briefly and the gentleman from New York perhaps could share the amendment since the Markey amendment is already well known.

Mr. LEWIS of California. Mr. Speaker, if the gentleman will continue to yield, I would say the gentleman, I think, makes a very important point. And I frankly would love to see the amendment to the Markey amendment myself. Therefore, we are going to withhold on this list until that kind of courtesy is shown and we will return to this request for unanimous consent at another time.

Mr. BOEHLERT. Mr. Speaker, if the gentleman will yield under his reservation of objection, if we have the current iteration of the Markey amendment, it is a movable target. There have been so many adjustments in the past 24 hours, I am not sure what we are talking about in terms of the Markey amendment. I would be glad to share my amendment.

Mr. LEWIS of California. Mr. Speaker, I would suggest we come back to this.

The SPEAKER pro tempore. The gentleman from California withdraws his unanimous-consent request.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3666.

□ 1733

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, with Mr. Combest in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, amendment No. 7 offered by the gentleman from Texas [Mr. Bentsen] had been disposed of.

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. Kolbe: Strike Section 421 of the bill.

Mr. KOLBE. Mr. Chairman, before I proceed, I ask unanimous consent that, while they are trying to work out the issue on the other amendments, that, the gentleman from Wisconsin, [Mr. Obey] is in agreement, that all debate on this amendment and all amendments thereto be limited to 60 minutes, with the time equally divided between myself and the gentleman from Minnesota. That is pursuant, I might add, to the agreement that we had agreed to earlier in the larger unanimous consent.

The Chairman. Is there objection to the request of the gentleman from Arizona?

Mr. OBEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. KOLBE. Mr. Chairman, let me begin by laying out the background of this case. A few months ago, the University Corporation for Atmospheric Research, which is a part of the National Science Foundation, began to consider bids for a new supercomputer. They had been using a Cray computer, and they went through the normal procurement process, the conclusion of which was a bid an unusual bid in the amount of money that was set—$35 million—won by NEC. There is no dispute over the amount of dollars of this procurement. It is $35 million. But to continue, in the RFP that was proposed, the question was posed—what could you do for $35 million? Clearly the bid proposal from NEC, the Japanese company that makes supercomputers, was the best offer.

Following that decision or that initial bid proposal, this information was conveyed to the White House. It was also conveyed to the Department of Commerce.

The Department of Commerce then subsequently wrote a letter to the National Science Foundation in which they said they had investigated the matter and made a preliminary decision that there was clear dumping here. That is, NEC was selling this computer or the software for this computer, at well below cost.

As a result of that letter, even though it was simply a letter and nothing more, remember no formal investigation has ever been conducted into allegations of dumping, language was added in the subcommittee and retained by the full committee, which would put in place a limitation on funds for any employee of the National

Science Foundation that proceeds to sign a contract for the purchase of an NEC computer, if, there has been a preliminary or final finding of dumping on the part of the Department of Commerce.

My amendment would seek to strike that language. Why do I seek to do this? Am I against Cray computers, American-made computers as opposed to Japanese computers? Of course not.

The fact of the matter is, Mr. Chairman, we have a process, a process that is established in law. That process is that an antidumping procedure may be initiated if dumping is believed to have occurred. Almost always it is initiated by the industry. But it can be self-initiated by the Department of Commerce. That is rarely done and has not been done in this case. In fact, there has been no initiation of an antidumping case on the part of the Department of Commerce regarding this procurement.

The Department of Commerce simply on their own wrote a letter which bypassed this internationally recognized procedure and simply said, we think there is dumping going on here.

The law is very clear. If Commerce decides to initiate a dumping procedure, they then send that inquiry to the International Trade Commission. The International Trade Commission then decides on an initial basis, if injury has been done. They then send it back to the Department of Commerce to determine the amount of the damages and injury that has been done, or whether injury has occurred. The International Trade Commission then makes a decision as to the extent of the damages, and the final result is that a sanction may be applied.

The only sanction under the law, and I would hope that this body cares a little bit about following the law, the only sanction under the law is that a tariff may be applied against the company that is dumping, the industry which is dumping, in this case against NEC. It is very clear, and in fact our trade laws make it very precise, that we do not link procurement with dumping laws because that violates the international agreements that we have, World Trade Organization agreements.

We do not link the procurement process with dumping. So it is against the law for us to unilaterally impose punitive measures and say, you cannot go ahead and buy this computer. If indeed the NSF proceeded to buy this computer and it was found that there was dumping, a tariff may be applied in the future, against any other computers that are bought. That is the background of this case.

In essence, the action of the subcommittee of adding this language violates our procurement laws. It violates our antidumping law and it violates WTO agreements. We have made a big thing in this country, and I hope in this body, about the rule of law. We have tried to get other countries to follow the law. We have tried to get those countries to follow the law so that they would abide by the rule of law.

We have made a big case about getting Japan to open its market to computers, and we have had some success.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KOLBE] has expired.

(By unanimous consent, Mr. KOLBE was allowed to proceed for 2 additional minutes.)

Mr. KOLBE. Mr. Chairman, we have had some considerable success in this regard. In fact, Cray has sold and installed in Japan 170 supercomputers. NEC has installed in Japan, their own country, 80 computers.

In the United States, Cray has installed 320 supercomputers versus 2 for NEC and none to a Government corporation, a Government agency.

Mr. Chairman, are we to suggest here tonight that we are going to deny the right of the NSF, which has looked at the bids and has decided that this is clearly the superior computer, that we are going to say, you cannot proceed with that and jeopardize all of the trade laws, all of the sales which Cray and others have made, all of the efforts we have made to open this market to our computers and to other countries and to other companies that sell in that market?

I want to make it clear that the bottom line has nothing to do with whether it is Cray or NEC that gets the NSF contract. It is a process that must be followed here. There is a process for an antidumping case. The process has not been followed by the Department of Commerce, and this body is preparing to violate it in a very major way tonight. Because we are going to say, notwithstanding our procurement laws, notwithstanding the antidumping laws, and notwithstanding the WTO and, by the way, Japan will have a perfect case to take against us to the WTO and we will be sanctioned then on all computers that we try to sell in Japan, notwithstanding all that we are simply going to say that, if the Department of Commerce writes a letter, with no investigation ever conducted, that you cannot buy this computer. That violates the law. It violates the rule of law. It violates all the standard procedures, and we ought not to do it.

Let us follow the procedure. We stand for the rule of law. We stand for doing the right thing. I urge my colleagues to reject this language, to support the Kolbe amendment, to reject this language and to remove it from the legislation.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the issue here is very clear. The issue is whether we are going to stand up for America and stand up for fair trade under the rule of law or not.

What are the facts? This Congress is being asked to appropriate $277 million, and the purpose for that, I quote, is "to promote fundamental research in education and computer and information sciences and engineering and to maintain the Nation's preeminence in these fields."

Despite that, a grantee of the National Science Foundation wants to purchase a supercomputer. They have put out a bid to buy it for a fixed price of $35 million. Three companies bid, one American company and two Japanese companies. The United States machine on a pound-for-pound and chip-for-chip basis ran at a faster clock speed than did their Japanese competitors. But one Japanese company, NEC, proposed to sell three times the machine at an estimated cost to manufacture of somewhere between $90 million and $110 million. So they proceeded to try to sell a machine which cost three times as much as the price at which they were willing to provide it to the NSF grantee.

The NFS was warned by the Commerce Department that this appeared to be a case of dumping, and it appeared to be a violation of our trade rules. But before the Commerce Department could get a written document to the NSF, NSF decided to proceed anyway because they wanted to have that computer at a cut-rate price.

☐ 1745

Now the question is why would the Japanese sell a $110 million computer for 35 million bucks? It is very simple. The supercomputer industry is critical to the future economic strength of this country and to our national security. The supercomputer industry is very small, but it is a cornerstone of U.S. competition and of our competitive posture.

It is crucial to the design of aircraft, it is crucial to the design of jet engines.

In World War II, one of the reasons we won is that we broke the Japanese and German codes. The Nation with the best supercomputer capacity can decode another Nation's secrets, it can predict weather better, it can unravel the mysteries of genetics. It is absolutely key in the design and simulation testing for new automobiles, for new weapons, for new aircraft, for new items of virtually every kind in the economy, for new drugs.

A supercomputer, for instance, is key to the design of the new Boeing 777. And yet financial analysts who look at what is happening in this field worry about the long-term survivability of the U.S. supercomputer industry. Now, they do not worry about it because they think we do not produce products of quality. They worry about it because of the huge deep pockets that Japanese corporations have in comparison to American corporations who produce these supercomputers. U.S. companies have to finance their R&D, their development of new products out of profits from current sales. But in Japan, Fijitsu and NEC are backed by virtually limitless credit from their huge mega banks.

I would point out that neither Japanese supercomputer company has ever made a profit selling supercomputers. They are willing to sell at a loss simply because they want to break the U.S. market, they want to drive the U.S. industry right off the face of the globe, and then they will have an absolute and total monopoly on supercomputer capacity and capability in this world.

So now what this bill says is something I suppose some people see as very shocking. It says simply that none of the funds can be used for this agency to purchase a supercomputer if the Commerce Department determines that it has been dumped on the U.S. market. Now, the Commerce Department has not yet made a preliminary nor a final determination. They have made an initial guess about it, and they tried to stop the agency and slow them down until this could be evaluated, but the agency was hell-bent to go ahead because they were putting their own narrow interests, in my view, ahead of the broader interests of the country.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Now, the authors of this amendment or the author of this amendment is saying that it violates trade laws. It most certainly does not. There is no trade law, there is no trade pact which we have joined which requires us to accept dumped goods. The authors say, "Well, why don't you follow the process normally used for consumable items? That's what you ought to do."

The problem is it is very different if one is dealing with an automobile versus a supercomputer because if one simply waits and allows for a final determination down the line, the only penalty is to assess an additional tariff. Japan has already indicated they will gladly accept that additional tariff in order to bust the U.S. market and compete successfully because of their deep pockets.

We are told that the Congress is violating the law if they do what the committee is suggesting. They do not. The Congress does not violate the law. If my colleagues take a look at Footnote 24 to the antidumping agreement to which America subscribes, there is a recognition that other actions can be taken. It is suggested that we are violating the procurement law. That is not correct, because the procurement law only applies directly to American agencies, and what we are discussing here is the action of a grantee of a U.S. agency.

So there is in no way a violation of either U.S. law or violation of trade agreements to which we have become a party.

There is a reason why the gentleman from California [Mr. HUNTER], why the gentlewoman from Ohio [Ms. KAPTUR], why myself, why the gentleman from Minnesota [Mr. SABO], Ross Perot and a wide variety of people in both parties support the committee action: because they recognize that it is critical to the security interests of this country, they recognize that it is critical to the long-term economic needs of the country.

All we are saying is, if in the end this computer is determined to be purchased at a dumped price, do not buy it. That is all it says. We could have gone much further, as has been done in the defense bill, and simply say, "You can't sell any foreign computer." We did not say that. We preferred to allow the Commerce Department to make a rational determination. That is what one would do if they are interested in protecting the national security interests of the United States.

Mr. Chairman, I would urge a "no" vote on the amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word and rise in support of the Kolbe amendment.

Mr. Chairman, because of Japan's trade barriers, the United States of America negotiated an agreement with Japan to have free, open, and transparent trade in government procurement of supercomputers. yes; this does violate that agreement. It is written so broadly it does violate that supercomputer bilateral agreement. It also violates the World Trading Organization's, the WTO's, antidumping agreement. It also violates a WTO government procurement agreement.

Now, who wins from this international trading system? America wins. If the international trading system goes under, we lose international protection of property rights, of intellectual property rights. If is all part of the same system. We benefit from the international protocol that governs trading, and we cannot go out there and violate the agreements that America has put her signature to.

As a result of this agreement, whose goal it was to overcome Japanese barriers in their market, the United States has sold 12 supercomputers to the Japanese Government. Now a Japanese company is about to sell one to our Government. That is a pretty good deal.

The American market is growing only slowly because our population is growing only slowly and our population is aging. Older people do not buy as much as younger people. If we are to have a rising standard of living for our folks, if we are to have faster growth in our economy, we must be competitive in the international market and we must have solid rules that govern international trading, or our kids will not have the career opportunities they want and they will not have the rising standard of living they hoped for.

If there is one thing my constituents are concerned about and one thing they say to me day after day, it is, "We're concerned about wage stagnation". And believe me, Connecticut has had a tough time in the last 5, 6, 7 years. Wage stagnation, slow economic growth; those are the problems we face, and if we persist or if we go forward with this proposal that blatantly violates an agreement we put our name to, we will not only lose in the short term, as Japan retaliates in whatever industry she targets, but in the long term we lose the protection of international trade law and that will cost us jobs. Retaliation hurts. It is not neutral. It costs jobs. It cuts incomes. But worse than that, it sends a terrible signal. The affirmative action to abrogate an agreement we are a party to, following passage of Hill-Burton and the legislation offering trade with Iran, sends a signal to the international community that we are not prepared to adhere to the only trade protection that can assure fair trade. I have fought all of my years here in Congress for fair trade. I fought for the machine tool industry, I fought for the bearing industry, I fought to preserve our dumping laws, I fought for 301 retaliation. I have been over there in Geneva with many of my colleagues with Chairman Rostenkowski, former chairman of the Committee on Ways and Means, as the final deals on the GATT agreement, were made. We fought hard to get our way and we won on most points.

For us now to purposefully, consciously, by legislation, violate agreements that we put our name to and that are benefiting us simply is nuts, and it is going to destroy our credibility as a member of the international trading community. It is going to hurt international trading companies, and more and more we know it is the small companies who are in our export market, and it is going to cost jobs. It is going to undermine the very export promotion programs, the export growth, that is driving America's economy.

We do not domestically have the buying power anymore to guarantee our people a rising standard of living. We do not have it. We are not growing that rapidly, and we are aging rapidly. We depend on success in the export market.

Not to support the amendment offered by the gentleman from Arizona (Mr. KOLBE) to strike this provision from this bill is to say to people, "I'm more interested in politics that I am in your wages and in your economic future and in the strength of this Nation and the preservation of the very regimen that guarantees, that has the best hope of creating for us free and fair trade worldwide, and with that free and fair trade over the decades ahead, prosperity and peace."

I urge support of the Kolbe amendment.

Mr. LEWIS of California. Mr. Chairman, there has been a bit of discussion on both sides regarding the question of time limitation earlier, and, as I understand it, the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Arizona [Mr. KOLBE] are in agreement separately to have 20 minutes on each side on this amendment. Presuming that, I ask unanimous consent to limit the time to 40 minutes, 20 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SKAGGS. Reserving the right to object, Mr. Chairman, if I may, I have a very direct district interest in this particular controversy, had not been involved in the negotiation on the time limit and, therefore, have not had a chance to discuss with the gentleman from Arizona [Mr. KOLBE] what the allotment of time might be under the proposed unanimous-consent request.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the request is 20 minutes on each side.

Mr. SKAGGS. I mean within the gentleman's 20 minutes, and I just need assurances of an adequate piece of that time from the gentleman.

Mr. LEWIS of California. We will try to see if we can get him to yield.

The CHAIRMAN. The gentleman from California's unanimous-consent request is for 20 minutes controlled by the gentleman from Arizona [Mr. KOLBE] and 20 minutes controlled by the gentleman from Wisconsin [Mr. OBEY].

Mr. LEWIS of California. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KOLBE. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Chairman, I wish to begin on the question of the Government procurement code, and I would yield to my good friend from Wisconsin, if I could have his attention. Might I have the attention of the gentleman from Wisconsin [Mr. OBEY], the author of the provision to which I am speaking? I wanted to offer to yield to my good friend from Wisconsin, and if I am wrong, I will be the first to admit it.

But I have a copy of the procurement code in front of me, and the reason why I am speaking is that I took the gentleman's comments to say that the procurement code did not cover this case because the procurement is by the National Science Foundation, and I will yield if the gentleman would make his point regarding the procurement code, and then I will read the section on point.

□ 1800

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Wisconsin.

Mr. OBEY. I did not have a point to make on the procurement code, Mr. Chairman. The gentleman from Arizona [Mr. KOLBE] suggested we were in violation of procurement laws. I said that we were not, because the argument that has been made about that relates to the action of government agencies, not grantees.

Mr. CAMPBELL. Mr. Chairman, I appreciate the gentleman for responding. Here is exactly why I want to speak to the point. The procurement code reads, in article I section 3: "Where entities, in the context of procurement covered under this Agreement, require enterprises not included in Appendix 1 to award contracts in accordance with particular requirements, Article III shall apply. . . ."

So the procurement code in itself deals with Government agencies and then, in article I, section 3, says, and I repeat: "Where entities, in the context of procurement . . . require enterprises not included in Appendix 1 to award contracts in accordance with particular requirements, Article III shall apply. . . ."

So unless the gentleman wishes to correct me, and I would yield to him for that purpose, I believe his point is, with good intention no doubt, simply erroneous—that the procurement code does apply where a Government agency imposes a requirement on another enterprise in regard to a contract, as this law would. My friend, the gentleman from Arizona, makes a very valid point. This provision violates the procurement code.

Mr. KOLBE. If the gentleman would yield this amendment is a limitation on the National Science Foundation, which is an agency, so it clearly does go to the procurement code, to the National Science Foundation. I would also make the point that the procurement code says we must give national treatment: We cannot treat one country differently than another. This does that, it violates the WTO, it violates the procurement code.

Mr. CAMPBELL. Mr. Chairman, I grant the gentleman's point, but I think we have an even better point. Even if the Obey language were a requirement upon an enterprise, rather than the Government entity itself, it is covered by the procurement code. So I believe we have them both ways. This does violate the procurement code. The policy question I have is, do we want to violate the procurement code? I certainly hope we do not wish to violate international trade law, but that is what Government procurement code is.

The second and last point that I have to raise is the issue about violating the antidumping code. I would like the chairman's permission to recite what a commissioner of the U.S. International Trade Commission has told my good friend, the gentleman from Arizona, on June 19. He said, "I believe that the amendment, if passed," referring to the amendment by the gentleman from Wisconsin, "is in probable violation of our GATT-WTO obligations. In particular, the amendment appears to be inconsistent with article 18.1 of the antidumping code, which prohibits GATT members from taking punitive measures in response to dumping, other than those set forth in the antidumping code."

The reason is this: We have in our antidumping law a requirement that, first of all, the Department of Commerce find that there is a difference in price in the country where the good is sold and made and the country into which it is imported. Then following that, there must be an injury finding. The reason is the natural concern that countries have that if goods are selling at two different prices in two different markets just because the market conditions are different, that that may or may not be unfair. But if there is injury to the U.S. domestic market because of it, then it is unfair. I note that the gentleman from Wisconsin's amendment does not include that injury requirement.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I thank the gentleman from Wisconsin for yielding time to me.

Mr. Chairman, I rise in opposition to the Kolbe amendment and in support of the committee bill. Mr. Chairman, this procurement for the NCAR, National Center for Atmospheric Research, for a supercomputer of Japanese make, Japanese make, NEC, what we are doing is supporting a policy of subsidizing prices of Japanese products by the Japanese Government for sale in the United States.

We have a history of this. My background was in telecommunications. I saw it happen in the telecommunications industry. We are talking about a sale of a computer for $35 million that has been estimated to be worth $100 million. If this was a supermarket, this would be referred to as a loss leader. You walk in the door, you buy a quart of milk for 50 cents, and you hopefully, as far as the supermarket is concerned, spend a whole lot more money while you are there. This is a way to get in the door. It is dumping. It is a subsidy.

If our laws do not cover this, I would be surprised, but good judgment should. Good judgment should. If the NSF has found themselves a good deal by comparing two fairly similar computers, and they get a similar price so they opt for the Japanese make, that is fine; but the fact is the Commerce Department has determined that NEC is dumping, and we should be supporting that activity. So I would strongly urge a "no" vote on the Kolbe amendment, and stop rewarding foreign dumping in the United States.

Mr. KOLBE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I thank the gentleman for yielding time to me.

Let me pick up where the gentleman from New York left off, because there has been no Department of Commerce determination of dumping. What there has been is what I think would be best referred to as an extraordinary back-of-the-envelope, very unusual, preliminary, preliminary guess by the Department of Commerce that there might be dumping. But upon analysis, two things are really very clear: First, they did the arithmetic wrong; second, they should not have done the arithmetic to begin with, because it is out of the normal process for dealing with these issues.

As the gentleman from California pointed out, the law provides a very firm, formal methodology for determining whether below-cost, unfair pricing occurs, and then what the remedy should be. We have not gotten to that point yet.

Clearly we should not be using taxpayer money to buy a foreign-made good that is dumped in this country. No argument about that. But we are getting way ahead of ourselves in assuming that that has been established in this case, because it has not.

There has been only one other case that anyone that I have been able to find could remember where the Department of Commerce issued this kind of an extraordinary predetermination before a case has even been filed. So, for some reason, the Department of Commerce wants to get ahead of its normal process in this case. In doing so, it simply, as far as I have been able to determine, probably did a sloppy job.

The reason it reached its conclusion, as far as one can tell, and we are none of us experts in this kind of analysis, was because they apportioned the R&D costs attributable to this machine across one-tenth of the number of units that should be used, thereby greatly inflating the proportion of R&D costs that would be factored in; and second, because they failed to look at it as a lease transaction, in which there would be residual value going back to the manufacturer or the lessor, which would serve to increase the net profit.

But in any case, Mr. Chairman, we do not have any business doing this on the floor of the House of Representatives.

What this is about is the earnest, good faith effort made by the National Center for Atmospheric Research [NCAR], which happens to be based in Boulder, CO. It does world class science on the atmosphere. It needs the most powerful computer capability it is able to buy with its NSF grant, with taxpayer money, to do the best work it can for all of us.

NCAR started out some time ago in this procurement effort, put out an RFP to 14 prospective vendors, 12 of them U.S. manufacturers; has strictly adhered to the Federal acquisition regulations throughout the process; ended up with three serious proposals; asked all of those people to go through best and final offer; and has now, at the request of the Department of Commerce, undertaken its own very rigorous analysis to determine whether there is any unfair pricing involved in this. I am absolutely certain it will be perfectly prepared to reexamine this whole exercise if there is any solidly developed determination, preliminary or final, of unfair pricing. But we simply do not have that.

Mr. Chairman, if we want to have a debate in this body about whether we should ever allow a supercomputer to be purchased with U.S. Government taxpayer funds from other than a U.S. manufacturer on national security, national infrastructure grounds, let us have that debate in an appropriate setting. It is not appropriate to be having that discussion as an adjunct to an appropriations bill. We already have in law all the guarantees and remedies necessary to deal with unfair pricing if it should turn out to be the case in this instance.

With respect to the question of the future of U.S. supercomputing, there are, by GSA analysis, General Services Administration analysis, some 700 supercomputers currently owned by various agencies of the U.S. Government, approximately 500 of those 700 in various Defense Department and national security-related agencies that are essentially going to be buying American. So if there is any question that we are going to have a very, very substantial and virtually guaranteed market for an American supercomputer industry, rest easy.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, we could debate the technical issues, and I enjoy doing that on antidumping. This provision that the Kolbe amendment is attacking may not be perfectly drawn, but let me say I think the amendment is a very imperfect solution. There is a real problem here. In the past, industries in this country have been targeted. In the 1980's it was semiconductors, machine tools, televisions, VCR's; almost you name it, and a major industry was targeted.

Now there is considerable evidence that supercomputers are being targeted, and what is happening is that profits from a sanctuary market in Japan are being used to drive out the remaining U.S. companies. Most of them are out of business.

I suggest, Mr. Chairman, that this is not the appropriate forum to discuss all the intricacies of our antidumping laws and the role of this agency or another agency. There is a problem here. The bill has an honest effort to address it. If there are some technical problems with it, it can be handled later on, but do not try to cure that by ignoring what is a real problem in an important industry, as the L.A. Times said, one of the industries of the future, really of the present, a corner of American competitiveness.

It has been said we are getting way ahead of ourselves. To the gentleman from Colorado [Mr. SKAGGS], I would say in the past the problem has been we have been way behind when American industries have been targeted and have been lost. Let us not lose this one. Defeat the Kolbe amendment.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Michigan [Mr. LEVIN] is absolutely correct. There is a problem here. He said, let us not worry about the technical aspects of this. We can correct that later. There is a problem, all right. We are violating GATT and WTO agreements, we are violating our antidumping laws, we are violating our procurement laws; just minor little details, apparently, to some people. I think these are important matters. We have a firm commitment in this country to the rule of law. We ought not to so casually and cavalierly disregard that.

I would also like to respond to something that was said earlier by the gentleman from Wisconsin when he talked about the danger that we face of driving our industry out. Some danger: Cray has installed 130 supercomputers in Japan versus 80 by NEC and Fujitsu; in other words, more than 50 percent more by an American company. We are endangering that, all right. We endanger selling any more American computers in Japan if we take this kind of action, because they have a perfect recourse under the WTO to stop us, to levy fines and sanctions against us from selling computers.

Another point that should be made is that Cray has installed 320 supercomputers in the United States versus 2 from NEC. Some danger that Cray is in here. The gentleman is right, we are endangering. We are endangering the U.S. industry with this action, not with the action that was taken by the National Science Foundation and its grantee, the University Corporation for

Atmospheric Research, which did follow the procurement procedure exactly as they were supposed to.

Finally, let me say with regard to the matter that NEC is selling at below cost, the National Science Foundation, or rather the University Corporation for Atmospheric Research [UCAR], asked for an analysis to be done by a respected law firm here in Washington on this issue. They concluded that the Department of Commerce analyzed the wrong transaction. The treaty antidumping statute applies to the sale of imported merchandise to the first U.S. party, unrelated to the exporter. It does not have anything to do with leased kinds of equipment.

It also says that antidumping law provides, they concluded, that the fair value determination should be made by comparing prices for the same or similar products in the exporters' market or third country market with the U.S. price; but they conducted the type of constructed value analysis that is a method of price comparison that is invalid in this country, because of the absence of a home market or third country sales that have not been demonstrated.

□ 1815

So even on the back-of-the-envelope analysis that was done, by Commerce and the gentleman from Colorado [Mr. SKAGGS] had it exactly right, it was a back-of-the-envelope kind of thing, they said on their own that they did not want to actually initiate antidumping because they were uncomfortable. The Department of Commerce instead just sent this letter. So they violated the process that they are supposed to follow, that the industry is supposed to follow to have an antidumping case.

We have an antidumping process because Members on that side of the aisle and this side of the aisle said there has to be a way from companies to deal with this when there are allegation of dumping. Well, let us follow the law.

I would just say that what I am talking about here is the process. Again, there is a process to be followed. We are not following that process, and we are suggesting that we are just simply going to ignore the law.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Chairman, I thank the gentleman for yielding me time.

I rise to oppose the Kolbe amendment. I do so reluctantly because I have respect for the gentleman from Arizona [Mr. KOLBE] and for the position which he is taking. However, we can argue the legalities endlessly here in terms of whether we are violating any procedural process with GATT or the World Trade Organization.

I am not going to get into that because there are interpretations on both sides of this thing which I could agree with if I listen to very, very erudite lawyers.

However, what I am saying is this: Over a period of years I have seen egregious examples of dumping coming in very small packages. It would seem to me this particular case with the National Science Foundation that it is a perfectly normal and legal and obvious approach to have the Department of commerce review this to see whether there is any dumping.

Once you get an acknowledgment of the fact that NEC or any other computer is approved by an extraordinary group like the National Science Foundation, then you have something far more than the purchase of that one unit. I think is a perfectly normal process, I agree with it, and I reluctantly oppose the Kolbe amendment.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I rise in strong opposition to the Kolbe amendment.

In behalf of the language that is in the bill, might I inquire of the gentleman from Wisconsin [Mr. OBEY] what our language is in the bill?

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, all the language says is that, if it is determined that this supercomputer has been dumped on to the U.S. market, that it cannot be bought.

Mr. SABO. I thank the gentleman.

Mr. Chairman, reclaiming my time, I have listened to some of these arguments. The gentlewoman from Ohio [Ms. KAPTUR] will speak later. The gentlewoman knows our trade deficit with Japan. I think it is $70 billion or so; $60 billion, only $60 billion.

Here we have a very sensitive industry. I believe we have spent something like $5.5 billion on R&D on supercomputing through DOD and the NSF since 1991 to make sure that we retain our technological edge in this country. It is a very small industry, very key to our economy, very key to our national defense. We are told, I heard here a while ago, that, unless we ignore dumping in this case, that is going to destroy the American standard of living. That sort of leaves me confused.

It seems to me that we should make sure on this very crucial, small industry that the Japanese do not dump a product into our markets, particularly when it is taxpayer dollars going to purchase it. It seems to me we should continue on the policy of R&D to make sure we retain our national edge.

I hear all of these things, how we should be afraid of Japanese retaliation. The reality is the history of competition in Europe is the U.S. products win. We have not won in Japan. In 1995, the public supercomputer procurement market share in Japan: United States, 8 percent; Japanese, 92 percent. Do you think that is because of quality and cost and price? No; it is not. Our products are the best and the best price. Procurement by the Government in Japan in 1995, 11, Japanese; 1, United States. Do you think that is because they had superior quality and price? No.

So I do not know. Mr. Chairman, I am not a technical expert to make the judgments on whether they are dumping. All indications are that they are. This amendment would ask the Department of Commerce to appropriately make those judgments. If we are, we should not be spending taxpayer dollars to buy it.

People say: Oh, go through this process, put the computer in, let them get by with it. Some place, some time later, some tariff may be applied on a supercomputer. You know, they may not even sell the same product 1 year from now or 6 months from now.

So the provision in the bill is a good one; this amendment is one we should overwhelmingly reject.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I commend the gentleman for his leadership role. This is the evolution, this is the last chance to have a supercomputer company. I heard them talk about the computers sold in Japan. I wonder how many of them resulted in offsets where we actually had a transfer of technology in order to sell the product in Japan. Sixty-six percent of our avionics and electronics are an offset.

Mr. KOLBE. Mr. Chairman, I yield myself 1 minute.

We talked about what this would do to our supercomputer industry, which is one company: Cray. Let me just tell my colleagues what they said in a memorandum to their own employees just a month ago in which they said, it is a Q and A kind of memorandum.

Question. How much of an impact does the entire deal have on Cray financially and in terms of jobs?

Answer. It is a large procurement, but we as a company do not live or die by one deal. It does not make or break our revenue goals for the year, and it does not really make a difference in employment because we do not staff up prospectively for business that is not booked yet.

Mr. Chairman, this is not going to make or break Cray; they are doing very well in Japan. Let us not jeopardize the sales of computers that they have in Japan. Let us not jeopardize this with the kind of action that is being talked about here today. Let us not jeopardize this by violating our own law our law makes it clear that you can only have a sanction after there is a final determination of dumping, and then it can only be in the form of an antidumping tariff, not in terms as proposed by section 421. It violates our dumping laws, and our procurement costs.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute simply to say that I think the gentleman ought to consider what is happening today, not in the deep, dark, distant past.

My colleague talks about the wonderful performance of the Japanese in purchasing American supercomputers. If we read Foreign Trade Barriers, 1996 national trade estimate report on foreign trade barriers put out by the U.S. Trade Representative, we will see the following:

> The positive trend in Japanese government supercomputer procurement witnessed in fiscal year 1993 and 1994 was reversed in 1995 during which U.S. firms won only 1 of 11 Japanese government procurements. Moreover, the United States has serious concerns about the conduct of the procurement process in two specific procurements.

I would suggest that hardly suggests to me that the Japanese are about to turn over a new leaf.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I just think it points right out to this offset agreement where they demand that the product, not just that they transfer the technology and then they produce it and then the next thing you know they are selling it back to us, our own technology, except that it has a Japanese label on it.

Mr. OBEY. Mr. Chairman, I yield 4½ minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for yielding me this time and rise in very strong support of the committee bill and oppose the Kolbe amendment, which was defeated in the full committee.

The language in the bill is fair, it is reasonable, and without question it is in our national interest.

The issue here really is why should we not as lawmakers ensure that the bidding process in this Government procurement activity is conducted in a fair manner at fair value offers. That is all it says.

It is somewhat curious, although it is not curious to those who have watched Japan over the years, that for a system that should cost somewhere between maybe $80 million and $100 million, the bid comes in at $35 million. Kind of interesting the way Japan behaves on the international market.

Mr. Chairman, if we go and read a recent book by the President's chief economic advisor, Laura Tyson, and I do not think she knew we would be debating this, but in her book, "Who's Bashing Whom," she gives us a window on what Japan really does and how they compete, and I quote directly.

She says:

> At the root of the ability of Japanese firms to compete aggressively on price, even when it means selling products below cost and running losses, are the unique structural features of the Japanese economy. The companies competing with—U.S. firms like—Cray and Motorola have deep pockets and long time horizons. They can afford to cross-subsidize losses in one market with profits from another. They continue to benefit from a variety of promotional policies and from lax enforcement of regulations or restrictive business practices. They also continue to benefit from the insulated nature of the Japanese market, fostered by these and other structural impediments. In short, the pricing behavior of Japanese companies is a natural outgrowth of Japan's business and government environment.

We know it is a protected environment. There is not a person in this institution that would call Japan a free trader.

I know that the gentleman from Arizona [Mr. KOLBE] is a complete free trader. I am a fair trader. There is no way anybody could call Japan a free trader.

Now, if we look at this particular market, and I can still remember Norm Mineta when he served here laboring over those agreements with Japan trying to get 5-percent access in the market, 10-percent access, maybe 12 percent, and then Japan would violate those agreements. There is not any question Japan has a habit well recognized of underbidding in almost every market.

Look at what they did to us on the airport, the new airport out there, Osaka. We could not get U.S. firms to be able to bid into that construction.

So it is not just in supercomputers. It is in construction. It certainly is in the automotive industry. The results are painfully clear to the American people if they are not painfully clear to every Member of Congress here. That is we have maintained a $50 billion to $60 billion trade deficit now, annually, annually, in this decade growing every year regardless of what the exchange rate is.

I remember one of my dear friends, the gentleman from Florida, SAM GIBBONS, said to me: Well, if only the exchange rate, U.S. dollar to the yen, would go down from 240 to maybe 250 yen to the dollar. Why, we could just crack the Japanese market.

You know what? It never happened. And then the yen went down to 90, and the trade deficit kept going up. It does not matter whether Japan has got pneumonia or whether she is the most strident economy on the face of the earth in any given year. The trade deficit just keeps going on.

I would just have to say, let us wake up. Let us wake up. Let this Congress not be bound up in legalisms and procedures that we knot ourselves up into. Let us look at the bottom line, and let us do everything we can in order to ensure that the bidding practices in this situation are completely fair.

In many ways, supercomputers translate into national security. Let us not be naive. Support the committee bill. Oppose the Kolbe amendment, and stand up, for a change, for fair bidding practices.

□ 1830

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I listened to the gentlewoman from Ohio and I assume she believes that dumping is taking place in this case. I do not know if that is a fact or not. But if it is, there is a process to be followed. You file an antidumping case, you make a determination, you make a determination of the injury, and then you impose a sanction. The sanction is an antidumping tariff. I do not understand why the gentlewoman and other people over there are not willing to follow the law, the law that we voted on, that we adopted here.

Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. I thank the gentleman for yielding me some additional time.

Mr. Chairman, again I think all parties to this debate would stipulate that we are not going to buy anything with taxpayer money that we know to be priced unfairly. We are not going to ignore dumping. There is a regular order to be followed in dealing with those cases when they arise. We do not know if this is one of those cases or not.

Contrary to comments that have been made earlier by the gentleman from Minnesota, all indications are not that we have a dumping case.

The only indication that we have one is that very sloppily done predetermination made by the Department of Commerce contrary to the regular procedures that are supposed to apply. They basically put this through a black box and came out with an answer that nobody is able to review or scrutinize against any known standard. So we are really boxing against a sort of mythic opponent here.

What the regular Department of Commerce process prescribed by law requires is a very rigorous, very open process on the record with extensive filings of documentation of costs and pricing that the whole world can look at and scrutinize and analyze, that is subject to technical review, not in this kind of a very unfortunate circumstance. That is the way that we need to proceed.

If we want this aspect of our trade law to be different and if we want it to be handled differently, then we need to go through the process of changing the law and renegotiating our international trade agreements. We cannot make policy on this in an ad hoc, case-by-case basis, when something high profile like this jumps up and grabs our attention. It will not serve the national interest in the long haul to proceed in this fashion.

Mr. OBEY. Mr. Chairman, I have only one remaining speaker and I understand we have the right to close.

The KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Chairman, just one point: What does this amendment provide? It removes the language by the gentleman from Wisconsin. That language does not say what was reported in the colloquy between the gentleman from Wisconsin and the gentleman from Minnesota, that the NSF may not buy this computer if dumping is found by the Commerce Department. What it says is that NSF cannot go ahead if there has been a "preliminary" or a "final" determination of dumping. The whole difference here is if the dumping finding is just preliminary and not final. If it is only a preliminary finding, it violates our international obligations to impose sanctions.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just reiterate a couple of points here. There is a process that we have adopted that must be followed when we believe dumping is taking place. The process requires the industry or the Department of Commerce to initiate an antidumping case. The International Trade Commission then makes an initial determination of injury. The full investigation is then done by the Department of Commerce. It goes back to the International Trade Commission for ratification and for the imposition of an antidumping tariff. That is the process. That is the law.

As the gentleman from Colorado so aptly put it, we ought not to be engaging in ad hoc changes to our entire law as it relates to procurement, dumping, and international agreements. We should not be jeopardizing our supercomputer industry. Any foreign country would have a perfect case against us when we violate the law and violate our international agreements in this fashion to block the sale of supercomputers overseas. If people believe that we should have a process of protecting ourselves, then they should adopt that process and follow it. If the process is not right, change the process.

Mr. Chairman, I yield back the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, let me say I respect the arguments being made by both sides. This is legitimate debate. I simply want to make a few points to refute what has been alleged by the amendment's sponsors.

I want to repeat, this bill does not say that we cannot buy this computer. What it says is that if there is either a preliminary or a final determination by the Commerce Department that this constitutes dumping by the Japanese, that then that computer cannot be purchased.

The reason it is worded that way is very simple: It can take up to a year to reach a final determination, whereas a preliminary determination, which has not yet been made, if a preliminary determination is reached it usually takes about 4 months.

The problem with waiting over a year and the problem of doing what the gentleman from Arizona wants us to do, and simply rely on the post-fact additional tariff if there is found to be dumping, is that that suits the situation if we are talking about consumables. But if we are talking about an industry such as the supercomputer industry, which is so integral to the defense of this country and to the national welfare, if we simply allow a Japanese company which has already demonstrated it is willing to sell every supercomputer they sell at a loss, then they are certainly willing to eat the additional tariff that would be imposed upon them in order to break the supercomputer market in this country and to eventually drive American supercomputer producers out of business.

We used to have 15 American supercomputer producers. We were down to 5. Two of them got out of business. There are really only three companies left in this country who produce anything that can be called close to the supercomputer and only one, Cray, which is still left fully standing. They will not be standing for very long if we allow the Japanese to continue this predatory pricing of theirs.

I want to make the point: we have signed no agreement that requires us to buy dumped products. We have signed an agreement to require open and transparent trading, but that was never meant to serve as a cover for predatory pricing of products.

We could have done, as I said, as has already been done on the defense bill, simply say these computers cannot be bought, period. I did not hear anybody object to that. But we took the more modest approach of simply saying if a determination is reached by the Commerce Department, then that supercomputer shall not be purchased with American tax dollars, because these dollars are appropriated to expand and to maintain the American preeminence in this field, and yet they are ironically being used to undercut that preeminence. All we are saying is if they reach that determination, then we cannot buy this supercomputer. That is all we are asking to do.

I would make the point that it ought to be obvious that if those Japanese corporations have never made a profit on the sale of a supercomputer, it is obvious that they are not after profit. They are looking at their long-term ability to bust the U.S. lead, break into our market and eventually drive our short-pocket companies out of business. I do not think that is in the interest of the United States.

I appreciate the bipartisan support for the action taken by the committee, and I would urge that the committee uphold the judgment of the committee.

Mr. SKAGGS. Mr. Chairman, I ask unanimous consent that each side have 2 additional minutes in this debate so as to accommodate the body hearing from the gentleman from Illinois [Mr. CRANE].

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. OBEY. Mr. Chairman, I must respectfully object. I was asked to agree to a time limit. I have the right to close. Now we are being asked to violate that process. I really do not think that is fair.

The CHAIRMAN. Objection is heard.

Mr. OBEY. Mr. Chairman, if I could reserve the right to object, I would be happy to give the gentleman 2 minutes to speak if I could be assured that we will still have the right to close.

Mr. KOLBE. If the gentleman will yield, that was the unanimous-consent request, 2 minutes on each side.

The CHAIRMAN. The gentleman from Wisconsin would still have the right to close if there was an extension on both sides of 2 minutes.

Mr. OBEY. Mr. Chairman, if that is the case, then I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I yield my 2 minutes to the gentleman from Illinois [Mr. CRANE], the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. I thank my colleague for yielding this time, and I want to thank my distinguished colleague from the neighboring State of Wisconsin for accommodating us.

Mr. Chairman, I rise today in support of the amendment offered by my colleague, the gentleman from Arizona [Mr. KOLBE], to strike section 421 from the bill. I am greatly concerned that section 421 would force an independent government agency to turn down the NEC computer in question, even though neither the Department of Commerce nor the International Trade Commission has made any formal findings of dumping and injury, and in fact has not initiated any formal investigation, as required by statute and by international law, to impose antidumping duties.

Clearly we must enforce our antidumping laws to prevent unfair trading. However, section 421 would improperly use the appropriations process to chill what could be a legitimate procurement that does not involve dumping. It is impossible for Congress to determine now whether the procurement in question violates the antidumping statute. That is a matter for the Commerce Department and the International Trade Commission to determine, using statutorily mandated procedures. Only when they have made this determination can we begin to consider the effects on the procurement.

In addition, I am greatly concerned that such language could violate our obligations under the WTO antidumping agreement, which provides that no specific action against dumping of exports from another party may be taken except in accordance with the agreement, and does not authorize punitive measures such as disqualification from government procurement.

In addition, I am concerned that the amendment could violate the Government Procurement Agreement, which provides that each party shall provide national treatment to suppliers of other parties. The Japanese government has already notified our government of their concerns that we would be violating our international obligations if this provision is adopted.

The United States is the largest target of foreign antidumping actions. We are vulnerable. What we do to other countries will be done to us. Accordingly, I would urge all Members to support the Kolbe amendment.

The CHAIRMAN. The gentleman from Wisconsin has 3 minutes remaining.

Mr. OBEY. Mr. Chairman, I yield myself 2 of those minutes.

Mr. Chairman, I simply want to repeat again, there is no violation of law and there is no violation of our trade agreements by the action taken by the committee. NCAR is not an agency of the Government. Article 3 of the Government Procurement Agreement does not apply to the proposed legislation because article 1 of the agreement states that the agreement covers procurements only by those entities listed in the agreement's appendices.

□ 1845

Neither ENCAR nor UCAR are among those listed entities. But having put that technical argument aside, I simply want to make this point. The only argument that is being made by the folks who are opposed to the committee action is that it is one of process.

As the gentleman from New York [Mr. HOUGHTON] has pointed out, we have lawyers on both sides of the argument making opposite arguments, and they will continue to do so. Our job is to cut through that and recognize that tonight what is important is that we defend the national interest of the United States. I repeat, we are not making a judgment that this supercomputer cannot be bought and we are not making a judgment that it is being dumped, although it is pretty hard to see why it is not when they are offering to provide a supercomputer worth $90 to $110 million for a $35 million price because they want so badly to bust into the United States market.

But I simply want to repeat, despite that fact, we are not determining that this computer at this point is being dumped. All we are saying is that if the Commerce Department reaches that conclusion, then, because this industry is so crucial, not only to the defense capability of this country but to the long-term economic viability of this country, it is important that we not allow legalisms to bind us to a requirement that if the Japanese corporation is willing to eat another $70 or $100 million tariff, that they would be allowed to use trade agreements to destroy our economy. That is all we are saying.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I very much appreciate the gentleman yielding. He has done so in order for me to have a colloquy with the gentleman from Arizona [Mr. KOLBE].

Mr. Chairman, I very much appreciate the cooperation of the gentleman from Wisconsin [Mr. OBEY] in that regard.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would just ask the gentleman from California [Mr. LEWIS] to enter into a colloquy.

I think the gentleman has heard the very legitimate concerns that have been expressed about the possibility of antidumping. The gentleman has also heard the concerns on this side about the possible violations of law that may be involved here on the possible changes to our law.

I am just wondering if the gentleman can assure me that if this issue gets into the conference that this will be considered very carefully in the context of what might be done by the Senate and with the debate that has taken place here today.

Mr. LEWIS of California. Reclaiming my time, I can say to the gentleman we have had a very thorough discussion in our full committee and here on the House floor. There is no question that the gentleman from Wisconsin [Mr. OBEY] has a serious point that he wants to make. He has made that point very well. Between now and conference, there is not any question that we will continue to consider the result of this and it will be discussed thoroughly in conference.

Mr. KOLBE. Mr. Chairman, with that proviso, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GUTKNECHT: Page 95, after line 21, insert the following new section:

SEC. 422. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent, if the gentleman would agree, that we have a time limit agreement on the gentleman's amendment and all amendments thereto of 20 minutes.

Mr. GUTKNECHT. Mr. Chairman, I would cede to the chairman of the subcommittee, yes, 20 minutes, 10 each side.

Mr. LEWIS of California. Ten minutes to each side.

The CHAIRMAN. is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. GUTKNECHT] will control 10 minutes in support of his amendment and the gentleman from California [Mr. LEWIS] will control 10 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, some of us were extremely disappointed a few weeks ago when we passed the conference committee report on the budget because in that budget, we reneged on a promise that we made last year and we increased spending by about $4.1 billion over what we had agreed to spend in last year's budget resolution.

Back in November 1994, the people of the United States I think sent a pretty clear message. They wanted us to put the Federal Government on a diet. They wanted us to balance their budget. I think, by backtracking on some of the commitments we made last year, we made a serious mistake and not only a breach with the taxpayers of America today but, more importantly, with our children.

So I am offering again the same amendment that I offered last week, and I intend to offer it to every appropriation bill from this point forward to eliminate the 1.9-percent in discretionary spending on every appropriation bill that comes through this House. Now, if we will do that, we can recover that fumble and get back the $4.1 billion that we overstepped in the budget agreement just a few weeks ago. I want to just briefly say what this 1.9-percent amendment will not affect, because I think there will be some misstatements on this floor of the House, and I think there is some misunderstanding. First of all, this amendment will not affect compensation of veterans. It will not affect pensions for veterans. It will not affect veterans insurance and indemnities. It will not affect the readjustment in education benefits for veterans, and it will not affect burial benefits, because I think sometimes people are concerned about that. It will not affect mandatory spending.

So, Mr. Chairman and Members, what will the amendment affect? Well, it will affect discretionary spending, including administrative costs for the Federal bureaucracy. It will include $1.2 billion for Mission to Planet Earth, $4.3 billion for community development block grants. It will affect the $50,000 travel budget for the VA Secretary. And it will affect up to $15 million for the EPA employee bonus program.

Finally, it will affect, although a previous amendment may have changed this, the $365 million for AmeriCorps. So it will have some impact.

Mr. Chairman, what we are really talking about is less than 2 cents. It is about keeping our faith with the American people, set about keeping the promise we made just 1 year ago and the promise that many of us made in the elections 2 years ago. Mr. Chairman, I hope that Members will support the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. STOKES] and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I yield myself 2 minutes.

Mr. LEWIS of California. Mr. Chairman, I rise in the strongest of opposition to the gentleman's amendment. We all know the potential impact of across-the-board cuts, but this 1.9-percent cut indeed could be devastating to this very delicately developed bill. Let me tell the Members what this amendment would do.

For those of us who care about VA medical care, this across-the-board cut would impact those programs by no less than $323 million, a minor little cut in VA medical care that we fought so hard today to increase by $40 million. Under those circumstances, that would mean that thousands of veterans would not be able to receive inpatient medical treatment and thousands would not receive their outpatient care.

It also would cut $124 million from EPA, $375 million from our housing programs, $258 million from NASA, and $62 million from the National Science Foundation.

Mr. Chairman, I think most around here know that this subcommittee has done very diligent work in an attempt to reduce the rate of growth of government. We made by far the largest contribution to those reductions we are looking toward as we move in the direction of a balanced budget by 2002. We are not in that process, though, interested in destroying these programs and particularly undermining our ability to deliver the services out there to people in communities that we all really care about and really need many of those services.

So while I know my colleague from Minnesota is sincere in his efforts to cut the budget, we believe we have done the job in as balanced a manner within the committee as possible, and we urge a very strong "no" vote on this across-the-board cut.

Mr. GUTKNECHT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I certainly do not want to cast any ill feelings toward the chairman of this subcommittee or to the other subcommittees. In fact, I think the entire Committee on Appropriations has done a very good job. If some will remember the Fram oil filter commercials from years ago, "you can pay me now or you can pay me later." What we are really saying is we do not have the moral fortitude, we do not have the courage to actually cut an additional $4.1 billion this year from domestic discretionary spending, but somehow in just 2 years, we will find the courage to cut $47 billion.

Mr. Chairman, we are talking about 2 cents this year. I do appreciate the work that the subcommittee has done, and I certainly appreciate these programs and I appreciate the veterans as much as anybody. But I think most veterans understand that balancing the budget transcends all of our responsibilities, and I think if we say, well, this group is going to be exempt and this group is going to be exempt, we will never get to the goal of balancing the budget.

So with all due respect, I think that this is a good amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, today this great Nation of ours stands $5.2 trillion in debt. That is literally $20,000 for every man, woman, and child in the United States of America. Every year as we keep spending more money than we are talking in, we just keep adding to that debt and our children get to get that debt. This is their inheritance, that is what we are going to pass on to our children.

When this Congress came in here 2 years ago, we said we are going to be different. We said we were going to balance the budget, we were going to do it by the year 2002. We got off to a great start. For the first year, we met our targets and we did what we said we were going to do and stayed on track, and things were going pretty good until about 2 weeks ago.

Two weeks ago, we passed a budget plan through this Congress that literally has the deficit going back up again. Let me say that one more time. The budget plan that we passed 2 weeks ago has the deficit going back up again next year. That is not OK.

Tonight we offer an amendment that literally reduces spending by 1.9 percent to help get us back on track to a balanced budget, back to where we belong, 1.9 percent. That is not 20 percent. That is less than 2 cents out of every dollar. Is there really anyone out there in this entire country that does not believe we can find 2 cents out of every dollar of waste in government spending? I believe we can. I honestly believe we can go into these bills and we can find 2 cents on the dollar of waste.

We are not talking 20 cents here. Two cents on the dollar. If we are able to do that, we can get ourselves back on track to a balanced budget and do what is right for the future of this great country of ours. That is what this Congress is all about. That is what our service to our country is all about. It is what we ought to be doing here tonight.

Mr. Chairman, I strongly encourage support of this amendment.

Mr. STOKES. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this is a bad amendment. It is a bad amendment because if the Members of this House were to vote for this amendment, it would certainly show irresponsibility. This is because earlier today the House accepted a 0.4 percent across-the-board reduction amendment sponsored by the gentleman from Arizona [Mr. STUMP].

I think we need to take a moment and just understand what that amendment has already done as an across-the-board reduction amendment. The Stump amendment cuts $79 million from HUD, an area of the budget that has already been cut $2.3 billion. It cut $26 million from EPA, an area that already had been cut $494 million. It further cuts $54 million from NASA, which has already been cut $1.1 billion.

Now, the offerer of the amendment would have us think this is just a 1.9-percent small reduction that does not amount to anything. But we have to consider the amounts already cut from these important areas and add to it the fact that, as the chairman of the subcommittee has just said, this 1.9 percent is not so small. It cuts VA medical care, which was protected from reduction under the Stump amendment. This amendment cuts medical care by $323 million, an area that all day long through one amendment after another we have protected on behalf of the veterans. This one hurts the veterans.

It cuts HUD, in addition to the cuts of the Stump amendment, by $374 million. This is an area of the budget already cut $2.3 billion. It cuts EPA by $124 million, an area already cut by $494 million. And it cuts NASA by $258 million, an area already cut $1 billion, as I said before.

I think the amendment, under these circumstances with these facts, ought to be strongly rejected by the Members of this House.

Mr. Chairman, I yield myself an additional 30 seconds and yield to the gentleman from Mississippi.

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Mr. MONTGOMERY. The gentleman is absolutely right. Under medical care for veterans, under this amendment, we are going backward. We are losing by $280 million. We are going down, down, down. So this amendment should be soundly defeated if we have any care for veterans and their medical care.

Mr. STOKES. Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. Stump].

Mr. STUMP. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me say that while a 1.9-percent cut does not seem like much, we have to understand what this does. With all due respect, the gentleman is correct when he says it will not affect mandatory veterans benefits, but what he is not saying is it will affect our ability to deliver those benefits to them and to process them.

As the ranking member just mentioned, the thing that hurts me the most in this amendment is the cut to medical care. That is the worst place in the world that we could cut veterans benefits. So I would ask the gentleman to reconsider this; $323 million out of medical care certainly does hurt our honored veterans, as the gentleman put it a while ago.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. Souder].

Mr. SOUDER. Mr. Chairman, I want to first comment briefly on the question of veterans benefits. Should this amendment pass, I would be more than willing, as I am sure many others would, to look at how to transfer money into veterans medical inside this bill from HUD or other sections.

That is not the question we are trying to get at here. Veterans benefits go up. We are trying to keep some of them out. I am willing to back more, and have looked at several amendments to back more money for veterans. But overall we have to look at the Federal deficit. Many of us are very upset that the deficit is increasing in our second year of office. This amendment is not targeted at this bill, it is being offered to every bill.

We talk a lot about balancing the budget. The fact is we are not moving toward a balanced budget. We took a step in the wrong direction. Maybe we will over 7 years. We cannot bind Congress over 7 years, unless there is a constitutional amendment. We cannot bind the next Congress. All we can be held accountable for is what we do during our 2 years in office.

A 1.9-percent cut across the board would get us, if we went back to our other appropriations bills, back to no bump-up in the second year. That is the intent of this amendment.

Had others balanced off and figured out what priorities were inside that bill, we would not be faced with this. But we cannot constantly say, oh, well, we want to balance the budget but not here, but not here; 1.9 percent is a very small amount, yet it is what the difference is as to the trend line of where this country is going.

I, and many others, came here to reduce the size of Government, to put more power back to the States, and to make sure we stopped mortgaging our children's future. At this point, my children will be saddled with such a debt and such a high potential of bankruptcy of Medicare, of Social Security, of all of our Federal programs, unless we get a handle on it, that I believe it is time that we do at least these small steps.

Every year in this budget it gets harder. If we cannot change 1.9 percent now, how in the 3d year or the 4th year, the 5th year, the 6th year, and the 7th year are any of those numbers realistic? I urge this body to vote "yes" on this simple amendment.

Mr. STOKES. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I just want to respond to the statement made by the gentleman from Minnesota who just left the well and who acknowledged that money would be taken out of the medical care account, which I have already stipulated would be about $323 million. He commented that, if this amendment passed, he would be willing to look at ways that we can transfer that money back into that part of the bill.

Well, I submit to Members of the House that is not the way we legislate and that is not the way that this House should legislate. In addition to that, that particular gentleman does not sit on the Subcommittee on VA, HUD and Independent Agencies. He will not be involved in the conference on this bill. He will not have the ability to be able to do anything else about this bill.

We have to act on this bill based upon what would happen tonight if we were to pass this irresponsible amendment. I would urge the Members again to vote "no" on this. The gentleman from Minnesota says 1.9 percent is very small. I contend that there is nothing small about a $323 million reduction in medical care.

Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume to say that this debate really is about what is responsible, and I think that is what this Congress should do.

Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. Hostettler].

Mr. HOSTETTLER. Mr. Chairman, I rise in strong support of this amendment to reduce across the board the VA-HUD appropriations bill by 1.9 percent. First of all, let me reiterate the fact that, in fact, we spend $121 million more on VA medical expenditures than we did over 1996 in this bill with the 1.9 percent cut, so that even with the reduction in spending, even with the savings for the next generation, we will increase VA medical expenses by $121 million.

Mr. Chairman, this is a responsible amendment. My dad was a veteran and he served in North Africa, Sicily, Italy, France, and was on his way into the South Pacific when he got the good news that World War II was over. But my father, who passed away earlier this year, never meant for that victory in World War II to result in a time when his grandchild, who is going to be born later this year, is going to have a $187,000 bill to pay in interest on the debt.

Mr. Chairman, this is a responsible amendment, and I ask for its adoption.

Mr. GUTKNECHT. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin [Mr. Neumann].

Mr. NEUMANN. Mr. Chairman, I just rise because I keep hearing all this stuff about cutting, cutting, cutting, cutting. I think we have an obligation to let the American people know that this bill is not going down in spending, it is going up in spending by about $4 billion from last year to this year.

So when we get all done talking about all these cuts, the American people have a right to know that spending is increasing in this bill. And even if our amendment is passed, spending from last year to this year, in good old Wisconsin language, is going up because we are spending more of the American taxpayers' money.

The CHAIRMAN. The gentleman from Minnesota [Mr. Gutknecht] has 1½ minutes remaining, the gentleman from California [Mr. Lewis] has 2 minutes remaining, and the gentleman from Ohio [Mr. Stokes] has 1½ minutes remaining.

Mr. STOKES. Mr. Chairman, I believe I have the right to close.

The CHAIRMAN. The gentleman from California [Mr. Lewis] is the gentleman who originally opposed the amendment and claimed the time, but yielded to the gentleman from Ohio [Mr. STOKES]. Under the procedure today, the gentleman from California [Mr. LEWIS] has the right to close.

Mr. STOKES. Mr. Chairman, I have no problem with the gentleman from California closing.

Mr. LEWIS of California. Mr. Chairman, I will even yield that to the gentleman from Ohio, if he would like.

Mr. STOKES. Mr. Chairman, I do not need the additional time.

Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman yielding me this time, and I should point out that I hope my colleagues would oppose this amendment. We were able earlier today to get for the veterans benefits an additional $17 million. Under this amendment it takes $19 million out of the benefits, so we actually lose $2 million out of the benefits program.

This is based on claims, that it takes 158 days now to process a claim in the benefits department. If we keep taking money away from us, it is going to take us forever to process these claims. It should be less than 90 days. Because we do not have the staff, and we are going to lose 600 employees anyway if we defeat this amendment, so by taking another $2 million out of the benefits, it does not make any sense at all.

On the VA health care, we are trying to open up outpatient clinics so we can take care of more veterans. We are cutting this $323 million more under this amendment, so certainly I believe that the House should defeat this amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance of my time.

I want to go over again, and I do understand that there will be cuts as a result of this 1.9 percent reduction, but if we look down the path, sooner or later we are going to have to pay the price for this. If we cannot make $4.1 billion worth of cuts this year, how are we going to make $47 billion worth of cuts in a couple of years? The answer is we probably are not.

Let me just say this. Again, this 1.9 percent reduction will not affect mandatory spending on veterans benefits, including compensation of veterans, pensions for veterans, veterans insurance and indemnities, readjustment in education benefits and burial benefits. This amount will affect none of those. It affects domestic discretionary spending.

If we could adopt this simple little amendment that is less than 2 cents on every dollar, we can recover the fumble this House made a few weeks ago when we reneged on the promise we made last year.

Mr. Chairman, my grandmother said, "If you always do what you have always done, you will always get what you have always got." Unfortunately, this Congress is starting to do what previous Congresses have always done.

We are starting to say well, manana, manana. We will balance the budget in 2 years or 3 years. Well, some of us will not be back next year, and maybe this amendment will cause some of us not to be back, but, ladies and gentlemen, as long as we are here, we ought to do the right thing, and the right thing is to keep the promises we made in the campaign of November 1994.

To keep the promises we made last year with our 7-year budget plan, we need to get back on our path towards a balanced budget; 1.9 percent on the rest of the appropriations bills will get us there. I hope Members will support the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield myself the balance of my time.

I am very impressed by the presentation by my colleague from Minnesota, Mr. GUTKNECHT. And to paraphrase his grandmother, I would say, "If you do not always do what you have always done, you are not going to get what you always got."

The objective of the gentleman is not different than our mutual effort to eliminate the deficit. The subcommittee takes this work very seriously. It is very important for all of us to know that the House, particularly this Member, as well as the gentleman from Minnesota [Mr. GUTKNECHT] are committed to changing the pattern of spending that have been a part of our past. But that does not mean that we have to overnight tear the heart out of important programs or undermine very carefully crafted efforts to move in the direction of reducing all traditional patterns of spending.

What we are about here, in all of these efforts, is to reduce the rate of growth of our government. We all recognize that there are other elements to the government process than just spending. There are growth opportunities in terms of our economy. The taxing system is producing more revenues. Indeed, over time, as we reduce the pattern of spending and the revenues grow, we get to 2002 and we have a balanced budget. That is our objective.

The time we suggest that the way to solve the budget is to cut every program, eliminate programs that are very important to people, is the time we have a counterrevolution. That could lead to real disaster in terms of our economy. We are attempting to make sense out of this process in this bill.

So far, through the rescission process, the 1996 bill this year, this subcommittee will have passed over $17 billion of reduced spending, a significant shift in pattern for this subcommittee. I tell the author of this amendment, as I oppose the amendment and ask that the Members vote "no," I tell the author that I too am committed to balancing this budget.

I am a absolutely convinced we are on a pathway to help with that, especially in terms of discretionary spending.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GUTKNECHT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] will be postponed.

The point of no quorum is considered withdrawn.

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AMENDMENT OFFERED BY MR. HOEKSTRA

Mr. LEWIS of California. Mr. Chairman, at the request of the gentleman from Michigan [Mr. HOEKSTRA], I ask unanimous consent that the pending demand for a recorded vote on the amendment offered by the gentleman from Michigan be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The amendment is rejected on a voice vote.

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY: Page 95, after line 21, insert:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading "HAZARDOUS SUBSTANCE SUPERFUND" may be used to provide any reimbursement (except pursuant to section 122(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) of response costs incurred by any person when it is made known to the official having the authority to obligate such funds that such person has agreed to pay such costs under a judicially approved consent decree entered into before the enactment of this Act, and none of the funds made available under such heading may be used to pay any amount when it is made known to the official having the authority to obligate such funds that such amount represents a retroactive liability discount attributable to a status or activity of such person (described paragraphs (1), (2), (3) or (4) of section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) that existed or occurred prior to January 1, 1987.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, is there an agreement on time for this amendment?

Mr. MARKEY. On the amendment which is now pending, there is a 40-minute agreement on time, 20 minutes evenly divided.

I am sorry. I apologize, Mr. Chairman. There has not yet been an agreement reached on time.

Mr. BOEHLERT. Would the gentleman entertain an request for an agreement on time? I know both the chairman and the ranking member are anxious to move this along. I would be receptive to an agreement on time.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, we would have to object to an agreement on time.

Mr. MARKEY. Mr. Chairman, as all who are listening are well aware, the Contract With America was intended as a full-scale, all-out attack upon the environment of our country. There was an agenda put together in the beginning of this Congress towards the goal of eviscerating most of the laws which have been placed upon the books over the last quarter of a century to protect the environment in our country.

One of the primary assaults upon the environment was begun in the Committee on Commerce last year, culminating, in the fall, upon a Superfund reform bill introduced by the Republican Party. Its intent, for all intents and purposes, to gut the Superfund bill, to make it ineffective.

The centerpiece, in their own words, of their Superfund gutting bill was to take hundreds of millions of dollars a year, billions of dollars, billions over the next decade, and to give money back to polluters, polluters who have already accepted responsibility for having polluted their own neighborhoods, for having ruined the water in their communities, for having led to the deaths of small children because of exposure to toxics, giving money not to the communities in order to help clean up but to the polluters themselves.

Now, the centerpiece of this proposal is still embodied in the Republican appropriations bill. In it is included a provision taking $861 million over the next year and making it available to give back to polluters who already accepted responsibility for their pollution and their responsibility to clean it up.

Now, here is how it works: If you happen to have been a polluter, congratulations to you. You may already have won millions of dollars in cash prizes from the Grand Old Party. The Ed McMahon polluters clearinghouse sweepstakes. Here is how it works. Just wait for this appropriations bill to pass, enacting reforms. Pretty soon the EPA Superfund prize van will pull up to your corporate headquarters and hand you a Federal Government taxpayer check, if you can identify yourself as a polluter. Here is how it works. First, is your toxic waste dump listed on the Superfund site on the national priorities list? In other words, that you are one of the worst polluters in America. You must answer yes to that question to qualify for this Federal money.

Second, did you even incur cleanup costs since they introduced their bill last October? That is, once, if you were there on October 18 as a polluter, you qualify for this money.

Third, was your liability attributable to activities which occurred prior to 1987? That is after the Superfund bill passed in 1981 so that in fact we knew that and you knew that the Superfund law was on the books, and have you accepted responsibility in a court-ordered, a court-ordered consent decree in which you have already agreed to accept liability to clean up the site yourself?

If you qualify under all of those standards, then you are a grand prize winner as a polluter. You qualify for the $861 million a year, billions of dollars over the next decade, which can be and will be given out to polluters.

Now, this, it seems to me, is an absurdity. We do not have $861 million a year for a new program to hand over to polluters when we are cutting Medicare, when we are cutting student loans, when we are cutting every other social program. We cannot have this program pile up to $6 and $8 billion over the next decade, gobbling up what limited resources we have as we target the 2002 for a balanced budget.

Mr. STOKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman from Ohio very much for yielding to me.

This provision has to be stricken from the Republican proposal, has to be cut out. That is what this amendment does. It just ensures that not only under the bill which the Republicans introduced last year, H.R. 2500, but under any bill which is ever introduced, we do not give money back to polluters who have already accepted court-ordered consent decree responsibility as to their responsibility to clean up the site. It makes no sense whatsoever.

So this is a very simple proposal. It gets right at the heart of what it is that the Republicans want to propose as a reform of environmental laws, giving money to polluters. We have operated for the last 15 years under the notion of the polluter pays, if they are responsible. The Republican proposal transforms it into the taxpayer pays the polluter. We are so sorry, it is going to cost you money for having to clean up the mess you created in the community, this neighborhood nightmare, which has taken all the property in the neighborhood off of the tax rolls, which could have led to the deaths or the creation of disease in families within the community. That is their new notion. We take care of the polluters.

So the Markey-Pallone-Borski amendment deletes this ability to be able to hand this money over to the polluters. It is a very clean, simple vote. As we go through the rest of the night, there will be attempts to take out one small attempt at doing it, last year's version, but it does not deal with any other version. The money stays there, all $861 million.

The gentleman from New York [Mr. BOEHLERT] is going to seek to make an amendment which just says, well, we are not going to use H.R. 2500, last year's version, but it does not say anything about any other version, which is what the Markey amendment says. You cannot do it. It is impossible under the Markey amendment. The Boehlert amendment says, well, we got caught; we got caught off base. We do not want to have this on our record. So we are going to withdraw it. Let us wait until Bob Dole is President so he will not be vetoing this so we can just do it with the majority of the votes in the House and the Senate. We are going to pull it back right now. We got caught. But no way are we going to take out the $861 million. In no way are we going to put a limitation on it being used by other mechanisms to give rebates to polluters, no. We are going to take out that part of the Markey amendment.

So this is a very clean, simple amendment that deals with the heart of the challenge to the Superfund program which for 12 years was under Republican control.

Remember this tonight, my colleagues: Yes, it was passed by a Democratic Congress but Rita Lavell and Ann Gorsuch and a whole line of Republican administrators for 12 years, right up to 1993, had responsibility for it. Only in the last years has it been put in the hands of an administrator who is fully committed to its implementation.

If this program was not as fully effective as it could have been, and we do believe it should be reformed, blame those Republican administrators, one of whom even went to jail in a contempt of Congress citation, for their lack of regard for our congressional intent.

So this is at heart a vote on whether or not in fact we are going to keep to the soul of what the Superfund program was meant to achieve; that is, that those who were responsible must pay. And we are not going to use limited taxpayer dollars as a handout to them. As we go through this debate, Mr. BOEHLERT will attempt to take one small portion of it, one small attempt, the initial attempt, and to say, we are not going to use that route anymore, but make it impossible to have a straight up or down vote on whether or not any other attempt which the Republicans have contemplated can in fact be used to give this money over to polluters.

I want everyone to understand this debate, as it unfolds, because it gets right at the heart of what we believe as Democrats should be the intent of this program, which is personal responsibility, personal and corporate responsibility. Those who created the messes should clean them up. Those who have accepted legal responsibility in the courts should clean them up. We should not have to turn to the taxpayers, tip them upside down, have $861 million over the next year and billions more in years after that used to clean up the messes which corporate executives are responsible for.

Mr. OXLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us get one thing straight first of all. The taxpayers that I know the gentleman from Massachusetts is so fond of and wants to protect, the taxpayers who pay into the Superfund and the very polluters that he is talking about. He would allow the impression out there that somehow these taxpayers, Mr. and Mrs. Joe Sixpack, are paying, are going to pay for these cleanups. And we simply cannot allow that argument to stand. It makes no sense.

The Superfund program is basically funded to the tune of $1.6 billion a year until, of course, the President vetoed those taxes that go into the Superfund, $1.6 billion a year that come from the oil companies, the chemical companies, from chemical feedstocks, and the environmental income tax, that is really what funds the program.

So my friend from Massachusetts, who I know is a great friend of the taxpayers, has received a lot of awards for his stand on lower taxes and protecting the taxpayer, I am appalled, frankly, that my friend from Massachusetts would make the argument here on the floor of the House of Representatives that somehow the taxpayer is going to bail out these evil corporate polluters when, in fact, they are paying the taxes in the first place. They are not getting their money's worth, folks.

All you have to do is look at the program, 15 years of failure, about 5 percent of the sites on the national priorities list cleaned up. We have spent $30 billion in public and private moneys to clean up these sites. And what do we have to show for it? the average site rests on the NPL for 10 to 12 years. The average cost of a site to be cleaned up is between $25 and $30 million. And guess what?

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Only about half of that really goes to actual cleanup.

Mr. Chairman, I would suggest to my colleagues that a vote for the Markey amendment is basically a vote for the status quo.

Now, if my colleagues like the idea of a Superfund program that fits all the qualifications that I just mentioned in terms of abject failure, then they want to support the Markey amendment because the Markey amendment essentially is an SOS amendment, "some old stuff," and we are going to continue with the same process that we had before, and I have got to think we are better than that.

I think we can learn from the mistakes of past Democrat Congresses that foisted this program on us, first of all, in a lame-duck session, signed by a lame-duck President, in overreaction to a couple of situations in New York State and Missouri, and then in 1986 we compounded that felony by voting for a reauthorization of the program that made it even worse, and some of the architects behind the original bill and the 1986 reauthorization are the same people who are opposing meaningful reform in this program. And I say shame on them and shame on their memory of what they have accomplished in the last 15 years, which is practically nothing.

And so it gives us an opportunity finally, under a Republican Congress, to really deal with the problem at hand and to clean these sites up, and I would suggest to my colleagues that that is our goal and that is what we are trying to accomplish with our bill that we have introduced [ROSA] Refund of Superfund Act.

Make it very clear that the Markey amendment stands for the status quo.

This is clearly the most egregious environmental program that anybody could have ever invented, and I do not understand why my friend from Massachusetts would want to sustain that for another several years.

I had an opportunity the other day to find a rather interesting piece of reading material. It is a coloring book that is put out by the Environmental Protection Agency. It is called the "Superfund Team, Mother Mouse," and instead of protecting children from contamination by cleaning up Superfund sites, the EPA apparently is indoctrinating them with a Superfund Man and Mother Mouse routine.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. OXLEY] has expired.

(By unanimous consent, Mr. OXLEY was allowed to proceed for 3 additional minutes.)

Mr. OXLEY. Mr. Chairman, I understand we have no time constraints on this particular amendment; is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. OXLEY. Mr. Chairman, this is the coloring book, and let me quote from the book where Mother Mouse meets the U.S. EPA remediation workers:

> She was smiling and humming when all of a sudden she heard someone coming. She saw a strange sight. "Oh my. What a fright!" Two people wore white suits with hoods on their heads and gloves on their hands. "They're creatures from Mars," she screamed. "Quick. Get in the house. Pull tight the laces. Don't make a sound. Stay in your places." "But we know them—they're keen!" the children cried out. "They're the Superfund Team! The Superfund Team!" the kids said with a shout.

This is actually a publication of the government of the United States of America. We have established a special hazardous waste cleanup program with its own taxes to pay for the self-promotion of the Environmental Protection Agency. The sad part is that in real life the men in white suits do not show up for years while mother and the children still live by the contamination.

Let us not waste time on coloring books, outrageous delays, endless lawsuits and bureaucratic bickering. Let us clean up the pollution for a change. Contaminated sites are still sitting around as giant festering sores on the landscape primarily because of the contentiousness Superfund's liability system causes. One can be held a hundred percent liable for the entire cost of cleanup at a site which could stretch into hundreds of millions of dollars even if they did not cause any of the contamination, even if they were not even alive when the contamination occurred, and even if they acted completely legally at the time, or even if they were ordered to put contamination at the site by the Federal Government or some local government.

Does that strike my colleagues as a reasonable Federal statute? I do not think so, and that is why the NFIB, the National Federation of Independent Business, who represent over 600,000 small businesses in this country today, along with local governments, school boards and other local organizations oppose the Markey amendment. As a matter of fact, the NFIB has made this a key vote.

I want to stress to my colleagues in the House on both sides of the aisle this is the NFIB key vote on the Superfund bill this session, and let us understand exactly where they are coming from. They understand what a disaster this Superfund statute really is.

Let us make certain for a change that we will deal with real cleanups this time instead of spending it on coloring books, on lawyers, on bureaucracies, and get this job done once and for all.

Mr. BUYER. Mr. Chairman, will the gentleman yield.

Mr. OXLEY. I yield to the gentleman from Indiana.

Mr. BUYER. Mr. Chairman, I am curious. Did not Carol Browner and the

EPA come before the gentleman and ask for an increase in funding, and now the gentleman is telling us they are spending dollars, taxpayer dollars, on coloring books?

Mr. OXLEY. That is precisely correct.

Mr. BUYER. That is pretty disgraceful.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman.

Mr. Chairman, I hope everybody has listened very closely to the comments by my dear friend from Ohio and looked at these wonderful posters that he has put up. The wonderful posters that my good friend from Ohio has put up do not mean anything and they do not have anything to do with the debate in which we are now engaged.

There are two amendments pending. The first is an amendment by my good friend from Massachusetts [Mr. MARKEY]. That amendment does two very simple things. It says first that one cannot give rebates to polluters in connection with cleanup.

Now, I have heard some rather novel and stressed explanations of why that might be a good idea, but the simple matter is that is a device to pay the polluter. That is something that has always been alien to the principles that we have had with regard to dealing with Superfund.

Second, it would prohibit compensating people who have already cut a deal with the Federal Government and with other polluters to clean up and to allocate the responsibilities.

My good friend, the gentleman from New York [Mr. BOEHLERT] who is a most sincere Member of this body, has come forward with an amendment which says that the first is a good idea, that we should not pay polluters for cleaning up. But he says that we should permit polluters to continue to get paid after they have cut a deal so that they essentially would be drawing moneys above and beyond what they should get in terms of their cleanup.

Now, this is a most curious posture, and I am sure that the gentleman from New York will have an interesting explanation for this. It is going to, I am sure, be extremely interesting, and he has nodded "yes" to me, but I think it is probably going to lack merit.

Now having said these things, there has been pending a long time an effort to get a decent cleanup under Superfund. I was highly critical of the last Superfund bill, and I was roundly criticized by a lot of people for being very much opposed to many of the things they tried to do in terms of compounding the difficulty of enforcement. So I do not apologize for anybody for my views on this.

I will tell my colleagues there is urgent need for enactment of new and improved Superfund legislation, get rid of some of the things that my good friend from Ohio, Mr. OXLEY, properly complained about. There is time, however, to address this question.

Last Congress we reported out legislation out of the Committee on Commerce. It was duly killed by my Republican colleagues, who did not want to move forward on Superfund legislation during the last Congress.

The Republicans during the last Congress killed our efforts to pass a better Superfund bill, and I know it distresses them to have this fact revealed because it is one of the nasty little secrets that they carry around in their pocket.

Now having said this to my colleagues, I think that we should observe that there is the ability on the part of my Republican colleagues to address Superfund. They chair the committee, they chair the subcommittee, they have the majority of the House, and they have extraordinary discipline.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will yield to my friend because I know he has something important to add, and I am sure he wants to agree with me. But I want to conclude my statement, and I know he understands because I listened to him with great interest even though his comments were, in good part, irrelevant to the discussion that we are engaged in.

Having said these things and expressed great respect for my good friend from Ohio, who is not only a dear friend but one of the finest Members in this body, even though he is wrong in this matter, I would observe that the Republicans have the full capability to move forward. We stand ready to assist them in moving forward on good legislation.

I will observe that good legislation does, however, not embody the principle that we should pay the polluters for cleaning up. We should cause the polluters to pay, and we should not absolve those who have arrived at a settlement of the responsibility that they have achieved by having set at risk the health and the welfare and the well-being and the environment of the American people.

Mr. Chairman, I would urge my colleagues then to reject the amendment offered by my good friend from New York, for whom I also have enormous respect, and to adopt the amendment offered by my good friend from Massachusetts because it says that the polluter pays, the polluter gets no break for his wrongdoing, whereas the gentleman from New York says that he might get some.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, I thank the gentleman from Michigan [Mr. DINGELL], who I have a great deal of respect for, and he is usually right on most issues, but let me remind him about the last Congress when I think the gentleman in the well was the chairman of the committee, and we had Democrats chairing the committee.

Mr. DINGELL. That is right, and we reported out a good Superfund bill unanimously out of the Committee on Commerce, and my Republican colleagues——

Mr. OXLEY. I am amazed, I must say, at being in the minority for all the time that I was in the Congress for the first 14 years, and then to be honored with apparently the title of being able to kill the Superfund bill——

Mr. DINGELL. And the gentleman is a fine chairman——

Mr. OXLEY. As a minority I am truly honored. I did not realize I was that good, and I thank the gentleman for yielding.

Mr. DINGELL. The gentleman is a fine chairman, and all he has got to do to get us a Superfund bill to the floor which is really meaningful is to see to it that the subcommittee convenes, writes a bill, and reports it out and excludes paying the polluter.

Now I guess the gentleman from New York [Mr. BOEHLERT] wants me to yield to him?

Mr. BOEHLERT. No, I am just listening with rapt attention.

Mr. DINGELL. Mr. Chairman, I am mightily distressed at that, and I therefore yield back the balance of my time.

Mr. Chairman, our Republican colleagues rejected the bipartisan bill that was approved 44 to 0 by the Energy and Commerce Committee in the 103d Congress in favor of a new bill, H.R. 2500, that was not introduced until October 1995. It seems that it took 10 months to figure out how to destroy the bipartisan agreement we had achieved in the prior Congress after months of stakeholders discussions.

It is my firm belief that we should dedicate as much Superfund money as possible to cleanup, and not to relieving polluters of their responsibility. And that is exactly what Mr. MARKEY'S amendment is designed to do.

Mr. MARKEY'S amendment will assure that Superfund money will be spent on cleanup and not on reimbursing polluters. The Markey amendment will ensure that existing consent decrees, under which parties have agreed to conduct or pay the costs of cleanup, will not be disturbed. Why should EPA expend enormous transaction costs to revisit existing consent decrees when the parties to those decrees have agreed to conduct a cleanup? If those parties have agreed, why do they expect to be relieved of their obligations under these decrees?

This amendment absolutely does not disturb the EPA's ability to provide funding at sites where there are existing consent decrees if EPA decides to provide funding to cover all or part of the shares of insolvent or defunct parties. This amendment does not adversely affect the EPA's ability to fund the relief contained in the recent Superfund liability proposals offered by the Democratic members of our Committee as well as the administration. Our recent proposals include fair share funding, limitations on municipal owner liability, exemptions for small business generators and transporters of waste, and exemptions for generators and transporters of municipal waste. The administration's letters in support of Mr. MARKEY'S amendment confirm that this amendment is consistent both with the administration's Superfund reform initiatives as well as the liability proposals we have offered during our bipartisan negotiations.

Moreover, this amendment will not bring Superfund cleanups to a halt. That is, unless companies decide to use this as a hollow excuse to breach their agreements to perform cleanup under the consent decrees they have already signed.

I urge my colleagues to support the Markey amendment to assure that Superfund moneys are spent on what I had thought was our mutual goal—expediting cleanup.

Mr. BLILEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the vote on the Markey amendment today is nothing short of a referendum on Superfund itself. If my colleagues think Superfund is effective, if my colleagues think that the program is doing a good job of cleaning up our Nation's worst toxic waste sites quickly and effectively, if my colleagues think that the Girl Scouts, churches, small businesses, local governments, and many, many other polluters are polluters and that we should continue throwing good money after bad to lawyers and consultants, then, by all means, my colleagues should support the gentleman's amendment. If, on the other hand, they have even the faintest idea of how badly broken Superfund truly is, they should join me in vigorously opposing the Markey amendment.

□ 1945

The amendment would prevent any meaningful Superfund recovery from taking place by eliminating even the possibility of allowing some fair share or "orphan share" funding under the program. The amendment effectively prohibits any retroactive liability relief whatsoever. Superfund's system of retroactive liability is so fundamentally unfair that it has forced parties caught up in a never ending blame that delays cleanup and threatens human health.

Mr. Chairman, the fact of the matter is that no one, and I mean no one, believes that the current Superfund law is working. Here is what people have said. President Clinton; yes, President Clinton: "We all know it doesn't work," he says, "the Superfund has been a disaster. All the money goes to lawyers and none of the money goes to clean up the problem it was designed to clean up."

The EPA Inspector General has said that "On a site-by-site basis, it is clear that liability negotiations consume a lot of time and delay completion of the site."

In a 1994 editorial, that bastion of conservative thought, the New York Times, said that

> Superfund has failed the efficiency test: of the $13 billion spent by government and companies, one fourth has gone to what are euphemistically called "transaction costs," fees to lawyers and consultants, many of them former Federal officials who spin through Washington's revolving door to trade their Superfund expertise for private gain.

A year earlier, the Washington Post editorialized that Superfund "is generating intolerable injustices and needs to be fixed. Many of these cases," as they say, "are grossly unfair, and all invite furious litigation as small companies, big ones, banks, mortgage holders, local governments and insurers all go after each other. That is why a high proportion of the money spent so far has gone not to cleanups but into lawyer's fees."

The Seattle times editorial board wrote that Superfund "has created a legal swamp, enriching lawyers while accomplishing precious little cleanup."

And a 1994 USA Today editorial said that "Superfund is absurdly expensive, hideously complex, and sometimes patently unfair. As a result, it invites litigation the way dung attracts flies: not by seeking but just by being."

Mr. Chairman, the evidence is clear. Superfund is badly broken. That is precisely why I have made Superfund reform a top priority of the Committee on Commerce in this Congress. All other reform proposals are on the table, including the 103d Congress's Superfund deal, the administration's new liability proposal, Republican proposals drafted by my colleague and friend, the gentleman from Ohio [MIKE OXLEY] and myself, contain some element of the fair share funding which the Markey amendment would prohibit.

In fact, the administration has the statutory authority to use so-called mixed funding under the law, and Administrator Browner recently announced that EPA would expand its use of orphan share funding to the tune of $40 million a year. This amendment would eliminate EPA's ability to implement even the modest administrative reform of the Superfund proposal.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. BLILEY] has expired.

(By unanimous consent, Mr. BLILEY was allowed to proceed for 2 additional minutes.)

Mr. BLILEY. Mr. Chairman, the vote on this amendment is very simple. If members support Superfund reform, vote "no" on the Markey amendment.

It simply amazes me, Mr. Chairman, that the gentleman from Massachusetts would offer the amendment. Massachusetts has 32 sites, three-two, 32 sites listed on the national Superfund priorities list. Construction on cleanup remedy is complete on only 2 of these sites, even though 14 of them have been on the NPO list since 1983. It is astonishing that we cannot decide how to clean up a Superfund site in the time it took our forefathers to hold a Boston tea party, declare independence, fight a Revolutionary War, write a new Constitution, and establish a whole new government.

My friend sent out a "Dear Colleague" letter last week saying "Superfund is working in my district." Now he is introducing an amendment to prevent Superfund from working in anyone else's district. I would think the gentleman would not be so callous toward the people across the country who live near Superfund sites to block legislation that will get those sites cleaned up, especially since only 2 of 34 sites in his home State have been cleaned up.

Mr. PALLONE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am somewhat amazed by what I am hearing on the other side, because earlier today when we discussed my amendment that simply would have required that this $861 million in contingency money for the Superfund Program be simply put to use this year to fund the Superfund Program and to make it possible to work on new sites and continue work on existing sites where work has already started, what I was hearing from my friends on the other side of the aisle in opposition to it, basically I got the impression they were denying that this money would ultimately be used for a rebate program that gives money back to the polluters.

But having listened to some of the debate tonight, it seems like just the opposite. I do not know if anyone has specifically admitted on the other side that that is what this money would be used for, but they certainly do not seem to indicate that is a problem, using it for that purpose.

Mr. Chairman, we cannot have it both ways. We cannot come in here earlier in the day, or last week in a press conference, and say, "Oh, we are great because we are going to provide so much more money for the Superfund Program, we are going to do even more than the Democrats want, and then later on say, oh, well that money might be used for a rebate program, or we have to do all these changes to the Superfund Program first before we are going to make the money available, and we are not exactly sure that the money is going to be used for.

That is the impression I am getting from the other side of the aisle. It scares me and makes it more crucial to have this amendment passed to make sure that the money will not be used, if it ever does become available, for this rebate program to polluters. Essentially, the debate this evening is on the Superfund Program.

All of a sudden now, the Republicans, or most of them on the other side, are suggesting that what they are really all about here is that they want to dramatically change the Superfund Program. I would contend that what they really want to do is abolish the Superfund Program, or at least make it ineffective.

The bottom line is that Superfund is working, contrary to the statements that my colleagues are making on the Republican side of the aisle. Sites are getting cleaned up. In my district, 7 of 9 sites are in some phase of cleanup. Nationally there are 1,284 sites on the national priority list, and in more than one quarter of them, or 346, construction has been completed, that means clean up. Construction has commenced at more than 470 other sites and final cleanup decisions have been made at about 150 other sites. So there are nearly 1,000 sites where construction has either been completed or begun, or a cleanup decision is made.

I would point out that this administration has also cleaned up more toxic waste sites than in the previous 10 years. All it takes is an administration that cares about a Superfund Program, rather than one that does not believe in the Superfund Program.

In the Committee on Commerce when we were marking up the Republican Superfund bill, there were many members who basically suggested we should not even have a Superfund at all and we should just let the States do their own thing with toxic waste clean up. I do not agree with that. I do agree with one statement that the gentleman from Ohio, the chairman of our subcommittee, made tonight when he said that this is a key vote. This is a key vote because basically this is the only amendment on the floor this year that will clearly define where people stand: Either you are for polluter pays, which is the basis for the Superfund Program, or you are for pay the polluter, which is what the gentleman from Michigan [Mr. DINGELL] and the gentleman from Massachusetts [Mr. MARKEY have said. That is what this is all about. This appropriations bill will allow the Government to pay the polluter. I do not think that is right. I do not think that is the way the program should be set up.

I also want to make mention of another theme that I keep hearing from the other side of the aisle. That is that somehow the Democrats on this side do not want to see the reforms in the Superfund Program that would help small businesses or help municipalities. In fact, the gentleman from Massachusetts [Mr. MARKEY] and the rest of us have repeatedly said we would exempt small businesses, the little guys who do not have the financial means to contribute to the cause of cleanup.

We would exempt municipalities, residential homeowners, small nonprofits. We would exempt any person who contributed less than 110 gallons of liquid hazardous substance, 200 pounds. We would cap the liability. There is nothing in this amendment, there is nothing in this amendment that would preclude any of those changes in the Superfund Program from taking place.

The reason we are offering this amendment is because we do not want to see change the cornerstone of the Superfund Program, and that is that the polluter should pay to clean up the mess, if you will, that he left behind. Once you get rid of that, you will not have an effective Superfund Program anymore. That is why this amendment is so crucial, and I would urge its adoption.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Markey amendment. Every proposal that has been put forward on Superfund includes the proposal that rebates be paid. If the gentlemen say they are opposed to rebates, then they are opposed to every reform proposal that has been put forward. They are opposed to fundamental reform. They must want to see the lawyers continue to get the money, rather than the money going into actually cleaning up these Superfund sites.

In fact, I find it more curious and more curious that we have heard from several of the opposition that the Superfund is working. The President of the United States, Mr. Clinton, President Clinton, has said that it is not working. Carol Browner, the EPA administrator, says that the entire Superfund law should be rewritten from start to finish. The EPA Inspector General said it is not working. But even though their President and their EPA and their Inspector General say it is not working, we have heard them say tonight that Superfund is working. The evidence is very clear. The statistics which have already been presented indicate that that is simply not the case.

The amendment before us is a funding limitation on the EPA spending bill that would preclude any reimbursement to persons who are potentially liable under the Superfund statute. All legislative proposals to reform Superfund, even the EPA's proposals, involve some element of reimbursement. Let me again emphasize that. The amendment before us ensures that none of these reforms can go forward.

The author has amended his amendment twice before bringing it to us, but it is still fatally flawed. It freezes the status quo and it protects the livelihood of all those wonderful Superfund lawyers. So if Members want to protect the lawyers, then they should support the amendment before us. But if Members want to reform Superfund, then oppose this amendment.

Mr. BORSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. BORSKI. Mr. Chairman, I am pleased to join the gentleman from Massachusetts and the gentleman from New Jersey in offering this amendment to keep Superfund from changing from a polluter pays program to one where the taxpayers pay the polluters. This amendment would prohibit use of the Superfund appropriation for payoffs to polluters, very simply. This amendment would maintain the principle that major corporate polluters should pay to clean up the dangerous toxic waste sites they have created.

Since the beginning of the 104th Congress, the majority has attempted to find a way to let these corporate polluters off the hook. Even though more than 80 percent of Superfund toxic waste sites are located near drinking water sources, they want to reduce standards for cleanup and use tax money to pay polluters for the limited remaining cleanup.

The majority has tried and tried again and then tried a third time to come up with a plan to help out corporate polluters. They could have been developing a plan to let small businesses and municipalities escape the Superfund liability web. They could have been developing a plan to help America's urban communities develop their brownfields sites that are so important for job creation. They could have been developing a plan that would implement a fair share allocation plan that would eliminate the high transaction costs resulting from the current liability requirements. Unfortunately, none of these things have been done.

Mr. Chairman, this bill contains only $1.3 billion for Superfund.

□ 2000

That money should be used for cleanups, not for corporate payoffs. With this amendment, corporate polluters would still be held responsible for cleaning up the toxic messes that they created.

Mr. Chairman, money from corporate polluters has funded most of the Superfund cleanups that have taken place. If that source of money is eliminated without being replaced, Superfund cleanups would have to be drastically reduced.

With the low level of funding in this bill, using any fund to pay corporate polluters would mean less cleanup, less protection of the environment, less protection of drinking water.

All of this leads to one question: Where is the Superfund reform? Everyone has agreed that Superfund reform is absolutely critical. But, we have been waiting for 18 months for the majority to move a bill to the full committee level. In the waning months of the 103d Congress, Administrator Browner put together a consensus bill that was backed by a remarkable coalition, business, State and local governments and environmental groups and Democrats and Republicans.

Incidentally, Mr. Chairman, under Administrator Browner there have been more cleanups in the first 3 years than in the previous 12 years of the Superfund program. Unfortunately, the bill that Administrator Browner crafted died at the end of the last Congress.

For the past year-and-a-half, the Republicans have ignored H.R. 228, the bill based on the Coalition agreement. Their substitute for the broad-based agreement is no Superfund reform at all. In three months of negotiation, all we got was a three-page outline asking us which of their previously rejected solutions we wanted to take.

I want to remind my Republican colleagues, they are in the majority. If they want to bring their bill to the floor, then do so. Until then, the Markey-Pallone-Borski amendment will prevent this special treatment for special interests. I urge support of this amendment.

Mr. BOEHLERT. Mr. Chairman, I rise to strike the last word.

Mr. Chairman and my colleagues, I rise in strong opposition to the Markey amendment. Before I get into the meat of my argument, let me just make a couple of points.

This is sort of grand theater here tonight. We have witnessed that for the last 48 hours. What really disturbs the new minority is that they are not yet adjusted to the fact that they are in the minority, no longer in the majority, and that the majority is stepping up to the plate and addressing in a responsible way very important environmental issues.

For example, the new minority keeps saying the new majority wants to pay the polluters. That is unmitigated nonsense, plain and simple. We are talking about a so-called retroactive liability discount scheme that was floated about several months ago and we rejected it. It is off the table. No one agrees that we should have retroactive liability discount, because we do not want to pay the polluters. Everyone agrees to that.

Now, the concept of should those who pollute pay be embraced? You are darn right it should be. We should force those who pollute to pay, because we have an obligation to our children and future generations to leave them with a cleaner, safer, healthier environment, and we intend to do just that.

However, my friend, the gentleman from Massachusetts [Mr. MARKEY], the author of this amendment, suggests that the present program should be left intact; do not make any adjustments. Mr. Chairman, I would suggest that the gentleman from Massachusetts talk to his President and my President, the fellow who occupies 1600 Pennsylvania Avenue. He thinks there should be some changes and has provided some money in the budget for liability relief.

The Administrator of the Environmental Protection Agency, a woman for whom I have the greatest of respect and I work with on a partnership basis, Carol Browner, thinks there should be some liability relief, and I agree with her.

Here is who we should relieve. We should relieve those small business people, the innocent people who are victimized and caught up in this scheme. I am not just saying that, you are saying that, your administration is saying that, Carol Browner is saying that, President Clinton is saying that, we are all saying that. However, under Mr. MARKEY's amendment, oh, no, we do not want to provide any relief for anybody, we want to keep it as it is because we have just heard from another colleague that the system is working quite well.

I do not know many people in America that think Superfund reform is working as intended, and believe me, it was well intended, because we want to clean up toxic waste sites. That is very important to all of us. But the gentleman from Massachusetts [Mr. MARKEY] says things are all right and some of those people who are supporting his amendment seem to conclude that it is all right.

The gentleman from Pennsylvania [Mr. BORSKI], the ranking member of the subcommittee I am privileged to chair, keeps coming up with the old saw that we are going to pay polluters. I would say to the gentleman that he knows we have no intention of doing so. The gentleman and I agree that that would be lousy policy, and, boy, we are not going to pay those polluters, nor should we.

And guess what, fellow Republicans? I know my colleagues have examined that idea and agree that we should not pay them, but should we pay some liability relief? You are darn right. Do my colleagues want to know why? Because the American people are sick and tired of spending all of their time in the courts with their lawyers, everybody suing everybody and these toxic waste sites are not being cleaned up.

What about my kids? What about my grandchildren and future generations? We want to leave them with a cleaner, a healthier, a safer environment.

Mr. Chairman, let me tell my colleagues what is wrong with the Markey amendment. There is a lot wrong with it. First of all, let me increase your comfort, because we are going to eliminate any possibility whatsoever that we can pay polluters, because I am going to offer a substitute amendment pretty soon, and I am sure my colleagues will support that, because we are going to make it abundantly clear to one and all and to history that no way are we going to pay polluters. We are going to make sure that retroactive liability discount scheme never surfaces again, nor should it. That is good news.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. Only if you will support that amendment.

Mr. MARKEY. Mr. Chairman, toward the goal of supporting that amendment, I would just like to clarify. If the gentleman would yield, would the gentleman's amendment prohibit any rebates to polluters who have already signed?

Mr. BOEHLERT. Mr. Chairman, reclaiming my time, I am glad the gentleman brought that up. I am glad the gentleman brought that up, and reclaiming my time, because my good friend from Massachusetts brought me to my next point, here is the deal there, and it is very important to remember this.

We are opposing restrictions on liability relief, as is the administration. Let me point that out. The administration wants to have some liability relief. Because, guess what? Some people have stepped up to the plate, they have assumed their responsibility, they are going to fulfill their responsibility.

The CHAIRMAN. The time of the gentleman from New York [Mr. BOEHLERT] has expired.

(By unanimous consent, Mr. BOEHLERT was allowed to proceed for 3 additional minutes.)

Mr. BOEHLERT. Mr. Chairman, let me get to these points and then I will be glad to yield to my friend because we are good friends and we work together on these things and usually on environmental issues we see eye to eye. I do not know how the gentleman got misguided in this instance.

We want to say to people who have stepped up to the plate and have accepted their responsibility, good for you, and if we pass legislation that provides some relief for small business, that is going to allow some assistance to these small businesses. That is very important, and we are going to say something else.

Mr. Chairman, this may never become law. My colleagues know how we deal in this institution. We may end up never having this measure law, and if we never have this measure law and we go on with a continuing resolution, the Markey language would prevail and never more could we provide any liability relief for small businesses and for municipalities, those communities across the country that are so hard-pressed to make ends meet.

And what would they have to do? They would have to go to their taxpayers, their property taxpayers. What a lousy way to raise money, increase their property taxes, all if this amendment as proposed passes. But I do not think it is going to pass, because I think people recognize that we have an obligation to go forward in a responsible way.

Now, to those who argue that we do not have a plan to deal with the subject, let me point out, a year ago I presented a plan, a very good plan that a lot of people embraced. Now, you know what the Administrator of the Environmental Protection Agency said in response to an examination of my plan? This is Carol Browner. I think she should be Secretary Browner, because I think EPA is very important, and I think it should be a Cabinet level agency. She said, Boehlert's proposal is something the Clinton administration would feel very, very comfortable with. It is a very attractive proposal. It goes a long way toward removing lawyers from the system, and I think it is a wise and informed position.

Now, let me make this one point, this one point. The point is, and this is why I say it is grand theater. It is disturbing to so many of my good friends on the other side of the aisle that Republicans are acting in a responsible manner dealing with an environmental issue, because guess what? My colleagues on the other side of the aisle feel they own that issue, and we are the bad guys, we are uncaring and insensitive and we do not want to address in a responsible way the environment, but that is wrong, we do, and we are proving it. Yesterday we proved it with safe drinking water legislation. Today we are proving it as we are urging with all of the compassion that we can find that we have meaningful Superfund reform, and I say to the gentleman from Massachusetts [Mr. MARKEY], his proposal would not allow that.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I thank the gentleman. I know that the gentleman is not acting in a deliberate attempt to totally misrepresent what my amendment does; although he has, I know it is not deliberate. So I welcome the opportunity to clarify for the gentleman what it is that my amendment does.

Mr. BOEHLERT. Mr. Chairman, I am not going to reclaim my time, I am going to let the gentleman continue, because this is grand theater.

Mr. MARKEY. Mr. Chairman, I thank the gentleman from New York so much, because this goes right to the heart of what we are talking about.

Just for the record so that everyone who is listening is not all confused, the Environmental Protection Agency wrote yesterday that they support the Markey amendment.

The CHAIRMAN. The time of the gentleman from New York [Mr. BOEHLERT] has expired.

(On request of Mr. MARKEY, and by unanimous consent, Mr. BOEHLERT was allowed to proceed for 1 additional minute.)

Mr. MARKEY. Mr. Chairman, I would ask the gentleman if he would continue to yield.

Mr. BOEHLERT. Mr. Chairman, I will continue to yield for 30 seconds, because I want half of that time. This is fairness.

Mr. MARKEY. Mr. Chairman, the Department of Justice as well also supports the Markey amendment.

Now, I know that the gentleman has some general language there from Carol Browner speaking about him as an individual, and let me say this, the halo over his head could not be shinier after the last year and a half of missionary work.

Mr. BOEHLERT. Mr. Chairman, this is a good time to reclaim my time since we are talking about the halo over my head. I will reclaim my time, because that is a good note on which to close, referring to a halo over someone's head. Administrator Browner was not talking about me, and I would appreciate any kind words she would care to share about me, but she was talking about the Boehlert proposal.

That is very important. We want meaningful Superfund reform. We want a cleaner, safer, healthier environment for our kids and grand kids, and I think we can get it if we deal in a responsible manner by voting for what I will soon offer as a responsible substitute to the Markey amendment.

Mr. STEARNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must speak on this bill, and I echo the words of the chairman of the subcommittee, the gentleman from Ohio [Mr. OXLEY]. If you are on a train ride and year after year you go on and you keep riding on this train ride and it does not get to where you want; what do you do? You stop the train or you get off. This is where we are tonight. And what we have here is a responsible bill that takes us off the train heading in the wrong direction.

Superfund was hastily enacted in 1980 following national publicity over a few chemical waste sites. Originally, EPA got $1.6 billion in funding to clean up over 1,000 nationwide sites. As my colleagues can see from this chart, after nearly 15 years and an estimated $20 billion in State and Federal and private funds spent on the Superfund Program, less than 10 percent, less than 10 percent of the 1,300 sites that the EPA has place on the Superfund national priority list have been completely cleaned up.

Now, I do not think the taxpayers would be happy with that if we spent $20 billion and only 10 percent of the sties were cleaned up, and that is what this chart shows. Is that progress? Is that a train that is going in the right direction? Lord knows not.

The EPA originally estimated it would take $7 million and 5 to 8 years to clean up an average site. Today the studies indicate an average of 11 years and $25 to $40 million in cost per site; estimates of the entire national cleanup effort range from $300 billion to $1 trillion. They are estimating it is going to cost $1 trillion when Federal facilities are included in the cleanup.

What this means is simple. The existing Superfund Program must be replaced with a new program in which the benefits justify its costs, which is equitable, cost effective, and limited in size and scope when feasible. It should be targeted to address real, current, and significant risks to human health and environments posed by the past disposal of hazardous substances. Retroactive liability, a joint and several liability must be remedied. We must change and work on that, and the size and scope of the Federal national priority list should be kept. States should be given the opportunity to delegate implementation of the reforms of the Federal Superfund Program at the sites, as well as provided with incentives to implement their own reform programs in a fair and cost-effective manner.

Now, Mr. Chairman, this is what this bil does, and what the gentleman from Massachusetts [Mr. MARKEY] does is return us to the status quo, to the train that continues to go in the wrong direction after all of these years since 1980. So there is no use continuing to throw money into this program without reform.

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Mr. Chairman, this is why we need term limits around here. This is why we need to change Congress and not have one party dominate Congress for 40 years, because they are on the same train going in the wrong direction. There are no new ideas.

But, lo and behold, the Republican majority comes in, we have Chairman OXLEY with new ideas and a new program. And once and for all we start to say this train is going in the wrong direction, and we are going to move forward, stop this train and move it in the right direction. That is what this program does. So term limits is good for Members and term limits is good for the majority after 40 years of the Superfund Program.

Mr. Chairman, I rise in strong opposition to the Markey amendment. I might point out that this program can be improved vastly, and I call for the defeat of the Markey amendment and passage of the Republican plan.

Mr. BUYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have to rise in opposition to the Markey amendment here tonight. I did take special interest, though, when the gentleman from New Jersey, Mr. PALLONE, spoke, when I noticed and it first came to my attention that the gentleman from Massachusetts, Mr. MARKEY, had 32 sites in his own district, of which only 2 had been cleaned up, and then when I noticed the district of Mr. PALLONE, the 6th District of New Jersey has 9 Superfund sites, zero have been completely cleaned up, 7 of those sites came in 1983.

Really, I find it very fascinating that Members would want to defend the status quo when in fact so many Superfund sites have been on the books for so long. If our commitment is to a healthier and safer environment, what are we doing? Time out. What in fact are we doing?

The purpose of Superfund is to protect public health from the dangerous release of materials in a cost effective manner. Sixteen years after the law was enacted, lawyers, not the environment, have become the big winners. What I have here is a scroll. On this scroll is a list of thousands and thousands of lawyers who have been retained at over 1,300 of the Superfund sites. Let me just continue on, and I will speak as this goes on, and I will move slowly and everybody in America can read this list of lawyers.

Each year on average, only 5 sites are removed from the national priority list, and each year citizens pay $4.5 billion on the cleanup costs. That is because 47 percent of the total Superfund costs are spent on lawyers and legal expenses.

It is difficult right now for the Democrat Party here because they have to face a choice. The choice is between a constituency that supports them on the environmental issues, that gives a lot of money to their congressional campaigns, and trial lawyers who fund their campaigns with a lot of money. What we have here are all these trial lawyers, so I guess I have to assume that they are siding with the lawyers here tonight.

The liability aspect is so measured that even local governments are being sued millions of dollars on Superfund simply because they picked up the garbage. In Indiana alone, 32 Superfund sites are awaiting action. In my district, we have Continental Steel in Kokomo, IN. It has been on the national priority list for 10 years. The Federal Government has already spent nearly $13 million on contamination removal, yet it is still considered worst on the Indiana list.

I applaud Chairman MIKE OXLEY for having come to Indiana to actually look at the Continental Steel site. I imagine the gentleman from Ohio [Mr. OXLEY] can recall looking at the spent pickle liquor that was right next to Wildcat Creek. That spent pickle liquor still has the risk of contamination into the water because money is going to all these lawyers. It is all the lawyers.

I applaud the gentleman from Ohio because he chooses the environment. He wants to side with the millions of people who live next to these Superfund sites. But what I find here today is the Democrats are siding with the scroll and all the lawyers.

Everyone must agree that Superfund is broken and will require additional funding to fix it. We need to reform Superfund, the joint and several liability, in order to immediately clean up the Superfund sites by using Superfund business taxes to clean up these sites rather than litigating and negotiating.

This amendment would prevent significant reform of the current Superfund liability system by preventing these funds from being used to clean up the sites. Instead, this amendment will keep the status quo of taking money from taxpayers and lining the pockets of all of these lawyers.

The list keeps going and going and growing as environmental law continues to grow. Forty-seven percent of all of the money has gone to all these lawyers instead of cleaning up all the sites.

One could say, "This is a little bit about theater here tonight." It is Mr. Chairman. This is a little bit about theater. But the reality and the fact fo the matter is that money that should be going to make our enviroment healthier and safer is going to line the pockets of trial lawyers, who will in turn send that money into many campaigns because the Democrats want the majority back. I think that is shameless, that they would choose that over the environment.

I will stand with the environment, and I applaud the gentleman from Ohio [Mr. OXLEY] here tonight. God bless you. Vote down the Markey amendment.

Mr. ORTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to my colleague from New Jersey, Mr. PALLONE, out of courtesy inasmuch as he was referred to by the last speaker.

Mr. PALLONE. I appreciate the gentleman's yielding to me.

Mr. Chairman, I just wanted to say, first of all, it is very easy to come on the floor and start disparaging the lawyers. There are a lot of lawyers involved in a lot of things in this place including on the floor of this House.

What did Voltaire say: the first thing we do is kill all the lawyers. Maybe that is what the gentleman wants to do, but I do not think that is the issue here tonight.

The issue here tonight is whether or not the corporations and the individuals who polluted these sites and created the mess are going to be responsible for cleaning them up. If we eliminate that as a basic tenet of the Superfund Program, it will no longer be a viable program. The taxpayers will be basically paying for things that will not happen because there will not be enough money to do the cleanup.

The gentleman mentioned my district specifically. Of the nine sites in my district, seven of them I mentioned are in various phases of cleanup but most of them are in very advanced stages where they are actually doing just monitoring now of the overall program. One site has actually been deleted from the list. Again the gentleman talks about our side of the aisle. This administration, as I said before, has done more cleanups in the last few years than have done in the whole 10 years prior to that of the Superfund Program. It has also deleted more sites from the NPL list than any previous administration. So we are talking here about a Democratic administration that cares about the program, that believes in the program, that wants to make certain changes in the program that are beneficial but still keep the program intact.

What you want to do tonight, and I am amazed when I listen to the debate on the floor, is destroy and get rid of the program.

I just wanted to make one additional comment again based on my friend from New York and what he said about this codisposal option, because that upsets me a great deal. One of the sites that I have is in advanced stages of cleanup in Edison, NJ. It is called the Kin-Buc site, one of the most hazardous sites, the most toxic sites in this country. If any of you went there today to see what has been done at that site, it is amazing how much cleanup, what has actually been done. It not only looks beautiful, it is working. The Superfund Program works. But if what the gentleman from New York [Mr. BOEHLERT] described for codisposal were to come in play and become the law, that site would never be cleanup up today. Because under his proposal, if there is any municipal waste or a substantial amount of municipal waste that goes to a landfill, which is what the Kin-Buc site is, then there is no longer any liability on the part of the polluters to clean up the site. If they have already spent money to spent money to clean up, which they have done at Kin-Buc, then they get reimbursed, which is what this is all about, rebates to the polluters. If on the other hand they have not cleanup it up yet, then the responsibility is turned over to the taxpayers to pay the cost of the cleanup. That means that cleanup does not occur.

The bottom line here, and I think everyone has to understand this, you eliminate the polluter pays principle. You make these changes that they have to do the cleanup and you will not see progress on Superfund sites. You can talk here all you want about all the lawyers and about the various stages of cleanup and how you think the program is not working. The bottom line is the program is working. What you are proposing will make the cleanups stop. That is what the other side is all about.

I have heard it said over and over again, we do not need a Superfund Program. Let the States do the job. The job cannot be done by the States. If we do not pass this amendment tonight, and we do not get away from this notion that we are going to pay rebates to the polluters, we are not going to see the Superfund Program as a viable program anymore. That is the bottom line.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from New York.

Mr. BOEHLERT. I would like to respond to the gentleman from New Jersey [Mr. PALLONE]. The proposal I advanced last July which was spoken so highly of by the Administrator of EPA would eliminate retroactive liability for 250 codisposal sites across the country, the idea being to get small businesses out from any liability and to get communities out from any liability, have the trust fund pay for the cleanup, because I want cleanup just as much as the gentleman does and this is a faster way to get the cleanup.

Mr. PALLONE. If the gentleman will yield further, I understand what the gentleman is about, but the gentleman's proposal is not necessary and is counterproductive. We can have exemptions for small businesses, we can have exemptions for municipalities.

The gentleman from Massachusetts [Mr. MARKEY] has indicated and I have indicated and all of us have indicated that we do not have a problem with that and this amendment does not preclude that. But if you go along with this codisposal site that basically says because municipal, household waste, whatever, goes into a landfill or a site and that means that there is no longer liability for the people, the generators of most of the hazardous waste, then in effect what you are doing is eliminating liability for the corporations in the case of Kin-Buc, in my own district, that had to do the cleanup, and there is not going to be the taxpayer money to do that cleanup. It will not happen.

AMENDMENT OFFERED BY MR. BOEHLERT AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MARKEY

Mr. BOEHLERT. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BOEHLERT as a substitute for the amendment offered by Mr. MARKEY: Page 95, after line 21, insert the following:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading "Hazardous Substance Superfund" may be used to implement any retroactive liability discount reimbursement described in the amendment made by section 201 of H.R. 2500, as introduced on October 18, 1995.

Mr. BOEHLERT [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOEHLERT. Mr. Chairman, I will not take the entire 5 minutes because I know the chairman and the ranking member of the committee have been working very hard and we have all been here for a long time on this very subject. It is an important subject, so we should discuss it in detail. But all that needs to be said has been said pretty much.

I would like to add just a couple of thoughts. The Boehlert amendment makes it absolutely clear once and for all that the retroactive liability discount is dead. Please, no more stories about paying polluters. It is all over. Finished. I never supported it in the first place, and it is behind us. It has been for 5 months. The negotiations have gone forward on Superfund reform without any discussion of retroactive liability discounts.

Second, the Boehlert amendment preserves the right of Congress, that is a very precious right, to develop bipartisan Superfund legislation that will provide needed relief, liability relief to thousands of small businesses and small communities across the country. We want to get them out of the courts, we want to get them out of the law offices, and we want to get the emphasis on cleaning up toxic waste sites. I think the Markey amendment would actually undermine the most important administrative Superfund reforms being sought by the Environmental Protection Agency. I think we should move forward. This is a responsible pro-environment, pro-small business, pro-small community substitute amendment, and I urge its adoption.

Mr. MARKEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us just clear away, if we could, a lot of the statements that have been made this evening about the nature of this amendment. The gentleman from New York [Mr. BOEHLERT] is not speaking about H.R. 2500 when he talks about anything that Carol Browner has said. Any personal remarks that Carol Browner may have made about the gentleman from New York [Mr. BOEHLERT] are deserved by him. But H.R. 2500 was in fact a bill which Administrator Browner recommended a veto on. A veto.

If the gentleman from New York [Mr. BOEHLERT] wants to associate himself with that bill, because that is what my amendment refers to, H.R. 2500. It refers to provisions in H.R. 2500 that allow for rebates to be given to polluters. If the gentleman from New York [Mr. BOEHLERT] wants to associate himself with that portion which somehow or other he has up on his board over here with the gold star from Carol Browner, that is fine. Take credit for that. But we are not debating that this evening, and we are not debating liability for municipalities. We are not debating the whole long laundry list of issues that all of these Republicans keep getting up and speaking about. We are only debating one issue, the issue of whether or not tax dollars that we need to balance the budget, that we need to pay for Medicare, that we need to pay for Medicaid, that we need to pay for inoculations of children are going to be spent to give money to polluters in cases where they have accepted liability in curt to clean up a site for which they are responsible.

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That, Mr. Chairman, is what this whole debate is about.

Now, the Boehlert amendment deals with H.R. 2500's provision which allows for the payment of money for polluters. What my amendment does out here on the floor, that he is seeking to amend, would prohibit any scheme ever to pay polluters. Now, there is a big difference between taking the Contract With America provision and Mr. BOELHERT saying, well, I do not support that, and taking any other provision which could be constructed which would accomplish the very same goal.

That is why the Markey amendment has to pass, or else the Boehlert amendment has just given a very temporary 60- or 90- or 120-day inoculation to the Republican Party, pending Bob Dole' election as President, they hope, and then the bill can pass with only 51 percent of the vote. So we need the Markey amendment to prohibit it, to make it part of the law, not just H.R. 2500, this concoction of wish lists by the polluters of America, fulfillment of the Contract With America, but any scheme which is constructed.

So I give the gentleman from New York his due, and he deserves it, and the Republican Party deserves credit for using the gentleman as a guard-all shield against their support for all of the polluter-written legislation that has been presented out on this floor over this past year and a half. But even the gentleman, in all of his sacrifice for the Republican Party, cannot protect them against H.R. 2500, even as the gentleman brings out his good report card from Carol Browner on the things that he does support.

H.R. 2500 the gentleman opposes, I hope, because Carol Browner said that it should be vetoed, and if you did not, then fine, there is an area of agreement that you have with the Republican Party, but not with the environmentalists of our country, not with the EPA, and not with anyone that wants to see the sites in this country that have been polluted by chemical companies, by oil companies, cleaned up.

Mr. Chairman, I hope that this amendment is not allowed to in any way interfere with our ability to also ensure that the Markey amendment is included as part of this law.

Mr. GILLMOR. Mr. Chairman, I move to strike the last word.

(Mr.. GILLMOR asked and was given permission to revise and extend his remarks.)

Mr. GILLMOR. Mr. Chairman, I rise in opposition to the Markey amendment. The Markey amendment continues to support a failed program when there are better alternatives available. This amendment ignores some simple and widely accepted facts about Superfund, and unapologetically defends the failed status quo.

The Markey amendment preserves the current retroactive liability system—a system that has proven to be successful at enriching lawyers, but not in cleaning up the environment.

When Superfund was originally passed in 1980, and when it was reauthorized in 1986, it was a program with great hope. The hope was that the billions of dollars raised by the corporate taxes in this program would go for cleaning up some of the Nation's most dangerous hazardous waste sites. Regrettably, the promise was not met.

Superfund turned out to be an all-too-typical Federal Government program. First, it failed in its purpose. After 16 years and a cost of $15 billion, only 91 sites have been cleaned up. Second, it was an all-too-typical Government program because in the process of failing, it consumed billions and billions of dollars. Third, much of the money that was spent did not go for helping the environment. It went to enrich attorneys and it went for regulatory and bureaucratic costs. This program must be reformed and we have a vehicle pending before this Congress to reform it in the Commerce Committee.

The appropriations legislation offered here to fund the U.S. Environmental Protection Agency [EPA] in fiscal year 1997 places a priority on Superfund spending for actual cleanup, limiting the resources used for redundant administrative and support services. I could not agree more with this strategy. I offered in the Commerce Committee, and the committee accepted, these same provisions to the House reauthorization and reform of the Superfund program. I am glad the Appropriations Committee has decided to accept this idea in the report language to this bill.

EPA says it is spending roughly about 65 percent of their Superfund budget on remedial actions, the rest going to administrative, research, and oversight activities. However, only about 40 percent goes to actual cleanup. So, 60 percent winds up going to other activities. Environmental protection, especially when it comes to Superfund, should not be just spending money, but in spending money wisely for environmental cleanup.

A vote for the Markey amendment is a vote against reform of Superfund. The major problems with Superfund are its liability determination, retroactive liability, and a failed method of remedy selection. If you really care about the environment, you want the limited resources we have spent for dealing with real environmental needs, and not wasted. The money ought to go to pay the people who move dirt, and clean up the actual sites, and not go to the consultants and lawyers. A "no" vote on this amendment coupled with the passage of real reform in Superfund will be good for the environment, and especially it will be good for the people who live near these sites.

Mr. PALLONE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not use more than a minute or so. I wanted to point out, I am amazed. I appreciate the fact that the gentleman from New York [Mr. BOEHLERT] is basically getting this half right, I guess is the way to phrase it. But essentially what he is doing here is eliminating the liability or allowing rebates, if you will, for those who have entered into consent orders and admitted liability.

So if a polluter said, "Look, I did this," and enters into the consent decree, then they can still get a rebate check. For the life of me, I do not understand why we should allow that if someone has admitted guilt, so to speak, and said that they contributed to the mess.

I think it is commendable that the gentleman is going halfway and agreeing with the rest of the Markey amendment, but I totally oppose the idea that just because there is a consent order outstanding that someone has entered into, that somehow that person should continue to be able to get a rebate. It goes against the grain in terms again of what the Superfund program is all about, and the idea is that those who polluted should pay.

Mr. DINGELL. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, I have in my hands the two amendments which we are discussing. The first is the amendment offered by the gentleman from Massachusetts [Mr. MARKEY]. It is an excellent amendment. What it does is it says that there can be no money paid to a fellow who has polluted for cleaning up; he has to clean up after himself.

This reminds me of a wonderful sign that I once saw on the wall. It said, "Your mother does not live here, so you will have to clean up after yourself."

What the gentleman from New York [Mr. BOEHLERT] wants to do and what my Republican colleagues want to do is to modify that slightly. Mr. MARKEY says that if you pollute, you cannot get paid for cleaning up. The gentleman from New York says that. Now, the gentleman from New York has then established that he is half right, and for that we should salute him because it is quite a rarity in a Republican Congress for a Republican to be half right.

Having said that, we come to the second part, however, which the gentleman from New York has stuck in there. I always thought the gentleman from New York was a very smart fellow, and I still do, but something happened here tonight that I cannot explain and perhaps he can. What he says is, but if you have made a settlement, then the Government is going to pay you to clean up and give you a rebate for cleaning up after you have made a mess and after you have been forced into a settlement.

I do not understand why we should pay a wrongdoer who has made a mess and not settled, and I do not understand why a fellow who has made a mess and then settled should be paid. It just does not follow and it does not make good sense.

Now, I have enormous respect for the gentleman from New York [Mr. BOEHLERT]. He is a very wise and very good Member of this body, and I salute him for the good work that he has done over the years. But tonight he has things a little wrong. What we really need to address is to understand that there are two situations where a polluter could profit under this legislation. The first is where he has gone out and made a dirty mess, risked the lives of the people, contaminated the water, polluted the air, dirtied up a major area, threatened the life and well-being of the people, and under the Republican idea we will then pay them for cleaning that up and having put large numbers of people at risk. This will look very good on their balance sheets, and I am sure my Republican colleagues like that.

Having said that, Mr. Chairman, it must be observed, however, that the gentleman from New York [Mr. BOEHLERT] would address that, and for that we should salute him. But it is so that he does not address the other equally important situation which arises under the bill. That is, that a polluter who has cut a deal and has agreed that he has done something wrong and has agreed freely that he, along with other polluters, will then clean up, is going to get a rebate. Now, that may be a splendid idea if you are a polluter, but from the standpoint of the taxpaying public and from the standpoint of people who have to pay the taxes for the cleanup, it does not make good sense, because what it does is it diverts moneys from an already short Superfund into the paying off of wrongdoes. That is wrong.

Now, if we need to address the question of Superfund, we ought to be addressing it in the committee. My Republican colleagues have run the committee now for almost a year and a half. There is no Superfund bill. My good friend from New York, the gentleman from New York [Mr. BOEHLERT], got up and castigated the Democrats because we have not gotten a bill.

Now, it may be that he does not know that the Republicans control this Congress, but believe me, and I will tell him now, they do. As a matter of fact, I understand the distinguished gentleman from New York is a subcommittee chairman on the Committee on Transportation and Infrastructure.

Mr. Chairman, I yield to the gentleman from New York for purposes of explaining what he is doing tonight, I will be very happy to do so because I notice he is standing and I do have great respect for him.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to point out that what I am proposing would permit continued consent decrees to be entered into with the hope that some relief will be provided in the near future, because the Democrats and the Republicans are very actively seeking Superfund reform legislation this year.

What the Markey amendment will do is provide a disincentive for anyone to settle and to begin to clean up, because they are going to hold out hope that some day in the future this will happen. I want to get in with Superfund cleanup so that we can have a cleaner, healthier, safer environment for our kids and our grandkids.

Mr. DINGELL. Reclaiming my time, I thank the gentleman, but what the gentleman from New York would do is to give forgiveness and absolution retroactively.

It isn't what we are going to do prospectively that my good friend from New York would address, it is that which has already been done. He is going to catch a bunch of rascals and scoundrels who polluted and go out and make them whole for what they have already agreed to clean up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BOEHLERT] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY] as amended.

The amendment, as amended, was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 456, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT], and the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. GUTKNECHT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 45, noes 372, not voting 16, as follows:

[Roll No. 277]

AYES—45

Baker (CA)
Barton
Brownback
Bunning
Campbell
Chabot
Coburn
Cox
Crane
Dreier
Duncan
Graham
Gutknecht
Hamilton
Herger
Hoekstra
Hostettler
Inglis
Istook
Johnson, Sam
Kasich
Klug
Largent
McIntosh
Metcalf
Meyers
Minge
Myrick
Neumann
Petri
Pombo
Portman
Radanovich
Ramstad
Roemer
Rohrabacher
Roth
Royce
Sanford
Sensenbrenner
Shadegg
Smith (MI)
Souder
Tiahrt
Upton

NOES—372

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chambliss
Chapman
Chenoweth
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Porter
Poshard
Pryce
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Rogers
Ros-Lehtinen
Rose
Roukema
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Becerra
Bevill
Boehner
Browder
Christensen
Coleman
Fields (TX)
Flake
Gibbons
Hall (OH)
Hayes
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Yates

□ 2100

Messrs. LAHOOD, DELLUMS, PETERSON of Minnesota, VISCLOSKY, CHRYSLER, and COOLEY of Oregon, and Mrs. CHENOWETH changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 245, noes 170, not voting 18, as follows:

[Roll No. 278]

AYES—245

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klug
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
Mascara
McCarthy
McCollum
McHale
McHugh
McInnis
McKeon
Metcalf
Meyers
Miller (FL)
Minge
Molinari
Moorhead
Morella
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Ramstad
Richardson
Riggs
Rivers
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Young (FL)
Zeliff
Zimmer

NOES—170

Abercrombie
Ackerman
Baesler
Beilenson
Berman
Bishop
Blumenauer
Bonilla
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
de la Garza
DeFazio
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Engel
Eshoo
Evans
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frelinghuysen
Frost
Furse
Gephardt
Gonzalez
Gordon
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klink
Knollenberg
LaFalce
Lantos
Levin
Lewis (CA)
Lewis (GA)
Livingston
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Matsui
McCrery
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Quillen
Rahall
Rangel
Reed
Regula
Rogers
Rose
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Sisisky
Skaggs
Skeen
Slaughter
Smith (WA)
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)

NOT VOTING—18

Becerra
Bevill
Browder
Christensen
Coleman
Farr
Fields (TX)
Flake
Gibbons
Hall (OH)
Hayes
Lincoln
McDade
McIntosh
Mica
Peterson (FL)
Roybal-Allard
Yates

□ 2107

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FARR of California. Mr. Chairman, I was inadvertently detained during rollcall vote No. 278. Had I been present I would have voted "no."

Mr. COOLEY of Oregon. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today to express my sincere reservations about the bill before us today, the fiscal year 1997 VA, HUD and independent agencies appropriations bill.

This bill provides desperately needed funding to help our Nation's veterans deal with their health needs, assist them in housing costs, and allow them to meet their educational goals. These measures are not only worthwhile, but necessary because they live up to our Government's obligation to those who gave valiantly in the defense of this great Nation. Unfortunately, this bill does much more than meet these worthwhile objectives.

The bill before us also provides funds for dozens of other bloated, unrelated agencies which serve as a black hole for our citizen's hard-earned tax dollars. These agencies include the Office of Science and Technology, Community Development Financial Institutions, the Council on Environmental Quality, and the National Science Foundation.

Perhaps the most difficult task for me is to justify the inclusion of the Environmental Protection Agency and AmeriCorps into this omnibus bill. I have serious concerns about these two agencies, their ability to spend the public's money wisely, and the choices they make in carrying out their mission. Unfortunately, I have to vote for them as part of this bill.

Although it will be difficult, my dedication to honoring this country's promise to its veterans supersedes my concerns about these misguided agencies. However, I would like to state for the record that I am voting for veterans, not bureaucrats at the EPA and AmeriCorps.

By forcing the representatives of the people to vote for this voluminous bill, we are denied an opportunity to more closely scrutinize the way the people's money is being spent, and ordered to vote in favor of a bill which sets our deeply held beliefs in conflict. In the future, I hope that we can revisit the appropriations process in order to create more cohesive, and carefully scrutinized, bills.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise really to discuss the remaining business, briefly, to give Members a sense for the time that we may have left. If you would like to discuss the time that we have left, I would be glad to try.

Before we get to that point, the gentleman from Ohio [Mr. STOKES] and I have talked a lot about this new environment between both sides on this appropriations bill, of which we are very appreciative. I must say that there is one more item that has added greatly to the work that we have done and facilitated the process as much as possible in this environment. I hope the Members will express their appreciation for a very, very fine job of chairing this committee during this very difficult process by the gentleman from Texas.

At this point, we are aware of just five more amendments. We understand the sponsors will agree to a time agreement as follows: One amendment each for the gentleman from Georgia [Mr. KINGSTON] and the gentleman from Indiana [Mr. ROEMER], the gentleman from Illinois [Mr. WELLER], the gentleman from Utah [Mr. ORTON], and the gentlewoman from Texas [Ms. JACKSON-LEE], and each amendment will be considered for 10 minutes equally divided, 5 minutes on each side for each amendment, and we could take less than that, by the way.

Mr. OBEY. Mr. Chairman, let me suggest, I know that Mr. STOKES and everyone else on this side of the aisle would like to be cooperative in working this out. I want to see the gentleman's request approved.

I think there is an impediment to that right now. If the gentleman could withhold that for a few moments and if we could get a unanimous consent for the next amendment only, while it is worked out, I think we might save a lot of time.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent that debate on the Weller amendment and all amendments thereto be limited to 10 minutes, the time to be equally divided and controlled.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. WELLER] and a Member opposed, each will control 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. WELLER].

□ 2115

AMENDMENT OFFERED BY MR. WELLER

Mr. WELLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WELLER:

SEC. . FHA MORTGAGE INSURANCE PREMIUMS.—Section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)) is amended by inserting after the first sentence the following new sentence: "In the case of mortgage for which the mortgagor is a first time homebuyer who completes a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary, the premium payment under this subparagraph shall not exceed 2.0 percent of the amount of the original insured principal obligation of the mortgage.".

Mr. VENTO. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. A point of order is reserved by the gentleman from Minnesota [Mr. VENTO].

The Chair recognizes the gentleman from Illinois [Mr. WELLER] for 5 minutes.

Mr. WELLER. Mr. Chairman I yield myself such time as I may consume.

Before I begin discussing my amendment I do want to take a moment and commend the chairman of the subcommittee, the gentleman from California [Mr. LEWIS] and also the ranking member, the gentleman from Ohio [Mr. STOKES], for their leadership and their management of this particular bill. I think they have gone out of their way, Mr. Chairman, to work towards bipartisanship.

Mr. Chairman, I offer an amendment that helps working families by working towards expanding homeownership opportunities for first-time home buyers by working to lower the up-front costs for FHA loans. This amendment, which has bipartisan support, I would like to point out, Mr. Chairman, would lower the FHA mortgage insurance premium for first-time home buyers to get ownership counseling. Currently the maximum rate is 2¼ percent of the loan value. This amendment would reduce that to 2 percent, saving the average FHA homeowner about $200 a year and $200 towards their up front closing costs, and of course counseling, working with these aspiring homeowners, would help reduce the default rate.

Some in Washington would call $200 probably chump change, saying that is not very much, but for real working families back in Illinois and throughout this country who are struggling to make ends meet, $200 is a lot of money each year.

This amendment is needed to promote home ownership, helping American families pursue the American dream because we all recognize that strengthening home ownership strengthens families, and when someone owns a home in a community, that strengthens their communities.

This amendment is needed like many undisturbed that we see a decline in home ownership, particularly among the young. Statistics show that home ownership rates among heads of households under 35 years of age is three-fourths of what it was in 1979. In fact, in 1979, 45 percent of heads of households under 35 were homeowners. Today, in 1995, this past year, 39 percent of heads of households under 35 were homeowners. We have seen a 9-percent drop.

Over the past 6 months as interest rates have gone up, we have seen about a 1½ percent rate increase on home mortgage rates. That averages out to about a $1,000 a year increase in home ownership costs for the average family and the average home loan. Unfortunately, we did not reach a balanced budget agreement this year which would have brought down interest rates, but we are still working on that, and this effort will help reduce those costs.

As I pointed out, interest rates, mortgage rates have gone up 1 to 1½ percent, driving up the average cost a thousand dollars a year, or about $85 a month for the average home mortgage.

This amendment restores opportunity, my colleagues. Let us help aspiring potential home buyers afford a new home. Let us help reduce their costs and give them a $200 break on their closing costs as well as a $200 break in their annual costs of FHA insurance. As we know, increased home ownership strengthens communities.

I do want to point out this amendment has bipartisan support, is basically identical to what the President endorsed a few weeks ago in his initiatives. I ask for bipartisan support. Let us help working families afford a home. Let us strengthen communities, strengthen home ownership. Let us make home ownership more affordable.

Mr. Chairman, I ask for bipartisan support and I reserve the balance of my time.

Mr. VENTO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am reserving my point of order.

I would point out that this obviously goes beyond the scope of appropriating and into policy areas, much of which the committee, the principal committee on which I serve and many others in this body, has not dealt with.

Mr. Chairman, under that reservation I would just point out that this change, a good change, and I might say that Mr. WELLER has been an ally in support of the FHA program, and I and other Members have noted that and appreciate it, and this does follow, as he had mentioned, a policy administration action by President Clinton 3 weeks ago to in fact reduce the up-front costs in terms of FHA.

So normally important that program to affordable housing in this country, and although this is out of scope, I understand that there has been agreement. I do not want to stand in the way of the agreement; I want to be part of the home ownership, increasing national home ownership opportunities.

Last week Secretary Cisneros visited my district and outlined just such a program and other programs that have achieved that. In fact, the Clinton administration has had great success since initiating this, with 1.4 million families since 1995 achieving or obtaining home ownership because of the positive interest rates and other factors in the economy.

So I join the gentleman and want to commend him, but I would hope that the committee of jurisdiction would deal with the comprehensive FHA formula. We sent a bill over there 2 years ago that substantially raised the average loan, raised the ceilings, did a variety of things that would have accorded opportunity for home ownership, and the problem with these sort of bits and pieces of amendments that are coming to the floor today, I know good in their own vein, they simply frustrate the overall modernization of the FHA program, which I might say is healthy, is vital, is serving people in this country and is something that they need.

So if my colleagues care about home ownership in this country, we ought to be supporting a strong revitalized FHA program. It is healthy. It deserves that support.

With that said, Mr. Chairman, I withdraw my reservation of a point order.

The CHAIRMAN. The Chair grants the gentleman from Minnesota [Mr. VENTO], in order to make his statement, the 5 minutes in opposition to the amendment.

The gentleman may reserve the balance of that time if he so wishes.

Mr. VENTO. Mr. Chairman, I reserve the balance of the time.

Mr. WELLER. Mr. Chairman how much time is remaining?

The CHAIRMAN. The gentleman from Illinois [Mr. WELLER] has 2 minutes remaining.

Mr. WELLER. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank my colleague from Illinois for yielding this time to me.

Mr. Chairman, we do not need a whole minute to say this. We just need to reiterate this one key point: $200 is a lot of money to hard-working families in the United States of America, and for people to have the opportunity to buy a home for the first time this amendment would empower those people.

That is why I am proud to stand with my good friend from Illinois and Members on both sides of the aisle in support of the Weller amendment.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just point out to my colleagues that the history of this began in the early 1980's with an up-front premium payment to FHA. Now, they in fact took the entire premium and pulled it into the mortgage, thereby creating a negative net worth in terms of the loan-to-value ratio. That in essence, I think, added to some of the problems with FHA, although FHA was never in the red. It was always in the black. Studies came out with projections that cast a shadow on the FHA single family, the M-1 fund.

Mr. Chairman, in the early 1980's, I think in the name of making symbolic deficit reduction, the policy was changed to collect an up-front premium on FHA. We changed that policy, on a bipartisan basis, myself and the Member, the Governor now of Pennsylvania, Tom Ridge, in a conference committee led by the gentleman from Texas [Mr. GONZALEZ] and others, and I think that it is noteworthy that we can now reduce further the up-front premium. I hope that some day we can eliminate it completely, reducing that as a necessary cash and liability problem, and convert this back to what it was on a pay-as-you-go basis in terms of the insurance premiums for FHA.

And as I voiced earlier, the fervent desire to modernize this program so it can begin to serve families across this country; in my State, because of the value of homes, it serves about 40 to 50 percent of the market. In most of our States and jurisdictions it does not because home costs are higher, and so the average middle-income American that is desirous of a home loan is not able to achieve the benefits of FHA with this low down payment and the insured nature that it carries.

It has been a marvelously successful program. It has in fact been the most successful program in the history of this Nation in terms of providing home ownership.

Again, I commend the gentleman from Illinois [Mr. WELLER] for his pursuit not just of this amendment this evening but his general support for FHA.

Mr. ORTON. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Utah.

Mr. ORTON. Mr. Chairman, I will be very brief just in stating my support for the amendment. Indeed the President has, as indicated, indicated that he would do this administratively. I believe it is good to put it in statutory language. I support the amendment by the gentleman.

Mr. WELLER. Mr. Chairman, I yield myself as much time as I might consume.

Mr. Chairman, in closing let me just be very brief. Let us get to the bottom line here.

Today it is a real struggle for many families to be able to afford a home. We are seeing that as taxes are too high, interest rates are too high and working families' incomes are being squeezed. Many cash-strapped young working families are struggling, trying to obtain a home and pursue the American dream.

Last year, thanks to FHA, we saw 850,000 families had the opportunity to purchase a home thanks to FHA, and 250,000 of them would not have had the opportunity to own a home unless we had the FHA single-family 100 percent loan guarantee program. It is an important mission, and if we want to help young families, young working families, young cash-strapped working families afford the American dream, we need to help them out. At this time when interest rates are going up, let us give them a break, help reduce their closing costs by $200.

I ask bipartisan support for his amendment. I appreciate the bipartisan support we have received.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. WELLER].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. ORTON

Mr. ORTON. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ORTON:

Page 95, after line 21, insert the following new section:

SEC. 422. (a) AUTHORITY TO USE AMOUNTS BORROWED FROM FAMILY MEMBERS FOR DOWNPAYMENTS ON FHA-INSURED LOANS.—Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by inserting before the period at the end the following: ": *Provided further*, That for purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, such lien shall be subordinate to the mortgage and the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property plus any initial service charges, appraisal, inspection, and other fees in connection with the mortgage".

(b) DEFINITION OF FAMILY MEMBER.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsections:

"(e) The term 'family member' means, with respect to a mortgagor under such section, a child, parent, or grandparent of the mortgagor (or the mortgagor's spouse). In determining whether any of the relationships referred to in the preceding sentence exist, a legally adopted son or daughter of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), and a foster child of an individual, shall be treated as a child of such individual by blood.

"(f) The term 'child' means, with respect to a mortgagor under such section, a son, stepson, daughter, or stepdaughter of such mortgagor.".

Page 95, after line 21, insert the following new section:

SEC. 422. Sections 401 and 402 of the bill, H.R. 1708, 104th Congress, as introduced in the House of Representatives on May 24, 1995, are hereby enacted into law.

Mr. ORTON [during the reading]. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

□ 2130

Mr. DELAY. Mr. Chairman, I reserve a point of order on the amendments.

Mr. ORTON. Mr. Chairman, I will explain my amendments. They are really very simple. There are three parts. The reason I am offering them at this point is, following the Weller amendment, which has just been adopted, which in fact does legislate on this appropriation bill, I acknowledge that mine does also, but I believe that it is important to do this, to make changes, to modernize and improve and update the FHA program.

Mr. Chairman, I ask unanimous consent, in light of the unanimous consent agreement that had been attempted to be reached, that all time on these amendments that I am offering be limited to 10 minutes, divided between the two sides.

The CHAIRMAN. Does the gentleman from Utah [Mr. ORTON] ask for 5 minutes each, including the time that the gentleman has consumed?

Mr. ORTON. Yes, Mr. Chairman.

The CHAIRMAN. And any amendments thereto?

Mr. ORTON. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. ORTON. Mr. Chairman, I yield myself such time as I may consume.

Very briefly, Mr. Chairman, my amendment does three things to modernize and improve FHA. First, it simplifies the downpayment requirement of FHA. It is a very complex two-part downpayment requirement. This simplifies it to a simple one-part calculation. It retains essentially the same downpayment requirements, but does so in a more simple manner. It will save costs and save time.

The second part would also change the provisions of issuing the mortgage insurance certificates. Right now, qualified lenders who make FHA loans have the right to authorize the loan. They make the determination who is eligible for the loan. But the actual FHA insurance certificate is issued by HUD.

My second portion of the amendment changes that and allows the paperwork to be issued by the authorizing lender. This will save time, costly delays, it will save administrative costs to the FHA.

My third part of the amendment would be to change the downpayment requirements. Right now there is a prohibition for downpayments made, including a loan from a parent. My amendment would allow parental loans to be included by the purchaser of the home. Right now, parental loans are prohibited. You cannot acquire a home under an FHA guaranteed loan if you have borrowed a parental loan for part of the downpayment.

I believe we should not be telling parents they cannot loan money to children. This would not in fact weaken the safety and soundness of those loans. You can borrow money now from a third party. Why can you not borrow money from a parent? It is more likely that the parent would step in and help if that loan became troubled, anyway.

HUD supports all three of these amendments. They are supported on a bipartisan basis. All three reduce costs, administrative bureaucracy, reduce time. These amendments all were included in the housing bill which was passed by this House in 1994 but stalled because it was not adopted by the other body.

Mr. Chairman, I would urge adoption of my en bloc amendment.

Mr. BENTSEN. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from Texas.

Mr. BENSTEN. Mr. Chairman, I just want to speak to the second amendment the gentleman is offering. I offered a similar amendment to the USA Housing Act that we did, which does allow for these contributions for downpayment assistance for people who want to purchase public housing units. This is what State and local housing agencies are doing around the country. It makes eminent sense. I commend the gentleman for offering his amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I commend the gentleman. We have worked on these amendments for 2 years. Unfortunately, this year we have not had any hearings on FHA, but these are good amendments. They ought to be incorporated. I still am concerned about the modernization of the broader FHA program. It is desperately needed. But the gentleman has worked hard on these amendments, they are a simplification, and they actually facilitate home ownership. I commend him.

Mr. ORTON. I thank the gentleman from Minnesota for his statement. I, too, share the gentleman's concern. We do need to have an FHA modernization bill enacted through the committee and brought to this full floor of the House. I would encourage our committee to do so. Until that is done, I believe that the Weller amendment and the Orton amendment are good modernization. They improve the FHA, they expand home ownership, and I would urge adoption of the amendments.

The CHAIRMAN. Does the gentleman from Texas [Mr. DELAY] insist on his point of order?

Mr. DELAY. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. Does any Member seek recognition in opposition to the amendment?

The question is on the amendments offered by the gentleman from Utah [Mr. ORTON].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer amendment No. 40.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 40 offered by Mr. ROEMER: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the National Aeronautics and Space Administration may be used to carry out, or pay the salaries of personnel who carry out, the Bion 11 and Bion 12 projects.

Mr. LEWIS of California. Mr. Chairman, if the gentleman from Indiana will yield, we have agreed upon a time limitation of 10 minutes for each of these items. I just want to make sure that is all right with the gentleman from Indiana.

Mr. ROEMER. I have not been privy to that time limitation, Mr. Chairman. I have been patiently waiting for the last 5 hours to offer the amendment, and sat through a very interesting and intriguing Superfund debate and FHA debate. I have a number of cosponsors who may want to speak, so I would object.

I may not use more than 10 or 11 minutes on my side.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, the gentleman will recall when the ranking member of the full Committee on Appropriations, the gentleman from Wisconsin [Mr. OBEY], was on the floor a little while ago, he made reference to the fact that we would not at this time be able to enter into a time agreement, indicating that, obviously, some work was going toward that end, but at the current time we just cannot agree.

Mr. LEWIS of California. Mr. Chairman, the gentleman from Wisconsin [Mr. OBEY] and I have had the discussion and the gentleman from Ohio [Mr. STOKES] and I have an understanding. I would suggest, short of that, that probably at this hour it would be deleterious to go too much longer.

Mr. ROEMER. I will try to limit debate as much as I can, Mr. Chairman.

Mr. Chairman, I offer this amendment in the spirit of bipartisanship on behalf of the gentleman from Iowa [Mr. GANSKE], the gentleman from Minnesota [Mr. MINGE], and the gentleman from Wisconsin [Mr. NEUMANN]. This is a bipartisan amendment to try to save the administration some money.

Many of our constituents across the country, in California, are just getting home from a hard day's work and may be watching C–SPAN right now. People on the second shift in Indiana, working in the afternoon in a factory, might be just tuning in to C–SPAN right now. I encourage them to turn their TV up and listen to this debate.

My amendment, the amendment offered by the gentleman from Iowa [Mr. GANSKE], this bipartisan amendment simply says that NASA can no longer spend $15 million to send to Russia to send to Russia to send monkeys up into space.

Many people sitting in their living rooms might be turning their volume up right now and saying, we do what? We send hard-earned taxpayers' dollars from NASA to Russia, when they should be using rubles to send monkeys up into space?

Mr. Chairman, I do not think we should be doing that as we work toward a balanced budget, as we make tough spending cuts here in America. This Bion program, as it is called, sends monkeys up into space of 14 days at a time. One mission is due to go up in August 1996. Another is due to go up in July 1998. We send these monkeys up in space for 14 days. We have had human beings up in space for 439 days now, but we want to study the gravitational effects, or the Russians want to study the gravitational effects, of 14 days lost in space on monkeys.

Back in the 1960's, Mr. Chairman, with Alan Shepherd going into space in May of 1961, and we did not know too much, we did not have Mir, we did not have shuttles, we did not have the ability to study this, maybe doing some joint ventures with the Russians in the cold war and maybe studying monkeys in space made some scientific sense. In 1996, when we have sent up 162 people into space, for us to be now spending $15 million on monkeys going from the former Soviet Union into space, I would think the American people would be outraged by that.

Mr. Chairman, I hear from NASA that they are looking at a study. They want to study this and see if this is the appropriate thing to do. It is one mistake to make the $15 million go to NASA and then go to the Russians to put monkeys in space. We do not need to further complicate this and have a study done to see whether or not this is the right thing to do. Let us, as Members of Congress, end this program now. We cannot afford $15 million for monkeys to be sent up into space from Russia. We have joint ventures with the Russians, with Chernobyl, with the Space Station that I disagree with, with dismantling nuclear weapons, and $15 million to send monkeys up into space does not make any common sense.

Mr. Chairman, let us stop the monkey business at NASA. Let us get this 400-pound gorilla off the taxpayers' backs, and let us do the right thing. Let the Russians spend their rubles on a barrel of monkeys, and let us move forward and balance the budget for hardworking taxpayers.

Mr. Chairman, I yield to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Chairman, I rise in support of the Roemer-Ganske amendment. Let us be clear about one thing, Bion 11 and 12 are really not about science, they are about subsidizing the Russian space program. NASA plans to spend $35 million to launch two Russian-owned rhesus monkeys on a Russian spacecraft. Does NASA really expect to learn something new about the effects of extended weightlessness on humans by studying monkeys for 2 weeks? Twenty-three years ago this type of research may have made sense. Since then, humans have stayed in space more than a year, as my colleague has mentioned. Even members of the science community have expressed doubts about this project. Earlier this year, the President's science adviser wrote to the NASA administrator.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. ROEMER] has expired.

Mr. GANSKE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will be brief. The President's science adviser wrote to the NASA administrator and said, "I sympathize with your concern that the era of primate research is now behind us and that it may be time to retire those animals."

Mr. Chairman, as we struggle to balance the budget and set priorities, we owe it to the American people not to continue spending money on unnecessary research like this project. Let us stop this wasteful handout to the Russian space industry and save $15.5 million. Think of those poor little monkeys. Think of those little monkeys with the probes drilled into their heads, floating around weightless up there. Just say no to this monkey business.

Mr. ENSIGN. Mr. Chairman, will the gentleman yield?

Mr. GANSKE. I yield to the gentleman from Nevada.

Mr. ENSIGN. Mr. Chairman, I rise in strong support of the Roemer-Ganske amendment. As one of the two veterinarians in the House of Representatives, many of us who went through either veterinary school or medical school learned a lot about using animals for medical research. There are animals used in medical research all the time. Dr. GANSKE and myself are strong supporters of using animals for medical research when it is indicated, and only when it is indicated, and obviously to do it in a humane way when we do that.

I think one of the reasons for the animal rights movement over the years is simply because people do unnecessary experiments. That is exactly the purpose of the Roemer-Ganske amendment, is to eliminate an unnecessary, cruel animal experiment when it is not going to benefit mankind in the future. That is the reason we need the Roemer-Ganske amendment. I appreciate the gentleman yielding to me.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to first start out by indicating the very high regard I have for the gentleman from Indiana [Mr. ROEMER]. He has been more diligent, I think, than any Member that I know of in seeking to find and to curtail unnecessary or undesirable expenditures, and I have very high respect for him for that. He has also brought into question those programs which, in his eyes, deserve to be reviewed as perhaps being of lesser priority than other programs. This, too, is a very important exercise for any Member of Congress. He does this in a way which exemplifies the very best in congressional conduct. He is a true gentleman, and I respect him for that.

Unfortunately, Mr. Chairman, I cannot agree with all of the decisions that he comes to with regard to the goals which he is seeking. For example, he announced that in this amendment, he was seeking to save money for the American taxpayers. His amendment saves no money whatsoever for the American taxpayers. It does prohibit $15 million from being spent on the Bion 11 and 12 projects, but that merely means that NASA can use that same amount of money for whatever else it wishes to.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for his kind words. I hold the former chairman of the committee in even higher esteem than he knows.

□ 2145

But in clarifying what the gentleman has just outlined, what my amendment does is that it says that NASA cannot send $15 million to Russia to send up monkeys into space, but they might be able to keep it within the NASA account to spend on shuttle safety or on science projects. That is the intention of my amendment, to keep it in NASA, but not to send it to the former Soviet Union.

Mr. BROWN of California. Mr. Chairman, reclaiming my time, the gentleman's statement that it would save money is, in effect, not exactly apt.

Mr. ROEMER. Mr. Chairman, if the gentleman would continue to yield, my statement would be that the American taxpayers work very hard for the money they send here, and they probably would like to see it spent on shuttle safety or on science like the Galileo program, but not on Russian monkeys going up into space.

Mr. BROWN of California. Mr. Chairman, again reclaiming my time, I will accept the gentleman's restatement of the value of his amendment, namely that it will allow the money to be spent on higher projects. I disagree very strongly with that also.

On the other hand, we have had two gentlemen here who speak to the problem of the treatment of the animals. I would like to indicate that I have spent most of my legislative life, the last 35 years, in trying to project the treatment of animals. I am the author of the Humane Treatment of Laboratory Animals Act, which is currently on the books. With Senator Dole, I offered the Humane Slaughter Act quite a few years ago. In the State legislature of California I offered similar legislation with regard to the treatment of animals, and I have tried to remain extremely sensitive to all of those groups who are concerned about the safety, treatment, and care of animals. I have devoted quite a bit of effort to that.

So whether we want to approach this from the standpoint of how the animals are treated or the value of the science, I am willing to address it in either of these directions. But going back to the matter of the value of the research, this is probably the longest standing research program in NASA's agenda. It goes back to 1973. It is a program in which the Russians are partners and the French are partners, and they are both deeply concerned about the question of biological reactions in space.

It involves more than monkeys, incidentally. It involves other forms of animals and includes plant life, for example, because we still do not understand the reaction of living organisms to the environment of space. Despite the fact that we have sent 152 people into space, we cannot treat humans as animals. They are instrumented, and the instrumentation is for their own safety and protection. They are monitored for pulse, respiration, heartbeat, all of these things in order that observers on the ground can determine if there is any problem with their condition in space.

We have sent some of our finest doctors into space to study the astronauts, but you cannot use them as laboratory animals, you cannot instrument them to determine a large number of reactions that you can observe in instrumented animals.

In addition to that, the astronauts themselves cannot be subject to anesthesia or other treatment; in fact, they are given drugs that inhibit some of the effects of space in order that they may perform their other missions.

The CHAIRMAN. The time of the gentleman from California [Mr. BROWN] has expired.

(By unanimous consent, Mr. BROWN was allowed to proceed for 3 additional minutes.)

Mr. BROWN of California. Mr. Chairman, we cannot say that the fact that we have had human beings in space is a substitute for animal research. That is just not the situation.

Now, I would point out that amongst all of the areas of research in space, that which every person thinks is the most important is the research on human beings and on those materials which might be of benefit to human beings which can only be achieved in space.

Mr. Chairman, we are not going to achieve the value of this biological research unless we are able to use experimental animals. I have observed the treatment of experimental animals in every kind of condition. As a part of the legislation that I enacted, there is a requirement that there be a veterinarian, for example, in every research establishment which uses animals. I have visited these and consulted with the veterinarians who monitor this research. I have seen dogs, I have seen monkeys which have been incised and sensors put into their stomachs and into their lungs and in other places to observe the conditions that exist for the benefit of human beings. Most of this is done at research hospitals frequently associated with our veterans health program. It is there that we are learning some excellent things about the reaction of human beings to a number of conditions based upon the results we get with animals.

Mr. Chairman, we are getting exactly the same kind of research in space. We are treating the animals exactly the same. They are under the supervision of skilled veterinarians. They are subject to review by science peer review panels to determine if all of the protocols are being met.

There is no program in the last 25 years that has been more thoroughly explored, been more thoroughly monitored and checked and peer reviewed to determine both the conditions of the animals and the results of the research.

On the basis of all of these things, there is a practically unanimous agreement that we cannot stop this international health research program without doing great damage to the goals that we seek to achieve in space.

For these reasons, Mr. Chairman, I earnestly solicit opposition to this amendment, which, despite my high regard for its author, has absolutely no redeeming features.

Mr. Chairman, I yield back the balance of my time.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to indicate that I have joined with the gentleman from Indiana [Mr. ROEMER] in sponsoring this amendment. Over the last many years we have seen former Senator Proxmire talk about the Golden Fleece Award. I think that we have a responsibility in Congress to make sure that funds are spent in the most frugal and responsible of fashions. If we are trying to balance the budget, we must have the confidence of the American people that we have made the tough decisions here in Congress in that regard.

For that reason, I urge the support of this amendment so that we no longer have Federal programs which are held in ridicule in the popular media, and we spend a tremendous amount of time trying to rationalize and justify programs but, instead, cut back to the very essence of what the space program is about.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. MINGE. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding and for his help in cosponsoring this amendment.

What the gentleman from California outlined to us, I do not disagree too much with what he said. But within NASA there are probably only 100 higher priorities than this sending monkeys into space for the Russians. There are only probably one million higher priorities within our own budget with $15 million, and certainly there are three or four higher priorities for joint United States-Russian cooperation from the Nunn-Lugar language to dismantle nuclear weapons, from the research we are doing on Chernobyl, from the different and important things that we do in energy cooperation.

I think that this is one of the lowest priorities that we can possibly have in expenditures of taxpayers' money. I would encourage my colleagues to vote to get the monkey off of NASA's back and get the 400-pound gorilla off the taxpayers' backs.

Mr. LEWIS of California. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman and my colleagues, I listened to my colleague who presents this amendment with great care. I know that one of his very serious priorities is that of addressing the question of NASA's work in space. I must express my appreciation to him this year for not presenting his amendment to eliminate the space station, which has been kind of a consistent pattern. Monkeys in space is probably a better subject, but I would urge my colleagues to focus just for a moment upon the very fine words of my colleague, the gentleman from California [Mr. BROWN], the former chairman of the Committee on Science.

We all know that with the time that men have spent in space up to this point, there are a number of serious difficulties and questions we have relative to their potential impact upon the health of those men and women who will spend lots of time in space in the future.

That is what the space station is about. It is a significant piece of our commitment to NASA's work; it is a very important part of our leadership in the future.

The fact that we are involved in this kind of work with Russia and other of our allies relates very much to that partnership that itself interrelates to space station. So one more time, I appreciate the gentleman not presenting an amendment that would eliminate space station. But the more we can undermine our effectiveness in dealing with human space flight, the better, I would suppose.

In this case we are talking about first a very short-term experiment that did send monkeys into space with measuring devices. After gathering that data along with a lot of other data, we have a process whereby there is a panel of experts who will review all of that data and suggest where we can go with the next step to make certain that we are taking every precaution that saves human lives as they participate in our work in space.

It is simple to laugh at something like this, especially if you do not care about the program. It is easy to joke about Russia, I suppose, if you do not care about those international partnerships. But indeed this is not a laughing matter. We are talking about one of America's very, very future programs dealing with our future horizon. We should lay the foundation to make certain that we are doing everything to protect those men and women who will participate on behalf of American interests. I believe in the most sincere and strongest terms that I would urge Members to reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROEMER. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 456, further proceedings on the amendment offered by the gentleman from Indiana [Mr. ROEMER] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. KINGSTON

Mr. KINGSTON, Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment Offered by Mr. KINGSTON: page 95, after line 21, insert the following new section:

SEC. 422. None of the funds made available in this Act may be used by any officer or employee of the Environmental Protection agency to organize, plan, or disseminate information regarding any activity if it is made known to such officer or employee that such activity is not directly related to governmental functions that such officer or employee is authorized or directed to perform.

Mr. KINGSTON. Mr. Chairman, I am going to go very quickly. What this amendment does is it limits EPA employees and funds going to EPA for business purposes only, EPA purposes. It has come to my attention that EPA is involved with a lot of activities that are not related to protecting the environment, a lot of extracurricular activities. Some are social in nature, many are political in nature.

What I am trying to do with my amendment is limit EPA to its mission statement, and that is cleaning the environment and not getting involved in all other causes and problems of the world.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, first I want to thank the gentleman from Georgia [Mr. KINGSTON] for this amendment. It is an amendment that should pass overwhelmingly because EPA is off track.

Now, I am a Republican, I have children and I support the mission of EPA. That mission is to clean up our environment, to clean up our land and our water, to clean up our air. But somehow that mission has gone astray. Let me give a couple of good examples.

□ 2200

Mr. Chairman, I want to point out how EPA spends some of its money. Let me cite what EPA did to me, for example, with some of these funds. They sent an invitation around the Hill and they sent invitations to my office inviting us to attend an event. The only problem is that they sent it to me with the names of my two past opponents as staff assistants.

So EPA was keeping a list of political opponents, sending an invitation to me with the name of two people, one who was going to run against me, did not file, and another one who filed and ran against me. Is this the right use of taxpayer money?

Let me give another example. Here is EPA Watch, which watches over EPA and reports on their activities. EPA signed a contract with PTA—and I am a past card-carrying member of PTA, I have children, I have belonged to the association—but they signed a grant, and basically the purpose of the grant was to get PTA to organize lobby against any of the proposals that we made for changes in the operations of EPA. Is that the right thing to do with the money?

Listen to this. This is what EPA Watch says:

> Congressional sources close to the illegal lobbying issue expressed amazement that EPA, after all the scrutiny it has undergone, would dare to fund a newsletter with such an obvious political mission.

I am for cleaning up the environment. I am for clean air, for clean water. I want my children to inherit a better land. But what are they doing with taxpayers' hard-earned money? We just heard an amendment about sending monkeys into space.

I submit, Mr. Chairman, that this is monkey business in EPA that should stop, that in fact we should pass the Kingston amendment, that we should bring some sense, some purpose, some direction. If the office of compliance can spend their money on going after things of this sort and not requiring compliance with cleaning up the environment and the air, there is something wrong in the system.

I support the effort of the gentleman from Georgia [Mr. KINGSTON]. Other efforts have been made to try to get that agency which is off course, on course. It is our responsibility to direct that agency in the way it expands our taxpayers' hard-earned dollars. I support that agency, I will do anything I can to help our environment but this agency has to have direction.

Finally, there are almost 18,000 people in EPA. Twelve years ago there were about 6,000. There are 6,000 now in Washington, DC. These people have to find something to do. Eighteen thousand people on the payroll and they are not in your States. They are in regional offices and they are right here, 6,000 of them, within 50 miles of where I am speaking.

They need direction. This Congress' responsibility is to give them direction. They should not be doing the things they are doing. They should be cleaning up the environment. I support the Kingston amendment and urge its adoption.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. KINGSTON] has expired.

(By unanimous consent, Mr. KINGSTON was allowed to proceed for 1 additional minute.)

Mr. KINGSTON. Mr. Chairman, what we are talking about is use of Government telephones, copying machines, fax machines, E-mail, internal mail distribution systems, electronic bulletins and so forth, all funded with taxpayer dollars and yet being used not for their intended purposes of cleaning up the environment.

I am very concerned about this. At a time when EPA is saying they do not have enough money to clean up toxic waste and so forth, they should not be engaged in extracurricular activity such as political activities and social agendas.

But realizing that the scope of EPA's involvement in nonenvironmental activities is so extensive, I do not know that my amendment adequately addresses it. It is a very big problem, Mr. Chairman. I think that this Congress should revisit it and do it extensively, but at this time I think that I am going to withdraw my amendment and maybe take another route at another date.

Mr. FOGLIETTA. Mr. Chairman, I rise to speak against the amendment offered by Mr. KINGSTON.

I am afraid that some of us are allowing the politics of division and intolerance to blind us from common sense.

What happened here was very simple. An E-mail went over the computers of the EPA merely informing workers that it was Gay Pride Month.

This effort attempts to strike out at this trivia with an amendment that is overbroad and heavy handed.

Let's think about what it could stop EPA staffers from doing. They can no longer join together on blood drives, charitable events, going-away parties for employees, Black History Month, Earth Day, staff sports clubs, and so much more.

Do we really want to do this?

There are benefits in employees bonding together on community events. And as long as it does not get in the way of work—disseminate information about such events in a noncostly way. This is valuable, just as there is value in communities gathering together to express pride in themselves.

We have so many things to do in this House. This is a waste of our time. Vote against the Kingston amendment.

Mr. KINGSTON. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas: Page 95, after line 21, insert the following new section:

SEC. 422. None of the funds made available in this Act may be used to provide assistance under section 8 of the United States Housing Act of 1937 when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the assistance will be used for tenant-based assistance in connection with the revitalization of severely distressed public housing; and

(2) the public housing agency to which such funds are to be provided—

(A) has a waiting list for public housing of not less than 6,000 families;

(B) has a jurisdiction for which the Secretary of Housing and Urban Development has determined (pursuant to section 203(e)(2)(A) of the Housing and Community Development Amendments of 1978 or otherwise) that there is not an adequate supply of habitable, affordable housing for low-income families using tenant-based assistance; and

(C) does not include, under its plan for revitalization of severely distressed public housing, replacement of a substantial portion of the public housing dwelling units demolished with new units.

Ms. JACKSON-LEE of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me first emphasize and make it perfectly clear that the amendment that I offer is not a return to one-for-one replacement. My amendment is simply giving hope to the homeless and the housing underserved in this country.

We recognize that our country has a very diverse housing stock. Miami differs from New York, Houston differs from Detroit, Los Angeles differs from Atlanta. The need of our citizens who are in need of public housing differ, as well.

This amendment simply provides opportunity for our local housing authorities to include amongst the resolution to their housing problems replacement of those units that they would demolish with new units. It does not preclude the use of Section 8 certificates. It simply adds to the usage of replacing units by new units. It particularly applies to those communities with a shortage of decent and affordable housing for low-income families and a waiting list of at least 6,000 families for public housing.

Let me share briefly the story of Houston, TX, a city of 1.6 million citizens in a country of some 3 million citizens, with a public housing stock in Houston of only 3,125 units. Presently there are 12,000 individuals and families on the waiting list for public housing. The list was closed in 1994. If the list were still open, that number would have doubled by now.

This amendment is a fair and reasonable response to saying to our localities with waiting lists that they must include in their policy the opportunity for the replacement of housing units.

I am not against section 8 vouchers. I think they have been effective. But in our community and many others, the waiting list for section 8 vouchers is enormous, as well. Section 8 vouchers now in Houston are 15,335.

But the real question becomes the flexibility of individuals to live in harmony and where they would like to live. I think we are all well aware of a situation that occurred in Pennsylvania recently. That had to do with an African-American woman named Bridget Ward who was forced to leave her home in a predominately white neighborhood becasue the neighborhood residents were opposed to any individuals living in their neighborhood who received section 8 assistance.

It does not mean we pull back from section 8 assistance. It simply means that there is some validity to replacing some of those demolished units in our communities with new units.

I would ask my colleagues in their revie of this amendment to be assured that it has the flexibility to provide HUD with all of the flexibility that they need. That is, of course, to determine, one, that there is a waiting list of 6,000 or more; that there is no habitable housing in that particular area; and to be able to suggest that if that is the cae, then we should have replacment hosing as well as the utilization of Section 8.

That is different now because in most of the communities that I have heard from, there is a belief that there should be no replacement housing, and there is a chilling effect on new units. Many communities that are not the urban centers of our Northwestern States, some of the Midwestern communities, some of the Southern cities are still in need of building public housing.

I would hope my colleagues would join me in viewing this as a reasonable response to balancing section 8 certificates with the building of replacement units for public housing units.

Mr. BENTSEN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Texas.

Mr. BENTSEN. I thank the gentlewoman for yielding.

Mr. Chairman, let me just say, there are a couple of important points that she made. This does not bring back one-for-one replacement. It does bring back substantial replacement. This is similar to what HUD is doing in the city of Houston, as it relates to Allen Park Village which was torn down, which has been a problem in Houston, but HUD has agreed to come back and build 500 units. It is also commensurate with what we have done in the USA Housing Act with severely distressed housing. I think this amendment is important to the city of Houston and other cities that have like situations. I commend my colleague from Houston for offering the amendment.

Mrs. MEEK of Florida. Mr. Chairman, I move to strike the last word.

I just want to make a few favorable comments on the Jackson-Lee amendment from her long experience in working with residents of public housing and with municipalities. I think that the general concept is good on both sides. I think the housing bill which is before this committee, is a good bill, but I think my colleague, SHEILA JACKSON-LEE, has hit on a need here, particularly in smaller southern municipalities, that this certainly is overlooking.

Her amendment brings into consideration the fact that we have an incoming flux of new citizens coming into some of the southern cities and many of them are of various ethnicities, and certainly in terms of financial stability, many of them are below the poverty level.

So, I think what Ms. SHEILA JACKSON-LEE sees, that this will take a certain trend and there will not be any replacement of these homes. I can understand exactly what he is talking about when I go through my city. I see a lot of them boarded up and many of them are really too good to be destroyed. It seems to me that private entrepreneurs are taking advantage of these places that the Government has spent so much money for all of these years. They are replaceable and they are good for revitalization. I think my colleague is saying, let us take the policy so that it can include some other people, because we have a differentiated type of population. It is not standard. People still need public housing.

We understand that this flies in the face of a policy that was passed, which I did not agree with from the beginning, that we should cut out all of the public housing.

I think that the committee should look at this. The amendment is not a harsh amendment, as I see it. It does not ask for a lot, except that we keep that little window open so that we could replace some of these.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Mrs. MEEK of Florida. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I appreciate the gentlewoman's explanation. Might I say in a statement partly made by HUD, it indicated that HUD agrees that in tight housing markets with long public housing waiting lists, it generally makes sense to replace severely distressed public housing with a mix of tenant-based assistance and hard units.

Might I say that HUD seems to think that that practice goes on today. But I think the gentlewoman's example of in some communities there is a chilling effect because they believe that there is no one-for-one replacement and, therefore, are not inclined to provide some of the hard units.

This amendment again is not a return to one-for-one. It simply says to our communities that we can balance section 8, a very useful tool, section 8, with the utilization of the replacement of some units. It does not give you one-for-one, it simply says some units, so that this can be balanced.

I think the gentlewoman's explanation on that is extremely important, so that it is not presented to our colleagues that we are returning to one-for-one. Not at all. We are simply saying that you can balance that utilization.

Mrs. MEEK of Florida. If I may reclaim my time, first of all it is so important that we understand in housing, one size does not fit all. No matter what the housing policy is, you will find that there is certainly a difference in housing needs in certain areas of this country. Of course I know how the HUD people feel. This has really become a real, real bad situation for them and they cannot handle it. So rather than meet all of the needs like the Jackson-Lee amendment would do, they just say, "Well, we'll step back from all of this replacement of public housing, it's been an eyesore, we've been sued, everything has been done to us."

□ 2215

So this is an easy way out. I think the amendment of the gentlewoman from Texas [Ms. JACKSON-LEE] sort of touches the heart of this matter; that is, it is all right to stick within the housing policy, but please leave some room for these people who do not fit that particular mold.

Mr. Chairman, I thank the gentlewoman for introducing this amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise very reluctantly to suggest to the gentlewoman that while I oppose this amendment, I do so with great sensitivity to not only the problem that she is concerned about but the difficulty we have relative to some of our most important housing programs that need to be taken care of by way of the authorizing process.

There is little question that we have difficulty with public housing across the country that has been long neglected, where buildings are boarded up, and on the other hand we have a shortage of housing availability for people who have stopped becoming part of lists because the list are too long, as you have suggested.

I am very empathetic to that problem, but I am afraid your amendment, as I can best interpret it, might very well find ourselves moving back in the direction of the one-to-one replacement policy position that we just moved aside or tried to set aside or get rid of. One-to-one replacement in the past simply said that if we were to eliminate or tear down a dilapidated public housing unit that we had to replace it with another unit. What really happened, because there was no funding available, is that led to a scourge across the country with public housing having a blight placed upon it as people looked at boarded-up facilities and wondered what are these people doing? So we are attempting to move in a direction that makes some sense. My colleague, at the same time, is faced with a very real shortage problem in her community, as I am in my community. It is a problem that we have to deal with. It is a problem that potentially could lead to a lot of expenditure, and frankly, I think it has higher priority than some of our other expenditures.

But within this bill at this point in time, frankly we are not in a position to effectively implement that which my colleague is suggesting because of its policy implications. It needs to go before the policy committee, and while I know that the gentlewoman is going to withdraw her amendment, and I appreciate that, it is important for the gentlewoman to know that at this point in time, we need to work together with the policy and authorizing committee people as well.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, let me just say I, too, am concerned about the concerns expressed here by the gentlewoman from Texas. I know how concerned she is about her community and how she is concerned about trying to meet a specific problem relative to housing in her community. The gentlewoman discussed this matter with me several times as she has discussed it with the gentleman from California [Mr. LEWIS] and it is a matter in which I am sympathetic towards her concerns.

I have assured her that the gentleman from California and I, working together, perhaps in conference, can try and remedy the problem that she is attempting to address here. I would urge the gentlewoman, if she can withdraw her amendment, that the chairman and I would continue to try and work this problem out for the gentlewoman.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the esteemed ranking member from Ohio for his words of concern. Recognizing, of course, that all of us come from communities that may be favorably impacted by recognizing the need of responding to waiting lists 6,000 and above, which is one element of this amendment, and as well recognizing that we should not have a singular policy that eliminates replacement offer puts replacement under section 8 or section 8 over replacement. I would hope and would appreciate then if we could have, one, a continued dialogue, but that we could work through conference to solve a problem that is not necessarily only relevant to my community or my State.

I find that throughout the country there are small communities, middle-sized cities that are losing housing units because there is a chilling effect because they believe there is a sole policy that says do not replace any of your public housing units. That is very, very bad for our families that are on the waiting lists, so much so that they are no longer even allowed to get on waiting lists because they are closed.

So I would ask the chairman for his commitment to work on this issue that is extremely important, I think, nationwide, and I want to thank the gentleman from Ohio [Mr. STOKES] for his leadership as well and his desire to work with me on this very important issue.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

(By unanimous consent, Mr. LEWIS was allowed to proceed for 1 additional minute.)

Mr. LEWIS of California. Mr. Chairman, the gentlewoman and I discussed this earlier, and she has been very, very sensitive about the time problem we have this evening. Absolutely I commit that we will continue this dialogue. It is very important that the gentlewoman and I and the gentleman from Ohio [Mr. STOKES], and the authorizers work together, for this ought to have a different priority in terms of funding that eventually works its way through appropriations bills and it has in the past. I very much appreciate the gentlewoman's bringing this to our attention.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman very much, and I also thank the gentleman for his offer to visit my community to see the circumstances that I am speaking of.

Mr. Chairman, in light of our discussion, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know of no other amendments to the bill.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I have one additional amendment which I will be more than willing to accept the time limitation of 5 minutes on either side, and that would complete the business. I would very much appreciate the gentleman's consideration.

Mr. LEWIS of California. Mr. Chairman, I would say to the gentleman from Massachusetts [Mr. MARKEY], even though I have been told by others that we were going to absolutely have to rise on this bill that we spent 2 days on if we did not finish by 10:30 p.m., I am nonetheless highly inclined to accede to the gentleman's request if we can keep this to 10 minutes, 5 minutes on each side.

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKEY: Page 95, after line 21, insert:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading "HAZARDOUS SUBSTANCE SUPERFUND" may be used to provide any reimbursement (except pursuant to section 122(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) of response costs incurred by any person when it is made known to the official having the authority to obligate such funds that such person has agreed to pay such costs under a judicially approved consent decree entered into before the enactment of this Act.

Mr. MARKEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARKEY. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 10 minutes equally divided between the majority and minority.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 5 minutes and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, what we have before us right now is the original Markey amendment on the Superfund rebate program to polluters, and what we have done is we have just taken the part of the amendment that the Members were deprived of being given the opportunity to vote upon earlier and taken that part of the bill and brought it out here to the floor so that we can make sure that in instances where companies that had accepted before courts the legal responsibility to clean up hazardous waste sites within communities, that they not be given rebates by the Federal taxpayer for the purposes of cleaning up those sites.

It is a very simple concept: The polluter pays. The polluter who has gone before a court, who has been adjudicated or accepted voluntarily the responsibility of cleaning up the site should not be given taxpayers' dollars to do so. It is a simple concept.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. PALLONE] so that he may also speak to the merits of this issue.

Mr. PALLONE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think this is a simple up or down vote. The issue is whether or not Members want the polluter to pay or to pay the polluter. What the gentleman from Massachusetts [Mr. MARKEY], is saying is that in this case, particularly where there has been a consent order already entered into and the party who is the polluter has agreed that they are liable, there is no reason why they should be given a rebate from the Government and paid to pollute.

It is a simple up or down vote and I would certainly urge a "yes" vote.

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume. For all of those who are listening, this is going to be a very simple up-or-down vote. This just flat out will prohibit the ability for any polluter to receive Federal funds if they have accepted the legal responsibility to cleanup the site. Otherwise, we are going to take the monies which we should be using to clean up orphan sites, to help out municipalities and we will be expending monies upon the work which the polluters themselves should be doing.

Mr. Chairman, I again urge all Members very strongly who want to take 1 of the 10 most important environmental votes that will be cast in this Congress to vote "aye" on the Markey amendment and to make sure that the Superfund Program is not turned on its head and a very large percentage of the money just being handed over to polluters that should be used for the sites that need the help in communities with the neighborhood nightmares that otherwise would not be cleaned up at all.

Mr. Chairman, I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment, and I yield such time as he may consume to my colleague the gentleman from Ohio [Mr. OXLEY] from the committee of original jurisdiction.

Mr. OXLEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, let me be very brief. This Markey amendment basically sets the whole process on its head. Why would anybody want to enter into a consent decree if they could not get reimbursed for their cost? That does not really make a whole lot of sense in this process, and I would say to my friend from Massachusetts, if you really want to slow down this process even more than it already is, I would suggest that the Members vote for the Markey amendment.

This is very clear in its attempt to bring small businesses under this incredible yoke of the Superfund liability program.

Let me read from the inspector general of the EPA in his semiannual report to the Congress, findings on the Superfund program. He says, "In general, lengthy remedial investigation feasibility study and enforcement negotiations delayed actual cleanup of sites." Actually delayed the cleanup of sites.

So I suggest to Members that the Markey amendment is the wrong way to go, and let me also point out that this is going to be an NFIB key vote. The National Federation of Independent Businesses that represents over 600,000 small businesses in all of our districts is opposed to the Markey amendment, will make this a key vote. I want to make that very clear to the Members.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I would add we have already debated this issue and we passed by a voice vote my substitute amendment. Keep in mind, the Markey amendment is antienvironment because it would slow and in some instances actually halt cleanup. We do not want to do that.

It is antismall business, and we certainly do not want to be antismall business. Even the administration agrees that we should provide exemption for small business.

□ 2230

And it would be antilocal government. The level of government that is most financially strapped.

Why would anyone in their right mind voluntarily enter into a consent decree to clean up while we are deliberating endlessly on Superfund reform? They would hold out. We would have no cleanup. It does not make sense from an environmental standpoint, it does not make sense from a business standpoint, it does not make sense from local government standpoint. I urge a "no" vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the additional amendment in this series.

The vote was taken by electronic device, and there were—ayes 142, noes 274, not voting 17, as follows:

[Roll No. 279]

AYES—142

Abercrombie
Ackerman
Andrews
Baldacci
Barrett (WI)
Beilenson
Berman
Blumenauer
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gejdenson
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Nadler
Neal
Oberstar
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roukema
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Serrano
Skaggs
Slaughter
Smith (NJ)
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wynn
Zimmer

NOES—274

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—17

Becerra
Bevill
Browder
Christensen
Coleman
Fields (TX)
Flake
Gephardt
Gibbons
Goodling
Hall (OH)
Hayes
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Yates

□ 2249

The Clerk announced the following pair:

On this vote:

Mr. Gephardt for, with Mr. Goodling against.

Mr. JOHNSON of South Dakota and Mr. FRANKS of Connecticut changed their vote from "aye" to "no."

Ms. MILLENDER-McDONALD and Mr. TEJEDA changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I was present for roll vote No. 279, amendment 37 to H.R. 3666, the Veterans Affairs, Housing and Urban Development, and independent agencies appropriations bill. I slipped my voting card into the electronic voter tallying device and voted no. However, due to an electronic error I was recorded as not voting. I regret that my no vote was not recorded. As a result, my vote was paired with the minority leader.

AMENDMENT OFFERED BY MR. ROEMER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana [Mr. ROEMER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 244, noes 171, not voting 18, as follows:

[Roll No. 280]

AYES—244

Abercrombie
Ackerman
Allard
Andrews
Bachus
Baesler
Baker (CA)
Barcia
Barr
Barrett (WI)
Barton
Bass
Blumenauer
Blute
Bonior
Bono
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Chrysler
Clayton
Coble
Collins (GA)
Condit
Cooley
Costello
Coyne
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Doggett
Dooley
Doolittle
Doyle

Duncan
Dunn
Durbin
Ehrlich
Engel
English
Ensign
Evans
Ewing
Fawell
Flanagan
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Ganske
Gejdenson
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hinchey
Hobson
Hoekstra
Hoke
Holden
Hutchinson
Inglis
Istook
Jackson (IL)
Jacobs
Johnson (CT)
Johnson (SD)
Jones
Kelly
Kennelly
Kildee
Kingston
Kleczka
Klug
LaFalce
Lantos
Largent

Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lipinski
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McIntosh
McNulty
Meehan
Menendez
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Moran
Morella
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Oberstar
Obey
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Pelosi
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quinn
Rahall
Ramstad

Rangel
Reed
Riggs
Rivers
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanders
Sanford
Saxton
Scarborough
Schroeder
Schumer
Seastrand
Serrano
Shadegg
Shaw
Shays
Shuster
Skelton
Slaughter
Smith (NJ)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Thurman
Tiahrt
Torkildsen
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Wamp
Watts (OK)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Woolsey
Wynn
Young (AK)
Zeliff
Zimmer

NOES—171

Archer
Armey
Baker (LA)
Baldacci
Ballenger
Barrett (NE)
Bartlett
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Borski
Boucher
Brown (CA)
Brown (FL)
Bryant (TX)
Callahan
Calvert
Campbell
Chapman
Clay
Clement

Clinger
Clyburn
Coburn
Collins (IL)
Collins (MI)
Combest
Conyers
Cox
Cramer
Crane
de la Garza
DeLay
Dicks
Dingell
Dixon
Dornan
Dreier
Edwards
Ehlers
Eshoo
Everett
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Foley
Ford
Frank (MA)

Franks (CT)
Frost
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gonzalez
Green (TX)
Hall (TX)
Hancock
Hansen
Hefner
Heineman
Hilliard
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy (MA)

Kennedy (RI)
Kim
King
Klink
Knollenberg
Kolbe
LaHood
Laughlin
Lewis (CA)
Linder
Livingston
Lofgren
Martinez
McCrery
McDermott
McKeon
McKinney
Meek
Metcalf
Millender-McDonald
Moakley
Mollohan
Montgomery
Moorhead
Murtha
Myers
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Nussle
Olver
Ortiz
Orton
Packard
Payne (NJ)
Payne (VA)
Peterson (MN)
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Radanovich
Regula
Richardson
Roberts
Rush
Sabo
Sawyer
Schaefer
Schiff
Scott
Sensenbrenner
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Skeen
Smith (MI)
Smith (TX)
Smith (WA)

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Walker
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
White
Williams
Wise
Wolf
Young (FL)

NOT VOTING—18

Becerra
Bevill
Brewster
Browder
Christensen
Coleman

Fields (TX)
Flake
Gephardt
Gibbons
Hall (OH)
Hayes

Kasich
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Yates

□ 2300

Messrs. HILLIARD, TEJEDA, and WELDON of Florida changed their vote from "aye" to "no."

Messrs. ROYCE, DAVIS, BONO, DELLUMS, SCARBOROUGH, and BACHUS, Mrs. JOHNSON of Connecticut, and Messrs. WICKER, ENGEL, MILLER of California, TIAHRT, and MCINNIS changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read the final lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agency Appropriations Act, 1997".

Mr. HINCKEY. Mr. Chairman, I want to take a moment today to voice my support for NITA LOWEY's amendment on the watershed protection program. The Watershed Protection Program is one of the best examples we have of what we should all want government to do. It is a cooperative program, not a coercive one. It is a cost-effective program, not a grandiose one. It is a consensus program, not an adversarial one. Everyone benefits.

Everyone agrees that New York City needs a clean water supply that it can depend on. Upstaters like myself know that the relations between the city and the areas that provide its water haven's always been good. My district includes the places that were condemned and flooded over 80 years ago to provide water for New York City, and there is still quite a bit of resentment about it—as you would expect. This plan represents what we in New York have learned about working together, and we think it can serve as a model for the rest of the country, a model that could be helpful in resolving some of the most contentious issues of our day.

What does everyone get? New York City gets clean water—and saves the cost of an $8 billion filtration plant. The watershed areas get help in developing their economies, and help in improving the quality of their own drinking water. Farmers are learning new and more efficient management techniques. All parties benefit from a cleaner environment.

Although the plan can save money over time, it isn't free. That is why we like a commitment of Federal for demonstration projects and monitoring. We have an agreement that everyone will work together—but we still have to see how well the plan works in practice. Without modest support now, the plan could fall apart, and it could mean higher costs for everyone—including the Federal Government—at a later date.

The Federal Government protects or owns key watersheds for many cities around the country. Our constituents pay for your protection. We're not asking the Federal Government to do that for us—just to provide some modest, matched assistance. And we think this plan can offer the entire country something valuable in return.

Ms. JACKSON-LEE of Texas. Mr. Chairman, although I respect the gentleman from Indiana as a colleague and fellow Science Committee member, I realize and accept the fact that he does not believe the space station alpha to be a worthy endeavor. In pursuing this conviction, the Congressman has offered on many occasions, amendments to cancel the space station program. I respect the gentleman for adhering to his principles, and offering his amendments, but this particular one, which would cut $75 million from the program is worse than cancellation.

The $75 million is but a fraction of the total moneys appropriated for the space station this year, however I know that every penny has been planned and accounted for. the first element launch is quickly approaching and every day and every dollars becomes more and more important as November 1997 approaches. I have been told that a cut of this magnitude would cause significant disruptions to this complex and pioneering effort.

NASA has promised, and we expect the program to come in one time and on budget which is, I believe, a reasonable request. However, I do not believe that is fair to hold them to these expectations when we continually attack their attempts to reach this goal by cutting a little bit here, and a little bit there. By doing this, we will only increase the potential for problems and the resulting condemnation of the agency by this body.

While cutting a couple of million here or there doesn't seem harmful to us, as we sit here far removed from the people and programs we effect, it can wreck havoc with an extensively planned and financially slim program.

I do not know what the Member from Indiana wanted to accomplish wit his amendment, but I believe it to be an ill-considered and unwise action. This Nation is on the verge of creating a permanent human preserve in space and it would do no good to handicap these efforts, just when every last penny is needed to assure success. I urge a vote against this amendment.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise in support of H.R. 3666, the Veterans' Affairs, Housing and Urban Development, and independent agencies appropriations bill. Let me first commend the work of Chairman JERRY LEWIS, Congressman LOUIS STOKES, and my colleagues on the Veterans' Affairs/Housing and Urban Development Appropriations Subcommittee. They have certainly crafted a reasonable and sturdy bill under difficult circumstances and the product which they bring to the floor deserves the blessing of the House. I am especially happy that Messrs. LEWIS and STOKES have increased from last year's levels the funding for many of my top priorities such as the programs for our veterans, housing, and environmental protection. Also, I am pleased that there is an adequate level of funding for NASA's human space flight program in which our space station is being developed. Mr. Speaker, I am a firm believer that the people down here on planet Earth will reap the benefits of the many scientific breakthroughs that the space station is sure to provide.

Still, Mr. Chairman, this does not mean there is no room for improvement. While I realize that nothing is perfect, we should nevertheless strive to produce the best appropriations bill possible for the American people. Accordingly, I do intend to support those amendments which I feel will enhance the bill into a more embraceable legislative product.

First, I intend to support the amendment offered by my colleague from New York, Congressman RICK LAZIO. Mr. Chairman, as duly elected members of the House of Representative, we must never forget the importance of ensuring secure housing for the more vulnerable of our society such as our elderly and our disabled. The Lazio amendment addresses these concerns by adding $100 million for elderly housing assistance—thus increasing it to $695 million—and adding $40 million for disabled housing assistance—increasing that funding to $214 million. Mr. Speaker, the moneys provided by the Lazio amendment will help us to successfully continue the mission of providing needed housing to our Nation's seniors and handicapped.

I also will be supporting the amendment offered by my Connecticut colleague, CHRIS SHAYS. This amendment will increase the funds for the Housing Opportunities for Persons with AIDS program [HOPWA] by $15 million, increasing that funding for this program to $186 million. Mr. Speaker, since 1995, the number of reported AIDS cases has risen by one-third and the number of States and metropolitan areas qualifying for HOPWA grants has increased by 23 percent. However, for the last 3 years, funding for HOPWA has remained at a flat level. Mr. Speaker, the Shays amendment provides the modest, but much-needed increase in HOPWA funding. Passage of this amendment will help the HOPWA program provide increased assistance to the 34 States which now receive HOPWA funds, of which Connecticut is one, and ensure that more people with HIV or AIDS have security when it comes to housing.

Mr. Chairman, I also rise in strong support the Stump-Montgomery-Solomon amendment to increase the Veterans Administration's medical care amount by $40 million from its current level of $17 billion and to increase the Veterans Administration's benefit administration general operating expenses by $17 million from its current level of $824 million. Mr. Speaker, this amendment, which is supported by our Nation's leading veterans service organizations, will help us maintain our duty to provide adequate medical care for our vets while allowing the Veteran's Administration to process more veterans claims.

Mr. Chairman, I once again voice my support for this piece of legislation and encourage my colleagues to do likewise.

Mr. WELDON of Florida. Mr. Chairman, I want to encourage my colleagues to support this important appropriations bill this evening. Not only does this bill fund important housing and veterans programs, it funds the critical scientific research and development efforts of our Nation.

Among those efforts funded are those of the National Aeronautics and Space Administration [NASA], the world's premier space agency. My district is home to one of NASA's key centers, the Kennedy Space Center [KSC], the launch site for all U.S. human space flights. KSC and other NASA centers are unique national assets, but their future is threatened by continued efforts to reduce and eliminate funding for critical human space flight programs, most notably the space station program.

Despite having expressed strong, bipartisan support for the International Space Station only a few weeks ago, the House is once again being asked to vote on funding for the Space Station.

These perpetually unsuccessful efforts to cripple the space station only create uncertainty for NASA and our international partners and unnecessarily tie up the House.

You will hear many of the same arguments from opponents that you heard last month. But nothing has changed since then. The program is still on schedule and within budget. The scientific value of the space station has not diminished since last month. The Space Station still represents the forward-looking, future vision of our country.

Don't be fooled by these so-called savings. In fact, any reduction in funding now would cause cost growth equivalent to double the so-called "savings" due to schedule delays in the production of space station components.

We should keep our commitment to NASA and the American people by fully funding the space station.

You should also recognize that any attempts to reduce or transfer funding for the space station are only thinly-veiled efforts to fatally cripple the program. These cuts would devastate a program that has succeeded in staying on schedule and within budget. In fact, over 100,000 pounds of hardware have been produced so far, and we are only 17 months away from the first launch to begin construction.

It's time once and for all to show our support for the program and let NASA and our international partners do their jobs. I urge you to support the space station and to strongly oppose any efforts to terminate or reduce funding for this important program.

Further, I want to point out that that there are several amendments to the bill tonight that would result in "across-the-board" cuts in the VA/HUD funding measure. While some of these cuts may fund worthwhile programs, these cuts also severely impact critical programs like the space shuttle and space station. I strongly urge my colleagues to suppose any such cuts so we can avoid weakening our Nation's human space flight effort.

NASA has already done a significant amount of voluntary downsizing, and it can truly serve as a model for other parts of the Federal Government as we reduce the size and scope of government. However, NASA can take no further cuts in this year's budget. It is imperative that NASA receive the funding level proposed by the Appropriations Committee.

Our children and grandchildren will thank you for supporting NASA and supporting their future.

Mr. KANJORSKI. Mr. Chairman, today is an important day for veterans living in northeastern Pennsylvania. In this appropriations bill, Congress will finally commit the resources needed to modernize the Wilkes-Barre, PA VA Medical Center. Included is a $42.7 million plan to renovate and substantially upgrade the facility.

I greatly appreciate the strong leadership of both VA Secretary Jesse Brown in securing funds for the project in President Clinton's budget request and VA-HUD Subcommittee Chairman JERRY LEWIS for including the request in this bill. I also must thank ranking member LOUIS STOKES for his tireless efforts on behalf of veterans and his gracious help on this and other projects important to the citizens of my region. Of course, Congressman JOE MCDADE deserves much praise for his hard work in support of this project, as does Congressman TIM HOLDEN and Congressman PAUL MCHALE.

Mr. Chairman, in my May testimony before the subcommittee in support of this project, and many times since coming to Congress more than 11 years ago, I have tried to explain to the membership of this body how desperate the situation is at this 50-year old medical center. Space shortages are severe, equipment and facilities are outdated, and employee morale is sinking rapidly. Simple put, we must upgrade this facility immediately.

The medical center is wholly insufficient to meet the current and future needs of my region's veteran population. Over 99 percent of all patient rooms are not equipped with either private or semiprivate bathrooms, including rooms for female veterans. Ambulatory care has only 44 percent of needed space. Medical and surgical intensive care units have only 54 percent of needed space, and patient privacy is nonexistent in the hospital's 16-bed wards. Serious environmental deficiencies, such as very poor ventilation, have increased the risk of spreading infection among patients and workers.

I could go on and on about the past and current problems arising from the bad condition of the medical center, but what we must decide today is how we intend to address the future of veterans' medical care in the region. Should we permit the continued, rapid deterioration of the medical center and, in effect, give up hope on providing quality medical services to these veterans or fulfilling our obligation to the taxpayers to provide such services in an effective, cost-efficient manner? I believe we must fulfill our obligations to the brave men and women who risked their lives and health so that we could remain free. Fortunately, the President and the members of the appropriations committee made the right choice in support of full funding for the project. This long overdue project will enable the Wilkes-Barre VA Medical Center to provide the quality medical services veterans deserve and taxpayers expect. I would strongly urge the full House, as well as the other body, to concur.

Without a doubt, this funding will help transform the medical center into a first-class medical care facility. Under the plan, two new bed towers will create much-needed space to correct patient privacy problems, as well as serious ventilation, heating, and air conditioning deficiencies. An ambulatory care addition will enable the expansion of numerous medical units, and help prepare the medical center for the greater focus of the VA on outpatient medical care overall.

Some Members of this Congress believe that we should no longer make substantial investments in VA medical facilities. I disagree. We made a commitment long ago to care for needy veterans and meet their special medical needs through a separate health system. I believe we must continue to do so in the future, as well. To meet this commitment, VA facilities must be appropriately maintained. While new hospitals have been built and old facilities renovated over the years, the Wilkes-Barre VA Medical Center has been virtually forgotten. As the third largest VA facility in the fifth largest State in the Nation, and after nearly five decades of service, this medical center is long overdue for major repairs and modernization.

Mr. Chairman, the 250,000 veterans spread across 19 counties in northeastern and central Pennsylvania, as well as the medical center's dedicated employees, need and deserve this important project. I therefore urge swift approval of this appropriation by the House.

Mr. DINGELL. Mr. Chairman, I rise to thank the chairman, ranking member, and other members of the Subcommittee on VA–HUD–Independent Agencies for their recognition of the continuing importance of the Rouge River National Wet Weather Demonstration Project. In particular, my colleague from Michigan, Mr. KNOLLENBERG, deserves credit for proposing and steering an important provision of this legislation which will provide $20 million in fiscal year 1997 for the Rouge Project.

This project was begun in 1990 following the completion of the Rouge River Remedial Action Plan [RAP] in 1989 which found that the most densely populated and urbanized river in Michigan was contributing significantly to the quality of the fresh surface water of the Great Lakes—which contains 20 percent of the world's fresh surface water. A report of the General Accounting Office [GAO] 2 years prior to completion of the RAP found that the cost of restoring the Rouge watershed would be massive. In fact, the most recent cost estimates show that the clean up will cost nearly $1.4 billion by 2002.

That is why I joined a group of my colleagues from the metropolitan Detroit area to see if we could muster the resources to meet a tremendous challenge: comprehensive watershed-wide clean up, while developing a technological, managerial, and financial model that could be replicated nationwide as other communities come to grips with the costs and other problems associated with cleaning our waters and keeping them clean. As it so happens, southeast Michigan had many local and regional resources in place to implement such a model, but were in need of Federal partnership. Congress accepted that challenge, and with passage of this measure tonight, the Federal Government will have contributed almost 25 percent of the cost. The remainder is being paid by ratepayers in each watershed community in seven congressional districts, in combination with clean water revolving loans administered by the State of Michigan. It is important to note that, despite this help, our citizens are still being asked to pay higher water bills, and our cities are being asked to stretch resources which already are stretched to their limits.

Mr. Chairman, I am pleased to report to my colleagues tonight that, although such a massive undertaking is never easy, the citizens and community leaders of metropolitan Detroit, on a bipartisan basis, are working together to solve a common problem using innovate approaches to save a precious resource. With the first phase of the project due to be completed soon, project administrator Wayne County is already transferring the knowledge it has gained to other communities across the nation. Again, I would like to commend my colleague from Bloomfield Hills for his leadership this year, so that the state that led in the industrialization of America can lead in the clean up of its natural resources.

Ms. MCCARTHY. Mr. Chairman, I rise to express my support of one of our Nation's greatest success stories for our youth, the AmeriCorps program, and to express my opposition to amendments offered today which would eliminate or drastically reduce funding for the Corporation for National and Community Service.

The mission of AmeriCorps is sensible: provide educational opportunities for young people who serve their community in ways that make a real difference in the lives of others.

In my district, AmeriCorps members have partnered with professionals and nonprofit agencies to help immunize children, revitalize and clean up inner city neighborhoods, install smoke alarms in the homes of the elderly, and weatherize homes in low income areas. On Earth Day this year, I assisted AmeriCorps members with planting a community garden in a vacant lot once strewn with debris. The lot now is a source of neighborhood pride.

AmeriCorps members continually champion the cause of community service by their collective and individual efforts. In my community, members have worked with community police officers to initiate neighborhoods watch programs and shut down drug houses. The energy of these young people has inspired many families to get more involved to preserve and protect their neighborhood. As a result, Kansas City is cleaner, safer and more livable in places because AmeriCorps has made its mark.

As we work to balance the Federal budget, I believe we must set smart priorities. Certainly providing opportunities which afford young people access to job training and education ought to be among our national goals.

I urge my colleagues to support the modest level of funding for the Corporation for National and Community Service included in this appropriations bill.

Mr. OWENS. Mr. Chairman, I rise in opposition to many of the provisions in the VA–HUD-Independent Agencies Appropriations Act for Fiscal Year 1997—H.R. 3666. While this bill is a major improvement over last year's VA–HUD appropriations debacle, H.R. 3666 still lacks adequate Federal provisions to address the housing emergency in this country, especially within the inner cities. The passage of various amendments that will be offered by many of my Democratic colleagues today may make this legislation more palatable. However, the basic right of our most vulnerable citizens to sleep comfortably at night must not be compromised.

H.R. 3666 would continue a devastating trend which began in 1995—not funding any new section 8 incremental vouchers. These vouchers could be used to house additional families—many of whom are homeless—who are in dire need of housing assistance. Currently, over 70 percent of the families who quality for low-income housing assistance are not receiving it. These 20 million families are simply forced to deal with substandard housing conditions with serious building code violations such as dangerous electrical wiring and inadequate plumbing; exorbitant rent; and even homelessness. These families, who could qualify for housing assistance, are simply placed on waiting lists. H.R. 3666 would not enable HUD to provide for these families.

This bill completely ignores the Department of Housing and Urban Development's [HUD] recently released "Worst Case Rental Housing Needs" report. The report disclosed that the number of households with unmet worst-case housing needs reached an all-time high of 5.3 million in 1993. Of this number, more than 1 million were households headed by an elderly person, and more than 1 million were working-poor families, including many with children. In my State of New York, there were more than 350,000 households with worst-case unmet housing needs. More than 144,400 of these households were families with children. Ironically, Congress responds to this crisis by ending its 20-year record of funding annual increases in the number of renter households assisted through HUD programs.

Furthermore, H.R. 3666 would slash elderly and disabled housing by 29 percent—a $319 million cut. H.R. 3666 would appropriate only $769 million in a new account to fund the section 202 Elderly Housing and section 811 Disabled Housing programs. There is no justification for decreasing housing opportunities for senior citizens and persons with disabilities. We must recorder our priorities and halt the rollbacks of crucial Federal protections.

H.R. 3666 would continue the assault on the successful Americorp program by cutting the program's funding by $36 million—compared to fiscal year 1996. And there are a host of amendments that will be offered to terminate the program. After four independent evaluations have validated the benefits of Americorp, and after thousands of volunteers have attested to its success, Republicans have refused to accept Americorp as a cost-efficient, public-private, community investment that deserves our support.

Finally, H.R. 3666 would underfund another highly regarded program—youthbuild. The youthbuild program educates and trains our youth, renovates our housing, and improves our community by giving young adults the opportunity to construct and rehabilitate housing for homeless or low-income people while simultaneously developing their own academic and vocational skills. Since fiscal year 1995, this program has had to sustain a 50 percent cut. H.R. 3666 would continue this unwise trend and freeze funding at the fiscal year 1995 level.

No, this year's VA–HUD appropriations bill does not contain those ridiculous legislative environmental riders. However, H.R. 3666 would apply a freeze philosophy and fund most programs at or near their fiscal year 1996 appropriation level. At a time when the number of households with worst-case unmet housing needs has reached an all-time high of 5.3 million, at a time when more than 7 million children and adults are homeless, and at a time when a baby is born into poverty in this country every 32 seconds, additional Federal resources are necessary—not a freeze. Unsurprisingly, this freeze philosophy was not applied to the National Defense Authorization Act—H.R. 3230—which authorized $12 billion more than the administration requested and $2.4 billion more than fiscal year 1996 funding to defense programs. The Federal Government can and must do much better in ensuring that its people, even those who are the least fortunate and least economically stable, have safe, decent and affordable housing.

Mr. SMITH of New Jersey. Mr. Chairman, I would like to first thank Chairman JERRY LEWIS for his yeoman's work on this issue of childhood cancer in Toms River, NJ. As I testified before his appropriations subcommittee on May 8, the Agency for Toxic Substances and Disease Registry [ATSDR] is currently working to assist New Jersey in its search for answers to a disturbing, potential cancer cluster among young children.

I rise in strong support of the amendment to H.R. 3666 offered by Chairman LEWIS of California. Childhood cancer is a tragedy that is of national concern, and with the funding provided in this amendment, ATSDR will be given the resources to examine any possible environmental link between toxic substances and childhood cancer.

As some of you know, the Toms River area has two superfund sites—Ciba Geigy and Reich Farm—that many residents fear could be responsible for abnormally high cancer rates in the area.

In August of 1995, the New Jersey Department of Health, responding to anecdotal evidence of increased incidence of cancers among young children, analyzed data in the New Jersey State Cancer Registry and came up with alarming results: a five fold increase in cancer rates for brain and central nervous system cancers among children under age 5.

Something is causing these cancers, Mr. Speaker, and with the funds provided in this amendment, the anxious parents of these kids may at last begin to get some answers. And I would note to my colleagues that if ATSDR does find an environmental link, it will have implications far beyond the State of New Jersey.

Mr. Speaker, I have repeatedly indicated to my colleagues that ATSDR's work on environmental health is vitally important, especially because no other agency has environmental health as its chief mission. ATSDR provides critical work in filling the serious data gaps in scientific understanding about the human health effects of hazardous substances released from Superfund sites. It also assists States through cooperative agreements, in conducting Public Health Consultations.

With this amendment, ATSDR will have the resources needed to include New Jersey in a seven State national study of brain cancer incidence near national priorities list [NPL] sites. It provides Federal resources through comparative geographic data analysis, providing medical and scientific expertise and education, as well as environmental and biomedical monitoring to examine potential exposure pathways.

Cancer is always tragic, Mr. Speaker, but it is especially heartbreaking when it strikes down innocent children. And that is why it is important to keep a careful count of each of the little victims of cancer, so that researchers can have complete and accurate information to work with. As part of its public health response plan, which this amendment will fund, ATSDR will conduct interviews with area families to make sure people do not fall through the cracks.

In conclusion, with this amendment, the Republican Congress is sending a clear and powerful message to the American people, as well as to the residents of Ocean County: we care about environmental health. We are committed to finding answers; why are so many of our precious children coming down with cancer? But most importantly, we are willing to back up our commitment with Federal dollars.

Mr. THOMAS. Mr. Chairman, I rise today to express my disappointment that language dealing with the Section 8 Housing Program in sections 204 and 205 of H.R. 3666, the Veterans Affairs, Housing and Urban Development and Independent Agencies appropriations bill, was removed from the bill. We have been working to reform this program since 1993 when my local newspaper in Bakersfield, CA, described the rents subsidized by the Section 8 Program. According to the article, some building owners were receiving rents $200 and $300 above comparable market rents for similar size units in the area. While I understand that there may be some additional costs associated with managing section 8 units, I do not believe that an additional $200 or $300 per month is justified.

I believe he Department of Housing and Urban Development must be given the authority to simply reduce rents to those projects which are blatantly out of line with rents paid for comparable units in the area. In taking such a step, I understand that other factors beyond a simple comparison of other area rents must be taken into account. That is why I have introduced legislation to provide the HUD Secretary this authority and why I am disappointed, therefore, that the section 8 language, which would have allowed HUD to bring in a third party arbitrator upon the expiration of section 8 contracts to negotiate new rents based upon comparable market rents was deleted from the VA/HUD appropriations bill. The intent of my legislation is not to bankrupt these projects or violate a contract, nor throw anyone out of their apartments. The intent is to eliminate the windfall that a few project owners may be unjustly receiving at taxpayer expense.

I hope that the Housing and Community Opportunity Subcommittee of the Banking and Financial Services Committee moves quickly this summer to bring legislation to the floor that addresses this issue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to raise my strong opposition to Mr. HOSTETTLER'S amendment to eliminate AmeriCorps.

This amendment to H.R. 3666 will eliminate the entire program and thus deny the opportunity for many deserving young people to attend college. The program is simple, but it has had a significant impact on the lives of people living in my Houston, TX, district.

In the city of Houston, David Lopez, an AmeriCorps volunteer, has worked to provide the inner city kids of working parents with supervised activity and play. This keeps them from being left to their own devices or worse to the design of street predators who would lead these young lives in the wrong direction.

For a year of volunteer service with Communities In Schools, David has earned a $4,725 scholarship toward college.

AmeriCorps is the one and only chance for many of its participants to obtain a college education. It has been under attack from the early days of the 104th Congress for being inefficient. The truth is that among the numerous independent studies this year, including the one by the conservative Chicago School economists, the studies confirmed that investments in national service programs are sound, yielding from $1.54 to $3.90 for every $1 invested. In fact, a 1995 GAO report concluded that AmeriCorps almost tripled the amount of $31 million that Congress directed them to raise by raising some $91 million.

AmeriCorps has played a vital role in communities all over America. The 23,641 students taught, and the 49,632 youth helped through violence prevention programs is a testament to the critical role this program plays in the lives of people in need.

I strongly oppose any effort to end this program.

Mr. FAZIO of California. Mr. Chairman, I rise to offer my support for the legislation before us today. H.R. 3666 provides $84.3 billion for veterans and housing programs, the Environmental Protection Agency, NASA, and the National Science Foundation. While this bill falls well short of the administration's request, overall funding is $1.8 billion higher than last year's level.

I am particularly pleased to note that the committee has decided to include funding for the replacement hospital at Travis Air Force Base in Fairfield, CA. Building a new, state-of-the-art facility at Travis will provide much-needed medical care for over 430,000 veterans in northern California. These veterans need a new full service veterans hospital.

I would like to recognize the steadfast support of Operation VA, and in particular, Carolyn Rennert and George Pettygrove, who have been unwavering in their support for the construction of this hospital. The entire Travis community, including many hard working veterans and citizens throughout Solano County deserve praise for their efforts. I would also like to thank the chairman of the VA–HUD Subcommittee, JERRY LEWIS, for his support for the hospital. His commitment to the hospital is a significant step in ensuring that the hospital at Travis becomes a reality.

I am also pleased that the bill includes funding for the Sacramento River Toxic Pollutant Control Program [SRTPCP] within the EPA's Environmental Programs and Management Account. This is a cooperative program conducted by the Sacramento Regional County Sanitation District and the Central Valley Regional Water Quality Control Board.

The Sacramento River is the largest and most important river in California. It supplies water for agricultural, municipal and industrial uses as well as providing important recreational benefits. Unfortunately, this key environmental and economic asset is threatened by pollutant loadings that jeopardize these beneficial uses. The river exceeds State and EPA-recommended water quality criteria developed in the early 1990's for a number of toxic pollutants, particularly metals such as copper, mercury and lead.

The SRTPCP, which is in its third year, was created to bring the Sacramento River into compliance with water quality standards. The program is based on watershed management concepts including the development of site-specific water quality standards and technically feasible, cost-effective programs to achieve water quality standards throughout the river and its tributaries.

Regrettably, I do have one concern and that is that this proposal fails to adequately protect the environment. It simply goes too far and will hurt the ability of communities to protect their residents from toxic exposure. I support the Durbin amendment to restore the community's right-to-know what chemicals are being emitted from local industries.

It is important to encourage growth and development and that can best be achieved if companies work to earn the trust of the community and the two work closely together. Along those lines, I also urge my House and Senate counterparts to do the same and work out a reasonable solution to this issue.

I urge my colleagues to support the fiscal year 1997 VA–HUD appropriations bill.

Mr. HOYER. Mr. Chairman, I rise to express my very serious concerns about the funding levels for Superfund, section 8 housing vouchers, and space sciences in this bill. Once again, the appropriations priorities of this majority are shortchanging America's communities by underfunding efforts to clean up our environment, provide safe housing for our seniors and poor children, and make our neighborhoods better places to live.

I am particularly concerned by the cuts to Mission to Planet Earth, a critical NASA program which has great potential for helping predict weather and climate. The ability to better predict natural disasters will save both money and lives. Moreover, our capability to forecast up to a year in advance will yield tremendous benefits for agricultural and natural resources productivity.

The subcommittee's mark includes $1.149 billion for Mission to Planet Earth. Regrettably, this is a reduction of $220 million from the President's budget request. If the allocation for this appropriations measure was not so constrained, I would offer an amendment to add that $220 million to the bill before us. NASA, through internal efforts, has already greatly reduced the Mission to Planet Earth budget. Further reductions could cause serious delays in the weather measurements and the Earth observing system. Cuts could also affect NASA's agreements with the United Kingdom, Japan, Brazil, and France—all partners in the EOS system.

Goddard Space Flight Center is NASA's lead center for these efforts and has an extraordinary reputation for Earth science studies. I have had the chance to visit with the scientists working on this program and I can tell you that their work is outstanding. Our understanding of the Earth as an integrated system is far from complete. Mission to Planet Earth and EOS will produce both practical benefits and long-term understanding of the environment.

Mr. Chairman, I strongly believe that it is in the best interests of our country and, indeed, of mankind, to fully fund Mission to Planet Earth and I urge the committee to work to accomplish that objective as this bill moves through the legislative process.

Mr. GEJDENSON. Mr. Chairman, I rise to express my strong concern that the bill before us eliminates the U.S. Office of Consumer Affairs. As many members of this body know, the Office of Consumer Affairs is the only entity on the Federal level which serves as an advocate for consumers on virtually any issue. I believe we should be devoting significantly more, rather than fewer, resources to protecting the interests of American consumers.

The Office of Consumer Affairs traces its origin to the President's Committee on Consumer Interest established by President John Kennedy in 1962. President Johnson transformed the committee into the Office of Consumer Service in 1968. President Richard Nixon was responsible for establishing the Office of Consumer Affairs within the White House and redefined its mission to include information distribution and consumer education. In fact, Elizabeth Dole was Deputy Director of the Office during the Nixon years and played an important role in developing voluntary agreements between manufacturers and consumers. President Nixon was also responsible for transferring the Office to the Department of Health and Human Services and expanding its mission again to include consumer advocacy throughout the Federal Government. Presidents Ford, Carter, Reagan, and Bush all continued the Office and utilized it to ensure consumers' interests were protected at the national level.

As I mentioned above, the Office acts as a consumer advocate. Other entities in the Federal Government address consumer issues by regulating products or services. The Office's mission is to serve as a central point of contact—a one-stop-shop—where consumers can obtain a wide range of information and assistance in addressing their problems with Government agencies as well as the private sector. The Office distributes information through a variety of sources, the most popular of which is the *Consumer's Resource Handbook*. Every member of this body is familiar with these valuable publications which are arguably the most thorough source of consumer-related information issued in America. The handbook provides tips on how to get the most for one's money, prevent fraud and protect personal privacy. In addition, it contains more than 100 pages listing national consumer groups, State and local consumer affairs offices, better business bureaus, corporate consumer centers and a wide range of other helpful information. As the result of aggressive distribution efforts, headquartered in Pueblo, CO, more than 1 million copies are currently in circulation.

The Office of Consumer Affairs responds quickly, and efficiently, to consumer complaints through the toll-free National Consumer HELPLINE. I want to stress to my colleagues that the HELPLINE is staffed by a portion of the Office's 13 trained, professional employees and is not contracted out to another office or to private operators. The HELPLINE can quickly direct consumers to appropriate government agencies helping them negotiate an often complicated system of shared and overlapping jurisdiction. Staff also refer callers to consumer affairs offices in the private sector. Between June, 1995, when the HELPLINE commenced operation, and the end of February, 1996, more than 80,000 people—about 10,000 per month—have been served. It is important to note the Office has assisted this volume of callers while operating the HELPLINE only 4 hours daily. I believe the number of calls would increase significantly if the Office had sufficient resources to operate the HELPLINE during normal business hours.

In addition, through the HELPLINE, letters and other sources the Office performs its central function as an advocate—helping consumers solve their problems. Office staff research consumers' problems and then work with manufacturers and Government agencies to develop voluntary solutions. The Office has a unique problem-solving role because it is non-regulatory. It can contact a private company and work to achieve a compromise relating to how a particular product is sold or produced or how a service is delivered. Most regulatory agencies can not take similar action without being confronted with conflict of interest charges or allegations they are being "soft" on entities under their jurisdiction. In a February, 1996 letter to President Clinton, several major U.S. corporations and trade organizations, including MasterCard, MCI, Ford, and the American Gas Association, were among 41 groups urging the President's continued support for the Office. The Office of Consumer Affairs is the only Federal agency which can bring consumers and businesses together in an non-adversarial setting and produce agreements which benefit all parties.

Mr. Chairman, American consumers need a voice at the Federal level more than ever before. Rapid and complex changes in our economy, widespread reorganization of Federal programs, and a blizzard of new products and services associated with the information revolution are generating questions and concerns from a growing number of Americans. At the same time, States, which traditionally have offered the first line of defense for consumers, are reducing, and in some case eliminating, consumer affairs departments and units at an alarming rate.

A March, 1996 investigation by Money Magazine provides startling information about just how severe some of the reductions at the State level have been. As part of its investigation, Money surveyed 45 State attorneys general and 51 other State, county and city consumer affairs offices requesting information about historic and present budgets, contacts, number of cases investigated, and the amount of money returned to consumers as a result of such investigations. Based on the information provided, Money concluded that 44 of the 96 entities surveyed—nearly 50 percent of the total—"have seen their funding or staff levels slashed or eliminated during the past decade."

The magazine determined consumer protection efforts have been improved in only 9 States. At the same time, 41 States and the District of Columbia have curtailed consumer protection efforts or merely held the line on service in spite of increasing demand. Alabama, Alaska, California, Connecticut, the District of Columbia, Florida, Hawaii, Iowa, Maryland, Massachusetts, New Hampshire, New York, South Carolina, Tennessee, Texas, Virginia, and Wisconsin were all rated by the magazine as "losing ground" in the battle to protect consumers' interests. For example, the Alabama attorney general's consumer affairs staff has been cut by 70 percent since the early 1980's while Maryland's has been pared by 28 percent since 1990. In Massachusetts, the executive office of consumer affairs was slated for closure and in New Jersey, Rhode Island, and South Carolina certain State-administered consumer advocacy organizations have been terminated. As the States continue to reduce consumer affairs units and curtail investigations, preserving a consumer advocate at the national level becomes even more important.

I recognize the Appropriations Committee has provided a minimal increase to the Consumer Information Center and transferred some of the Office's functions to the Center. The Center distributes the Consumer's Resource handbook, other consumer-related information and publications from various Government agencies. While the committee report makes vague references about transferring functions, the bill is silent on this issue. However, it is very important to note that the Center will not be taking over the Office's advocacy role. It will not operate the HELPLINE, it will not address consumer complaints and it will not represent consumers' interests in policy discussions within the Federal Government. The Center is, and I believe will remain, a warehousing and distribution entity and will not be transformed into a consumer advocate under the provisions of this bill.

Mr. Chairman, the Office of Consumer Affairs is a great value for the American people. In an article published in the Christian Science Monitor in January, 1996, two former Directors of the Office stated it provides services to the 97 million households in this country for about two cents per household. I challenge any member to find another program which offers similar service to the American people for less. I firmly believe the taxpayers are willing to spend less than $2 million dollars annually to ensure they have a consumer advocate at the Federal level. The American people are not blindly demanding spending cuts. They want this Congress to make cuts and policy changes which make sense. I believe the vast majority of Americans would agree that eliminating the Office of Consumer Affairs fails this important test.

Mr. FOGLIETTA. Mr. Chairman, I rise to speak in favor of this bipartisan amendment which would provide the funds needed to keep the HOPWA Program at pace with the growth of the need and the problem.

HOPWA needs the little bit of extra money that this amendment provides, because the number of communities served by it have expanded.

Why do we need a separate housing program for people with AIDS? That's what I hear some people ask about this program. The reason is because the needs are so unique. So often, people with AIDS find themselves on the fringes of our communities: Isolated; frightened; stigmatized. Broken financially from the costs of drugs and doctors. Sometimes, homeless. The worst thing that someone needs in the latter stages of AIDS is to worry about where they will live and where they will die. Worry hastens death.

HOPWA is the caring and decent thing, but if that is not enough * * * consider the financial aspects of the issue. Without the hospices provided by HOPWA, a person with AIDS is likely to end up in a hospital, where Medicaid will be huge. Support this amendment because it's cost effective. Support this amendment because it's right.

Mr. REED. Mr. Chairman, I rise in strong opposition to the Hostettler amendment to eliminate the AmeriCorps Program.

AmeriCorps has provided an opportunity for more than 40,000 young people to earn their way through college by giving something back to their communities and our Nation. AmeriCorps members perform many vital functions, including tutoring children, helping seniors, housing the homeless, feeding the hungry, preventing crime, and protecting the environment.

This past Sunday, I attended the City Year Rhode Island Graduation, in which 55 individuals were honored for their year of service in Providence and Central Falls, RI. City Year participants make a difference in the lives of Rhode Islanders by tutoring children and cleaning up communities. Next year, City Year Rhode Island, which receives a majority of its funding from the Corporation for National Service, expects to provide service opportunities to additional participants who will serve throughout the State.

AmeriCorps is making a positive impact in our communities and in the lives of the participants. One recent City Year Rhode Island participant was a high school dropout working in jobs which gave her little chance of advancement. Her involvement in City Year provided an opportunity to assist others in need, which in turn renewed her belief in the value of hard work and inspired her to return to and finish high school. She is now attending Brown University where she is studying medicine, turning a nearly destroyed dream of becoming a doctor into a reality.

Today the critics of AmeriCorps will attempt to disparage AmeriCorps with claims of financial mismanagement and wasteful spending. In recent months, however, the Corporation for National Service has addressed these and other concerns by reducing costs, increasing private-sector support, improving financial management, and eliminating grants to other Federal agencies, in order to harness the full potential of national service. Furthermore, four independent studies have concluded that AmeriCorps is a cost-effective investment that yields more in benefits than the program costs.

As the Providence Journal-Bulletin recently noted, we should be increasing funding for this worthy program, not eliminating it. AmeriCorps enjoys widespread support among participants, governors, and businessmen and women in Rhode island, and across the Nation. I urge my colleagues to reject the Hostettler amendment and other anti-AmeriCorps amendments offered today.

Mrs. MORELLA. Mr. Chairman, I rise in opposition to the Hostettler amendment to eliminate AmeriCorps funding.

AmeriCorps has been a very valuable resource for our great Nation. AmeriCorps is achieving results; AmeriCorps is cost effective; AmeriCorps has earned private-sector support; and AmeriCorps is cutting costs.

An evaluation of AmeriCorps programs by Aguirre International—headed by President Ford's Commission of Education found that just one-tenth of the AmeriCorps members: taught 23,641 students; tutored 23,867 individuals; mentored 14,878 youths; helped 2,551 homeless people find shelter; planted more than 210,000 trees; collected organized, and distributed 974,103 pounds of food and 5,000 pounds of clothes; developed and distributed 38,546 packets of information about drug abuse, street safety, health care, and other issues; ran violence prevention after-school programs for 49,632 youth; performed energy audits for more than 18 million square feet of buildings; and leveraged 669,369 hours of service by unstipended volunteers—each AmeriCorps member manages about 16 volunteers and generates 246 volunteer hours.

AmeriCorps is cost effective for our Nation. Numerous independent studies this year, including one by conservative Chicago School economists sponsored by three private foundations to test their investment in AmeriCorps, confirmed that investments in national service programs are sound, yielding from $1.54 to $3.90 for every dollar invested.

In fact, the 1995 GAO Report concluded that AmeriCorps almost tripled the amount it was required to raise from non-corporation sources in its first year: Congress directed AmeriCorps programs to raise $31 million; they raised $91 million. Of this total, $41 million—more than the amount required of all sources—came from the private sector alone. Such financial support proves that leaders at the local level across the country feel that AmeriCorps is an effective way to meet the needs of their communities.

The program is below budget. In fact AmeriCorps grantees have already reduced costs by 7 percent in real terms. The Corporation has already reduced its administrative budget by 12 percent in real terms. The Corporation has recently announced that it will lower its average budgeted cost per AmeriCorps member in its grants programs by $1,000 each year in program year 1999–2,000. And, the GAO reported the Corporation is spending less per AmeriCorps member than it had budgeted.

The Corporation has also announced that it will no longer make AmeriCorps program grants to other Federal agencies.

Additionally, Representative HOSTETTLER is focusing on just 2 of the over 1,200 AmeriCorps sites and 450 AmeriCorps programs over the last 2 years. In fact, in both these cases, the Corporation and the Governor's commissions found the problems and eliminated funding to the programs to eliminate the waste of taxpayer dollars. These are the exception that prove the rules work.

Recently, I visited two sites of an AmeriCorps program in Montgomery County, MD, called the Community Year. I saw first hand, at Karasik Child Care Center and Holy Cross Adult Day Care Center, that young adults are making a significant difference in the lives of people in need in Montgomery County through AmeriCorps.

Esther Kaleko-Kravitz is the director of Community Year, and Wendy Moen is the corpsmember development specialist. Under the auspices of these two able individuals, young adults provide direct services to the elderly, refugees, and the disabled population in the community, from preschool to adulthood. This national service experience promotes personal and professional growth among the corpsmembers and is a win-win situation for everyone.

All over America, there is a new spirit of community service. Meeting and talking with young people in my district, I see an idealism and an eagerness to help others.

The time has come to provide American students with a program which channels their energy and challenges them to discover the untapped resources within themselves.

We must encourage this spirit of service in our country by opposing this amendment. AmeriCorps members help to form a world where compassion and a willingness to help others will strengthen America and indeed make a difference.

Moreover Governors Weld, Wilson, Engler, Merrill, and Almond, religious groups like the Catholic Network of Volunteer service, the Episcopal Church, and Agudath Israel of America, volunteer sector leaders like Habitat for Humanity, Big Brothers/Big Sisters, the Red Cross, and the YMCA, support AmeriCorps strongly. I urge my colleagues to oppose the Hostettler amendment.

Mr. STUDDS. Mr. Chairman, I rise in support of the amendment, which would provide a $15 million increase for local HIV/AIDS housing assistance grants under the HOPWA Program. These funds will help thousands of people to live longer and stay healthier, while sparing States and localities the far greater costs associated with the hospital and emergency room care to which these individuals would otherwise be forced to turn.

Two years ago, I joined with Members on both sides of the aisle in an effort to prevent the HOPWA Program from being eliminated altogether. Fortunately, the program survived that crisis. But the Congress took away $15 million as part of the 1995 rescissions package, and the program has been level funded ever since—even though the number of reported AIDS cases has risen by one-third and the number of States and metropolitan areas qualifying for a piece of the pie has increased by 23 percent.

It is time to put that $15 million back. Without it, 34 States and cities in every region of the country will actually lose money this year as they struggle to bear the enormous and growing burden of this epidemic. Thousands of people will be forced to choose between paying their medical bills and paying the rent. Many will wind up in hospitals, at a cost 10 to 20 times that of housing and services in a HOPWA-funded residential facility. The rest could find themselves huddled in homeless shelters and sleeping on grates. Many could literally die in the streets this winter.

No civilized society can allow that to happen. I commend the gentleman for offering the amendment and urge its adoption.

Mr. NADLER. Mr. Chairman, I rise in support of this amendment which would increase by $15 million the Housing Opportunities for People with AIDS Program [HOPWA].

At a time when both homelessness and the spread of AIDS have reached crisis proportion, funding for the HOPWA Program is crucial to the basic existence of many Americans.

AIDS is now the leading killer of Americans between the ages of 25 and 44. The growth of the number of people infected with AIDS has been dramatic, and it is often the case that people with AIDS need housing assistance. In fact, at any given time, one-third to one-half of all Americans with AIDS are either homeless or in imminent danger of losing their homes. We have a responsibility, not only to respond to this very devastating public health crisis, but also to provide basic housing assistance to those who are suffering from AIDS.

The HOPWA Program is the only Federal housing program that specifically provides cities and States hardest hit by the AIDS epidemic with the resources to address the housing crisis facing people living with AIDS in communities throughout the Nation.

The HOPWA Program provides community-based, cost-effective housing for thousands of people living with AIDS and their families. This amendment would save funds that would, in the absence of the housing and services provided in a HOPWA-funded residential facility, result in higher expenditures for hospital or emergency room costs. For example, an acute-care bed for an AIDS patient costs on average $1,085 a day, whereas the housing and services provided in a HOPWA-funded residential facility costs between one-tenth and one-twentieth of that amount. In fact, it is estimated that HOPWA dollars reduce the use of emergency health care services by an estimated $47,000 per person per year.

Without this valuable program thousands of people suffering from AIDS would risk homelessness, and quite possibly, premature death due to exposure, poor nutrition, stress, and lack of medical care.

Mr. Chairman, this amendment is socially, morally, and fiscally responsible. I urge my colleagues to support it.

Mr. SCHUMER. Mr. Chairman, I rise in opposition to the amendment by Mr. BROWN to strike funding for the American Museum of Natural History.

There is so much to like about this project, it is hard to know where to begin.

The funds will be used to renovate New York's Hayden Planetarium. Money for the project is coming from a wide range of sources including $33 million from New York City and $27 million from private donations. The Federal Government is only expected to contribute 10 percent of the funding or $13 million.

When the project is completed, America will once again have the finest planetarium in the world. Think about your children and the 3 million people who visit the planetarium each year as I read to you a description of the finished product from the New York Times.

> [The planetarium] centerpiece will be an enormous sphere that will evoke, symbolically speaking, an atom, a planet, a star and a galaxy. It will house several facilities, among them the most technologically advanced sky theater in the world and exhibits exploring the nature of the universe. A spiraling walkway will take visitors through time, from the Big Bang that formed the cosmos to the present day. It will also serve as an intellectual link, explaining how the earth evolved and the whys of oceans, continents, earthquakes, mountains and volcanoes.

For those who support NASA, let us remember that the future of our space program depends upon exciting the imaginations of the next generation about the cosmos. America ought to have the best planetarium in the world. After all, we are the leaders in space flight and in the exploration of the Universe.

We know that if these funds are cut they will end up in some other account—so the deficit reduction argument does not work. Let us do something in the NASA funding bill for our kids.

Oppose the Brown amendment.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. COMBEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3666), making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 456, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. STOKES. In its present form I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STOKES moves to recommit the bill H.R. 3666 to the Committee on Appropriations with instructions to report the bill back to the House forthwith with amendments as follows:

On page 61, line 14, after the first dollar amount, insert "(increased by $350,000,000)" and,

On page 61, line 15, strike "September 1, 1997" and insert "September 30, 1997".

The SPEAKER pro tempore. The gentleman from Ohio [Mr. STOKES] is recognized for 5 minutes in support of his motion to recommit.

Mr. STOKES. Mr. Speaker, earlier in general debate I made reference to the fact that it was my intention to vote for this bill. I said at that time that the bill was not a perfect bill, but because of the fact that the chairman and I had truly worked in a real bipartisan manner to bring to the floor a bill on which he and I both agreed, there were certain parts of the bill that still needed improvement, we were both committed to working on that bill together both here and in conference, and that based upon that I had intended to vote for the bill.

Let me just remind the Members of what happened on this floor today that has changed that from my position.

Mr. Speaker, earlier today we had $122.4 million in additional cuts by amendments offered on the floor, and this is a bill that already in the area of HUD had been cut $2.3 billion in the bill as reported.

AmeriCorps; there was an amendment by the gentleman from Indiana [Mr. HOSTETTLER] which the House defeated where he proposed to take all of the money out of AmeriCorps. The House defeated that amendment by a vote of 240 to 183. Fifty Republicans voted with us to defeat that bill. Later on during the day the gentleman from Kansas [Mr. TIAHRT] had an amendment which again proposed to take all of the money out of AmeriCorps. That amendment was accepted without a vote by the chairman of the subcommittee and was accepted for reasons. I understood the reasons, but it took all the money back out of AmeriCorps again.

Mr. Speaker, we had provided $367 million in this bill, which was already below the President's request. I think by eliminating AmeriCorps from this bill what we are doing is inviting a veto of this bill. This is a pet of the President, and I think we can assure our colleagues it is going to be vetoed.

Additionally, today amendments took out $54 million in additional cuts to NASA. NASA had already been cut $1.1 billion in the bill as reported.

My motion to recommit puts the money, AmeriCorps money, back in, does not take it from any of the accounts. This is money that is lying there and is available. We put the money back in. It is deficit neutral. It is within the targets. It delays the money until September 30, 1997, so there is no immediate obligation.

I would urge all of the Members on both sides of the aisle, in the true bipartisan manner in which the gentleman from California [Mr. LEWIS] and I have worked on this bill, to support this motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Does the gentleman from California [Mr. LEWIS] seek recognition on the motion to recommit?

Mr. LEWIS of California. I do, Mr. Speaker.

Mr. Speaker, as all my colleagues know, as a result of these last couple of days this is a very important, a very interesting, a very complex bill. To say the least, it is a difficult bill with many a compromise, an attempt to balance and measure and weigh carefully that which makes good sense for all those who care about the subject areas of this legislation.

In the discussion that we had earlier regarding the AmeriCorps program, we did essentially come to an agreement within the House that involved an amendment that raided the Hostettler amendment. We left a minimum basic level for AmeriCorps in the bill as a result of that amendment, and indeed it was our understanding that we would work with that as we move towards the conference, and it relates to a lot of the rest of the bill.

Later an amendment came to us that was not one that we had talked about before or had any in-depth discussion, but it was an amendment heartfelt but also that put this program against veterans' programs, and my colleagues know we discussed what we do with those programs.

So we kind of reversed ourselves there, and this motion to recommit is essentially to take us back to the position that we were in earlier in terms of our general understanding about this and a lot of another items.

So, with that, I know some Members have reservations, but we are in the process of measuring this program carefully, and at this point in time I would strongly urge my colleagues to respond to my ranking member, the gentleman from Ohio [Mr. STOKES] who has cooperated in depth in this program, and I urge my colleagues to support the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

PARLIAMENTARY INQUIRY

Mr. CUNNINGHAM. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. CUNNINGHAM. Mr. Speaker, if no Member has spoken against the motion to recommit, is there time available to speak against the motion?

The SPEAKER pro tempore. Five minutes in opposition to the motion was in order, and the gentleman from California [Mr. LEWIS] used the 5 minutes. There is no more time remaining.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. STOKES. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 205, noes 212, not voting 17, as follows:

[Roll No. 281]

AYES—205

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Bereuter
Berman
Bishop
Blumenauer
Blute
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gilman
Gonzalez
Gordon
Green (TX)
Gunderson
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Quillen
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes

Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn

NOES—212

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—17

Becerra
Bevill
Browder
Christensen
Coleman
Conyers
Fields (TX)
Flake
Gephardt
Gibbons
Hall (OH)
Hayes
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Yates

□ 2326

Mr. CLINGER and Mr. HOUGHTON changed their vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the years and nays are ordered.

The vote was taken by electronic device, and there were—yeas 269, nays 147, not voting 17, as follows:

[Roll No. 282]

YEAS—269

Allard
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fazio
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Richardson
Riggs
Rivers
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—147

Abercrombie
Ackerman
Andrews
Baldacci
Barton
Beilenson
Berman
Blumenauer
Bonior
Borski
Brown (CA)
Brown (FL)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Duncan
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Foglietta
Ford
Franks (NJ)
Furse
Gejdenson
Gonzalez
Green (TX)
Gutierrez
Hamilton
Hancock
Hastings (FL)
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Petri
Pickett
Pomeroy
Rangel
Reed
Roemer
Rose
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Stark
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn

NOT VOTING—17

Bachus
Becerra
Bevill
Browder
Christensen
Coleman
Fields (TX)
Flake
Gephardt
Gibbons
Hall (OH)
Hayes
Lincoln
McDade
Peterson (FL)
Roybal-Allard
Yates

□ 2342

Mr. BARRETT of Wisconsin changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. ROYBAL-ALLARD. Mr. Speaker, due to the need to attend the funeral of a close personal friend and campaign advisor in Los Angeles, I was absent for the House Session held on Wednesday, June 26, 1996. As a result, I missed a number of recorded floor votes including amendments and final passage to

H.R. 3666, the VA-HUD-Independent Agencies appropriations bill for fiscal year 1997.

My constituents have the right to know how I would have voted on the various amendments, bills, and rules considered during this time. For the RECORD, I would like to indicate my position on each missed vote:

Motion to Adjourn, rollcall 271—"no".

Lazio amendment to H.R. 3666, rollcall 272—"yes".

Shays/Lowey amendment to H.R. 3666, rollcall 273—"yes".

Sanders amendment to H.R. 3666, rollcall 274—"yes".

Hefley amendment to H.R. 3666, rollcall 275—"no".

Hostettler amendment to H.R. 3666, rollcall 276—"no".—This recorded vote was later withdrawn by unanimous consent.

Gutknecht amendment to H.R. 3666, rollcall 277—"no".

Walker amendment to H.R. 3666, rollcall 278—"no".

Markey amendment to H.R. 3666, rollcall 279—"no".

Roemer amendment to H.R. 3666, rollcall 280—"yes".

On the Motion to Recommitt with Instructions, rollcall 281—"yes".

On Final Passage of H.R. 3666, rollcall 282—"no".

PERSONAL EXPLANATION

Mr. CHRISTENSEN. Mr. Speaker, I was not present for the vote on passage of H.R. 3666. Had I been here, I would have voted in favor of final passage on the VA-HUD bill.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONCURRENT RESOLUTION PROVIDING FOR ADJOURNMENT OF HOUSE AND SENATE FOR INDEPENDENCE DAY WORK PERIOD

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104-640) on the resolution (H. Res. 465) providing for consideration of a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period, which was referred to the House Calendar and ordered to be printed.

POSSIBLE VOTE ON HOUSE RESOLUTION 463, DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, I would say to my good friend, the ranking member of the Rules Committee, that we are about to take up the rule on the motion to disapprove most-favored-nation treatment for China. We do not expect to call for a vote over here even though all of our time will probably be used.

Mr. Speaker, I would just ask the gentleman if he expects anybody on his side of the aisle to call for a vote on this rule this evening.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, we have requests for time, we do not have any requests for votes, and I am not going to call for a vote.

Mr. SOLOMON. Therefore, we would not anticipate a vote on the rule although there is not any guarantee.

Mr. MOAKLEY. The gentleman is exactly right.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR LEGISLATIVE BRANCH APPROPRIATONS BILL

Mr. SOLOMON. Mr. Speaker, the Rules Committee is planning to meet on Tuesday, July 9, to grant a rule which may limit the amendments offered to the legislative branch appropriations bill.

Members who wish to offer amendments to the bill should submit 55 copies of heir amendments, together with a brief explanation, to the Rules Committee office in H-312 of the Capitol, no later than noon on Monday, July 8.

Amendments should be drafted to the bill as ordered reported by the Appropriatons Committee. Copies of the text will be available for examination by Members and staff in the offices of the Appropriatons Committee in H-218 of the Capitol.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

Any off-set amendments should be scored by CBO to ensure compliance with clause 2(f) of rule 21, which requires that they not increase the overall levels of budget authority and outlays in the bill.

We appreciate the cooperation of all Members in submitting their amendments by the noon, July 8, deadline in properly drafted form.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 182, DISAPPROVING EXTENSIONS OF MOST-FAVORED-NATION STATUS TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA, AND HOUSE JOINT RESOLUTION 461, REGARDING THE PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 463 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 463

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 182) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China. All points of order against the joint resolution and against its consideration are waived. The joint resolution shall be debatable for two hours equally divided and controlled by the chairman of the Committee on Ways and Means (in opposition to the joint resolution) and a Member in support of the joint resolution. Pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion. The provisions of sections 152 and 153 of the Trade Act of 1974 shall not apply to any other joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the One Hundred Fourth Congress.

SEC. 2. After disposition of House Joint Resolution 182 pursuant to the first section of this resolution, it shall be in order to consider in the House the resolution (H. Res. 461) regarding human rights abuses, nuclear and chemical weapons proliferation, illegal weapons trading, military intimidation of Taiwan, and trade violations by the People's Republic of China and the People's Liberation Army, and directing the committees of jurisdiction to commence hearings and report appropriate legislation. The resolution shall be debatable for one hour equally divided and controlled by Representative Cox of California or his designee and a Member opposed to the resolution. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 463 is a rule providing for the consideration of two measures. The first measure is House Joint Resolution 182, a resolution disapproving the extension of most-favored-nation treatment to the products of the People's Republic of China. It was introduced by the gentleman from California [Mr. ROHRABACHER] on June 13, and it was ordered reported adversely by the Committee on Ways and Means on June 18 by a vote of 31 to 6.

Although the Trade Act of 1974 already provides procedures for considering such disapproval resolutions without a special rule, there are two principal reasons why this rule is necessary.

First, the Trade Act provides for 20 hours of debate on such disapproval resolutions. This special rule narrows that down to 2 hours, equally divided between a proponent and the chairman of the Committee on Ways and Means, Mr. ARCHER, in opposition. The rule also provides for consideration in the House instead of the Committee of the Whole as it ordinarily would be.

Second, the Trade Act does not waive points of order against he disapproval resolutions. This rule waives all points of order against House Joint Resolution 182 and its consideration. We are aware of only one need for a waiver, and that is the 3-day availability requirement for the committee report.

Since the bill and report were only filed yesterday, Tuesday, by the Committee on Ways and Means, and today is only the first rather than the third day of its availability, this rule and waiver are necessary.

Under the Trade Act procedures, disapproval resolutions are not subject to amendment or to a motion to recommit. This rule does not alter either of those provisions of the statute. Neither does the rule alter the statutory division of debate time between proponents and opponents.

After the 2 hours of debate provided by the rule, the previous question is ordered to final passage without intervening motion, meaning there will be no amendments and no motion to recommit, consistent with the statutory provisions of the 1974 Trade Act. We live by the law.

In addition to the two reasons I have cited for why this rule is necessary, the rule provides for the consideration of a tandem piece of legislation following the disposition of the disapproval resolution. That measure is House Resolution 461, introduced by the gentleman from California [Mr. COX] just yesterday.

Under the terms of this rule, the Cox resolution will be debated in the House for 1 hour, equally divided between Mr. COX or his designee, and a Member opposed to the resolution.

As with the disapproval resolution, the rule orders the previous question on the Cox resolution to final adoption without intervening motion, meaning no amendments and no motion to recommit. In other words, on both resolutions this House will be given a straight up-or-down vote, and that is the fair way to do it.

The Cox resolution is a simple House resolution, meaning that it does not require Senate approval or Presidential signature for it to be effective. The resolution contains a number of findings in the preamble regarding human rights abuses, nuclear and chemical weapon proliferation, illegal weapons trading, military intimidation of Taiwan, and trade violations by the People's Republic of China and the People's Liberation Army.

It then concludes with a single resolving clause that directs the various committees of jurisdiction, including the Committees on Ways and means, International Relations, and Banking and Financial Services, to hold hearings on the matters and concerns addressed in the preamble and, if appropriate, to report legislation addressing these matters to the House not later than September 30 of this year.

Mr. Speaker, those are the provisions of this rule. I think they will provide the House with ample opportunity over the next 4 hours to fully debate the critical problem of Communist China.

The Committee on Rules had a rather extensive debate on these issues last night before we reported this rule by a unanimous voice vote. I hope this rule will receive the same measure of bipartisan support we had in the Rules Committee.

On the resolutions themselves, I would urge support for both of them, for one simple reason, and let me say this loud and clear: The policy of engagement with Communist China has failed, failed, failed.

Despite what some proponents of business as usual will say today, all one needs to do is read the papers every single day to know that Communist China is a rogue dictatorship that is running amok and is absolutely contemptuous of our weak-kneed policy of appeasement. The examples of abhorrent and dangerous behaviors by this dictatorship are too numerous to even list. Here are just a few.

First, as we speak there is a vicious crackdown on dissent taking place in Tibet, and we all ought to keep this in mind as we deliberate this issue. It is pathetic, Mr. Speaker, It is so sad.

We must remember that we are talking about a Communist dictatorship that commits crimes against its own people every single day.

Mr. Speaker, we also must remember that Communist China represents a growing threat to the national security interests of this country, and that will be brought out during the next 4 hours of debate. Backed by its rapidly growing military power, Communist China has begun to throw its weight around in East Asia, bullying our democratic friends in Taiwan and acting very aggressively in the Spratly Islands.

Most of all, we should be very concerned about recent attempts by China to acquire SS–18 intercontinental nuclear missiles from Russia which could directly threaten the American people.

Now, Mr. Speaker, turning to proliferation matters, well, here the proponents of appeasement have really got some explaining to do. Hardly a day goes by when we do not read about things like Chinese nuclear ring magnet shipments to places like Pakistan, chemical weapons technology transfers to Iran, cruise missile shipments to Iran, uranium processing technology to Iran, plutonium processing technology to Pakistan, and the list goes on and on and on. I could stand here for 20 minutes and continue reading these kind of rogue activities by this government.

Mr. Speaker, the real issue here today, though, is jobs, jobs, jobs, issues that our China policy really hits home on. Once again, our trade deficit with Communist China has surged, and now stand at $34 billion. I wish every one of the men here in this body would take off their shirts and show me the label in the collar on their shirts. I bet them dollars to doughnuts there is not one made in the United States of America.

Mr. Speaker, Communist China does not grant fair access to our goods, period. Meanwhile, we continue to give China carte blanche in our markets with most-favored-nation trading status.

Mr. Speaker, this so-called relationship with Communist China that some people are obsessed with maintaining destroys American jobs, and this has got to stop. We have the power, especially the economic power, with 250 million Americans with the highest standard of living in the world and that buying power to bring pressure to bear on these tyrants, and we ought to use that, without firing a shot. We do it economically.

Terminating MFN is the 2 by 4 we need to get their attention. When the vast American market for Communist Chinese goods is shut off, even temporarily, these greedy dictators will start to show a little bit of flexibility. That is the only kind of language they understand.

So let us use it today by voting "aye" on the Rohrabacher resolution of disapproval of most-favored-nation trading status for Communist China. It does not have to be for a year, it does not have to be for 6 months. It can be for only 30 days. We would see them sit down at the table and start negotiating fair trading practices with America.

Mr. Speaker, after we pass the Cox resolution directing four committees of this House to hold hearings and report legislation on how to deal with this problem, those committees ought to report only substantive legislation which takes punitive measures against this outlaw regime which is in fact an enemy of the United States of America and certainly of every working American.

Mr. Speaker, at this point I include the following extraneous material for the RECORD:

[From the Weekly Standard, June 3, 1996]

MOST FAVORED NATION—OR MOST APPEASED?

(By Robert Kagen)

Bill Clinton's announcement last week that he will seek unconditional renewal of China's most-favored-nation status is the latest evidence of a metamorphosis remarkable even for this president. Though he relentlessly attacked the Bush administration's China policy as bereft of human-rights concerns during his 1992 candidacy, in office Clinton has become the spiritual godson of Henry Kissinger. After a very brief flirtation with risky originality, Clinton has sought safety in the conventional wisdom of the bipartisan foreign policy and business elite, in which he stands shoulder to shoulder with his presidential rival, Bob Dole.

Incoherence on China is not unique to Bill Clinton's foreign policy. It has been a problem for politicians of both parties since the late 1980s. The collapse of the Soviet Union and its Communist empire swept away the original foundation on which the Sino-American rapprochement was built in the early 1970s. America's interests and priorities have shifted as policymakers must now grapple with how to manage a world in which the United States is the sole superpower. At the same time, China's place in the constellation of global powers has shifted; from its position as the weakest side of the Sino-Soviet-American triangle as recently as 10 years ago, China seems poised over the coming decade to become the principal challenger to American dominance of the world order.

The lack of clarity and resolve in American policy toward China today is due to the failure of policymakers to recognize these changes and reorient American strategy to deal with them. The result has been worse than incoherence. American policies these days are starting to look a lot like the kind of appeasement that eventually leads to disaster.

Twenty-five years ago, the logic of the U.S.-China relationship was clear. At a time when American power seemed in Vietnam-saturated decline, Richard Nixon and Henry Kissinger were searching for quick and easy ways of redressing the increasingly unfavorable U.S.-Soviet balance while shoring up Nixon's political standing at home. Playing the "China card" looked like a brilliant strategic gambit, a simple matter, as Kissinger recalled in his memoirs, of "align[ing] oneself with the weaker of two antagonistic partners, because this acted as a restraint on the stronger." Kissinger did not share the view of State Department Sinophiles that good relations with China were a worthy end in themselves; he considered them a means to the end of shaping Soviet behavior and inducing Soviet leaders to accept the outstretched hand of détente. Indeed, as former Kissinger aide Peter W. Rodman has noted, the real purpose of "triangular diplomacy" was not to forge a permanent strategic partnership with China against Russia but "to secure better relations with both."

The shift to a more enduring strategic partnership with China came during the Carter administration under the direction of national security adviser Zbigniew Brzezinski. Alarmed at the Soviet Union's increasing adventurousness in the Third World from Africa to Southeast Asia, Brzezdinski sought to involve the Chinese more directly on the U.S. side in the worldwide anti-Soviet struggle. Kissinger aimed at playing both Communist giants against each other, but Brzezinski in 1978 traveled to Beijing to tell Deng Xiaoping that the United States had "made up its mind" and had chosen China. The price the Carter administration willingly paid for this new strategic partnership was the completion of the process of normalization Nixon had begun, including the revocation of U.S. recognition of Taiwan. In American foreign policy circles, Brzezinski's actions firmly established the still-extant bipartisan consensus on the overriding strategic importance of U.S.-Chinese relations.

The world of the 1970s looked very different from today's, however. The West was suffering from a paralyzing loss of confidence in its institutions and its liberal values. Communism still seemed to many around the world, and even to some in the United States, a viable if not superior alternative to capitalism. The great, resurgent successes of liberal capitalism—the Reagan boom here, the rise of the economic "tigers" in East Asia—lay in the future. The policymakers of the 1970s could not even have begun to imagine the worldwide democratic revolution that began in the 1980s in Latin America and Asia and then spread to Central and Eastern Europe and Russia. Instead, the United States was surrounded by dictatorships in its own hemisphere and maintained supportive relations with them and many others around the world.

In such a world, the strategic value of American rapprochement and then partnership with a Communist China seemed to outweigh the sacrifice of American ideals such a relationship required. Churchill had been willing to "sup with the devil" in order to defeat Hitler; few questioned the logic of closer U.S.-Chinese ties in a world where democracy and capitalism seemed to be imperiled by an expanding Soviet empire. In a world filled with dictatorships of both the left- and right-wing varieties, moreover, few believed the United States could afford to be picky about how its allies governed themselves.

Which is not to say that everyone in the United States was enthusiastic about the new partnership with Communist China. Conservative Republicans, including the old "China Lobby" with its bitter memories of 1949 and the "betrayal" of Chiang Kaishek, opposed some elements of the new course—especially when it was conducted by the Democratic administration of Jimmy Carter. Thus Robert Dole, although a devoted supporter of Nixon, vigorously opposed Carter's normalization of relations with China at the end of 1978. After normal ties were established, as Jim Mann of the Los Angeles Times has recently noted, Dole called on the White House to invite the president of Taiwan to Washington. From the floor of the Senate in 1979, he insisted that the Taiwan Relations Act must not leave America's old ally undefended against aggression by America's new ally. And when Carter proposed extending most-favored-nation status to China in 1980, Dole led the opposition and introduced legislation denying it to any nation that, like China, had not yet signed the nuclear nonproliferation treaty.

Despite these efforts by its Republican allies, however, the authoritarian regime in Taiwan had a difficult time winning much support in the United States. The dominant view of American policymakers in both parties was that holding the prized China card was essential to America's strategic well-being and that other issues—like sentimental ties to Taiwan, like the sharp ideological differences between China and the United States—had to be set aside.

The resurgence of American power and will under Ronald Reagan ought to have changed this and many other calculations. And to some extent during the 1980s, it did. Reagan, who had achieved preeminence in the Republican party partly by leading a crusade against the Nixon-Kissinger foreign policy, did not share Kissinger's and Brzezinski's strong attachment to the China card. Reagan himself was a longtime supporter of Taiwan, and as Peter Rodman points out, in the Reagan administration "even the younger officials making Asia policy . . . thought that the Nixon, Ford, and Carter administration had all gone overboard in their sentimentality about China."

There was also strategic logic to the Reagan administration's de-emphasis of the relationships with China. At a time when Reagan was determined to challenge the Soviets directly on all fronts, both militarily and ideologically, a China policy born in a time of strategic weakness was less compelling. Reagan simply didn't believe he needed China as much as Nixon and Carter had.

The worldwide ideological offensive that Reagan launched at the start of his second year in office, moreover, could not fail to affect the nature of relations between the United States and China. By the mid-1980s, much of the world appeared to be moving steadily in the direction of liberal economics and liberal government. The dire circumstances that had given birth to the U.S.-China strategic partnership in the 1970s were rapidly giving way in the 1980s to a new international situation that required a recalculation of the value of close ties between the two global powers.

Finally, the beginning of the collapse of the Soviet empire in 1989 and the emergence of the United States as the world's dominant military, economic, cultural, and ideological power utterly shattered the original rationale for Sino-American partnership. In the post-Cold War era it was ludicrous to speak of playing the China card, as Kissinger had, to convince Moscow to embrace détente; or as Brzezinski had, to combat Soviet aggression in the Third World. It was no longer possible to describe U.S.-China relations as "align[ing] oneself with the weaker of two antagonistic partners," given the Soviet Union's free fall and China's explosive economic growth.

China itself had appeared to be part of the global trend toward freedom throughout the 1980s. The "Four Modernization," begun under the leadership of Deng Xiaoping in the late 1970s helped produce the Chinese economic miracle we know today. A Chinese "democracy movement" soon emerged, calling for a "Fifth Modernization," free elections, and in some instances openly praising American-style democracy. Though it was subject to government harassment, the existence of the democracy movement suggested to many American observers that political reform in China was the inevitable next step after Doug's economic reforms.

The massacre at Tiananmen Square in 1989 and the subsequent suppression of dissidents, which continues to this day, dashed these hopes. It could hardly have been better timed to force the United States to reconsider the unpleasant bargain it had made with its conscience in the 1970s. At the same time the old strategic rationale for the U.S.-China partnership was vanishing, the Chinese government cast a bright light on the acute ideological differences between the two countries. Indeed, after Tianenmen, China emerged as the most powerful opponent of American liberal principles in the world.

In the ensuing years, China would significantly increase its military spending, even as both Soviet and American defense spending declined, and with the clear aim of using its growing military power to enhance its influence abroad. the fruits of these efforts have been apparent in recent years, as china, in the words of Sen. John McCain, has increasingly been "displaying very aggressive behavior"—in the South China Sea, against a newly democratic Taiwan, and in a growing propensity to make arms sales to many of the world's rogue states.

Under these new circumstances, it would seem to make little sense to continue pursuing the old Cold War policies toward China. Yet remarkably, that is just what the Bush administration tried to do after 1989, and what the purveyors of the bipartisan consensus, including most recently the Clinton administration, have been trying to do ever since. Even after the Cold War, the United States maintained "overriding strategic interests in engaging China," former secretary of state James Baker declares in his memoirs, but nowhere does he explain exactly what those "overriding strategic interests" are.

In fact, the most common explanations of the strategic importance of the U.S.-China relationship today are fraught with contradictions. American business leaders, and their supporters in the administration and Congress, constantly point to China's potentially vast market for American goods. But it is striking how unimpressive the economic numbers really are. Last year, American merchandise exports to China amounted to $12 billion, about 2 percent of overall exports. By comparison, American exports to Taiwan, with a population one-sixtieth as large as the mainland's, were $19 billion. Meanwhile, China has amassed a $34 billion trade surplus with the United States, enough to send Patrick Buchanan into fits of protectionist hysteria. Well might the boosters of the U.S.-China trade relationship insist, like Rep. Toby Roth, that "the key is not where China is today. What is important is where China is headed." But how impressive does the future look? Roth boasts that "in just 15 years, China will be our 13th largest export market." Now there's a strategic imperative!

In the late 19th century, many American businessmen succumbed to what some historians now call "the myth of the China market." The businessmen, the politicians, and the policymakers of the day could see only the unimaginable bounty that lay in the future of such a populous country—even though earnings in the near-term proved minuscule and businesses had to suffer losses in an effort to wheedle their way into the good graces of the Chinese powers that controlled foreign trade. A full century later, the bounty is still elusive, but the myth is just as potent.

And today's proponents of the China trade on strategic grounds have adopted another 19th-century nostrum as well: the conviction that increasing trade is the solvent for all the problems of mankind. Nations that trade with one another, the theory goes, will not let clashing strategic interests get in the way of making a buck. After all, Rep. Roth insists, "Economic strength, not military might, determines the world's great powers today." In testimony before Congress recently, Clinton administration official Stuart Eizenstat defended the renewal of most-favored-nation status for China on the grounds that the "commercial relationship provides one of the strongest foundations for our engagement." Argues undersecretary of state Peter Tarnoff: "Our economic and commercial relations increase China's stake in cooperating with us and in complying with international norms." Robert Dole, once the mainland's foe, now agrees: In a May 9 speech, he argued that "extension of most-favored-nation status [is] the best way to promote our long-term interests in China. . . . In China, continuing trade offers the prospect of continuing change."

Is that true? Few Republicans and conservatives would say that trade will reform Castro's Cuba. Nor would they be likely to forget that during the Cold War, the Jackson-Vanik restrictions on trade with the Soviet Union did not prevent political liberalization. On the contrary, the denial of most-favored-nation status to the Soviets may have encouraged reform by forcing the Communist leaders in Moscow to undertake political liberalization as the prerequisite for economic growth.

The view that economics is paramount while military, strategic, and political issues are of declining importance—so-called Manchester liberalism—was rampant in the 19th and early 20th centuries, right up until the outbreak of World War I. It is as dangerous a misconception today as it was then. Nevertheless, this assumption now lies at the heart of American China policy. We need to engage so we can trade, say the businessmen; yes, say the China experts, and we need to trade so we can engage.

In their search for a new rationale for preserving a close relationship between the United States and China, the adherents of today's bipartisan consensus have had to employ such logic constantly. Indeed, the logic of the U.S.-China relationship today has turned in on itself. In the 1970s, the case for strategic partnership with China was that it was necessary to meet the threat posed by the Soviet Union. Today, it seems, strategic partnership with China is necessary to meet the threat posed by China. Secretary of State Warren Christopher put the case best in his speech on May 17. He noted the "importance of China to our future security and well-being." And what, in addition to the lure of the market, is that importance? The answer is that "China can tip the balance in Asia between stability and conflict." In other words, we need a good relationship with China because China is dangerous. Or as Eizenstat put it, "It is when China's policies are the most difficult that engagement becomes the most essential."

It's a nice racket the Chinese have going. By the current circular logic of American policy, the more trouble the Chinese make—whether in Taiwan, or on trade, or in the South China Sea, or in weapons sales to rogue states—the harder the United States has to work to "engage." There is no dispute on this point now between the leading figures of both parties. Henry Kissinger, in an op-ed piece a few weeks ago, declared that "after Chinese leaders had been pilloried and threatened with sanctions for years," what was needed now was "a serious strategic and political dialogue, . . . a sustained effort to define a common assessment of the future of Asia." Christopher soon after announced his intention to "develop a more regular dialogue between our two countries." The idea is that regular consolations will "facilitate a candid exchange of views, provide a more effective means for managing specific problems, and allow us to approach individual issues within the broader strategic framework of our overall relationship."

We may be forgiven for doubting whether such candid talks will make a big difference. After all, it's not as if efforts at assiduous diplomacy haven't been tried. After the massacre in Tiananmen Square in 1989, President Bush and his secretary of state saw their man task as protecting the important strategic relationship with China from American outrage at Beijing's massive abuse of individual rights. According to Baker, President Bush's first reaction upon hearing of the assault at Tiananmen was: "It's going to be difficult to manage this problem." And indeed it was, as Baker's memoirs amply demonstrate. Baker employed precisely the negotiating style that the China experts insist is the only kind capable of producing results—quiet negotiations, no public threats, none of the "spasmodic harassment" Kissinger finds so detrimental, and constant attention to the fact that, as Baker writes, "face is unusually important to [the Chinese], so an interlocutor must negotiate a delicate balance that nudges them toward a preferred course without embarrassing them in the process." Despite all this subtle diplomacy, the Chinese gave Baker absolutely nothing for his troubles. Chinese officials, Baker recalls, "had no compunction about asking for American concessions while simultaneously ignoring my request for 'visible and positive Chinese steps' to make it easier to allay congressional and public anger with Beijing." Throughout the four years of the Bush administration, Baker acknowledges, "the Chinese relationship essentially treaded water."

Under present policies, in the years to come the United States will continue to tread water, or worse. The truth is, our posture today is, simply, plain old appeasement. One bit of proof is that we are not supposed even to use the word "containment" to describe our policy toward China lest we suggest to the Chinese that in some way we may consider them adversaries. The United States "should not, and will not, adopt a policy of containment towards China," declares Undersecretary Tarnoff. Why not? Because "we would gain nothing and risk much if China were to become isolated and unstable." In other words, even if it were necessary to contain China, it would be too dangerous to attempt the task. This is Kissinger's view, as well. Any attempt to pursue a policy of "containment" of China, Kissinger has argued, is "reckless" and a "pipe dream."

Such a skittish approach to another world power might be forgivable if our own nation were weak. But the same people who fear a policy of "containment" often boast that China needs the United States more than the United States needs China. In a trade war, for instance, Eizenstat argues that "China has a lot more to lose than we do." Like that $34 billion trade surplus, for instance. According to Baker, the Chinese "need our help to sustain their economic growth." And Baker, who got nowhere in four years if subtle diplomacy with Beijing, even believes that the Chinese understand toughness: "Strength inevitably irritates the Chinese, but they understand it. And the absence of resolve in dealing with them can lead to serious miscalculation on their part."

And yet "the absence of resolve" would seem to be the best characterization of the policy that the Bush administration and now the Clinton administration have chosen to pursue toward China. When Baker negotiated with the Chinese during the Bush years, he always went out of his way to make clear that the Bush administration was entirely "committed to maintaining the relationship," that it was always "seeking ways to reconcile our estrangement." Little wonder that, according to Baker, the Chinese "seemed utterly oblivious to our concerns." It is axiomatic that if the United States enters all negotiations with China with the mutual understanding that ultimately American leaders will not allow an estrangement in the relationship, then the Chinese will win in most of the negotiations.

In every relationship between nations there is a horse and a rider, Bismarck once noted, and one should endeavor to be the rider. American policy toward China today almost guarantees that we will be the horse.

How can the United States restore the resolve that James Baker believes is so essential to effective dealings with China? This week Congress is debating and voting on the renewal of most-favored-nation status for China. It will surely pass, and perhaps it ought to. The fact of U.S.-China relations should not rest on this relatively narrow issue. The problem with our China policy goes deeper than simple trade rules. Dealing with an increasingly powerful and ambitious China over the coming years will require a strong and determined America willing either to engage or to contain China, depending on Chinese behavior.

Still, most-favored-nation status has become a symbol of China's whip hand over us. Our unwillingness to pay what is still a relatively small economic price in terms of lost trade opportunities; our fear that any crisis in U.S.-Chinese relations that might result from denial of most-favored-nation status is too dangerous to risk; our concern that in any confrontation it is we, not they, who will be most likely to blink—these are all sizable cracks in our armor the Chinese can exploit, have exploited, and, indeed, are exploiting.

Thus one can only conclude that before we can conduct a successful strategy of compelling China to "play by the rules of the international system," in the words of Bob Dole, we will have to break our addiction to the China-market myth. And that can only come about if policymakers, economists, and businessmen begin to look at the hard truth and stop allowing their dreams of a gold rush to outweight more vital concerns—not only America's strategic interests, but the basic liberties of more than a billion people living beneath the yoke.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague from New York, Mr. SOLOMON, for yielding me the customary half hour and I yield myself such time as I may use.

Mr. Speaker, I want to make two things clear at the beginning of this debate.

First of all, the people's Republic of China has one of the worst human rights records in the world. The unconscionable mistreatment of the Chinese citizens is completely abhorrent. And we, the United States of America, need to do absolutely everything we can to change it.

Second, most-favored-nation status is not special treatment. Most-favored-nation trading status is the status this country accords to 181 countries, nearly every country in the world.

Only seven nations are not granted MFN trade status with the United States.

Since February 1, 1980, China has received MFN status under the 1974 Trade Act. The particulars of this law, the so-called Jackson-Vanik amendment, requires nonmarket economies—or communist countries—to have their trade status reconsidered each year.

Jackson-Vanik passed in 1974 and is based entirely on an outdated cold war strategy—that was put into effect 22 years ago, Mr. Speaker.

Today, Communism continues to crumble around the globe. Each time a country embraces democracy it is thanks entirely to our diplomatic efforts. And we shouldn't stop now.

Because, Mr. Speaker, one quarter of the world's population live in China—1.2 billion people. And very single one of them deserves their chance at freedom and democracy. Just as other people enjoy.

The choice is isolationism or direct engagement. And we accomplished very little with isolationism.

So unless we maintain normal trade relations with China—we lose the chance to show those 1.2 billion people how great democracy is. We lose the chance to end the unspeakable human rights abuse and the horrifying population control efforts that take place in China.

This is our chance to lift the iron curtain of oppression and show one quarter of our world what democracy is like.

And, Mr. Speaker, we've tried it the other way. We tried isolating China 20 years ago. It didn't work then and I don't think it will work today. In fact, I would argue that it actually made the oppression worse.

It's time to try something else. Because every day that these abuses take place; every day a baby girl is abandoned or worse; every day a student fighting for freedom is jailed—we share in some of the guilt. I for one believe we must do every thing we can to end these abuses and end them here and end them now.

If we do not take this chance we wash our hands of the lives of the Chinese people. We pass on the opportunity to negotiate with them on human rights. We pass on the chance to negotiate on nuclear weapons.

If we pass on the chance to talk to China, Mr. Speaker, we got no one to blame but ourselves when they don't listen.

MFN status will help the people of China by bringing businesses into the country, increasing wages, and putting increased pressure on the Chinese Government to improve their human rights record.

I think it's a good idea, It is a good rule, and I urge my colleagues to support it.

□ 2400

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. SALMON], who is an outstanding freshman Member of this body. He has spent a lot of time in China and Taiwan.

Mr. SALMON. Mr. Speaker, I thank the gentleman for giving me this opportunity. This is something that every one of us has struggled with. I know I have probably spent more time on this issue in the last 6 months than I have any other issue, because it really cuts to the core of our values.

Of course we decry the human rights abuses that have happened in China. They are terrible, they are vile. Of course we are very sick and saddened by the nonproliferation issues that continue to be violated in China. Of course we are saddened and we are upset by the fact that they are pirating our software and our music and we are losing billions of dollars because of that. Of course we are sickened and saddened, me especially; having served a mission for my church in Taiwan, nobody was angrier than I to see friends and loved ones over there that I worked so long with for the 2 years, that I was there being threatened by missiles in the Taiwan Strait when that occurred. When we look at all of these terrible, terrible atrocities that are being committed in China, I think the gut instinct is let us come down hard, let us show them that we mean business. Let us get back to what John Wayne would do and be tough with these guys and make them learn a lesson. But I fear that throwing the baby out with the bath water is the worst thing that we could possibly do.

Think about it. Has there ever been any relationship in your life that you have improved upon or imparted your values to by walking away from that relationship? Severing MFN with China would be tantamount to a declaration of war, I believe, and would lead, I think, ultimately to a cold war, because relationships would quickly deteriorate and ultimately most sides would end up not communicating.

We in our Western understanding of things believe that we know that the right thing to do is to be tough with these people, but let us look at the idea of saving face that is so important to the Chinese culture.

I believe that the freedoms that we enjoy, the values that we hold dearly, will only come to pass in China when the people in China rise up and make it so. A great philosopher once said, more powerful than any invading army or any tactic is an idea whose time has come. I believe the idea of freedom is an idea whose time has come in China, as it was in Taiwan about 20 years ago.

When I lived in Taiwan, it was an oppressive regime. You could not speak out against the government. Freedom of the press was nonexistent. But economic reform spurred political reform, and the same thing will happen in China. But we have got to be articulate in our values. I think the administration can do a better job, a much better job articulating our values, but we will not improve anything if we walk away from the table, and the very things that we care so deeply about will be harmed irreparably if we walk away from this relationship.

Mr. MOAKLEY. Mr. Speaker, I yield 6 minutes to the gentlewoman from California [Ms. PELOSI].

Mr. PELOSI. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time and rise in opposition to the rule, with all the greatest regard for the chairman of the Committee on Rules and our distinguished ranking member.

Mr. Speaker, I rise in opposition to the rule for the following reason. This issue before the House of Representatives this evening is a very important one to the American people. Nothing less is at stake than our economic future, our democratic principles, and our national security. That is why I oppose this rule, because this rule says that tomorrow, while Members are away during a funeral and votes are not going to happen until 3 o'clock, we will have our chance to debate the rule while Members are not here. Then, after Members return, we will be given 15 minutes to make our case against MFN for China. I cannot support the curbing of debate that is happening in the House of Representatives under this rule.

I know the distinguished chairman of the Rules Committee did his best, but I think that this rule is an arrogant act on the part of the Republican leadership to stifle debate here on this issue. What are they afraid of? Are they afraid of the truth? Are the afraid of the American people weighing in? Are they afraid, as we had hoped, that this debate would take place when it always has in July? Are they afraid of 100,000 young people who gathered in Golden Gate Park to promote freedom of expression in Tibet, who heard from a monk who had been imprisoned by the Chinese for 33 years describe his torture by the Chinese, and who was freed only by international pressure led by the Italian government? Are they afraid of those people?

Why can we not have this debate while Members who here in Congress? Why can we not have the appropriate time, as we have always had, for the grassroots people to weigh in? They believe, and I hope they are always right, that their opinion makes a difference to their Member of Congress and that they should have the opportunity for public comment that the fast track of MFN allows, provides for, but that this leadership in this House of Representatives has decided to curtail. That is why I oppose the rule.

Let us talk about what is at stake. The previous speaker talked about economic reform leading to political reform. Well, let us quote directly from not my word but this administration's own country report on China, on the subject of repression in China. The State Department country report says, "The experience of China in the past few years demonstrates that while economic growth, trade and social mobility create an improved standard of living, they cannot by themselves bring about greater respect for human rights in the absence of a willingness by political authorities to abide by the fundamental international norms." It went on further to say that by year's end, this is 1995, almost all public dissent against the public authorities was silenced.

Why is this important also in terms of proliferation? I said first about our democratic principles being at stake. We talk about democratic principles. We want to ban investment in Burma, no business going on there. But when it comes to China, we cannot even raise a tariff because some businesses might lose a profit on their bottom line, because it is certainly not about American jobs. This is a job loser for America.

We can see by this chart, Mr. Speaker, maybe you cannot, the trade balance with China, when we started this debate in 1989, was reported for 1988 to be $3,479 million. In that time, it has increased 1,000 percent. The trade deficit for last year as reported in this 7-year period is $34 billion. Yes, that gives us leverage. It is not about any country that has human rights abuses, dear ranking member. It is about a country that has a $34 billion trade deficit with the United States, which gives us leverage, which should give us leverage.

Certainly we are not going to revoke MFN for China; the President will not allow it. We should certainly use our voices and our leverage on that issue to send a strong message from this Congress at least that we will stand for human rights. It is not enough to say they have merit or that even they have priority but they are important enough for us to use our muscle on them, our economic muscle on them.

In addition to this trade deficit, we have the transfer of technology to China which businesses are doing. We are almost encouraging it so they can access the market. We have the ripping off of our intellectual property. That piracy is not even counted of the billions of dollars in the trade deficit. So it is a better economic future. Where are our jobs? If Boeing is transferring the production of the tail section of their planes to China to be produced by workers who make $50 a month, how can that be a job winner for us?

On the issue of proliferation, I said it undermined our democratic principles, our moral authority to talk about human rights any place if we cannot talk about it where some business is at stake.

Second, I talked about how this trade with China is robbing our economic future. You want to do business in China? You open up a factory there. You give your technology plans to the government, they open up factories with your technology plans and tell you to create an export plan for the products that you make in China.

This isn't about United States products made in China. Only 2 percent of our exports are allowed into the Chinese market. Over one-third of China's exports flood United States markets. Is this going to isolate China? Where are they going to take one-third of their exports? Let us be reasonable to the American worker.

The third issue is proliferation. I do not have too much time to go into all of that except to say that this administration and the administration before it has looked the other way on the proliferation of missile technology and nuclear technology to Pakistan, of missile technology, nuclear technology, biological technology and chemical technology to Iran, at the same time as we are having nice little resolutions about boycotting Iran and having a secondary boycott on companies that invest in petroleum in Iran until Iran stops its production of weapons of mass destruction. But we do not want to go to the source, the source of that technology to Iran, because some big businesses might lose a little bit of their access.

So this, I repeat, undermines our democratic principles, threatens our economic future, and threatens our national security.

Mr. Speaker, I urge our colleagues to vote no on the rule and no on MFN for China.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, first of all, I want to commend the Committee on Rules for coming up with the rule they have. Obviously the vote on the motion to disapprove will be allowed tomorrow and, of course, the other piece of legislation will also be discussed, which will mandate that the four committees of jurisdiction that have jurisdiction over the issues that we are concerned about with China will report back by September 30 after holding hearings and possible legislation. I think it is a good solution in terms of crafting the rule. I think we will be able to get to the nub of the issue with that particular rule.

China is the most important relationship that the United States will have over the next 25 years. China comprises 22 percent of the world population. We cannot isolate the Chinese. If we walk away from the Chinese, the Japanese, the Europeans, the Brazilians, every other country will go into China.

So we have to engage the Chinese. I think, as the gentleman from Arizona said, if we cut off MFN, that is tantamount to declaring war with China. China then will become a very belligerent power. Right now they are not expansionary, as we saw with the Soviet Union. But if China should become expansionary and build up their armaments, then the Japanese, then the South Koreans, then the Indonesians, then all of Asia will build up arms and we will have a tinderbox in Asia for the next 10 to 20 years and it will be a threat to world peace and a threat to our children and grandchildren. That is why this issue is important.

□ 0015

Now let me address for a moment the issue of the trade deficit. If we can stop spending 6 months a year on the issue of Most Favored Nation status with China, we can then get to the issues of opening up the Chinese market. And we can do it by exercising section 301, just as we saw last week on the issue of intellectual properties. What we did there, if my colleagues will recall, is tell the Chinese we will impose $2.3 billion worth of sanctions against them unless they come to an agreement with us on the piracy of our intellectual property. They have agreed with us.

Now, obviously, we are going to have to make sure that agreement is enforced. But the fact of the matter is that the only way we are going to be able to deal with the Chinese is by engaging them, not by trying to isolate them, because that will not work. And the key obviously is the fact that we must try to bring China into the civilized nations of the world over time.

So I would support this rule. I would obviously vote against the motion that the gentleman of the Committee on Rules will offer, and certainly support the gentleman's resolution that will require the four committees to look into this matter, hold hearings and obviously pass legislation should it become necessary.

Mr. Speaker, I urge adoption of this rule.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from California, Mr. DUKE CUNNINGHAM, a member of the Committee on National Security.

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, I rise in favor of the rule and in opposition to MFN.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Sanibel, FL [Mr. GOSS], another valuable member of the Committee on Rules.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Glens Falls, NY, and I rise in support of this eminently good and wise, noncontroversial rule, and I am asking to revise and extend my remarks in deference to my colleagues at this late hour, and I would suggest to the gentlewoman from California that the problem is scheduling, not rulemaking.

Mr. Speaker, I thank my friend from Glens Falls, the distinguished chairman of the Rules Committee, for yielding me time.

Mr. Speaker, I rise in support of this rule, a rule that will allow for the timely consideration of a bill to disapprove normalized trade relations with China. Or, in the archaic language of diplomacy, we are considering China's Most Favored Nation status, which the President has recently renewed. MFN for China has become a perennial issue—year after year we debate whether or not Congress should overrule the decision to renew normal trade relations—there are no special deals here—with China, the country with the largest population in the world. I welcome the debate, but I will again oppose raising additional trade barriers to one of the world's fastest growing economies. To do so would cost American jobs and ultimately diminish western democratic influence in this crucial region. I agree that China's leaders have acted in bad faith in areas of human rights, arms trades, and intellectual property. These problems must be addressed—and they will be —through the proper channels. We cannot ignore our leadership responsibilities in encouraging democratization and responsible actions in China, but this is exactly what we would be doing if we quit the field today. We must stay engaged in China in order to be a part of the—admittedly slow—process of reform, because many of the reforms in China that we have witnessed to this point have their roots in the free flow of commerce between that country and the United States. So, I urge my colleagues to support the rule, and oppose House Joint Resolution 182.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I think we have to examine what confronts us here. It is not simply what the Chinese do, it is the magnitude to which they can do it. If China was a country of 50, 60, 100 million, even 200 million people, operating with the kind of system that they operate under, we might be able to survive it; 50, 100 million people working in a totally controlled economy, working in prison, slave wages, slave manufacturing, we might be able to, through contact and through constant pressures, make some progress here.

This is a country with 1.2 billion people. Before they have an impact from our economic exchanges they will destroy the economic life of this country if we do not alter the trading practice.

In the last 20 years we have seen the workweek wage of an average factory worker in America drop by $60, not go up, but go down by $60 a week. Sixty percent of Americans have lost ground on their paycheck as a flood of Chinese goods have come into this country.

We talk about the French. The French would each have to buy $4,000 apiece in goods to replace America's demand to China. Forty-five billion dollars of sales in this country does but one thing, it puts American families at risk, it depresses American wages, and it goes on to do damage to our environment.

We can put scrubbers on our factories and clean up the rivers and the pollution that goes into the oceans. As China's economy grows, the pollution it puts into the air and the rivers will continue to devastate the environment of our globe: Missile technology, biotech weapons, chemical weapons proliferated by the Chinese to Iran and every other dangerous corner of the globe.

We were all saddened and frightened by the scene of American personnel barracks in Saudi Arabia being hit by a traditional bomb. What will happen when our Chinese trading partners ship to the Iranians nuclear chemical and biological weapons? What kind of challenges will confront us for the safety of American personnel and indeed the people in this country as well?

China, to be dealt with as a normal trading partner in this global community? Remember the Taiwanese elections a short time ago, as the Taiwanese citizens went to the polls to exercise their right to vote for a new congress and a new president? What did the Chinese government do? They brought their fire power to the straits of Taiwan and tried to intimidate the Taiwanese from a free election.

We have to defend the principles we believe in and the families we represent. The only way to do that is to vote down MFN.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time. I rise in opposition to the rule.

As the gentleman from New York, Chairman SOLOMON, pointed out, this MFN resolution should be given 20 hours of debate, guaranteed by statute. But in a phenomenal show of arrogance, the Republican leadership has said no.

This MFN debate reminds me a little bit of the Medicare debate; Republicans choking off debate, the Gingrich leadership team cutting back-room deals with powerful interest groups, consideration of the legislation in the middle of the night.

This bill will cost millions, will cost millions of American jobs. Our trade deficit with China, as my friend from California said, almost nonexistent only a few years ago, has climbed to $32 billion a year and rising. Within a couple of years it will surpass that of Japan.

MFN is an economic loser for America. We sell more to Belgium. As a Nation we export more to Belgium than we do to China. Conversely, 40 percent of all of Chinese exports are sold into the United States. Simply put, China needs us more than we need them.

How much more can China do to its people and how much more can China do to rest of the world? How many more times can they stick their thumbs in the eyes of their people and the rest of the world before we in this body finally say to MFN? Massacring students in Beijing, selling nuclear technology to rogue nations, slave labor camps, illegally smuggling 2,000 AK–47s into the United States, forced abortions and sterilizations, forcible seizure of Tibetan children, forcing 12-year-old Chinese children to make toys for 12-year-old American children.

It is time we say no to MFN. It is time we say no to the Chinese government. It is time we say no to those abuses. Vote no on the rule, vote no on MFN.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to say to the previous speaker that the way to be effective on the floor of this Congress is to be as less partisan as we can.

If the gentleman would notice, even the gentlewoman from California [Ms. PELOSI], the gentleman from Massachusetts [Mr. MOAKLEY], and myself and others have been critical of this administration and the previous administrations. We have been critical of both political parties. But when the gentleman stands up here and says the arrogance of the Republican Party by limiting this debate, which should have 20 hours of debate, to 4 hours, let me tell him it was done on a bipartisan basis and it was done, the same thing, under 15 consecutive Democrat leaderships. So let us be bipartisan about this and keep it on a high plane.

Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia [Mr. WOLF]. On the highest plane I know, this man has been a leader and advocate of human rights throughout the entire world for his entire career here.

Mr. WOLF. Mr. Speaker, I do not even know what to say. I feel so bound up inside about what we are doing tonight. This is fundamentally an evil group of people. This is the evil empire of modern times.

They have Catholic priests and bishops in jail as we now speak who are being tortured. They are torturing Buddhist monks and raping Buddhist nuns. They have more slave labor gulag camps than they had when Solzhenitsyn wrote "Gulag Archipelago." They were selling AK–47's and shoulder missiles that could take 747s out of the sky in Boston, in Chicago, or in L.A.

This is a fundamentally evil group of people, and I worry that 3 or 4 years from now we will have to deal with those people on a military basis. I wish we had a better piece of tandem legislation. The piece of tandem legislation does not do. MFN? If they get it, fine, but we should have abolished the People's Liberation Army and done all these things that are important.

The last thing is, having served here since 1980, no Member of Congress would have had the guts or the courage to come to this floor during the 1980s, when Scharansky was in Perm Camp 35 and Sakharov was under house arrest, no Member of Congress would have had the guts or the courage to stand up and say that we should have given the Soviet Union MFN. And now we are just clamoring to give it to a regime that is the evil empire number one of this world.

I oppose the rule, but the rule is important. I just oppose MFN. I think all of us have to ask ourselves, and the gentleman from New Jersey, CHRIS SMITH, said it better than anybody, what threshold do we have in our own conscience that will make us finally say enough is enough? If they continue to do next year what they have done this year, raping nuns and imprisoning bishops and priests, what will be enough is enough? Each person should ask their own conscience that because we will have to deal with this issue again.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding me this time, and with all the admiration that I have, both in my head and in my heart, for the gentleman from Virginia [Mr. WOLF] and the gentlewoman from California [Ms. PELOSI] who are two very strong advocates of human rights, it just shows even more strongly what a tough issue this is for everybody.

I am a strong advocate for MFN. I seem to disagree with Mr. WOLF and Ms. PELOSI on this particular issue, but it is not because I am not outraged about MFN, or that I am not upset with the Chinese Government for orphanages and abortion, or that I am not outraged at the Chinese for the kinds of things that they do in ring sales and foreign sales to the Pakistanis or into the Middles East. But I vote for MFN this year because I vote for the American principles of democracy and human rights, where we have as our pillar, in our foreign policy, that we stress human rights more than any other country in the world.

Now, if we walk away from China, do we have confidence that the Japanese are now going to begin to turn around China? I do not. Korea? No. Europe? No. The United States, with President Carter and President Bush and President Clinton, each one of those individuals can and should do a better job in terms of future Presidents and bilateral relations, stressing our human rights, but we must engage, we must argue, we must debate this issue with maybe the most important country for our citizens in the next 25 to 50 years: 1.3 billion people, the largest standing army.

So for our principles of human rights, I believe we should engage this country and not walk away.

Second, it is because MFN is in our best interests. We are not doing a favor for the Chinese. We create American jobs by doing this. Not right away, not enough with the trade deficit that we have, but let me give Members a quick example.

In Indiana we make brakes for Boeing and McDonnell Douglas commercial airliners. That market is not growing domestically. Our families that get $16 and $17 an hour making these brakes for these commercial airliners are not going to have these jobs if we just sell these airliners to Arizona and California and New Jersey.

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But if we sell these airliners to Russia, to China, to Korea, to Japan, we will continue to see wages go up for our workers. We will continue to see better security for our work force, and hopefully it will not just be airliners, it will be computers, it will be manufacturing equipment, it will be a host of things. But I have confidence, Mr. Speaker, that Americans will stand up for human rights and will stand up and try to create better jobs for American families.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Claremont, CA [Mr. DREIER], one of the outstanding free traders in this Congress for the last, I guess, 16 years, vice chairman of our Committee on Rules.

Mr. DREIER. Mr. Speaker, I am happy to be on the same side of the issue with my chairman, the gentleman from New York [Mr. SOLOMON], in supporting this rule. I happen to believe that it is a very fair and balanced rule. It has come up in a very timely manner and, as Chairman SOLOMON said earlier, it is following the procedure that we have gone through in the past.

After 7 years of this debate, there is no question at all that the membership of this House, even if they have served here for only 18 months, has had the chance to look at the issue of MFN for China. Cutting off MFN would clearly hurt the United States. It seems to me that, as we look at this question, ending normal relations with China would be devastating. We have all acknowledged that we very much want to do what we can to assist those who have been victimized by reprehensible human rights violations that we have seen for the past several years. Weapons transfers, saber rattling with Taiwan, intellectual property rights violations, Tibet, all of these things are priority concerns of ours.

The fact of the matter is we need to recognize that over the past several years, while the situation was horrible on June 4, 1989, with the Tiananmen Square massacre and many other murders have taken place, we saw a video in our Republican conference yesterday showing that. But if we compare the Cultural Revolution that took place under Mao Tse Tung and the Great Leap Forward and the export of revolution as my friend, the gentleman from Virginia [Mr. WOLF], discussed that took place under Mao Tse Tung to the China of today, while it is not perfect, it is still horrible, it is better than it was. Why? Because today we are engaged.

We disengaged from China with Chiang Kai-shek in 1949, left for Taiwan, up until the last several years, when Richard Nixon began that opening in the 1970's. I will tell my colleagues that, as we look at this issue, are we going to take a step backward and go back to the policies where under Mao Tse Tung 60 million Chinese people were starved, a million people during the Cultural Revolution were killed by the government? The answer is a resounding "no". What we need to do is we need to recognize that the single most powerful force for change is the one that my party stands strongly for, and that is the free market. We believe very strongly in the free market and the power of it.

It is more powerful than any U.S. Government coercion that we could possibly apply. The fact of the matter is, we join together, very much wanting to address these concerns. This rule makes in order a resolution which will allow us to look at the concerns that we will allow us to look at the concerns that we all want to address. But to disengage would be preposterous. The United States of America is the third most populous Nation on the face of the Earth. Yet the People's Republic of China has almost five times the population of the United States.

The gentleman from California, BOB MATSUI, my very dear friend, said it perfectly. Over the next quarter century it is going to be the single most important relationship that we have. It is very important that we maintain those ties. As I got on a plane, I was stuck in Pittsburgh the night before last. I happened to sit next to a Chinese American civil engineer from Iowa. He brought the issue up to me saying: I lived through the cultural revolution. It was very, very difficult. I saw friends who were victims of the human rights violations, and people were starving. Today when I talk to my family, things have improved. Let us not go back to those horrible times in the past. Let us address our concerns today and move forward.

Support this rule and defeat the resolution of disapproval.

The SPEAKER pro tempore. (Mr. LAHOOD). The gentleman from New York [Mr. SOLOMON] has 12 minutes remaining, and the gentleman from Massachusetts [Mr. MOAKLEY] has 9 minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Miami, FL [Mr. DIAZ-BALART], another very valuable member of the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, last week I finished reading a biography of a Father Maximillian Kolbe, now Saint Maximillian Kolbe. He died at Auschwitz. Pope John Paul has called him the patron saint of our century. In that biography, I learned the name of the company that in August of 1942 was given the contract to build 4 vast crematoria with gas chambers at Auschwitz. The name of the company was Topf and Sohne.

The other company that I learned about, I.G. Farbenindustrie, shared in the profits with the Nazis from the slave labor in the concentration camps.

I wonder if Hitler had not invaded Poland, maybe even afterwards if we had been willing to sit down and reach a peace agreement with him, whether we would not be having tonight's discussion perhaps each year with regard to MFN with the so-called Third Reich. Could we have stopped the construction of the crematoriums had there been engagement? Coexistence with Hitler? Probably not. But would it have been better for an American company to construct the crematoriums than a German company or a French company or a Canadian company? I do not believe so, Mr. Speaker.

I recognize that each situation has its peculiarities in each nation that we deal with. I recognize that China is geographically distanced to the United States and economically very powerful. But I cannot and I will not vote to continue a normal economic relationship with that government that our colleague, Mr. WOLF, has so eloquently described, as well as Mr. SOLOMON, that government of opprobrium.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to the gentlewoman from Ohio [Ms. KAPTUR].

The SPEAKER pro tempore. The gentlewoman from Ohio, [Ms. KAPTURE] is recognized for 4 minutes and 30 seconds.

Ms. KAPTUR. Mr. Speaker, I want to thank the gentlemen for yielding time to me.

I rise in strong opposition to this rule and certainly in strong opposition to MFN. This rule was concocted late last night in the wee hours, around midnight, when none of the Members were here except but a few of us who overheard that there might be a meeting up there in the third corner, none of the press was around.

What we have here is merely another attempt by Speaker GINGRICH AND MR. ARMEY to railroad debate in this House on a measure so vital to the American people as well as to the cause of liberty in China. Under normal circumstances, I guess it would be said, but I am so outraged that it is hard to be sad as we consider this here this evening. In Washington it is now nearly 1 a.m., and most of the membership has gone home. People here are bleary-eyed, and yet this is what we are subjected to.

Tomorrow when most of our membership is gone, we will try to attempt to take up the merits of this.What disrespect we show to Bill Emerson, our dear colleague, by the manner in which this is being conducted.

I also want to say to my good friend, the gentlewoman from California, Congresswoman PELOSI, and to the gentleman from Virginia, FRANK WOLF, this Chamber should treat you better. Everyone of our colleagues who is here and who is a party to this deplorable rule and the manner in which it is being considered, shame on you. Shame on you. Shame on you, Speaker GINGRICH, wherever you are. You were out here making noise a few minutes ago, and Mr. ARMEY, for not showing the courtesy to the Members who have worked so hard to represent the best values that we represent as a country.

But do you know what? I have been at this podium before. I have the benefit of 14 years of seniority in this people's House. I remember when they railroaded GATT through here. Boy, do I remember that. I remember standing in this well and saying, American people, remember this one. I remember some of the Members in here snickered. Do you know what? They do. And I remember the NAFTA vote. I remember we almost carried it, and then 63 deals were made. And do you know what? The American people, they remember that, too.

And now we have got China MFN. It is merely another battle in a war, but it is out there in the country because the country ultimately learns what happens here no matter how hard we try to muzzle debate. In this legislation, the United States becomes the most unfavored nation, the most unfavored nation.

Take a look here. Every single year that we have had most-favored-nation, what a misnomer that is, the United States has amassed growing trade deficits with China. Until this year, we are at a level of over $40 billion, which translates into an additional loss at home of 800,000 jobs in this country. By names of companies you know: Nike, we have got Members here who are going to sell out for tennis shoes. We have got members in this Chamber, why, by golly, they are going to sell out for Wal-Mart, 700 sweatshops over in China that make that junk that they send in over to our shores. Well, Bill Clinton gets a lot of money from Sam Walton's family. I feel sad about that. But I care more about freedom and the way people are treated.

We have got some Members here who are going to sell out for Barbie dolls when the vote comes up here tonight and tomorrow. How sad.

You have an accounting to do in a higher life for the votes you will cast on this issue. Commercialism, that is what has become the basis of our foreign policy in the post-cold war world in which we are living.

In fact, the words of democracy, the hope for democracy, respect for the rule of law, the dignity of working people, the promotion of a sustainable environment, those are all illusions as we stand here in this Chamber this evening.

We have no evidence that China has done anything to warrant this favored treatment which will give them a 2 percent tariff level of goods into our market while they maintain a 30 percent to 40 percent tariff against our goods. And they now have the second largest amount of dollars reserves in the world, $70 billion, which they use to buy weapons pointed at us and at their neighbors. So that is what China MFN creates.

What a shame. What a shame. Maintaining the status quo by voting for MFN is a disgrace.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, we have heard the arguments over and over: by engaging with China, we can influence the behavior of the Chinese Government with regards to fair trade, human and labor rights, and proliferation. Members on both sides of the aisle have repeatedly expressed skepticism about this approach, and events continue to prove us right.

Recently, a disturbing new rationale for denying MFN has come to light: China has become the major contributor to weapons proliferation and instability in Asia, with Pakistan being one of the major recipients of Chinese nuclear technology and delivery systems.

As has been reported in the media recently, there is undeniable evidence from our own intelligence agencies that Pakistan has deployed nuclear-capable Chinese M-11 missiles, obtained through a secretive transfers that both countries have tried to cover up. Yet, incredibly, despite the overwhelming evidence, the administration seems unwilling to impose the tough economic that both nations clearly deserve.

Unfortunately, this is not the first time that the dangerous, destabilizing transfers of advanced weapons and nuclear technology from China to Pakistan have gone unpunished. Earlier this year, we failed to punish China or Pakistan for the transfer of 5,000 ring magnets, devices used for the production of weapons-grade enriched uranium. We officially bought into the unbelievable Chinese Government explanation that they were unaware of the transfer. We also went ahead with the transfer of $368 million in United States conventional weapons to Pakistan.

Mr. Speaker, it's time to get tough with China, Pakistan and other nations contributing to the spread of nuclear weapons. Denying MFN to China is a good place to start, an effective way to show that we're serious about nonproliferation.

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Mr. SOLOMON. Mr. Speaker, I yield 3½ minutes to the gentleman from California [Mr. ROHRABACHER], one of the Members of this Congress I love to listen to because he speaks right from his heart. He is one of the leading advocates for human rights in this entire Congress.

Mr. ROHRABACKER. Mr. Speaker, I would like to share with Members of this body a notice that I just received in the mail. It seems that the Citizens for a Sound Economy are going to count my vote against most-favored-nation status against me when they are trying to calculate whether or not they will present to me next year's Jefferson Award.

How about that?

As far as I am concerned, the Citizens for a Sound Economy can take their award, and they can take it back, and what they can do is they can rename it the "Mao Award" or they can rename it the "Lenin Prize" or the "Goebbels Award," or whatever award they want, but they are insulting the Members of this Congress by calling it a Jefferson Award and then counting it against us for voting not to give world's worst tyranny an advantageous trading relationship with this country.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from New York.

Mr. SOLOMON. If the gentleman would do me a favor, if he is sending his back, would he put mine in the same box?

Mr. ROHRABACHER. It is unbelievable.

We have heard today the charge that those of us who are opposed to most-favored-nation status for China are talking about isolating and walking away from China. That is not the case. China is not a country to be ignored, but right now it is being run by tyrants and despots, and they are not a group of people that we should be providing advantageous trade relations with our own people.

The question is whether or not Communist China should continue to enjoy the advantageous trade relationship that it has because it is enjoying the same trade relationship that we give to democratic countries. No one is talking about walking away, no one is talking about an embargo, no one is talking about isolating China, but does any one really believe we should give these dictators, these people who are bullying their own neighbors, who are stepping on the faces of their own people with their combat boots, we should give them advantageous trade relationship with our country?

Every year since 1989, when the Tiananmen Square democracy advocates were massacred, we have seen the situation in China to continue to decline. The theory is, if we engage them, if we trade with them, give them this most advantageous trade relationship with us, things will get better. That is nothing more than a theory, and it is being proven wrong in practice. To continue to have our policies based on a theory that is not working is totally insane, and we will pay a price. In fact, the American people are already paying the price for that insanity.

Granting most-favored-nation status to China while it is going in the wrong direction is exactly the wrong signal to send to these despots. What we are doing is encouraging those dictators to continue their repression, and we are demoralizing those elements in China that want a better world.

Whose side are we on as we celebrate our fourth of July? Are we on the side of our own working people, on the side of those people who struggle for democracy, or are we just on the side of corporate profits? I do not believe that is what this country was founded on.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process. I would like to point out that 60 percent of the legislation this session has been considered under a restrictive process.

Mr. Speaker, I include the following extraneous material for the record:

The material referred to is as follows:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.

PROCEDURE IN THE 104TH CONGRESS 2D SESSION

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.
H.R. 3662	Interior Appropriations FY 1997	H. Res. 455	Open	N/A.
H.R. 3666	VA/HUD Appropriations	H. Res. 456	Open	N/A.
H.R. 3675	Transportation Appropriations FY 1997	H. Res. 460	Open	N/A.
H.J. Res. 182/H.Res 461	Disapproving MFN Status for the Peoples Republic of China	H. Res. 463	Closed	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 53% restrictive; 47% open. ***All legislation 2d Session, 60% restrictive; 40% open. ****All legislation 104th Congress, 56% restrictive; 44% open. *****NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ******PQ Indicates that previous question was ordered on the resolution. *******Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. Speaker, I yield the balance of the time to the outstanding gentleman from New York [Mr. RANGEL], the next chairman of the Committee on Ways and Means.

Mr. RANGEL. Now, that was a real introduction.

Mr. Speaker, I thought the name of this game was how to get economic growth. I now find that this foreign policy, this trade policy, that normally set by the President with bipartisan support, is now dependent on just how much we hate these bums that are running China, and If I had only known that, I would not even know why we are doing business with Japan. I mean I wan younger then, but it seemed to me that they were not very nice people then. And Germany; my God, the atrocities that were committed then. And Italy; they were not considered friends of ours. My God.

And when it comes to personal experience, those North Koreans, they were chasing me all around North Korea, and the Chinese shot me. And still we got sanctions against Cuba, and really they have not bothered me too much.

But the truth of the matter is, what are sanctions, and what is most-favored-nation treatment? It is not most favored nation. We are saying, if the United States does not get there first, then our so-called friends are going to get there. We also are saying if we get out of there, our great friends will be in there before we can pull out our equipment.

And so this is not a question about who you like and who you do not like, because I am certain that this is not going to be an anti-Communist type of thing with my friends supporting trade with North Vietnam, with my friends supporting trade with North Korea. My God, the Communists, all around us. They are just not shooting us, they are buying things from us, and they are creating jobs from us, and what choices do we have?

If we apply sanctions against them and it is a unilateral sanction, how do we hurt them? We do not have any friends in the United Nations that can depend on our credibility. We now have already told the United Nations, "Elect who you want for a secretary general, we're vetoing ahead of time."

We now told people that are doing trade with this little island in the Caribbean, "You dare do trade with them," or, "You do trade, have your companies any place where any Cuban says he has a piece of land, and we're going to take away your visas and have sanctions against you."

Who believes us any more? Why cannot the United States have credibility? Why cannot we believe in something and say what the name of the game is? Do we want to find atrocities? Answer: "You bet your life." And we are doing business in Africa with countries. We say we are going to have sanctions against Nigeria. Who is joining us with the sanctions? If we are going to hurt somebody, make certain that we win and stop teasing around throwing out sanctions or we are not going to trade with them when other people are going to trade.

I say, "Don't hurt yourself just because you're dealing with a bunch of bums. You're dealing with 1.2 billion dollars' worth of good people led by a bunch of bums. Well, what's your option? You just going to say, 'I quit; I am not going to play the game; you didn't pass the personality test'?"

It is dollars and cents. It is hard bucks.

They already said we have to balance the budget, and of course my President now finds it very convenient to adopt most of these ideas. He says balance the budget. He already said we have to cut revenues, and my President says, makes some sense, too: We have got to have tax cuts. He already said that we have to shrink Government. Well, my God, Government is being shrunk. But a strange thing is happening in this country, and that is that the old people are living older, and since they believe the answer to every social ill that we have are penitentiaries, they are building more jails.

Oh, we are not going to spend on education; leave that to the local kids. Well, the local kids are failing, they are in the street, they are jobless, they are ignorant, they have no training, they end up with drugs, making kids, getting violent, going to jail.

Oh, how are we going to deal with that? Well, the only name that we have in town is expanding the economy, and the only way we can expand the economy is not consuming everything that we make but by selling it to somebody even if we do not like the people we are selling it to.

Mr. SOLOMON. Mr. Speaker, I am going to be yielding myself the balance of the time, but in doing so I will yield up to a minute to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank my dear friend from Glens Falls for yielding to me, and I do so simply to respond to the statement that was made about the Citizens for a Sound Economy and by my very dear friend from California who reminds me that we agree over 90 percent of the time on issues, as I do with many of my friends on this side of the aisle who disagree with me on this question.

Citizens for a Sound Economy feels very strongly about the need to extend MFN because, if we were to cut off trade with China, we would clearly be hurting most the people we want to help here in the United States; the reason being, CSE opposes tax increases. They very much want to cut the tax burden on those working Americans who benefit from toys, shoes, and clothing, and what is necessary is for us to do everything that we can to maintain that. It would be a $600 million tax increase. CSE stands for free trade and lower taxes, and that is the reason they have taken the position that they have.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, I was simply going to urge every Member of the House to come over here and vote for this rule. It is a fair rule. It is the kind of rule that we have had for 17 consecutive years when we continued to renew MFN for China all these years, so there is no reason for any of us to vote against it, and then I would urge my colleagues to vote for the resolution of disapproval for all of the reasons we have said before.

But I just have to respond a little bit because, as I look at this little note that is going around from the Citizens for a Sound Economy, and I look at what it says, it says that, "We may not give you this Jefferson Award again if you vote against giving MFN for China."

As my colleagues know, to me that is intimidation at its worst. I wonder if they have PAC checks, and now they are not going to give JERRY SOLOMON a PAC check. Well, let me just tell them, "If you have them, why don't you keep them? I don't want it; OK?" And any other industry who does not want to give JERRY SOLOMON a PAC check because he is going to vote for this motion to disapprove MFN for China because he believes in human rights for decent people and American foreign policy through all Presidents, whether they be Republican or Democrat, has always been to promote democracies around the world and to encourage human rights for all people. That is what this is all about.

I really resent this, and I am going to send mine back along with the gentleman's, but having said that, let us get back to what I think we all ought to vote for, this rule, and then take the bill up tomorrow, and let us vote to disapprove MFN for China, and then let us pass the resolution that talks about all of the rogue activities of this dictatorship with arms sales and with all of the activities that they undertake.

Mr. BEILENSON. Mr. Speaker, I have serious concerns about this rule and about the bill it makes in order.

I am strongly opposed to the protection that the rule provides for the legislative provision that freezes fuel economy, or CAFE, standards for the second year in a row. This is unwarranted protection for a controversial and major provision which should not be in an appropriations bill.

This legislative rider is a blatant attack on the environment; support for the fuel economy standards freeze is, in fact, opposition to pollution reduction, national energy security, and consumer savings at the gasoline pump.

By reducing oil consumption, CAFE standards have been enormously successful in cutting pollution. By preventing the emission of millions of tons of carcinogenic hydrocarbon into the air we breathe, the standards have improved air quality, including that in heavily polluted cities like my own of Los Angeles. But we have a long way to go before we have clean air.

In addition, CAFE standards have proved to be successful in saving an estimated 3 million barrels of oil a day, thereby reducing U.S. dependence on imported oil. There is no doubt that, without these standards, we would be importing far more oil than we already do. Those imports account for 52 percent of U.S. oil consumption, while contributing $60 billion annually to our trade deficit.

And, of direct importance to consumers, CAFE standards result in savings when they purchase gasoline. Because fuel economy standards doubled between 1975 and the late 1980's, a new car purchaser saves an average of $3,300 at the gas pump over the lifetime of a car. CAFE standards mean over $40 billion in consumer savings annually.

By continuing this freeze, we are preventing full implementation of the law that was enacted in 1975. Specifically, the freeze is blocking improvements in the CAFE standards for light trucks. This means that our constituents who purchase the very popular minivans, sport utility vehicles, jeeps, and pickups are denied the benefits of existing fuel-saving technologies.

These vehicles have become the most prevalent example of the gas guzzlers we have sought to do away with—they now comprise over 40 percent of the new vehicle market, increasing the demand for oil and, so, increasing pollution as well.

Mr. Speaker, I am also disturbed by some of the other provisions of this important piece of legislation, which affects, in one way or another, all Americans.

Specifically, many of us regret that the bill makes such drastic reductions in Amtrak's funding. Amtrak's capital improvement would be nearly halved; the fund for improvements in the Northeast corridor would be eliminated entirely. This is, Mr. Speaker, bad transportation policy.

Instead of cutting in half this funding for Amtrak, we ought to be providing funds to improve and expand rail service in the United States. We are currently making an investment that is totally inadequate; our rail system is nowhere near so cost-effective or consumer oriented as it should be. But, instead of providing the funds to overcome those deficiencies, the action we are taking today represents a giant step backward.

An effective, efficient rail system is essential to the quality of life and economic vitality of our Nation, and improving rail service should be a top priority; instead it has been sadly neglected. Trains run infrequently; the most popular ones are overcrowded; and passengers have well-founded fears about safety and the lack of good, reliable service.

We should be trying to meet the demands of customers—and would-be customers—by improving our Nation's rail program. Rail service should not be relegated to the past, or to the bottom of our list of priorities; it should not be taking a back seat to the enormous amount of funding we continue to pour into our multibillion-dollar highway system.

As the respected columnist, Jessica Mathews, pointed out in her recent Washington Post article, Amtrak has suffered from chronic underfunding; what it needs most is a guaranteed source of capital, and more than 3 percent of transportation funds it receives. We have a transportation system that heavily subsidizes travel by road and air—but ignores rail—and by doing so, we have serious congestion both on the ground and in the air.

A great investment in Amtrak would help us solve those serious problems. I urge my colleagues to consider that as we debate this appropriations bill.

Mr. Speaker, I commend the article by Jessica Mathews to my colleagues for their attention, and I include it at this point in the RECORD.

[From the Washington Post, June 24, 1996]

TIME TO MAKE PLANS—AND TRACKS

(Jessica Mathews)

American visitors to Europe and Japan this summer will have an experience you cannot have anywhere in America.

They will fly to a major airport like Amsterdam, Paris or Osaka, collect their bags, push their cart through customs and a few steps farther, still inside the airport, be at the doorway of an intercity train.

What's special about this quick and easy connection that non-Americans take for granted? First, of course, is the existence of healthy, heavily capitalized rail service, seen as integral to a national transportation system. Trains keep air and highway traffic flowing, and nothing competes with rail in an overall package of speed, cost, comfort, convenience and use of energy and land for trips in the range of 100 to 500 miles.

Anyone who thinks that rail travel is a nostalgia trip should take a look at the investment plans of the booming, modernization-obsessed Asian economies. China, Taiwan, Malaysia, South Korea and others are all investing heavily in high-speed rail.

That's the second characteristic missing for Americans: existing and planned service is high-speed rail, not futuristic magnetic levitation technology, but conventional rails in the here-and-now. After decades of undercapitalization, "high-speed" in the United States means only 100 mph to 125 mph, whereas France's 200 mph TGV would make the Washington-New York trip, downtown to downtown, into a one-hour commute.

The third factor is more subtle. Money can't buy it, and technology is no substitute. It is the connection: Air connects to rail, rail to transit, transit to bicycle and pedestrian options, and all of them are laid out to fit with the road system. It sounds basic and it is, but such links are so rare in this country that they're given a fancy name—intermodal connections. The missing element in the United States is planning.

Central planning is, of course, a dirty word here, but when we are serious about doing something well on a national scale, we plan just like everyone else. You can drive on one good road from Maine to Florida because the interstate highway system was laid out as a national system. To overcome our aversion in the 1950s, we pretended that all this planning was in the service of national defense (to move missiles on the roads). In 1996, with tourism/recreation the world's largest industry (and the United States' second-largest employer) and trade an ever-rising share of the global economy, we can no longer afford the hangup.

Missed connections persist at the state and regional level, even when comprehensive planning is attempted, because separate transportation trust funds with separate sources of revenue pit the various modes of travel against each other. The air, rail, transit and highway industries see themselves as competitors, not colleagues serving a broader public interest.

"That half-penny [of the federal gas tax] belongs to transit," says transit's chief lobbyist. "Why should we use our money [air ticket-tax funds] on rail?" asks an airline spokesman. And so New York's once-great Kennedy Airport lies gasping out in the suburbs, strangled by clogged highways, for lack of rail service from downtown. It's not a New York problem. It is obscenely difficult everywhere in this country to spend transportation money according to self-evident, local need.

Two things need to change: the chronic underfunding of rail and the separate pots of money that stand in the way of sensible spending. Eventually, the airport and highway trust funds and other appropriations must be combined into a single source of money allocated by need rather than mode of service. That will take some time. Meanwhile, urgent action is needed to rebuild passenger rail.

What Amtrak needs most of all is a guaranteed source of capital to buy the rolling stock that will reduce heavy maintenance costs on the antiquated equipment it inherited, improve service and attract new passengers. A recent test vote in the Senate approved a plan to allocate a half-cent of gasoline taxes, about $500 million per year, for that purpose. Last week, both Senate Majority Leader Trent Lott and Rep. Frank Wolf (R–Va.), in charge of transportation spending in the House, gave the idea a cautious blessing.

Approval is still far from certain, but it is essential. Congress and the administration have previously decided that Amtrak must operate free of public support by 2001—a status that has no precedent anywhere in the world and justification. All other modes of transport are subsidized, roads and highways especially heavily. Why should rail alone not be publicly supported?

Whatever its wisdom, the goal has been set, at least for the time being. If there is the slightest chance that it can be met, capital funding of at least $2.5 billion over five years is the bare minimum cost.

The evidence is all around us that a transportation system that pours money into roads and air travel and starves everything else doesn't work. Spending for airports and highways soared in the '80s, and now economic losses from congestion on the ground and in the air are setting records. In that same time, support for rail declined by a third. It now gets a bare 3 percent of federal transportation funds.

Undercapitalized businesses fail every day. That could happen to Amtrak. Or it could succeed with payoffs in quality of life and national competitiveness out of all proportion to the federal cost. It's up to Congress.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 0100

PROVIDING FOR CONSIDERATION OF H.R. 3675, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT 1997

Ms. GREENE of Utah. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 460

Resolved, That at any time after the adoption of this resolution the Speaker, may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 401(a) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with the colon on page 10, line 25, through "program" on page 11, line 3. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. The amendment printed in section 2 of this resolution shall be considered as adopted in the House and in the Committee of the Whole. During consideration of the bill for further amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto the final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The amendment considered as adopted in the House and in the Committee of the Whole as follows:

Page 8, line 18, strike "proceeds from the sale of".

Page 8, line 20, strike "credited as offsetting collections to this account so as to result" and insert in lieu thereof "disposed of in a manner resulting".

Page 8, line 22, strike the comma after the figure and all that follows through "Act" on page 9, line 1.

Page 11, line 18, strike "$2,742,602,000" and insert in lieu thereof "$1,642,500,000".

Page 27, line 4, strike "$400,000,000" and insert in lieu thereof "$460,000,000".

Page 48, line 12, strike the colon and all that follows through "funds" on line 15.

The SPEAKER pro tempore (Mr. LAHOOD). The gentlewoman from Utah [Ms. GREENE] is recognized for 1 hour.

Ms. GREENE of Utah. For purposes of debate only, Mr. Speaker, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 460 is an open rule providing for consideration of H.R. 3675, the fiscal year 1997 Transportation appropriations bill. The rule provides for 1 hour of general debate, equally divided between the chairman and the ranking member of the Appropriations Committee.

The rule contains a technical waiver of section 401(a) of the Budget Act, which prohibits consideration of legislation containing contract authority not previously subject to appropriations, and two waivers of rule XXI: clause 6, prohibiting reappropriations, and clause 2, prohibiting unauthorized and legislative provisions, with the exception, as requested by the authorizing committee, of a provision relating to funding for a boating safety grant program.

In keeping with our commitment to ensure that the appropriations bills comply with authorizations, the rule resolves certain concerns expressed by the authorizing committee by providing that an amendment printed in section 2 of the resolution is considered as adopted.

In order to better accommodate members' schedules, the rule allows the chairman to postpone votes and reduce voting time to 5 minutes. The rule also permits the majority leader to offer the privileged motion to rise and report the bill back to the House at any time after the final lines of the bill have been read. Finally, the rule provides for priority consideration of amendments that have been pre-printed in the CONGRESSIONAL RECORD, and provides for one motion to recommit, with or without instructions.

Mr. Speaker, I would like to point out that this is the seventh appropriations bill that we have considered this year, and that all seven appropriations bills have been considered under open rules. Under this open, deliberative process, we have given every member of the House an opportunity to offer an amendment on any issue they feel important.

Mr. Speaker, I would like to once again emphasize that this is an open rule, providing for fair consideration of the important issues contained in this bill. I urge my colleagues to support the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend my colleagues on the other side of the aisle for this open rule. The Rules Committee acted appropriately in exposing certain parts of this bill to points of order. In doing so, they followed the long-standing tradition in the House of honoring the authorizing committees' request to be able to raise points of order against legislative language in spending bills. This rule will give them that opportunity.

I also commend Mr. WOLF and Mr. COLEMAN for this bipartisan bill they've put together which I fully support.

This bill allocates $12.5 billion for transportation programs across the country which are very good investments in our country's infrastructure.

Most importantly, Mr. Speaker, this bill emphasizes safety. It allocates $4.9 billion for the Federal Aviation Administration to continue the good work they do making sure our skies are safe. Thanks to this bill, the FAA will be able to hire 660 new employees entirely devoted to passenger safety.

Even though our planes are among the safest in the world, as last month's tragedy in Florida showed us, we are still not as safe as we should be.

Although I am disappointed that this bill doesn't provide any new funding for the Northeast corridor, the most traveled passenger rail route in the country, I understand that there is a balance from previous appropriations to fund the continued construction of this project.

I urge my colleagues to support this open rule and to support this bill.

Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I simply want to say I support this rule. It is far preferable than the rule that we just considered. I would simply observe that with respect to the previous rule, this country has walked away from our values in dealing with trade. There is absolutely no reason in my view for us to provide MFN treatment for a country that produces goods through slave labor. I think it is a preposterous joke that we should in any way give credence to the idea that a country with a controlled economy is a fitting participant in free- or fair-trade arrangements. By definition, they are not. I thank the gentleman for his time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. GREENE of Utah. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. GREENE of Utah. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Resolution 460.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Utah?

There was no objection.

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3675, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and that I may be permitted to submit tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 460 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3675.

□ 0109

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. BEREUTER in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Virginia [Mr. WOLF] and the gentleman from Minnesota [Mr. SABO] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I yield myself such time as I may consume.

In the interests of brevity, Mr. Chairman, and because everyone, including the staff, ought to be able to go home, I will include my remarks.

Mr. Chairman, today I am proud to present to the House H.R. 3675, the transportation appropriations bill for fiscal year 1997. I believe this is a very good bill which will improve aviation and highway safety, provide essential funding for highways and other infrastructure improvements across the country, and maintain the Federal Government's commitment to help localities and Amtrak with assistance in their operating budgets. This is a balanced bill, created in a bipartisan manner under difficult budget constraints.

Before I go any further, Mr. Chairman, I want to recognize the huge contributions of the gentleman from Texas [Mr. COLEMAN] in putting together this bill, and past bills, in a truly bipartisan fashion.

This will be the gentleman's last transportation appropriations bill, and I want to say how much I appreciate his diligence and hard work, and his true concern for transportation safety and infrastructure around this country. He will be sorely missed, and we all wish him well.

As all of us know, Mr. Chairman, the coming fiscal year will be very difficult, as we continue to tighten our belt on the way to a balanced budget. This is even more painful with each passing year, because the easiest budget reductions have already been made. Yet this body has shown its strong and unwavering commitment to eliminating the deficit by the year 2002, so some continued sacrifices will be needed.

Before I get into specifics of the bill, let me put the larger budget numbers in perspective. This year, our 602(b) allocation in new outlays is $11.4 billion, which is the same level as last year. This might not seem too difficult until you realize that just to fund things like the employee pay raise, normal inflation in employee medical insurance and other benefits, and general inflation in goods and services, the Department of Transportation would need $250 million more than it received in fiscal year 1996.

And if you use the President's budget as the baseline instead of the current level of funding, even greater reductions are required, because the budget proposed a large increase in new outlays. Combined with the money we need to pay off debts from past years, our budget allocation puts us $359 million in outlays below the administration's request. So very difficult choices had to be made below the level of their request.

This bill sets priorities with the limited resources we have available. What are those priorities?

Safety: Maintaining and improving safety is the number one priority in this bill, above everything else. The recent aviation accidents have convinced many of us that more needs to be done, and there are other troubling signs as well. Fraudulent and unapproved aircraft parts now get inside our commercial airliners all too often. And our aging air traffic control equipment raises concerns.

Last year, air traffic centers all over the country experienced breakdowns in important radar and communication systems. And air traffic controllers are getting stretched thin as air traffic increases without consistent growth in staffing.

To deal with these problems, the bill before the House today raises funding for air traffic control operations by about 6 percent, providing funds for 250 additional air traffic controllers and 373 new staff in aviation safety inspection and oversight. The bill also adds $139 million, not in the President's request, for new air traffic control equipment and systems to improve safety and airway capacity.

Because of the extremely serious questions surfacing now over aviation safety and the FAA's oversight, the bill appropriates $2.4 million for a blue-ribbon commission to perform a comprehensive review of aviation safety, financing, and acquisition. Over the past few weeks, we've seen FAA inspectors and the Transportation Inspector General testify before the House and Senate about safety problems. We read about internal FAA memos raising safety alarms which go ignored by management.

And we know how long it takes the FAA to procure and install new safety equipment. These problems must be addressed in a comprehensive, non-political and professional way.

This high level commission will be bipartisan, and will have adequate funding to analyze in-depth the aviation safety situation in the United States, the FAA's financing problems, and its organization. I intend to offer an amendment to the FAA authorization bill which provides the authorization for this commission when that bill is before the House later this summer. The chairman of the Transportation and Infrastructure Committee agrees with me on this approach. He supports this language, and I am pleased that the appropriations bill provides funds for this important activity.

And we must do more in other safety areas as well, or at least hold the line in the face of oncoming budget cuts. The National Highway Traffic Safety Administration [NHTSA], for example, performs critical work in research and public education to make our highways safer.

Earlier advances in reducing highway fatalities in this country have slowed in recent years, and in some states, fatalities are going back up with repeal of the national speed limit a few months ago. So the Committee bill places priority on protecting NHTSA's budget, and the related motor carrier safety grants program in the Federal Highway Administration.

Similarly, the second highest number of transportation fatalities in this country occur on our Nation's waterways, and we have received strong appeals from the States to raise funding for boating safety. So the bill raises funds significantly for this program—a 50 percent increase—and requires the Coast Guard to take a more active posture in helping to reduce boating deaths around the country.

Current Operations: The bill also tries to maintain funds for the various operating budgets, and for operating grants, at close to last year's levels. We do not have the resources to start major new initiatives. But we have tried to maintain the current level of operations. Coast Guard operations is funded at approximately last year's level.

Transit operating assistance is at the 1996 level of $400 million, which was difficult since the budget resolution passed by this House assumes that we phase out these grants. And Amtrak operating is at the budget request level. To enhance safety, the bill provides a 6 percent increase in FAA operations, but to help finance the increase, we include $30 million in FAA user fees. These funding levels will maintain current levels of operations except at the FAA, which will be increased.

Investing in Infrastructure: The bill places a high priority on investing in the Nation's infrastructure. With great difficulty, we have found a way to finance the federal-aid highways program at the current level, which will provide funds for road construction in every State. Once again this year, we have included no highway demo projects in the bill, allowing us to put more resources into the hands of the States to decide themselves which projects have the highest need. Likewise, we are not earmarking funds for airport construction grants.

Regarding the Central Artery highway project in Boston, we considered placing a cap on the total cost of that project this year, due to the spiraling costs. However, we have recently received information and assurances from the Commonwealth of Massachusetts and the Department of Transportation that the program is now under control. So although we will continue to monitor this project, I am pleased with the progress made at this time, and the bill includes no provisions restricting funds for this project.

Mr. Chairman, we have tried hard to minimize reductions in capital programs, but that has not been possible in every program. The proposal includes $4 billion for transit grants, the same as the current level. It includes $1.8 billion for FAA facilities and equipment, essentially the same as the budget request. It includes approximately the same level of funding as last year for Coast Guard acquisition, although additional resources will be available to augment their appropriation through sales of Coast Guard airplanes and shore stations which are no longer needed.

Two capital programs have been hit harder than others in this bill, and they are very good programs. These are airport grants and Amtrak.

We provide $1.3 billion for airport grants, 4 percent below the administration's request and $150 million below the 1996 level.

Likewise, Amtrak capital programs are funded at $200 million, a large reduction from $345 million provided for 1996. In addition to this appropriated level, Amtrak has just under half a billion dollars in the bank that it can use during the next year to fund such high priority items as electrification and procurement of high speed trainsets. This level of funding does not prejudice Amtrak from receiving consideration for funding in future appropriations bills.

I know these reductions will cause some Members concern, and I agree that these are good and meritorious programs. If there is any way to raise the figures for Amtrak and airport grants as we go through the process without harming safety programs or other critical needs, I am open to those suggestions. We have to make the difficult cuts as well as the easy ones, and I know these are difficult.

Finally, the bill is very clean of extraneous legislative provisions, and we have tried to work with the legislative committees to ensure their support for the bill. To my knowledge, the rule just adopted addresses the remaining concerns of the legislative committees. There are no major controversial policy changes in the bill. Therefore, I believe the bill can move forward without delay, and without undue controversy.

Mr. Chairman, I believe this is an excellent and balanced bill that puts an emphasis on our highest responsibility—protecting and enhancing transportation safety. From a financial standpoint, it is the best we could do given the budgetary circumstances we are under. It was developed in a truly bipartisan fashion, and received little controversy or debate at either the subcommittee or full committee levels. I believe it deserves the support of this entire body, and I ask for its approval.

Mr. Chairman, I include for the RECORD the following material:

FY 1997 - TRANSPORTATION APPROPRIATIONS BILL (H.R. 3675)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	56,189,000	55,376,000	53,816,000	-2,373,000	-1,560,000
Office of civil rights	6,554,000	5,574,000	5,574,000	-980,000	
Transportation planning, research, and development	8,220,000	7,919,000	3,000,000	-5,220,000	-4,919,000
Transportation Administrative Service Center	(103,149,000)		(124,812,000)	(+21,663,000)	(+124,812,000)
Payments to air carriers (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(22,600,000)	(21,922,000)	(10,000,000)	(-12,600,000)	(-11,922,000)
(Limitation on obligations)	(22,600,000)	(21,922,000)	(10,000,000)	(-12,600,000)	(-11,922,000)
Rescission of contract authority	(-16,000,000)	(-16,678,000)	(-28,600,000)	(-12,600,000)	(-11,922,000)
Rescission	(-6,786,971)	(-1,133,373)	(-1,133,000)	(+5,653,971)	(+373)
Rental payments	135,200,000	137,581,000	127,447,000	-7,753,000	-10,134,000
Minority business resource center program	1,900,000	1,900,000	1,900,000		
(Limitation on direct loans)	(15,000,000)	(15,000,000)	(15,000,000)		
Minority business outreach	2,900,000	2,900,000	2,900,000		
Total, Office of the Secretary	210,963,000	211,250,000	194,637,000	-16,326,000	-16,613,000
(Limitations on obligations)	(22,600,000)	(21,922,000)	(10,000,000)	(-12,600,000)	(-11,922,000)
Total budgetary resources	(233,563,000)	(233,172,000)	(204,637,000)	(-28,926,000)	(-28,535,000)
Coast Guard					
Operating expenses	2,278,991,000	2,519,350,000	2,609,100,000	+330,109,000	+89,750,000
Defense function (050)		118,500,000			-118,500,000
(Transfer from DOD)	(300,000,000)			(-300,000,000)	
Acquisition, construction, and improvements:					
Offsetting collections		-20,000,000	-20,000,000	-20,000,000	
Vessels	167,600,000	237,000,000	205,600,000	+38,000,000	-31,400,000
Aircraft	12,000,000	21,400,000	18,300,000	+6,300,000	-3,100,000
Other equipment	49,200,000	46,700,000	39,900,000	-9,300,000	-6,800,000
Shore facilities & aids to navigation facilities	88,875,000	59,500,000	47,950,000	-40,925,000	-11,550,000
Personnel and related support	44,700,000	47,000,000	46,250,000	+1,550,000	-750,000
Rescission, FY 1995			(-355,000)	(-355,000)	(-355,000)
Rescission, FY 1996			(-3,400,000)	(-3,400,000)	(-3,400,000)
Subtotal, A C & I	362,375,000	391,600,000	354,245,000	-28,130,000	-57,355,000
Environmental compliance and restoration	21,000,000	25,000,000	21,000,000		-4,000,000
Port Safety Development	15,000,000			-15,000,000	
Alteration of bridges	16,000,000	2,000,000	16,000,000		+14,000,000
Retired pay	582,022,000	608,084,000	608,084,000	+26,062,000	
Reserve training	62,000,000	65,890,000	65,890,000	+3,890,000	
Research, development, test, and evaluation	18,000,000	20,300,000	19,000,000	+1,000,000	-1,300,000
Boat safety (Aquatic Resources Trust Fund)	20,000,000		35,000,000	+15,000,000	+35,000,000
Total, Coast Guard	3,375,388,000	3,750,724,000	3,708,319,000	+332,931,000	-42,405,000
Federal Aviation Administration					
Operations	4,645,712,000	4,918,269,000	4,900,000,000	+254,288,000	-18,269,000
Offsetting Collections		-150,000,000	-30,000,000	-30,000,000	+120,000,000
Facilities & equipment (Airport & Airway Trust Fund)	1,934,883,000	1,788,700,000	1,800,000,000	-134,883,000	+11,300,000
Rescission	(-60,000,000)			(+60,000,000)	
Research, engineering, and development (Airport and Airway Trust Fund)	185,698,000	195,700,000	185,000,000	-698,000	-10,700,000
Grants-in-aid for airports (Airport & Airway Trust Fund):					
(Liquidation of contract authorization)	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)		
(Limitation on obligations)	(1,450,000,000)	(1,350,000,000)	(1,300,000,000)	(-150,000,000)	(-50,000,000)
Rescission of contract authority	(-664,000,000)			(+664,000,000)	
Aircraft purchase loan guarantee program (indefinite borrowing authority)	50,000			-50,000	
(Limitation on borrowing authority)	(1,600,000)			(-1,600,000)	
Total, Federal Aviation Administration	6,766,343,000	6,752,669,000	6,855,000,000	+88,657,000	+102,331,000
(Limitations on obligations)	(1,450,000,000)	(1,350,000,000)	(1,300,000,000)	(-150,000,000)	(-50,000,000)
Total budgetary resources	(8,216,343,000)	(8,102,669,000)	(8,155,000,000)	(-61,343,000)	(+52,331,000)
Federal Highway Administration					
Limitation on general operating expenses	(509,660,000)	(652,905,000)	(510,981,000)	(+1,321,000)	(-141,924,000)
Highway-related safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(11,000,000)	(2,049,000)	(2,049,000)	(-8,951,000)	
(Limitation on obligations)	(11,000,000)			(-11,000,000)	
Rescission of contract authority	(-9,000,000)			(+9,000,000)	
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)	(17,550,000,000)	(17,714,000,000)	(17,550,000,000)		(-164,000,000)
(Exempt obligations) (sec. 310)	(2,331,507,000)	(1,314,802,000)	(2,055,000,000)	(-276,507,000)	(+740,198,000)
(Liquidation of contract authorization)	(19,200,000,000)	(19,800,000,000)	(19,800,000,000)	(+600,000,000)	
Emergency appropriations	(300,000,000)			(-300,000,000)	

FY 1997 - TRANSPORTATION APPROPRIATIONS BILL (H.R. 3675)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Motor carrier safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(68,000,000)	(74,000,000)	(74,000,000)	(+6,000,000)	
(Limitation on obligations)	(77,225,000)	(85,000,000)	(77,425,000)	(+200,000)	(-7,575,000)
Rescission of contract authority	(-33,000,000)			(+33,000,000)	
Alameda corridor project loan program		58,680,000			-58,680,000
Alameda corridor project loan limitation		(400,000,000)			(-400,000,000)
State infrastructure banks (Highway Trust Fund)		250,000,000			-250,000,000
Total, Federal Highway Administration		308,680,000			-308,680,000
(Limitations on obligations)	(17,638,225,000)	(17,799,000,000)	(17,627,425,000)	(-10,800,000)	(-171,575,000)
(Exempt obligations)	(2,331,507,000)	(1,314,802,000)	(2,055,000,000)	(-276,507,000)	(+740,198,000)
Total budgetary resources	(19,969,732,000)	(19,422,482,000)	(19,682,425,000)	(-287,307,000)	(+259,943,000)
National Highway Traffic Safety Administration					
Operations and research	73,316,570	98,976,000	81,895,000	+8,578,430	-17,081,000
Operations and research (Highway Trust Fund)	51,884,430	59,537,000	50,377,000	-1,507,430	-9,160,000
Subtotal, Operations and research	125,201,000	158,513,000	132,272,000	+7,071,000	-26,241,000
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(155,100,000)	(191,000,000)	(167,100,000)	(+12,000,000)	(-23,900,000)
State and community highway safety grants (Sec. 402) (limitation on obligations)	(127,700,000)	(151,200,000)	(127,700,000)		(-23,500,000)
National Driver Register (Sec. 402) (limitation on obligations)	(2,400,000)	(2,400,000)	(2,400,000)		
Highway safety grants (Sec. 1003(a)(7)) (limitaiton on obligations)		(15,000,000)	(11,000,000)	(+11,000,000)	(-4,000,000)
Alcohol-impaired driving countermeasures programs (Sec. 410) (limitation on obligations)	(25,000,000)	(25,000,000)	(26,000,000)	(+1,000,000)	(+1,000,000)
Rescission of contract authority	(-56,000,000)			(+56,000,000)	
Total, National Highway Traffic Safety Admin	125,201,000	158,513,000	132,272,000	+7,071,000	-26,241,000
(Limitations on obligations)	(155,100,000)	(193,600,000)	(167,100,000)	(+12,000,000)	(-26,500,000)
Total budgetary resources	(280,301,000)	(352,113,000)	(299,372,000)	(+19,071,000)	(-52,741,000)
Federal Railroad Administration					
Office of the Administrator	14,018,000	16,883,000	16,469,000	+2,451,000	-414,000
Railroad safety	49,919,000	51,864,000	51,407,000	+1,488,000	-457,000
Railroad research and development	24,550,000	24,565,000	20,341,000	-4,209,000	-4,224,000
Northeast corridor improvement program	115,000,000	200,000,000		-115,000,000	-200,000,000
High-speed rail trainsets and facilities		80,000,000	80,000,000	+80,000,000	
Next generation high speed rail	19,205,000	26,525,000	19,757,000	+552,000	-6,768,000
Trust fund share of next generation high-speed rail (Highway Trust Fund):					
(Liquidation of contract authorization)	(7,118,000)	(2,855,000)	(2,855,000)	(-4,263,000)	
(Limitation on obligations)	(5,000,000)			(-5,000,000)	
Alaska Railroad rehabilitation	10,000,000			-10,000,000	
Rhode Island Rail Development	1,000,000	10,000,000	4,000,000	+3,000,000	-6,000,000
Direct loan financing program			58,680,000	+58,680,000	+58,680,000
Direct loan financing program limitation			(400,000,000)	(+400,000,000)	(+400,000,000)
Grants to the National Railroad Passenger Corporation:					
Operations	305,000,000	342,000,000	342,000,000	+37,000,000	
Transition costs	100,000,000			-100,000,000	
Capital	230,000,000	296,500,000	120,000,000	-110,000,000	-176,500,000
Total, Grants to the National Railroad Passenger Corporation	635,000,000	638,500,000	462,000,000	-173,000,000	-176,500,000
Total, Federal Railroad Administration	868,692,000	1,048,337,000	712,654,000	-156,038,000	-335,683,000
(Limitations on obligations)	(5,000,000)			(-5,000,000)	
Total budgetary resources	(873,692,000)	(1,048,337,000)	(712,654,000)	(-161,038,000)	(-335,683,000)
Federal Transit Administration					
Administrative expenses	42,000,000	43,652,000	41,367,000	-633,000	-2,285,000
Formula grants	942,925,000	221,122,000	460,000,000	-482,925,000	+238,878,000
Formula grants (Highway Trust Fund) (limitation on obligations)	(1,110,000,000)	(1,930,850,000)	(1,592,925,000)	(+482,925,000)	(-337,925,000)
Operating assistance grants	(400,000,000)	(500,000,000)	(400,000,000)		(-100,000,000)
Subtotal, Formula grants	(2,052,925,000)	(2,151,972,000)	(2,052,925,000)		(-99,047,000)
University transportation centers	6,000,000	6,000,000	6,000,000		
Transit planning and research	85,500,000	85,500,000	85,500,000		
Metropolitan planning	(39,500,000)	(39,500,000)	(39,500,000)		
Rural transit assistance	(4,500,000)	(4,500,000)	(4,500,000)		
Transit cooperative research	(8,250,000)	(8,250,000)	(8,250,000)		
National planning and research	(22,000,000)	(22,000,000)	(22,000,000)		
State planning and research	(8,250,000)	(8,250,000)	(8,250,000)		
National transit institute	(3,000,000)	(3,000,000)	(3,000,000)		
Subtotal, Transit planning and research	(85,500,000)	(85,500,000)	(85,500,000)		

FY 1997 - TRANSPORTATION APPROPRIATIONS BILL (H.R. 3675)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization)	(1,120,850,000)	(1,920,000,000)	(1,920,000,000)	(+799,150,000)	
Discretionary grants (Highway Trust Fund) (limitation on obligations):					
Fixed guideway modernization	(666,000,000)	(725,000,000)	(666,000,000)		(-59,000,000)
Bus and bus-related facilities	(333,000,000)	(274,000,000)	(333,000,000)		(+59,000,000)
New starts	(666,000,000)	(800,000,000)	(666,000,000)		(-134,000,000)
Subtotal, Discretionary grants	(1,665,000,000)	(1,799,000,000)	(1,665,000,000)		(-134,000,000)
Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization)	(2,375,000,000)	(2,000,000,000)	(2,000,000,000)	(-375,000,000)	
Washington Metropolitan Area Transit Authority	200,000,000	200,000,000	200,000,000		
Violent crime reduction programs (Violent Crime Reduction Trust Fund)		10,000,000			-10,000,000
Total, Federal Transit Administration	1,276,425,000	566,274,000	792,867,000	-483,558,000	+226,593,000
(Limitations on obligations)	(2,775,000,000)	(3,729,850,000)	(3,257,925,000)	(+482,925,000)	(-471,925,000)
Total budgetary resources	(4,051,425,000)	(4,296,124,000)	(4,050,792,000)	(-633,000)	(-245,332,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	10,150,000	10,065,000	10,037,000	-113,000	-28,000
Research and Special Programs Administration					
Research and special programs	23,937,000	28,169,000	23,929,000	-8,000	-4,240,000
Hazardous materials safety	(12,650,000)	(12,812,000)	(12,772,000)	(+122,000)	(-40,000)
Emergency transportation	(1,022,000)	(993,000)	(993,000)	(-29,000)	
Research and technology	(3,288,000)	(7,488,000)	(3,323,000)	(+35,000)	(-4,165,000)
Program and administrative support	(7,388,000)	(6,876,000)	(6,841,000)	(-547,000)	(-35,000)
Accountwide adjustment	(-411,000)			(+411,000)	
Subtotal, research and special programs	(23,937,000)	(28,169,000)	(23,929,000)	(-8,000)	(-4,240,000)
Pipeline safety (Pipeline Safety Fund)	28,750,000	31,500,000	28,460,000	-290,000	-3,040,000
Pipeline safety (Oil Spill Liability Trust Fund)	2,698,000	2,528,000	2,528,000	-170,000	
Subtotal, Pipeline safety	31,448,000	34,028,000	30,988,000	-460,000	-3,040,000
Emergency preparedness grants:					
Emergency preparedness fund	400,000	200,000	200,000	-200,000	
(Limitation on obligations)	(8,890,000)			(-8,890,000)	
Total, Research and Special Programs Admin	55,785,000	62,397,000	55,117,000	-668,000	-7,280,000
(Limitations on obligations)	(8,890,000)			(-8,890,000)	
Total budgetary resources	(64,675,000)	(62,397,000)	(55,117,000)	(-9,558,000)	(-7,280,000)
Office of Inspector General					
Salaries and expenses	40,238,000	39,771,000	39,450,000	-788,000	-321,000
Bureau of Transportation Statistics					
Salaries and expenses	2,200,000			-2,200,000	
Office of Airline Information (Airport and airway trust fund)		3,100,000			-3,100,000
Surface Transportation Board					
Salaries and expenses		3,000,000	12,344,000	+12,344,000	+9,344,000
Offsetting Collections		-3,000,000			+3,000,000
General Provisions					
Bureau of Transportation Statistics (transfer from Federal-aid Highways)	(20,000,000)	(25,000,000)	(25,000,000)	(+5,000,000)	
Transportation Administrative Service Center reduction	-7,500,000		-10,000,000	-2,500,000	-10,000,000
DOT field office consolidation (sec. 335)	-25,000,000			+25,000,000	
ICC transition (sec. 344)	8,421,000			-8,421,000	
Total, title I, Department of Transportation (net)	11,862,519,029	12,893,968,627	12,472,964,000	+610,444,971	-421,004,627
Appropriations	(12,707,306,000)	(12,911,780,000)	(12,502,697,000)	(-204,609,000)	(-409,083,000)
Rescissions	(-844,786,971)	(-17,811,373)	(-29,733,000)	(+815,053,971)	(-11,921,627)
(Limitations on obligations)	(22,054,815,000)	(23,094,372,000)	(22,362,450,000)	(+307,635,000)	(-731,922,000)
(Exempt obligations)	(2,331,507,000)	(1,314,802,000)	(2,055,000,000)	(-276,507,000)	(+740,198,000)
Total budgetary resources including (limitations on obligations and (exempt obligations)	(36,248,841,029)	(37,303,142,627)	(36,890,414,000)	(+641,572,971)	(-412,728,627)

FY 1997 - TRANSPORTATION APPROPRIATIONS BILL (H.R. 3675)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses	3,500,000	3,540,000	3,540,000	+40,000	
National Transportation Safety Board					
Salaries and expenses	38,774,000	42,407,000	42,407,000	+3,633,000	
Emergency fund	360,802			-360,802	
Total, National Transportation Safety Board	39,134,802	42,407,000	42,407,000	+3,272,198	
Interstate Commerce Commission					
Salaries and expenses	13,379,000			-13,379,000	
Payments for directed rail service (limitation on obligations)	(475,000)			(-475,000)	
Total, Interstate Commerce Commission	(13,854,000)			(-13,854,000)	
Panama Canal Commission					
Panama Canal Revolving Fund: (Limitation on administrative expenses)	(52,741,000)			(-52,741,000)	
Total, title II, Related Agencies	56,013,802	45,947,000	45,947,000	-10,066,802	
(Limitation on obligations)	(475,000)			(-475,000)	
Total budgetary resources	(56,488,802)	(45,947,000)	(45,947,000)	(-10,541,802)	
TITLE III - GENERAL PROVISIONS					
General Provision 310		(-41,000,000)			(+41,000,000)
General Provision 310(f)		-306,000,000			+306,000,000
Sec. 338 - National Civil Aviation Review Commission			2,400,000	+2,400,000	+2,400,000
Total appropriations (net)	11,918,532,831	12,633,915,627	12,521,311,000	+602,778,169	-112,604,627
Scorekeeping adjustments:					
Emergency preparedness grants limitation	-4,697,000			+4,697,000	
Administrative reductions (P.L. 104-134)	-15,000,000			+15,000,000	
FHA: Federal-aid highways (P.L. 104-19)	382,190,000			-382,190,000	
General provision: Bonuses & awards	-749,852			+749,852	
Pipeline safety	6,933,000	-3,000,000		-6,933,000	+3,000,000
Permissive transfer (Coast Guard to FAA)	(60,000,000)			(-60,000,000)	
Railroad Safety		-3,000,000	-1,000,000	-1,000,000	+2,000,000
Total, adjustments	368,676,148	-6,000,000	-1,000,000	-369,676,148	+5,000,000
Grand total (net)	12,287,208,979	12,627,915,627	12,520,311,000	+233,102,021	-107,604,627
Appropriations	(13,131,995,950)	(12,645,727,000)	(12,550,044,000)	(-581,951,950)	(-95,683,000)
Rescissions	(-844,786,971)	(-17,811,373)	(-29,733,000)	(+815,053,971)	(-11,921,627)
(Limitations on obligations)	(22,055,290,000)	(23,053,372,000)	(22,362,450,000)	(+307,160,000)	(-690,922,000)
(Exempt obligations)	(2,331,507,000)	(1,314,802,000)	(2,055,000,000)	(-276,507,000)	(+740,198,000)
Grand total budgetary resources including (limitations on obligations) and (exempt obligations)	(36,674,005,979)	(36,996,089,627)	(36,937,761,000)	(+263,755,021)	(-58,328,627)
Total mandatory and discretionary	12,287,208,979	12,627,915,627	12,520,311,000	+233,102,021	-107,604,627
Mandatory	582,072,000	608,084,000	608,084,000	+26,012,000	
Discretionary:					
Crime trust fund		10,000,000			-10,000,000
General purposes:					
Defense (050)		118,500,000			-118,500,000
Nondefense	11,705,136,979	11,891,331,627	11,912,227,000	+207,090,021	+20,895,373
Total, General purposes	11,705,136,979	12,009,831,627	11,912,227,000	+207,090,021	-97,604,627
Total, Discretionary	11,705,136,979	12,019,831,627	11,912,227,000	+207,090,021	-107,604,627

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I rise in support of the fiscal year 1997 Transportation appropriations bill and ask unanimous consent to revise and extend my remarks.

At the outset, I want to thank the gentleman from Virginia [Mr. WOLF] for working with me and other Members on several issues of particular interest to me and to other Members on this side of the aisle. He has been cooperative and fair. I also want to thank the staff—John Blazey, Rich Efford, Stephanie Gupta, Linda Muir, and Lori Beth Feld, for their assistance and hard work on this bill. Also Kristen Hoeschler, Cheryl Smith, and Christy Cockburn of the minority staff.

I also want to note that the distinguished gentleman from Texas [Mr. COLEMAN] would ordinarily be managing this bill on our side of the aisle today. He could not be here due to his mother's poor health in Texas. But, we look forward to his return and his stewardship of this bill for the minority when we move to conference with the Senate.

The fiscal year 1997 Transportation bill is within the 602(B) allocation for the subcommittee. It is also well below the amounts allocated to the Transportation bill in last year's conference report—as a result, the funding choices were quite difficult, and several of the new initiatives advanced by the administration were not included in the bill. Nevertheless, in large measure, the bill provides adequate funding for basic transportation safety and infrastructure priorities.

The bill provides $4.9 billion for FAA operations, including $30 million in new FAA user fees, and $2.6 billion for Coast Guard operations. These amounts will fund essential safety operations at these agencies, although not all of the administration's requests were funded.

The bill provides $17.55 billion for the Federal-Aid Highways Program, which will maintain the current level of funding for highway maintenance, repair, renovation, and construction. These funds will help ensure that we continue a minimum level of investment to maintain and improve the condition of our Nation's roads, highways and bridges.

One innovative initiative of the administration to expand highway capacity and provide congestion relief through cost effective technology is the Intelligent Transportation Systems [ITS] Program. The ITS Program has matured from a high risk R&D initiative to the point where the program is ready to test the feasibility of integrating advanced technologies for traffic control and management systems in several cities across the country. I know first hand the potential of these ITS technologies for improving air quality, reducing congestion and conserving energy through the Guidestar Initiative that has been underway in Minnesota for several years.

This bill provides $228 million in funding for ITS Initiatives. I would have liked a higher funding level, but I believe we are headed in the right direction. These technology investments certainly have the potential for significant payoffs in future years and deserve continued support.

The bill provides $400 million in direct loans over 3 years for another important administration initiative—the Alameda rail corridor in California. This economic Development/Transportation Improvement Project has significant regional and national benefits.

In the area of transit, the bill provides $2.05 billion for transit formula grants, including $400 million for transit operating subsidies—the same amounts as last year. Mr. Chairman, transit operating subsidies were slashed last year by $310 million or 44 percent. As a result, many bus and rail operators have had to cut service and raise fares, and otherwise diminish services to the working poor, the elderly and others who depend on mass transit. I am pleased that this bill holds the line on additional mass transit reductions.

The bill also includes $1.7 billion for discretionary bus, rail modernization, and transit new start grants—the same amount as provided in 1996. These funds will help localities replace old, energy inefficient buses and modernize transit systems throughout the country.

The bill provides $1.3 billion in fiscal year 1997 funding for the Airport Improvements Grant Program—a $150 million cut or 10 percent reduction below this year's level. This funding level was the best we could do given the 602(b) allocation given the subcommittee. I believe that we will revisit this issue in conference with the Senate.

Mr. Chairman, I want to briefly mention some concerns about several other provisions in the bill:

The bill cuts essential air service by nearly 50 percent which will severely disadvantage the rural communities that depend on these subsidies.

The bill hits AMTRAK very hard. In total, considering both capital and operating funds, AMTRAK takes one of the largest reductions in the bill—a cut of 28 percent. Funding for the northeast corridor—AMTRAK's most profitable service—is completely eliminated. Clearly, AMTRAK cannot sustain the severe reductions in this bill, and I expect that this issue will be revisited in conference.

Mr. Chairman, I also do not agree with the committee's recommendation to deny $500,000 in funding for the Domestic Auto Content Labeling law. The American Automobile Labeling Act specifically requires the Department of Transportation to ensure that automobile manufacturers label new vehicles to display their domestic content. The U.S. Trade Representative is relying on the DOT to conduct periodic audits to monitor the compliance of Japan and other foreign governments with the 1995 Trade Agreement on autos and auto parts.

Under this agreement, Japanese automakers committed that they would increase their purchases of American automotive parts. However, without the baseline audits for which this bill denies funding, there will not be a mechanism for assessing whether these commitments are, in fact, met. The domestic content law will help promote jobs for U.S. workers, and provide consumers with information that will help them to buy American. The majority's decision to delete this funding was a bad decision, and should be reversed when we deal with this issue in conference with the Senate.

Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the committee.

Mr. OBEY. Mr. Chairman, I also simply want to extend my appreciation to the gentleman from Virginia, [Mr. WOLF], the chairman of the committee, for the manner in which he has proceeded to produce a bill which I think will meet a bipartisan test. I would also simply note the absence of the gentleman from Texas, [Mr. COLEMAN], who could not be here today due to an illness in his family in Texas, that this will be the last transportation bill that Mr. COLEMAN would be serving this House on in the capacity of ranking member. We appreciate the very effective work that he has done.

I rise in support of this bill.

Mr. Chairman, last year, the Transportation appropriations bill was one of the appropriations bills where we were able, for the most part, to bridge partisan differences and reach agreement on a bill that could be signed into law. I believe that we should be able to accomplish that same goal on the bill we consider today providing fiscal year 1997 funding for priority transportation programs.

I want to extend my appreciation to the gentleman from Virginia , [Mr. WOLF] for his efforts to work out reasonable compromises on the bill and to address transportation spending priorities under a 602(b) allocation that provides $650 million less in budget authority and $1.3 billion less in outlays than was allocated to the conference version of the 1996 transportation appropriations bill last year.

I also want to note the fine work of the gentleman from Texas, [Mr. COLEMAN] on this bill. Unfortunately, Mr. COLEMAN could not be here today due to illness in his family in Texas. This bill will be the last transportation bill that Mr. COLEMAN will shepherd through this body as the ranking minority member of the transportation appropriations subcommittee. I know we will all miss the good humor and great ability with which he carries out his responsibilities.

The bill has several positive elements which I want to note. I am pleased that the bill provides a stable funding level for the Federal-Aid Highways program at $17.55 billion—the 1996 funding level. I would note that the conference agreement on the budget resolution which provided $4 billion more for nondefense discretionary spending over the House budget resolution allowed the subcommittee to receive an additional $325 million in outlays which helped to avoid a cut in funding for the highway program. I would have strongly supported an increased in highway funding to get closer to the full ISTEA authorization had additional funds been allocated to the subcommittee.

The bill also provides funding for transit infrastructure and operating assistance to the current level of $2.0 billion, including $400 million for transit operating assistance. These funds are essential for the mobility of the elderly, the poor and disabled, and those in rural America, who are dependent on bus and mass transportation to work, shop and live.

Mr. Chairman, at my initiative, the committee report on the bill requests the Federal Aviation Administration to review the safety and airworthiness of the ATR–47 and ATR–72 aircraft to make certain that they are safe to fly in the conditions in which they are being flown. The ART 72 is the airplane involved in the 1994 tragic crash in Roselawn, Indiana which killed 68 people. The National Transportation Safety Board will be issuing its report next month on the causes of this accident. My language will help ensure that the FAA undertakes the necessary reviews so that we can be confident that the FAA has taken all steps possible to ensure the safety of those who travel aboard these airplanes.

Mr. Chairman, these are some very positive aspects of the bill. I do, however, believe that the bill falls short in two areas about which I have some concerns.

A small, but significant item in the bill relates to the deletion of $550,000 requested by the administration for the implementation of the domestic content labeling law. This law requires new passenger vehicles sold in the United States to be labeled to show their domestic content. Without these funds, the National Highway Traffic Safety Administration will be unable to conduct the necessary audits to evaluate industry compliance with the requirements of the law.

The deletion of these funds amounts to a de facto repeal of a law that is needed to monitor the implementation of the June 28, 1995 United States-Japan Agreement on Autos and Auto Parts. This agreement, its implementation and its enforcement is a central part of the administration's trade policy toward Japan and its plans for opening the Japanese market.

For approximately 10 years, the United States government has been pressuring the Japanese automobile companies to increase their purchases from United States auto parts suppliers, particularly for those vehicles assembled in the United States. The domestic content labeling law provides the United States Government a recognized and credible methods for benchmarking the United States parts content of Japanese cars and light trucks. The $500,000 reduction in the bill in penny-wise, but pound foolish in terms of our ability to monitor and enforce this agreement to ensure that the Japanese live up to their commitments.

Mr. Chairman, I also disagree with the $500,000 cut in funds requested by the FAA for the contract tower program. The reduction in the bill assumes additional savings will be realized if contract air traffic controllers are paid less than locally prevailing wages. The $500,000 in assumed saving will result in a real cut in the program, since the Department of Labor has already determined that there insufficient justification for the waiver assumed in the bill. I do not agree with the suggestion implicit in the bill that we should not pay these contract air traffic controllers a decent wage. I will also support the amendment by Mr. COLLINS relating to changing the age 60 rule for commercial pilots.

Mr. Chairman, the basic elements of this bill are sound. It contains several flaws that I believe we can correct as the bill moves through floor, Senate, and conference action. I urge the adoption of the bill.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in support of the bill.

Mr. SABO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. WOLF. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just reiterate and thank the gentleman from Minnesota [Mr. SABO], and the gentleman from Wisconsin [Mr. OBEY], and let me pay tribute to the gentleman from Texas [Mr. COLEMAN], who is retiring. This is the last bill he will be handling on the floor. He cannot be here because of a very serious illness in the family.

Let me just also thank the gentleman from Minnesota for mentioning the staff. I would like to include all of those staff names in my extension, because all of the ones that he mentioned have done an outstanding job, and quite frankly, without the very capable, very competent, bright bipartisan staff, it would have been impossible to do this. I take my hat off, and want the staff to know that I personally appreciate the good work they have done.

Mr. COLEMAN. Mr. Chairman, I rise today in support of H.R. 3675, the Transportation appropriations bill for fiscal year 1997. On a whole, Mr. Chairman, this is a good bill. Had we more money, it could have been a great bill; however, given our self-imposed national emergency and the tight budget constraints of the committee, Chairman WOLF and the members of the subcommittee crafted a fine product.

I would like to thank the chairman for his efforts in crafting the legislation and for consulting with me in advance of the subcommittee markup. In addition, the chairman did not include any outrageous provisions which would invoke the opposition of the minority. These two events have enabled H.R. 3675 to be one of the least controversial appropriations bills.

The 1997 Transportation bill considered today is within the revised 602b allocation for the Transportation Subcommittee. I might note that the bill is $650 million in new budget authority below last year's conference level for the 1996 bill. Obviously, this year's allocation is not enough to keep up with the pace of inflation nor to fund cost of living increases, much less to fund the needed increases in infrastructure investment without making substantial decreases elsewhere. The chairman worked hard to guarantee that safety would not be impacted by the constraints of the budget.

While this is a good bill, there are provisions of concern to the minority and to the administration. They include Amtrak's capital account; the operating accounts of the Federal Aviation Administration [FAA] and the Coast Guard; funding for domestic auto content labeling; and wage determination for level one air traffic control towers.

AMTRAK

I know many members of the majority join the administration and the minority in their concerns over the deep cuts in Amtrak's capital account. By cutting this account, it is my belief that we endanger the progress Amtrak in making in streamlining its operations. While Amtrak has made progress in reducing its operating grant needs, it must continue to invest in its infrastructure to attain the operating efficiencies necessary to provide the level of service required to attract passengers and revenue.

FAA OPERATIONS

The subcommittee was unable to fully fund the administration's request for FAA and Coast Guard operations accounts.

Within the FAA operations account, the administration is particularly concerned about the reduction in staff offices and the National Airspace System [NAS] hand-off. The amount provided for staff offices in the bill is $1.2 million less than in fiscal year 1996 and, $2 million less than requested. The FAA has indicated that if it does not have $1.2 million of this amount restored, it will have to lay off 70 workers.

By not fully funding the President's budget request for the National Airspace system hand-off, the subcommittee is effectively mandating that new equipment not be installed at several facilities and instead be warehoused.

COAST GUARD OPERATIONS

With respect to the Coast Guard, the Commandant has taken enormous strides to streamline its operations. While the committee provided a portion of the additional funds requested, it stopped far short of providing the majority of these funds. In addition, the priorities were shifted so that the funding does not mirror the Coast Guard's request. To quote the Secretary of Transportation, "[t]he subcommittee's reductions are inconsistent with the concept of a streamlined Coast Guard and will have a direct adverse impact on the maintenance and operational activity at front line Coast Guard units." The Secretary continues by noting that the reduced investment in Coast Guard assets will exacerbate efforts to reduce operating costs in the long run.

DOMESTIC AUTO CONTENT LABELING

The minority continues to be concerned about the decision not to provide funding to the National Highway Traffic Safety Administration [NHTSA] for domestic auto content labeling. The American Automobile Labeling Act specifically requires the Department of Transportation to promulgate regulations and to implement the law.

The U.S. Trade Representative is relying on NHTSA's work to serve as the baseline for monitoring compliance of the United States-Japan auto trade agreement that was negotiated in 1995. Under this agreement, Japanese automakers committed that they would increase their purchases of American-built automotive parts. However, without the work of NHTSA, there will not be a mechanism for assessing the levels of U.S. content in Japanese motor vehicles. Ensuring compliance with this trade agreement would promote jobs for U.S. workers.

Not funding this initiative will have ramifications beyond the enforcement of the American Automobile Labeling Act, and I hope that we can work together to amicably resolve this issue.

WAGE DETERMINATION

My final concern has to do with wage determination for level one air traffic control towers. On May 4, 1994, the FAA signed a memorandum of understanding with the National Air Traffic Controllers Association which ensure that no level one air traffic controller will lose his or her job as a result of the contracting-out program. The MOU provides that affected level one controllers will have the opportunity to receive additional training and be reassigned to a higher level tower or be guaranteed the right of first refusal to work for the private contractor at the equivalent of the Government wage.

The subcommittee assumes that the Department of Labor will issue waivers to the FAA so that contractors can keep the costs down by paying controllers at these smaller towers less than the prevailing wage. It is not within the purview of this subcommittee to direct the actions of the Department of labor. It is not at all clear that these savings can be realized. The minority supports reasonable compensation for a day's work and disagrees with the policy implications this cut entails.

I would like to note that there are several positive aspects of this bill. Although the subcommittee was unable to fund the Airport Improvement Program at last year's level, we were able to maintain funding for both the highway trust fund and transit operating assistance at last year's level. This bill emphasizes safety by providing an additional 100 airline operations inspectors, 54 new air worthiness inspectors, as well as increased funding of the Boat Safety Grants Program and highway safety programs, such as safety belt and helmet use grants.

I would also like to commend the chairman for not earmarking any highway demonstration projects. The chairman made a decision to refrain from earmarking and has been steadfast in adhering to that decision regardless of pressure he may have received from both sides of the aisle.

In closing, Mr. Chairman, I would like to thank the subcommittee staff for their efforts in crafting this legislation, I would especially like to thank Cheryl Smith and Christy Cockburn for their hard work.

Overall, this is a decent bill, Mr. Chairman, and I commend it to my colleagues for their favorable consideration. I look forward to working with the Chairman to address each of these concerns prior to sending the final legislation to the President.

Mr. DeLAY. Mr. Chairman, I rise in support of this important legislation, which appropriates the funds to help build the Nation's highways and other modes of transportation.

I commend Chairman WOLF for his hard work on this legislation.

Transportation carries not only the people of the world, but also the ideas of the world. Better roadways, safer bridges, smarter highways, all contribute to a better world.

I am not an expert in bridge building but I know that we must build bridges with the next generation. That means providing them with the material to construct a better life for their children.

A balanced budget is one of those materials we will pass on to the next generation. And I commend the chairman for making this legislation fiscally responsible.

Better roadways are another material we will pass on to our children, and this legislation makes the necessary improvements to our Nation's transportation systems to keep us competitive into the next century.

In my hometown of Houston, this legislation increases funding for Intelligent Transportation Systems. These state-of-the-art systems pave the way for the even smarter, more effective transportation systems of tomorrow. Already, ITS has proved to be an integral part of Houston's mobility, and will only contribute in greater ways to the ability to move goods and people in an efficient manner using existing infrastructure.

This bill also contains funding for other forward-looking transportation systems, including the Advanced Technology Transit Bus and Houston Metro. I am especially proud of Houston Metro for being one of the most effective and cost-efficient transit systems in the Nation.

I urge my colleagues to vote for this legislation and keep America on the cutting edge of transportation technology.

Ms. MILLENDER-McDONALD. Mr. Chairman, I want to commend the Appropriations Committee for the Yeoman's job of meeting the numerous funding requests in this tough fiscal environment. Many of us take for granted and do not recognize the arduous task the Committee faces each time they are asked to balance fiscal responsibility with economic development.

I would also like to thank the chairman and the members of the committee for having the vision to provide the funding for the Alameda Corridor, to support the $400 million in direct loans, as requested by the President through the Federal Highway Administration.

The Alameda Corridor will provide this country with a fast and efficient gateway to Pacific Rim trade and will bolster our ability to compete in the burgeoning economic area. Once completed the Alameda Corridor will generate more than 70,000 local jobs and close to 200,000 new jobs nationwide. The expanded trade, created by the construction of the corridor, through the ports, will create new jobs related to manufacturing, production, and the shipping and trucking of goods.

Today's funding environment requires a strong public-private partnership to finance projects of this nature. With over 75 percent of the cost of the project funded by State and local sources, the Alameda Corridor truly exemplifies the kind of public-private partnership that this Congress has long urged States and localities to pursue for important infrastructure projects.

I would like to thank the members of the California delegation for working together in bipartisan manner to effectively move the project through this body and to bring to fruition plans and blueprints that were conceived long before many of us were sworn into office. Let history reflect that the success of the Alameda Corridor is rooted in the bipartisanship that has helped to bring us to this point. I look forward to continuing to work with my colleagues from both parties and with President Clinton to see the Alameda Corridor through to its completion.

I yield back the balance of my time.

Mr. BENTSEN. Mr. Chairman. I rise in strong support of H.R. 3675. I would like to thank Chairman WOLF and Ranking Member COLEMAN for their assistance in eliminating an environmental and safety hazard posed by abandoned barges in my district. I appreciate all the help both the majority and minority staff provided in addressing this issue. I would also like to thank city of Baytown Mayor Alfaro, Harris County Commissioner Jim Fonteno, Texas State Representative Fred Bosse, the San Jacinto River Association, and the Banana Bend Civic Association for bringing this longstanding problem to my attention.

Mr. Chairman, this legislation provides funding for removing barges abandoned in the San Jacinto River and the Houston Ship Channel. Last February I asked the Coast Guard to develop a plan for the disposal of the barges under the authority of the Barge Removal Act. This Federal law, passed in Congress in 1992, grants power to the Coast Guard to remove any abandoned barge after attempts to identify the owner have been exhausted. I believe that these environmental and navigational hazards have to be removed immediately under this provision to prevent further damage to life and property.

Again Mr. Chairman, I offer my strong support for this legislation and urge its immediate passage.

Mr. FAZIO of California. Mr. Chairman, I rise in support of H.R. 3675, the transportation appropriations bill for fiscal year 1997. I would like to thank the chairman, Mr. WOLF, for shepherding this bill through the Appropriations Committee with little or no controversy. I would also like to take this opportunity to say that it has been an honor and a privilege to serve with RON COLEMAN who is leaving this body at the end of this Congress. RON epitomizes the best characteristics of public service and his leadership will be missed by us all.

While this bill is imperfect, I think that the chairman has done a good job at balancing the diverse transportation needs of this country. I am particularly pleased that the committee has recognized the need to upgrade airline safety by funding additional positions at the FAA.

I am also pleased that the committee has included two projects that are very important to the transportation needs of my district.

BUS ACQUISITION—YOLO COUNTY

Last year the Yolo County Transit Authority [YCTA] was able to replace six of its aging and heavily polluting diesel-fueled buses with fully equipped compressed natural gas buses. Because the six buses approved by the committee last year constituted a little less than half of the county's total request, I am pleased that the committee has supported my request to fund the remaining buses.

Yolo County is part of the Sacramento nonattainment air basin and would face serious sanctions if aggressive efforts are not taken to reduce emissions. Compressed natural gas buses have made a significant impact on the air quality in Yolo County. YCTA already operates four compressed natural gas buses and has seen its emissions reduced by over 50,000 pounds due to the operation of these buses.

SOUTH-LINE EXTENSION

Also included in this legislation is $6 million for final design of an extension of Sacramento's light rail system. The extension will run southward from the existing rail hub in the downtown business district, toward two community colleges, two hospitals, several major employment centers and redeveloping areas, and many of the region's most disadvantaged neighborhoods. These areas comprise the most transit dependent sections of Sacramento, where no light rail service is available today.

In closing, Mr. Speaker, I want to express my thanks to the committee for their fine work and urge my colleagues to support this bill.

Mr. RAHALL. Mr. Chairman, I would like to note that this bill does not contain any earmarking of funds for high-priority highway projects, often referred to as demonstration projects.

The reason I make note of this particular fact is that whenever funds are earmarked for highway projects, some in the media, and some in this body, call it pork barrel.

In fact, the distinguished chairman of the subcommittee, my good friend, advised Members earlier this year not to even bother testifying before his subcommittee on highway project requests.

Yet, to be sure, as it turns out there are numerous earmarks for other types of transportation projects.

For example, the bill earmarks over $724 million for 39 transit new start projects.

The report accompanying this bill earmarks $333 million for 87 bus projects under what is supposed to be a discretionary program.

In addition, the report directs $36.2 million to 16 specific intelligent transportation system projects.

I could go on and on.

My colleagues, those earmarks alone amount to almost $1.2 billion being directed by this bill toward specific projects.

$1.2 billion.

Ah, but not a one of them a so-called highway demonstration project.

For some reason that I have been unable to understand, the pork barrel label is only applied by the media and some in this body to the earmarking of funds for highway projects.

Meanwhile, the earmarking of funds for transit and ITS projects is met with mute silence.

Now, to be clear, I had no project requests before the subcommittee.

I was not seeking highway project earmarks, or for that matter, transit or ITS project earmarks.

And, I see nothing wrong with the Congress exercising its judgment and directing funds to a specific transportation project. These are, after all Federal funds and not State or local moneys.

However, I do want to illustrate the dual standard that is now being applied.

I want to point this out because we are now operating under this dual standard.

You can go to the Appropriations Committee to get an earmark of funds for a transit project, that serves a locality, but you cannot go to the Appropriations Committee for funding for a highway of an interstate nature that needs an extra boost to be completed.

You can go to the Appropriations Committee to get an earmark of funds for a bus station in some small town, but not for a four-lane highway that crosses State lines.

Mr. Chairman, this dual standard simply makes no sense.

And, as we all know, dual standards are never fair.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LaHood) having assumed the chair, Mr. Bereuter, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

ELECTION OF MEMBER TO COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. GOSS. Mr. Speaker, I offer a privileged resolution, House Resolution 467, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 467

Resolved, that the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Comittee on Transportation and Infrastructure: Mr. Baker of Louisiana.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TODAY

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 0115

REPORT ON NATION'S ACHIEVEMENTS IN AERONAUTICS AND SPACE, FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. LaHood) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science:

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during fiscal year 1995, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involved 14 contributing departments and agencies of the Federal Government, and the results of their ongoing research and development affect the Nation in many ways.

A wide variety of aeronautics and space developments took place during fiscal year 1995. The National Aeronautics and Space Administration (NASA) successfully completed seven Space Shuttle flights. A Shuttle program highlight was the docking of the Shuttle *Atlantis* with the Russian space station *Mir*.

NASA launched three Expendable Launch Vehicles (ELV), while the Department of Defense (DOD) successfully conducted five ELV launches. These launches included satellites to study space physics, track Earth's weather patterns, and support military communications. In addition, there were 12 commercial launches carried out from Government facilities that the Office of Commercial Space Transportation (OCST), within the Department of Transportation (DOT), licensed and monitored.

NASA continued the search for a more affordable space launch system for the coming years with its Reusable Launch Vehicle program. NASA hopes to develop new kinds of launch technologies that will enable a private launch industry to become financially feasible.

In aeronautics, activities included development of technologies to improve performance, increase safety, reduce engine noise, and assist U.S. industry to be more competitive in the world market. Air traffic control activities focused on various automation systems to increase flight safety and enhance the efficient use of airspace.

Scientists made some dramatic new discoveries in various space-related fields. Astronomers gained new insights into the size and age of our universe in addition to studying our solar system. Earth scientists continued to study the complex interactions of physical forces that influence our weather and environment and reached new conclusions about ozone depletion. Agencies such as the Environmental Protection Agency (EPA), as well as the Departments of Agriculture and the Interior, used remote-sensing technologies to better understand terrestrial changes. Microgravity researchers conducted studies to prepare for the long-duration stays of humans that are planned for the upcoming International Space Station.

International cooperation, particularly with Russia, occurred in a variety of aerospace areas. In addition to the Shuttle-*Mir* docking mission and the Russian partnership on the International Space Station, U.S. and Russian personnel also continued close cooperation on various aeronautics projects.

Thus, fiscal year 1995 was a very successful one for U.S. aeronautics and space programs. Efforts in these areas have contributed significantly to the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

William J. Clinton.

The White House, *June 26, 1996.*

APPOINTMENT OF MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORABLE BILL EMERSON

The Speaker pro tempore. Pursuant to the provisions of House Resolution 459, the Chair announces the Speaker's appointment of the funeral committee of the late Bill Emerson the following Members on the part of the House: Mr.

CLAY of Missouri; Mr. GINGRICH of Georgia; Mr. GEPHARDT of Missouri; Mr. BOEHNER of Ohio; Mr. SKELTON of Missouri; Mr. VOLKMER of Missouri; Mr. HANCOCK of Missouri; Ms. DANNER of Missouri; Mr. TALENT of Missouri; Ms. MCCARTHY of Missouri; Mr. MONTGOMERY of Mississippi; Mr. HALL of Ohio; Mr. LEWIS of California; Mr. HUNTER of California; Mr. ROBERTS of Kansas; Mr. WOLF of Virginia; Mr. KANJORSKI of Pennsylvania; Mr. MCNULTY of New York; Mr. POSHARD of Illinois; Mr. MORAN of Virginia; Mrs. LINCOLN of Arkansas; Mr. CHAMBLISS of Georgia; Mrs. CUBIN of Wyoming; and Mr. LATHAM of Iowa.

CHISHOLM TRAIL ROUND-UP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. PETE GEREN is recognized for 5 minutes.

Mr. PETE GEREN of Texas. Mr. Speaker, over 100 years ago, the last great herd of longhorns made its way from the grasslands of South Texas to the railhead in Abilene, Kansas, along the Chisholm Trail. The settlements dotting the trail grew into towns, and a few, like Forth Worth, became great cities. For 20 years, Fort Worth has set aside 3 days to remember and recognize the heritage of the Chisholm Trail. From June 21 to 23, the Chisholm Trail Round-Up was celebrated in Fort Worth's historic Stockyards District, benefitting western heritage organizations and keeping alive the knowledge of the way our ancestors lived their day-to-day lives.

The festival is a combination of fund, food, and friendly competition, and a time to reflect on an era that is part of the heritage of our Nation, who we are, no matter where we call home.

An estimated 25,000 to 35,000 men trailed 6 to 10 million head of cattle and a million horses between the end of the Civil War and the turn of the century along the Chisholm Trail. Many of the cattle were destined for shipment to the beef packing houses and butcher stalls of the industrial midwest and northeast; other herds supplied Indian reservations and military outposts.

Contrary to the moviemaker's image of the romantic cowboy, riding under the stars and singing around the campfire, the Chisholm Trail promised danger, drudgery, loneliness, and hardship. Years later, memories of raging rivers, stampedes and sudden violence would stir the blood of the older and wiser former cowboys when they clustered together at old settlers' days and country fairs, recounting days that would never pass again.

They came from all over the United States, and even from Germany, Poland, and France. These cowboys weren't paid much: $30–40 per month if times were good, which wasn't often. Most of them were young. C.K. Ackerman, who hailed from the Texas plains, remembered his first drive to Kansas, which was in 1873. The oldest man in the crew was 25, while the rest ranged between 18 and 22. Some didn't even wait that long to hit the trail. A.D. McGeenhee drove from Belton to Abilene in 1868 at the ripe old age of 11.

One-third of the men who went up the trail were black or Hispanic. Even about 20 women took the trail—and 1, Sallie M. Redus, took her baby along.

The Chisholm Trail did not offer riches to the cowboys, but many went on the fame and fortune after their cowboy days came to an end. Several transferred their skills and experience to the Fort Worth Stockyards, where they became commission merchants and livestock shipping agents for the railroads. E.L. Brouson quit the trail in the 1880's, acquired a small herd of his own and got rich and went broke so many times that eventually he lost count. J.B. Pumphrey and George Hindes became financiers. S.H. Woods served as Duval County judge from 1896 to 1915. Others went on to hold public offices like district attorney, county commissioner, sheriff, marshal, postmaster, city councilman, and even Texas Rangers.

No matter what their later fate, the cowboys who went up the Chisholm Trail left an indelible imprint on our history. A journalist at the end of the era wrote, "The cowboy was generous, brave, and ever ready to alleviate personal suffering, sharing his last crust, his blanket, and often more important, his canteen. He spent his wages freely and not always wisely, and many became easy prey to gambling and other low resorts. But some among them became leading men in law, art, and scient—even in theology, proving again that it is not in the vocation but in the man that causes him to blossom and bring a fruitage of goodness, honor and godly living."

The Chisholm Trail Round-Up is a heart-felt celebration of this spirit, and a tribute to the men and women who together forged a new way of life on the American frontier.

VICE PRESIDENT AL GORE COMMEMORATING THE 40TH ANNIVERSARY OF THE INTERSTATE HIGHWAY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. GEPHARDT] is recognized for 5 minutes.

Mr. GEPHARDT. Mr. Speaker, I am submitting a statement I have received today from Vice President GORE.

This week marks the 40th anniversary of the historic legislation that created our nation's Interstate Highway System. Tonight, at the Zero Milestone Marker on the Ellipse, there will be an event to honor the four visionary Americans who made it possible: President Dwight Eisenhower; Congressman Hale Boggs; former Federal Highway Administrator Frank Turner; and my hero, my mentor , one of Tennessee's finest sons and one of America's greatest Senators . . . my father, Senator Al Gore Sr.

The Interstate Highway System has meant so much to our country. Its creation led to an unprecedented period of national growth and prosperity. It increased safety and dramatically reduced traffic fatalities. And it enhanced our national defense and security.

The Interstate Highway System has literally changed the way we work and even the way we live. But it has done something else, too—something that can't be measured by statistics or dollar signs.

The Interstate Highway System unified our great and diverse nation. As President Clinton has said, it "did more to bring Americans together than any other law this century." And by so doing, it gave our citizens—and still gives our citizens 40 years and about 44,000 thousand miles later—the very freedom that defines America.

Inherent in our Bill of Rights—whether the freedom of religion or press—is the freedom of mobility . . . to go where we please, when we please. Families driving to our national parks on vacation, mothers coming home from work, fathers taking their children to baseball games . . . all depend on the Interstate Highway System—a system that has paved the way not only to the next destination, but to opportunity itself.

A highway to opportunity—that is America. And that is the freedom, I am proud to say, made possible in part by my father's dedication. I'm equally proud to continue that tradition—inspired by him—by working to connect all Americans to the 21st century's highway to opportunity, the information superhighway.

I was always amazed how the voice that called me to the dinner table or reminded me to do my homework could be the same voice that argued so eloquently in the Senate for what can only be described as the greatest public works project in the history of the United States of America. And on this, the 40th anniversary of that accomplishment, I would like to thank my father, Senator Al Gore, Sr.

On behalf of all Americans, I would like to thank him for the Interstate Highway System that, in his words, is truly an "object of national pride." And I would like to thank him, personally, for teaching me both what it means to be a dedicated public servant and a dedicated father.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today after 7:15 p.m., on account of personal reasons.

Mr. COLEMAN (at the request of Mr. GEPHARDT) for June 25 and 26, on account of family illness.

Mr. FLAKE (at the request of Mr. GEPHARDT) for today after 6 p.m. and on June 27, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OBEY) to revise and extend their remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. GEPHARDT, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. PETE GEREN of Texas, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous material:)

Mr. DIAZ-BALART, for 5 minutes each day, today and on June 27.

Mr. METCALF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. OBEY) and to include extraneous matter:)

Mr. TORRICELLI.
Mr. MORAN.
Mr. PETERSON of Minnesota.
Mr. MATSUI.
Mr. HAMILTON.
Ms. DELAURO.
Mr. OBEY
Mr. DIXON.
Mr. FRANK of Massachusetts.
Mr. DINGELL.
Mrs. THURMAN.
Mr. REED.
Mr. FALEOMAVAEGA.
Mr. RANGEL.
Mrs. MALONEY.
Mr. BARCIA.
Mr. TOWNS.
Mr. ORTIZ.
Mr. JOHNSON of South Dakota.
Mr. PAYNE of New Jersey.
Mr. WYNN.
Mr. CLAY.
Ms. KAPTUR.
Mr. SCOTT.
Mr. PALLONE.

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. PORTMAN.
Mr. FAWELL.
Mr. TALENT.
Mr. BATEMAN.
Mr. MCCOLLUM.
Mr. DORNAN.
Mr. TATE.
Mr. GILMAN.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1903. An act to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Cape Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge," and for other purposes.

ADJOURNMENT

Mr. GOSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes a.m.) under its previous order, the House adjourned until today, Thursday, June 27, 1996, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3848. A letter from the Assistant Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Notification for Pesticide Registration Modifications [OPP-300110; FRL-5372-8] (RIN: 2070-AC98) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3849. A letter from the Assistant Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Worker Protection Standard; Decontamination Requirements [OPP-250108A; FRL-5358-8] (RIN: 2070-AC93) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3850. A letter from the Assistant Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Worker Protection Standard; Language and Size Requirement for Warning Sign [OPP-250107A; FRL-5358-7] (RIN: 2070-AC93) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3851. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Russia, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

3852. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Recycled Used Oil Management Standards (FRL-5529-1) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3853. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, El Dorado County Air Pollution Control District, Placer County Air Pollution Control District, and Ventura County Air Pollution Control District (CA 071-0005a; FRL-5464-7) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3854. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Criteria for Classification of Solid Waste Disposal Facilities and Practices; Indemnification and Listing of Hazardous Waste; Requirements for Authorization of State Hazardous Waste Programs [FRL-5528-4] (RIN: 2050-AE11) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3855. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants: Off-Site Waste and Recovery [AD-FRL-5516-7] (RIN: 2060-AE05) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3856. A letter from the Inspector General, National Science Foundation, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) Section 5(b); to the Committee on Government Reform and Oversight.

3857. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Agency Relationships with Organizations Representing Federal Employees and Other Organizations (RIN: 3206-AG38) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3858. A letter from the Secretary of Housing and Urban Development, transmitting the fiscal year 1995 annual report under the Federal Managers' Financial Integrity Act [FMFIA] of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

3859. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Adding Argentina to the List of Countries Authorized to Participate in the Visa Waiver Pilot Program [INS No. 1777-96] (RIN: 1115-AB93) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALKER: Committee on Science. H.R. 2779. A bill to provide for soft-metric conversion, and for other purposes; with amendments (Rept. 104-639). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 465. Resolution providing for consideration of a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period (Rept. 104-640). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 2001. A bill for the relief of Norton R. Girault (Rept. 104-637). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. S. 966. An act for the relief of Nathan C. Vance, and for other purposes (Rept. 104-638). Ordered to be printed.

BILLS PLACED ON THE CORRECTIONS CALENDAR

Under clause 4 of rule XIII, the Speaker filed with the Clerk a notice requesting that the following bills be placed upon the Corrections Calendar:

H.R. 2779. A bill to provide for soft-metric conversion, and for other purposes.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. MEYERS of Kansas:

H.R. 3719. A bill to amend the Small Business Act and the Small Business Investment Act of 1958; to the Committee on Small Business.

H.R. 3720. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Small Business.

By Mr. FALEOMAVAEGA:

H.R. 3721. A bill to establish the Omnibus Territories Act; to the Committee on Resources, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. KELLY (for herself, Mrs. LOWEY, Mr. ACKERMAN, Mr. HINCHEY, Mr. KING, Mr. MANTON, Mr. MCHUGH, Mr. OWENS, Mr. SERRANO, and Mr. SOLOMON):

H.R. 3722. A bill to amend title 38, United States Code, to revise the manner by which the Secretary of Veterans Affairs ranks applicants for grants under the State Home Construction Grant Program administered by the Secretary and to limit the number of grants any State may be awarded in a year under that program; to the Committee on Veterans' Affairs.

By Mr. MCCOLLUM (for himself and Mr. SCHUMER):

H.R. 3723. A bill to amend title 18, United States Code, to protect proprietary economic information, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCOLLUM (for himself, Mr. SCHUMER, Mr. STENHOLM, Mr. HORN, Mr. LEVIN, Mr. CANADY, Mr. HUNTER, Mr. BEILENSON, Mr. FRANK of Massachusetts, Mr. BOUCHER, Mr. BILBRAY, Mr. BRYANT of Tennessee, Mr. CAMPBELL, Mr. CLYBURN, Mr. GILLMOR, Mr. HASTINGS of Washington, Mr. KIM, Mr. MCKEON, Mr. MILLER of California, Mr. MONTGOMERY, Mrs. ROUKEMA, Mr. SHAYS, Mr. TRAFICANT, Mr. WAXMAN, and Mr. WILSON):

H.R. 3724. A bill to improve the integrity of the Social Security card and to provide for criminal penalties for fraud and related activity involving work authorization documents for purposes of the Immigration and Nationality Act; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MORAN (for himself, Mrs. MORELLA, Mr. HALL of Ohio, Mr. LEACH, Mr. PAYNE of New Jersey, Mr. DEFAZIO, Mr. ENGEL, Mrs. SCHROEDER, Mr. BEILENSON, Ms. NORTON, Mr. OLVER, Mrs. MEEK of Florida, Mr. GREEN of Texas, Mr. LANTOS, Mr. FLAKE, Mr. BERMAN, Mr. WYNN, Mr. YATES, and Mr. FARR):

H.R. 3725. A bill to assist international efforts to improve awareness, detection, and clearance of antipersonnel landmines and explosive ordnance; to the Committee on International Relations, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA (for herself and Ms. EDDIE BERNICE JOHNSON of Texas):

H.R. 3726. A bill to establish the Commission on the Advancement of Women in the Science and Engineering Work Forces; to the Committee on Economic and Educational Opportunities.

By Mrs. ROUKEMA (for herself and Mr. SCHUMER):

H.R. 3727. A bill to amend the Electronic Fund Transfer Act to require notice of certain fees imposed by the operator of an automated teller machine in connection with an electronic fund transfer initiated by a consumer at the machine, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. SPRATT:

H.R. 3728. A bill to suspend temporarily the duty on Para ethyl phenol [PEP]; to the Committee on Ways and Means.

By Ms. HARMAN (for herself, Mr. SPRATT, and Mr. TAYLOR of Mississippi):

H.R. 3729. A bill to provide for the detection and interception of weapons of mass destruction delivered by unconventional means; to the Committee on National Security, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction the committee concerned.

By Mr. BONILLA (for himself and Mr. CONDIT):

H. Res. 466. Resolution providing for the consideration of the bill (H.R. 2275) to reauthorize and amend the Endangered Species Act of 1973; to the Committee on Rules.

By Mr. GOSS:

H. Res. 467. Resolution electing Representative Baker of Louisiana to the Committee on Transportation and Infrastructure; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

228. By the SPEAKER: Memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 50 opposing the proposed expansion of the U.S. Environmental Protection Agency's toxics release inventory program; to the Committee on Commerce.

229. Also, memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 54 relating to the creation of a new U.S. Court of Appeals for the 12th Circuit; to the Committee on the Judiciary.

230. Also, memorial of the Legislature of the State of Alaska, relative to Legislative Resolve No. 70 urging the Congress of the United States to pass S. 1629, the 10th Amendment Enforcement Act of 1996; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 132: Mr. ROMERO-BARCELO.

H.R. 359: Mrs. ROUKEMA.

H.R. 598: Mr. SAWYER, Mr. DAVIS, and Mr. NETHERCUTT.

H.R. 739: Mr. CHABOT and Mr. DREIER.

H.R. 963: Mr. CHAPMAN.

H.R. 1023: Mr. LIPINSKI.

H.R. 1057: Mr. OBERSTAR and Mr. TRAFICANT.

H.R. 1708: Mr. GORDON, Mr. RICHARDSON, and Mr. CANADY of Florida.

H.R. 2119: Mr. SHAYS.

H.R. 2200: Mr. PAXON and Mr. BLUTE.

H.R. 2209: Mr. DIAZ-BALART, Mr. MATSUI, and Mr. FOGLIETTA.

H.R. 2214: Mr. TORKILDSEN.

H.R. 2391: Mr. DORNAN, Mr. HORN, Mr. SALMON, and Mr. MANZULLO.

H.R. 2400: Mrs. SMITH of Washington and Mr. BROWN of Ohio.

H.R. 2508: Mr. LINDER.

H.R. 2566: Mr. ZIMMER.

H.R. 2651: Mr. BISHOP and Mr. MASCARA.

H.R. 2779: Mr. BLUTE, Mr. CAMPBELL, Mr. KIM, Mr. MANZULLO, Mrs. MYRICK, and Mr. OXLEY.

H.R. 2807: Miss COLLINS of Michigan, Mr. SMITH of Michigan, Ms. DELAURO, Mr. SCARBOROUGH, and Mr. UPTON.

H.R. 2864: Mr. THOMAS.

H.R. 2900: Mr. TIAHRT, Mr. DORNAN, Mr. TATE, and Mr. CALVERT.

H.R. 2925: Mr. BILBRAY and Mr. COBURN.

H.R. 2927: Mr. WELLER, Mr. HORN, Mr. WHITE, Mr. CRANE, Ms. HARMAN, Mr. WICKER, Mr. RADANOVICH, and Mr. DREIER.

H.R. 3011: Mr. HORN, Mr. MINGE, and Ms. JACKSON-LEE.

H.R. 3087: Mr. FUNDERBURK.

H.R. 3138: Mr. QUILLEN.

H.R. 3142: Mr. HASTERT and Mr. BARCIA of Michigan.

H.R. 3150: Mr. CUMMINGS.

H.R. 3195: Mr. JONES.

H.R. 3226: Mr. OWENS and Mr. GILMAN.

H.R. 3234: Mrs. CUBIN.

H.R. 3331: Ms. JACKSON-LEE, Mr. ACKERMAN, Mr. HINCHEY, and Ms. BROWN of Florida.

H.R. 3346: Mr. ENSIGN.

H.R. 3391: Mr. NORWOOD, Mr. PARKER, Mr. HEFLEY, and Mr. FRELINGHUYSEN.

H.R. 3396 Mr. COMBEST, Mr. RIGGS, and Mr. BUNNING of Kentucky.

H.R. 3401: Mr. WICKER, Mr. FALEOMAVAEGA, Mr. MCNULTY, Ms. NORTON, Mr. BARRETT of Nebraska, and Mr. DINGELL.

H.R. 3433: Mr. MILLER of California.

H.R. 3463: Mr. MCDERMOTT, Mr. OWENS, and Mr. STARK.

H.R. 3480: Mr. HAMILTON, Mr. ROEMER, Mr. LEWIS of Kentucky, Mr. BAKER of Louisiana, and Mr. STENHOLM.

H.R. 3496: Mr. EVANS, Mr. PAYNE of New Jersey, Mr. GREEN of Texas, and Mr. RANGEL.

H.R. 3514: Mr. LAFALCE, Mr. CALLAHAN, Mr. HANSEN, Mr. WOLF, Mr. LEWIS of Kentucky, and Mr. EHLERS.

H.R. 3551: Mr. FRANKS of New Jersey, Mr. FLANAGAN, Mr. SCARBOROUGH, MR. ROMERO-BARCELO, and Mr. GOSS.

H.R. 3567: Mr. DUNCAN and Mr. CHRISTENSEN.

H.R. 3605: Mr. THOMAS, Mr. STARK, Mr. FILNER, Ms. ROYBAL-ALLARD, Mr. BONO, Mr. GALLEGLY, Mr. DORNAN, Mr. RIGGS, Mr. CONDIT, and Ms. MILLENDER-MCDONALD.

H.R. 3654: Mr. TORRES, Mr. TAYLOR of North Carolina, Mr. TAYLOR of Mississippi, Mr. HILLEARY, Mr. FROST, Mr. SCHIFF, Mr. PALLONE, Mr. BEVILL, Mr. BONIOR, Mr. WARD, Mr. KANJORSKI, Mr. DOYLE, Mr. MASCARA, Mr. COLEMAN, Mr. WISE, Mrs. MEEK of Florida, Mr. RICHARDSON, Mr. OLVER, Mr. HINCHEY, Mr. BARR, Mr. COMBEST, Mr. EVANS, Mr. WELLER, Mr. BUNNING of Kentucky, Mr. TRAFICANT, Mr. ORTIZ, Mr. TEJEDA, Mr. MARTINEZ, Mr. MORAN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TOWNS, and Mr. SANDERS.

H.R. 3687: Mr. NEY, Mr. FORBES, Mr. FOX, and Mr. TAYLOR of North Carolina.

H.R. 3700: Mr. BOUCHER, Mr. OXLEY, Mr. ENGLISH of Pennsylvania, and Ms. LOFGREN.

H. Con. Res 142: Mr. FRAZER, Mr. CHABOT, Mr. JOHNSTON of Florida, and Mr. SALMON.

H. Res. 286: Mr. TAYLOR of Mississippi and Mr. OLVER.

H. Res. 452: Ms. KAPTUR, Mr. BONO, Mr. CLYBURN, and Mr. DELLUMS.

H. Res. 461: Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, and Mr. HYDE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2740: Mr. CRANE.

EXTENSIONS OF REMARKS

JULY 6 IS RECOGNIZED AS INTERNATIONAL COOPERATIVE DAY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. OBEY. Mr. Speaker, July 6 is recognized around the world as International Cooperative Day. This 74-year old tradition presents an opportunity to people from all corners of the Earth to recognize the important difference that cooperatives make in their lives.

The potential role of cooperative enterprises in promoting economic development in areas of most critical need, in many cases businesses, has been recognized by the United Nations. Last year, the UN declared that the International Day of Cooperatives should be celebrated every year by governments in collaboration with their national cooperative movements.

Next Monday, July 1, cooperative leaders from the United States and from around the world will meet at UN Headquarters in New York to celebrate in International Day of Cooperatives at an event organized by the UN, International Day of Cooperative Alliance, and the Committee for the Promotion and Advancement of Cooperatives. This event will provide an opportunity to discuss and to demonstrate the actual and potential contribution of cooperative business enterprise to the achievement of economic goals, including:

The potential of the cooperative movement to participate as a distinct stakeholder and full partner with the United Nations and institutional procedures and structures hereby such participation may be most effective.

The contribution of cooperative business enterprise to the achievement of the goals of the International Year and Decade for the Eradication of Poverty and the realization of the goals of the World Food Summit.

The potential of the cooperative movement to develop human resources and institutional capabilities.

The cooperative movement as a means for the economic, social and political empowerment of women.

The contribution of cooperative businesses to the provision of appropriate and affordable social services.

The capacity of the cooperative movement to undertake appropriate technical assistance as a complement to governmental multilateral and bilateral assistance.

The ways and means whereby partnerships may be strengthened between cooperatively organized business enterprises and the United Nations development system.

I have believed for many years that cooperatives provide people with an economic alternative that empowers them economically to help themselves. Throughout this century, this body has passed legislation that created the spark for cooperative development and opened the door for cooperatives in this country.

The result has been the creation of our rural electric and telephone cooperative systems, the farm credit banking system, the National Cooperative Bank, and credit unions and community development credit unions. All of those have been tools that allow people to accomplish together things they could not accomplish alone. All are owned by the members who benefit from them, and are controlled through the election of boards of directors by that membership.

It is fitting that the international community should recognize that power and the possibilities that cooperatives represent in developing countries. Today, over 760 million people around the world are members of cooperatives. And that fact has made all of their lives a little brighter.

I encourage my colleagues to look to their own districts and recognize the existence of cooperatives there that meet their constituents needs. What you will find is over 100 million Americans and 45,000 businesses ranging in size from small buying clubs to businesses included in the Fortune 500. Today, we have cooperative businesses in the fields of housing, health care, finance, insurance, child care, agricultural marketing and supply, rural utilities and consumer goods and services.

Cooperatives have helped to make this country the economic powerhouse of the world. It's a legacy we should share with the rest of the world.

ATROCITIES AGAINST ALBANIAN COMMUNITY IN KOSOVA

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. TORRICELLI. Mr. Speaker, I rise today in order to draw this country's attention to the most recent atrocities committed by the Serbian Government against the Albanian community in Kosova. Time and again, the international community is bombarded with reports of violence and aggression by the Serbs toward the other ethnic groups in the former Yugoslavia. These actions repulse any decent human being with a sense of morality, but they pale in comparison next to this most recent offense.

Dr. Alush Gashi, who is respected in international circles as a human rights activist, served until lately as an advisor to President Rugova of Kosova. He is now being forced to stand trial before a Serbian-controlled magistrate court on July 1. The charges stem from a time in 1990 when Dr. Gashi, as the dean of the faculty of medicine at the University of Prishtina, opposed the enrollment of 250 Serbian students despite the Serbian Assembly's ruling to the contrary. His decision was not without validation because these students had apparently failed to take the university's entrance exam and were therefore not qualified for enrollment. Nevertheless, Dr. Gashi was fired from his position and will now be subjected to a fraudulent trial along with all of its attendant horrors.

The Albanian majority in Kosova has been treated brutally by a Serbian regime which shows no regard for their fundamental human rights. Dr. Gashi's trial is yet one more step in this campaign to suppress all opposition to the Serbian domination. By voicing his disgust with the deteriorating health conditions faced by the Albanian people in Kosova, Dr. Gashi has taken a brave but dangerous step in criticizing the Serbian regime. If the rights of Kosova's Albanian citizens are to be recognized, though, Dr. Gashi and others like him must be permitted to speak out loud.

For this reason, I urge my colleagues to stand with me against this campaign of terrorism and intimidation. We should not continue to sanction these unrelenting attacks on the Albanian population with our silence. Only vocal opposition and recognition of the human rights abuses committed by the Serbs will force the regime to comply with the international community's accepted standards of behavior. Dr. Gashi and the rest of the Albanian population are depending upon us to act on their behalf.

OPPOSITION LETTERS TO THE UNION PACIFIC AND SOUTHERN PACIFIC RAILROAD MERGER

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BORSKI. Mr. Speaker, I am offering recent submissions to the Surface Transportation Board regarding the proposed merger of the Union Pacific and Southern Pacific railroads by members of the Committee on Transportation and Infrastructure describing their opposition to the proposal.

This merger proposal has generated substantial opposition including from shippers, all levels of government (Federal, State, and local), farm interests, and labor interests. I am confident the Board will consider this opposition as it deliberates on the merger proposal next week.

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC, June 20, 1996.

Hon. LINDA J. MORGAN,
Chairman, Surface Transportation Board,
Washington, DC.

DEAR CHAIRMAN MORGAN: I am writing to express my strong concerns about the proposed merger between the Union Pacific

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Railroad and the Southern Pacific Railroad. The Merger as proposed appears likely to substantially reduce competition and raise rates for shippers and consumers. For these reasons, the Departments of Justice, Transportation, and Agriculture have all opposed the merger. I agree with the recommendations of these agencies and urge that the merger be disapproved, unless it is possible to develop a divestiture plan that would preserve competition and protect shippers and consumers.

Union Pacific and Southern Pacific are major competitors in hundreds of markets in the West and Midwest. A merger between the two would create a monopoly rail carrier in markets accounting for between $800 million and $1.5 billion in annual revenues. In hundreds of additional markets, accounting for between $2.14 and $4.75 billion in annual revenues, the number of rail competitors would be reduced from three to two.

For many of the shippers in these markets, rail is the only cost-effective transportation mode, either because these shipments are too heavy relative to their value to be economically moved by truck, or because of the distance that the shipment must be transported, or both. These shippers who depend on rail include shippers of forest products, grain, and plastic pellets and, on longer hauls, automobiles, iron and steel, and intermodal traffic. The Justice Department estimates that these shippers can expect a 20 percent price increase when competition is reduced from two rail carriers to one, and a 10 percent price increase when competition is reduced from three rail carriers to two. The Justice Department has estimated that consumers would have to pay higher prices resulting from the reduction in competition in these markets amounting to $800 million per year.

The applicants assert that in the "three to two" markets, contrary to our experience in most other markets, they will compete vigorously with the remaining competitor and no one need worry. In the "two to one" markets, the applicants propose to remedy the loss of competition through a trackage rights agreement that would give the Burlington Northern Santa Fe Railroad (BNSF) the right to operate over portions of the combined UP/SP system and serve certain specified points that currently receive direct service from both UP and SP. I am not convinced that this trackage rights agreement would preserve competition for shippers currently benefiting from two-carrier competition.

I do not believe that a trackage rights agreement would permit BNSF to compete with UP/SP as effectively as would an independent railroad. Under the agreement, BNSF would be conducting its operations as a "tenant" over the tracks of the landlord UP/SP. The landlord, UP/SP, would have opportunities to favor its own operations over those of the competing tenant. For example, UP/SP could give preference in dispatching and switching its own trains and could give lower priority in track maintenance to track primarily used by BNSF. UP/SP would have incentives to use these powers to limit BNSF's effectiveness as a competitor. As one railroad put it, a trackage rights agreement "is the competitive equivalent of having United Airlines and American Airlines operating out of the same busy airport, but giving United exclusive authority over the control tower!"

The proposed trackage rights agreement also generally limits BNSF to serving customers who are on the lines of both SP and UP. BNSF is generally prohibited from serving shippers who are on one line but close enough to the other line that they benefit from competition from the other railroad. Such shippers are close enough to both UP and SP that they can currently use short-haul truck transport or the threat of building a branch rail line to maintain competitive pricing, for these shippers, the trackage rights agreement provides no remedy for lost competition.

Even the shippers that can receive BNSF service under the trackage rights agreement, the trackage rights agreement is hemmed in with restrictions that limit the effectiveness of the competition that BNSF can provide. In some cases, the agreement limits the number of trains BNSF can run. More generally, because the agreement only allows BNSF to carry freight between certain points, it will be difficult for BNSF to generate sufficient traffic volumes to make its costs competitive. It is important to observe that nothing in the agreement obligates BNSF to provide service where the agreement allows it to provide service. BNSF pays nothing for the rights until they are actually used, so BNSF's incentives are not to offer service unless it can be sure of earning a profit on it. If SP is marginally profitable serving these lines with its unlimited access to the traffic, BNSF may not be able to offer service under the more restrictive conditions imposed by the Settlement Agreement.

The applicants have emphasized in their recent rebuttal that they have agreed to five years of annual oversight by the STB to confirm that the BNSF Settlement Agreement is working. But is was not the intent of the Congress in enacting either the Staggers Act or the ICC Termination Act to depend on STB oversight to ensure competition. The intent of Congress was to maintain structural conditions that would ensure competition. We preferred, from a policy standpoint, relying on competition rather than regulatory interventions by the ICC/STB. Moreover, we believe that limited resources make continuing oversight by the STB an inadequate substitute for an industry structure that would ensure competition. Even in its heyday, the ICC did not have enough staff to track the practices of railroads closely enough to ensure competition. Now, with its staff cut 90 percent, and facing continuing budgetary pressures, we clearly cannot rely on STB oversight to ensure.

UP and SP claims that hundreds of millions of dollars in economies will flow from their merger, but it appears that a substantial portion of these "economies" in fact represent losses for workers who will lose their jobs and for shippers who will pay higher prices for rail transportation. In any case, it is not clear that the proposed merger is the least anti-competitive way of achieving these economies.

UP and SP also claim that the imminent collapse of SP makes the merger inevitable. SP made the same arguments when it proposed merging with the Santa Fe railroad a decade ago, but it has somehow managed to stave off collapse and maintain itself as a competitive force in the market. Even if the collapse of SP is inevitable (and the issue is debatable), it is not clear that transferring all its assets to UP is in the public interest. The market power that UP would gain by acquiring SP allows it to pay the highest price to SP's shareholders, but the public interest requires that those assets be transferred to parties that will provide effective competition, not to parties that are willing to pay a high price for the assets because they foresee monopolistic profits in the future. Other carriers have expressed an interest in buying those assets, and could provide continuing effective competition for UP.

As I stated in my earlier letter, I am confident that you and your colleagues, confronted with all the facts, will make the right decision in this case. I offer my views only because there has been speculation by commentators in the news media that further consolidation of the railroad industry is "inevitable." I do not view it as inevitable, and I hope you do not as well. I believe a merger is consistent with the public interest only if the public is clearly not harmed by the merger. In the event that the Board should approve the merger, I encourage you to attach such conditions to this proposal as are necessary, including divestitures of parallel lines, to ensure that the public is not harmed, without relying on your continuing oversight to achieve that objective. UP regards divestiture proposals as "killer conditions." Even if that is true, there would be little harm and much potential gain in denying the merger and inviting the applicants to develop a less anti-competitive proposal.

Sincerely,

JAMES L. OBERSTAR,
Ranking Democratic Member.

CONGRESS OF THE UNITED STATES,
Washington, DC, April 4, 1996.

Mr. VERNON WILLIAMS,
Office of the Secretary, U.S. Surface Transportation Board, Washington, DC

DEAR MR. WILLIAMS: We wish to express our concern about the merger application of the Union Pacific (UP) and Southern Pacific (SP) Railroads.

If this merger is approved, the consolidated UP/SP system will create the nation's largest rail carrier and could spur additional mergers in the Eastern United States. The merger could mean a significant decrease in competition, rail service and jobs, and would harm shippers and rail-dependent businesses. It could eliminate thousands of jobs in a workforce already struggling from a large number of mergers, reductions and corporate dowsizing in other major sectors of the economy.

A consolidated UP/SP rail system certainly will create a monopolistic situation in the West but the trend toward megarailroads could lead to a wave of similar mergers in the East. This disturbing trend of consolidation is not in the public interest. Shippers will be left with few transportation choices. Communities and workers will face the threat of job loss and dislocation.

We question the wisdom of granting this merger when there are no compelling reasons to create such a large railroad. UP and SP have other options available to allow them to compete in the marketplace short of this merger.

We believe this merger is anti-competitive and will have far-reaching implications. It will harm shippers, consumers, communities, and working men and women. We urge the Board to preserve rail competition and protect American workers by rejecting the UP/SP merger.

Sincerely,

BOB BORSKI.
TIM HOLDEN.
PAUL E. KANJORSKI.
PAUL MCHALE.
CHAKA FATTAH.

HOUSE OF REPRESENTATIVES
Washington, DC, May 2, 1996.
Hon. VERNON A. WILLIAMS,
Secretary, Surface Transportation Board,
Washington, DC.

DEAR SECRETARY WILLIAMS: As you consider the application pending before the Surface Transportation Board regarding the proposed merger between the Union Pacific Railroad Company (UP) and Southern Pacific Lines (SP), I wish to bring before you a number of concerns which have been brought to my attention considering this proposal. Specifically, I am requesting that the Board consider the potential reduction in rail competition along the Chicago-Memphis-Houston corridor and the impact that would have on rates or consumers and shippers in Tennessee.

As proposed, the merger would grant UP control over approximately 90% of rail traffic into and out of Mexico, 70% of the petrochemical shipments from the Texas Gulf Coast, and 86% of the plastics storage capacity in the Texas/Louisiana Gulf region. I understand that the proposal includes a trackage rights agreement with Burlington Northern Santa Fe (BNSF) to address this issue.

On the other hand, Conrail has submitted a proposal to purchase the lines referred to as SP East, i.e., the lines from Chicago through St. Louis to Houston, the line from New Orleans to El Paso as well as lines to Dallas/Fort Worth, Eagle Pass, Brownsville and Memphis.

There are clear advantages of having a railroad own the line as opposed to having a railroad operate over another company's line. First, owners of rail lines will have every incentive to invest in track and work with the local communities to attract economic development. In addition, owners who control the service they provide, i.e. its frequency, reliability and timeliness. Finally, an owning railroad offers the best opportunity to retain employment for railroad workers who would otherwise be displaced by the proposed merger.

I support Conrail's proposal and urge you to carefully review it as you consider the UP-SP merger application. I believe it addresses many of the issues raised with respect to the merger's impact on cities like Memphis.

I look forward to hearing from you.

Sincerely,

BOB CLEMENT,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1996.
Re finance docket 32760.
Hon. VERNON A. WILLIAMS,
Secretary, Surface Transportation Board, 12th Street and Constitution Avenue
Washington, DC.

DEAR SECRETARY WILLIAMS: I am writing in regard to an application pending before you that seeks approval of a merger between the Union Pacific Railroad (UP) and Southern Pacific Lines (SP). I am very concerned that the merger of these two railroads will significantly reduce rail competition and result in higher rates for shippers and consumers.

As proposed, the merger would grant UP control over a reported 90% of rail traffic in to and out of Mexico, 70% of the petrochemical shipments form the Texas Gulf Coast, and 86% of the plastics storage capacity in the Texas/Louisiana Gulf region. UP acknowledges that the merger would greatly reduce rail competition and proposes a trackage rights agreement with Burlington Northern Santa Fe (BNSF) as the solution. A trackage rights agreement, however, does not solve the problem as the several sets of changes in the agreement attest.

Owners of rail lines have incentives to invest in track and to work with local communities to attract economic development. Owners have control over the service they provide—its frequency, its reliability, and its timeliness. None of these things can be said about railroads that merely operate over someone else's tracks, subject to someone else's control, and required to pay the owner for every carload of traffic the tenant moves. An owning railroad, faced with none of these difficulties, and having major incentives to develop traffic for the line, can be more readily and consistently counted on to provide quality service and investment that is the best solution for shippers, communities, and economic development.

Conrail has offered to purchase the lines referred to as SP East, i.e. the lines from Chicago through to Houston, the line from New Orleans to El Paso as well as lines to Dallas/Fort Worth, Eagle Pass, Brownsville and Memphis. An offer from an owning railroad such as has been proposed by Conrail represents the best opportunity to preserve competition, enhance economic development potential, and save jobs.

For these reasons, I urge the Board to oppose UP/SP merger unless it is conditioned on a property-owning divestiture plan such as the one put forth by Conrail.

Sincerely,

EDDIE BERNICE JOHNSON,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 21, 1996.
Re finance docket 32760.
Mrs. LINDA J. MORGAN,
Chairman, Surface Transportation Board,
Washington, DC.

DEAR CHAIRMAN MORGAN: I am writing regarding the proposed Union Pacific (UP) and Southern Pacific (SP) merger.

The UP-SP merger will create one of the largest railroads in the world. While I do not have a problem with this concept, I am concerned that if this transaction is approved in its current form it will have severe consequences. Specifically, data I have reviewed supports arguments that the UP-SP merger, as proposed, is not in the public interest and will result in the loss of thousands of jobs nationally.

Furthermore, some of the proposals to address the anti-competitive aspects of the merger appear to unfairly discriminate against Northeastern Ohio, negatively impacting its economy and employment. I am troubled by this and believe a solution in the national interest can be reached without discriminating against the State of Ohio.

One such solution may be Conrail's proposal to purchase lines which have been referred to as SP East. I believe a proposal of this nature is the best way to ensure competition, boost economic growth and preserve jobs.

With this in mind, I respectfully request that the Surface Transportation Board give every consideration to conditioning approval of the UP-SP on a property-owning divestiture plan to ensure that this merger will be an equitable one in the national interest.

Sincerely,

STEVEN C. LATOURETTE,
Member of Congress.

SUSPEND TARIFF ON PARA ETHYL PHENOL

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. SPRATT. Mr. Speaker, today I am introducing legislation to suspend for 3 years the tariff on a chemical called Para ethyl phenol (PEP—HTS–2907.19.20 00). This bill is critical to saving the jobs of 50 of my constituents who work at Hodgson Chemicals, Inc., in Rock Hill, SC.

The Hodgson plant produces two chemicals called Butylated hydroxy ethyl benzene [BHEB] and Mono butyl ethyl phenol [MBEP]. PEP is a critical component in producing both BHEB and MBEP. Enactment of the bill will ensure that Hodgson can compete against a Japanese company which is the only other manufacturer of BHEB. BHEB is used as an antioxidant in low and high density polyethylene and is sold to chemical producers. MBEP is used as an intermediate to produce an antioxidant. Hodgson informs me that there are no domestic sources for Para ethyl phenol [PEP]. Hodgson must therefore import and pay a 10.7 percent tariff on all the PEP it uses. This extra cost is reflected in the retail price Hodgson charges for BHEB and MBEP. The cost is substantial since over 50 percent of the finished product for both BHEB and MBEP is PEP.

The Japanese company exports BHEB to the United States, but not the PEP itself. This means that it avoids a tariff on PEP and therefore enjoys a significant cost advantage over Hodgson. Unless the tariff suspension is passed, Hodgson may be forced to discontinue production of BHEB and MBEP.

Hodgson plans on beginning production in the United States of PEP within 3 years. That is why Hodgson is only seeking a 3-year tariff suspension. Although I do not believe the cost of this suspension is great, we will be seeking a cost estimate from CBO to determine the bill's price tag. We will also seek to confirm that there are no domestic sources at present for PEP. Assuming that the only sources for PEP are foreign and that the cost is modest, I hope that the Congress will pass this bill in a timely manner. The jobs of many of my constituents depend on it.

INTERNATIONAL FESTIVAL OF ARTS AND IDEAS

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Ms. DELAURO. Mr. Speaker, I would like to congratulate my hometown of New Haven, CT, on the occasion of the first annual International Festival of Arts and Ideas.

The festival brings together performers and thinkers from across the region and around the world to showcase the arts and discuss the ideas intertwined with such outstanding creativity. The festival includes drama, music, storytelling, dancing, and magic for children;

discussions and classes focused on the ideas of the festival; and performance and works by Connecticut artists.

New Haven's cultural riches enable it to host this tremendous festival, a festival that will foster greater appreciation for the arts and will spur discussion throughout Connecticut and the region. Drawing on the historic New Haven Green, internationally renowned Yale University and its many theaters and museums, the Shubert Performing Arts Center, the Audubon Street Arts District, Long Wharf Theatre, and many more treasures, New Haven will come alive to embrace a world of creative performance and thought. The displays and discussions will be highlighted by performers from Connecticut and throughout the world.

I am particularly proud of the public and private partnership that brought the International Festival of Arts and Ideas to New Haven, the arts and cultural capital of Connecticut. Their exceptional support has been matched by individuals who have volunteered their time and energy to guarantee that the more than 75,000 visitors will see the arts, ideas, and Connecticut at their best. Putting Connecticut's best foot forward with the Arts and Ideas Festival will bring people to the region this week and throughout the year.

This is a proud day for Connecticut as we kick off the first annual International Festival of Arts and Ideas. Congratulations.

PERSONAL EXPLANATION

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BATEMAN. Mr. Speaker, I rise today to inform my constituents of my position on eight rollcall votes I missed on June 10 and 11, 1996, because of the primary election in Virginia's First Congressional District. Had I been present, my votes would have been recorded as follows: Rollcall Nos. 222, "aye"; 223, "aye"; 224, "aye"; 225, "aye"; 226, "nay"; 227, "nay"; 228, "aye"; 229, "aye."

CONSERVATIVE ADVOCATE DEFENDS SUPREME COURT COLORADO OPINION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. FRANK of Massachusetts. Mr. Speaker, when the U.S. Supreme Court upheld the decision of the Colorado Supreme Court invalidating a Colorado law which put gay men and lesbians at a particular disadvantage with regard to antidiscrimination legislation, a number of people on the right responded with stirring denunciations of the Supreme Court majority. And Justice Scalia wrote an angry and poorly reasoned dissent in which he denounced the majority and misrepresented their decision. I was therefore particularly pleased to read a thoughtful, reasoned defense of the Supreme Court majority opinion which upheld the Colorado Supreme Court's rejection of this law as an unconstitutional effort to impose special burdens on lesbians and gay men, written by Clint Bolick. Mr. Bolick is a very prominent advocate of the conservative position on legal issues, and serves as the Litigation Director at the Institute for Justice in Washington. As the printed article notes, the Institute itself has no position on the Supreme Court decision in this case.

Mr. Bolick's article is an example of intellectual honesty and integrity because as he notes, he does not favor laws that protect gay men and lesbians against discrimination, but unlike many others—on both sides of the ideological spectrum—he does not allow his public policy preference to cloud his analysis of the underlying legal and constitutional principles that are at stake. Because this is an issue of great importance to the country, and because the Supreme Court majority opinion has been so grievously misrepresented by Justice Scalia and by many Members of this body, I ask that Clint Bolick's very sensible discussion be printed here.

[From the Los Angeles Daily Journal, June 4, 1996]

"ROMER" COURT STRUCK A BLOW FOR INDIVIDUALS AGAINST GOVERNMENT

(By Clint Bolick)

Reaction to the U.S. Supreme Court's opinion striking down Colorado's Amendment 2 predictably was morally charged: Generally those who disapprove of gay lifestyles reviled it; those who don't liked it. The superficial reaction overlooks the decision's deeper implications, which go far beyond gay rights. For the court may have recognized in the Constitution's equal protection guarantee significant new restraints on majoritarian tyranny.

I anticipated the court's ruling in Romer v. Evans with decidedly ambivalent feelings. I hold the classic libertarian position toward gay rights: An individual's sexual orientation is a private matter, and properly outside the scope of governmental concern. But I also cherish freedom of association and believe people should be free to indulge their moral judgments about other people's lifestyles and proclivities, even though I do not share those judgments.

The Amendment 2 case presented a libertarian conundrum. On one hand, Colorado municipalities were adopting gay rights ordinances that interfered with freedom of association, adding sexual orientation to other "protected categories" such as race and gender on which private discrimination is prohibited. On the other hand, Amendment 2 singled out gays for hostile treatment under law, rendering them alone incapable of attaining protected-category status through democratic processes.

So in my view the case was a close one. But in the end the Supreme Court's 6-3 majority got it exactly right: Amendment 2 was impermissible class legislation. "Central both to the idea of the rule of law and to our own Constitution's guarantee of equal protection," declared Justice Anthony Kennedy for the majority, "is the principle that government and each of its parts remain open on impartial terms to all who seek its assistance."

Noteworthy is what the court did not do. It did not, contrary to some analyses, recognize gays as a "protected class" or apply heightened judicial scrutiny. It was the state that defined the class and subjected it to adverse treatment under law.

What the court did was to breathe new life into the equal protection guarantee. Since the New Deal, the court generally has invalidated legislative line-drawing only when it involves a "suspect classification" (such as race) or a "fundamental" right (such as voting or free speech). Most other governmental classifications need have only a "rational basis" to survive judicial scrutiny.

As first-year law students learn, "rational-basis" review almost always translates into carte blanche deference to government regulators. That means a green light for nakedly protectionistic laws, particularly in the economic realm.

In recent years, my colleagues and I have managed successfully under the rational-basis standard to challenge the District of Columbia's ban on street-corner shoeshine stands and Houston's anti-jitney law. But challenges to Denver's taxicab monopoly and to Washington, D.C.'s cosmetology licensing scheme on behalf of African hair-braiders were dismissed under rational basis, even though the regulations were aimed at excluding newcomers. For those entrepreneurs, the judicial abdication rendered equality under law a hollow promise.

Such class legislation was of paramount concern to the Constitution's framers, who worried about the power of "factions" to manipulate the coercive power of government for their own ends.

The Colorado amendment is a textbook example of class legislation. "Homosexuals, by state decree, are put into a solitary class with respect to transactions and relations in both the private and governmental spheres," Justice Kennedy remarked. Amendment 2 "imposes a special disability on those persons alone."

In such instances, reflexive deference to governmental discretion would nullify constitutional freedoms. So the court required the government to show that its classification in fact was rationally related to a legitimate state objective. As Justice Kennedy declared, "The search for the link between classification and objective gives substance to the Equal Protection Clause."

In this case, the state justified its classification on grounds of freedom of association and conserving resources to fight discrimination against other groups. But as the court concluded, "The breadth of the Amendment is so far removed from these particular justifications that we find it impossible to credit them."

Contrary to Justice Antonin Scalia's dissent, the ruling does not mean the community cannot enforce moral standards. It merely must make its rules applicable to everyone. The state can prohibit various types of conduct, it can refrain from adding gays to the list of specially protected classes—indeed, it can cast its lot with freedom of association and eliminate all protected classes. What it cannot do is to impose a distinctive legal disability upon a particular class, unless it can demonstrate legitimate objectives advanced through rationally related methods.

Nor should equal protection depend on whose ox is gored. The same government that can impose legal disabilities upon gays can inflict them upon veterans, or the disabled, or home-schoolers, or entry-level entrepreneurs, or any other class targeted by those who control the levers of government.

The court's decision in Romer v. Evans is the latest in an important but unremarked trend in which the Supreme Court has revitalized constitutional limits on government power in a variety of contexts. Exhuming the

Fifth Amendment's "takings" clause, it has protected private property rights against overzealous government regulation. Last term, for the first time in 50 years, it invalidated a federal statute as exceeding congressional power under the interstate commerce clause. It has extended First Amendment protection to religious and commercial speech. And under the equal protection clause, it has sharply limited government's power to classify and discriminate among people on the basis of race.

Alexis de Tocqueville observed that "the power vested in the American courts of pronouncing a statute to be unconstitutional forms one of the most powerful barriers that have ever been devised against the tyranny of political assemblies." Largely unheralded, the current Supreme Court has become a freedom court. Though comprising shifting majorities, the court seems quietly to be constructing a constitutional presumption in favor of liberty—precisely what the framers intended.

PITFALLS OF THE MEDIA BUSINESS IN ASIA

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. DIXON. Mr. Speaker, I rise to share with my colleagues the recent remarks of Marc Nathanson of Los Angeles, who was confirmed in August 1995 as a member of the Broadcasting Board of Governors of the United States Information Agency. Mr. Nathanson spoke on June 4 at the 1996 Business in Asia Media and Entertainment Conference in Los Angeles. The conference was sponsored by the Asia Society, the national nonprofit educational organization dedicated to increasing American understanding of the culture, history and contemporary affairs of Asia.

As a pioneer in cable ventures in several Asian countries, Mr. Nathanson is well versed in the obstacles facing American media investments in Asia. With our continued emphasis on ensuring American global competitiveness, I commend to my colleagues the points he makes on the subject.

PITFALLS OF THE MEDIA BUSINESS IN ASIA

(By Marc B. Nathanson, Chairman, Falcon International Communications)

Many of you at this conference are interested in developing software produced here in California for the Asian marketplace. In my opinion, without the rapid development of multimedia distribution systems in Asia, there will not be long term economic gain to the providers of music, TV shows, and motion pictures and their allied fields. The growth of the media infrastructure through viable joint international ventures in Asia is critical to the growth of the entertainment industry in Los Angeles. If these infrastructure projects are successful, this will mean jobs, co-production deals, greater residuals and an increase in economic payments to the holders of copyrights. This assumes that the Governments of Asia including China rigorously enforce the international laws of property.

When I entered the American cable industry 27 years ago, 5 percent of US residents subscribed to cable TV for more entertainment, information, and education. Today, almost 70 percent of all TV homes are cable customers and shortly 8 million Americans will have direct broadcast satellite dishes.

The world is behind us in multi-national viewing options. 95 percent of all global citizens receive less than 5 TV channels. In Asia, the number is only slightly higher. This will all change.

There is an insatiable appetite for more entertainment choices among young and old in Cebu, Calcutta, Auckland, Phuket, Singapore and Kathmandu.

In my opinion, the growth and dissemination of California produced programming in Asia will have much more important benefits to the world than just to our pocketbooks.

The reach of MTV to young people in Russia had a tremendous effect on the collapse of the Soviet Union. The Voice of America and Radio Free Europe hastened the demise of communism in the Czech Republic, Poland, Hungary and Central Europe.

The Future programming of USIA sponsored Pacific Asia Network will give the people of Cambodia, Myanmar, Vietnam and China their only source of factual news in their mother tongues.

But, in spite of the efforts of great statesmen like Senator Jun Magsaysay and others, there are many more problems with the orderly growth and distribution of multiculturally produced channels than just copyright violations.

I say this to you as a man that has and is experiencing the problems of entrepreneurial entertainment joint ventures in Asia.

Today, Falcon International Communications has over 2.5 million customers worldwide. 1.5 million are located off our shores in England, Mexico, France, and Brazil through partnerships and investments. In Asia, we are operating in India and the Philippines and actively engaged in exploring joint ventures in Thailand, Malaysia, Taiwan and Indonesia.

But, the obstacles that prevent the future growth of American media investments should not be taken lightly or overlooked. Let me focus on them:

1. Infrastructure—there is a lack of Infrastructure in Asia. While many American companies have a focus on programming and satellite distribution systems, there has not been enough concentration, investment or expertise directed toward improving the basic communications infrastructure.

Let me give an example: The engineering talent and educational levels are very high in India and the Philippines. They just have a lack of expertise in dealing with fiber and need hands on training by their American partners. However, this cannot solve the slow development of the telephone and transportation systems in these countries.

2. Corruption—corruption, bribery and bureaucracy are still rampant in many places in Asia. A European friend of mine who is in the power plant business told me that he could not even meet with a provisional governor in China unless he agreed to deposit $150,000 in his Swiss account. Our Foreign Corrupt Practices Act—right or wrong is the law of the land. It does not matter whether or not other corporations based in other countries follow it. The American Government must face the age old problem of dealing with corruption overseas if we want to be competitive and we must work with local authorities to clean up their act. I'm optimistic about this happening.

3. Right Partner—You must have the right partner in your media joint venture * * * one who shares your common goals. Each must respect each other's strengths in order for your project to be successful. You must learn how to communicate with each other in Asia. I believe it is foolish for American companies to invest a lot of money in a country like India with the wrong local partner. Let me say that this obvious statement is much more complex. Often, local partners who have funds are looking for rapid returns and do business at a pace (using a methodology) that are totally alien to American business. They often talk the same language and enter into MOU's or contracts that say the right things but the reality of their actions is totally different. In a joint venture outside of Asia, we found a partner who wanted our money but would not listen to our expertise—our considerable expertise in the orderly and efficient development of a cable television business over the last twenty years. We were the first to admit that we did not have expertise of their market or culture, yet this local partner with incompetent management would constantly reverse our second cable management decisions. This type of reform, especially when we are the minority partner, will cause a rapid deterioration in the venture and hurt the joint venture's ability to buy programming and expand.

4. The Old Management—The biggest problem to getting cable TV systems built in Asia and bringing training and American expertise is the "old guard." These companies and often family dynasties talk a good game but don't really want American joint ventures in their nation where they have dominated the media business for so many years. They only want the new technology to come to their fellow countrymen when they and only they bring it at their own pace. These old but truly powerful media barons who often dominate several media empires do not want competition. They want to own it all. They only want American investment dollars to flow to them . . . not to go to a local entrepreneur who has teamed up with a minority American partner. The level playing field does not exist in many parts of Asia. Foreign ownership laws sponsored by the local media monopolist prevent true competition and members of the old guard disguise their greed in the forum of the nationalism and information control. Yet it is ironic that in Asia in particular, in all the ventures that I can think of, the foreigner is a clear minority partner who brings capital, expertise and training to the project. The cultural sensitivities are and should continue to be dominated by the local majority partner. However, international joint ventures hasten the development of American programming in those countries.

In my opinion, the Clinton Administration must demand a level playing field in Asia. New laws need to be introduced by Congress to prevent monopolistic enterprises who lobby against American investments in their country but continue to gain access to our financial markets. These media moguls must be prevented from blocking minority foreign investment in the media in order for them to selfishly perpetuate their local domination and justify the slowness of their upgrading the infrastructure. This old guard is limiting the choice of people of their nation to experience and view the abundance of globally produced diverse programming.

Our government needs to work with the nations of Asia not to exclude other countries from forming local joint ventures but to ensure that there is an open and level playing field to satisfy the insatiable demand of Asian consumers for more information, education, and yes, good old fashion Hollywood entertainment.

OAK HILL-DURHAM VOLUNTEER FIRE CO., CELEBRATES 50 YEARS OF SERVICE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. SOLOMON. Mr. Speaker, anyone who visits my office cannot help but notice the display of fire helmets that dominates my reception area. They are there for two reasons. First, I had the privilege of being a volunteer fireman in my hometown of Queensbury for more than 20 years, which helps explain the second reason, the tremendous respect that experience gave me for those who provide fire protection in our rural areas.

In a rural area like the 22d District of New York, fire protection is often solely in the hands of these volunteer companies. In New York State alone they save countless lives and billions of dollars worth of property. That is why the efforts of people like those firefighters in the Oak Hill-Durham Fire Department is so critical.

Mr. Speaker, I have always been partial to the charm and character of small towns and small town people. The town of Durham, NY, and the village of Oak Hill is certainly no exception. The traits which make me most fond of such communities is the undeniable camaraderie which exists among neighbors. Looking out for one another and the needs of the community make places like the Oak Hill-Durham area great places to live. This concept of community service is exemplified by the devoted service of the Oak Hill-Durham Volunteer Fire Department. For 50 years now, this organization has provided critical services for their neighbors on a volunteer basis.

Mr. Speaker, it has become all to seldom that you see fellow citizens put themselves in harms way for the sake of another. While almost all things have changed over the years, thankfully for the residents there, the members of their fire department have selflessly performed their duty, without remiss, since the formation of this organization 50 years ago. On this Saturday, June 29, 1996, the fire company will be hosting an open house to commemorate this milestone. Not only will this offer the residents around Oak Hill and Durham a chance to enjoy themselves at the planned festivities, but it will provide the perfect opportunity for them to extend their gratitude to this organization and its members, both past and present.

Mr. Speaker, I have always been one to judge people by how much they give back to their community. On that scale, the members of the Oak Hill-Durham Fire Co., are great Americans. I am truly proud of this organization because it typifies the spirit of voluntarism which has been such a central part of American life. To that end, it is with a sense of pride, Mr. Speaker, that I ask all members of the House to join me in paying tribute to the Oak Hill-Durham Fire Co., on the occasion of their 50th anniversary.

DR. ALAN SCHRIESHEIM RETIRES FROM ARGONNE NATIONAL LABORATORY

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. FAWELL. Mr. Speaker, I rise today to commend Dr. Alan Schriescheim, director and chief executive officer of Argonne National Laboratory. Our Nation's first national laboratory, Argonne was founded in 1946, and celebrates its 50th anniversary of service to our Nation this year.

Under Dr. Schriesheim's leadership, Argonne has grown to become a world-renowned research center with more than 200 major projects in progress. Argonne today employs more than 4,000 people on its main 1,700-acre site about 25 miles southwest of Chicago, and at Argonne-West in Idaho. Managed by the University of Chicago for the U.S. Department of Energy, Argonne is one of the nine multi-program national laboratories, the only one in the Midwest. This national asset is a focus of collaborative research, teaming the best and brightest from America's universities, corporations, and Federal laboratories in both short-term and long-term programs designed to ensure a better life for our children and their children into the 21st century.

Alan began his career with Argonne in 1983 after long and distinguished service at Exxon Research, thus becoming the first director of a nonweapons national laboratory to be recruited from industry. As a result of his management talent and strong commitment to develop and initiate strategic programs, the laboratory expanded rapidly, becoming the home of the Advanced Photon Source, a $1 billion research facility formally dedicated last month that will probe the biological and material properties of matter with far greater precision than ever before.

Other Argonne programs initiated during Alan's tenure span the full range of science—from developing biological microchips and sequencing the human genome in a cooperative program with the Englehardt Institute of Molecular Biology in Moscow, to establishing a virtual-reality advanced parallel-processing computer center. He also led Argonne in building the largest superconductivity program in America's national laboratory system, forming working relationships with more than 50 corporations and universities. The project led to the creation of an independent corporation, Illinois Superconductor Corp., which raised $14 million in its initial stock offering.

While developing new programs, Alan ensured Argonne remained a world-class center of nuclear engineering, including its design and development of the Integral Fast Reactor, an inherently safe power station that emits no air pollution, produces little waste, consumes waste from other nuclear plants, and shuts itself down if anything goes wrong.

Alan's deep dedication to motivating young Americans to consider careers in science is nowhere better evidenced than by his collaboration with television science journalist Bill Kurtis in initiating the Science Explorers Program, which exposes thousands of teachers and students to science and math through study guides for Kurtis' PBS science program, "The New Explorers."

Alan holds a bachelor's degree from Brooklyn Polytechnic University in New York, a Ph.D. in chemistry from Pennsylvania State University, and several honorary degrees. He is the author or coauthor of numerous scientific articles, holds 22 U.S. patents, and is a member of the board and fellow of the American Association for the advancement of Science and a member of the National Academy of Engineering. He chaired the National Academy of Engineering Study of Foreign participation in U.S. Research and Development, and is a member of the National Research Council's panel on dual-use technologies in the former Soviet Union and other academic and Government panels.

In his capacity as chief executive of one of America's preeminent research centers, Alan has appeared many times before committees of the House to offer us his guidance and counsel on important national issues bearing on science and technology. As such, he has helped shape the scientific foundation on which this Nation will enter the 21st century.

Mr. Speaker, Alan's management style, philosophy, intelligence, and leadership are paying huge dividends today and will continue to do so for years to come. After many years of distinguished and superior service to the Argonne National Laboratory and the Nation, I wish Alan all the accolades he so rightfully deserves. May his years of retirement bring all the best to Alan, his wife Beatrice, their two children, and their five grandchildren.

A MEMORIAL TO BOB STOUT

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PORTMAN. Mr. Speaker, I rise today to pay tribute to Bob Stout, a dear friend and a community leader who has left us saddened by his death but richer for having known him. We give thanks for his long service to his neighborhood, the city of Norwood, the State of Ohio and his beloved country.

Mr. Stout's involvement with his community was extensive. He kept close track of needy individuals and families in his community of Norwood, helped them where he could, and solicited help from others where necessary. He loved helping kids and was active with the Allison Street Elementary School where he helped create the Caught Being Good program. This effective program rewards students for academic achievement and service to the community with prizes and parties. He was also known for his empathy and caring for the elderly, and for his prowess at fundraising for good causes.

His efforts stemmed from a deep belief in the human spirit and his conviction that if given the opportunity people will seize it and help themselves. Robert Stout, Jr., said of his father, "He was a very difficult person to figure out: politically conservative but when it came to the poor and needy he was the most liberal minded person."

Mr. Stout was active in the Norwood Republican Party, served on the Hamilton County Republican Board of Directors and Board of Elections, and helped countless candidates.

Mr. Stout also served his country in the Korean war and upon returning home earned a degree in accounting from Miami University, then went on to be an accountant with the U.S. Playing Card Co.

Dr. Joanne Sizoo, minister at Norwood Presbyterian Church, put it well when she said, "Bob's life was really a sermon. He really did live what he believed. The proof of our love for Bob Stout is not whether we sit here today, but whether we carry on the work of caring for the poor without Bob to urge us on and hold us accountable."

As is the case with so many people whose lives he touched, I feel blessed to have known him and to have learned from him.

CONGRATULATIONS TO ELVIRA GRATTAGLIANO

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. TORRICELLI. Mr. Speaker, I rise today to pay recognition to a great American citizen who will turn 96 years old on January 1, 1997. Now living in Bergen County, NJ, Elvira Schettino Grattagliano moved to America 85 years go at age 11 from a small town near Naples, Italy, called Castela Mare Di Stabia. Ms. Grattagliano exemplifies a role model citizen. She is always involved in her surrounding community, and continues to hold a deep interest in community affairs and the Government. During World War II, Ms. Grattagliano became very involved with the Red Cross program while her son Harry served under General Patton, and her other son, Dominick served under General MacArthur.

This leads me to her biggest love; her family. Rocco Grattagliano and Elvira were married on December 27, 1920. They were blessed with three children Harry, Pauline, who is deceased, and Dominick. As a wife and homemaker, Ms. Grattagliano dedicated her life to her 3 children, 6 grandchildren, and 10 great-grandchildren.

Once her children had grown, Ms. Grattagliano went into business as the owner and operator of a grocery and vegetable market in Greenville. Once again, thank you, to Ms. Grattagliano for all her efforts to make her community a better place and I wish her many more happy birthdays to come.

SALUTE TO DR. DALE FRANCIS REDIG

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. MATSUI. Mr. Speaker, I rise today to salute Dr. Dale Francis Redig who is retiring from a successful career in dentistry. On June 22, 1996, many of Dr. Redig's friends and colleagues gathered in Sacramento, CA to honor his many contributions to dentistry in California and throughout the world.

Born in Arcadia, IA in 1929, Dr. Redig enlisted in the U.S. Air Force in 1946 and served his country for 3 years before entering college at the University of Iowa. There, he earned his D.D.S. and M.S. degrees, including a stint as a Fullbright Lecturer at the University of Baghdad in Iraq. After graduating, he practiced pediatric dentistry for 14 years and also headed the Department of Pediatric Dentistry at the University of Iowa.

In 1969, Dr. Redig moved his family to San Francisco where he served as dean of the University of the Pacific School of Dentistry for 9 years.

During his career, Dr. Redig has held numerous leadership positions, both academic and administrative. He served as president of the American Society of Constituent Dental Executives and as a consultant for Federation Dentaire Internationale; the University of Riyadh, Saudi Arabia School of Dentistry; the University of Saigon School of Dentistry; and the United Nations. He has served as chairman of the American Dental Association, president of the American Fund for Dental Health and president-elect of the American Association of Dental Schools. Dr. Redig also holds membership in a myriad of professional and honorary societies.

In perhaps one of his greatest roles in the development of dentistry in this State, Dr. Redig has been the executive director of the 20,000-member California Dental Association since 1978. In this capacity, he has served tirelessly to advance the caliber of dental services throughout California.

In addition to membership in numerous professional and honorary societies, Dr. Redig's volunteer service to his community and his profession is a local commodity. Since 1992 he has served the Board of Regents and the University of the Pacific; Since 1992 he has served on the Golden Gate University's Community Advisory Board; Since 1994 he has served the Sacramento Theatre Company on the Board of Trustees; Since 1994 he has served on the corporate cabinet of the Sacramento AIDS Foundation; and in Iowa he served on the board of the Des Moines Health Center and as chairman of the United Campaign, Dental Division.

Mr. Speaker, it is with great pleasure that I rise today to recognize Dr. Dale F. Redig for his many contributions to the field of dentistry. I ask my colleagues to join me in congratulating him on a sterling career of service to his profession and in wishing him happiness and success in all of his future endeavors.

FOSSTON, MN: AN ALL-AMERICAN CITY

HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PETERSON of Minnesota. Mr. Speaker, today I ask my colleagues to join me in congratulating Fosston, MN for being named an All-American City. This is a distinct honor for the state of Minnesota and for all the people of Fosston.

It is difficult for a small town to get the attention of National Civic League jurists, but the citizens of Fosston and their community leaders did just that. As 1 of only 10 small towns selected to receive this award, this town of 1,500 people proved that it is All-American, through and through.

For example, the Fosston school has established a program to keep young people in Fosston after graduation. Todays small town youth often seek opportunities in larger cities, but Fosston has developed a program to demonstrate to high school students that there can be economic opportunities in the town where you grew up.

In addition, school and community leaders have formed a committee to examine both the opportunities and potential problems that could lie ahead for Fosston. This kind of future oriented community program makes Fosston unique among small towns, and a model for others to follow.

My Minnesota district is made up of numerous small towns just like Fosston, and you will find the same kind of community pride and involvement in all of them. I will not be surprised if Fosston's award inspires many other small Minnesota communities to prove that they too are All-American Cities.

Congratulations to Fosston, MN, and every person in the community who has worked to make the town what it is today.

LANDMINE REMOVAL ASSISTANCE ACT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. MORAN. Mr. Speaker, I rise today to urge my colleagues to join me and our colleague and my good friend from Maryland, CONNIE MORELLA, in sponsoring legislation to combat one of the most serious crises facing our planet. The earth is covered with hidden, silent killers. This deadly menace is the more than 100 million antipersonnel landmines that are lying in the ground in 64 countries waiting to explode and kill or injure some unsuspecting person.

This terrible tool of war does not distinguish between children and soldiers. These mines only cost between $3 and $30 to make. It costs from $300 to $1,000 to clear just one landmine. Last year alone, 2 million new mines were laid. That is twenty times the number of mines removed. At the current pace it would take 1,100 years to rid the world of antipersonnel landmines. That is truly disturbing and disheartening.

We must do more to combat this global crisis. The time has come to provide a comprehensive, flexible, and long-term approach to improve the role that the United States plays in international awareness, detection, and clearance of antipersonnel landmines and unexploded ordnance.

The bill we are introducing today takes some important steps toward making U.S. participation in humanitarian demining more effective.

Through measures set forth in this legislation, the United States, working with the international community and nongovernmental organizations, will have the necessary flexibility and ability to provide educational, financial, and technical assistance to those in need of humanitarian landmine removal.

This bill will provide a long-term strategy to guide and sustain U.S. demining programs. We would require a 3-year plan. The report would also include a budget plan for the following 3 years, with recommendations for development of better technologies than exist today.

Currently, landmine funding is largely on an annual basis. This bill does not appropriate any funding but does provide the necessary flexibility to utilize those funds available for humanitarian demining efforts. This bill would make humanitarian demining appropriations "no year" money which is particularly important since most demining projects are multiyear efforts.

Most significantly, this legislation responds to the growing nationwide consensus on the landmine issue. Thanks especially to the tremendous efforts and able leadership of Senator PATRICK LEAHY and our colleague, Representative LANE EVANS, the landmine menace has been under attack here on the Hill; and this issue is now attracting the Nation's attention. We must keep pressing this growing problem of landmines.

How many years will it be before landmine clearance even equals the number of new landmines? The world may be many decades away from achieving this break-even point. We must speed that day along, so that we may measure it in years and not decades. Momentum is with us on this issue. Much has been done. More needs doing.

I urge you to join me and our colleague from Maryland to help protect the innocent children, the mothers and other unsuspecting civilians, and the peacekeepers in Bosnia and around the globe, by joining with us to move this important bipartisan legislation through Congress as soon as possible to combat the landmine plague. Thank you, Mr. Speaker.

MEDICARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 26, 1996, into the CONGRESSIONAL RECORD.

MEDICARE: PROVIDING SECURITY FOR SENIORS

Medicare is a fundamental security net for older Americans that has contributed enormously to the well-being and quality of life for seniors. It is the major source of health care for 38 million older Americans, covering the vast majority of their physician and hospital services. Medicare has its faults, but it has dramatically improved the health care and the longevity of older people in this country. As one older person said to me, "I cannot live without Medicare." There is no question that it must be preserved and protected.

The Medicare system faces financing problems, but it is not in jeopardy of extinction. Medicare will continue to be available for seniors and future retirees despite some of the frightening rhetoric we have heard of late. The issue of Medicare's financing is complex and confusing for many Americans. Seniors already in the system and those planning for retirement are understandably wary.

Medicare is facing short-term financing problems because people are living longer (the number of people over 65 today is some 65% greater than it was in 1970), medical technology continues to explode, and the cost of medical care continues to rise. These cause financing problems that need to be dealt with in order to shore up the system for the near-term. The more difficult issue is the longer-term financing problem caused by the impending baby boomer retirements. As more and more people retire, fewer are left in the workplace to help finance Medicare. There is no easy solution, but there are ways to fix this problem. In the past, Congress has acted to extend the program's solvency, and we will do so again. We must work to find solutions which ensure Medicare's solvency and maintain quality health care for seniors.

MEDICARE'S FINANCING

There are two basic parts of the Medicare system which help seniors meet their health care costs: the Hospital Insurance (HI) trust fund and the Supplementary Medical Insurance (SMI) trust fund. HI, which covers hospitalization costs, is financed through a payroll tax of 2.9% on wages, half paid by employers and half by employees. SMI, which covers physician and outpatient services, is financed by general tax revenues and monthly premiums paid by beneficiaries. Beneficiary premiums make up about 25% of SMI's costs.

The Medicare trustees recently issued their annual report on the financial status of the HI and SMI trust funds. Even though the trustees have issued ominous projections almost every year since 1970, the latest HI projections were particularly troubling. According to the trustees, the HI trust fund is projected to be insolvent in 2001, a year earlier than expected. The problem is that the payroll tax, which finances the fund, is not sufficient to cover the ever-increasing cost of health care and the increasing number of Medicare recipients—factors which will only continue to strain the system unless changes are made. Unlike HI, SMI is not in danger of bankruptcy, but inflation and an aging society have led to rapidly rising costs. Costs will continue to rise as health care costs in general continue to escalate.

SOLUTIONS

Over the past several years Congress and the President have taken action to extend Medicare's financing in the short-term and prevent bankruptcy of the fund. That has happened nine times in the past and we will certainly do so again. Neither Congress nor the President will allow Medicare to go bankrupt. Medicare is too big, too successful, and too popular for it to fail. Proposals to save Medicare have included curbs on increases in fees to providers, higher premiums and co-payments for better-off beneficiaries, an increase in the eligibility age, new taxes, a range of new options for obtaining health care, and containing costs through market forces. Each of these options, or some combination of them, will have to be considered in the future. The long-term solvency of Medicare will not be easy to resolve, but it must be done.

I have several thoughts about Medicare reform. First, we must preserve doctor choice. I do not want to force older people into managed care. If they want to choose their own doctor, they should have the right to do so. Second, whatever changes are made, we must assure that Medicare delivers good care. I do not want to reduce the quality of health care for older Americans. Third, we should not cut Medicare to provide for a big tax cut. We should separate the Medicare debate from the highly politicized and partisan budget process. We should reform Medicare on its own, and not use Medicare as a piggy bank for making tax cuts. Fourth, a wholesale restructuring of Medicare should be approached with caution. Such a major change would likely be ineffective unless coupled with a restructuring of the entire health care system to hold down escalating costs. It is better to make incremental changes in Medicare aimed at health promotion and disease prevention, increasing efficiency, and reducing fraud and abuse. But we do need to begin making adjustments. The sooner we start the gentler it will be.

A major accomplishment of the 104th Congress has been blocking the plan put forward by Speaker Newt Gingrich to cut back Medicare by $270 billion. The problem with this plan was not that it squeezed too hard. Savings of that magnitude were estimated to be twice as much as needed to keep the program solvent. Excessive cutbacks could threaten the quality of care. While some cutbacks and some restructuring of Medicare will be necessary, $270 billion in cut-backs was necessary not to help Medicare, but to help finance huge tax cuts targeted toward well-to-do Americans.

CONCLUSION

The Medicare program has served our seniors well. It has provided them with quality health care, and, equally important, a sense of security that their basic health care needs will be met. It does not cover all the services and treatments seniors need, but it is a primary safety net for them.

Americans contribute throughout their working lives to finance the Medicare system. They deserve the assurance of access to medical care during their older years. Congress must focus on maintaining those assurances. Medicare is not a faceless government program to be slashed at blindly; it is a fundamental source of security for seniors. They have earned the benefits, and I will continue to work to ensure they receive what is justly theirs.

MOTHER A.M.E. ZION CHURCH: 200 YEARS OF CHRISTIAN SERVICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to bring to your attention a church in my congressional district which is celebrating its 200th anniversary this year, and is the oldest African-American congregation in the State of New York.

The church I am speaking of is the historic Mother African Methodist Episcopal Zion Church, affectionately called Mother Zion.

Mother Zion Church is the mother of the African Methodist Episcopal Zion Connection, who was popularly known as the Freedom

Church because of its pivotal role in the abolitionist movement. Many conference churches, including Mother Zion, served as stations on the underground railroad.

Mother Zion Church has been served by 29 pastors in its history; two were elected bishops: Rt. Rev. James Walter Brown and Rt. Rev. Alfred Gilbert Dunston.

As the pastor, Dr. Alvin T. Durant, and the members of Mother AME Zion Church rejoice in this bicentennial year ongoing celebration, I extend to them my congratulations, friendship, and support as they go forth honoring 200 years of Christian service.

TRIBUTE TO THE NATIONAL ARTS CLUB

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mrs. MALONEY. Mr. Speaker, today I rise to pay tribute to the National Arts Club's "50, 75, 100, 125" program during this past season. This program honors significant institutions in New York City which have celebrated major anniversaries this year. I am proud to offer this tribute at the conclusion of a very successful celebratory season.

This year, the National Arts Club, through its Roundtable Committee, sponsored a series of events to recognize major institutions such as the Performing Arts Library at Lincoln Center, the United Nations, the American Academy in Rome, the New York State Bar Association, the American Museum of National History, and the Metropolitan Museum of Art.

I am proud to report that the National Arts Club also honored the International Olympic Committee which celebrated its 100 year anniversary this year. In honor of the International Olympic Committee's anniversary and of the Centennial Games to be held in July, earlier this month, the National Arts Club commemorated the publication of "The Olympic Image—The First 100 Years."

The National Arts Club has contributed to the cultural, educational, and diplomatic communities of New York City since its inception in 1898. Through series such as "50, 75, 100, 125," the National Arts Club seeks to reward the efforts of unique institutions making a significant difference in the world.

Mr. Speaker, I ask my colleagues to join me in this tribute by rising in honor of the National Arts Club for its celebration of New York City's extraordinary institutions. Thank you.

TRIBUTE TO ARTHUR B. CAMPBELL

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. REED. Mr. Speaker, I rise today to recognize Arthur B. Campbell of Wakefield, RI for his 31 years of dedicated service to the South Kingstown Public School System. As a teacher and as superintendent for the past 12 years, Mr. Campbell has been an outstanding educational leader.

In 1965, Mr. Campbell began his career in the South Kingstown Public Schools as a junior high instructor. While serving in this capacity, Mr. Campbell also became president of the local teachers' union, leading the first strike in the town's history. He was instrumental in forming the Rhode Island National Education Association's first political action group.

Mr. Campbell was promoted to director of instruction in 1972, and then to the post of superintendent of schools in 1984. During his tensure in this position, he guided the district through an unprecedented period of population growth. With his vision and professionalism, the district met this challenge without compromising student safety or academic integrity. His leadership made possible the emergence of modern educational facilities with dynamic and capable faculty, and students who rank among our State and our Nation's best and brightest.

In addition, known for his expertise and leadership in the school budget process, Mr. Campbell has ensured the efficient operation of school department finances, providing a healthy educational future for all South Kingstown schools.

In today's increasingly competitive job market, a quality education is absolutely necessary for success and advancement. Mr. Campbell's proactive approach toward achieving educational excellence has made these opportunities available to our young people. His accomplishments clearly demonstrate that an investment in education is indeed an investment in the future.

Mr. Speaker, on the occasion of Arthur Campbell's retirement, I respectfully ask my colleagues to join me in congratulating this outstanding administrator and educator.

PROTECT DRINKING WATER FOR FUTURE GENERATIONS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise today to commend this Republican Congress for passing sound, safe, commonsense legislation to ensure that America's drinking water is clean and healthy for our loved ones and future generations to enjoy. Safe drinking water is of vital importance to San Diego, where nearly all of our waters is imported from the Colorado River and northern California, crossing many fault lines. Because there is such a limited supply of water, San Diegans do not take their water for granted. San Diegans, like all Americans, want water that is safe to consume.

One of my priorities in the 104th Congress is to protect the health and safety of American families. The House's passage Tuesday of the Safe Drinking Water Act amendments (H.R. 3604) sends a clear message to families that Republicans are committed to improving and protecting water quality and the environment. I am proud to support this legislation.

By passing this legislation, we give State and local water authorities the resources they need to keep our water safe. The Metropolitan Water District of Southern California supports the bill because it will "enable public water systems to address the highest priority water quality issues first." The bill contains a strong community right-to-know provision, requiring public notification within 24 hours when water safety violations occur. It focuses resources, where they will do the most good, on eliminating contaminants that pose the greatest risk to people. Moreover, the Safe Drinking Water Act amendments establishes a State revolving fund to help pubic water systems comply with drinking water standards.

This legislation received broad bipartisan support. The Nation's Governors, State and county legislators, local water authorities, and several environmental groups support our safe drinking water bill. A commonsense approach has proven successful in protecting water quality, and we can reach consensus on other environmental issues through this same approach. I am proud to joining my colleagues in the proenvironment Congress in passing H.R. 3604.

INTRODUCTION OF THE VETERANS' NURSING CARE AVAILABILITY ACT OF 1996

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mrs. KELLY. Mr. Speaker, I rise today to introduce the Veterans' Nursing Care Availability Act of 1996. This important legislation will help correct a flaw that exists in the way that the Department of Veterans Affairs ranks applications for its State Extended Care Facilities grant program.

The State Extended Care Facilities grant program provides Federal funding for up to 65 percent of the total cost for the construction of State veterans nursing homes. Many States have been desperately trying to get a grant under this program to assist in the construction of State veterans nursing homes. However, despite documented need, they have been unable to get the Federal funding necessary to move forward.

Because of the overall inequity of the system that the VA uses to rank State applications, I have decided to introduce legislation that will ensure that States with the greatest veteran need receive priority funding.

The current system that the VA uses to rank State applications gives priority to States that have never received a similar grant in the past. While on the surface this may seem logical, the practical effect is that States with the highest veteran's need are often neglected because they received a grant sometime in the past. As a matter of fairness, I believe applications should be ranked solely on the needs of veterans.

The legislation I am introducing will correct this inequity by ensuring that States with the highest need receive priority. The Department of Veterans Affairs has determined that there should be four nursing home beds for every 1000 veterans in a State. Using this determination, my bill would have applications based on a formula where veteran need is defined as the number of veterans in the State multiplied by four and divided by 1000—need = veterans population * 4 / 1000.

Mr. Speaker, this is an important piece of legislation for our Nation's veterans. I urge all of my colleagues to join me in working for its enactment.

THE DAY OF THE AFRICAN CHILD

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. DELLUMS. Mr. Speaker, I rise today to commemorate the event which led to our honoring June 16 as the Day of the African Child. On this day in 1976, approximately 600 young people were massacred in Soweto, South Africa. We honor June 16, 1976, as a day marking our sorrow and our pledge to these murdered children, their families, and their cause, that such horrors should not happen again. This year's commemoration focuses on the issue of war and its effects on children across the African continent.

We bow our heads in memory of the tragic occurrence of June 16, 1976. We celebrate the victory of the effort, the dedication, the enormous drive, and the energy whereby the people of the African National Congress, and their leader, President Nelson Mendela, were able to overcome the race hatred of the Afrikaners, to emerge victorious without a major war, to create a nation committed to equality, and to end official racial hatred and violence.

The Republic of South Africa is a beacon, a reality, which many of us hold as the embodiment of a government dedicated to peace and racial equality, created out of social violence and repeated acts of violence by an armed government against an unarmed people. We hold, with the new republic in mind, that the children of besieged countries in Africa deserve a similar stake in the future as the children of the Republic of South Africa are now able to hold.

The killings of children and adults—in Rwanda, Burundi, and now Liberia—go beyond our worst imaginings. The killing fields of Cambodia and Bosnia are now joined by these in Africa. Whether massive killings are the result of tribal or national war, these events are inconceivable to most of us.

In a war, people are displaced from their normal daily lives and are forced to face the unimaginable horrors of death and destruction. War creates a generation of angered individuals forced to deal with a country in ruins, homes in shambles, and families in anguish. In the midst of all this tragic adversity, the children of a warring nation undergo the greatest ordeal of all. These children, who are caught in the turmoil and chaos of armed conflict, face the emotional and physical wounds of war as well as the instability of their country's future.

Rwanda provides evidence of the devastating impact that war has on children. The genocidal massacres in Rwanda have claimed a million lives, 300,000 of which have been children. According to a UNICEF survey of children in one part of the country, 47 percent of those interviewed saw children killing or injuring other children, 66 percent of the children saw massacres, 20 percent witnessed rape and sexual abuse, and 56 percent saw family members being killed. The destruction of homes, health centers, and educational facilities has also left children with little hope of leading future normal lives.

Burundi is another example of how violent conflicts can have a devastating impact on young children. Years of fighting fed by deep political and ethnic animosities have claimed hundreds of thousands of lives and have left numerous others maimed. A whole generation of children have been made orphans. Hostilities have caused famine and turned children into beggars. The armed conflict has also resulted in collapse of the legal and social systems, creating a lack of law enforcement, lack of medical care, and lack of education.

The calls of the children—and the adults upon whom they depend—of Burundi, Rwanda, Liberia, and other warring countries in Africa, reach out to us, but we are mostly silent. The United States, a wealthy nation, has turned away from the people of war torn nations. Where it once was a leader in aiding other countries out of poverty and ruin, today, the United States spends less than 1 percent of its national budget on foreign aid programs. This is a very disappointing figure compared to those countries such as Japan and Denmark, which contribute 2.8 and 4.7 percent of their budget to foreign aid. We need to have our hearts touched and consider responses which will support efforts to stop hostilities and help these countries move towards recovery. It is only when these nations have fully recovered that the children of the future can lead better and more secure lives.

BOMBING AT KING ABDUL AZIZ AIR BASE IN DHAHRAN, SAUDI ARABIA

HON. RANDY TATE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. TATE. Mr. Speaker, today I rise both in great anger and in deep sorrow. Yesterday a truck bomb was exploded at a military compound in Dhahran, Saudi Arabia where United States troops belonging to the Joint Task Force Southwest Asia were housed.

Twenty-three American service personnel were killed and more than 100 were seriously injured. Twenty-two service personnel from McChord Air Force Base in Tacoma, WA, currently stationed at the base in Dhahran, mercifully survived.

The terrorist bomb was so powerful that the front of an apartment tower 35 yards away was decimated and a crater 85 feet wide and 35 feet deep was left in its wake. Inside the apartment tower were 2,500 U.S. troops.

Everyday in this country, mothers and fathers take great pride in the dedication of their sons and daughters serving in the U.S. military. Years of nurturing, love, sacrifice, and commitment have gone into producing men and women possessed of such a love for their country that they would volunteer to protect it.

These brave men and women are not forced to serve—they ask to serve. They are not forced to stand guard against enemy forces—they ask to stand guard. They risk their lives in order to ensure that those of us here, in the comfort and safety of our own beloved country, may live free.

Mr. Speaker, the greatness of our Nation is magnificently reflected in the greatness of our servicemen and women. Today, we stand firm with the families who have suffered an immeasurable loss and our Nation mourns with them.

Let there be no doubt—the great and mighty force of the United States will descend upon those terrorists who dared to target our American service personnel. We will answer the families that cry out for justice and we will deliver to them those responsible for this vulgar act of cowardice.

Let the terrorists who committed this cowardly act of murder tremble in fear for they will be hunted, they will be found, and they will be punished.

ADVANCEMENT OF WOMEN IN SCIENCE AND ENGINEERING ACT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mrs. MORELLA. Mr. Speaker, in an effort to support women in our changing economy, I am introducing the Commission on the advancement of Women in the Science and Engineering Workforce Act.

Although the percentage of women earning science and engineering degrees has risen in recent years, women Ph.D.'s are still grossly underrepresented in many technical fields. One reason for this is that less than 24 percent of those people receiving doctorates in the physical sciences, earth sciences, and mathematics and computer sciences are women. In engineering, the lion's share of advanced degrees going to women are in environmental health and biomedical engineering. This is, however, merely one-quarter of all doctorate degrees conferred. In petroleum engineering, women receive only 2 percent of the awarded doctorates.

Another reason for the scarcity of women in technical fields is the continued barriers they face in recruitment, retention, and advancement. For example, though women account for 34 percent of medical school graduates, only 17 percent of practicing physicians are women. Less than 14 percent of the top positions at NIH are held by women, and at many of our Nation's most prestigious universities, the number of tenured women in the sciences can be counted on one hand.

Why are fewer women entering and staying in science and engineering careers? According to the National Research Council Report, the trend is directly linked to the hostile workplace environment. Few policies, however, have been implemented to combat the problems women face in these traditionally male-dominated occupations.

My bill would study the barriers that women face in these fields. It would identify the recruitment, retention, and advancement policies and practices of employers toward women scientists and engineers. The commission would then issue recommendations to Government, academia, and private industry.

The Advancement of Women in the Sciences and Engineering Act will be a useful and needed step in countering the roadblocks for women in science and engineering. It will help to bring our Nation closer to creating a highly effective work force, thereby promoting economic prosperity and higher standards of living.

IN HONOR OF BISHOP ROY E. BROWN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. TOWNS. Mr. Speaker, I rise to acknowledge the contribution of Archbishop Roy E. Brown and his longstanding commitment to the Brooklyn community.

Over the past 31 years Bishop Brown has dedicated a great part of his ministry to the renovating of numerous abandoned buildings into productive and viable churches. Bishop Brown is currently the presiding bishop and chief prelate of the Pilgrim Assemblies International, Inc.

Bishop Brown is the senior pastor of Pilgrim Church in Brooklyn. As a chief prelate of Pilgrim Assemblies, Bishop Brown extends his visions of revitalizing communities worldwide that include churches in South Africa, West Africa, Trinidad, Barbados, to name a few.

Born on February 28, 1943 in Birmingham, AL, Bishop Brown acknowledged his call to ministry at the age of 17. Accordingly, he accepted his first pastorate in 1965 at the age of 22; becoming pastor of the Pilgrim Church in 1966. Bishop Brown was consecrated as bishop, July 18, 1990 and established the Pilgrim Assemblies International, Inc. on that same day.

Frequently cited and honored by my fellow political and civic leaders in New York, Bishop Brown continues to tirelessly serve the greater Brooklyn community.

Mr. Speaker, I congratulate Bishop Brown on receiving this impressive honor and extend to him my best wishes for continued success.

TRIBUTE TO DR. CAROL S. NORTH

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. CLAY. Mr. Speaker, it gives me great pleasure to acknowledge an exceptional physician, professor, and constituent, Dr. Carol S. North. I commend her story of dedication and commitment to community to our colleagues.

In 1993, Dr. North provided pro bono mental health services to victims of the great flood of that year and led other community actions that provided additional relief for the victims and their families. She developed a disaster program and trained mental health professionals in disaster relief. Her heroic efforts earned her the Braceland Public Service Award and the 1996 Bruno Lima Award.

Dr. North currently serves as an assistant professor of psychiatry at Washington University in St. Louis MO, where she earned her medical degree and completed her residency in psychiatry and a fellowship in psychiatric epidemiology at the National Institutes of Health. She has contributed extensively to academic literature. Among her publications are 16 peer-reviewed articles on homelessness and 10 on psychosocial consequences of disasters.

Since 1987, Dr. North has provided services to homeless and indigent people at the Grace Hill Neighborhood Health Center and at Adapt in St. Louis. She also serves as a national spokesperson for the mentally ill, has lectured to audiences of more than 140,000 people, and has spoken to millions through the broadcast media.

Dr. Carol North is well-deserving of the honors bestowed upon her. She has not only been an outstanding psychiatrist and professor, she has been a model citizen. She took her own experience with mental illness and used it to the benefit of others. She often attributes her dedication to community work to the kindness she received from others during her illness. She views her efforts as a way to give back. Dr. North's selfless and caring spirit has earned her high regards in the medical community, and recognition today in the House of Representatives.

IN HONOR OF REV. RICHARD J. LAWSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. TOWNS. Mr. Speaker, I rise to take this opportunity to congratulate and recognize the distinguished career of Rev. Richard J. Lawson. A graduate of Boys Vocational and Technical High School, Reverend Lawson joined the Tabernacle Baptist Church at an early age. Upon graduating from high school, Reverend Lawson was inducted into the U.S. Army. For the next 6 years he continued to serve his country faithfully, and was honorably discharged in 1964.

Later, Reverend Lawson joined the Pentecostal House of Prayer, where his father was the pastor. He began his preparation for the ministry by enrolling in the Manhattan Bible Institute, where he excelled. Upon graduating from Manhattan Bible Institute, Reverend Lawson would serve as vice president of the Manhattan Bible Institute Alumni Association.

Led by his strong conviction to serve, Reverend Lawson joined the New Canaan Baptist Church, serving as an associate minister. Subsequently, Reverend Lawson would be recommended and ordained to be a licensed Baptist preacher by the New Canaan Baptist Church Deacon Board and members. In March of 1989, Reverend Lawson was called as pastor of the New Canaan Baptist Church.

Reverend Lawson is married and is the father of four children: Richard Jr., Craig, Donna, and Tresslyn. He resides in Roosevelt, NY, with his lovely wife, Ann.

Mr. Speaker, I am proud and honored to highlight Reverend Lawson's achievements and contribution to the greater New York area. I extend to him my best wishes for continued success in the New York area.

TRIBUTE TO DR. HECTOR GARCIA

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. ORTIZ. Mr. Speaker, on Friday, Texas A&M University at Corpus Christi will dedicate the Dr. Hector P. Garcia Plaza in honor of my hero and one of the most important American leaders of our time. I want my colleagues to know more about this living legend, Dr. Hector Garcia.

Dr. Garcia is a different breed of patriot and citizen. Long before the issue of civil rights was on the national radar screen, he recognized the need for equal rights for the citizens of south Texas and the United States. Rather than make the larger elements of society uncomfortable with a direct public assault on the status quo, Dr. Garcia began making quiet inroads into the system.

Dr. Garcia encouraged all of us to become involved. In the 1950's he articulated clearly the necessity for Hispanics to show an interest in the workings of our city, our community, and our country. He underscored the basic fundamentals of democracy by preaching his message about the strength of numbers, the necessity of registering to vote, and the power of voting.

Today, Dr. Garcia's message is the political gospel to which we all adhere. While others fought the system, often unsuccessfully, he worked within the system to open it up for everyone to participate. He has amazed us all with his wisdom, foresight, and longevity.

While the Nation began to understand civil rights in the 1960's, they never quite recognized the fact that Dr. Garcia founded the cause so successfully in 1948. He fought for basic, fundamental civil, human, and individual rights. He has been a successful warrior for his cause—democracy, decency, justice, and fairness. The seeds he planted all those years ago have grown into ideas whose roots are firmly planted in south Texas. Those seeds have produced today's leaders, and laid the foundation for tomorrow's leaders.

I join veterans, the national Hispanic community, and all Americans who cherish justice in thanking Dr. Garcia for his very special service—both during conflict with the enemy, and within the bureaucracy. The American GI Forum, founded by Dr. Garcia, was originally intended to guide WWI and WWII veterans through the maze of bureaucracy to obtain their educational and medical benefits. Gradually, it grew into the highly acclaimed Hispanic civil rights organization it is today.

The seeds of Dr. Garcia's inspiration and leadership have sprouted, and they will continue to grow and succeed—just as he planned four decades ago. Dr. Garcia is a tremendously gracious man, and his legacy to us has been to treat each other decently as human beings. He embodies the Golden Rule—"Do unto others as you would have them do unto you."

I ask my colleagues to join me in recognizing the continual source of inspiration to many of us in south Texas—Dr. Hector Garcia, physician and American patriot.

LEGISLATION TO IMPROVE THE QUALITY OF THE SOCIAL SECURITY CARD

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. McCOLLUM. Mr. Speaker, today I am proud to introduce legislation which would improve the quality of the Social Security card and make it a crime to counterfeit work authorization documents. This is absolutely critical to our fight against illegal immigration. Several of my colleagues, including Mr. STENHOLM, Mr. LEVIN, and Mr. HORN, join me in this effort.

Illegal immigrants come to the United States for one overwhelming reason: jobs. In response to this obvious magnet for illegal immigration, the 1986 immigration bill created employer sanctions, making it illegal to knowingly hire an illegal alien. That law requires everyone seeking employment in the United States to produce evidence of eligibility to work. One of the documents that may be produced together with a driver's license to prove this eligibility is the Social Security card. The primary reason employer sanctions are not working today is the rampant fraud in the documents used to prove eligibility to work, specifically the Social Security card. H.R. 2202 would reduce the number of documents that may be produced from 29 to 6. This helps, but one of the six is still the Social Security card. As long as it can be easily counterfeited, employer sanctions will not work.

Why is it so important to make employer sanctions work? There are 4 million illegal aliens in the United States today. This number increases by 300,000 to 500,000 annually. Most illegals are non-English speaking, poorly educated, and lacking in marketable skills. Their numbers are so large in the communities and States where they are settling that they cannot be properly assimilated, and they are having a very negative social, cultural, and economic impact.

Even if the southwest border were sealed, which it can't be, it would not solve the illegal immigration problem. Nearly 50 percent of illegals are here because they entered on legal temporary visas and did not leave. The only way to stop illegals from coming, through the border or otherwise, is to eliminate the magnet of jobs. The only way to do that is to make employer sanctions work.

Mr. Speaker, the bill I am introducing today will make major strides in our efforts to make employer sanctions work. Until sanctions work, our fight against illegal immigration will be in vain.

PUTTING THE MIDDLE EAST PEACE IN PERSPECTIVE

HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. SCOTT. Mr. Speaker, I wish to recommend the following article to my colleagues, authored by Rabbi Israel Zoberman from Virginia Beach on "Putting the Middle East Peace in Perspective" which appeared in the April 5, 1996 edition of the Virginian Pilot.

[From the Virginian—Pilot, 4, 5, 1996]

PUTTING MIDDLE EAST PEACE IN PERSPECTIVE

(By Israel Zoberman)

The Middle East peace process finds itself at fateful crossroads following the recent terrorist suicide-bombings in Israel's urban centers.

The 100-years-long deadly entanglement between Arab and Jew began to be unlocked by the courageously crafted 1979 rapprochement between President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel.

The first breach in the wall separating avowed antagonists was led on the Arab side by no other than Egypt. Though Sadat became a sacrifice on the altar of correcting history's course, his act of faith, along with Begin's willing yet costly compromise, was necessary for the next break-through to follow. That was not to happen without the painful 1982 Lebanon war, which highlighted the Palestinian factor and the urgency of responding creatively to its complex dimensions.

The bloody and embarrassing Intifada erupting in 1987 confirmed Israel's need to come to grips with that portion of the Camp David Peace Accords remaining open, laying to rest those spoils of the 1967 Six-Day War, which paradoxically have both allowed and forced it to negotiate peace. The PLO and Chairman Yasser Arafat received the final wake-up call in the wake of the 1991 Persian Gulf war. He bet on the wrong horse, while facing the prospect of being replaced by the even-more-militant Muslim fundamentalism of the uncompromising Hamas ilk.

The 1993 shaky handshake between Prime Minister Yitzhak Rabin and Chairman Arafat on the South Lawn of the White House, with President Clinton acting as proud officiant, changed forever the dynamics of Middle Eastern politics, facilitating Jordan's 1994 peace treaty with Israel.

Rabin, ironically the victorious architect of the glorious 1967 war of survival, fell victim to its bitter fruit and an Israeli-Jewish extremist vengefully trying to halt proceeding toward a land-for-peace solution, causing an immense trauma. The exsoldier's heroic peacemaking has already dramatically enlarged Israel's circle of diplomatic and economic connections, substantially rewarding the cooperative Arabs, including the hard-pressed Palestinians.

In January, I was among 55 rabbis on a peace mission to visit the leadership of Israel, Egypt, Jordan and the Palestinian Authority. We were in Gaza on the eve of the first Palestinian elections, protected by armed guards as we entered at the Erez checkpoint, where a relative of mine, a young Israeli officer, was killed about a year ago.

We were warmly greeted by General Usuf, head of security; he impressed us with his realistic appraisal, stating that it is easier to fight than to engage in peace and that it is absolutely necessary to educate the young generation for a new reality, acknowledging that both societies are interdependent. Wise words, indeed.

We owe a great deal to President Clinton for his steadfast backing throughout this excruciating series of highs and lows, its uplifting moments and, particularly, during the devastating ordeal of assassination and terrorist explosions. He has won the heart of Israel with his reassuring presence and wide initiative, spearheading the anti-terrorism summit conference and taking concrete steps to provide aid in efforts to counter terrorism. Such steps should include cutting off financial support from sources in the United States and Europe to the sponsors of wholesale slaughter, Iran receiving no uncertain notice for its criminal involvement.

I remain confident about the potential to avoid the pitfalls of the past, though I am concerned about the May 28 Israeli elections and the possible loss of nerve after being so gravely tested. Having grown up in the Israel of the '50s and '60s and having served in its army, I appreciate the miracle of a transformed environment that we could not even dream of then. The essential agreement with Syria and Lebanon, without which there is no peace, is in the offing, mindful of the thorny Golan issue.

Even hard-nosed President Hafez el-Assad cannot long deny it; his role is vital in checking the plague of violence which he does not hesitate to unleash for his own purposes. Arafat knows that his future and that of his long-deprived people depends on standing up to foes from within who are undermining their own brethren.

Amending the Palestinian National Covenant in regard to Israel's destruction is long overdue. We surely cannot permit the purveyors of chaos and hate to have the last say. They will not alter the progressive agenda and valiant vision to yet turn swords into plowshares, hallowing the gift of life through the gift of peace.

YOUNG AMERICAN STUDENTS MAKE A DIFFERENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. GILMAN. Mr. Speaker, I would like to take this opportunity to note for my colleagues the charitable work carried out by some of our young high school students from Rockland County in my congressional district. The Ramapo Children of Chernobyl Fund, founded after the 1986 Ukranian nuclear reactor explosion at Chernobyl, by Ramapo high school teacher Don Cairns, has engaged young people from that school in gathering medical supplies for children of Belarus affected by the radiation released by that explosion.

Once again this year, students working through the Ramapo Children of Chernobyl Fund participated in a humanitarian relief program for those children in Belarus. On April 18, 1996, a delegation of 19 students left for a 10 day trip to the Republic of Belarus to act as ambassadors of international goodwill and understanding. Upon their arrival in Minsk, the American students, led by Don Cairns, were welcomed by the Premier of the Republic, Micheslav Gryb, who praised their efforts.

Through their travel to Belarus, these American students provided not only moral support for the children suffering from the effects of the 1986 Chernobyl explosion, but presented 5 million dollars' worth of medical supplies and toys to hospitals and orphanages. To date the Ramapo Children of Chernobyl Fund has provided $20 million in such aid to Belarus. Part of the assistance delivered on this most recent trip was given to the Children's Hospital of the Radiation Medicine Research institute in Aksakovtchina, while the rest of the donations were distributed to other hospitals in the provinces of Moguilev and Gomel where children affected by Chernobyl are undergoing treatment.

In addition to bringing charitable aid to Belarus, the Ramapo High School students also put on musical performances for the children, performing a total of 21 times throughout Belarus as they visited nine schools, nine hospitals and appeared on national television. They also put on a performance for the Belorusian foreign minister, the Belorusian Friendship Society, the American Embassy and for the Belorusian President, Alexander Lukashenko.

Mr. Speaker, the Ramapo High School students' charitable efforts in Belarus are helping the United States to strengthen its relations with the republic of Belarus. And I should note that this most recent trip took place at a time when radiation was again being released from the contaminated Chernobyl area, this time by fires in the area around the nuclear facility. Our young American students decided to continue their visit in Belarus, despite that potentially threatening situation. Fortunately the delegation safely returned to the United States on May 1, 1996, with their charitable mission accomplished. Their service abroad serves as a model for all young people in our country, and demonstrates how young students' efforts can indeed make a difference.

Mr. Speaker, at this point I would like to insert letters representing the good work done by the young students, written by Don Cairns, president of the Ramapo Children of Chernobyl Fund; by the President of the Republic of Belarus, Aleksander Lukashenko; and, by Arseny Vanitsky, president of the Belorusian Friendship Society.

RAMAPO CHILDREN OF CHERNOBYL FUND,
Spring Valley, NY, May 15, 1996

BENJAMIN GILMAN,
Congress of the United States, Middletown, NY.

DEAR BEN: Enclosed please find some information and pictures from our most recent humanitarian trip to Belarus.

We are very proud of our 19 member Student Delegation who visited the village of Shklov, the city of Mogliev, the village of Polotsk, the village of Sharkovchina, the World War II Memorial, Khatyn, and the city of Minsk. They worked very hard as they performed a fifties' song and dance routine and hand carried and delivered medicines, supplies, and toys to children in 9 hospitals and 9 schools. They were transported by a Belarus Military bus to visit numerous cathedrals, museums, and other historical points of interest. The students performed 21 times in ten days in the hospitals , in the schools, for the Belarusian Foreign Minister, Vladimir Saenko, for Metropolitan Filoret, for the Belorusian Friendship Society, for the United States Embassy, and for Belarus President, Alexander Lukashenko. They were televised three times detailing their achievements.

This trip was a unique experience for students and adults alike. We stayed in families and made many new friendships. Our group was the first group of Americans to visit the remote village of Shklov and we planted two chestnut trees together with school children in the village of Sharkovchina. Emotions flooded from all who participated and our students vowed to return to see the trees grown.

The Ramapo Children of Chernobyl Fund has delivered $20,000,000 in supplies since we began our program in 1990. Our students are our best ambassadors. They have truly begun bridges of friendship that will indeed MAKE A DIFFERENCE in their future.

Thank you for helping us and for your continued support of this very important program of children helping children.

Sincerely,

DON CAIRNS & PAT DEFRANCESCO.

APRIL 26, 1996.

MR. CAIRNS,
President of the "Ramapo—Children of Chernobyl Fund"

The Belarus Society of Friendship and Cultural Affairs with Foreign Countries expresses its deepest gratitude for the tremendous work of "Ramapo—Children of Chernobyl Fund". This Fund is helping the victims of Chernobyl nuclear catastrophy.

Significant help that was presented to the people of Belarus, first of all the children, is priceless with its compassion, nobility and participation.

The emergency medical supplies played an enormous role in the fight for life of the people of Belarus.

People of Belarus know and deeply appreciate the role of the Fund, the staff and students of Ramapo, for building relations and mutual understanding between the youth of both countries.

We hope that in the near future we will continue to work together towards peace and prosperity for mankind.

Respecfully

A. VANITSKY.

PRESIDENT OF THE
REPUBLIC OF BELARUS,
April 29, 1996.

To the teachers and students of Ramapo Senior High School and to the persons associated with the Fund entitled "Ramapo—for Children of Chernobyl."

DEAR FRIENDS: Heartfelt greetings to the teachers and students of Ramapo Senior High School, and also to the leaders and members of "Ramapo—for Children of Chernobyl" Fund.

Your Fund and your great work are well known to the people of Belarus. You became a symbol of amicable relations between our countries.

The help with medicine and medical supplies from overseas is still extremely important for our republic, although 10 years have passed since the catastrophy in Chernobyl. As a consequence of the tragedy many things are being affected. The area where the accident took place is not habitable and people still experience great economic difficulties.

Even more important to us are the spiritual gifts, you generosity, understanding and solidarity, as well as the program which is based on the wonderful relationship of two growing generations of our countries, USA and Belarus. The mutual understanding of our young people will make the world stronger in the next millennium of its history.

Dear Mr. Donald Cairns, Patricia De Francesko, members of "Ramapo—for Children of Chernobyl", we sincerely appreciate your caring for our children, all victims who have experienced this terrible tragedy. We also thank you for building bridges of friendship between our nations. It is our honor to join with you on this significant occasion, the 10th anniversary of the Chernobyl tragedy.

Accept our words of appreciation which come from the bottom of our hearts for the support and friendship you have extended to us, showing the best qualities of the American people. Belarus will always keep a close relationship with America.

ALEKSANDER LUKASHENKO.

TRIBUTE TO HERBERT AND MILDRED TANZMAN

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PALLONE. Mr. Speaker, on Tuesday, July 9th, a reception will be held at the Zimmerli Art Museum in New Brunswick, NJ, in honor of two of Middlesex County's most esteemed citizens, Herbert and Mildred Tanzman of Highland Park, NJ.

Beginning with the time he served his country in World War II, Herbert Tanzman has maintained a distinguished legacy of community service. For his service in WWII's Naval Aviation unit, Mr. Tanzman was awarded the Navy Air Medal by the President. A veteran of the Battle of Iwo Jima, he has served as commander of the Veterans Alliance, commander of Jewish War Veterans Post No. 133, New Brunswick, member of the National Executive Committee of the JWV, national representative and national foreign affairs chair of JWV of the USA, and executive board member of the Navy League. Currently, Mr. Tanzman serves as JWV national foreign affairs chairman.

Mr. Tanzman has demonstrated his leadership through every facet of his life. He has enjoyed a distinguished career as director for the real estate firm of Jacobson, Goldfarb and Tanzman Associates. He rose to the ranks of leadership in his profession as president of the New Jersey Real Estate Commission. He also demonstrated his commitment to his community as a councilman and mayor of Highland Park. He served on the State of New jersey County and Municipal Government Study Commission, and the board of directors of the New Jersey State League of Municipalities.

In his tireless efforts to further the cause of human rights and intergroup relations, Mr. Tanzman served as the national liaison officer to the Catholic War Veterans, national civil rights chairman and national legislative chairman and national chairman of American Indian Affairs. He as helped to build the civic life of his community and his country as a member of the executive committee and board of directors of United Community Services, trustee of the Middlesex-Somerset Chapter of the Multiple Sclerosis Association, board member of Job Corps, member of the board of directors of YMHA, chairman of the Building Fund Campaign, and member of the board of directors of the Central New Jersey Home for the Aged.

Mr. Tanzman's hard work has been driven by the quintessential Jewish goal of rebuilding and improving the world around him. He currently serves as national vice chairman and national campaign cabinet member of Israel Bonds, and has served as general chairman of the Raritan Valley UJA Federation, as an executive board member of the Greater Monmouth Jewish Federation, a chair of Monmouth County's UJA, and regional chairman for Israel Bonds.

For Mildred S. Tanzman, Tikun Olam—rebuilding the world—has been the guideline by which she has lived her life. Her devotion to the Highland Park Conservative Temple has been a commitment for over 50 years. It includes active sisterhood and service on the Sisterhood Board. Mrs. Tanzman has been a life member of Hadassah and has served on the Hadassah Board. She has also served on the National Council of Jewish Women, Deborah Hospital, Roosevelt Hospital, Brandeis University, the Central New Jersey Jewish Home for the Aged, the Jewish War Veterans Post No. 133 Auxiliary, and as president of the Lions Club Auxiliary of Highland Park. She has been involved for a long time with the Borough of Highland Park Juvenile Court Commissions.

Several years ago, Mr. Tanzman met the internationally known Nazi hunter Beate Klarsfeld, and the two women became friends and colleagues in the effort to be vigilant against Nazi and neo-Nazi groups still operating throughout the world.

She has also been involved with an organization known as "Chamah," originally begun as an underground movement in the pre-Glasnost Soviet Union, which now works to start schools for Jewish children in Russia, as well as helping to provide Passover Seders for families in Russia, and assistance for Russian immigrants beginning new lives here in the United States.

Mr. Speaker, Mildred and Herbert Tanzman have dedicated much of their lives to serving others. Their dedication to their family, their community, the United States, the Jewish people and the State of Israel has been exemplary, an inspiration to us all. It is an honor for me to pay tribute to these two outstanding leaders and to wish them continued happiness and success.

IF YOU THOUGHT THE 50TH ANNIVERSARY WAS SOMETHING

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BARCIA. Mr. Speaker, the only thing more golden than a golden anniversary is the ones that come after that. The wonderful commitment two people make to each other that lasts half a century is more powerful, impressive, and exemplary with each passing year. This Sunday, June 30, Hannah and Harold McDowell will be celebrating their 60th anniversary.

Harold McDowell and Hannah Wright were married at Saint Andrews Episcopal Church in Flint, MI, on June 30, 1936. At a time when our Nation was struggling to shake off the shock of the depression, these two wonderful people found strength in each other to build a fulfilling life together.

They were blessed with three children: Sharon Rae, Jolene, and Harold Jr., who rewarded them with eight grandchildren and four great grandchildren. Over the wonderful years of their marriage, Harold and Hannah have had a fantastic share of memorable moments, both sweet and probably some everyone might prefer not to remember. But it is precisely those kinds of moments that make our lives worth living, and our families so precious.

Harold and Hannah were valuable members of the Flint production community. Harold worked for the Buick Motor Co. for 42 years. Hannah was a valued employee of Advance Furniture for a number of years as well.

Mr. Speaker, devotion to family is to be honored. Commitment to one's family is to be praised and emulated. Consistent hard work is to be respected. Harold and Hannah McDowell are the kind of people that we would like all Americans to be. I urge you and all of our colleagues to join me in wishing them the very best on their stellar 60th anniversary, and extend our best wishes for many more to come.

WINNING ODYSSEY GROUP

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. COLEMAN. Mr. Speaker. I rise to pay tribute to a group of students from El Paso. They recently won first place at the Odyssey of the Mind World Finals in Ames, IA. Six girls from Glen Cove Elementary School, Lori Wurdeman, Michelle Ojeda, Danielle Borgaily, Tiffany Tajiri, Stephany Nebhan, Haley Cowan, and their coach, David Dominguez, deserve our recognition and congratulations for their extraordinary accomplishment.

At a time when it is easy to criticize our education system, those who represent the positive aspects of our public schools stand out. I hope the Odyssey of the Mind Team from Glen Cove Elementary School will continue to better their school and community. An article from the El Paso Herald-Post about the team follows.

[From the El Paso Herald-Post, June 11, 1996]

WINNING ODYSSEY GROUP GETS STAR TREATMENT

By Sonny Lopez

The frayed nerves and rushes of adrenaline are little more than distant memories for members of the Glen Cover Elementary School Odyssey of the Mind team.

After beating out teams from throughout the world, the six El Paso girls are reaping the rewards, giving televised interviews and making plans for next year's competition.

"When we first got there, we were pumped and just ready to go," said 11-year-old Tiffany Tajiri, who co-wrote the team's idea from a book about the Little Mermaid.

"But then we just got nervous because there was nobody there, but us on stage. It was like the world disappeared and it was just us."

Lori Wurdeman, 10, agreed, saying, "Nothing else mattered. We just ran out there when they announced we'd won. It was great!"

The Glen Cove team not only bested teams from countries including China, Venezuela, Hungary, Russia, Iceland and the Philippines, but was given the Ramatea Fusca Award for excellence in the spontaneous section of the contest.

The team was the only group from El Paso and West Texas at the world finals which were held in Ames, Iowa, in last month. The girls' received a gold medal for winning the finals and another for their top-notch work in the spontaneous session.

The Odyssey of the Mind contest, which was created by a university professor, is designed to enhance creativity.

Groups of students are given a set of rules and guidelines and then are asked to develop a long-term project, mainly a play, and subject themselves to a spontaneous session of questioning.

When performed, the completed play must be eight minutes long, must have cost $90 or less to develop, must have been designed entirely by the team members and must have comedic value.

The spontaneous session can involve anything from a word association game to descriptions of an object.

For the Glen Cove team, the winning combination included Tajiri; Wurdeman; Haley Cowan, 11; Danielle Borgaily, 10; Stephanie Nebban, 11; and Michelle Ojeda, 10.

They entertained audiences throughout El Paso and the region with a play about Queen Nag, the queen of know-it-all, and an adventure in a far-away kingdom that included Greek gods, a life-size, pop-up-book-style castle and a witch.

On Wednesday, the girls will be honored by Ysleta Independent School District officials during a school-board meeting.

While there, they plan to display the 28 pins each of the girls traded and bartered with the more than 13,000 other contestants at the competition. Plans also are being made by City Council members to honor the team members with certificates.

"I want to continue with OM (Odyssey of the Mind) and encourage others to participate," said Nebban, who in the play was the green-faced witch who was pursued by Queen Nag.

"It's a really great thing to be a part of and can be started by anyone at any school."

HONORING THE CAREER OF JOHNNIE B. BOOKER

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to take this opportunity to urge my colleagues to join me in congratulating Johnnie B. Booker on her stellar career and wish her well in her retirement. Ms. Booker's excellent work came to my attention through her outstanding service at City National Bank in Newark, NJ. There, she provided the impetus for invaluable economic growth and opportunity in my district, and for that I am most grateful. She has been a dedicated public servant for over 20 years, and it is an honor for me to recognize her accomplishments here today.

For the past 2 years, Johnnie B. Booker has been a champion of minority rights and equal opportunity in her position at the Federal Deposit Insurance Corporation [FDIC]. There, she managed the corporation's oversight of programs to include minority- and women-owned business and law firms in contracting activities, with both expertise and care. Her work was invaluable in the corporation's quest to achieve equal opportunity and to create an environment which fosters and embraces diversity.

Johnnie B. Booker is an incredibly skilled women, one whose experiences touched the lives of many. She served as a civil rights specialist as well as the director of consumer affairs and civil rights at the Federal Home Loan Bank Board. She also has worked for the Office of Fair Housing and Equal Opportunity at HUD where she refined and polished her managerial and administrative aptitudes.

It is an honor for me to rise today in commendation of such a genuinely generous and dedicated public servant. Johnnie B. Booker has been committed throughout the course of her career to serve those in need and to protect the rights of minorities and women. I hope you will join me in applauding her career and wishing her well in the future.

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Ms. KAPTUR. Mr. Speaker, the National Multiple Sclerosis Society, which today is one of the largest nonprofit health agencies in the United States, originated 50 years ago with an idea and a small three-line classified advertisement that appeared in the May 1, 1945 edition of the New York Times. The printed appeal for help was placed by Sylvia Lawry, the founder, whose late brother suffered from MS. In her ad, Miss Lawry asked that anyone who might know of a cure for MS contact her.

Thus was born the organization which today serves a membership of 430,000 through 140 chapters and branches. It is the only organization supporting both national and international research into the cause and cure of multiple sclerosis and a full range of services in areas of health, knowledge, and independence.

In my district, 2,200 people with MS are served by the Northwest Ohio Chapter alone. The chapter is able to raise funds that directly benefit local programs and allows for educational workshops, equipment loan services, aquatics programs, and so much more!

The Nation is very proud of the work of the National Multiple Sclerosis Society and the contributions it has made to biomedical research. Since its founding, the society has invested more than $175 million in scientific grants.

As a result, we are much closer today then ever before to understanding what causes multiple sclerosis and how to treat it. Someday soon we may possibly learn to prevent and cure it. Enormous strides have been taking place in the neurosciences recently, giving rise to a real hope that this may happen soon.

Sylvia Lawry continues to be active in the affairs of both the national and international MS societies. Her dedication, and the work of the National Multiple Sclerosis Society are an inspiration for all.

PRAYER OFFERED BY REVEREND JOE WRIGHT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. DORNAN. Mr. Speaker, is this Rev. Joe Wright perfectly on track, or what?

The following is excerpted from, and inspired by a prayer offered in the Kansas House on January 23d, by Rev. Joe Wright of Central Christian Church in Wichita.

> We have ridiculed the absolute truth of God's word, and called it pluralism.
>
> We have worshipped other gods, and called it multiculturalism.
>
> We have endorsed perversion, and called it alternative lifestyle.
>
> We have exploited the poor, and called it the lottery.
>
> We have neglected the needy, and called it self-preservation.
>
> We have rewarded laziness, and called it welfare.
>
> We have killed the pre-born, and called it choice.
>
> We have neglected to discipline our children, and called it building self-esteem.
>
> We have abused power, and called it political savvy.
>
> We have coveted our neighbors' possessions, and called it ambition.
>
> We have polluted the airwaves with profanity and pornography, and called it freedom of expression.
>
> We have ridiculed the time-honored values of our forefathers, and called it enlightenment.
>
> We have indoctrinated our children, and called it education.
>
> We have censored God from our public life, and called it religious freedom.
>
> We have prevented our citizens from defending themselves, and called it gun control.
>
> We have allowed violent criminals to prey on society, and called it compassion.
>
> We have imprisoned the innocent and let the guilty go free, and called it justice.
>
> Indeed. America is in much need of prayer.

THE SECURITIES AMENDMENTS OF 1996

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BLILEY. Mr. Speaker, today I offer an amendment to H.R. 3005, the Securities Amendments of 1996, that makes five important changes to this legislation.

This amendment ensures that the benefits of exemption from multiple layers of State regulation that this legislation provides to issuers of national securities offerings are available to large, established partnerships and limited liability companies. As passed by the Commerce Committee, the legislation included a limitation that prevented partnerships and limited liability companies from qualifying for the exemption from State regulation that the legislation provides to national securities issuers. This limitation was included—and remains in the legislation—to address concerns raised by some that these vehicles might be more prone to abuse. These concerns do not, however, extend to large, established companies that may be organized as partnerships or limited liability companies.

Therefore, the amendment I offer today eliminates State regulation over securities issued by a partnership or limited liability company that is either a registered dealer or an affiliate of such a dealer and has capital or equity of not less than $75 million. In addition, to qualify for the exemption State authority that this legislation provides, if the issuer is not a registered dealer, the issuer must not use the proceeds of the offering to fund its nonfinancial business. I intend that dealer affiliates, however, be able to rely upon the exemption to finance the full range of their activities, whether or not involving transactions in securities. Dealers and their affiliates today are legitimately engaged in a broad range of investment-related activities. Accordingly, I intend the financial business for purposes of section 18(c)(4)(A)(3), to include any business or activity pertaining to securities, commodities, banking, trust services, or insurance as well as the financing of any related capital or operating expense.

I also recognize that issuers commonly add the proceeds of securities offerings to their general funds and that, in consequence, the offering proceeds become fungible with the issuer's other moneys. In this regard, section 18(c)(4)(A)(3), added by this amendment, is not intended to require issuers to trace offering proceeds to specific end uses. A dealer affiliate that funds both financial and nonfinancial businesses at, or subsequent to, the completion of a securities offering should remain eligible to claim the exemption unless it specifically directs all or most of the offering proceeds to the nonfinancial business.

This amendment narrows the provision in the legislation that makes it easier for brokers to service their customers who are out of town, to help ensure investor protection. We live in a very mobile society, where it is commonplace for people to conduct their personal business outside the State where they live. Laws that do not recognize this fact of modern life are a trap for the unwary. This legislation eliminates this trap by providing a very narrow exception that permits brokers to provide service to their customers who are temporarily out of State or who have moved out of State, without having to register in that State in advance of the transaction. The amendment I offer today further narrows this provision to add a condition that applies in all cases where a broker seeks to use this exemption. It provides that a broker may only use the provisions of the exemption to service a preexisting customer of the broker-dealer that employs that broker. This will help to ensure that the exemption is used to help brokers and their clients transact business in today's mobile society, not to promote cold-calling and boiler-room operations.

In addition, the amendment provides that up to four associated persons may be deemed to be assigned to a client for purposes of new paragraph (3)(A)(ii) that the legislation adds to new section 15(h) of the Exchange Act.

This amendment changes the provision of the legislation that grants the Securities and Exchange Commission exemptive authority to prevent the Commission from usurping the authority of the Department of the Treasury with respect to certain aspects of the regulation of Government securities brokers. The amendment provides an express limitation on the Commission's exemptive authority to provide that this authority does not extend to the provisions of section 15C under the Exchange Act, pursuant to which the Department of the Treasury regulates Government securities dealers.

This amendment requires that the Securities and Exchange Commission find that a mutual fund name is materially misleading in order to use the rulemaking authority the legislation grants the Commission to stop the use of such a name.

Finally, the amendment adds a new title III to the legislation, authorizing the Securities and Exchange Commission. This amendment is designed to put money back in the pockets of American investors. Today, the Securities and Exchange Commission takes in over $600 million in fees annually—which is double the amount it costs to run the place. This surplus in fee revenue over the cost of running the agency amounts to a tax on capital paid by all investors, including individual investors relying on mutual funds or pension plans to secure their retirement, their children's education, and their future financial security.

Title III was crafted with the cooperation of Chairman ROGERS and Chairman ARCHER to reauthorize the Securities and Exchange Commission and provide a stable long-term mechanism for funding the agency. At the same time, this funding mechanism reduces surplus fees—this tax—paid by investors.

I introduced the legislation that I offer today as title III together with my friends JOHN DINGELL, ranking member of the Commerce Committee, Telecommunications and Finance Subcommittee chairman, JACK FIELDS, and the ranking member of the Subcommittee, ED MARKEY. In addition, this funding legislation is endorsed by Securities and Exchange Commission chairman, Arthur Levitt.

Working together, we developed legislation that reduces SEC fees by $751 million between fiscal years 1997 and 2002, and then reduces SEC fees by at least $256 million per year than they would be under current law. In fact, this legislation is likely to be the first bipartisan tax cut to pass through the House this year.

Equally importantly, Chairman ROGERS has agreed to work with us to provide a more stable funding mechanism for the SEC, so that the Commission can focus on its substantive work rather than annual or biannual funding emergencies.

This legislation is vitally important. It is the first significant, sweeping reform to the regulation of the American securities markets in decades. It will help free up the capital that fledgling and growing businesses need to hire employees, build equipment, create new products. It will create jobs. And it represents another example of how productive and positive this Congress can be working together with our friends on both sides of the aisle. The amendment I offer today, I believe, makes this excellent piece of legislation even stronger, and I urge my colleagues to support it.

FORT HANCOCK CENTENNIAL

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. PALLONE. Mr. Speaker, on Saturday, June 29, 1996, the Sandy Hook Unit of the Gateway National Recreation Area and the Sandy Hook Foundation will hold a celebration of Fort Hancock's first 100 years.

It will be a great honor for me to join with New Jersey Governor Whitman, other elected leaders, military officials, veterans and community leaders in paying tribute to this beautiful and exceptional facility located in northeastern Monmouth County, NJ. Saturday's festivities will include historic military re-enactments, modern military equipment and personnel, children's activities, open houses and music, culminating in a fireworks display.

Mr. Speaker, Fort Hancock is located on the northern tip of Sandy Hook, a six-and-a-half mile long peninsula between Sandy Hook Bay and the Atlantic Ocean. The history of Fort Hancock as an important military site goes back to the Revolutionary War. The original fort was built during the War of 1812. In 1895, army engineers at Sandy Hook had just finished building the first two concrete gun batteries ever constructed to defend an American harbor, protecting the vital shipping lanes of the New York-New Jersey Harbor. The next step was construction of housing for the several hundred soldiers needed to man the new emplacements. Pursuant to a general order issued by the Secretary of War, the fortifications at Sandy Hook were named in honor of Maj. Gen. Winfield Scott Hancock, who fought valiantly for the Union in the Civil War and was wounded at the Battle of Gettysburg—General Hancock also ran unsuccessfully for President against James Garfield, another great American whose name came to be associated with the Jersey Shore.

It was in the summer of 1896 that the plans and layout for the Fort Hancock facilities were developed, with construction work being completed in 1899. The results were remarkable, a collection of graceful structures of great architectural distinction, including Officers' Row, the Oak Club Inn, the Officers Club, a theater, an auditorium, a PX Club and gymnasium, as well as barracks for enlisted personnel. The military and civilian population averaged between 500 and 800 during this period. Children of personnel living on post attended the Fort Hancock Public School. Many of these structures are still impressive to this day, although in some need of renovation. Indeed, visitors to Sandy Hook, after exploring the ocean- and bay-side beaches, sand dunes and other environments on the peninsula are often amazed to find what seems to be a ghost town on this isolated location, but in full view of the New York skyline.

Fort Hancock played a major role in both of the World Wars, providing temporary quarters for troops departing for war in Europe, as well as serving as a reception center for returning personnel. In 1939, the King and Queen of England passed through while on a national good will tour, and later that year President Franklin Delano Roosevelt visited the fort. While World War II proved to be perhaps the busiest time in the fort's history, the changes in military tactics and technology had made the fort's harbor defense role largely obsolete. However, during the early decades of the cold war, Fort Hancock was still used as the site for anti-aircraft guns and later as a Nike air defense missile deployment site. The fort was deactivated in 1974.

IN 1975, the National Park Service took over the entire Sandy Hook peninsula, and a number of the fort buildings have been used by education, scientific and environmental organizations. In 1982, the Department of the Interior designated all of Sandy Hook as a National Historic Landmark.

Mr. Speaker, it is a great honor for me to pay tribute to Fort Hancock, which has played such a proud and important role in the Jersey Shore and in the defense of our Nation and continues to be a popular destination for thousands upon thousands of visitors each year.

THE GLAZAS ARE GOLDEN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. BARCIA. Mr. Speaker, people have a natural tendency to value that which is precious, and many believe that gold is most precious. When we look at important moments in the lives of our families and friends, one of the absolutely most precious moments is their 50th anniversary. I am proud to let our colleagues know that this Sunday, June 30, Walter and Valerie Glaza will be celebrating their 50 years of marriage, with June 29 being the actual date of their anniversary.

When one thinks about 1946, some remember and many of us can only imagine the relief that was felt around the country because the war was over. While many men and women remained on active duty, many families for the first time in years were able to know that their loved ones were safe from harm, and many people were ready to get on with their lives. Marriages abounded, and the Glazas were part of that joyous trend.

Those moments of bliss were followed by years of joy, and decades of accomplishment. There was joy because two people very much in love were together, joined by their five wonderful children, Connie, Eileen, Carl, Paul, and Donna, plus two grandchildren, Corey and John, and one great grandchild, Jared. They instilled their children with a strong sense of values, treating them as equals, and offering help whenever possible, even today.

Walter and Valerie have a strong thirst for information, being avid readers with a strong interest in government and what it does. Their efforts at staying informed hold a strong example for all of us who should appreciate the fact that there is always more to learn, and that part of the joy of life is understanding more tomorrow than we do today, and certainly more than we did yesterday.

Mr. Speaker, when we hear about family values, we should recognize that there are many Americans who taught and followed those values before it became the item that it seems to be today. Walter and Valerie Glaza are true examples of family values: a life of commitment to each other, to their children, their grandchildren, and their great grandchild. I urge you and all of our colleagues to join me in wishing them the very best for their 50th anniversary, and many more to come.

TRIBUTE TO CHRISTINE E. GOODMAN

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. WYNN. Mr. Speaker, I rise today to pay tribute to Miss Christine E. Goodman, a national winner, from the fourth Congressional District of Maryland, in the Veterans of Foreign Wars of the United States and its Ladies Auxiliary's 1996 Voice of Democracy broadcast scriptwriting scholarship competition.

The Voice of Democracy Scholarship Program was started 49 years ago with the endorsement of the U.S. Office of Education and the National Association of Broadcasters, Electronic Industries and State Association of Broadcasters. This year more than 116,000 secondary school students, from over 7,900 schools, participated in the competition for the 54 scholarships totaling more than $118,000. The contest theme this year was "Answering America's Call."

Christine is a resident of Silver Spring, MD, and is a 17-year-old honor roll senior attending Springbrook, High School, where she is the assistant editor of Musings, the school's literary magazine; and a member of the Chamber Singers, the Shakespearean Troupe, and the Thespian Society. As a national winner of this year's Voice of Democracy Program, she is the recipient of the $1,500 Department of Colorado and Auxiliary Scholarship Award. She has also distinguished herself by being awarded first place in acing and second place in poetic interpretation by the Montgomery County Forensics League; Springbrook High School's Renaissance Award for academic achievement; best actress in the Paint Branch High School Shakespeare Symposium; and excellence in acting at the Folger Theatre's Student Shakespeare Festival. Ms. Goodman has been an honor roll student throughout her high school career.

James and Joni Goodman, Christine's parents; Mr. Donald Kress, her high school principal; and Ms. Hummel, her English teacher and coordinator of this program at her school, must be extremely proud of her achievements as she prepares for a career in acting and drama at New York University upon graduation.

Mr. Speaker, please join me in congratulating this fine young American's achievement. I would ask to include the text of her winning script into the CONGRESSIONAL RECORD.

ANSWERING AMERICA'S CALL

(By Christine Goodman)

"I'll get the phone."

"Hello? (pause) Yes it is. Whom may I ask is calling? (pause) Oh. Can I help you? Wait. Don't answer that. I know that I can help you. I just don't know how. (pause) No. You don't need to call back later. It's best that I face this challenge now. I'm ready. Tell me what to do. (pause) What do you mean that it's up to me? It's hard at my age to find some way to make a difference. (pause) What do I have to offer? Well, I have so many ideas, but no idea of how to start. And I'm not the only one. Are you aware of the fact that there is a large, eager and intelligent generation stirring in the background of this society? We are merely waiting for a chance to contribute our ideas for positive change and growth in America.

(Pause) No, I don't believe that being a patriot is pointless. This is the garden of Democracy and I feel that it is our job as a nation to water the sprouting plants. By encouraging youth to stand up and speak out, America will be encouraging those who will someday take their place in the forefront of society. (pause) No, I don't think that's a glittering generality. If it is, America will suffer for it.

You know, as I talk to you, I am beginning to see what I can do. I can contribute my voice. I've never realized just how powerful it can be.

There are so many issues that need our thoughts and voices. For example, does AIDS represent a moral breakdown in our society or is the moral breakdown our failure to deal with it? AIDS is not alone as an issue; how are we going to support our older population in the future? What more can we do as a people to stop the increasing rate of violence? Is our society such that homelessness is an unavoidable consequence or is there something more that can be done to help these people? And what about jobs? Is it possible to expand the job market to include all productive individuals and to make them feel that their contributions are productive? Should limits be set on modern technology or should it be allowed to flourish, creating limitless possibilities for the future? With all of these ideas for tomorrow, have we stopped to consider today? Our environment is slowly deteriorating and we need to find ways to protect these natural resources. In a modern democracy, is it necessary for the pursuit of value to overshadow the value of pursuit? As an informed member of the public, I can express my views and ideas as well as talk to those who are my age and encourage them to take an important role in our country, too. Without concerned people, there is no Democracy, no future, no America.

(Pause) Thank you for calling me. I know that if I had not talked to you, I would not have contemplated what my role in this great democracy might be. (pause). Yes. (pause) Sure. Alright, take care. We'll keep in touch.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 27, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 28

9:00 a.m.

Judiciary

To resume hearings to examine the dissemination of Federal Bureau of Investigation background investigation reports and other information to the White House.

SH–216

JULY 10

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1877, to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interest in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States.

SD–366

JULY 11

9:30 a.m.

Energy and Natural Resources

To hold oversight hearings on competitive change in the electric power industry, focusing on the FERC wholesale open access transmission rule (Order No. 888).

SD–366

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 1738, to provide for improved access to and use of the Boundary Water Canoe Area Wilderness.

SD–366

JULY 16

2:00 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.

SD–138

JULY 18

9:30 a.m.

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 988, to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system, and S. 1805, to provide for the management of Voyageurs National Park.

SD–366

JULY 23

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1678, to abolish the Department of Energy.

SD–366

JULY 25

9:30 a.m.

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 1699, to establish the National Cave and Karst Research Institute in the State of New Mexico, S. 1737, to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth Wilderness Area, and S. 1809, entitled the "Aleutian World War II National Historic Areas Act".

SD–366

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

POSTPONEMENTS

JUNE 27

10:00 a.m.

Commerce, Science, and Transportation

To hold oversight hearings on Federal Aviation Administration safety issues.

SR–253

SENATE—*Thursday, June 27, 1996*

The Senate met at 8:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Msgr. Peter Vaghi, St. Patrick's Church, Washington, DC.

PRAYER

The guest Chaplain, Msgr. Peter Vaghi, offered the following prayer:

Let us pray:

Almighty God, we call upon You this day. Make each one of us more deeply conscious of Your presence in our midst and in our lives. Because of You, "we live and move and have our being."—Acts 17:28. O Lord, help us see You more clearly in all that we do and are—particularly in this Chamber where laws are made.

It is Your law, after all, the law of love which You continue to inscribe on our hearts which alone gives us peace. Lifting our hearts and voices to You, we pray on this June day that ancient Hebrew psalm: "O Lord, great peace have they who love Your law."—Psalm 119.

As servants and guardians of the law on Earth, give us that peace in abundance. Fill us with Your peace and love, a love which makes us ever more sensitive and vigilant to You and Your presence in those we are called to serve.

Almighty Father, continue to encourage us in all our humble efforts carried out in Your life-giving name. Amen.

Mr. DOMENICI addressed the Chair.

The PRESIDENT pro tempore. The able Senator from New Mexico.

APPRECIATION TO MSGR. PETER VAGHI

Mr. DOMENICI. Mr. President, I rise to thank Msgr. Peter Vaghi for leading the Senate in prayer this morning and to tell the Senate that Reverend Vaghi and I have been friends for a long time. We met in a casual way, as commuters on a train. A few years after that, Father Vaghi decided to continue his education and to seek to be a priest, and, for three summers, while he was getting educated, I had the luxury and privilege of having him work summers in my office.

I found him to be an extraordinary human being. As I saw his extraordinary qualities then, I am privileged, from a distance, to watch those extraordinary qualities develop as he attempts in his ministry to lead people in the way of the Lord. I am very grateful that he chose to come today, and I thank our Chaplain for inviting him.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. HATFIELD addressed the Chair.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Oregon is recognized.

SCHEDULE

Mr. HATFIELD. On behalf of the Republican leader, I would like to indicate, as the Chair already stated, this morning there will be a period for morning business until the hour of 9:30 a.m. Following morning business, the Senate will resume consideration of S. 1745, the DOD authorization bill. Pending will be a Nunn-Lugar-Domenici amendment regarding terrorism, on which there will be 10 minutes of debate time remaining.

Following the expiration or yielding back of time, the Senate will proceed to a vote on or in relation to the Nunn-Lugar-Domenici amendment, to be followed by a vote on a motion to invoke cloture on the DOD authorization bill, if necessary.

If all debate time is used, Senators can expect those rollcall votes to occur at 9:40 a.m. Rollcall votes are expected throughout the day on the DOD authorization bill, and a late night session is expected in order to complete action on the bill.

I yield the floor.

The PRESIDENT pro tempore. The distinguished Senator from Washington, [Mrs. MURRAY] is recognized to speak for up to 10 minutes.

Mrs. MURRAY. Thank you, Mr. President.

SYMPATHIES TO THE FAMILIES OF UNITED STATES SERVICE PERSONNEL IN SAUDI ARABIA

Mrs. MURRAY. Mr. President, let me just take this opportunity to extend to the families of the young men and women who lost their lives, and who were injured in Saudi Arabia a few days ago, my heartfelt thoughts and prayers.

It is certainly our duty to protect those who we send overseas to protect us, and we cannot allow terrorist activities to threaten the lives of our young Americans.

I really want to commend the President this morning for his strong and swift action, and again extend my deepest sympathies to those families.

MFN TRADE STATUS FOR CHINA

Mrs. MURRAY. Mr. President, I come to the floor today to discuss most-favored-nation trade status for the People's Republic of China. The Congress is set to begin the sixth annual review of China's trade status. In my mind, this is one of the most important issues, one of the most important debates the U.S. Senate will undertake this year. This is the first in a series of remarks I will make regarding the importance of United States-China relations. It is my hope that the Congress and this country can begin to view our China relations in the broadest possible terms. Whether we like it or not, our future interests are intertwined with China. And today's choices will greatly influence whether our interests coincide or collide.

This month many Americans took time to remember the Tiananmen Square massacre and the horrible events of 7 years ago. Tiananmen Square forever changed the China debate in the Congress and in this country. This year, on June 4, a young woman was dragged from Tiananmen Square by the police for placing a bouquet of yellow chrysanthemums near the Memorial to the People's Heroes. To this day, the Chinese leaders fail to recognize that actions like this only serve to remind the international community of the ongoing struggle for personal and political freedom in China. The promotion of human rights will always be a fundamental element of my work on China, indeed, human rights should always be a priority for United States policymakers.

When this issue is considered by the Senate later this summer, I will vote again to renew China's MFN status. I will vote to renew MFN because it is immensely important to every corner of Washington State—where thousands of current jobs rely on China trade and where thousands of new jobs stand to be created as China integrates into the world economy. Having acknowledged the economic importance of this issue to Washington State, I want to stress and demonstrate that MFN for China is in our national interest.

One in five people on Earth live in China. More than 1.5 billion people speak a Chinese dialect. More than one-half of the world's population lives within 5-hour flight radius of Hong Kong on China's southern border. It is an immense population that impacts us all in so many ways—the world's food supply, pollution problems, and the use of natural resources to name a few. Thanks to technology—in communications and in travel—the world is shrinking. Neither the United States nor China can hide from the fact that we are being drawn closer together each and every day. The United States has the ability to cooperatively influence China's development; we must not shy from this opportunity to aid both the American and the Chinese people.

China's military presence in Asia is increasing; as demonstrated in the Taiwan Straits and in the Spratly Islands. China is a nuclear power and maintains a permanent seat on the U.S. Security Council. The prospect of China assuming the leadership role in Asia has the entire region rattled. Most events in Asia—including North Korea, the expansion of ASEAN, and talk of Japan forming an Army—are all related to and impacted by China. Asia is looking for signs that the United States will remain an active and engaged player in the region. The United States role in Asia remains fundamental to United States strategic and economic security; we are a stabilizing force in Asia and we must continue this peaceful role.

Some in this country, as a result of China's military expansion and belligerent threats against Taiwan, argue that the United States should take a more adversarial, confrontational approach to China. We borrowed and spent several trillion dollars to win the cold war. I think it is foolish to listen to those who preach another cold war for this country. We owe our children, indeed the children of the world, more than a second cold war confrontation that will take valuable and limited resources away from food and shelter, education, health care, and the opportunity to prosper in peace.

Rather than view China as a threat to the United Stats, we must view China as a challenge and an opportunity to shape the world of the 21st century. China's evolution from isolation to world player cannot be stopped or contained, our task is to work with the world to integrate the giant as she awakes.

China's economy is now the third largest in the world currently growing at an annual rate of 10 percent. It will become the world's largest economy shortly after the turn of the century. China wants to join the World Trade Organization and is currently negotiating with the United States over accession terms. We have a responsibility to bring China into the global trade community and to ensure that China plays by the accepted rules.

I believe the annual congressional MFN exercise for China has outlived its usefulness. The annual review, in my mind, encourages uncertainty and inconsistency and may actually harm, not help, United States interests. Each year, as the MFN debate approaches, the administration and the Chinese engage in a chest thumping nationalistic exercise; each side claims to have coerced and resisted the other. The Result is every summer the United States-China relationship is put on hold or setback for many months. During this period, all constructive engagement with the Chinese is slowed or halted—CD's continue to be pirated, activists continue to be arrested, and United States jobs are lost as trade opportunities go elsewhere.

One of my greatest frustrations with the annual MFN exercise is our failure in Congress to realize that we are changing China, we are having an impact on China today. The next generation of Chinese leaders will not be Soviet trained engineers like the current leaders. Rather, they will be American and Western educated; familiar with the United States and receptive to the ideals we preach. Each year, thousands of Chinese university students experience America. Every major university in this country is engaged in a quiet diplomacy that will pay democratic dividends for decades.

United States law enforcement personnel, judges and legal scholars are aiding in the development of the rule of law in China. United States Customs personnel are assisting the Chinese to implement accepted international trade norms. American students and university professors are scattered throughout China interacting with fellow students and academics, local government leaders, and the business community. Cultural, athletic, military, and scientific exchanges are all quietly opening China up to the world.

I recently had a young man from China visit my office. He graduated from a Chinese university in 1980 and was assigned to a work unit as a teacher. As Deng's economic reforms began, this young man was one of the first Chinese nationals to leave his work unit for employment with a foreign investor. Today, he owns an apartment many times the size of his childhood home. When we talked about his 6-year-old daughter, I could see he has aspirations for her that were alien to Chinese thought just a few years ago.

These types of successes are difficult for the Congress to factor into the MFN debate because they carry no organized constituency, and they rarely make headlines. But they are happening.

As the Senate turns to MFN for China I am encouraged that so many of my colleagues—Democrat and Republican—have indicated their strong support for renewal. Many distinguished Senators from all regions of the country have spoken on the floor and this issue clearly enjoys bipartisan support. In a year filled with partisan Presidential rhetoric, it is truly noteworthy that so many public officials including both Presidential candidates are speaking out in favor of MFN renewal.

Next year, I intend to urge the administration and Congress to end the annual MFN renewal debate for China. Some may consider this an optimistic view, but I genuinely believe that we will make more progress on human rights, on trade matters, and on Asia security if we move away from the annual review of MFN.

Instead of the annual MFN vote, I intend to urge the administration, regardless of political party, to take China relations to the next important level. This has to include a state visit to China by the President and a reciprocal visit to Washington by China's President Jiang Zemin. A regular dialog between our two leaders can make a significant difference in our efforts to engage China on all of the issues of importance to the United States.

I do not suggest that Congress cede all interest in China to the administration. Rather, Congress and the administration have to work together to deploy all of our policy and legal tools to influence Chinese behavior. It is time for the Congress to trade in the annual summer verdict on China for a more activist, longer term approach to China and the important Asia Pacific region.

The administration's intellectual property rights dispute with China is one example of United States interests working cooperatively on a specific China problem. Congress backed the administration throughout this process, and as a result we had a widely supported, justifiable response to Chinese piracy. The Chinese knew the seriousness with which the United States viewed this issue, and there is no doubt in the United States resolve. United States negotiators were invited by the Chinese back to the negotiating table, and as a result an agreement was reached. China has taken or agreed to a number of important steps to address our concerns.

These Chinese actions include the confirmed closing of 15 factories that were pirating our technologies, a sustained police crackdown in regions where piracy is rampant, and closer cooperation with United States and Hong Kong custom officials to stop these pirated exports.

I want to take this opportunity to commend Charlene Barshefsky, our acting U.S. Trade Representative, and her negotiating team. Ambassador Barshefsky, I am convinced, will be a spectacular Trade Representative, and I am anxious for the Senate to begin her confirmation process.

I believe the IPR example serves as a useful model to move our China relationship forward. Our relationship with China is our most complex and our most difficult. Our successes are hard to measure and our frustrations with them are difficult and easily recognized.

Before concluding, let me restate my purpose in speaking this morning. The United States and China are at a crucial moment in time. Our interests today and into the next century are linked. They cannot be separated or ignored. As policymakers, what we do in this Chamber will go a long way towards determining whether those shared interests coincide to the mutual benefit of the American and the Chinese people or whether those interests collide and create an adversarial relationship clouded by suspicions.

I believe we have to engage the Chinese side—on all of the issues of importance to the American people—and in the coming days I look forward to engaging my colleagues in greater discussion about the importance of United States-China relations.

I thank the Chair. I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Vermont, Mr. LEAHY, is recognized for the next 15 minutes.

Mr. LEAHY. I thank the Chair.

MY MOTHER, ALBA LEAHY

Mr. LEAHY. Mr. President, 12 years ago, I stood on the Senate floor to give the most difficult speech I have ever given. I gave a eulogy to my father and a remembrance of his life. Today is also such a difficult time as I remember my mother, Alba LEAHY, and her life which ended last month.

It was an ending not really expected because while she was aging, she was of a family where so many lived well into their 90's, but it appeared that she was more ready to leave than we were ready to have her go.

So as I stand on the floor of the Senate today, I remember a trip with my mother just a matter of weeks before she died. It was one of those beautiful clear days in Vermont when our State moves from winter to spring, and even though there was snow on the ground, the sky was a bright blue and the warm Sun caused the snow to drip from the trees and the brook to run in and out through the ice beside our home.

My mother and I had driven to our farmhouse in Middlesex, VT. It was the same farmhouse that she and my father bought back when I was only 17 years old. We talked of the hundreds of friends my parents had for meals and conversation and companionship at that farm. We talked about how my wife, Marcelle, and I had our first date at that farm and our honeymoon there and how eventually the farm became Marcelle's and mine.

I still remember sitting in that living room, the mountains in the distance, and the Sun coming through the windows behind where my mother was sitting, Sun that glowed on her white hair. Then we talked, as we had occasionally during the past year, of death and dying, and I promised to give this eulogy as I had for my father when that time came, and she quickly said, "Don't make it sad. I have had a very good life except that I miss your father."

So as I prepared for today, the memories came back of the mother I knew who read to me, who stayed awake all night to care for me when I nearly died of pneumonia as a child, who baked me cookies to bring back to college, who stood with my father at my wedding, the christening of our children, through election nights, and as I took the oath of office in the Senate.

I thought of the number of times she would go to functions with me in Vermont, especially after my father died. Both of them enjoyed going to such events with me.

So at the funeral in Vermont last month, friends and family joined us at St. Augustine's Church in Montpelier, the church where my parents had been married 60 years ago. We spoke of the many generations that were connected that day, from her Italian immigrant parents, my grandparents, who came to this great country with nothing but the faith in our Nation and their own skills, to the children and the grandchildren and the great grandchildren surviving her today.

Throughout it all, we talked of the total love of Alba and Howard Leahy and how she had mourned him since he died even as she continued the love they both had for their children and their children's children.

Her physician, Dr. David Butsch, told us of the influence she had had on him and his wife and their children and how she was one of those special people one often meets only once in a lifetime.

Her granddaughter, Theresa Leahy, told how she always turned to her grandmother for advice and encouragement—and it was always there for her even to the last day of her life. As Theresa stood on the altar and faced that congregation, it was so obvious the special bond they had.

Her grandson, Kevin Leahy, said, "My grandmother defined her life by the people who shared it with her. It was family; it was relationships; it was her friends and the friends she made into family that defined her, and it was through the stories she would tell of the people that meant so much to her that Grandma showed how much she loved so many people."

Marcelle and I had talked with her just a few hours before she died as we were actually making plans for our next time together, plans for just a few days later.

My brother John and his wife Jane, had seen her just a few days before. And my sister Mary, who gave so much of herself in caring for our mother after Dad died, was with her at the end, as she had been every time Mother had needed her.

When we left the funeral, and returned to the farm in Middlesex where my mother and I had talked of the day I would give this eulogy, it was to celebrate her life.

Her grandchildren, Theresa, Kevin, Alicia, and Mark, together with Kevin's wife, Christianna, Alicia's husband, Rob were there and we were joined by Mark's wife, Kristine, by phone. Mother's older sister, Enes and sister Anne, husband, Matt, and brother Louis and wife Myrth joined John, Jane, Mary, and Marcelle and me as we remembered with joy her life. She would have been so pleased as she saw all the people who came through the house representing friendships going back more than 50 years straight through to the present.

Stories were told of the years my parents owned and ran the Waterbury Record newspaper, how they founded and ran the Leahy Press until selling it upon retirement, of their early courtship, life at 136 State Street and Three Dover Road, Mom's volunteer stint as a State House guide after Dad died, her caring for us all with love and "good butter and eggs" and a smile that lit the room.

And as we laughed and cried, remembered boisterously and loved silently, Kevin's words as he finished his eulogy in the church, came to me:

> We are not sad today. No matter how much we may hurt, no matter how much we miss you, we are happy about and grateful for everything you showed us and for bringing so many of us together with your stories, your laughter, and your love.

Today, I remember with joy with the life of my mother.

I ask unanimous consent that two articles from the Times-Argus, in Vermont, be printed in the RECORD, and yield the floor.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ALBA Z. LEAHY

MONTPELIER.—Alba Zambon Leahy, 86, died May 5, 1996, in Central Vermont Hospital in Berlin.

Born in South Ryegate on Aug. 21, 1909, she was the daughter of Peter and Vincenza Zambon, and attended schools in Vermont and New Hampshire.

On June 1, 1936, she was married to Howard Francis Leahy in St. Augustine Church in Montpelier. They owned and operated the Waterbury Record, a weekly newspaper, and Leahy Press in Montpelier. Their interest in Leahy Press was sold when they retired in the 1970s. During retirement, Mrs. Leahy was a volunteer guide at the Vermont State

House, an active parishioner of St. Augustine Church and a member of Vermont Federation of Women's Clubs of Vermont in Montpelier.

Survivors include one daughter, Mary Leahy of Marshfield; two sons, John Leahy of Clayton, N.Y., and Sen. Patrick Leahy of Middlesex; several grandchildren and great-grandchildren; one brother, Louis Zambon of Ohio; two sisters, Enes Zambon of Shelburne and Anna Donovan of West Yarmouth, Mass.

Mr. Leahy died in Feb. 7, 1984. Two brothers, Severino Zambon and John Zambon, are also deceased.

A Mass of Christian Burial will be celebrated Wednesday at 11 a.m. in St. Augustine Church. Burial will be in Green Mount Cemetery.

Calling hours will be held Tuesday from 7 to 9 p.m. at Guare & Sons Funeral Home, 30 School St., Montpelier.

Memorial contributions may be made to: Sisters of Mercy Retirement Fund, 100 Mansfield Ave., Burlington, VT 05401.

ALBA LEAHY RITES

MONTPELIER.—A con-celebrated funeral Mass for Alba Zambon Leahy who died May 5, 1996 in Central Vermont Medical Center in Berlin, was offered Wednesday at 11 a.m. in St. Augustine Church. Con-celebrants were the Most Rev. Moses Anderson S.S.E., the Rev. Bernard E. Guadreau, pastor of the church; the Rev. Rick Danielson, parochial vicar of the church; the Rev. Charles Davignon, the Rev. Marcel Rainville, S.S.E.; and Deacons Regis Cummings and Dan Pudvah. The Rev. Jay C. Haskin was the principle celebrant.

Organist Dr. William Tortolano, provided accompaniment for soloist Martha Tortolano, who sang "All Creatures of Our God and King," "Ave Maria," "Agnes Dei," "Panis Angelious," "I Love You Truly" and "Hymn of Joy."

Scriptures were read by Sister Rose Rowan. Offertory gifts were brought to the altar by Theresa Leahy and Alicia Leahy Wheeler. Reflections were offered by Dr. David Butsch, Theresa Leahy and Kevin Leahy.

Bearers were Kevin Leahy, Mark Leahy, Robert Zambon, Carl Zambon, Rob Wheeler, J. Wallace Malley Jr., and Tim Heney. Ushers were Fred Bertrand, Tom Ford and Paul H. Guare.

Burial was in Green Mount Cemetery in Montpelier where committal prayers were offered by Father Gaudreau, Father Haskin and Father Davignon.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A PLEDGE AGAINST VIOLENCE

Mr. WELLSTONE. Mr. President, I come here to the floor today to speak on a resolution that later will be submitted by Senator BRADLEY from New Jersey. It is a resolution that I intend to submit with him. Senator BRADLEY was unable to be here this morning at this time. I am faced with a personal health situation with my daughter back in Minnesota, so I do not have any prepared remarks, but I think the resolution is important, and I just want to take a minute or two to speak about it.

This is going to be a resolution that deals with asking students throughout our country to declare that they will never bring weapons to school, that they will not use a weapon to settle disputes, and that they will use their influence among their friends to say, "There's no place for guns and violence."

As I said, I am not prepared to speak about the resolution at great length this morning, but I do think it is important—very important. I think the cynical view about such a resolution is, "Sure, to ask students across the country to take such a pledge, how many of them are going to do it and is it really going to make any difference at all? Those students who bring guns to schools, for a whole myriad of reasons, will be the last ones to sign a pledge or who, if they sign a pledge, the last ones to ever live by it."

I actually think maybe it is the cynicism that we ought to overcome. There is a wealth of talent. I am in a school in Minnesota every 2½ to 3 weeks during the school year. There is a wealth of talent and good will and positive attitudes in students across our country. We do not hear enough about them.

There are other students who bring guns to school because they feel they have no other choice but to protect themselves. Someone has to light a candle. Somebody has to light a candle. I think this resolution we are going to submit and this pledge effort across the country is important, because I think the students are going to be the ones to light the candle.

I think that this resolution and this pledge effort is important because it calls upon the students to be their own best selves, and I think the students are ready to do so.

It is really shocking to me that when I am in schools and I ask students, "What are the most important issues to you, what are the concerns of your lives; you do not have to be an expert, just tell me," almost always, whether it is in the inner-city schools or whether it is in rural Minnesota or whether it is suburban schools, they say violence.

I do not remember the exact statistics, but I think about every 2 hours a young person is killed by someone using a gun in our country. I think every 4 hours a young person, that is 18 years of age and under, takes his or her life. These are pretty devastating statistics for any of us in the Senate to accept, for any of us who are parents or grandparents to accept, for any other citizens in our country to accept.

I do not know that there is any guarantee of success for this resolution that Senator BRADLEY and I will submit, which will be part of a pledge effort around the country. But I think many students are willing to step forward and to light a candle. I think there are going to be students around the country who will do this as an exemplary action.

You know what, Mr. President, sometimes it just takes a few people to step forward and, through their actions, they provoke the hopes and aspirations of other people. I think students will step forward and will sign this pledge in a lot of different schools across our country, in rural and suburban and inner-city schools. I think by doing so, it will not be cynical, it will be positive, it will be full of hope, and I think a lot of discussion will take place around this effort.

I think those students who do this first will be setting an example, setting a model. I think just by signing the pledge and talking to others about signing the pledge, about not bringing guns to school, not using guns to settle disputes, taking a nonviolent approach, trying to deal with guns and violence among young people, it can be one really significant thing for our country.

I am pleased to speak about this, although today I do not have prepared text. When Senator BRADLEY submits his resolution, I will be very proud to submit it with him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

YOUNG PEOPLE AND GUN VIOLENCE

Mr. BRADLEY. Mr. President, I would like to alert the Senate that in the week of July 9, when the Senate returns after the recess, Senator WELLSTONE and I, and a number of other Senators on both sides of the aisle, will be submitting a resolution that will designate October 10, 1996 as a day of national concern about young people and gun violence.

The announcement, I think, will be broad enough to include all segments of the political spectrum in a resolution to urge the reduction of gun violence among young people in this country. I believe that this is a very important initiative. There will be more information to come. This is simply to highlight the point that the first week back will be a major effort to get the Senate on record to make a very clear statement about young people taking pledges against the use of guns in their lives.

Senator WELLSTONE spoke about that earlier today in morning business.

Mrs. BOXER. Will the Senator yield for a question on that point?

Mr. BRADLEY. Yes.

Mrs. BOXER. I thank the Senator, and I want to ask him a question. I have introduced a bill with the Senator from New Jersey and with the Senator from Rhode Island, Senator CHAFEE, which would essentially extend the ban on imported junk guns to junk guns made here. I cannot praise the Senator enough for bringing this issue to our attention.

Is it not true that nationally now the leading cause of death among young people from date of birth to age 19 is guns? In my home State of California, it is the first leading cause of death.

Is that the Senator's understanding, and will he, at the time he brings this resolution, look at legislation like this, discuss it so that the American people can be aware there are things we can do to stop the proliferation of these junk guns?

Mr. BRADLEY. As the Senator from California knows, I agree with her and with Senator CHAFEE wholeheartedly on the handgun issue. But the resolution that we will be bringing forward when we come back in July is a very simple resolution. It is aimed at young people in the country to get them to take action.

It will establish October 10 as a national observance to counter gun violence, and it will ask young people across this country to take a pledge that, one, they will never carry a gun to school; two, they will never resolve a dispute with a gun; and three, they will try to use their influence with their friends to keep them from resolving disputes with guns.

That is the resolution. That is what our hope is that this will become a very popular thing in the country among young people; that we will begin to see that influence felt across America; that we will have cosponsors on both sides of the aisle to make this very clear statement.

I might say, this is an initiative that was started in the State of Minnesota, and it was started by some very public-spirited citizens who will have a big impact on, I think, the whole history of this country if we can get this pledge as popular in schools across this country as Reeboks are today or Nikes or any of the other shoes that people want to wear when they are younger than you or me.

Mrs. BOXER. Will the Senator yield for one more question?

Mr. BRADLEY. Certainly.

Mrs. BOXER. The reason I have asked the Senator to yield again is because I am so pleased about this initiative.

What the Senator is saying is that responsibility is very key here. Clearly, if young people decide it is out of fashion to carry a weapon of choice, even though they can still buy one for $25 because they can get these junk guns, that will be a tremendous step forward.

I thank the Senator for bringing it to the Senate's attention, and I hope he will add me as a cosponsor to this effort.

Mr. BRADLEY. I thank the Senator from California. I certainly will. I hope that by the time we introduce this resolution in July we will have 100 cosponsors.

Mrs. BOXER. I agree.

Mr. BRADLEY. This is something that should be an unequivocal message for anybody in the Senate that cares about gun violence and young people in America, which I presume is every Member of the U.S. Senate.

I thank the Chair and the managers for yielding.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered. The Senator from Wyoming is recognized for 30 minutes.

Mr. THOMAS. Thank you.

HEALTH CARE IN AMERICA

Mr. THOMAS. Mr. President, we wanted to continue our effort with the freshmen focus to bring to the Senate some of the views that from time to time may be unique because we are freshmen, unique because this is the first term we have served here, I suppose unique because, perhaps, we are a little impatient to move forward.

Of course, all of us have great respect for the traditions, but sometimes it is a little discouraging to say, "Gee, we ought to be doing something a little different," and to hear, "Well, it's the way we've done it for 200 years," you know. And there is some merit to the 200 years thing.

I want to talk a little bit this morning—and I will be joined by a number of my colleagues—about health care and about the issues that surround health care. I suppose, in a broader sense, we are talking about choices, talking about issues, and the choices we have among issues, the choices that we have as to the ways in which we can accomplish the things that all of us want to accomplish.

I do not think there is a soul in here who does not want to move forward with health care. There is no one in the Congress, there is no one in the country who does not want to create a program in which there are greater opportunities for American families to have access to superior health care. Nobody quarrels with that.

The quarrel, of course, comes in, how do you do it? There are legitimately different views as to how you accomplish the things that we want to accomplish.

Unfortunately, some of it is promotional rhetoric. We make great speeches about wanting to do this, accomplish health care for American families and so on, but then when we get down to it, why, there are differences. One of the differences, of course, was highlighted in the last 2 years when the proposal was to have a federalized health care program—a legitimate point of view: Have the Federal Government provide basically health care for everyone in this country. That idea was rejected, soundly rejected, I think, throughout the country. I happen to think that was a good idea to reject it, that we are better off to strengthen the opportunities for health care in the private sector.

So that is where we are. I have to tell you that sometimes one wonders if the opposition to what we are doing now is not an effort to move back to the idea of having the Federal Government provide health care for everyone. But nevertheless, now we are on a new track. Now we are on the idea of, how do we strengthen the health care program in the private sector?

I guess the real question we ought to ask ourselves is, can we do better in providing health care? And the answer is, yes, of course, we can. We have made some progress in the last couple years, made it in the private sector.

In my State of Wyoming, there has been substantial progress made in terms of recognizing what can be done to bring together the doctors and the hospitals and to share among different towns the kinds of services that are available but cannot be available in every small town. So we are making progress.

We have the opportunity to make a good deal more progress right here in this place in the next week. We should have made it 3 weeks ago, but we have not, because there has been an obstacle to progress. It is sort of discouraging that my friends on the other side of the aisle put out a statement saying, health security, we want the portability of health care, elimination of preexisting conditions, guaranteed renewability. This is what the Democrat leadership committee put out a month ago.

We have that bill before us, Mr. President. We have that bill. We have had that bill since April, ready to be moved forward. But, unfortunately, we have had the objection of Members on the other side of the aisle that have not allowed it to move. I hope that we can do that.

We support reform of health insurance. We support reform of availability of health care and have done a great deal about it over the last couple of years, starting, I suppose, with Medicare, the idea of strengthening Medicare so that over a period of time that is available to the elderly. There is no question that if we do not make some changes in Medicare, it will not be there. We have proposed those changes. We have been for those changes, those changes to strengthen Medicare, to make it available to the elderly, to make it continue to be available after 2001, at which time the trustees say it will fail if we do not change it.

Medicaid, health care to the low-income families of this country, we suggested much of that be transferred to the States so that decisions can be made that fit the needs of the various States. Mr. President, our health care needs, our distribution system in Wyoming must be different than the presiding officer's State of Ohio. So we need to have the opportunity for our States to work in Medicaid. That has been a proposal that we have been forwarding.

We have favored, and continue to favor and urge, the acceptance of reform in the private sector. We have been eager to pass insurance reform, which is out there, which is available now. In March, the House passed historic legislation to make insurance more portable for families. In April, the Senate did the same thing. Sixty-five days have passed, and still no bill.

I think we have to say to ourselves, "Let's just do it. Let's do it." But there continues to be opposition. The Democrats have blocked appointment of the conferees, so there is no movement in this area in which they say they are for: portability of health care, elimination of preexisting conditions, guaranteed renewability. I say, come on, let us do it. You say you want to do it. Now is the time.

President Clinton has hinted at vetoing the bill. I hope that does not happen. On the other hand, Mr. President, frankly I am getting a little weary of the idea, "We don't do that because the President may veto it." That is the President's prerogative, but it is our opportunity and responsibility in the Congress to do those things we think are right, to pass bills we think are right. If the President vetoes them, that is his decision, but we ought not to fail in moving, in doing our part simply because of that.

There are philosophical differences, and I understand that. There are philosophical differences in most everything we approach here. That is healthy. There are going to be philosophical differences in the election. That is what elections are about. That is what we will be deciding, the direction, whether or not we are going to have more Federal Government, more expenditures at the Federal level, or whether, in fact, we move some of these decisions closer to people and move them closer to the States and to the cities from which families will receive the services.

So, of course, there will be differences in philosophy. Republicans believe Americans should be in charge of their own decisions with respect to health care. One of the great controversies in this bill, one of the things that has kept it from moving, is the idea of medical savings accounts. Medical savings accounts provide an opportunity for people to make their own decisions with respect to expenditure of money. They provide the opportunity for people to save, to cut down on the utilization of health care, and at the same time be able to choose the health care program they think is best for their family.

Employers can accumulate over the years dollars that can be spent for employees. It has been proven and several recent reports confirm that out-of-pocket expenses would decline and benefit all Americans. That is part of this package. Unfortunately, our friends across the aisle would prefer the status quo and refuse to give medical savings accounts a try. They think it deviates too far from the idea of the Federal Government controlling. We think that is the right thing to do.

The Kassebaum-Kennedy bill has a good many things that we need to do. Certainly it is not a panacea for all health care, but it moves us in the direction of fixing some of the things that need to be fixed. I happen to be very interested and involved in rural health care. There are unique things about rural health care that need to be changed. Unfortunately, this does not address them, but it does make some of the changes that we need to make to cause health care to be more available, more useful for Americans and American families.

Job lock—we all know of people who would like to move forward with the opportunities of jobs and to change jobs and to move up in the economic stratosphere, but they are concerned about doing that because they lose health care, particularly folks that are a little older. This changes that and provides portability for health care, something most everyone agrees with. It has to do with allowing people to have insurance, despite the fact that there are preexisting conditions. If we are going to be in the private sector with health care, then people have to be insured. It may cost more for everyone. I guess that is what insurance is about, spreading the risk. We think we can do something about it in our State. We have risk pools. They work. But preexisting conditions should not keep someone from having private health insurance.

It allows small businesses to join and form purchasing cooperatives so that you get some kind of volume advantage in small businesses. Pretty simple stuff, but it is useful and can help with the problems that exist there.

All these measures go, I think, to the core of what American families want. They want availability of health care, they want it in the private sector, they want choice. That is what this bill is about.

I certainly urge our friends on the other side of the aisle to not resist movement on this bill. We have an opportunity now. That is why we are here, to accomplish things. We are moving down to where I think there are 25 or 26 work days left in this session. We have a lot of things to do. We have spent a lot of time on this. It is not as if it has not been discussed. We need to move forward.

The question, I suppose, we ask ourselves in health care, as in other areas, but particularly in health care because all of us are involved, it affects everyone, all of our kids, and all of our families, the question is, can we do better? Of course we can. Of course we can. It is not the job of the Federal Government or the Senate to provide health care for everyone. It is the job of the Senate, in my view, the job of the Federal Government, to provide an environment in which the private sector can do what we want to have it do, and that is provide an opportunity for all Americans to have access. We ought to just do it. The time has come to just do it.

Mr. President, I yield to my friend from Minnesota who has joined in the freshman focus this morning.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I join my colleagues today in issuing our call and asking our Democratic friends on the other side of the aisle to end that filibuster of the Kassebaum-Kennedy Health Insurance Reform Act.

Most Americans probably are unaware that the Democrats are blocking a final vote for portable health insurance for millions of Americans, as our friend from Wyoming has pointed out this morning.

Mr. President, our Founding Fathers established the filibuster as the parliamentary tool for use by the minority in the Senate to ensure that, unlike in the House of Representatives, any issue would have a full and open debate—without limitation by the majority. In the past, it was common to have only about one, maybe two filibusters throughout a session of Congress. Yet, despite President Clinton's remarks lately that the Senate Democrats "have not abused the filibuster in their minority position the way Republicans did * * *" their record shows differently.

Unfortunately, the President and I disagree in our interpretation of the word "abused." In the 102d Congress, when the Republicans were in the minority, we filibustered 40 times. Yet the Democrats, this Congress, have already filibustered more than 66 times and we still have another 6 months to go before the end of this legislative session.

Mr. President, I will highlight just a few of bills that our Democratic colleagues have filibustered in the last 15 months. Those bills include term limits, the line-item veto, welfare reform, product liability reform, and others. Despite Republican willingness to compromise and to work with the minority to achieve legislation amenable to all, they have continued to filibuster legislation which national polls have shown most Americans want passed by overwhelming margins.

Mr. President, I want to again emphasize that these are Democrat-led filibusters—nothing more and nothing less than Democrat gridlock. There is no question that the most egregious Democratic filibuster this session has been by the Senator from Massachusetts in his effort to delay final passage of the Health Insurance Reform Act. The Senate considered this legislation almost 2 months ago, yet the Senator from Massachusetts, the original coauthor with Senator KASSEBAUM, is filibustering this important bill because he wants to deny hard-working Americans the ability to put a portion of their pretax earnings into a savings account that would be designated for medical expenses.

Mr. President, if you will recall earlier this year, the Senator from Massachusetts and the distinguished minority leader, a number of times, alleged that Republicans were holding up the bill, even refusing to allow a vote on it. Unfortunately, our desires to review the final legislation in consultation with our Governors, State health officials, industry officials, health and care providers, and, most importantly, our constituents, were perceived as objections or opposition to the Kassebaum-Kennedy bill.

This, however, was not the story told by our Democratic colleagues. A final agreement for consideration was entered into on February 6 to debate the Kassebaum-Kennedy Health Insurance Reform Act on April 18 and 19, giving all 100 Senators ample time to consult, review, and improve, prior to floor debate. When all the statements were made and amendments considered, this body approved the Kassebaum-Kennedy legislation by a margin of 100 to 0. Despite our diverse membership, the unanimous vote shows our strong support for expanding health insurance to more Americans. Even President Clinton urged passage of this legislation in his State of the Union Address early this year.

Mr. President, in light of President Clinton's support, the unanimous Senate support, and the millions of cries from American people who desperately need this legislation, I believe it is reprehensible that the Senator from Massachusetts has decided to filibuster the joint priority of health insurance reform for political power rather than good policy.

Since it has been 2 months since we debated the Kassebaum-Kennedy legislation, I want to highlight again what the Senator from Massachusetts is denying to 15 million Americans who will benefit from this legislation. First, portability, ensuring that when an individual wants to change a job they can take their health care with them. They will not lose it. Next, limiting preexisting condition exclusions. That is, ensuring that individuals who have played by the rules when they are healthy get to maintain their health insurance when they are diagnosed with a potentially costly medical condition. We should not allow insurance companies to only insure the healthy. If this were to occur, taxpayers would be required to pay for their care under the Medicaid Program, which we all know is having difficulty sustaining its current number of beneficiaries today.

Most importantly, Mr. President, this Democrat filibuster is denying working Americans the opportunities to save money to pay for unexpected health care costs.

A recent study reported by the Bureau of National Affairs stated in its June 6 edition that a Workplace Pulse Survey of 1,000 workers, conducted back on May 20 to May 24 by the Marketing Research Institute, for Colonial Life & Accident Insurance and the Employers Council on Flexible Compensation, found the following: 87 percent of respondents believe that Congress should allow medical savings accounts to be tax free; 4 of 10 full-time working Americans, with health insurance, would be more likely to change jobs if Congress enacted legislation mandating the portability of their insurance.

Now, the Senator from Massachusetts alleges that medical savings accounts are only for the wealthy; yet, one of the wealthy groups who would benefit from MSA's is a group the Senator usually rallies behind, and that is the United Mine Workers. Currently, the United Mine Workers have medical savings accounts; however, they do not get fair tax treatment because they are taxed on the amount that they have in those savings accounts for health care.

Mr. President, continued efforts by a few Senators on the other side of the aisle are undermining the ability of this body to prove to the American people that we do listen, we do care, and that we can come together on important issues to find a compromise and ultimately enact serious and sensible health insurance reform legislation.

Now, the definition of compromise, according to Webster's, is "meeting halfway, coming to terms by giving up part of a claim." Mr. President, Republicans have compromised.

Over the last few weeks, the majority leader has sent numerous compromise proposals to opponents of MSA's, and they still complain that our proposal is too broad. I disagree.

Mr. President, when President Clinton has indicated his support for the Kassebaum-Kennedy bill, the Senate passed the same bill unanimously and we have continued to compromise on the main issue of concern for the Senator from Massachusetts who claimed earlier this year that Republicans were denying a vote on the bill, I find it all very suspicious in this year of Presidential elections.

We should pass the Kassebaum-Kennedy conference report, and we should urge the President to sign the bill at the earliest date possible, again, so that 15 million Americans awaiting its enactment can go to bed knowing that they have portable health insurance.

Mr. President, I yield the floor to my good friend from Wyoming.

Mr. THOMAS. I thank the Senator. I am now glad to be joined by our colleague from Pennsylvania. First of all, on April 23, this was published, the Senate Democratic Action Agenda. It says, "health security, payroll security." Then it turns to health security and says "portability of health care." This is on the 23d of April, this action agenda. We have that available. We have it here. We have had it for 65 days.

So I guess the real issue is that it is one thing to talk the talk and another thing to walk the walk. We have an opportunity here to do that, to make it available to families, to have health care for children. What we really ought to do is just do it.

I yield to my friend from Pennsylvania.

Mr. SANTORUM. I thank my colleague.

Mr. President, I think it is interesting to, first, understand why this bill is being held up. It is being held up—at least the reason given that it is being held up—because there is an objection to the concept about the proposal known as medical savings accounts. Now, I have had town meetings about medical savings accounts ever since I first introduced a medical savings account bill. I was the first Member of the House to do so in January 1992. I had been holding town meetings in the Pittsburgh area when I was a Congressman, as well as across Pennsylvania.

I consistently find one thing—most people do not know what medical savings accounts are. The few that do, when I ask them to explain them, usually do not do a very good job explaining what they are.

Let us explain what is the big holdup here. Why are medical savings accounts so bad? What do they threaten? What damage can they do? How will they disrupt the health care system? Why is this such a horrible thing that we can hold up what most Members—in fact, I think all Members—would like to see done and believe needs to be done to help the current system be better. That is what the Kassebaum-Kennedy bill does. It improves the current system of health care delivery in the private market health insurance system.

So let us ask what medical savings accounts do. Well, I like to call medical savings accounts patient choice accounts, because I think those who are tuned into what is going on in health care will tell you—and I am not talking just health care providers or insurers, I am talking about everybody who sees what is going on in health care—realizes that managed care is coming to dominate the marketplace and, in fact, will be, eventually, I believe, if nothing is done, take over the marketplace in most areas of the country. So the choices will be limited to just managed care options. The old fee-for-service, doctor-patient relationship in medicine will go by the wayside.

What I believe medical savings accounts do is give us a chance to keep that relationship available to patients who want that, to people who want the doctor-patient relationship. And what managed care is, you have a doctor, a patient, and you have a third party, an insurance company, who sort of regulates the transaction between doctor and patient. They are the ones who sort of dictate what services you can and cannot have. Well, before managed care, the doctor and patient determined what services you had. Well, the problem with that was that neither had incentive to control costs. On the patient's side, you had fee-for-service medicine with very low deductibles, so you did not pay anything for the services you got. You had no concern about how much they cost. Nobody asked how much it costs for health care. On the physician's side, the more you did, the more services you provided, the less chance you were going to be sued, and the more money you made. So there were no incentives here to control costs. Then managed care came in.

Well, what we are trying to do with medical savings accounts is very simple—that is, to put some incentives with the patient to be cost conscious, to encourage them to be careful about what kind of health care services they consume and how much they consume and where they consume them, to create some sort of a marketplace for health care. That is what medical savings accounts do.

I can explain the specifics of how it works, but the bottom line is that it empowers, it gives the individual the ability to control their own health care decisions again. It gives power to individual patients when it comes to their health care needs.

Now, why—why—would anyone be against giving an option to individuals? It does not require everyone to take a medical savings account, by any stretch of the imagination. It does not require anything. It just gives you an option to have a medical savings account. Why would anyone be opposed to giving individuals powers to make medical decisions on their own, giving individual power in America?

I think you sort of have to step back and say, well, let us recall who were moving forward with the Clinton care health plan and what that plan did. What Clinton care did—sponsored by the Senator from Massachusetts—was take power from individuals, give it to Government-run organizations, and private sector insurance organizations, to manage care for everyone—big organizations controlling decisions of people. That is the model that many who were opposing this bill see as what we should be doing with health care. They do not believe—as Mrs. Clinton said, when asked about medical savings accounts—that individuals have the ability to make decisions on their own, that you are not informed enough, educated enough to make your own health care decisions.

There are people—and I hope and believe it is not a majority in this body—who believe that we need large organizations, whether it is Government or large insurance companies, to dictate to you what services are available to you. That is the fundamental debate here. That is the rub; that is the reason we are not moving forward with this. It is, who has the power to make decisions?

The Senator from Massachusetts believes it is large insurance companies or big Government. Those of us on this side of the aisle—and I think many on the other side of the aisle—believe individuals should at least have the choice to make those decisions themselves.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 a.m. having arrived, the Senate will now resume consideration of S. 1745, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Nunn-Lugar amendment No. 4349, to authorize funds to establish measures to protect the security of the United States from proliferation and use of weapons of mass destruction.

Warner (for Pressler-Dashcle) amendment No. 4350, to express the sense of the Congress on naming one of the new attack submarines the "South Dakota".

AMENDMENT NO. 4349

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on amendment No. 4349.

Mr. NUNN. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is No. 4349.

Mr. NUNN. Mr. President, I ask unanimous consent that Senator HATCH be added as a cosponsor to the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, we had a good debate last night after most Members had gone home and after all the votes had been cast for the day. But, nevertheless, I hope some of our colleagues and their staff—and, indeed, the American people—heard some of that debate because, to me, this is an enormously important subject and a very important amendment.

This amendment is sponsored by Senator LUGAR, myself, Senator DOMENICI, Senator BIDEN, Senator GRAMM, Senator HATCH, and others.

It has three major thrusts.

First, it recognizes that one of our most serious national security threats is the proliferation of weapons of mass destruction—not just nuclear weapons but also chemical and biological weapons.

Just this week "The Nuclear Black Market" report came out by the Global Organized Crime Project, which is chaired by William Webster, former head of the FBI and CIA, with the project Director Arnaud de Borchgrave.

That publication made it very clear in the findings of this very distinguished group of Americans with considerable national security experience.

Quoting from that report:

> The most serious national security threat facing the United States, its allies, and its interests is the theft of nuclear weapons or weapons-usable materials from the former Soviet Union. The consequences of such a theft—measured in terms of politics, economics, diplomacy, military response, and public health and safety—would be catastrophic.

Arnaud de Borchgrave said at the press conference:

> We have concluded that we're faced now with as big a threat as any we faced during the cold war, when the balance of terror kept the peace for almost half a century.

We also have a quote that makes it clear that the foundation for this amendment is based on some of the findings in this report, as well as extensive hearings.

We had reports from the Harvard group headed by Graham Allison; reports from the Monterey Institute, and others.

So this is not the only report. This is the most recent and, I think, one of the more thorough reports that has been done on this subject.

But this report says:

> A layered defense against nuclear trafficking is essential. Countermeasures must continue to emphasize securing warheads and materials at the source because there are few opportunities for detecting, interdicting, and neutralizing these materials once they are beyond the source site. . . . [A]ttention and resources must be directed toward post-theft measures as well.
>
> The magnitude of the problem, especially in Russia, remains enormous. The greatest need is for a sustained effort with sufficient resources and a clear, long-term vision of what needs to be accomplished.

So, Mr. President, we are trying to have three thrusts forward with this amendment. One is to beef up the Nunn-Lugar legislation which already is helping contain these weapons of mass destruction at their source;

Second, we want to beef up the Customs Department so that they can protect our borders better and also help the former Soviet states—not just Russia but all those states—protect their borders from this dangerous material and know-how leaking out;

And, third, to make sure that we are prepared here at home.

We are not prepared at home now. We need a major thrust forward to help our cities, to help our States to use certain National Guard units, to use the Department of Energy and the Department of Defense to train and equip over a period of time our State and local law enforcement officials so that we will be able to deal with this kind of crisis, if it occurs, and that we will be able to prevent it from occurring in the first place.

So that is the essence of the amendment. I know that Senator DOMENICI and Senator LUGAR will also want to speak on this. We have a very short period of time.

I urge approval of the amendment. I reserve any time I have remaining.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I commend to the Senate this morning an amendment that I believe will make a historic difference in American security, and it is our security we are talking about, the security of Americans, who would like relief from the possibilities of an ICBM attack in nuclear, chemical, or biological terms coming out of the former Soviet Union—or out of any country, for that matter—which might jeopardize it and who want some assurance that we here in the United States are prepared to coordinate the remarkable work of our Department of Defense in historic research efforts to combat potential difficulties for American personnel from biological, chemical, or nuclear attack that might be transferred to local officials who will work with these people.

All of these objectives are approached. They will never be fully achieved, but clearly the passage of this amendment will bring a greater sense of security to all Americans that our Government works, that we have talented people in our military and in our civilian components of government at all levels that will make a difference in the safety of Americans.

For these reasons, I commend this amendment. I am hopeful it will have very strong support in the Senate this morning.

I thank the Chair.

Mr. SPECTER. Mr. President, this amendment is of critical importance to the security of the United States and its allies: The proliferation of weapons of mass destruction. In my remarks on the Senate floor on April 17, 1996, I addressed this issue stating that we can no longer afford to treat this proliferation as some merely hypothetical threat.

The United States could soon be at risk from long-range Taepo Dong II missiles now being developed by North Korea. We have also seen evidence of Saddam Hussein's biological weapons program confirmed by Saddam's son-in-law who defected from Iraq last year. We have seen China sell missiles and other nuclear technology to Pakistan, and a tremendous missile race between India and Pakistan on the subcontinent. Finally, we have seen the murderous activities of the Supreme Truth cult in Japan, which was responsible for a poison gas attack that injured more than 5,500 Tokyo subway passengers.

As chairman of the Senate Intelligence Committee, and as chairman of the Judiciary Committee Subcommittee on Terrorism, I have long been concerned about the proliferation of weapons of mass destruction. I believe the administration was correct when it stated in the most recent edition of "A National Security Strategy of Engagement and Enlargement" that "weapons of mass destrucion—nuclear, biological, and chemical—along with their associated delivery systems, pose a major threat to our security."

I also believe that the administration has not done nearly enough to prevent the spread of these weapons. In my view, Mr. President, we have a tremendously unwieldy U.S. Government bureaucracy for combatting proliferation. By my estimate, some 96 departments, agencies and other organizations have some responsibility in this area. Mechanisms for effectively integrating the activities of the Department of State, Defense, Justice, Treasury, and Commerce, to name just a few, are lacking. Given the complexity of the tasks involved, the need for marshaling resources from many agencies, and the necessarily protracted nature of these efforts, the failure to assign clear and empowered leadership has impeded the U.S. effort.

It was for that reason that I introduced legislation on April 17, 1996, that would create a high-level commission, appointed by the White House and the Congress, to conduct a governmentwide study of the complex organizational structure charged with combatting proliferation. Members of this commission would also be responsible for providing Congress and the President with a set of recommendations designed to improve U.S. Government performance, and reduce the amount of unnecessary duplication by the various agencies involved.

As I indicated in my remarks last April, I examined closely a number of possible organizational changes. One option, I noted, was the creation of a high-level czar, such as the drug czar empowered to coordinate activities against drug trafficking. I also mentioned that I have considered the creation of a high-level position on the National Security Council [NSC] staff. I was very pleased, therefore, to find while reviewing the Nunn-Lugar amendment now under consideration by the Senate that my distinguished colleagues advocated the creation of both a "national coordinator on nonproliferation," and a new standing NSC committee on nonproliferation, composed of the Secretary of Defense, State, Treasury, the Attorney General, the Director of Central Intelligence, and other cabinet-level officials. This committee, chaired by the national coordinator, would be responsible for reviewing and coordinating all Federal programs, policies, and directives relating to proliferation.

Mr. President, I believe that this legislation is a critically important step in our efforts to improve the ability of the United States to combat proliferation. Creating a single body with overall responsibility for this critical national security responsibility is a step in the right direction.

U.S. efforts to combat proliferation are not well organized. Significant institutional and organization changes in the U.S. Government are required if the United States is to improve its ability to combat proliferation of weapons of mass destruction.

Mrs. KASSEBAUM. Mr. President, I want to strongly support this initiative and to commend Senators NUNN and LUGAR, as well as Senator DOMENICI, for their continued strong leadership in this area vital to our national security.

The single greatest threat to American soil today is that nuclear, chemical or biological weapons will be used against us by terrorist organizations or other rogue entities. Perhaps the supreme irony of the cold war's end is that while the risk that America will be devastated from coast to coast has abated, the prospects that a weapon of mass destruction will in fact detonate on our soil have grown substantially.

The threats today are much more complex, and our response must be more complex as well. In plain terms, it is no longer enough that America's defenses be strong—they must also be smart, agile, flexible, and intuitive.

The Senate, for example, has yet to consent to ratify the Chemical Weapons Convention that President Bush negotiated. I think we should do so without delay. It is another of the many tools we need to meet the diverse new threats to our security.

For several years, we have been engaged in the Nunn-Lugar program to help secure and destroy weapons of mass destruction at their source in parts of the former Soviet Union. This program has been successful, and I believe it should be expanded while that is still possible.

Today we are considering the so-called Nunn-Lugar II program. While the existing program seeks to contain dangerous weapons material at its source, this new proposal would put in place mechanisms to deal with material that leaks.

This amendment would let us help strengthen the export control regimes of countries that are the source of much of the weapons material. It is in our interest to help countries like Russia to keep weapons material inside their borders and out of international commerce.

The amendment also would strengthen our own border controls to help keep illicit weapons material out of the United States.

Finally, it would put in place a coordinated effort to ensure that the public safety personnel in communities across America know how to respond in the terrible event of a nuclear, chemical or biological incident.

I hope this contingency planning is never needed, but I support this amendment in case it is.

Mr. GLENN. Mr. President, I rise to express my intention to vote in favor of the amendment offered by my colleagues, Senators NUNN, LUGAR, and DOMENICI, concerning America's actions to alleviate threats to our country's security coming from Russia and from terrorists. This is important legislation, perhaps one of the most significant provisions in this entire bill, and I think it deserves some high praise and a few cautionary notes.

First, the praise. I cannot think of a better investment in America's security than working to reduce the number of weapons of mass destruction that could be targeted or used against our country. The assistance provided in this bill aims at enhancing the security of controls over materials in the former Soviet Union that are associated with such weapons, and reducing the amounts of these materials. It is to me without doubt a sound public investment.

The bill provides funds for improving the material protection, control, and accounting of materials that could be used in nuclear weapons—material that someday could otherwise either be illicitly exported to dozens of countries around the world or even targeted against the United States. It just makes sense to enhance controls over these materials.

The bill also provides funds for improving the means to verify the dismantlement of nuclear warheads, a functions that is vital if we are to have the confidence to proceed with deep cuts of United States and Russian strategic arsenals under the START process.

The bill contains a program aiming at the total elimination of the production of plutonium in Russian for use in weapons. I regret, however, that the amendment contains a provision (sec. 1332(a)(2)(C)) that also encourages Russia to convert this plutonium into nonweapons uses, which to me looks like a green light to a larger U.S. role in encouraging large scale stockpiling and transportation in plutonium for dubious commercial purposes. This is, in other words, a friendly pat on the back for the plutonium economy in Russia.

I am not at all confident that the United States, any of our friends in Europe and Japan, and indeed any country on earth—not just the countries in the former Soviet Union—has truly adequate capabilities not just to protect but even to track or account for the disturbingly large amounts of weapon-useable nuclear materials that are floating around the world in the civilian sector. This is not the type of trade we should be promoting, either directly or indirectly.

It is quite easy to stereotype this problem—as many of the findings of this particular amendment regrettably do—as one that is limited to Russia, rogue nations, rogue regimes, fanatic third world dictators, maniacal terrorists, and underworld gangsters. But the problem is of course much more complex than this caricature indicates. As I have stated many times before, the problem of controlling these materials and getting them out of world commerce is truly global in scope. Plutonium and highly enriched uranium can be made into devastating city-busting nuclear weapons even if they do not come from facilities in the former Soviet Union—the national origin of such materials is less significant than their potential availability for illicit uses and, surely, the ability of our country and international organizations to keep close track of the precise location and disposition of such materials.

If anybody of my colleagues doubts that the problem of tracking such materials is exclusively a Russian problem, I would encourage each and every Member to read closely the recent work of the General Accounting Office on this subject.

On December 27, 1994, GAO issued a report entitled, "U.S. International Nuclear Materials Tracking Capabilities Are Limited," which reached the following conclusions concerning the system—called NMMSS or the Nuclear Materials Management and Safeguards System—used by our government to track U.S. nuclear materials that are exported to other countries. Listen to what GAO had to say about America's own system for nuclear material tracking—

> The United States relies primarily on the NMMSS to track the nuclear materials exported to foreign countries. However, this system does not have all the information needed to track the specific current location (facility) and status of all nuclear materials of U.S. origin that are supplied to foreign countries. For example, the system does not track exported U.S. nuclear materials that are moved from facility to facility within countries, nor does it show the current status of the nuclear materials (e.g., irradiated, unirradiated, fabricated, burned up, or reprocessed). Thus, the NMMSS may not contain correct data on where (at which facility) these materials are located within foreign countries or on their current status.

Okay, so that was the situation in 1994. In August 1995, GAO released another report bearing a now-familiar title: "Poor Management of Nuclear Materials Tracking System Makes Success Unlikely." This report found that the Department of Energy, "has not implemented any of the recommendations contained in our prior report and has no plans to do so." According to GAO, "Due to its lack of sound planning, DoE does not know if the [NMMSS] system will fulfill the needs of its major users or be cost-effective."

Well how about 1996? On May 29, 1996, I received a letter from GAO commenting once again on the U.S. system for tracking nuclear materials abroad. Here is what GAO had to say: "We continue to believe that the nuclear materials tracking system is significantly limited in its ability to track nuclear materials internationally and that the replacement system faces a high probability of failure because it has not been completely developed and tested." This letter is available from GAO as document B-271592, 5/29/96.

Let us keep in mind what we are talking about here. The Department of Energy described the NMMSS system in a news release dated June 27, 1994, as follows: "* * * it is the official record used to maintain compliance with the Nonproliferation Treaty."

So are these limitations in America's ability to track nuclear materials of recent origin? Hardly. GAO issued a report on August 2, 1982—that is almost 14 years ago—bearing the title, "Obstacles to U.S. Ability to Control and

Track Weapons-Grade Uranium Supplied Abroad." Then on January 14, 1985, GAO issued another report entitled, "The U.S. Nuclear Materials Information System Can Improve Service to Its User Agencies," once again documenting numerous shortcomings in America's own system of nuclear materials accounting.

My point here is to emphasize that we should not be deluding ourselves that the amendment before us today will address the kinds of problem that GAO has been documenting or almost two decades in America's ability to monitor global—I repeat, global—tracking of nuclear materials. Scenarios involving so-called loose nukes just flowing out of Russia make for great speeches and play well in the media, but they offer just too simplistic an approach for understanding a vastly more complex and, once again, more global threat.

I would like to turn now to the second highly positive feature of this bill, its emphasis on the need for greater attention to the problem of domestic preparedness to cope with incidents involving the use or threatened use of weapons of mass destruction by terrorists inside the United States. This year's hearings of the Permanent Subcommittee on Investigations has adequately and competently documented the scope of this threat as well as America's lack of preparedness to deal with it. It may be that history will record that the sums provided in this bill to correct this problem were, if anything, inadequate to the job, given the magnitude of the challenges that lie ahead. Nevertheless, the authors of this legislation deserve credit for having spotted a key deficiency in America's responses to the global weapons proliferation threat and for taking some concrete steps to correct the problem.

I regret that the bill merely contains hortatory language about increasing the penalties for offenses relating to the importation, attempted importation, exportation, and attempted exportation of nuclear, biological, and chemical weapons materials or technologies. Even this hortatory language, moreover, does not include the Atomic Energy Act in its list of relevant laws that need to be reexamined. The Atomic Energy Act is the law that governs America's foreign trade in nuclear equipment and materials.

There is also nothing in this bill encouraging the Government to make use of the reward authorities that were created in the Nuclear Proliferation Prevention Act of 1994, which as I understand it, the State Department is reluctant to implement. In this respect, I would like to comment briefly on a letter dated March 18, 1996, that I have received from Mr. Andrew Fois, and Assistant Attorney General in the Justice Department, addressing the subject of the payment of Government rewards for information about illicit transfers of nuclear materials or nuclear weapons. My specific inquiry focused on the record of the U.S. Government in implementing the Atomic Weapons and Special Nuclear Materials Rewards Act of 1955. The Justice Department's response states that: "The FBI has not promulgated special guidelines addressing the payment of rewards for information pursuant to the Atomic Weapons and Special Nuclear Materials Rewards Act." The letter goes on to say: "The FBI is not aware of any previous payment of a reward for information relating to the illicit transfer of nuclear materials or weapons." Furthermore, the letter adds, "The FBI has not utilized the nuclear trafficking information rewards authority because the opportunity to do so has not arisen." The letter also indicates some concern that the act of offering rewards "might generate a 'market' which does not now exist, and would not resolve any existing problem."

It might come as somewhat of a surprise to most observers that the United States has not used a rewards authority which has been on the statute books for 41 years, almost as long as the entire existence of the Nuclear Age. I only hope that it does not take a catastrophic nuclear explosion or act of terrorism involving radiological weapons to inspire a reexamination of this longstanding Government practice of neglecting a potentially useful tool against both nuclear weapons proliferation and terrorism. I believe that rewards will have to play a role dealing with these threats.

It seems to me pretty ironic to watch all these heroic efforts now underway to enhance our preparedness to deal with future weapons of mass destruction threats here at home, without recognizing the need for the U.S. Government to obtain information about the nature of these threats. It is a regrettable fact of life, one that may well reflect a less admirable feature of human nature, that obtaining such information sometimes does require the payment of rewards.

The final subject I would like to address today concerns subtitle D of the bill, which will create a "National Coordinator for Nonproliferation Matters"—in other words, a de facto nonproliferation czar. I am not at all enthusiastic about this proposal and believe that its best feature might well turn out to be its sunset clause, which relieves the President of having such a post after September 30, 1999.

I do not dispute the need for greater coordination between the various agencies in many areas relating to nonproliferation policy. The recent hearings of the Permanent Subcommittee on Investigations, for example, revealed serious lack of coordination at both the Federal-State-local levels and at the interagency level. I suspect that one could add to this list, coordination between the Executive and Congress, or even the organization of Congress for dealing with these threats, but such topics were omitted from the scope of this bill.

I find it rather extraordinary that the so-called Committee on Non-Proliferation would be composed of such agencies as Commerce, Treasury, and the Federal Emergency Management Agency—but not the Arms Control and Disarmament Agency, the entity within our Government that has an explicit statutory nonproliferation mission. This amendment might have offered an excellent opportunity to enhance the role of ACDA in our Government, but instead the agency was not even cited in this portion of the amendment. I am very disappointed by the structure of this committee.

The function of the coordinator also gives me some serious concerns. Though the word "czar" is not used in descriptions of this office, it is an apt term. Nonproliferation, after all, is a unbelievably complex activity. It involves intelligence matters. It involves diplomacy. It involves export controls which touch upon—or occasionally are even driven by—commercial considerations. It involves extremely technical issues. It involves the weighing of competing values and policy priorities. It involves coordinating the activities of many diverse organizations throughout our Government and our military. It involves research and analysis. It involves a huge number of Government contractors, subcontractors, laboratories, think tanks, academic establishments, consultants, and the media. And it involves Congress.

So when we create a coordinator in charge of what we call nonproliferation we are talking about quite a lot—hence the notion of a czar.

With such an expansive authority, one would have perhaps expected that any such individual occupying such a post would be expected to be accountable to the public for that person's actions. But there is no provision in his bill for Senate confirmation of this official. Moreover, as a member of the National Security Council, it is doubtful that Congress could even succeed in inveigling such individual to come to Capitol Hill to testify on the activities of that office. Honestly, as a former chairman of the Committee on Governmental Affairs and present ranking member of that committee, I think it is absolutely essential for individuals inside our Government with such sweeping authorities to be held strictly accountable to Congress and the public.

Will the so-called coordinator prove to be a zealous advocate of commercial uses of plutonium? Will the coordinator come to this office with a disposition that proliferation only has military solutions? Will this coordinator place commercial considerations ahead of America's global nonproliferation treaty obligations? Will this coordinator take the view that proliferation is merely a problem dealing with so-called rogue regimes instead of a genuinely global threat? Will this coordinator simply be ignored by the current or future President by means of an internal organizational mechanism worked outside the NSC? Will this coordinator have adequate staff, budget, and control over budgets to give the individual the ability to perform the ostensible coordinating functions that the office is supposed to have under this legislation?

These are just some of the too-many unanswered questions concerning the nonproliferation czar.

Overall, however, I must support this legislation because of the good it does. I will work to address the shortcomings in this amendment the best I can and am optimistic that, without doubt, this legislation is in the overall interest of our country.

Mr. HARKIN. Mr. President, I commend my colleagues, Senators NUNN, LUGAR, and DOMENICI, for developing this amendment which is a good first step in addressing the principal security threat facing the citizens of the United States today. I am pleased to join them in sponsoring this important antiterrorism proposal. I have always been in favor of the wise use of taxpayers' funds and this amendment meets that test. We have to be prepared to combat terrorism.

Currently we have precious few means to deal with the threat of a terrorist attack of any kind, let alone nuclear, chemical, or biological terrorism. This amendment focuses on that vacuum.

Events from Oklahoma City to Tokyo show that there is a major security risk in the ordinary—a rental truck or a subway. Training local emergency officials to recognize the signs of weapons of mass destruction in these mundane circumstances will help prevent these insidious attacks in the first place. Further training will allow local officials to ameliorate the impact should such a tragedy occur.

Mr. President, this is the right amendment at the right time for the people of Iowa and the United States. If my colleagues care about protecting Americans on American soil, I urge them to support this amendment.

Mr. THURMOND. Mr. President, once again, I congratulate the Senators from Georgia, New Mexico, and Indiana, on their efforts to craft an amendment to authorize the establishment of an emergency assistance program to train and equip State and local authorities to respond to domestic terrorist use of weapons of mass destruction.

I want to reiterate my concerns with parts of the amendment that would increase funding and expand authorities for the Cooperative Threat Reduction Program, both in DOD and in DOE.

I trust that the sponsors will provide us with information on the justification for these new activities and the impact on the DOD future years defense plan and DOE as soon as possible. The sponsors submitted letters from the Secretary of Defense and the Secretary of Energy in support of this new initiative last night. I assume that the sponsors will provide us with copies of these two letters as well.

Mr. President, I have urged the sponsors of this amendment to consider a few recommendations that would enlist the assistance of the National Academy of Sciences in developing the emergency assistance program; that would specifically authorize a chemical-biologial emergency response team; and, that would specifically authorize funding for a regional NBC emergency stockpile from which the State and local authorities could draw in an emergency.

Lastly, I want to mention just a few other concerns I have with this amendment. There are no appropriations for these new initiatives. The amendment contains a broad transfer authority that would allow funds to be transferred from accounts within the defense budget, as well as from within the defense activities portion of the energy budget, for the two CTR programs.

I am also concerned with language in the amendment that would promote the import of foreign weapons-grade material to the United States for storage. Currently, the Department of Energy is not prepared, nor does it have the ability to accept more weapons-grade material.

Mr. President, once again, the efforts of the sponsors of this amendment are laudable. However, we are not merely talking about increasing funding for the two cooperative threat reduction programs. We are expanding the scope of activities within those two programs. I would ask the sponsors of the amendment to provide the committee with information on how much money Russia is contributing for these efforts?

The amendment broadens the authority of the program to include all the independent states of the former Soviet Union. However, the bulk of the funding in this amendment is specifically going toward activities with Russia.

I support the efforts of the sponsors of this amendment to combat terrorism. We need to provide assistance to our State and local authorities so that they are prepared to respond to terrorist incidents where weapons of mass destruction are used.

We will work together in the conference to enlist the support of the National Academy of Sciences, increase the funding for the emergency assistance program, and provide the regional NBC emergency stockpile.

Mr. FEINGOLD. Mr. President, I voted for the Nunn-Lugar amendment, but there are provisions included in that amendment that are quite troubling for me.

Obviously, like every Member of this body, I am deeply concerned about the need for the United States to be fully prepared to protect our people from the threat of terrorist attacks, particularly those involving weapons of mass destruction.

The amendment contains provisions to provide military assistance to State and local officials responsible for crisis management to deal with nuclear, chemical, or biological emergencies. This assistance includes areas such as locating, neutralizing, dismantling, and disposing of nuclear, chemical, and biological weapons, and generally supporting State and local preparedness to deal with potential emergencies in this area. I support these provisions as they take the proper approach of having the Federal Government provide training and technical assistance to local entities who might face these disasters.

I am also very strongly in support of efforts to reduce the worldwide threat of nuclear weapons getting into the hands of potential terrorists, and the amendment contains important provisions aimed at helping reduce these threats. In particular, the Nunn-Lugar program, which is aimed at dismantling of Russian nuclear warheads and converting the plutonium removed from those warheads into other forms that are not likely to be used for weapons is critical to reducing the threat of misuse of nuclear weapons from the former Soviet Union. The provisions in the amendment build upon and expand this program to help make this Nation and the world safer from this threat.

However, there is one section of the amendment that I do not support. Section 1313 of subtitle A of the amendment contains provisions relating to military assistance to civilian law enforcement officials in emergency situations involving weapons of mass destruction. I have long expressed my opposition to the concept underlying these provisions. This language is based upon provisions included in the antiterrorism bill considered by the Senate last year. When the terrorism bill was voted on in the Senate, I expressed my opposition to those provisions and indicated that I could not support such an exception to the posse comitatus law, the 1878 statute which limits the role of the military in domestic law enforcement activities. I fundamentally do not believe that we should give the military arrest powers within the United States. If the military needs to be involved in a domestic investigation, I believe that civilian law enforcement officials should be present and available to make any arrests needed. If authority is needed to detain an individual until a civilian law enforcement official arrives, arguments can be made for that authority, but that does not justify, in my view, granting a direct power to make an arrest by the military under any type of circumstances.

The amendment offered by the Senator from Georgia does make an improvement in the language considered last year. It provides that the military does not have the power to make such an arrest unless the action is considered necessary for the immediate protection of human life, and civilian law enforcement officials are not capable of taking the action. The provision relating to the unavailability of civilian personnel is a step in the right direction; however, I remain fundamentally opposed to the military taking a direct arrest role. Moreover, the decision as to whether a civilian law enforcement official is capable of taking action, under this amendment, would clearly be made by the military official involved. Thus, the military itself is vested with the decisionmaking power as to whether such an arrest should be carried out by military personnel rather than civilian law enforcement.

Although I support the other important provisions of this amendment, I want the record to show that for the reasons stated I do not support this provision which would permit the military to arrest individuals within the United States.

Mr. BIDEN. Mr. President, I rise as an original cosponsor of the proposed amendment by Senators NUNN, LUGAR, and DOMENICI to better protect our Nation against the threat posed by weapons of mass destruction. Here is a Defend America Act that we should all support because, unlike the bill which bears that title, this amendment responds to a clear and present threat.

In my mind, the possibility that weapons of mass destruction could be acquired by rogue states, criminal organizations, or individual terrorists and used against American targets is the single greatest security threat to our Nation in the post-cold war world. I commend my distinguished colleagues from Georgia and Indiana for their tireless resolve in exposing the potential magnitude of this threat, and for their diligence in crafting legislation that addresses it head on.

The legislative package has four important sections that together make up a comprehensive and strategic response to the threat of weapons of mass destruction.

First, the amendment would improve our domestic preparedness. This is really the last line of defense against weapons of mass destruction. In the horrible case that our prevention and non-proliferation efforts fail, we need to be prepared to deal with a biological, chemical, or nuclear emergency here in the United States.

The amendment includes an important counter-terrorism provision to authorize the Department of Defense to provide badly needed training and advice to local, State, and Federal officials. These are the men and women who would be the first to respond to a nuclear, chemical, or biological emergency.

The extensive hearings held by the Senator from Georgia earlier this year demonstrated that police and fire departments in our cities are not trained and equipped to detect or contain biological or chemical agents used in a terror attack. Indeed, local officials would be risking their own safety while attempting to respond to such an attack.

At present, only the Armed Services have the expertise and equipment needed in locating, neutralizing, dismantling, and disposing of such weapons or deadly material. Only the military can impart this desperately needed training on the urgent basis that it is required.

This bill, moreover, gives the Armed Forces the authority to actually assist law enforcement if, God forbid, we should ever face an emergency involving a chemical or biological weapon.

This is a provision that I worked hard on last year with Senator NUNN on the Anti-Terrorism Act. The provision was included in the Senate version of the act but taken out by Members in the House of Representatives. The Nunn-Lugar-Domenici amendment provides an opportunity to restore this important anti-terrorism measure.

Right now, the Armed Forces have the authority to provide assistance when it comes to a nuclear attack. But that authority does not extend to an emergency situation involving a chemical or biological weapon of mass destruction.

It should.

This is a carefully tailored provision. It doesn't give the military the power to make arrests or to conduct searches or seizures—unless necessary for the immediate protection of human life.

What it does is make sure that—if we were ever faced with such a nightmare—the people who are best trained, best equipped and most capable will be on the scene assisting our State and locals.

Mr. President, I want to make clear for the record that I intend to seek additional vehicles to restore the other two key provisions excluded from the Anti-Terrorism Act—those dealing with wiretapping and prohibiting information on the Internet about making bombs.

The second section of the Nunn-Lugar-Domenici amendment addresses our ability to interdict weapons of mass destruction before they reach U.S. soil. The Department of Defense would provide to the U.S. Customs Service specialized training and equipment capable of detecting weapons of mass destruction. Additional funds for the Departments of Defense and Energy would help develop new technologies to better detect such weapons and material.

Mr. President, the border controls throughout the former Soviet Union are notoriously weak. This amendment also seeks to assist the Customs officials of these countries in improving their ability to detect and interdict nuclear weapons or material.

The third area this amendment addresses is the need to continue the important work of the Nunn-Lugar programs that over the past 4 years have quietly worked to enhance the security of all Americans by dismantling nuclear weapons and protecting material at its source in the former Soviet Union. These prevention programs form our first line of defense.

Mr. President, in many ways the world has never seemed a safer place in which to live for our citizens. Our democratic way of life prevailed over totalitarian communist ideology in the cold war; Soviet nuclear missiles no longer point at American cities; we are the undisputed world power.

But these events should not give us a false sense of security. Russia and other States of the former Soviet Union are literally strewn with nuclear weapons and material. By some estimates there is at present enough nuclear material in the former Soviet Union to make over 100,000 weapons. It only takes a tiny fraction of this abundant supply, finding its way into the wrong hands to wreak unspeakable damage.

We also know that there is demand for such material by, among others, dangerous rogue States, such as Iran and Libya. Once they have secured the requisite nuclear material, the rest is relatively easy. Bomb designs are not difficult to find. Transport of a device to its intended target in an open society such as ours is painfully simple, as terrorists have demonstrated in New York and Oklahoma City.

The centralized Soviet system that prevented the possible theft or diversion of these tons of fissile material no longer exists. We regularly hear stories of nuclear facilities with no perimeter fences, no security monitors, and workers who have not been paid in months.

The key challenges before the United States and Russia are to develop an accounting system for all nuclear material in the former Soviet union, to physically protect this material in a limited number of sites, to safely dispose of excess nuclear weapons and material, to prevent theft and smuggling of nuclear material, and to prevent former Soviet nuclear experts from selling their know-how to rogue states or terrorists.

These are exactly the challenges that the Nunn-Lugar programs address. The Materials Protection, Control and Accounting Program has provided safe storage and security monitors at nuclear facilities in Russia. The Industrial Partnership Program has found productive employment for thousands of former Soviet technicians with the know-how to build nuclear weapons. These programs have proven effective and should be expanded.

Under the amendment, funds would be provided to the Department of Energy to verify the dismantlement of Russian nuclear warheads and convert the plutonium removed from the warheads. Funds also would be provided to convert the remaining three weapons-grade plutonium reactor cores in Russia. Clearly, such efforts are in the interest of the United States.

The fourth section of the amendment creates a nonproliferation coordinator, who will chair a committee on nonproliferation, and report to the President. The many levels of the threat posed by weapons of mass destruction do not fit neatly into our current bureaucratic structure. There are a plethora of agencies with some connection to the problem—including Justice, Energy, Commerce, Treasury—which do not immediately come to mind as traditional national security departments.

The coordinator would ensure a clear, comprehensive U.S. policy toward proliferation, terrorism, and global crime. By bringing together these diverse agencies to form a common policy, we will be able to use their specific strengths and expertise in combating the greatest security threat to our Nation.

I wish to add that although the amendment does not require it, I believe that the Arms Control and Disarmament Agency must play a central role in the coordinator's activities.

Mr. President, the question will undoubtedly be asked as to whether we can afford to add funds for these efforts? I believe that we cannot afford not to.

Over the last 5 years, funding for the Nunn-Lugar program has totaled $1.5 billion—an average of $300 million per year, or about one-tenth of 1 percent of our annual defense budget. The amendment today could lead to an additional expenditure of $235 million in the next fiscal year. These are meager sums when compared to the magnitude of the threat we face. This is not a give-away program for Russia and other independent states of the former Soviet Union. These expenditures serve our interests.

Mr. President, we are already on borrowed time. We are fortunate that an attack involving weapons of mass destruction has not yet occurred on U.S. soil. But we cannot continue to rely on fate to prevent the proliferation of these deadly weapons.

This amendment offers us a substantive means to act, prevent, and prepare against the menace of weapons of mass destruction. I urge its adoption.

Mr. NUNN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 4349. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri [Mr. ASHCROFT], the Senator from Missouri [Mr. BOND], and the Senator from Arizona [Mr. MCCAIN] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER (Mr. FRIST). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—96

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
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Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
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Kyl
Lautenberg
Leahy
Levin
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Lugar
Mack
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—4

Ashcroft
Bond
Bumpers
McCain

The amendment [No. 4349] was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—CLOTURE VOTE

Mr. LOTT. Mr. President, I ask unanimous consent that the cloture vote to begin immediately be postponed to occur later today at a time to be determined by the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, for the information of all Senators, it is the hope of the leadership the Senate can reach a consent agreement that will limit the number of amendments that remain in order to the DOD authorization bill.

While these negotiations are continuing and an effort is being made to identify the amendments that are serious and need to be offered and dealt with or voted on, we are trying to suspend the cloture vote to give us time to get this list worked up. If we can, then the cloture vote will not be necessary and could be vitiated.

So I urge the Senators to come forward now. It is Thursday morning. We would like to finish up before too late tonight, but if we do not, we will be here tomorrow.

Mr. THURMOND. I wish to thank the majority leader for the statement he has made, and I am in accord with him.

Mr. GREGG. Will the leader yield?

Mr. LOTT. I yield.

Mr. GREGG. Mr. President, I would like to note for the RECORD, Senators BOND and ASHCROFT were unavoidably absent at the last vote due to the attendance of the funeral of Congressman Emerson.

Mr. LOTT. I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, may I inquire of the Chair as to what the pending business is of the Senate?

The PRESIDING OFFICER. The pending amendment is the Warner amendment No. 4350.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Warner amendment be temporarily set aside.

Mr. NUNN. Mr. President, reserving the right to object—Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

Mr. PRYOR. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. The Senator from New Hampshire.

PRIVILEGE OF THE FLOOR

Mr. GREGG. Mr. President, I ask unanimous consent that Bill Parlett, a congressional fellow in my office, be granted floor privileges during the consideration of the Department of Defense authorization bill, S. 1745, and that immediately after the approval of this unanimous consent request we go back into a quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PRYOR. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank Senator PRYOR and Senator HELMS for their forbearance and consideration in allowing the quorum call to be called off. I promise that I will reinstitute the quorum call upon the completion of my remarks.

ALCOHOL INDUSTRY ADVERTISING

Mr. BYRD. Mr. President, this is a time when our Nation is working to curb alcohol abuse. I am troubled by a disturbing step backward by at least one member of the alcohol industry that I consider a significant threat to our society. There has been much recent opposition expressed by other Members of Congress to the Joseph E. Seagram & Sons Corp. blatant violation of a liquor industry advertising ban.

In 1948, the liquor industry in this country adopted a code of good practice, a self-imposed decision not to advertise distilled spirits products over the airwaves of the emerging radio and television technology. In the past 38 years that I have been a U.S. Senator, liquor companies have voluntarily complied with that agreement, abstaining from advertising on the influential mediums of radio and television—until now.

Earlier this month, Seagram Corp. began airing commercials for its Crown Royal Canadian Whiskey on a television station in Texas, defiantly breaking the industry's promise to our country, and self-indulgently putting sales dollars ahead of the future of our children.

I have long decried the quality of much of television programming. The overwhelming influences of television on our Nation have contributed mightily to the moral decay in our communities. No group is affected more by the irreverent programming than our children. In all too many homes, today's youth are reared by the "electronic babysitter." Studies show that the average child will view 25,000 hours of programming by the age of 18. While this broadcasting brew is already being polluted by commercials from the beer and wine industries, it is even more important to guard against mixing hard liquor ads into the cauldron.

The Seagram commercial not only defies the industry's own longtime agreement, but it also aims to appeal to a younger audience. The liquor advertisement portrays two dogs graduating from "obedience" school. One holds a mere newspaper, while the other carries a bottle of Crown Royal. The canine with the newspaper is labeled simply "graduate," while the other dog with a bottle of whiskey is titled "valedictorian."

In addition to the youth appeal of animal characters, the propaganda is further propelled by the background tune "Pomp and Circumstance," recognized as the music played at countless high school and college graduations this time of year.

I find it reprehensible that the Seagram Corp. would associate academic achievement with hard liquor. Think of it; associating academic achievement with hard liquor. How preposterous.

Alcohol is the No. 1 drug problem among young Americans—and some older ones as well. It is the leading cause of death and injury for teenagers and young adults. Drinking impairs one's judgment. And alcohol mixed with teenage driving is a lethal combination.

The Senate recently approved an amendment which I introduced that requires States to adopt a zero tolerance standard for drivers under the nationwide legal drinking age of 21. The zero tolerance law corrects a loophole to help ensure that underage drivers who register blood alcohol levels as low as .02 percent are subject to State imposed drunk driving sanctions.

This action not only will help to save lives—and it may be your life, and it may be your life, and it may be your life to save—but it will also serve to send a message, the right message, to our Nation's youth that drinking and driving just will not work.

I have been asked upon some occasions to participate in advertising that would say, "Do not drink and drive." I did not say "Do not drink and drive." I said, "Do not drink, period. Do not drink, period." There is nothing good in it. Alcohol consumption leads to a higher crime rate. It is a contributing factor in assaults, murders, and other violent crimes.

As a member of the West Virginia State Senate in 1951, I requested of the warden of the West Virginia Penitentiary that I be a witness at the execution of a young man by the name of James Hewlett. James Hewlett was from Fayette County, a neighboring county to my own county of Raleigh in West Virginia.

Hewlett had asked a cabdriver to take him from Huntington to Logan. On the way to Logan, Hewlett shot the cabdriver in the back, robbed him, dumped his body by the side of the road, and went on his own way with the cab. He was later apprehended in a theater at Montgomery, West Virginia. He was sentenced to die in the electric chair.

For months he rejected the idea of having a chaplain in his cell. But as the months and weeks and days went by, and Governor Patteson of West Virginia declined to commute his sentence, Hewlett knew that he was going to have to die, and he asked for a chaplain to be with him in his cell.

On this particular occasion, I drove from Charleston, the capital, to Moundsville where the West Virginia Penitentiary is located.

I asked the warden if I might go down and talk with Jim Hewlett in his cell. About an hour before the execution, I was allowed to enter the cell of Jim Hewlett. I shook his hand, and shook hands with the chaplain in his cell.

I said to Hewlett, "From time to time I speak to young people; Boy Scout groups, Girl Scout groups, 4-H clubs. I wonder if you might have a message that I can pass on to these young people as I have an opportunity to visit and speak with them around the State." He said, "Tell them to go to Sunday school and church." He said, "If I had gone, I might not be here tonight."

We exchanged a few more words. And as I was about to leave, he said, "Tell them one more thing. Tell them not to drink the stuff that I drank." "Tell them not to drink the stuff that I drank."

I have told that story many times to young people around my State.

"Tell them not to drink the stuff that I drank." Those were Hewlett's exact words.

I said, "What do you mean by that?" The chaplain broke in, and said, "You see that little crack in the wall up there?" He said, "If he were to take a drink right now, he would try to get through that little crack in the wall. That is how alcohol affects him."

I then said goodbye to Mr. Hewlett and to the chaplain, went on back to the warden's office, and at 9 o'clock he called us up to his desk. And he said, "We will now go over to the death chamber. If you have cameras leave them here. There will be no picture taking, and when the execution is over we will return here."

I witnessed the execution.

Several years later I was in the northern panhandle of West Virginia, and someone suggested to me that I go down and see the local priest who was very ill. I did not know the priest. I did not recognize the name. It was Father Farrell. So I got the directions and drove down to see Father Farrell. He was very ill. But we talked a little while.

And how I came to tell this story, I do not know how it occurred to me to tell this particular story. I had never seen Father Farrell before, to my recollection. So I told the story, and he listened very carefully. When I had finished telling the story of witnessing this execution and having visited the cell of Jim Hewlett prior to the execution, Father Farrell said, "Yes. That is the way it was. You see, I was the chaplain in the cell that night when you visited Jim Hewlett," which shows that there is, indeed, a wheel that turns, and we never know when we will see someone in later years whom we have met before, perhaps in some distant land and different clime.

The point here is that this young man, who stood staring death and eternity in the face, said, "Tell them not to drink the stuff that I drank."

So alcohol consumption leads to a higher crime rate. It is a contributing factor, as I say, in assaults and murders and other violent crimes. It was a contributing factor in the crime that was committed by Jim Hewlett. It leads to numerous health problems as well as to the gradual death of habitual drinkers. Oftentimes, it leads not only to the death of the drinker but leads also to the death of someone else—an innocent mother who is driving a car—perhaps, with some children in the car with her. Oftentimes, the intoxicated driver escapes without injury or ends up with only a few bruises after he has killed someone else.

An individual of legal drinking age makes his or her decision to drink, but surely it is careless to impose messages relating valedictorian status—how obnoxious, how obscene, is such a statement—impose messages relating valedictorian status with whiskey and to broadcast these messages through the seducing medium of television.

My concern is for the future quality of life of the citizens of this country. Television's impact on our society is already excessive, bombarding viewers with scenes of violence and obscenity.

Results of one study found that, on average, by the time a child reaches the seventh grade he or she has already been exposed to more than 100,000 assorted acts of violence. And while, in my own estimation, television industry executives have largely failed to exercise proper responsibility for the quality of their shows—as a matter of fact, there are very few shows that have any quality at all, any positive quality; they have, instead, a negative quality—I do give them credit today because, since the ban, the three major broadcasting networks have thus far refused to run hard liquor advertisements, and I encourage them to continue this prudent policy.

The liquor industry's trade association, the Distilled Spirits Council of the United States, claims that the advertising ban is outdated, old fashioned, and is a throwback to Prohibition era concerns. But distilleries know as well as I know that television has grown increasingly influential in our society, which makes the code of good practice ban more important than it ever was.

As a nation that purports to care about the health, safety and well-being of its people, and as a nation that spends billions of dollars every year on the health care of its people, the very least we can do is to try to address the dangers of alcohol by discouraging the early drinking that often results in later addiction, alcohol dependency, or even more unfortunate consequences.

It is dangerously irresponsible for liquor companies to merchandise their vices using the influential power and looming ubiquity of television. Shame. Shame on the Seagram Corp.—shame on the Seagram Corp.—for defying its own agreement with the people of this country.

I urge every member of the liquor industry to comply with the 48-year-old decision to keep liquor ads off the airwaves—off the airwaves. The health, the well-being, and moral character of our Nation far outweighs the profit that might be generated from broadcast advertisements peddling hard liquor.

Mr. President, "Tell them not to drink the stuff that I drank."

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. INHOFE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I say to my colleagues, this is only for a speech, after which I will put the quorum call back in.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

PRIVILEGE OF THE FLOOR

Mr. NUNN. Mr. President, I ask, on behalf of Senator HARKIN, that Kevin Ayelsworth be accorded the privilege of the floor during debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SAVANNAH RIVER SITE

Mr. NUNN. Mr. President, I would like to take this opportunity, while we are in the process of trying to work matters out, so we do not waste the time of the Senate, to discuss the future of a facility that has long been a key component of our Nation's security, the Department of Energy Savannah River Site. I know my colleague, the chairman, the Senator from South Carolina, has been a devoted supporter of the work being done there for a long time.

Located on the Savannah River in South Carolina along the Georgia/South Carolina border and known locally as just Savannah River, this site is 16 miles from Augusta, GA, and 12 miles from Aiken, SC. The Chairman of the Senate Armed Services Committee, Senator THURMOND, and I have worked together for over 23 years on issues related to Savannah River. He has really been the leader here. We have teamed together over the years to insure that the Savannah River complex meets the Nation's national security needs. Today, I want to address the future of that complex.

The end of the cold war and the signing of two landmark strategic arms reduction treaties will produce dramatic reductions both in the future role of nuclear weapons in our Nation's national security planning, and in the size of our nuclear weapons stockpile. Moreover, the building momentum toward a comprehensive test ban treaty, if it occurs, could eliminate the design and production of new nuclear weapons with new military requirements. Thus, the Department of Energy has begun to reduce the size and complexity of its nuclear weapons production facilities. As part of this process, the Savannah River Site must adapt to the changing national security picture, and must broaden its long-standing focus beyond the production of nuclear weapons materials.

At the close of World War II, the United States was the only nation in the world with the technological capability to design and build nuclear weapons—weapons which became an essential element of our national security and deterrent posture. In the early years of the Atomic Age, the technology was crude and the materials needed for these weapons were scarce. To remedy this situation, the United States embarked on a massive post-war effort to develop a nuclear weapons production complex that could design, test, build, modify, and disassemble nuclear weapons on an industrial scale, and that could produce all the necessary materials, such as plutonium, highly-enriched uranium, and tritium, in the quantities needed to support such a program. In the 1950's, the Atomic Energy Commission, built most of what we know today as the nuclear weapons production complex. This complex, scattered among 13 States and located on thousands of square miles, produced tens of thousands of nuclear warheads over the last half-century. These warheads were the very foundation of our deterrence strategy that, to date, has worked with no weapons being used—and thank God for that.

One of the major facilities of the nuclear weapons production complex is the Savannah River Site. Savannah River consists of over 300 square miles on what was originally farmland in rural South Carolina. This land was acquired by the Atomic Energy Commission from over 1,600 individual owners. Once acquired, the land was taken over by an army of construction workers. Building the facilities was a tremendous task that included relocating a small town. Even today, the remains of house foundations, sidewalks, and streets can still be seen.

Most of the original production facilities at the site were built in just 2 years. These included: five nuclear materials production reactors; two areas for reprocessing and recovering the materials produced in the reactors; facilities for heavy water production; reactor fuel and reactor target facilities; and a large number of support facilities.

E.I. du Pont Co. was asked both to build and to run the facility. Du Pont accepted the challenge, and for the sum of $1 per year, du Pont constructed and then operated Savannah River for 40 years. Today, a subsidiary of Westinghouse runs Savannah River for the Department of Energy.

Over the last half-century, Savannah River and its 20,000 employees have played a major role in winning the cold war. But that confrontation is now over. As a result, Savannah River, like so many other defense facilities, must find new roles and a new future. What is the future of the Savannah River and what new missions are possible? How can the Nation best utilize the Savannah River Sites—unique talents of its skilled work 'force and its large and easily accessible physical plant? How can Savannah River draw on its history, its skills, and lessons learned to make a substantial contribution to our national security for the next 50 years? These questions are important to the Department of Energy, the Department of Defense, the communities in Georgia and South Carolina affected by the Savannah River complex, and, of course, those dedicated employees who work in that facility.

I believe that there are at least three new and challenging missions for Savannah River: a cleanup technologies mission; an energy and environmental research mission; and a new national security mission.

First, the Cleanup Mission. Over the past 50 years of operation, the Department of Energy's nuclear weapons production complex has generated enormous amounts of waste materials. This has led to extensive environmental contamination of the 17 facilities in 13 States that make up the complex. The challenges facing the Department of Energy as it moves to clean up this complex are enormous. Neither the exact cost nor the timetable for this cleanup is known, but most estimates have been in the hundreds of billions of dollars range, over decades of activity.

Today, cleanup is complicated by the absence of agreed, legally-binding cleanup standards. No one knows for sure what clean really means, or how much cleanup is enough. Identification of the extent of the contamination is difficult, and most technologies for cleanup are either time-consuming, expensive, and not terribly efficient, or not yet invented, or some combination of the above.

The Department of Energy has set a 30-year goal to complete the cleanup, but the former Office of Technology Assessment [OTA] suggested that that goal was unreachable. The OTA also found that, quote:

> The current regulatory process is not sufficient to identify effectively urgent health-based remediation needs or to comprehensively identify public health impacts.

Thus, it is virtually impossible to make a reasoned assessment as to what should be cleaned up immediately and what can wait. In the absence of agreed cleanup standards, the political process tends to set priorities for cleanup funding—and this is not simply at Savannah River but throughout the whole Energy Department; it is one of our biggest problems—according to the squeaky wheel principle, rather than based on scientific and immediate needs.

The success of Savannah River as one of DOE's production sites has not been without its costs. Like most industrial sites, and the other sites in the nuclear weapons production complex, Savannah River generated many waste streams from its operations, including large amounts of toxic, hazardous, and radioactive wastes in a variety of forms. Some of these materials were stored on-site, and some were disposed of at the site. Other wastes were simply discharged into the on-site environment. In some instances, the practices employed were fully acceptable at the time; in other instances, the urgency of production to meet cold war threats meant that little thought was given to the long-term consequences of certain production, storage, and disposal practices.

Over time, huge amounts of hazardous wastes were generated and stored because there was no known method either to treat or to dispose of the waste. Unfortunately, when existing storage sites were filled, the usual practice was to build more waste storage areas. Little thought and less money went to identify ways to treat or dispose of the waste and to reduce the amounts of waste in storage. Thus, wastes continued to accumulate over the years. Today, Savannah River stores, in underground tanks, more than 34 million gallons of liquid, highly radioactive waste—enough to cover nearly 120 football fields 1 foot deep.

The good news is that, earlier this year, DOE achieved startup of the Defense Waste Processing Facility at the Savannah River site. This new plant takes those highly radioactive liquid wastes from the tanks, mixes the waste with melted glass, and molds the cooled waste in glass cylinders glass logs. Although the glass logs are also highly radioactive, they are easier to handle, and ultimately transport to a high-level waste storage facility. The added advantage is that compared to the tanks, they will not leak. This process is known as "vitrification."

I am pleased that this new plant has finally started operation; it is a badly needed addition to cleanup technology. In this year's defense authorization bill, we have authorized an additional $15 million to accelerate the rate of production of the glass logs at this plant. At DOE's proposed long-term funding levels and planned operating rate, it would take until the year 2028—that is over 30 years—to vitrify just the liquid wastes stored in the tanks today. In my judgment, that is too long to have to rely on storage in underground tanks. It is my hope that future Congresses will fund this plant for operation at its maximum design rate, in which case, the storage tanks could be emptied about a decade sooner.

Another of the potential cleanup missions for the Savannah River site has come into focus with the recent brief run of the H-canyon reprocessing facility. The H-canyon was restarted in order to reprocess an accumulation of surplus materials left throughout the plant complex when operations were suspended, supposedly temporarily. This brief operation of the H-canyon has removed radioactive and hazardous materials from numerous areas across the site and consolidated it with already stored waste. This has reduced hazards across the complex, improving worker health and safety in many plant locations.

Last year, the Secretary of Energy announced that the Savannah River site had been designated to receive shipments of highly radioactive spent fuel from a number of foreign research reactors to which we had provided new fuel many years ago. This decision means that Savannah River will become a so-called temporary storage site for additional quantities of spent fuel. On nonproliferation policy grounds, this administration has refused to reprocess either this returning research reactor fuel or the large accumulation of spent fuel from the old reactors on site. Yet, I do not believe that we can allow the Savannah River site to continue to accumulate spent fuel while we wait—and wait—and wait—for some ultimate long-term spent-fuel storage plan to emerge.

There are other options, and those options need to be addressed. Obviously, one option would be to begin reprocessing of spent fuel stored at Savannah River, followed by vitrification of the resulting liquid waste streams at a second Defense Waste Processing Facility. A second facility would be a necessity. Even at full capacity, the DWPF plant that just opened will take too long, in my judgment, to rid the site of the already stored liquid wastes, with all their hazards of leakage and accident. We dare not add to those risks by reprocessing spent fuel, and then storing new liquid wastes in the old tanks being emptied. I believe DOE will soon have to consider seriously this reprocessing option. The administration will also have to carefully weigh the impact of reprocessing on U.S. nonproliferation policy against the growing reluctance of States and their citizens to be burdened with additional radioactive and hazardous wastes, particularly when brought from abroad, and this is certainly true in Georgia, and I think also in South Carolina.

Savannah River faces a massive cleanup challenge, apart from the liquid storage challenge. In just the last 2 years, the Energy Department has spent over a billion dollars at Savannah River on environmental restoration and waste management activities. Between 1991 and 1997, it will have spent between $3.5 and $4.5 billion for cleanup activities at Savannah River. Unfortunately, much of this money will be spent on managing the storage of the accumulated wastes, not on cleaning up waste sites. These funds are just the tip of a total cleanup iceberg at Savannah River that will probably take decades—and additional billions of dollars—to complete.

In carrying out this long-term cleanup, we need to focus on more than the ultimate goal of restoring the land and water at Savannah River to a more acceptable condition. We also must focus on developing more cost-effective technologies with which to carry out the cleanup in future years. This is enormously important. If we do not develop new technologies, there will not be enough money in the Treasury to clean up all this, plus the other sites all over the country. From the perspective of cleanup technologies, Savannah River is already ahead of many of the other Department of Energy facilities. For that reason, Savannah River has the potential to make positive contributions, not only to ongoing cleanup activities at other sites, but also to new waste treatment technologies that will allow us to avoid a repeat of the experiences of the last 50 years.

For example, horizontal drilling methods, borrowed from the oil drilling industry and used at Savannah River, have succeeded for the first time in removing volatile contaminants from soils. This project was so successful that the Department of Energy was able to remove the contaminants 11 times more quickly than by previous cleanup methods.

Much of the hazardous material contaminating Savannah River is not radioactive. The nonradioactive hazardous materials are for the most part solvents and other materials commonly used in industrial operations. Savannah River has been, and should continue to be, a test bed for new, innovative cleanup and waste treatment methodologies. Industry does not have the same ability and latitude as Savannah River to develop and test innovative cleanup and waste treatment technologies. This unique Savannah River capability should be fully utilized.

The requirement to clean up the water and the land at Savannah River also presents the opportunity to develop new, environmentally sound, manufacturing and waste treatment technologies. The development of an environmental restoration and waste management research center at Savannah River would contribute significantly to increased efficiency in remediation technologies. Development of environmental technologies like these would greatly assist the United States in restoring its reputation as the world's environmental leader.

THE ENVIRONMENTAL AND ENERGY RESEARCH MISSION

When Savannah River was under construction in the 1950's, the AEC was concerned about the safety of the surrounding population, particularly in the event of an accident. As a result, the reactors and other production facilities are located in the center of the site, and occupy only 5 percent of the total site area. Surrounding these production facilities is a large, relatively untouched natural area. This buffer zone, designed to protect the public, has also protected a broad array of wildlife, including five currently endangered species.

The seeds of change to support an environmental and energy research mission were planted back in 1972 when, to protect this rich buffer zone, the AEC designated the Savannah River site as the Nation's first national environmental research park. Today, Savannah River is home to the Savannah River Ecology Laboratory, a major environmental research center operated by the University of Georgia. The laboratory should serve as one foundation for this major new and positive mission for Savannah River. The physical attributes of the site, coupled with the unique expertise of the Savannah Ecology Laboratory, make Savannah River an ideal choice for energy and ecology research.

Mr. President, development of environmentally sound energy sources is one important key to the ability of the United States to remain competitive in manufacturing. Greater energy independence is also critically important to our national security interests. Environmentally sound, renewable energy production can simultaneously reduce the Nation's dependence on foreign oil and ensure that we need not risk exploring for oil in environmentally sensitive coastal and offshore areas.

Savannah River's size and location make it a unique site in the southeastern United States for development of solar energy research, for clean coal research, and as a possible research park for nuclear power and the next generation of nuclear power reactors.

The Ecology Laboratory is a leader in the study of radiation and its effects on the environment, and thus is a natural player in the quest to identify environmentally sound energy sources. This special capability, coupled with the exceptional technical skills of the Savannah River work force, presents a rare opportunity for environmentally sound energy research.

THE NATIONAL SECURITY MISSIONS

The third mission, of course, is the national security mission. In the search for new missions, Savannah River must not lose sight of its traditional national security mission, which will continue for the foreseeable future. But this mission must be carried out in an environmentally sound manner.

The continuing national security mission for Savannah River is built around tritium. Tritium is a key ingredient in U.S. nuclear weapons. Tritium gas decays over time, and, thus, the tritium in our nuclear weapons must be replaced at regular intervals. Tritium formerly was produced in reactors at Savannah River, but tritium production ended with the shutdown of those reactors in the late 1980's. Since the number of U.S. nuclear weapons has been declining as a result of START agreements, Savannah River has been able to recover and recycle the tritium from retired nuclear weapons. This recovered tritium has then been reused in the weapons remaining in the stockpile. These efforts have allowed the United States to postpone new production for some time. But that time will run out in the next few years.

New production of tritium will be needed early in the next decade, possibly as early as 2005. That means that a source of new tritium production must be identified in the next year or two. As a Nation, we must ensure that, once the current excess inventory of tritium is depleted, we have in place a new, safe, and highly reliable source of tritium. With its special tritium-handling capacity, newly constructed tritium handling facilities and longstanding expertise, Savannah River will remain a key player in preserving our nuclear arsenal.

Location of an accelerator for new tritium production capacity at Savannah River would be a natural and logical complement to the existing tritium handling and loading capacity already located there.

Another feasible, and probably more cost-effective, option would be to produce tritium in an existing commercial reactor, either through purchase of irradiation services or through purchase by DOE of an existing commercial reactor, to be operated by a contractor. In this option, the tritium targets would be shipped to Savannah River, where it would be recovered and made ready for the inventory. If this option were selected, Plant Vogtle, owned by the Georgia Power Co. and located directly across the Savannah River from the Savannah River site, would be a leading candidate. DOE will select the technology for new tritium production at the end of 1998.

All of these options have to be weighed both to their advantages and disadvantages.

In the meantime, the DOE has to develop a nearer term contingency capability in the event of a national emergency. This contingency capability will be provided through the use of commercial reactors. Expanded tritium extraction capability will have to be constructed at Savannah River to support this contingency capability. The Defense Authorization bill reported by the Senate Armed Services Committee contains funding to begin the design process for this new tritium extraction facility.

In the years to come, whatever technology is selected in 1998 by the Department of Energy, Savannah River will continue to play the lead role in ensuring that all nuclear weapons remaining in the United States inventory have an assured supply of tritium.

Savannah River should also play a new role in an emerging area of national security. The end of the cold war and the negotiations of new arms control agreements means that both this country and the Russian Federation are about to embark on the most massive drawdown and dismantlement of nuclear weapons in history. This process introduces new problems for the weapons complex. As nuclear weapons are dismantled, the fissionable materials remaining—plutonium and uranium—must be safely and reliably accounted for and stored pending permanent disposal. Long-term storage of these materials raises a number of environmental, proliferation, as well as, of course, political issues. Of course, these issues are extremely difficult.

New, innovative, peaceful uses for these fissile materials, particularly plutonium, must be developed. Savannah River, long a production site for plutonium, has the specialized skills to help identify methods to account for, to use for nonweapons purposes, or to destroy plutonium. Savannah River should play a key role in the dismantlement process through the identification, development, and demonstration of reuse and/or destruction technologies for plutonium. This is quite a challenge, but the challenge must be met.

NEXT STEPS

Savannah River's new course must emerge over the coming years. A new course for the Savannah River site can only be successful with the participation and support of the communities surrounding the site, the States of Georgia and South Carolina, the Department of Energy and its operating contractor, the environmental and regulatory communities, and the Congress. I have outlined this morning a number of suggestions for the future of the Savannah River site, and I look forward to working with all of these important players, and particularly with the chairman of this committee, Senator THURMOND, who is an expert and really understands the challenges there, in defining, shaping, and implementing the future missions of the Savannah River site—"The second 50 years."

Mr. President, that completes my remarks. In accordance with my agreement, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, if no other Senator is desiring to take the floor at this particular moment, I would like to speak on an amendment that I have filed at the desk but do not plan to offer until the current matter is resolved.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 4363

Mr. ROBB. Mr. President, the amendment that I have filed at the desk is number 4363. It is designed to bring more discipline to the manner in which we authorize and appropriate military programs. Each year we receive from the administration a request for authorization of defense programs for the upcoming fiscal year. That request is the product of a lengthy and thorough process at the Department of Defense, Department of Energy, the Office of Management and Budget, the White House, and many other Federal agencies, to forge the best military force possible in the face of some rather severe fiscal constraints.

The process of building DOD's budget is an enormously complicated process. It is unique in scope among Government departments. It involves at least 2 years of preparation explicitly for one fiscal year's budget submission. It involves hundreds of thousands of manhours by experts throughout the defense community. It involves careful analysis, computer modeling, war-gaming, tradeoffs, and compromise. It is not a process that we in the Congress should take lightly. We have extraordinary expertise here in the Senate among both Members and staff, but I believe we would be naive to ignore the complexity and delicate nature of maintaining a defense program that best serves the national interests.

Mr. President, I am not suggesting that we defer carte blanche to the Department of Defense. I am suggesting that we exercise considerable caution in making significant changes to the request, especially in the areas of military equipment and construction, areas where Members are particularly inclined to make adds which may have nothing to do with national security.

Mr. President, this year alone the committee has added more than $13 billion to the administration's fiscal year 1997 request. I support most of that increase because I believe we are not doing enough to modernize and replace our aging weapons inventory. I am very much concerned that too much of that increase, almost $2.2 billion by one estimate, involves programs not requested by the administration, not mentioned by any of the services in their so-called wish list for priority items that did not make the budget request and not even a part of DOD's long-range 5-year plan.

To this effect, I am offering this sense-of-the-Senate resolution, along with the distinguished Senator from Arizona, Senator MCCAIN, that urges the Senate, to the extent practicable, to authorize military equipment and to appropriate military equipment only if that equipment is, first, in the administration's request; or second, in the long-range plans of the Department of Defense; or third, in a supplemental request issued by the Office of the Secretary of Defense, the military departments, the National Guard Bureau, or the Reserve chiefs, after the initial request is made.

If an item meets one or more of these criteria, we would be assured that at a minimum it is something that the military believes that it needs either now or in the future if more funds were available. If an item cannot meet these minimal criteria, then I think at the very least it deserves very careful and critical examination.

Mr. President, this amendment, when formally offered, does not state that the Senate should never authorize requests that did not meet these criteria. I am not urging that we advocate our legislative responsibilities by deferring without question to the Department.

Indeed, the reason I voted against the amendment offered yesterday that would have deleted all spending not specifically requested by the Department is that I thought it could be interpreted as a complete abdication of legislative responsibility, and I did not want to go that far.

Rather, the amendment that I have filed at the desk calls for the Senate Armed Services Committee to include a separate section in the committee report, and it will be amended to include similar language to affect the appropriating committee, that would provide a detailed national security justification for any equipment that does not meet the criteria.

The amendment also calls for a separate section in the Armed Services Committee report, justifying any military construction projects that do not meet the military construction project criteria that was set forth by my good friend from Arizona in the fiscal year 1995 defense authorization bill. Similar language will be inserted to effect the appropriations process.

Mr. NUNN. Will the Senator yield?

Mr. ROBB. Mr. President, I am happy to yield to the Senator.

Mr. NUNN. I have not studied the amendment, and I would like to look at it more. I suggest, and I believe the Senator may have said this, if this applies to the authorization committee, it certainly should also apply to the appropriation committee.

Mr. ROBB. Mr. President, I say to the distinguished Senator from Georgia that the current language does not, but I have included in my remarks an intent to modify the amendment when formally taken up so that both the authorizing and the appropriating committees would be affected by the language. It is very much in concert with the intent long expressed in the leadership provided by the distinguished Senator from Georgia and many others who have worked long and hard with the military committees, both the authorizing and the appropriating committees.

Mr. President, the criteria that I am referring to, the inspiration for this particular amendment, call for the Senate to authorize only those military construction projects that are in the request in the DOD's future years defense plan and that meet other important criteria or similarly are affected by the appropriations process. Those criteria have already served the national interest well by substantially curtailing the authorization of construction projects not requested by the department.

In an era when defense dollars are becoming tougher to find, while our sources are stretched thin overseas, it seems to me critical that we exercise extraordinary prudence and foresight in avoiding the expenditure of taxpayer dollars for purposes other than those recommended by the Department of Defense. By highlighting these items in the committee report, we increase the visibility of these add-ons and ensure that they are fully justified in and evaluated by the Congress and the public at large.

Let me be clear, Mr. President, all of us have at one time or another requested projects that do not meet the criteria established in this amendment, myself included. But if these are projects that we feel strongly about in terms of their national security value, we ought to be prepared to have those items highlighted as adds in the committee report and defend them on their merit.

Let me make a comment about the National Guard and Reserves. We are all aware of the DOD's perpetual unwillingness to adequately fund Guard and Reserve equipment and military construction accounts. Too often, without congressional leadership, the Guard and Reserves would be using outmoded equipment and operating out of tents.

The criteria set forth in this amendment include any requests from the National Guard Bureau and the Reserve components. In addition, much of the Guard and Reserve equipment and military construction we authorize each year is, in fact, in the future year's defense plan of the Department of Defense, but we just do not see it.

To remedy this, I introduced an amendment, along with my distinguished senior colleague from Virginia, Senator WARNER, that was agreed to yesterday to require in permanent law the submission to Congress of the DOD's future plan, or FYDP, for the Guard and Reserves. The DOD is currently required to submit its FYDP only for the active forces. That amendment will, at a minimum, allow the Congress to make more informed judgments about what should be added for Guard and Reserve forces.

All of the men and women of our Armed Forces—active, Reserve, and Guard—deserve to have equipment and facilities that meet their needs. In short, Mr. President, we owe it to them to avoid authorizing those items that the Department of Defense has shown no interest in now or in the future, or appropriating those items which the Department of Defense has shown no interest in now or for the future, and to have the courage explicitly to highlight debate and justify any such items that we decide to go ahead with and authorize.

With that, Mr. President, at the appropriate time, I will modify the amendment at the desk, and I will urge its adoption. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

1996 ATLANTA OLYMPIC GAMES

Mr. NUNN. Mr. President, over the course of recent weeks, there has been growing interest and excitement in the 1996 Atlanta Olympic games. This has been highlighted by the Olympic torch relay across the country and here at the U.S. Capitol last week. It was further enhanced by the electrifying record-breaking runs at the Olympic trials held this past weekend. The Centennial Olympic games begin in less than 4 weeks and will be held principally in Atlanta. However, additional venues are scattered throughout the State of Georgia as well as Florida, Alabama, Tennessee, and the District of Columbia.

All in all, more than 10,000 athletes and 2 million spectators from around the world will participate in the games, making this event the largest peacetime gathering in history. By comparison, the Atlanta games will be approximately twice the size of the Los Angeles Olympics in terms of the number of participants and spectators.

In addition, Atlanta will host athletes from 197 countries around the globe. That is an additional 57 countries from those 140 which participated in the 1984 games.

To give my colleagues a point of reference, particularly for the football fans among them, the Atlanta Olympic games will be the equivalent of one city hosting six Super Bowl games each day for 17 days straight.

So it is a Super Bowl times six each day for 17 days. That is quite an undertaking.

Not surprisingly, such an event as the centennial games is too big for any single municipal or State government to take care of the safety and security without appropriate help from the Federal Government.

Those who won the selection of Atlanta as the Olympic venue understood at the beginning that they would be responsible for providing the cost of putting on the games, and they are spending about $1.5 billion to do so. They should not and did not, however, plan to pay the bill to guarantee the security of millions of visitors from all over the world and all of the athletes in an era of terrorism. In the era of modern terrorism, safety for an event of this type simply cannot be guaranteed without help from the Federal Government. So if you remove the Federal Government from the scene, there would be no venue in America, in my opinion, that could host international games, certainly not of this magnitude.

Mr. President, I support appropriate Department of Defense assistance for the Atlanta Olympics. My friend, Senator COVERDELL, and I have supported this funding, and we have done so vigorously, and many of our colleagues, in fact a vast majority on the floor of the Senate and in the House, have joined us.

This is not simply because it is Atlanta. I supported similar funding and support for the Olympic games at Lake Placid in 1980 and Los Angeles in 1994, the PanAmerican games in Indianapolis in 1987 and the Special Olympics in New Haven in 1995, as well as other international contests hosted by the United States. It simply has to be done. It is one of those elements of national security that is very, very important, and it must be defined as national security because no city or State can possibly deal with the kind of threats of terrorism we have in the world today.

For events of such magnitude, the Congress has long authorized the use of military personnel and equipment—in carefully prescribed circumstances—to be used in support of these events. In some cases, this support requires full reimbursement, and in some cases—such as security activities—there is no reimbursement requirement. For the Atlanta games, Federal support for the Olympics and Paralympics has been a bipartisan effort from day one under the Bush administration. This bipartisan effort has continued through the years as the Congress has provided the appropriate authorization and appropriation to support the games in both Republican and Democratic administrations, both Republican and Democratic Congresses.

Unfortunately, there have been a number of glaringly inaccurate or misleading reports about support provided to the Atlanta Olympics.

I think it is important, before we have an Olympic amendment which we are going to have which hopefully will be worked out, it is important to have some background here because our friends in Utah, Senator HATCH and Senator BENNETT, are going to be faced with the same kind of challenges in terms of security in the years ahead as they prepare for the Winter Olympics which has already been awarded to that State and to our country.

Some of these accounts have questioned in particular the appropriateness of Department of Defense personnel and equipment being used to provide security and security-related support for the Atlanta Olympic games.

I realize that an important part of our democracy is public scrutiny of government actions. Elected officials and others in government must be held accountable for their actions. It is entirely appropriate for the public, the news media, and Members of Congress to ask the tough questions about stewardship of public funds and resources.

However, the media and the Congress have a responsibility to provide the public with facts—not half-truths, innuendo, and unsubstantiated opinion without factual foundation. Given the numerous inaccuracies contained in many of the media and congressional statements regarding the Olympics, I rise today to provide what the news commentator Paul Harvey called the rest of the story.

In 1991, Congress authorized the Department of Defense to provide personnel and logistics support for the Centennial Olympic games as well as the Paralympics—the inspiring competition of some 4,000 disabled athletes from 102 counties who have overcome a handicap to become a world-class athlete. Believe me, these are, indeed, world class athletics. The Paralympics take place 11 days after the conclusion of the Olympics, although they are not under the direction or direct auspices of the Atlanta Committee for the Olympic Games [ACOG]. In other words, they are not under ACOG, but it will take place in many of the same venues and will be in the Atlanta vicinity.

Taxpayer-funded DOD support for the Olympics is provided for functions to protect the safety of participants and spectators in four States and the District of Columbia. Requests for DOD services have been jointly compiled over a 4-year period of study by security personnel and others representing over 50 local, State, and Federal Government agencies. The DOD and the military services reviewed these requests and accepted only those they considered appropriate for security and security-related support. DOD can provide non-security support for special events on a reimbursable basis—and, DOD is doing so for the Atlanta Olympic and Paralympic games. Where DOD has a unique capability not readily available elsewhere they have been providing some of the support on a reimbursable basis.

This is not a comprehensive list of everything that has been said, but it is my best effort to deal with some of the more egregious accounts or distortions that I have come across about the Olympics and the Paralympics and the facts that respond to these allegations which have been, in some cases, misleading and in other cases completely false.

This is an up-to-date list as of today, but I must say the critics of the Atlanta Committee on the Olympic games seem to come up with new allegations as fast as old ones are refuted. Let me just deal with a few of them today because I think it is important for the record to be straight. I certainly think it is important as we consider a later amendment, and also as Senator HATCH and Senator BENNETT deal with the security requests that will be forthcoming for the games that will be held in Utah.

Misleading report No. 1: DOD has acceded to all requests from ACOG and State and local law enforcement groups without making measured judgments of what type of military-related assistance is justified and appropriate. That is the charge. Fact: DOD received numerous requests for assistance from ACOG and law enforcement agencies which DOD considered inappropriate for military personnel to execute and these were denied. For example, request for DOD to: operate magnetometers at entry points—request denied; guard local communications and power infrastructure—request denied; provide security support at the International Press Center, Centennial Park, International Olympic Committee Headquarters, and VIP hotels—request denied.

Neither I nor DOD would contend that these requests were frivolous. It is simply that within the scope of available resources and the best analysis of the type of security threat that requires U.S. military help, careful judgments were made from the perspective of stewardship of resources and the proper use of military personnel.

Misleading report No. 2: That $13,325 spent by DOD was wasted on what a May 7, 1996 Washington Post article described, "something called aviation planning and landing zones." That is the charge. Fact: DOD spent this sum for aerial surveys to determine the best locations to bring in military or law enforcement helicopters in an emergency. We must remember that the majority of the Olympic events will occur within a 3-mile area in downtown Atlanta, which has restricted airspace and will be flooded with Olympic participants and spectators. Route planning for emergency airlift situations is a critical security function and does not require the DOD to be reimbursed. It is my great hope that medical teams, hostage rescue forces or explosive ordnance or chemical/biological teams will not be called upon to fly into an event area. However, if they are, this prudent planning will save time and perhaps precious lives in an emergency.

Misleading report No. 3: Military personnel will be used to drive buses and vans to transport spectators to the Olympic Games. Fact: Military personnel will not drive spectator buses and vans. Military personnel will be used to transport athletes and law enforcement officials moving between the Olympic Village and event venues. This has been a part of the security plan since its inception. Of the 1,058 military drivers provided to support the Olympics, 419 will remain in Atlanta after the Olympics to provide support to the Paralympic athletes. The Justice Department and the FBI subsequently determined that this function is a valid and essential part of the comprehensive security plan. This was the recommendation of our top law enforcement officials as to what was needed for security. While some may want to second-guess or Monday morning quarterback this decision, I certainly am not one of those. Mr. President, I ask unanimous consent that a letter from the Assistant Attorney General of the United States concerning the use of military drivers at the Olympics be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, DC, March 27, 1996.

Hon. SAM NUNN,
U.S. Senate, Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR NUNN: The Department of Justice (DOJ) is pleased to respond to your inquiry concerning the Department of Defense (DOD) reprogramming as it relates to security issues for the Olympic Games in Atlanta. Security for the Olympics will be provided by a combination of federal, state and local law enforcement, private guards, volunteers, and DOD personnel. It is the opinion of this Department that the DOD component is critical to the safety of the Games. We have reviewed the reprogramming submission and concur in DOD's assessment that the requested functions all are essential. These include venue and route security, EOD support, vehicle and package sanitization, athlete bus drivers, and administrative support for the DOD personnel. It is imperative that each of these functions, especially military drivers for athlete buses, be included in the reprogramming as they have been included in DOD support requests from the outset and have been approved through various stages of review.

This reprogramming will play a vital role in providing a secure environment for the Olympics and ensuring the public safety of the visitors to and residents of the Atlanta area.

Of course, DOJ staff are available to provide more information to members of Congress on the Department's position on this issue should they so desire.

Sincerely,

JAMIE S. GORELICK.

Mr. NUNN. I find it ironic that these recent press accounts would make light of this security mission. We need look no further than the bombings in Egypt, Israel and the recent one in Saudi Arabia as well as other nations to realize that buses and other transportation hubs are frequent targets of terrorists. It would be unthinkable for security personnel to ignore this prospect in Atlanta. The use of military personnel in driving the buses has many advantages. These include the fact that the danger of infiltration of the driver pool is virtually eliminated in comparison to the danger of using volunteer or commercial drivers. In addition, military personnel are both disciplined and reliable—all personnel are specially trained in varying degrees for performance in combat or other difficult circumstances.

Once again, prudent planning and precaution in this security arena may make the difference between life and death, and here I, for one, will defer to the experts in security who felt this was an essential security need.

Misleading report No. 4: DOD personnel will be assigned to wash the Olympic buses. Fact: DOD personnel will not be washing buses. In fact, ACOG has established and paid for a vehicle wash and transportation staging facility located at Fort Gillem in Atlanta. ACOG employees and Olympic volunteers will operate the facility to wash the Olympic buses. At the conclusion of the Olympic and Paralympic games, this facility and improvements, valued at $108,000, will be donated to the U.S. Army—providing a continuous benefit to activities and personnel at Fort Gillem.

Misleading report No. 5, and this one has popped up over and over again. It almost seems to be one that cannot be put to rest. The State of Georgia has charged DOD over $100,000 for military personnel to obtain State-issued commercial drivers licenses. Fact: The State of Georgia has not charged DOD anything for the testing and licensing of the military drivers. The military determined that for its own requirements—liability, interstate travel, etc.—it would be prudent to obtain commercial licenses for their personnel. General Tilelli of U.S. Army Forces Command [FORSCOM] stated for the record before the Armed Services Committee on July 11, 1996, "the Georgia Department of Safety is providing testing and licenses for military drivers stationed in Georgia and supporting the Olympics at no cost to DOD." GAO confirmed this information in a June 14 report which stated that the 358 DOD drivers from bases in Georgia will obtain Georgia-issued commercial drivers licenses at no cost to DOD as agreed to in a Memorandum of Agreement of May 14, 1996 between the Department of the Army and the Georgia Department of Public Safety.

Earlier disinformation contending that Georgia was charging for commercial licenses may have given the impression that the State of Georgia is nickel and diming the Federal Government to death over the Olympics. In fact, the State is leaning over backward to accommodate the military, as well they should. I also would like to point out that the State of Georgia is spending more than $72 million of its own funds on Olympic security, including the salaries of law officers who will be assigned to full-time Olympic security duties. Not counting state prison guards, some 73 percent of all State of Georgia employees who have law enforcement credentials will be assigned to the Olympics. This is not just Atlanta, but the whole State. So almost 75 percent of all credentialed law enforcement officials will be used by Georgia in the Olympics.

Misleading report No. 6: DOD personnel will be watering the Olympic field hockey fields. That is the charge. Fact: DOD personnel will not be watering Olympic playing fields. Media accounts have led the public to believe that DOD personnel engaged in this activity, conjuring an image of teams of soldiers acting as laborers with garden hoses. In fact, one television news reader asked, "doesn't the military know that water won't make artificial turf grow?" This claim is simply not true. This watering equipment was requested for use during the games because local water department officials and the Atlanta fire chief feared that water pressure in their municipal water system would fall to dangerous levels under the known demand to dispense 4,500 gallons of water over a field in a 7 minute period twice during each competition. DOD will provide four 50,000 gallon water bladders, two 20,000 gallon water bladders, and six water pumps which will be used to water three Olympic field hockey fields. As GAO noted in its June 14 letter to Senator MCCAIN that military personnel will operate the bladders and "ACOG personnel will operate the above ground watering systems distributing water on the fields . . . in accordance with Field Hockey International Federation rules." The military uses this equipment to store and distribute water to its personnel in extreme environments, and similar equipment was used in Operations Desert Storm and Desert Shield. As a matter of fact, similar equipment was used when we had the huge floods in Georgia and we had whole cities that could not be supplied with water, where people literally had no water to drink. DOD came in that emergency and helped, as they have with other floods around the country. A similar DOD bladder system was tested for the Olympics in 1995 at a cost of $11,884 for setting up and operating the system.

The important thing here, as with other nonsecurity activities, expenses to the military are reimbursed. ACOG reimbursed the costs in 1995 and will reimburse all associated costs for the water system when it is used during the games. Any diligent reporter could have ascertained these facts before printing the misleading information.

Misleading report No. 7: The Navy has contributed $39,750 worth of barges to support the Olympic yachting competion. Fact: The Navy has provided three barges for use at Olympic yachting competitions outside of Savannah, but not at taxpayer expense. ACOG reimbursed the DOD $39,750 in 1995 for the costs associated with the use of these barges. Again, a fact that could have been ascertained before the misleading reports were printed.

Also ignored in the media reports was the fact that the yachting competition will take place in waters surrounding environmentally sensitive barrier islands. In total, 25 barges—3 from the Navy—will be used as spectator platforms in an effort to protect the sensitive coastal areas from irreparable damage. I am advised that the three Navy barges are over 45 years old, were in storage until they were brought up to a usable condition—at ACOG's expense—and were moved to Savannah by the Army's 7th Transportation Group at Fort Eustis, VA. The DOD Office of Special Events determined that movement of the barges by the Army was a non reimbursable expense. All other costs associated with the barges were deemed reimbursable by the Office of Special Events and were reimbursed by ACOG.

Misleading report No. 8: DOD purchased ice chests for the Atlanta Police Department. Fact: DOD is not purchasing new ice chests for the police as the public has been led to believe. DOD will provide 35 chests from current DOD stock inventory on a use and return basis. Once again, General Tilelli's responses to questions at the June 11 Committee hearing confirmed that DOD will loan the stock coolers to the police. This is the stock of material that is retained by the Office of Special Events for just such use.

Misleading report No. 9: DOD has provided nonsecurity support for the Atlanta Olympic games, but it has not been reimbursed. Fact: For the non security items that have been provided to date, ACOG has reimbursed DOD in full and will reimburse when any future nonsecurity support is provided. To date, ACOG and associated Olympic organizing committees have reimbursed DOD almost $600,000. Future reimbursements are expected to exceed $100,000.

Misleading report No. 10: DOD constructed a new dining facility for athletes use during the Olympic games. Fact: DOD provided a relocatable facility at the Paralympic Athletes Village in support of the Paralympic games. After its use at the games, this relocatable facility will be transported to Blount Island, FL, to support maintenance activities for active duty Marines stationed at this facility. Personally, I am proud that our military is able to assist the Paralympics in this fashion.

If anyone objects to this, let it be criticized in the effect of it being the Paralympics, not the Olympics. I believe our soldiers take great pride in participating in a project that assists athletes of such astounding, astounding great courage. Members of our military sadly are no strangers to the impact of injury or illness that some define as "incapacitating." But the Paralympic athletes have proved by their own performance and their tremendous courage that the definition of "incapacitated" needs reexamination by our society.

Mr. President, I imagine there are other inaccurate accounts that have been publicly disseminated but have not come to my attention. I do not pretend that I am answering everything that has been in the media. I have not read it all. Unfortunately, it seems that many members of the media in this area have not taken the time to check the facts. I simply urge, when these other reports or charges come up, that someone check with the Department of Defense, check with the ACOG committee before they write these kinds of articles. Hopefully, in the weeks ahead, the critics will check some of the cynicism at the door and focus on the many good and positive stories associated with the aspirations and preparations involved with the Olympics and the Paralympics, a very special part of our modern history.

Mr. President, I have previously asked that the attachment from the deputy attorney general that I alluded to be printed in the RECORD.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for up to maybe 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROHYPNOL, THE DATE RAPE DRUG

Mr. COVERDELL. Mr. President, as chairman of the Western Hemisphere subcommittee of the Foreign Relations Committee, I have recently come upon a very serious crisis beginning to develop in our country. As you know, we have been exceedingly interested in the drug epidemic for which this country is currently exposed, with drug use among our young teenagers virtually doubling in the last 36 months.

But in the course of the inquiry and the hearings, we have come across a new drug called Rohypnol. This drug is now being characterized in the media as a date rape drug. I will share with the Senate some of the horrible and tragic effects of this new drug that has found its way increasingly into our country, particularly in our southern States, Florida, in Texas, but throughout the South.

I quote, "It is an ideal drug for predators to give women for the purpose of sexual assault." This is a quote from a former Los Angeles police officer who said, "The victim is defenseless, and she doesn't have a memory of it when she comes to."

"We've never come up with a pill that has these specific characteristics," Bob Nichols, Broward County, FL, prosecutor said. "I know of no other pill that erases your memory and takes effect in 10 minutes."

Michael Scarce, director of the Rape Education and Prevention Program at Ohio State University, recently received a call from a rape crisis center in another State and recounted it to a Columbus, OH, newspaper. "An employee of the center informed me that they had had a long conversation with an OSU student who was looking for the drug over the Internet to use it for sexual purposes."

Mr. President, in a Washington, DC suburb, two men, ages 18 and 19, were charged with rape and contributing to the delinquency of a minor after giving Rohypnol to two 15-year-old girls. The men slipped Rohypnol into the unsuspecting girls' sodas.

One Broward County, FL, man who pleaded guilty to Rohypnol rape in a 1993 case told authorities that he used this drug to rape as many as 20 women.

A 17-year-old Coral Springs girl was raped on January 7 while she was under the influence of Rohypnol, lost 10 hours between having dinner with friends and waking up in a strange hotel bed.

An incident involving a 15-year-old from Cooper City, FL, that happened in June at a sweet-16 party at the Merrimac Hotel in Ft. Lauderdale. Police have charged two brothers and another gentleman with repeated rape in this case.

The list of this type of incident goes on and on, and with increasing frequency across our country. An unsuspecting victim has somebody offer them a drink or a soda, slips one of these pills into the drink, and the person begins immediately, within 15 minutes, to lose control of their senses. Some are unable to walk, so the helping partner is helping this person, that seems to have too much to drink, to the car, takes the keys, looks at the license, goes to the person's apartment or home, obviously enters, and rape occurs.

The problem is that the victim is unable to defend themselves, unable to even maintain a conscious memory of what transpired, and is unable to recall what took place. When you read these stories, one after the other, it raises a sense of alarm in any American that would hear of this situation.

The typical abuser is age 15 to 22, white, and uses other substances such as marijuana and alcohol. The drug is a common fixture at raves, all-night dance parties frequented by the under-21 set.

The drug is widely used in Texas, Florida, Louisiana, Arizona, and Oklahoma. DEA officials also predict the use of the drug will spread and has already been found as far north as Maryland and as far west as California.

The majority of this drug is coming from production in Mexico and Colombia and being smuggled into the country. The problem with it is that it is legally manufactured in other countries. So it is just poised to become yet another lethal target for coming into the United States and disrupting the lives of thousands upon thousands of Americans. And in a most tragic form because it is now being used as a lethal weapon. It is not just a matter of choice, a bad choice to use drugs, this is an innocent victim, this is a victim not necessarily involved in drugs, who is being victimized by a predator.

As a result of these findings, Mr. President, we will hold a hearing on July 16 in the Western Hemisphere Subcommittee to further explore the vast and new growth of this violent drug that is being brought into the United States.

Mr. President, later this afternoon I will introduce legislation that creates a new Federal cause of action to combat rapists and other felons who use Rohypnol or other illegal imported controlled substances as a weapon to exploit innocent victims.

Under the bill, a criminal who administers Rohypnol against the will of another person in order to commit rape or other felonies would face stiff new prison sentences and fines. The measure will take a tough stand against this new threat which is growing as this drug is smuggled into our country from Mexico, Colombia and other Nations in our hemisphere.

It will send a clear message to rapists and other predators that attempting to use this new drug as a weapon against innocent victims will not be tolerated in the United States. This new crime is necessary due to the unprecedented danger this new criminal tool poses to unsuspecting victims—Americans.

We desperately need to deter this insidiously effective technique which both disables victims and wipes out their memories, making it almost impossible to mount evidence against these criminals.

The bill is also needed so that as this drug is smuggled across our borders and spreads across new State lines, prosecutors in all parts of the Nation are given the tools to deter this scourge.

The Federal prosecution of this offense would require consultation with State and local authorities having jurisdiction over the felonies.

Mr. President, in conclusion, I say that the review of the cases involved with this Rohypnol drug conjure up the worst kind of tragedy that could befall a next door neighbor, a member of your family, a community or business. It is an ugly, ugly picture. When we look at the data of the increased usage and the potential for violence that this drug represents, I am hopeful this Congress will move swiftly and quickly to get our arms around any effort, any potential to restrain the use of this drug in our country and to protect our citizens.

I think, also, Mr. President, in the effort, we are also in the business of educating unsuspected youth in our country of the vast danger. One of the other problems with this drug is, because of its manufacturer and packaging, it is thought to be semi-OK. It is not. It is deadly and painful.

I hope others will join me in attempts to corral this horrible scourge being put upon the citizens of our country. I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

AMENDMENT NO. 4350, WITHDRAWN

Mr. WARNER. Mr. President, last night I was joined by the distinguished Senator from Georgia, and during wrap-up I inadvertently sent to the desk amendment No. 4350. I wish to correct that and withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4350) was withdrawn.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMITH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. SMITH. Mr. President, I ask unanimous consent that notwithstanding rule XXII, at the hour of 4 o'clock p.m. today the Senate lay aside any pending amendments to the DOD authorization bill and Senator PRYOR be recognized to offer his amendment regarding GATT, and immediately following the reporting by the clerk, Senator HATCH be recognized to offer a relevant, perfecting amendment limited to 30 minutes, equally divided in the usual form, with an additional 10 minutes under the control of Senator SPECTER, and following the disposition of the second-degree amendment, if agreed to, Senator PRYOR be recognized to offer a further second-degree amendment, and there be 30 minutes' time for debate prior to a motion to table, to be equally divided in the usual form, with an additional 10 minutes under the control of Senator SPECTER, and following the conclusion or yielding back of time, Senator LOTT be recognized to move to table the second-degree Pryor amendment, and no other amendments or motions be in order prior to the motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. PRYOR. Mr. President, reserving the right to object—I do not think I am going to object—I think we are just about to achieve this agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for that purpose?

Mr. SMITH. The Senator from New Hampshire does have a further item on the unanimous-consent request that I would like to finish, but I think it is contingent upon whether or not there is objection to the first unanimous-consent request. Whatever the Chair feels is appropriate.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. NUNN. Mr. President, I ask unanimous consent that the Senator from New York be recognized for 3 minutes for a morning business statement, and that the Senator from Kansas, Mrs. KASSEBAUM, then be recognized for 5 minutes for a morning business statement, and that Senator SMITH be able to interrupt when he gets a unanimous consent agreement ready, and immediately following the statement of the Senator from Kansas, the quorum call automatically recur.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New York is recognized.

LEGISLATION ON TERRORISM

Mr. D'AMATO. Mr. President, we have just witnessed one of the worst terrorist incidents against the United States since the Beirut bombing in 1983. To date, we have lost 19 young Americans in this cowardly attack that has taken place in Saudi Arabia. One of those killed was a constituent from Long Island, Capt. Christopher J. Adams, of Massapequa Park.

With this as a background, Mr. President, I implore my colleagues to move as expeditiously as we can in seeing to it that the Iranian-Libyan sanctions bill, which passed the Senate unanimously and passed the House of Representatives, 415–0, last week—a similar bill—be taken up, that we appoint conferees, and that we act on it now, because it sends a clear message to Iran and Libya. It provides our President with the tools necessary to see to it that sanctions are imposed.

We are not saying who, nor do we know who has sponsored this particular act of terrorism. But both Iran and Libya have been the chief sponsors of state-sponsored terrorism—war—against the United States, and that is the most cowardly kind of war. I think it is important for us to move now and not to hold this legislation up, because our version might be slightly different from that in the House of Representatives. We can work out those differences. I may not get all that I want.

I am for tough sanctions. I am actually for sanctions that would say, if you are going to deal with Iran and Libya and you are going to buy their oil, you are going to invest with them, then we are not going to do business with you. Other colleagues may have a difference of opinion, but we can work that out.

Let us pass this bill. Let us send a bill now that says we are going to take you on, and that we are going to give our President the ability to deal with these terrorist nations and invoke strong action. Not all of our actions should be military, but we have the ability to take on the Iranians and Libyans and to punish them for their continuous support of terrorist activities.

I hope we can pass this bill today. There is no reason for us not to do it. It passed in December unanimously here. I hope that we will act on this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

THE WORKFORCE DEVELOPMENT ACT DOESN'T DESERVE TO DIE

Mrs. KASSEBAUM. Mr. President, when I assumed the chairmanship of the Senate Labor and Human Resources Committee last year, one of my top priorities was to bring to fruition a comprehensive reform of our many job training programs.

My colleague in that effort on the other side of the aisle is the Senator from Nebraska, Senator KERREY, who has been a stalwart supporter of this effort. We both felt strongly there was much that could be done that would significantly improve and enhance Federal job training programs.

Over the past several years, the General Accounting Office, the inspector general, the Department of Labor, and others, have churned out report after report documenting both the proliferation of Federal job training efforts and the inability of these programs to show results.

The roughly $5 billion which the Federal Government invests in these programs is small potatoes in our annual trillion-dollar-plus budget. The work of these programs are not front-page news, and the issues they raise are probably regarded as boring and tedious.

Mr. President, nevertheless, the Workforce Development Act, which was approved by a vote of 95 to 2, offered an ideal opportunity to find ways to make Government work better.

The legislation was designed to achieve four basic objectives:

One, to consolidate overlapping and narrowly focused Federal categorical programs to allow for the development of statewide systems to address the needs of all individuals.

Two, to provide the States with sufficient flexibility to focus trading resources on their areas of greatest need, while preserving the core activities supported by the Federal Government in the past.

Three, to develop true partnerships among the educators who provide the academic foundation, the trainers who provide the technical expertise, and the business people who create the jobs for which individuals are being trained.

Four, to shift the focus of accountability from one which looks only at the front end—"Are Federal regulations being followed to the letter?"—to one which looks at the results—"Are training program participants getting jobs?"

Throughout the process in committee, on the floor, and in conference, various accommodations were made in the inevitable process of resolving competing concerns. Some programs which I had believed were appropriate for consolidation, for example, were dropped out of the bill. Many of the changes made to the bill I originally introduced were not things which I would have preferred.

Nevertheless, these revisions were made at the margin. As we near the conclusion of the conference, which has been ongoing since October, the core objectives of the bill remain intact and remain worthy of the support they received in overwhelming votes in both the House and Senate.

Specifically, the bill consolidates 80 separate programs into a work force and career development block grant to the States. Consolidating these programs will permit the States to develop cohesive systems, with employment and training activities being delivered on a one-stop basis.

Second, the bill assures a foundation of support for the four basic activity that have traditionally received Federal support: employment and training; vocational education; adult education; and services for at-risk youth. At the same time, the bill permits each State to supplement the activities which it needs most, by reserving 25 percent of the funds in a flex account to be distributed among the four core activities in the way chosen by the State.

Third, it creates real incentives for cooperation and coordination among educators, trainers, and the business community by providing a collaborative process both for the development of a single State plan and for decisionmaking regarding the allocation of flex funds.

Finally, the bill gets rid of thousands of pages of statutory and regulatory prescriptions and allows State and local officials to concentrate on results. States must establish benchmarks—a process which entails setting specific goals their programs are supposed to achieve. Incentives and sanctions will be based on performance relative to the benchmarks.

Unfortunately, the opportunity to achieve these goals is on the verge of slipping from our grasp. If this bill dies, it will not do so because it is bad policy. Rather, it will have fallen victim to two disparate but powerful political agendas.

On the one hand, many Democrats see the demise of this bill as an opportunity not only to preserve the status quo and the individual interests it protects, but also to use it as fodder in the sound bites leading to the November elections.

Despite recent allegations to the contrary, this legislation has not been an all-Republican effort. Both the House and Senate have made every effort to obtain bipartisan support, and large bipartisan majorities in both bodies approved the legislation. No one could be a stronger defender of the need of this type of innovative approach to Government than Senator KERREY of Nebraska.

I would like to suggest, however, that the conference proposal reflects a number of concessions that were made in an attempt to address concerns raised by the administration—and I believe that we have done so, not all of them exactly as the administration would have wished but now the administration has withdrawn support—including the establishment of mandatory career grant programs for dislocated workers in every State; a 50-percent reduction in the size of the flex account; the separation of Wagner-Peyser funds from the block grant; the abandonment of the Federal partnership in favor of enhancing the authorities of the Secretary of Labor and the Secretary of Education; and the establishment of mandatory local boards.

We are now in the position of being told that not only are these concessions which were made insufficient, but also that provisions which were never a part of either bill, such as the $1.3 billion earmark for dislocated workers, are the price of the administration's support.

At the opposite end of the spectrum are those who have seized the bill as a platform to debate issues which have nothing to do with the purpose or provisions of this legislation. For example, one of the major specific criticisms leveled by family groups is that the legislation does not abolish the Department of Education. Our efforts to assure that individuals get the information and training they need to make their own choices and to pursue their own dreams have been turned on their head and have been mischaracterized as a Federal plot to dictate career and education choices.

Each of these groups has set a list of their complaints about the bill.

I ask unanimous consent that an analysis of these complaints, along with a brief summary of the conference proposal, appear in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

(See exhibit 1.)

Mrs. KASSEBAUM. Mr. President, to conclude, the alliance of those who want continued preeminence of Federal bureaucracies with those who will settle for nothing less than their total dismantlement threaten to turn a solid piece of legislation into nothing more than a fundraising tool.

Good Government is pretty boring stuff compared to the adrenalin charge that can be produced by allegations that Republicans are insensitive to the needs of American workers, or that the Federal Government is engaged in a conspiracy to undermine the rights and freedoms of individuals. Both sides would settle for the status quo.

Mr. President, I think it is very sad to see us at a point when we should be able to survive these potent political forces and being willing to take some small steps forward to address the very thing that most Americans would like to see, and that is, the control of the Federal Government dictating every aspect of initiatives that could bear real fruition at the State and local level.

I would like to yield a minute or whatever time I have left, if I may, to Senator KERREY of Nebraska to make a brief comment.

EXHIBIT 1

ANALYSIS OF CONCERNS EXPRESSED BY PRESIDENT CLINTON IN LETTER TO CONFEREES

Authorization Level. The President believes the authorization level for the bill should be set at $5.7 billion, which represents his fiscal year 1997 budget request for the programs included in the block grant.

The conference proposal is to authorize "such sums," which implies no limit on future appropriations and which is a practice used many times in the past in launching new initiatives.

Dislocated Workers. Administration officials have requested that a minimum of $1.3 billion be earmarked for dislocated workers.

The conference proposal does not include such an earmark, as such a proposal was never part of either the House or the Senate bill. The purpose of this legislation is to get away from the "categorization" of individuals to allow the development of a system which works for all in need of its services. States with large dislocated worker populations can allocate flex account funds to serve them, and dislocated workers are specifically identified as a group for which benchmarks must be developed.

Vouchers. The President believes that all services (with a few limited exceptions) to dislocated workers should be delivered through vouchers or "skill grants."

The conference agreement requires every state to establish a pilot program to serve dislocated workers with "career grants." The pilot must be of sufficient size, scope, and quality to demonstrate the effectiveness of career grants. States are specifically authorized to deliver all training services through career grants, should they choose to do so.

The bill approved by the Senate did not require that vouchers be used under any circumstances—due to concerns that mandating vouchers would impose substantial administrative burdens on states and reduce state flexibility in determining the most effective means of service delivery. In addition, past experience with federal student loan programs has underscored both the importance and the difficulty of putting into place appropriate "gate-keeping" procedures to assure that participants are not ripped off by training providers.

Given the seriousness of these concerns, I believe we have met the President more than half way. If vouchers work as well as he believes, they will undoubtedly be expanded. If they present the problems I anticipate, the pilot projects can offer guidance regarding whether or not they can be corrected.

School-to-Work. The Administration wants the School-to-Work Opportunities Act to be authorized and funded as a separate program outside the block grant.

The conference agreement would repeal this Act on July 1, 1998, the same date that approximately 80 other federal programs will be repealed. After that time, states would be able to use block grant funds to continue their school-to-work programs.

Any state wishing to participate in the federal school-to-work program will have the opportunity to sign up prior to this repeal date. By all accounts, the program is popular with governors and other officials—who would presumably exercise their discretion to continue it with block grant funds. It makes no sense, however, to maintain a separate school-to-work program operating on a parallel track with the block grant.

Accountability. The Administration indicates that the bill lacks "accountability."

Accountability for results—which is virtually non-existent in current programs—is a major focus of this reform legislation. It appears that the Administration's view of "accountability" is maintaining maximum federal control over job training programs.

The conference agreement addresses strong concerns voiced earlier by the Administration about provisions of the Senate bill which combined offices within the Department of Labor and the Department of Education into a Federal Partnership to administer the block grant. I had felt it was important to have at the federal level the same coordination and cooperation we were seeking at the state level, but I abandoned that approach in the face of the Administration's objections. These new Administration concerns seem to undercut the objective of the legislation to enhance state responsibility and flexibility. It makes little sense to me to develop a bill which repeals current restrictions, only to establish a situation where federal Cabinet Secretaries are in the position of re-creating them through regulation

Local Elected Officials. The Administration would like the local workforce development boards to be structured more like the existing Private Industry Councils [PICS]—particularly with respect to the role of local elected officials.

The conference proposal gives substantial responsibility to local elected officials, but it admittedly and intentionally does not recreate PICs. Local elected officials are part of the collaborative process at the state level, making a variety of key decisions regarding the statewide system. In addition, at the local level, they appoint members of the local board, assist in developing the local plan, and provide continuous input to the board in carrying out its functions.

Again, earlier Administration concerns were addressed when Senate conferees agreed to require the establishment of local boards—something which was not required in our original bill.

Control of Education. The Administration believes that education programs should remain under the jurisdiction of the state and local education entities which currently oversee them.

This has always been the objective of the Senate bill and is included in the conference proposal.

ANALYSIS OF CONCERNS EXPRESSED IN "CAPITOL HILL EAGLE ALERT" DATED MAY 3, 1996

Schools as "Workforce Development" Centers. The alert indicates that schools will "train" students, not "educate" them.

A solid academic foundation is critical for every student. Nothing in the Workforce Development Act changes the fundamental mission of our schools to "educate" students.

Workforce Development Boards. The alert indicates that workforce development boards will decide what jobs are needed and what youth can be trained for them.

That is an inaccurate description of the function of workforce development boards. The primary function of workforce development boards is to bring together business and community leaders who can accurately identify the economic development and workforce training needs in a local community, in order to maximize the number of jobs available for individuals seeking work in the community. Such information will be useful in designing training programs that meet the needs of the unemployed and businesses seeking qualified employees. Local workforce development boards do not replace, nor take authority away from, local school boards and parent organizations whose focus is on secondary school students and programs.

Labor Market Information System. The alert contends that a Labor Market Information System "would compile data about every child—academic, medical, personal, family, attitudinal, and behavioral—into a computer data base, then give access to all future employers and the government."

There is no truth to this statement. Labor market information serves a critical purpose in providing accurate information about national unemployment rates and workforce trends (such as whether more jobs are available in manufacturing, retail, or service industries.) At the state and local level, labor market information includes listings of job openings supplied voluntarily by employers, which individuals seeking employment can review through public employment service offices. Nothing in the Workforce Development Act authorizes the collection of personal information on individuals (including youth) for use by employers or the government.

Department of Labor Authority over Education. The alert contends that the legislation gives Labor Secretary Reich control over local schools.

Elementary and secondary education is the responsibility of state and local officials and remains so under this bill. Neither Secretary Reich nor any other federal official is assigned "control" over local schools.

State Legislatures and School Boards. The alert contends that responsibility for local schools is taken from State legislatures and local school boards and transferred to the Governor and local workforce development boards.

This statement is not accurate. The conference proposal makes no changes in education governance at the state and local levels. From the beginning, the Senate bill has assured that responsibility for schools stayed in the hands of those currently designated under State law.

Department of Education. The alert criticizes the bill because it does not abolish the Department of Education.

That is accurate; it doesn't. Bills written with the express purpose of abolishing the Department have been introduced in Congress. The purpose of the Workforce Development Act is to reform federal job training programs and to enhance the responsibility and flexibility of state and local officials.

SUMMARY OF WORKFORCE AND CAREER DEVELOPMENT ACT

The Workforce and Career Development Act consolidates approximately 80 job training and training-related programs into a single grant to the States. The purposes of the Act are to:

Provide greater flexibility to the States in designing workforce systems which fit their specific needs;

Eliminate duplication of effort and reduce the regulatory burden created by numerous categorical federal programs;

Encourage greater coordination of job training and training-related education programs;

Improve the effectiveness of federal workforce development efforts by focusing on program results.

TITLE I: STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS

State Systems.—Statewide workforce development systems are established through a single allotment of funds to each State. Minimum percentages of funds will be allocated to specific activities, as follows: 34 percent—Employment and Training; 24 percent—Vocational Education; 16 percent—At-Risk Youth; 6 percent—Adult Education and Literacy.

The remaining 20 percent of the funds may be distributed among any of these four activities, as the State may decide. Decisions regarding the allocation of funds from this "flex account" is made through a collaborative process involving, among others, the Governor, the eligible agencies for vocational and adult education, local elected officials, and the private sector. The purpose of the flex account is to permit each State to allocate resources to the activities most needed in that State.

State Plans.—An overall strategic plan for the State is also developed through the collaborative process. The plan describes:

State goals and benchmarks for the system, including how the State will use its funds to meet those goals and benchmarks;

How the State will establish systems for one-stop career centers to effectively and efficiently deliver training services to all individuals; and

How the vocational, adult education and literacy, and at-risk youth needs of the State will be met.

State Governance.—The Governor administers and exercises authority over the employment and training and at-risk youth activities in the State. The agencies eligible for vocational education and adult education administer and exercise authority over vocational education activities and adult education activities, respectively, in accordance with State law.

Local Workforce Development Bonds.—Each State must establish local workforce development boards which, at a minimum, include a majority of business representatives, and representatives of education and workers. The boards: (1) develop a local plan outlining the workforce development activities to be carried out in the local area: (2) designate or certify one-stop career center providers (consistent with criteria in the state plan); (3) conduct oversight of local programs; and (4) award competitive grants to eligible at-risk youth providers. The Governor certifies the boards annually, based in part on how well the local programs it oversees are meeting expected levels of performance.

Accountability.—Each State must, at a minimum, establish specific benchmarks designed to meet the goals of providing meaningful employment and improving academic, occupational, and literacy skills. These benchmarks will be used to measure progress toward goals established for populations including, at a minimum: (1) low-income individuals; (2) disclosed workers; (3) at-risk youth; (4) individuals with disabilities; (5) veterans; and (6) individuals with limited literacy skills.

The Secretaries of Labor and Education may award incentive grants or impose sanctions, depending upon the success or failure of the State toward meeting such goals and benchmarks.

Transition.—States may obtain waivers in order to begin establishing their statewide systems prior to the implementation of the block grant on July 1, 1998. In addition, States may request technical assistance from the Secretaries in developing their state plans.

Federal Administration.—The Secretary of Labor and the Secretary of Education will enter into an interagency agreement on how the new system will be administered at the Federal level.

National Programs.—National activities include: national assessments of statewide systems; the continuation of the Bureau of Labor Statistics labor market information programs; the establishment of a national center for research in education and workforce development; national emergency grants for dislocated workers; and programs for Native Americans, migrant and seasonal farm workers, and the outlying areas.

Authorization Levels.—"Such sums" for fiscal yeas 1998 through 2002.

TITLE II: WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Employment Service.—The Wagner-Peyser Act is amended to provide that the activities carried out by the Employment Service will be linked to the one-stop career center system established in each State;

Vocational Rehabilitation.—Title 1 of the Rehabilitation Act of 1973 is amended to link vocational rehabilitation services with the statewide systems including, to the extent feasible, the State goals and benchmarks.

Job Corps.—Job Corps remains a separate, federal residential program for at-risk youth. A National Job Corps Review Panel will conduct a review of the Job Corps program and make recommendations on improvements, including the closure of 5 Job Corps centers by September 30, 1997, and an additional 5 centers by September 30, 2000.

TITLE III: MUSEUMS AND LIBRARIES

The bill provides for the establishment of an Institute of Museums and Library Services, consolidating the functions of the Institute of Museum Services, the Library Services and Construction Act, Title II of the Higher Education Act, and Part F of the Technology for Education Act.

TITLE IV: HIGHER EDUCATION

Connie Lee.—The bill provides for the privatization of the College Construction Loan Insurance Association (Connie Lee).

Sallie Mae.—The bill provides for the privatization of the Student Loan Marketing Association (Sallie Mae).

Higher Education Repeals.—The bill repeals approximately 45 programs authorized under the Higher Education Act which did not receive appropriations in fiscal year 1996.

TITLE V: GENERAL PROVISIONS

Repeals.

The following programs will sunset immediately upon enactment:

State Legalization Impact Assistance Grant (SLIAG)

Displaced Homemakers Self-Sufficiency Assistance Act

Title II of Public Law 95-250

Appalachian Vocational and Other Education Facilities & Operations

Job Training for the Homeless Demonstration Project

The following programs will sunset on July 1, 1998, the date by which each State must implement its statewide system:

Job Training Partnership Act

Carl Perkins Vocational and Applied Technology Education Act

Adult Education Act

School Dropout Assistance Act

Adult Education for the Homeless

Library Services and Construction Act

School-to-Work Opportunities Act

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the Senator from Kansas [Mrs. KASSEBAUM]. As a consequence of making the judgment that this bill is too important to let die because perhaps 10, 20, or 30 million American families can benefit from the Workforce Development Act, and will benefit.

There are not very many pieces of legislation quite like this one where I am 100 percent certain that 2, 3, or 4 years from now someone will come up on the street and say, "My family has $6,000 more income as a consequence of this piece of legislation. It has benefited me in that fashion."

I am quite convinced this is one of the most important pieces of legislation that this Congress has taken up. I am very, very grateful to the Senator from Kansas for saying, get all parties back together, Republicans and Democrats. There is not a lot of big money trying to push this thing one way or the other. That sometimes makes things more difficult. But on behalf of 20 or 30 million American families out there who could be tremendously benefited if we change this law in this fashion, I hope the advice of the distinguished Senator from Kansas is taken and that we are able to produce a piece of legislation that will be supported and get this law changed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

UNANIMOUS-CONSENT AGREEMENT

Mr. SMITH. Mr. President, I ask unanimous consent that notwithstanding rule XXII, at the hour of 4 p.m.

today the Senate lay aside any pending amendments to the DOD authorization bill and Senator PRYOR be recognized to offer his amendment regarding GATT; and immediately following the reporting by the clerk, Senator HATCH be recognized to offer a relevant perfecting amendment limited to 30 minutes equally divided in the usual form, with an additional 10 minutes under the control of Senator SPECTER and an additional 5 minutes under the control of Senator PRYOR; and following the disposition of the second-degree amendment, if agreed to, Senator PRYOR be recognized to offer a further second-degree amendment and there be 30 minutes time for debate prior to a motion to table to be equally divided in the usual form, with an additional 10 minutes under the control of Senator SPECTER and an additional 5 minutes under the control of Senator PRYOR; that following the conclusion or yielding back of time, Senator LOTT be recognized to move to table the second-degree PRYOR amendment, and no other amendments or motions be in order prior to the motion to table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SMITH. Mr. President, I further ask that if the HATCH amendment is not agreed to, it be in order for the majority leader to make a motion to table following 30 minutes of debate to be equally divided in the usual form, with 10 additional minutes under the control of Senator SPECTER and 5 additional minutes under the control of Senator PRYOR, and no further amendments or motions be in order prior to that motion to table.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 4218

(Purpose: To eliminate taxpayer subsidies for recreational shooting programs, and to prevent the transfer of federally-owned weapons, ammunition, funds, and other property to a private Corporation for the Promotion of Rifle Practice and Firearms Safety)

Mr. LAUTENBERG. Mr. President, I call up an amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey (Mr. LAUTENBERG), for himself, Mr. SIMON, Mrs. FEINSTEIN, Mr. BUMPERS, and Mr. KENNEDY, proposes an amendment numbered 4218.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. SMITH. Mr. President, reserving the right to object, I want to hear at least a portion of the amendment read to get some understanding of what the amendment is. I do not choose to continue the objection. At this point, I want to object.

The PRESIDING OFFICER. The clerk will continue reading.

The bill clerk read as follows:

At the end of title X, add the following:

Subtitle G—Civilian Marksmanship

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the "Self Financing Civilian Marksmanship Program Act of 1996".

SEC. 1082. PRIVATE SHOOTING COMPETITIONS AND FIREARM SAFETY PROGRAMS.

Nothing in this subtitle prohibits any private person from establishing a privately financed program to support shooting competitions or firearms safety programs.

Mr. SMITH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is as follows:

At the end of title X, add the following:

Subtitle G—Civilian Marksmanship

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the "Self Financing Civilian Marksmanship Program Act of 1996".

SEC. 1082. PRIVATE SHOOTING COMPETITIONS AND FIREARM SAFETY PROGRAMS.

Nothing in this subtitle prohibits any private person from establishing a privately financed program to support shooting competitions or firearms safety programs.

SEC. 1083. REPEAL OF CHARTER LAW FOR THE CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND SAFETY.

(a) REPEAL OF CHARTER.—The Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104–106; 110 Stat. 515; 36 U.S.C. 5501 et seq.), except for section 1624 of such Act (110 Stat. 522), is repealed.

(b) RELATED REPEALS.—Section 1624 of such Act (110 Stat. 522) is amended—

(1) in paragraphs (1) and (2) of subsection (a), by striking out "and 4311" and inserting in lieu thereof "4311, 4312, and 4313";

(2) by striking out subsection (b); and

(3) in subsection (c), by striking out "on the earlier of—" and all that follows and inserting in lieu thereof "on October 1, 1996.".

Mr. LAUTENBERG. Mr. President, this amendment would prevent the Government from providing a $76 million Federal endowment to American gun clubs.

Senators SIMON, BUMPERS, FEINSTEIN, and KENNEDY are original cosponsors of this amendment. The amendment addresses what I view as a fatal flaw in the new version of the Civilian Marksmanship Program, which was established by the Congress in the fiscal 1996 Department of Defense authorization bill—last year's bill.

Before I explain why this amendment is necessary, I think it is important to understand the history of the old Civilian Marksmanship Program. The CMP was first begun in 1903, soon after the Spanish-American War, and at a time when civilian marksmanship training was believed to be important for military preparedness. Back then, some Federal officials were concerned that recruits often were unable literally to shoot straight. The officials believed that a trained corps of civilians with marksmanship skills would be useful to prepare for future military conflicts.

Mr. President, that may have made sense in 1903, but we are in 1996. The Spanish-American War ended more than 90 years ago, and, not to surprise people, but things have changed. So has the Civilian Marksmanship Program. Over the years, the program has been transferred from the training program for military personnel to a plain old shooting program for gun enthusiasts.

Tax dollars have been used for nothing more than promoting rifle training for civilians through over 1,100 private gun clubs and organizations. Through the program, the Federal Government has joined forces with the National Rifle Association to sponsor annual summertime shooting competitions for civilians. The program has included donations, loans, and the sale of weapons, ammunition, and other shooting supplies. It has purchased bullets for Boy Scouts, taught them how to shoot guns.

Mr. President, the Defense Department concluded long ago that the Army-run Civilian Marksmanship Program does not serve any military purpose. It concluded that there is no "discernible link" between the program and our Nation's military readiness. Even so, until recently, the program was sustained by an annual $2.5 million Federal subsidy.

In the face of growing criticism about the program's dubious benefit to our Nation's military readiness, concerns of links between the program and anti-Government militia groups, and the Army's interest in extricating itself from responsibility for managing the program, Congress drastically changed the program last year.

Keep in mind, this was to accommodate the problems that existed before. Once again, to repeat, there were concerns of links between the anti-Government militia groups and the Army's interest in getting out of the game, so Congress made a change. Under title I of the 1996 Department of Defense Authorization Act, Congress established a so-called "private, nonprofit" Corporation for the Promotion of Rifle Practice and Firearms Safety. In fact, the corporation is private and nonprofit in name only. According to the U.S. Department of the Army, when the corporation becomes fully operational in October of this year, October 1996, it will take control of—hear this—176,000 Army rifles worth more than $53 million. It will receive at least $4.4 million in cash. It will be given Federal property, vehicles, and computers worth $8.8 million, and, even more remarkable, the U.S. Government is going to give 146 million rounds of ammunition estimated to be worth $9.7 million, with all of these totaling $76 million, taxpayer money, all free: Here, take it; have a good time.

Imagine, in these days of spartan budgets, inadequate programs, when need is desperate there, we are giving away $76 million of Government assets, and worse is that we are giving them bullets and rifles, the kind of rifle I carried when I was a soldier in World War II. The total tab to the American taxpayer for this gift is over $76 million.

Even more, this private group of citizens will be able to sell the federally purchased rifles without returning any profits to the Federal Government. The nonprofit corporation will reap 100 percent of the benefit of the profit from the Federal weapons and ammunition sales. Not one penny will be returned to the taxpayers of this country. Not a dime will be used to reduce the Federal deficit or to pay for other meritorious Federal programs.

From 1985 to 1995, the Federal Government spent roughly $38 million on this Civilian Marksmanship Program. A healthy $76 million Federal endowment ought to keep the so-called private corporation afloat for the next 20 years even if it never solicits one dime from private corporations.

Mr. President, the old Civilian Marksmanship Program was a bad program, an example of waste in Government. The new version of the program makes even less sense than the old, which at least maintained a measure of Defense Department control over the weapons and ammunition.

In 1994, the General Services Administration reconfirmed the longstanding Government policy when it convened a Federal weapons task force to review the Government's policy for the disposal of firearms. General Services brought together a group, a weapons task force, to try to understand the Government's policy for the disposal of firearms.

Under that policy, the Federal Government does not sell federally owned weapons to the public. Excess weapons are not sold or transferred out of Government channels. Excess weapons, those that we no longer need, are not supposed to be out there being distributed.

The Federal regulations are clear. They say that "surplus firearms and firearms ammunition shall not be donated" to the public. That is what the policy says. They say, "Surplus firearms may be sold only for scrap after total destruction by crushing, cutting, breaking or deforming to be performed in a manner to ensure that the firearms are rendered completely inoperative and to preclude their being made operative." That is what this Federal weapons task force recommended to the General Services Administration, and that was the policy.

Simply put, they say the Federal Government has made the decision that it should not be an arms merchant. I could not agree more. There are many of my colleagues who feel similarly. Those are sound regulations. There is no compelling public policy reason to exempt Army guns and ammunition in order to turn control of enough guns and ammunition to start a small war over to the private nonprofit Corporation for the Promotion of Rifle Practice and Firearms Safety.

Given the abundance of weapons readily available through the private sector, guns for which the Federal Government no longer has a use ought to be, as planned, destroyed—put it away, get rid of the requirement to guard it, keep records, et cetera. The federally subsidized corporation ought to be abolished. Our amendment would do just that. It would abolish the so-called private corporation, block the transfer of this $76 million endowment and end the federally run Civilian Marksmanship Program once and for all. Importantly, it would bring the Army into conformity with the Government-wide policy of not transferring Federal guns and ammunition outside Government channels.

Our amendment only addresses federally owned guns and ammunition. It would not prohibit private gun clubs from existing and it would not prohibit the annual national shooting matches that are held in Camp Perry, OH, from taking place as long as the guns and the ammunition and the staff are funded through the private sector. Camp Perry is a State-owned facility. The State of Ohio can let the national matches go forward if it chooses to do so. The NRA, the National Rifle Association, has been funding these shooting matches for years, and it can continue to do so under our amendment, but it sure should not receive Federal financial backing.

I expect some who oppose our effort will argue that shooting is an Olympic sport and that the program provides important training for future Olympians. Those attempting to make this argument should remember one thing: Ping-Pong is also an Olympic sport, but we do not provide Ping-Pong paddles or Ping-Pong balls or Ping-Pong training by the Federal Government. They should be reminded also the Government does not provide Federal subsidies for our Olympic swimming, tennis, volleyball, or other sports. Likewise, the Federal Government should not be supporting shooting.

Supporters of this $76 million boondoggle will argue that promoting gun safety is a laudable goal. We can debate that question. But I do not think it is the role of the Federal Government to give away $76 million worth of guns and ammunition in the name of gun safety. Frankly, when I look at the numbers, we see 140 million rounds of ammunition are going to be put out there by the Federal Government. We have seen enough of the gun influence in our society. I just think the Federal Government ought not to be a coconspirator. It is not our job to give away guns and ammunition. The private sector should promote gun safety, if it chooses to, for recreational shooters, not the Federal Government. The NRA and others already do this. If they choose to continue, they may.

When the 1996 Defense Department authorization bill was approved, the implications of the provision that established the private, nonprofit corporation were not clear, but now they are quite clear. We have a duty to act and to stop this boondoggle dead in its tracks. The giveaway of $76 million worth of weapons and ammunition is terrible public policy. In fact, it is outrageous. The Government must not work to add to the proliferation of guns in the country. We have enough without adding to the supply with this big freebie.

Once again, I think it adds insult to injury when we think of the critical need that we have for programs in this country, whether it be breast cancer research, whether it be education, whether it be housing, whether it be nutrition, whether it be health care. How can we, in good conscience, say to the American people we are now going to give $76 million to those who like guns and who want the Federal Government to subsidize their activity.

I think it is recognized there are gun clubs. There are people who belong to them. They are OK. But we ought not to add to the confusion about this, nor perhaps the occasional violent eruption that can come from having this excessive supply of guns and ammunition available in the public.

Mr. President our amendment would prevent the Government from providing a $76 million Federal endowment to American gun clubs.

If this amendment is not adopted, a private, nonprofit corporation established by the Congress last year will take control of 176,218 Army rifles worth more than $53 million. It will receive at lest $4.4 million in cash from the Army, and it will be given Federal property, such as vehicles and computers, valued at $8.8 million. Even more remarkable, the corporation will be given control of 146 million rounds of ammunition worth $9.7 million.

I did not make these numbers up. They came directly from the Army.

If this amendment is adopted, it will cost the Army less than $2 million to demilitarize all of the M-1's currently slated to be turned over to the private corporation.

If the amendment is adopted, it will bring the Army in line with Government-wide policy prohibiting the public sale of Federal weapons. According to GSA regulations, reconfirmed by a

Federal weapons task force in 1994, "Surplus firearms may be sold only for scrap after total destruction by crushing, cutting, breaking, or deforming to be performed in a manner to ensure that the firearms are rendered completely inoperative and to preclude their being made operative." The regulations say "surplus firearms, and firearms ammunition shall not be donated" to the public.

If the amendment is adopted, the national matches will still go forward. They just will have to be privately financed.

If the amendment is adopted, Americans will still be able to take courses in firearms safety. They just will have to be privately financed.

If the amendment is adopted, there will still be a well-trained U.S. Olympic shooting team.

Mr. President, the Department of Defense has opposed the Civilian Marksmanship Program. According to Army Under Secretary Reeder: "DOD repeatedly has conveyed to Congress that while it will continue to administer the program as directed by Congress, it will also continue to support legislation ending this program."

This giveaway of $76 million worth of weapons it terrible public policy. In fact it is outrageous. The Government must not add to the proliferation of guns in this country. We have enough without adding to the supply through this giveaway.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of the amendment of my colleague from New Jersey, and I am pleased to be a cosponsor of this legislation.

The policy of the Federal Government up to this point has been not to sell weapons to the public. Now that policy is going to be reversed. If we were just taking $76 million and sending it down the drain, that would be bad enough. But, frankly, I would vote for sending it down the drain rather than doing what we are doing; 176,218 rifles are going to be handed over by the Federal Government. To whom? I do not know. But if anyone in here believes, of those 176,000 there are not going to be some people who are going to abuse those rifles, you are living in a dream world.

I just had a conversation this morning with my colleague, Senator Carol MOSELEY-BRAUN, who has been trying to get money for school construction. The GAO says we are $15 billion in arrears on elementary and secondary school construction. She has been unable, at this point, to get one penny of Federal Government money for school construction.

We say we do not have money for school construction. But here we have $76 million we are going to give away as a boondoggle to the National Rifle Association and the gun clubs. If we have 176,000 surplus rifles, we ought to destroy them. One of the reasons we have made progress in this country, in terms of murders in this country, is that a few years ago this Congress adopted a change so that you have to go through photos and fingerprints and some other things in order to become a gun dealer. We had a situation where we had more gun dealers than service stations in this country. And three-fourths of the gun dealers were not stores as we know them. They were in the kitchens of homes, they were in the basements, they were in trunks of cars. We had all kinds of illegal activity going on, and the ATF did not have the resources to handle it.

Now, if the Lautenberg amendment is not adopted, do you know who is going to be the No. 1 gun dealer in the United States of America, with no control on where those guns go? The No. 1 gun dealer in the country, if the Lautenberg amendment is not adopted, is Uncle Sam.

How many people are going to be killed because of what we are doing with this sending out to the public 176,000 weapons? I do not know. Illinois is 5 percent of the Nation's population. That means we are probably going to get 8,500 additional weapons. The State of Illinois has a lot of needs. We do not have any need for 8,500 more weapons scattered around the State of Illinois, given out by the National Rifle Association, or sold by them.

I heard my friend from New Jersey use the word "boondoggle." That is exactly what this is. Why, with the Federal Government short of funds, we should have a subsidy to the National Rifle Association and these gun clubs is beyond me. We are going to give them $8,800,000 worth of property and $4,400,000 in cash—let somebody stand up and defend that—and 176,000 rifles. I do not know what they are. When I was in the Army, M-1's were the rifle. I assume we have moved beyond that stage. I see Senator GLENN, who is an expert on the Armed Services Committee. But this kind of nonsense, $9.5 million worth of ammunition we are going to hand out. I have seen ridiculous things pass this U.S. Senate. I have never seen anything as ridiculous as this move ahead. We ought to be doing something about it.

It is interesting, who are the people who are going to take advantage of this? In the State of Michigan, the Michigan Militia took advantage of even the marksmanship program we have had at the National Guard base at Camp Grayling. These are the counterparts to the Freemen out in the West.

But this kind of a giveaway? You can argue for all kinds of subsidies in this country, but this is a subsidy that no one can defend with any logic.

I see my friend from North Dakota just walked onto the floor. He has been in the Budget Committee and has been a bulldog in trying to see our money is spent wisely. Here we have the Federal Government giving away $76 million to the National Rifle Association, giving away 176,000 rifles.

We are going to be the No. 1 gun dealer in the Nation with this sale, and instead of destroying these weapons, we are going to be handing them out to people with no control on who gets them.

It is terrible policy, and the Lautenberg amendment ought to be adopted by voice vote. It should be unanimous, but I recognize the power that our friends in the National Rifle Association have. They have used the democratic process very effectively. But the U.S. Senate should stand up to them.

I say to staff members who may be watching this on television, I do not care what your party affiliation, what your background, look at this carefully. This is bad news for the country if the Lautenberg amendment is not adopted.

I thank my colleague for his courage and vision in offering it. I am pleased to be a cosponsor of this legislation that I hope will pass this body, I hope, overwhelmingly, but I know the power that our friends in the National Rifle Association have.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, first, I thank my colleague, Senator SIMON from Illinois for his remarks. I think he clarified the situation pretty effectively, that this is almost like a shock when you consider what could be done with the $76 million, what ought to be done with these weapons.

The policy of the country in the past has been to destroy them. This goes back to Biblical recommendations: turn the weapons into plowshares, get rid of them. These are no longer valuable for the military, they are passe.

I said earlier that I carried one of these in World War II, and I see our distinguished colleague and friend from Ohio on the floor, and I know that he, too, carried one of the weapons of this type in the military service of this country, which was, indeed, distinguished.

Mr. President, I want to point out a couple of things here that I think ought to be in the RECORD.

First, there are several documents, including a Washington Post article, a GSA news release going back to 1984 reporting on their view of what should happen with these weapons, which I am going to ask be printed in the RECORD.

The regulations, which I will just paraphrase, state:

> Firearms no longer needed by an agency may be transferred to those Federal agencies

authorized to acquire firearms for official use.

However, it also prohibits the donation, sale or exchange of firearms and states they may be sold only for scrap after destruction.

I particularly want to note, because some of the questions that are asked are: "Well, you're accusing the NRA, blaming the NRA for these things, pointing a finger at them." I am looking at an article that is issued by the NRA. They say in this article, dated May 10, 1996:

> Remember a few weeks ago when the antigunners were criticizing NRA for working to repeal the misguided Clinton gun ban. You may recall they were imploring—

Again, my unanimous consent request will include the document I am reading, as well as others to be submitted for the RECORD.

However, they talk about these antigun votes. They say:

> They showed their true colors this week.

This is May 10, 1996, just a few weeks ago.

> The antigunners are now focusing their sights on the creation of the Corporation for the Promotion of Rifle Practice and Firearm Safety which was established to replace the DCM. This program seeks to provide surplus firearms and ammunition to law-abiding Americans to enhance firearms safety and marksmanship.

They criticize me and they say:

> Even more ridiculous, Senator Lautenberg thinks that the distribution of surplus Government funds to groups amounts to aiding and abetting the rising tide of gun violence. This is just yet another example of the enemies of our firearms freedom putting aside common sense for the sake of politics.

I do not want to go through chapter and verse now of people in my State who lost loved ones to gun violence or to recall the stories that we read almost every day about guns in the schools, shots across the street in random shootings. That is not the subject.

This subject is one about whether or not the Federal Government gives $76 million worth of guns and ammunition to organizations, the primary sponsor of which is the NRA. I think not. I hope, when we have a chance to have our vote, that this body will stand up and say, "No, we're not going to give away those weapons, we're not going to give away the Nation's assets, we're going to destroy them just as they should be," and that we will have good support in that effort.

Mr. President, I ask unanimous consent that the several documents I mentioned be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the GSA News Release, Jan. 6, 1994.]

GAS ADMINISTRATOR STOPS SALES OF EXCESS FEDERAL FIREARMS

WASHINGTON, DC.—In an attempt to curtail the flow of handguns into American communities, the head of the General Services Administration today announced that the agency will no longer issue waivers that have allowed federal agencies to sell excess firearms to dealers in the private sector.

"After consulting with Attorney General Janet Reno and other administration officials, I have issued orders today that have revoked all previously issued waivers and determined that the General Services Administration will not in the future grant waivers from existing regulations prohibiting the donation, sale or exchange of firearms," GSA Administrator Roger W. Johnson said.

The prohibition is part of the Federal Property Management Regulation (FPMR) that control various items in the federal government's property inventory, including firearms. The regulations state, in part, that "firearms no longer needed by an agency may be transferred only to those federal agencies authorized to acquire firearms for official use." The FPMR also prohibits the donation, sale or exchange of firearms and states that they may be sold only for scrap after total destruction.

A waiver, or "deviation", from the regulations can be granted by the GSA Administrator upon request by a federal agency, which can then sell its excess firearms to federally licensed gun dealers. The money collected from these transactions has been used to purchase other firearms for federal use or to defray other agency administrative costs.

SURPLUS FIREARMS EXCHANGE POLICY FACT SHEET

The Federal Property Management Regulation (FPMR) Parts 101–42.1102–10(A–C) state, in part, that firearms no longer needed by an agency may be transferred to those Federal agencies authorized to acquire firearms for officials use. Firearms may not be donated and may be sold only for scrap metal after total destruction. Additionally, FPMR Part 101.46.202 states, in part, firearms are ineligible for exchange or sale.

The Administrator of the General Services Administration has the authority to grant waivers to these prohibitions upon request by an individual agency, thereby allowing an agency to sell its excess or surplus firearm inventory to private sector gun dealers. The money from these sales then go back to the agency to defray costs of upgrading future firearm inventories or other administrative costs.

Since 1982, a total of 61,901 firearms have been excessed and sold. The agencies that have excessed these firearms most frequently are the Customs Service, Internal Revenue Service, U.S. Marshal Service, Immigration and Naturalization Service and Drug Enforcement Agency. A large percentage of these firearms were acquired through confiscations during arrests.

GSA Administrator Roger W. Johnson started investigating this issue in October, when he was asked to grant a waiver. After consulting with Attorney General Janet Reno and other administration officials, Mr. Johnson issued orders that have "revoked all previously issued waivers and determined that the General Services Administration will not in the future grant waivers from existing regulations prohibiting the donation, sale or exchange of firearms."

NRA–ILA FAX ALERT

ANTI-GUNNERS' HYPOCRISY ABOUNDS

Remember a few weeks ago when the antigunners were criticizing NRA for working to repeal the misguided Clinton gun ban? You may recall they were imploring NRA to get back to teaching firearms safety and promoting marksmanship. However, showing their true colors this week, the anti-gunners are now focusing their sights on the creation of the Corporation for the Promotion of Rifle Practice and Firearms Safety, which was established to replace the DCM (see Fax Alert Vol. 3, No. 5). This program seeks to provide surplus firearms and ammunition to law-abiding Americans to enhance firearms safety and marksmanship. The anti-gunners beef—since the shooting clubs involved with the program may be NRA-affiliated, they argue this program is "new funding mechanism" for the Association! Even more ridiculous, Sen. Frank Lautenberg (D-N.J.) thinks the distribution of surplus government firearms to groups like Boy Scouts and Future Farmers of America amounts to "aid[ing] and abett[ing]" the "rising tide of gun violence."! This is just yet another example of the enemies of our firearms freedoms putting aside common sense for sake of politics. For more information on the Corporation for the Promotion of Rifle Practice and Safety, call 202/761–0810.

ANTI-GUN AMENDMENT DEFEATED IN U.S. HOUSE: An amendment to a Public Housing bill offered by U.S. Senate candidate Rep. Dick Durbin (D-Ill.), that would have outlawed self-defense in public housing units, was overwhelmingly rejected by a veto-proof majority on Thursday. Durbin's proposal would have criminalized public housing residents who use a firearm in self-defense, thereby federalizing state and local offenses—discriminating against people living in public housing. Our thanks to Reps. Harold Volkmer (D-Mo.), Bob Barr (R-Ga.), Bill McCollum (R-Fla.) & Denny Hastert (R-Ill.) for leading the charge against the proposal. Side Note: the anti-gun Durbin will face NRA-endorsed candidate Al Salvi (R) for U.S. Senate seat vacated by this fall.

U.S. HOUSE TO LOOK AT BAITING ISSUES: On May 15, the House Resources Committee will hold a hearing on the enforcement of baiting regulations that prohibit hunting waterfowl and other migratory game birds, such as doves, "by the aid of baiting, or on or over any baited area." Following passage of the 1918 Migratory Bird Treaty Act, hunting over bait was prohibited by regulations in 1935 to better regulate the harvest of migratory waterfowl. The Interior Department's Fish and Wildlife Service has enforcement responsibility. However, in recent years, these regulations have caused considerable confusion and disagreement over how they're enforced. We'll keep you posted!

STACK BACKS OUT: Charles "Bud" Stack, President Clinton's nominee for a seat on the 11th Circuit Court of Appeals, withdrew his name from consideration after his nomination was criticized by a number of groups, including NRA. In his writings, Mr. Stack had called for the firearms industry to be held liable when their products are misused by criminals, thereby removing responsibility from criminals and placing it instead on the manufacturers.

LEADERSHIP TRAINING SET FOR MICHIGAN: Next Sunday, May 19, NRA—in conjunction with the Citizens Committee for the Right to Keep and Bear Arms and the Second Amendment Foundation—will host a FREE Leadership Training Conference in Romulus, Michigan. Don't miss this chance to learn how you can become a more effective citizen-lobbyist! To reserve your seat or for more information, please call (206) 454–4911.

EXCERPT FROM NBC NIGHTLY NEWS, MAY 16, 1996

TOM BROKAW. Tonight, The Fleecing of America. If it wanted to, the federal government could have the world's largest yard sale. Think about it for a moment, all that surplus furniture, used vehicles, military equipment; it goes on and on. And in these days of tight cash, why would the government give anything away? Which brings us to this FLEECING question from NBC's Andrea Mitchell.

ANDREA MITCHELL. Dawn, on the world's largest firing range, Camp Perry, Ohio, an Army base. Civilians issued rifles. The Army will soon give away 76,000 surplus M–1s just like these, free. They're also giving away office space, computers, and $4 million in cash. Grand total: at least 67 million taxpayer dollars. The Army will turn all this over to a new private organization which will sell the firearms to finance gun tournaments around the country.

Mr. ROBERT WALKER (Handgun Control, Incorporated). It is a recreational program. It is pork, NRA pork.

MITCHELL. In fact, critics say, not only a FLEECING OF AMERICA but a big benefit to the National Rifle Association. How did Congress pass the gun giveaway? Very quietly. Gun opponents though they had killed this program. They didn't count on the powerful gun lobby, the NRA. Its friends in Congress slipped this 12-page amendment into the massive defense spending bill. Its purpose: the promotion of rifle practice and firearms safety among civilians.

Senator FRANK LAUTENBERG (Democrat, New Jersey). It irritates the devil out of me that people who work here representing the best interests of our country are so susceptible to narrow special interests like the NRA.

MITCHELL. This summer at this Army base in Ohio, the world series of gun tournaments, financed largely by this government giveaway. So, your tax dollars bought the rifles which sell for up to $600 to pay for programs critics say help the NRA recruit.

Ms. SHANNON MCNEILY (Age 12). This is my first time shooting here.

MITCHELL. And how did it feel?

Ms. MCNEILY. It felt pretty cool.

MITCHELL. Supporters say these programs teach gun safety, important lessons that can be taught to anyone, even someone who's never handled a firearm.

Mr. CRAIG SWIHART (Volunteer Instructor). Very good. You squeezed that off real nice. Let's do it again.

MITCHELL. They say good, clean fun. But should taxpayers foot the bill, permit the Army to give the surplus guns away?

Mr. SWIHART. Good question. Is this a good use of tax dollars? These guns were paid for in the early '40s and very late '30s when we fought the Second World War.

MITCHELL. Critics say the rifles should be destroyed. The NRA calls that a real waste of tax dollars. Although they co-sponsor and run the annual tournament, they say:

Ms. TANYA METAKSA (National Rifle Association). This is not a program that benefits the NRA at all. It's one we spend millions of dollars and—to support.

MITCHELL. Gun opponents are now trying once again to kill the gun giveaway.

Senator LAUTENBERG. The people on the other side very cleverly figured out a way to give away the store, and give away the weapons, and continue the program, and pay for it. It's outrageous.

MITCHELL. But the NRA may have bigger guns in Congress to keep this FLEECING OF AMERICA alive. Andrea Mitchell, NBC News, Camp Perry, OH.

[From the Washington Post, May 7, 1996]

UP IN ARMS OVER RIFLE GIVEAWAY

A provision of the defense budget that went into effect earlier this year requires the Pentagon to give away 373,000 old rifles from World War II and the Korean War, spurring protests from gun-control advocates who believe the government shouldn't add to gun commerce.

The little-noticed measure was promoted by the National Rifle Association and the congressional delegation in Ohio, home to an annual marksmanship competition that will be financed by the sale of the venerable M–1 rifles and other aged guns with a resale value of about $100 million.

The heavy, nine-pound M–1s are unlikely to be used in street crimes such as drug killings, the program's advocates say, because the main buyers have been and likely will continue to be gun collectors who must be trained in shooting rifles and pass a stringent background investigation.

But critics say the recent congressional action is in effect a subsidy to the NRA. It requires the Army to transfer control over the rifles for free to a new nonprofit corporation. The corporation will sell them to benefit marksmanship programs and the yearly target tournament in Camp Perry, Ohio, which is managed by the NRA.

The old Army-administered program also co-sponsored the annual Ohio tournament with the NRA, and over the years the NRA used its close relationship with the project to market itself, critics of the group said.

Congress's action marked the death of the Army-administered program, called the Civilian Marksmanship Program, which critics called one of the U.S. government's oddest pork-barrel projects. The Pentagon ran it for decades but has sought to disentangle itself in recent years.

The program harkens to 1903, just after the Spanish-American War. U.S. military officials were upset to learn farm boys conscripted for that conflict were not the rustics of romantic American novels who could nail a jack rabbit from 200 yards—in fact, they couldn't hit a barn. Congress established the project, supported by U.S. military guns and money, to promote sharpshooting in future wars.

"The gift of millions of dollars worth of weapons and ammunition is terrible public policy," said Sen. Frank R. Lautenberg (D-N.J.) in a column in USA Today. "In fact, it's outrageous. The government must work to stem the rising tide of gun violence in this country, not aid and abet it."

"This program historically has been a federal subsidy to the NRA's marketing," said Josh Sugarmann, a gun-control activist and author of a 1992 book critical of the NRA. Congress's latest action, he added, is "a new funding mechanism" that also helps the NRA.

The great majority of the gun clubs that take part in the marksmanship program are affiliated with the NRA, he said. For decades, in fact, the guns' buyers had to prove to the Army they were NRA members—until a federal judge stopped the requirement in 1979.

Promoters of the 93-year-old program say it's no more sinister than the Boy Scouts, the Future Farmers of America and other youth groups that have taken part in its marksmanship training. This M–1s that are sold are not used in crimes, they said, because the strict background probes of the guns' potential buyers cull out criminals. They also point out that nine of the 10 members of America's 1992 Olympic shooting team learned marksmanship in the program.

"Any link opponents try to draw between this program and urban violence is comparable to linking Olympic boxing competition with hoodlum street fighting," said Rep. Paul E. Gillmor (R–Ohio), who sponsored the new measure and whose district draws 7,000 visitors and $10 million in revenue during the summertime rifle competition.

Gillmor added that it would cost the military $500,000 to destroy the guns, while the cost is nothing if it gives them away.

Chip Walker, a National Rifle Association spokesman, said Lautenberg and other critics of the program "don't want to promote firearms safety and responsibility." He added that it's "ironic" that gun-control advocates for years have criticized the NRA for its harsh rhetoric, urging it to stick to its traditional mission of teaching firearms safety—and now raise questions about its efforts to pursue even that goal.

Almost all the guns the Army is to give away are M–1s, the bolt-action rifle lugged by GIs onto the beaches at D-Day and Guadalcanal. Replaced in 1958 by the M–14 as standard infantry issue, and later by today's M–16, the M–1 is prized by collectors and war buffs—especially the pristine guns sold in their original boxes by the Army.

Last year the Army charged $310 each for the M–1s stored at its Anniston Army Depot in Alabama—an increase from its recent price of $250. In any case, those are discounts, because M–1s usually sell for $400 to $500. In recent years the program sold a maximum of 6,000 guns a year.

The measure recently signed into law by President Clinton in essence privatizes the program and transfers ownership of the 373,000 rifles to the new Corporation for the Promotion of Rifle Practice and Firearms Safety, whose board is to be named by the Army. It will then sell the weapons for whatever price the market will bear, and at whatever rate it chooses. (the guns will remain at the Anniston facility until they are sold.)

The law requires the Army to transfer to the new corporation $5 million in cash the Army program has on hand, $8 million in computers and other equipment, about 120 million rounds of ammunition and the 373,000 guns. It's estimated that only about 60 percent of the guns—about 224,000—are usable, and they could fetch about $100 million.

The Pentagon has sought to remove itself as administrator of the program, under which it sold 6,000 guns a year and donated $2.5 million annually to the Ohio competition, military officials said. The main reason, they said, is that they concluded that the program years ago stopped contributing to "military readiness." Moreover, Pentagon officials were uncomfortable being involved in an issue as controversial as firearms.

Finally, last year, military officials were upset by the taint the program suffered when it was learned that members of a Michigan militia had formed a gun club that became officially affiliated with the Army program. Using that affiliation, the militia members had taken target practice at a Michigan military base until they were stopped.

Mr. SMITH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, regrettably, I must rise today in opposition to the amendment offered by my colleague from New Jersey. I do this reluctantly. I think this whole program is being mischaracterized, to a large degree, here. I think that is unfair.

Civilian marksmanship is an old program. It has been run since way back in the early 1900's. It has been, basically, a good program. I would like to disabuse anybody of the idea that this is somehow just an NRA program. You bring up NRA and you immediately get strong feelings on both sides of whether you should support something or not just by the fact whether NRA approves it or does not approve it. But this is not an NRA program and it is not a giveaway program and it is not a gun control issue. I want to address these things.

Senator LAUTENBERG's amendment would terminate a program that represents a compromise. It was a compromise which was worked out last year as a way of changing from Army support with taxpayer money, Army support of the Civilian Marksmanship Training Program that is conducted at Camp Perry in Ohio, and has been, I do not know, for how many decades it has been run there. But it was a way of converting from Army control and taxpayer money being used over to a civilian nonprofit organization that would run a legitimate sport that is run as a gun sport, not hunting or anything like that, but target shooting, marksmanship, gun safety, and that has been the focal point of the matches that have been held at Camp Perry for a long, long time.

This way to convert over to a civilian program without just killing the whole program outright was the compromise that was worked out last year. No. This program, Mr. President, has not even had a chance to go into effect yet. So what we are doing is dumping the compromise that we thought there was agreement on last year.

This program's predecessor, the Civilian Marksmanship Program, was established by Congress in the very early 1900's. They have promoted firearms safety and marksmanship training ever since that time.

Up until this year, the Civilian Marksmanship Program was run by the Army, using appropriated funds, as I said. In addition to providing firearms safety training, the Civilian Marksmanship Program conducts a national marksmanship competition each year. Quite legitimate; great. It is like people shooting bows and arrows get to have their competition. People shooting little .22 pistols have their competition. And people who want to fire a little heavier fire caliber rifles have their competition.

Indeed, it is an Olympic sport in marksmanship. The training many of these people receive at Camp Perry, the competitions they were in in these matches, is what leads them into a position where they can even participate in the Olympics. So it is a legitimate sport. So, in addition to providing firearms safety training, they conduct the national marksmanship competition each year.

The third element of the program has been the sale of World War II vintage M–1 rifles out of which some of the costs of the competition and the firearms training has been funded.

Now these are M–1's as my distinguished colleague from New Jersey said, M–1's that everybody who was around the military back during World War II days certainly and the Korean war are very, very familiar with. This is not a weapon of crime. I do not think there is a single time on record where an M–1 rifle has been taken in and been used to conduct a crime or rob a bank or a 7–11 or anything else.

Last year's defense authorization legislation simply took the old program run by the Army, with appropriated funds, and moved it into a federally chartered—federally chartered—not-for-profit corporation that would conduct the training, the national matches, and sell collector-type rifles to defray the costs of the operations.

This was a transition program to help them change to this nonprofit operation. That was the only purpose of it. The program has not changed in the last year, other than to move it out of the Army and stop using Army appropriated funds and put it into a self-sustaining corporation called the Corporation for the Promotion of Rifle Practice and Firearms Safety. The use of appropriated funds was the complaint of the program's detractors last year, and that complaint was addressed by last year's legislation, Mr. President.

I regret this issue is being characterized as a gun control issue because I believe that characterization is misleading, to say the least. Like Senator LAUTENBERG, I have been a strong supporter of gun control, but I do not believe the sale of these 50-year-old 9-pound rifles raises a gun control issue. As I said, as far as I know, there is not on record a single crime, not a single one, no robbery that anybody has on record as I understand it, of an M–1 rifle ever having been used.

What is the attraction of these? The attraction of these rifles is nostalgic, quite frankly, for collectors, those who literally lived with that rifle back during World War II days and who want one to hang above the fireplace or on the wall or someplace or to show their kids. It is something they literally lived with in combat and which became an important symbol to them. You do not see a picture of World War II with the troops going up without the M–1's slung over everybody's back here. That is the attraction of them to collectors.

It is not a matter of gun control at all. These rifles are being bought by collectors. They have never been recorded as involved in the commission of a single crime. They are heavy weapons and difficult to conceal. In addition, before a rifle can be purchased, a background check is required. The arguments about the program have never been about gun control before. The Army has been selling rifles and ammunition to the public under the auspices of the Civilian Marksmanship Program since 1924.

Finally, I note these weapons are obsolete. They are not usable by the Army. So this is not a valuable giveaway where you can say these cost $400 or $500 to produce. These weapons, if they are stored by the Army—it will cost more to store them. I also add, the estimates of what it would cost to destroy these as opposed to selling them has been running—we do not have an accurate estimate, but the estimates have been between $500,000 and $3 million to destroy these things. I do not know what the true figure is here, but the lowest estimate we have had was $500,000.

But in any event, these are not usable now. They will be destroyed if they are not transferred and sold into this program. So to the Government these rifles are not truly assets. Rather, they would be reflected on the books as a liability since their destruction would cost the Government money.

So I think that sort of lays out the program, puts it in a little different light. It is not a program concerned with crime prevention. It is not a gun control issue; never has been. These are not the weapons of crime at all. It is not a giveaway because, if the Army does not want them, it will cost money to destroy them.

What it is is a way of getting from the transition of the old Army-supported, taxpayer-supported matches that the Army used appropriated funds for and transferring that over to a nonprofit corporation to continue the marksmanship training, safety training, Olympic-hopeful training, and so on, that has occurred at Camp Perry for many decades now.

So I urge my colleagues to oppose the amendment offered by my colleague from New Jersey.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, in this amendment the Senator from New Jersey argues that the private, nonprofit, self-sustaining entity established by Congress, the CMP, the Civilian Marksmanship Program, is neither private nor self-sustaining. The amendment appears to make the program self-sustaining, but in fact it terminates the program flat out.

He says that the CMP should be self-sustaining. He states that the program is terrible; in fact, it is outrageous, he says. I think the goal here is to portray the Civilian Marksmanship Program as dangerous and wasteful, perhaps an agenda here which is to terminate the entire program.

Let me just use some phrases that the Senator from New Jersey has used in debate here. The Senator from New Jersey says, "Located deep inside the massive 1996 Defense Authorization Act, there is a small provision that was slipped into the defense bill."

Both the House and the Senate bills contained very detailed provisions to transition this Civilian Marksmanship Program from the Federal Government. This is not something that was deep inside a massive bill that was slipped in. It is actually 14 sections in a separate title. Title 16, Corporation for the Promotion of Rifle Practice and Firearms Safety. It is almost 10 pages. So it is not a little, insignificant item that was somehow slipped into this bill. It is very clear. It is not a small provision. It certainly is not in any way hidden. It is very much a part of the bill and easy to find.

The Senator from New Jersey also says that, "The law directs the Department of Defense to turn over 176,000 guns and 150 million rounds of ammunition in buildings in Washington, DC, and Ohio worth $8.8 million."

The law directs DOD to transition the program to the private sector—transition the program to the private sector. No transfer of an obsolete M–1 Garand rifle can occur by law unless strict criteria are met. No buildings or real property are going to be given to the corporation. One building at Port Clinton, OH, may be leased back to the corporation.

Ammunition held in this Civilian Marksmanship Program is surplus ammunition. Eighty-five percent of it was purchased with revenues generated by CMP from fees and dues. There are no U.S. forces or allies, for that matter, who have any need for this 30-caliber ammunition. So the 287,000 M–1 Garand rifles now being stored by the defense logistics agencies are obsolete. They are carried by DOD as unserviceable.

So I do not understand where all this tremendous monetary value comes from that somehow we are wasting or giving away. They are obsolete. They are not worth anything to the Federal Government. So this transition saves the Government, does not cost the Government, saves the Government millions—millions of dollars—because you have to destroy this inventory. If you did not get rid of it by giving it away, you would have to destroy ammunition, you would have to destroy these weapons. Plus, in the meantime before you destroyed them, you would have to have storage costs. The estimate of that is somewhere around $2.5 million annually. In addition to that, you would preserve the program and avoid other significant costs.

M–1's are obsolete and have value only if they are sold. They do not have value if they sit. They have value only if they are sold. Criticism that the program is a giveaway for selling obsolete rifles that have no value unless they are sold does not make any sense. Disposals comply with all current law. All current law is complied with, and further, require a formal training program and a waiting period of 10 to 15 months after the completion of all these requirements.

Now, the Senator from New Jersey, and I will use his language, said, "The total tab to the American taxpayer for this boondoggle is over $76 million." That is simply not true. The value of obsolete M–1 rifles is zero. How would one put a value of $76 million on obsolete items that no one wants to buy? They are a liability. They cost money if they are destroyed.

No real property is here being transferred to the corporation. So the $76 million, I do not know where it came from. It has no basis, in fact. However, there are some savings. Mr. President, 28 Government employees would leave the program, $83,000 in annual rent for a commercial building would be saved, and $850,000 in conducting national matches would be saved, a cost avoidance by not having to store and destroy 287,000 obsolete firearms.

Another statement that was made here, Mr. President, by the Senator from New Jersey is, "Why should taxpayers be delivering cost free to American gun enthusiasts more than 176,000 rifles and enough ammunition to start a small war?" If we could try to look through that kind of inflammatory rhetoric, it is fair to ask a public policy matter, I think, as to whether the CMP should be transitioned or terminated. That is a fair question. No concern was raised while the issue was considered in markup nor on the floor nor in conference. This is not a gun control issue. That is what the other side is making this into. It is not a gun control issue. The program promotes safety and conducts matches—national matches. The disposals of these obsolete weapons, the M–1's, comply with all current law and further require a formal training program and a waiting period of 10 to 15 months after all these requirements are complete.

We have heard today that somehow this is a great benefit to the NRA and we are carrying water for the NRA. This is not even about the NRA. The NRA does not have a thing to do with this program, nothing, not one bit of a role does the NRA have in this program. The essential question is whether the program contributes sufficient value to the United States to merit its continuation. That is the issue. The program of safety education and the contribution to the U.S. Olympic teams alone would answer that question in the affirmative.

Now we have heard to the contrary, but considering the program's value as an outreach program, conducted by a large network of volunteers, its proven value in military recruitment and the savings to taxpayer, all of those items support its continuation. What we are hearing is a misrepresentation of the facts, turning this into a gun issue. The fact that there is no cost to the taxpayers to continue the program as a private entity further supports its continuation.

Now, let me answer this point about gun enthusiasts. This is a large program, a very large program. It has the direct involvement of over half a million young adults, maybe some older adults. Nine out of 10 members of the 1992 U.S. Olympic rifle team participated in this program, 9 out of 10, to include female gold and silver medalists. Congress considered the issue, recognized the value of the program, and developed the transitional aspect of this legislation in close cooperation with the Army to enhance those people to use those weapons in their training on the U.S. Olympic team.

CMP, the Civilian Marksman Program, is conducted through 1,100 formally affiliated clubs in all 50 States, whose volunteers teach young people the safe and responsible use of firearms in conjunction with competitive sport shooting, competitive sport shooting. Who belongs? Clubs in New Jersey, for example, include the Vernon Township Police Athletic League, the Queen of Peace High School, the 44th infantry Division Historical Reenactment Society, the Boy Scout Troop 46, and Kearny Police Junior Rifle Club. We forget that when we go to see these reenactments of military battles or marchers, that they do carry these weapons. Where would they get them? We are providing them to them. That is a service. These are not placed in the hands of fanatics who are going out shooting people. Yet that is the image that is being presented here.

A typical club secretary, who also is a New Jersey police officer, commented to our staff on the committee, "Our club has 21 young people in grades 6 to 8 and 40 on a standby list. We have turned away countless others because we do not have instructors. The local schools and parents fully support our club." I repeat, "The local parents and schools fully support our club. Ours is the only basic firearms safety program in the area. We believe that educating kids in safety is the best way to demystify guns and achieve responsibility, safety, and respect. We teach kids how to handle these situations where a friend may try to take out a gun in a house," for example. It is a team program.

Another secretary commented, "We have more than 400 members in our club. This is a family program, lots of fathers and daughters. Most adults are in the National Guard, the Reserves, or have had military experience. We stress the safe handling of firearms and dispel myths. We instruct the police auxiliary and active Reservists without the use of public funds. Our community has found in 15 years of club affiliation this is an excellent program for kids."

So, "The CMP," again, using the words of the Senator from New Jersey, "has sponsored summertime shooting competitions for civilians and it even purchased bullets for Boy Scouts and taught them how to shoot guns." Now, that is really an outrageous statement, Mr. President. The program conducts annual national matches, supports programs like 4-H, Future Farmers of America, and, yes, the Boy Scouts. It does furnish .22 caliber ammunition—formerly free of charge, soon at a nominal price—for certified youth programs paid from revenues that this program generates. Without this program, there would be no national matches.

Again, the Senator from New Jersey says in reality the new corporation will be private in name only. That is not true, either. The legislation states, "The corporation shall not be considered a department, agency, or instrumentality of the Federal Government. An officer or employee of the corporation shall not be considered to be an officer or employee of the Federal Government."

The Senator from New Jersey also says, "There was also evidence of links between the program and antigovernment militia groups." Of course this is a hot button, which is why it is brought up. Again, this is simply not true. Now, facts are facts. This comment may refer to a group not affiliated with the program that tried to use a military installation range and was turned away by the installation commander because they were affiliated with the militia. The Army conducted an investigation of possible militia involvement in a program and can find absolutely no indication of militia involvement.

This M-1 is not the type of firearm that such a group or a criminal would prefer. It cannot be used as a full automatic. It is heavy and it is impossible to conceal. This is an old military weapon, Mr. President.

The legislation prohibits explicitly participation in the program by anybody who is a convicted felon, firearm violator, and any individual who would advocate the violent overthrow of the U.S. Government or any overthrow of the U.S. Government. The requirements to purchase an M-1 through the program are probably the most vigorous in the country.

An applicant must comply with all existing laws, have a background check, be fingerprinted, attend a formal training program, fire 50 rounds under supervision as part of the training, and wait 10 to 15 months after completion of all of the requirement to receive a rifle.

It is regrettable, Mr. President, that this program has come under attack and this thing is being made into an NRA issue or a gun issue.

Again, in summary, these are outmoded weapons that are used in competition, or in military reenactments, or hobbyists, or for competitive shooting, and that is all. They have no value whatsoever to anyone. So to say they are worth $76 million is simply outrageous. They have no value.

So by providing this opportunity for people to get some use out of them, some training, I think we enhance the possibility that they would be less be apt to have accidents, or go to people who do not understand guns. But to say we are putting bullets and guns into the hands of Boy Scouts, that is terribly misleading, Mr. President.

At this point, I suggest the absence of a quorum.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold the quorum call?

Mr. SMITH. Mr. President, let me just say, the Senator from New Hampshire would object to calling off the quorum call, unless the Senator from California would agree to be recognized for debate only while the managers are working on an agreement with respect to the Lautenberg amendment, and that I be recognized when the Senator from California yields the floor.

Mr. LAUTENBERG. I object.

Mr. SMITH. Then I object to the calling off of the quorum call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. SNOWE). Is there objection?

Without objection, it is so ordered.

Mrs. FEINSTEIN. Madam President, I rise as a cosponsor of Senator LAUTENBERG's amendment and to both commend him and support him for this amendment.

Prior to making my remarks, I would like to address a comment made by the very distinguished Senator from New Hampshire that these guns have no value, that the $76 million price tag on them is outrageous.

Well, we called a number of gun shops around the Nation to determine whether the M-1 and the M-1 carbine had a value. I would like to share with the Senator what I found. The M-1, which the Army puts a value of $310 on, can be purchased at the Old Town Armory in Alexandria, VA for $425. It can be purchased at the Old Sacramento Armory in California for $549. It can be purchased at Segal Guns in Oakland for $495.

Remember, the Army's value is $310. The M-1 carbine, which the Army puts a value of $76.90 on, can be purchased at the Old Town Armory for $389, and the Old Sacramento Armory for $425, at the San Francisco Gun Exchange for $278.50 and $325, at the National Shooting Club in Santa Clara at $400 and $425.

As a matter of fact, if you average these prices and say what market prices are for these weapons, the M-1 and the M-1 carbine, and the other items, actually increase the amount to about $86.5 million rather than $76 million.

So I respectfully submit to this body that it is not true that these guns have no value. They are, in many cases, collectors items, and they bring a substantial value.

Nonetheless, I rise in support of what Senator LAUTENBERG is doing, because to me this kind of program is not one in which the Federal Government should be involved. It is not one in which we should be providing cash and leased space and weapons to a civilian program. My view is that the groups who are interested in this are well-funded, they have a fee base, and they can handle this program on their own, and that is an appropriate thing to do.

I also have a problem in that I do not believe that military weapons should be sold by the U.S. military to civilians. Military weapons may be out-of-date weapons, but, nonetheless, they are designed with a purpose, and that purpose is combat. Heaven knows we have enough combat on our streets.

I looked at the background of this program. It was actually established, interestingly enough, in 1903 as a military program prior to the Spanish American War to take young recruits and would-be military and teach them how to shoot prior to their coming into the military.

Last year, under title XVI of the 1996 Defense Authorization Act, the nonprofit, so-called private Corporation for the Promotion of Rifle Practice and Firearm Safety was put forward. In effect, this is a change in name only. It is the same program. It may have a different board of directors, but it will be the same identical program—sort of the same program with a different name on it.

So essentially, when it becomes operational in October of this year—and it has not yet become operational—it will take control of 176,218 Army rifles and 146 million rounds of ammunition worth more than $62 million. Even more remarkable, it will receive at least $4.4 million in cash from the Army, and it will be given leased Federal property such as vehicles and computers valued at $8.8 million at no cost to the corporation but at a cost of $76 million to the taxpayers. So the taxpayers are essentially giving to a totally civilian program $76 million of their funds.

Is training people to shoot straight a worthy cause? Of course it is. But it is not the Government's responsibility.

I do not know about you, Madam President, but I have not received one phone call or letter from a constituent complaining that we are not funding enough shooting competition. I have, however, heard from constituents about the $11 million that was cut from Healthy Start, a program to reduce infant mortality among low-income pregnant women, and I have heard about the $384 million that was cut from student financial assistance grants, and I have heard about the $12 million cut from the school dropout prevention program and the $4 million cut from the National Health Service Corporation that sends doctors and nurses into underserved areas.

So what this boils down to—and I recognize there is a firewall between defense and social programs—is really a sense of priority. Is this where we want Army weapons going? Is this how we want Federal dollars used?

My own State of California will have cut $12 million for the Commerce Department's Tourism and Travel Administration. This is a big deal in California. It is one of our major industries. Local communities feel a very real impact from the $35 million lost in impact aid to make up for lost tax revenue.

So this, again, is about priorities. I do not think—well, I know, because the military has said they do not need the program. They do not really want the program. $76 million—think of what that could do put to use.

I am also very much aware of the fact that there are many guns in this Nation. We have 212 million guns in the United States of America in private circulation and another 6 million being added every single year. Do we really need to use Federal money to add over 175,000 Army guns to this street supply? This is not a question of gun control. This is not controlling guns. It is a question of adding to the supply with taxpayer dollars. I, for one, do not truly believe that the Federal Government should do this. I believe, in a sense, that it has as much social wellbeing and purpose as a Federal tea-tasting program.

In reports such as ABC's Prime Time Live and a Boston Globe article, it is true militia members brag that they are adding to their stockpiles of weaponry and ammunition and have received training at U.S. Army bases from the Civilian Marksmanship Program. What is to stop them from receiving training at this program as well?

As a matter of fact, this group does its own gun checks—not a Federal agency, not somebody independent, not somebody trained in it, but very progun, antiregulation, antilicensing people would do the betting of who would have these weapons.

So I would say who do we really know? Where do we really think these weapons and ammunition will go? The clear answer is we do not really know because the new corporation would have the sole responsibility for determining who gets the guns and who does not. A group of private citizens will determine who gets military weapons and who does not.

That, to me, is wrong-headed. It is ill-advised. Then when you fund it with taxpayer dollars, I think Senator LAUTENBERG is absolutely right on, it becomes a major boondoggle.

I yield the floor. I thank the Chair.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, the amendment that the Senator from New Jersey has brought before us—certainly the Senator from California has just spoken in behalf of—in my opinion rests largely on a matter of opinion and not as much on fact. I say so because, if you really are antigun—and that appears clearly to be the case of the two Senators and the votes that they have cast over the last several years, and certainly the Senator from New Jersey has made no secret about the fact that he has been opposed to the Civilian Marksmanship Program and has for many years tried to terminate it—I would not be surprised that this amendment would come at this time. What happened last year was a recognition of the concern of the Senator from New Jersey.

But as important as getting it off from the Government role, if you will, is the recognition as we have gone down through the decades that we really did find it a legitimate and a responsible position for our Government to promote firearm safety and, certainly, legitimate civilian marksmanship.

Whereas, the Senator from California stated when this program was originally organized we found our need to defend ourselves as a country but we found a civilian population who did not know how to handle firearms, and the length of time in training them was such that it was inadequate for the need for protection. Since that time we have had a department of civilian marksmanship, a program that has been participated in, yes, by the National Rifle Association, but by a lot of other civilian groups, private groups, who have been interested in responsible firearm handling and safety and accurate marksmanship.

As the Senator from Ohio so clearly spoke, this program is privatized. It is being moved out of the area of subsidy.

So if you are against a safety program, a responsibly controlled program, and you are just antigun, then my guess is you would want to vote for this amendment.

But if you recognize the need for gun safety, for a well-organized program and for our military, the Army in this instance, to be a participant in selecting the board of directors of this civilian, nonprofit group to handle the Civilian Marksmanship Program and the sale of these obsolete firearms, then I would ask you to oppose this amendment; to do responsibly what we did in 1996 in the defense appropriations bill, and that is to move it out of the Government and allow the sale of the M-1 and the ammunition that remains, which is by all definition an obsolete military weapon, to fund the program.

Some would argue that is subsidy. I would argue something different than that.

I suggest that right now the storage of these obsolete military weapons is costing us well over $2 million a year. We are paying for that on an annualized basis. If we destroy the arms, which the Senator from New Jersey is advocating, we do not know its cost—millions of dollars to go out and destroy not only the firearms but the ammunition. That has a fixed-cost to it. Or we can do as we are suggesting here and legitimately fund this program by the controlled sale of the M-1. And I hope we would choose to do so. Certainly, I think that remains a responsible choice.

This new program and the director of civilian marksmanship that would be created by it have this responsibility: the instruction of marksmanship and the conducting of national matches and competition—and out of those national matches and competition grow our Olympic athletes who compete in this legitimate international sport, the sport of marksmanship shooting, competition shooting—the awarding of the trophies, the prizes, the badges and insignias, the sale of firearms, ammunition and equipment.

That becomes the responsibility of this civilian-based, nonprofit corporation, and I think that is what we ought to be doing. That is responsible. I think this is an amendment that ought to be tabled, and I hope that sometime this afternoon we could get to that and my colleagues would join me in such tabling action.

As the Senator from Ohio, who outspokenly said he was an advocate of gun control, has said on this floor minutes ago, the M-1 is not a weapon that we find in crime, used on the streets today. It is a collector's item in large part, and it is also used for marksmanship. Many of our veterans of World War II like to collect them as memorabilia. It is a way of raising money from an obsolete item that our Federal Government now has.

I certainly hoped that the words of the Senator from New Hampshire, the recognition that we heard the Senator from New Jersey and responded by taking this out of the Government role and making it a private corporation, would have satisfied him. Apparently, by his presence and this amendment in the Chamber this afternoon, that simply is not the case. He wants to terminate this program altogether and then withstand the expense of the destruction of these firearms and the ammunition involved. I hope that is something we would not do.

Yes, there is value to the weapon. There is no question about that. The Senator from California cited statistics from gun shops around the country, but only if it is in that shop and only if it is for sale. Right now, stored in a warehouse, it is of no value except it costs the Government annually over $2 million, about $2.5 million to store and to maintain these weapons.

So I certainly hope that as, once before, the Senate spoke clearly on the value of the Civilian Marksmanship Program, we would again concur as we did last year. It is time to privatize. That we are doing. We have moved in the process to create the nine-member board of directors, initially, as I said, appointed by the Secretary of the Army. The civilian director, also chosen then by that board, will continue to provide services to affiliated organizations and to follow through with those items with which I mentioned this director is charged.

I hope we could conclude this debate and move on with other issues directly affecting certainly the legislation before us, the defense authorization bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Madam President, I listened carefully to my friends who take an opposite view to mine, who I think are accusing me at this moment of trying to foster gun control. Although that is something I do not shy away from, that happens not to be the motive of this amendment. They suggested that I may not like the Boy Scouts. I was a Boy Scout. They suggested I do not like guns. I carried a gun. I climbed telephone poles with a carbine over my shoulder in Europe during World War II, in the northern tier, Holland and Belgium, that area. I even at one point got a marksman's badge. So I fired these weapons and did what I had to do to learn how to shoot them. The Army program was pretty effective.

Now, again I said World War II. Some around here may think I was in the Spanish-American War, but the fact is that that war is what occasioned this development. We had an Army that could not shoot straight so they said, well, let's get a civilian force that can effectively be a kind of premilitia group that can help us at moments of conflict.

That was then, 90 years ago. But the program has no value now, and it has been established by the Army as having no value. The Under Secretary of the Army writes in May that the Army gets no direct benefit from the program, that there is no "discernible link," it is quoted, the Honorable FLOYD SPENCE, chairman of the House National Security Committee, and the ranking member, RON DELLUMS, reiterating, no discernible link between this and the CMP.

Madam President, I think we ought to get to the nub of the problem. Yes, I think that it would be outrageous for the Government of the United States to give away $76 million worth of property to people who want to learn how to shoot a gun and hold a competition. If they want to do that, that is fine with me. We do not provide golf balls, tennis balls, baseballs out of the Federal Government for people who want to learn how to play baseball, basketball, or otherwise. If they happen to be in the military or some branch of Government that does that, fine. But for civilians we do not do that kind of stuff.

And since when do we now suddenly see the sanctimonious character of this being almost a moral obligation of the country? I disagree with that totally. We are talking about a giveaway of Government property contrary to policy that says that in fact we ought to be destroying weapons.

This was a GSA-inspired program. The General Services Administration convened a Federal weapons task force to review the Government policy of disposing of firearms. It confirmed a longstanding Government policy of not transferring federally owned weapons to the public; excess weapons are not sold or transferred out of Government channels.

Federal regs are clear. They say that "surplus firearms and firearms ammunition shall not be donated" to the public. "Surplus firearms may be sold only for scrap after total destruction by crushing, cutting, breaking, or deforming to be performed in a manner to ensure that the firearms are rendered completely inoperative and to preclude their being made operative." So that they cannot be made operative again.

Simply put, they said the Federal Government has made a decision. It should not be arms. This has nothing to do with gun control or whether or not FRANK LAUTENBERG is offending the sensibilities of the 4-H Clubs—we have them in New Jersey—or the Boy Scouts. I repeat, I was a Boy Scout. I never got to be an Eagle Scout, but I was OK. Nothing could be further from the truth.

But, when it is suggested here these weapons could never be used in a crime, they are too cumbersome, et cetera, we have a transcript of a TV program in which a Mr. Mark Koernke appeared and talked about the militia program, where they had access to an American military base where they could go in and out fire weapons, et cetera. This was Mark Koernke's response to Sam Donaldson. "As a matter of fact," he said, in response to Sam Donaldson, who said:

> You're telling me, sir, that you did not, in any event, ever advocate an attack on Camp Grayling [military base]—is that what you're telling me?
>
> Mark Koernke: Absolutely. As a matter of fact, we can access Camp Grayling at our discretion any time that we wish.
>
> Sam Donaldson: What do you mean by that?
>
> Mark Koernke: We have access to it. . . .

This is someone who is a leader in the Michigan Militia:

> We have access to it . . . for Department of Defense, D.C.M. [a civilian marksmanship basis] shooting on a regular basis. We can enter the facility or any other military facility.

So, while this may not be a weapon of choice for criminals, the fact is if it is a weapon of choice for military people to train with—militia people, I think it is a bad idea.

We are down to the nub here, frankly. Whether or not the process is exactly as it should be, yes, Senator FRANK LAUTENBERG wants to eliminate this program. That is what the Army suggested. That is what the GSA suggested. We want to stop paying for it. I want to stop paying for it altogether. I want those weapons destroyed, not given over to a civilian organization where they can sell them and use the profit for their mission. It ought not to be that way. No place else in Government do we do that kind of thing.

It was said, by our colleague and friend from Idaho, this was a board appointed by the Army Secretary. That should give it some balance. But this board has the authority to replace itself, replace members that retire or leave for whatever reason, so it can easily become a captive of a particular group.

I do not want to stop gun practice, gun safety instruction, none of those things. I do not want my Government, I do not want these taxpayers, to have to pay to give it to the group. I think it is an absolutely unjustified process. We ought to stop the program. We ought to get out of the business. If people want to pay for ammunition and guns and so forth, there is a marketplace out there, they can buy all they want.

I hope, Madam President, we will bring this debate to a conclusion and let the Senate speak for itself.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? At this moment there is not.

The Senator from Alaska is recognized.

Mr. STEVENS. Madam President, I do know the Senator from New Jersey's military background. Apparently I know something he does not know about the Army.

The Department of Army did investigate the militias to see if there was any connection between the militias and the problems the Senator from New Jersey has mentioned. It is my understanding they found there was none.

As a matter of fact, just in the last 2 weeks when I have been back to Alaska, twice, I have seen the Alaska Militia working as volunteers at the fires that took place near Anchorage, around our lake country. We call it the Meadows Reach fire. They were in their uniforms, provided by my State. They perform voluntary service, assisting people in disasters.

They also perform the function of teaching our people, young people, how to handle weapons, weapon safety, weapons training. The unfortunate thing is, I do not think the Senator from New Jersey realizes in the President's appropriations bill, in the bill the President submitted to us—and this is the President's budget I have here—is this provision:

> None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles or M-1911 pistols.

The impact of that is to continue in the appropriations process the provision that we put in there for many years to prohibit the Department of Defense from destroying these weapons. These are weapons that are now stored by the Defense Logistics Agency. They are obsolete with regard to the activities of the Department of Defense. The Department is required by law to protect them. I think others have already mentioned we have a series of people, 28 Government employees, we pay $83,000 annually for rent of a commercial building to store them, there is approximately $850,000 we currently pay from the taxpayers' money to conduct the national rifle matches.

What has happened in the last year, the Department of Defense bill, which was signed by the President, had a provision to require these rifles be turned over to them, and the ammunition, which is surplus to the Department's needs. There is no U.S. ally or entity of our U.S. Department of Defense that uses a .30 caliber ammunition now.

Contrary to this chart, there is no property being given to this corporation. I do not know where the Senator from New Jersey got those figures. This is not a giveaway. It is a creation of a foundation, in effect a corporation that is required by law to pay the costs of preparing and transporting any firearms or ammunition. It deals with the surplusing of these rifles over a period of time to this creature—it is a corporation, created by law.

It was not deep inside the Defense Authorization Act, done in the dark of night, as the Senator from New Jersey would have us believe. It is legislation signed by the President, 14 separate sections. This is the act that passed last year. That is an act of our Congress last year. It was signed and there are 14 sections in here that deal with this corporation for the promotion of rifle practice and firearm safety.

We take the position it is a logical use of the power of Congress to create a corporation and assign it a function that has previously been paid for by the taxpayers. This is going to save money and continue the concept of trying to find ways to instruct our young people on rifle practice and firearm safety.

I am sad we disagree. But he is not disagreeing just with those of us who are opposing him, he is disagreeing with the President of the United States. The President signed that bill. I do not remember objection being raised at the time. The President sent up to us again the same provision that prevents the destruction of these rifles and will require us to continue to store them and hire people to watch them and to guard them.

The consequences of the amendment of the Senator will not be to prevent a giveaway, it will be to require the taxpayers to continue to pay for functions that can be supported by this corporation. And I did support the corporation when it was included in the Department of Defense authorization bill for 1996. And so did the President of the United States. I thought we had found a logical compromise to avoid the annual fight we have had over this program, to try to teach young people how to conduct themselves and how to handle rifles and firearms safely.

I still think it is a good function. I am disturbed the Senator from New Jersey apparently links all of the State militias into the problems that have occurred with regard to two or three groups that call themselves militias. Particularly Western States have militias. My State has a militia of necessity because of the number of disasters we have. I saw them last year at the large, Kenai Peninsula flood area. They were down there volunteering. They came in and they helped everybody who was suffering because of that disastrous flood. They are helping, this year, the people involved in the fire area.

I do not know why people have to attack a legitimate function of State government in order to try to make a point there are some people who go off the deep end, as far as the use of firearms. We join with others who are trying to correct that. But this amendment is not going to correct that. This amendment will take us back to the fight, what do we do with the rifles and guns? Even the President of the United States says none of the money in the bills—we are going to appropriate funds for the Department—can be used to in any way demilitarize them or dispose of them or destroy them.

I believe the concept of this corporation is a good one. It basically gives us the ongoing funding by taking those firearms that are no longer necessary for defense purposes and makes them available for sale to gun collectors and others who want them or could use them.

Many of us who are hunters still use .30 caliber weapons. My hunting rifle is a .30 caliber. I do not see any reason why that ammunition should be destroyed when it can be used by those of us who still have those guns. We are not using them in criminal ways. We are using them for our hunting activities, and I believe that ammunition should be available.

The corporation will make it available for distribution and will use the income from that to offset the $850,000 we have been spending annually to conduct the national rifle matches and will use the income to continue the concept of these educational processes to teach our young people how to use rifles, how to use firearms safely.

Sure, they have access to our military bases for that purpose. That is where the safe ranges are. I wonder where the Senator from New Jersey thinks in his State the safe firearms ranges are?

I have a whole list of things here—I do not know if anybody read them—that people from New Jersey have said about the Senator's amendment. I do not think it is quite fair to quote his constituents to him. He can talk to them himself.

Clearly, they have access to those military bases for the purpose of rifle practice and to teach safety classes, and I think that is a good idea. I do not think there is anyone better qualified to teach our young people how to handle firearms safely than people who are in the military. I do not think there is any safer place to have them learn than on a military base where we have a range that is operated under all sorts of conditions that protect the safety of all concerned. I am sure the Senator did as I did; he learned to shoot on a range on a military base.

Mr. LAUTENBERG. In uniform.

Mr. STEVENS. In uniform. A lot of these kids are not going to be in uniform now, thanks to those of us who did away with the draft. They are going to have to learn how to shoot guns, and if they are going to learn, they ought to learn right from military people on military bases where safety is taught first.

The first two times I went to the range in the military, we did nothing but what we called "dry firing." We learned how to handle those guns safely. That is what goes on on those bases, and I think it is right.

I sincerely oppose the Senator's amendment. I call his attention to this provision. I assume when we get to the Defense Department Appropriations bill, that the Senator will try to take this provision out. But I remind the Senate, it was sent to us by the President of the United States. It says that none of the funds that we make available to the Department of Defense can be used to demilitarize or dispose of these weapons that he now opposes we transfer to this corporation for purposes of supporting a legitimate educational program on how to handle firearms safely.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Madam President, whenever one has an opportunity to engage in a debate with the distinguished Senator from Alaska, one always knows that the citizens of Alaska have justly deserved the reputation for being focused on their mission and let no holds bar them from their purpose—and with respect and admiration, by the way. I enjoy my moments of conversation, sometimes a tiff, as we might call it, with the Senator from Alaska. I will tell you, he is never at a loss for words and thoughts, and I respect him.

In this case, the Senator happens to be wrong. The situation, as the Senator describes it, I think, extends my remarks just a little bit.

Yes, I know the President signed the defense bill after having vetoed it once, and, after having another bill put in front of him, he signed it last year. I assume the President carefully studied it, his people studied it, and he signed a bill that, like all pieces of legislation, some are excellent through and through and some have problems with them, but on balance you say, "OK, this bill is good enough that I have to swallow hard and take some things."

The Senator from Alaska knows very well that there is rarely a piece of legislation that is exempt from amendment, review, rewriting or otherwise. That is life around here. So simply because it was in the defense bill at one point does not make it right. Now that we have had a chance—one solid year—to examine the weaknesses of that bill, this is one that stands out sharply in my mind.

When I talk about access to military bases—the Senator is gone—but Fort Monmouth in my State still exists because one of the things I worked hard to do was to make sure this prime facility continued to operate. Fort Dix in my State has some marginal operations. McGuire Air Force Base. We have military bases that are important in our society and important in our culture. But access to the base does not mean you can run in any time, go anyplace you want without typically some specific purpose. If you are there for rifle practice or target practice, so be it.

What I was quoting was a person from the Michigan Militia who said, "I have access any time I want to Camp Grayling." That is the kind of access I do not think ought be available. These are places, after all, that have dangerous materials and information that ought not to be accessible to someone without the right to look at it.

Madam President, in short and in long, I think that we have examined this question thoroughly. The distinguished Senator from New Hampshire talked privately with me about coming to an agreement so we can end the discussion now and take up the vote at a later time. If the Senator from New Hampshire wants to propose it, I certainly would like to hear him and see if we can arrive at a point in this discussion where we can terminate for a moment.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, while the Senator from New Jersey gets a chance to review the unanimous-consent request, I want to make a couple of points in response, very briefly, to some of the points that were made in this debate.

The Senator from New Jersey and the Senator from California, when she was on the floor, argued about the value of these guns, the M–1. Both Senators advocate that these rifles be destroyed.

You want to remember that in this program, rifle sales are only a part of the program and the program is about safety, it is about competitive sport shooting, it is about instruction. But the thing that fascinates me is how can one argue that the rifle should be destroyed on the one hand and, if they are destroyed, then the value is zero; yet, on the other hand complain that they are being sold?

If I have a $10,000 porcelain artifact that an antique dealer would buy from me for $10,000 and I pick it up and I throw it to the floor and break it, I do not have anything of value. I think that is really what this debate is about. The taxpayers bought these rifles at one point for our military, and now we are hearing complaints when the taxpayers have the opportunity to buy them again.

A couple more quick points. On the question about what stops the militia from participating, the law stops the militia from participating. They cannot participate, they cannot buy an M–1 if they advocate the overthrow of the U.S. Government. No group like that can get those. There is a background check on all the people. It must be a certified program. There is a waiting period of 10 to 15 months. They are fingerprinted, and no felon can purchase these. Again, this is excess inventory.

This is surplus. It is obsolete. These weapons are surplus, obsolete. They are of no use to the military. They are excess, therefore, the Government, in all types of excess materials, disposes of them. How do you advocate destroying $76 million in taxpayer assets if they do not have value, are without value to the taxpayers?

This business about military access, militia access, and Camp Grayling, that does not have anything to do with this program. CMP is a very tightly controlled program. As a matter of fact, those people were thrown out who tried to get into Camp Grayling. U.S. citizen access to military installations is another issue.

Mr. THURMOND. Madam President, I am concerned that the amendment offered by the Senator from New Jersey is based on assertions and conclusions that do not appear to be based in fact. I am also concerned that adoption of this amendment would require the Department of Defense to divert millions of dollars from the training and maintenance of our Armed Forces.

Congress developed an approach to transition the Civilian Marksmanship Program from a semifunded Federal program that had required an annual appropriation of approximately $2.5 million to a private, nonprofit Corporation. The transition plan was contained in the National Defense Authorization Act for Fiscal Year 1996, which the President signed into law. The plan was completed in full partnership with the Department of the Army.

According to police officers in the State of New Jersey, who are in charge of Police Athletic League clubs, the program is strongly supported by parents, the local schools, and the community. It is highly effective in teaching young people about safety, respect for firearms, competition, and teamwork. There are no incidents of crime or violence associated with club members. The firsthand experience and judgment of police officers and others who understand this program are significantly different from the opinions of the sponsor of this amendment.

The program serves as a primary feeder for the U.S. Olympic Team and international competitors. More than 1,100 organizations in all 50 States use this program to develop responsibility, discipline, and sportsmanship in our youth. These organizations include Police Athletic Leagues, schools, and churches, and numerous youth groups such as the Future Farmers of America, 4–H, the Boy Scouts, and Law Enforcement Explorers. It is also an effective recruiting mechanism for the Armed Forces.

The Corporation is a self-financing program. It will be used by almost half a million citizens, at no cost to taxpayers. The amendment appears to require that the program be self-financing, but its language actually terminates the program. Since the program will be self-financing, the amendment is unnecessary.

The enacted legislation states that the "Corporation shall not be considered to be a department, agency, or instrumentality of the Federal Government." Rather than expend public funds, the program will save the Government millions of dollars that would have to be spent to store and demilitarize obsolete firearms.

The assertion that these firearms represent a $76 million asset is not correct. In fact, they are a liability to the taxpayers, because they are obsolete, surplus, and have no current military value.

This program is about rifles, not handguns. A citizen who satisfies all the provisions of current law for purchasing a firearm, completes a background check, and undergoes a formal training program may purchase an obsolete M–1 rifle through the Corporation.

The requirements to purchase an M–1 rifle are the most rigid in the United States. They are set out in legislation. The waiting time for a purchaser to receive an M–1, after paying for the rifle and meeting all the program requirements, is between 10 and 15 months.

The inventory of surplus firearms is not transferred to the Corporation. No firearm will be transferred to the Corporation unless an affiliated club or individual has met the criteria for transfer.

There is no record of any crime ever having been committed with a firearm purchased through the program. The legislation explicitly prohibits both participation in the program and the sale of firearms to convicted felons and individuals who advocate the overthrow of the Government. There is no evidence of any subversive or so-called militia group ever having acquired these firearms. They are hardly state of the art; they are basically suitable for marksmanship training, competitive sport marksmanship, and as collector items.

The National Rifle Association has no role in the Corporation.

The legislation to which the Senator now objects was not slipped into the Defense authorization. Both the House and Senate bills contained provisions that transitioned the program. The provisions are clearly labeled in a separate title of the act. The Senator raised no objection when this matter was considered last year.

The Committee on Armed Services has not had the opportunity to consider the Senator's amendment because it was submitted as a freestanding bill after the committee had completed its markup. Our initial analysis indicates that the Government would incur millions of dollars in additional costs if the amendment were adopted.

Mr. SMITH. Madam President, if there are no other Senators who wish to debate at this point, I ask unanimous consent that the Lautenberg amendment be temporarily set aside, and that at the hour of 3:25 today the Senate resume consideration of the amendment, and there be an additional 5 minutes equally divided for debate, prior to Senator CRAIG or his designee being recognized in order to make a motion to table the Lautenberg amendment and, further, that no second-degree amendments be in order prior to the vote on the tabling motion.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SMITH. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SMITH. Madam President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH. Madam President, I want to take this opportunity, since there is no one here offering amendments, to make a few remarks in support of this defense authorization bill as reported by the Senate Armed Services Committee.

I want to certainly commend my leader on the committee, Senator THURMOND, for his outstanding leadership in formulating this legislation. The committee conducted an abbreviated but thorough investigation of our defense requirements, examination of our defense requirements, and formulated what I believe to be an excellent blueprint for defense spending. The Senator from South Carolina deserves great credit for his leadership and invaluable contribution, and his diligence and hard work, on behalf of the defense of the United States of America and in the Armed Services.

I want to take this opportunity to pay tribute also to the distinguished ranking member, Senator NUNN. Senator NUNN has served on this committee for 23 years with great distinction. He has been seen on both the majority and the minority sides of the table—probably prefers the majority side. He served as the full committee chairman, as well, at a very critical time in our Nation's history regarding defense matters. Throughout the 6 years that I have been privileged to serve with Senator NUNN, he has always sought to promote the national security of our Nation and the well-being of our men and women in uniform. He has always shown great consideration for me, especially when I first came to that committee. I was a very junior member, sitting down at the end of the table in the minority.

Mr. NUNN. I thank the Senator. We enjoy very much the Senator being on the committee. I thank him very kindly.

Mr. SMITH. As the Senator leaves this institution later this year to pursue other interests, I want to take this opportunity, while I have it, while he is here, to thank him for his service to our Nation and certainly for his kind attention to me as both a majority and a minority member.

Madam President, the bill before us provides a much needed increase of about $11 billion to the President's original budget request. I want to emphasize that this is still well below this year's funding level when adjusted for inflation. Since 1985, national defense funding has declined by 41 percent in real terms. Let me say that again, particularly for those who complain we are spending too much. Since 1985, the defense spending has fallen 41 percent. That is 11 straight years of decline, real decline.

There are a variety of very important initiatives contained in this bill that I want to briefly highlight. They include, first and foremost, the 3-percent pay raise and a 4-percent increase in the basic allowance for quarters to our military men and women. We forget that every day, 24 hours a day, our Armed Forces are out there protecting us, serving our country.

We found out this week how important that is and what sacrifice that calls for. If one were to look at the pay scale of those young men and women who were involved in that incident in Saudi Arabia, it is not a lot of money to risk their lives for. But they did not do it for money, and we all know that. So I am proud to support that pay raise, that 3-percent pay raise and that 4-percent increase in the basic allowance for quarters because these people give their all; sometimes they truly give their all.

There is also $1.2 billion of additional readiness funding for the unfunded requirements of the service chiefs. There is an increase of $170 million for the cruise missile defense programs, including $40 billion for the Patriot ACM Program; legislation and funding to conduct competitive evaluations of promising laser programs. Antisubmarine warfare programs are also in this bill.

There is an increase of $134 million to buy additional night vision goggles, thermal weapons sights and aiming lights to enhance Army and Marine Corps night-fighting capabilities.

There is service funding and direction for the Navy to upgrade the effective jamming capabilities of the EA–6B also there, and a $700 million increase in military construction to enhance the quality of life of our troops and their families, and to improve readiness.

On that point, Madam President, it is often forgotten—we talk about the big things, the submarines and the ships, the aircraft carriers and the airplanes and the missiles and missile defense. These are the big-ticket items, so to speak, that we find in the defense budget. But we had testimony earlier this year from the Commandant of the Marine Corps saying that at times he had leaky tents, sleeping bags that were falling apart, clothing that was not enough to keep the soldiers warm.

These are the kinds of things that we overlook. When you put a soldier or sailor in a position like that, out there defending America, literally putting their lives on the line, they deserve the best we can provide them. I think we cannot overlook how important these so-called basics are. If you are out there in that tent and it is leaking and you are soaking wet, it is very basic to you.

There is no excuse for ever allowing that to happen to our Armed Forces. So any time we can provide dollars in there—that is not glamorous. It does not get a lot of attention. And sometimes it is overlooked because it is not a glamour item. I am proud to support increases in funding in that area.

Additionally, Madam President, the bill includes a number of important initiatives relating to ballistic missile defense, and it authorizes nearly $900 million in increased spending along the following lines: National missile defense, Navy Upper Tier Program, and the Theater High Altitude Area Defense Program as well, $134 million for a space and missile tracking system, and $50 million for the joint Israel-United States laser program known as Nautilus.

This national missile defense program is so important, and we have had to fight, fight, fight, on the Senate floor even to get language, let alone dollars, for national missile defense. We have no defense against ballistic missiles. None. We cannot defend ourselves against an Iraqi, Iranian, North Korean, or Libyan missile. We need to be promoting this national defense program. A lot of people do not realize that. They say, "What about the Patriot missile during the Persian Gulf?" That was not designed to take out incoming missiles like the Scuds. We were able to do that. We were able to use improvisations on the Patriot and get it done, but we are not able to stop a ballistic missile.

I am troubled by the administration's failure to comply with the law on missile defense. We tried to address it here last year in language and this year in language. We had to resort to writing a separate bill.

The Congress has established very clear, firm schedules for the development and deployment of theater missile defenses in the fiscal year 1996 authorization bill. The President signed the legislation and never once complained about the schedule. In fact, for 3 years, the Clinton administration has stated that theater defense was their No. 1 priority. We are talking theater defense, not national defense. Yet in its budget submittal, the administration ignored the law and underfunded, I believe deliberately, the most important theater missile defense programs —THAAD and the Navy upper tier.

Consequently, under the administration plan, our troops are vulnerable to hostile missile threats for as much as 4 or 5 years longer than mandated into law. This is simply unacceptable. We had a terrible tragedy this week in Saudi Arabia. It was terrible. It was a terrorist act. But that terrorist attack could very well have come from a missile, from a theater missile, as well. We have a lot of threats out there. It is not the cold war anymore, but we have a lot of threats. We have to be prepared to adapt to these threats.

The bill codifies the so-called demonstrated capability standard for theater defense as a formal U.S. compliance policy. This action specifically mirrors the criteria proposed by the Clinton administration in Geneva 2 years ago. It is a responsible and appropriate standard, Madam President, and its codification in law supports the administration's position. I am pleased to be able to support the administration on this issue.

As chairman of the Subcommittee on Acquisition and Technology, I want to speak just briefly on some initiatives included in the jurisdiction of my own subcommittee. Our review of the budget request highlighted a continuing trend within the administration of shortchanging investments in technology, development, and modernization in order to provide near-term relief for readiness. This is simply unacceptable. When you take dollars from the programs of the future to put them in some activity that you are conducting today, you are going to shortchange the troops of the future. We should be doing both. That is the truth. We should not be shortchanging the troops in the field. We should not shortchange the troops in the field of the future. That is where the technology and investment now in these technology programs is so important. Certainly today's readiness is important, but modernization is the key to long-term readiness.

If people in the 1950's and 1960's in the Pentagon had not been farsighted enough to come up with the weapons that we used in the Persian Gulf, the price of oil would be a lot higher today and the outcome of that war could very well have been different. In order to have the weapons of the future, you have to invest today.

The acquisition and technology section of the bill emphasizes three main concepts. First, it encourages more innovative thinking in the area of emerging operational concepts, and, in particular, the bill supports the Marine Corps' Sea Dragon and the Army's Force 21 initiatives, which seek to leverage technology to change the nature of warfare. It is the futuristic things that we are looking at here. What is war going to be like 10, 15, or 20 years down the road? Will we be ready to help the soldier, sailor, marine, air man or woman in the field? What will it be like 20 years from now? You need to have your think tanks and the best minds in the services out there trying to get a handle on that, looking at what that technology may be and begin to fund it. The bill seeks to reward, not discourage—reward—more innovation, to challenge the services to question traditional doctrine. Do not just do it tomorrow because we did it yesterday. Challenge the services to question this doctrine and to develop new strategies and tactics that leverage the revolutionary capabilities that technology now provides.

I emphasize the word "revolutionize." Sometimes we get evolutionary in our approach to things rather than revolutionary. I use the example of the Hubble telescope. That was a revolutionary item because it allowed us to see out into deep space things we have never seen before. That was revolutionary. Those are the kinds of breaks with the past, breaks with the present, futuristic approaches that we need to encourage. That is what we have tried to do in this committee. We are a $9 billion budget out of a $262 billion budget, but we tried to make the best of what we had.

The second priority is the increased use of commercial technologies by the services. The bill provides a significant beginning for dual-use, cost-shared programs in the services, as well as a portion of the dual-use program in the budget requests. The key to integrating more commercial practices into the acquisition framework is not simply to spend more money on some stand-alone program, but rather to make commercial practices and products part of the core service acquisition so this is routine rather than an exception. There may be dual use between commercial and military.

Third, the bill focuses on an affordability initiative to lower cost and increase the purchasing power of our limited defense dollars. The bill increases funding for manufacturing technology programs of the Navy and the Air Force and funds a variety of initiatives to improve the affordability of future weapons systems.

Madam President, since he is on the floor, I take a moment—Senator COHEN, my colleague from Maine, regarding his information in the information technology area on last year's acquisition reform legislation, this is the kind of forward looking that the defense community needs, and the committee is fortunate to have benefited from Senator COHEN's foresight and acquisition reform. Although he is not chairing the subcommittee, his input has been greatly appreciated by me and it has been a pleasure to work with him on these issues. We will certainly miss him on the committee next year.

Let me close, Madam President, with just some brief comments on a couple of other observations. We know this is an election year. We know that Members on both sides of the aisle are seeking sometimes to gain political advantage by delaying, obstructing or amending legislation that is brought up on the floor. Unfortunately, this is the case with this bill. This is not a partisan issue. The defense of America is not a partisan issue. How could one of us with these dilatory amendments and tactics look the families of those people in Saudi Arabia who lost their lives, look those families in the eye and say we ought to be out here debating something about vitamins or something on the floor of the Senate while we are trying to pass a defense authorization bill. It is wrong. It is wrong. We can do it. It is a misguided notion, Madam President, to take these kinds of things on the floor of the Senate during the Armed Forces debate, the debate on the moneys we use to fund our national defense.

Providing for the common defense is a constitutional responsibility, probably the most important one we have. It should not be a political hot potato. It should not be a time to talk about minimum wage or vitamins or something else. That is not appropriate. You can do it, and it is within the rules, but it is not appropriate.

The bill before us was reported out of the Armed Services Committee unanimously, 20–0. There was no dissent. Yet, it is being delayed here on the floor. The reason I am speaking now is because nobody is down here to offer amendments so that we can finish this bill. That should indicate to my colleagues the degree to which Senator THURMOND and members of this committee have worked to formulate a balanced, responsible, and nonpartisan defense bill. It is not easy. We lose sometimes, we give in a little bit sometimes. We all do, and we do not like it. We like to get our own way all of the time, but we understand that getting a good bill to support our men and women in the armed services, with the weapons they need, the clothing they need, O&M funds, operations and maintenance funds, they need—these are critical.

Now, we are certainly sure that there are items in this legislation that some may oppose, but that is the nature of the legislative process. We ought to do it. If they are germane, let us have the amendments. That is the nature of the constitutional separation of powers. We have research, we discuss and debate and find common ground, and, when necessary, we vote to resolve issues. That is the way the Framers intended it, and that is democracy. It is not intended to be a polarizing bill, to draw political lines in the sand. It should not be about gun control. Yet, here we are talking about gun control.

This leadership has decided to address controversial issues, such as missile defense and U.N. command and control, through separate legislation. We did it deliberately, not because we wanted to, but because we did not want to deny a 3-percent pay raise to our military and deny this bill.

So the bill before us is designed to foster consensus, to promote the national security objectives of the United States of America. Let us maintain a spirit of cooperation and avoid the temptation to engage in election year demagoguery and negativism, which everybody is sick of.

This is for the defense of the United States of America. Kids were killed this week defending our country. We owe it to them to pass this bill. We should have passed it days ago. Let us pass it today in honor of them and stop this bickering with nongermane, unessential items. The national security of this Nation is too important for this kind of stuff.

I will conclude by thanking the chairman, Senator THURMOND, who is on the floor, and the ranking member, for their service. I am proud to serve with them. I am proud to be a part of this committee, and I will be proud to support and vote for this bill.

Mr. THURMOND. Mr. President, I want to thank the able Senator from New Hampshire for the kind words that he said about me as chairman of the Armed Services Committee. The Senator from New Hampshire is a member of the Armed Services Committee and renders a valuable service to our Nation. He stands for a strong defense, which is essential to the survival of this Nation. I just wish we had more citizens in this Nation that feel as he does about the importance of maintaining a strong defense.

I compliment him not only for his integrity and dedication, but his vision in realizing the importance of a strong national defense. We are very proud to have him as a member of the Armed Services Committee.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from New Hampshire [Mr. GREGG].

Mr. GREGG. Mr. President, I understand that under the rules and under the unanimous consent agreement, we have about 10 minutes here of general debate, during which amendments can be offered, and then there are 5 minutes to be debated on the amendment that is pending, with a vote at 3:30; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. I note that the Senator from Maine and the Senator from Arizona are here. I have an amendment which I wish to offer. I suspect they have a colloquy they want to pursue.

I ask unanimous consent that after we return and complete the vote at 3:30, that I be allowed the floor to offer my amendment.

The PRESIDING OFFICER. To clarify for the Senator from New Hampshire, the vote to be taken at 3:30 is a motion to table the Lautenberg amendment. Should the motion to table fail, then the Lautenberg amendment would be the pending business.

Mr. GREGG. I simply ask unanimous consent that I be allowed to proceed after the regular order has been completed on that vote.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Reserving the right to object, I was off the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. GREGG. No.

Mr. NUNN. I object.

The PRESIDING OFFICER. Objection is heard.

AMENDMENT NO. 4364

(Purpose: To amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge, who is convicted of an offense relating to the official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction)

Mr. GREGG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself and Mr. REID, proposes an amendment numbered 4364.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the appropriate place in S. 1745, insert the following new section:

SEC. ___. CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE.

(a) SHORT TITLE.—This section may be cited as the "Congressional, Presidential, and Judicial Pension Forfeiture Act".

(b) CONVICTION OF CERTAIN OFFENSES.—

(1) IN GENERAL.—Section 8312(a) of title 5, United States Code, is amended—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or";

(C) by adding after paragraph (2) the following new paragraph:

"(3) is convicted of an offense named by subsection (d), to the extent provided by that subsection.";

(D) by striking "and" at the end of subparagraph (A);

(E) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(F) by adding after subparagraph (B) the following new subparagraph:

"(C) with respect to the offenses named by subsection (d) of this section, to the period after the date of the conviction.".

(2) IDENTIFICATION OF OFFENSES.—Section 8312 of title 5, United States Code, is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) The offenses under paragraph (2) are the offenses to which subsection (a) of this section applies, but only if—

"(A) the individual is convicted of such offense committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) the individual was a Member of Congress (including the Vice President), a congressional employee, or a Federal justice or judge at the time of committing the offense; and

"(C) the offense is punishable by imprisonment for more than 1 year.

"(2) The offenses under this paragraph are as follows:

"(A) An offense within the purview of—

"(i) section 201 of title 18 (bribery of public officials and witnesses);

"(ii) section 203 of title 18 (compensation to Members of Congress, officers, and others in matters affecting the Government);

"(iii) section 204 of title 18 (practice in United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Members of Congress);

"(iv) section 219 of title 18 (officers and employees acting as agents of foreign principals);

"(v) section 286 of title 18 (conspiracy to defraud the Government with respect to claims);

"(vi) section 287 of title 18 (false, fictitious, or fraudulent claims);

"(vii) section 371 of title 18 (conspiracy to commit offense or to defraud the United States;

"(viii) section 597 of title 18 (expenditures to influence voting);

"(ix) section 599 of title 18 (promise of appointment by candidate);

"(x) section 602 of title 18 (solicitation of political contributions);

"(xi) section 606 of title 18 (intimidation to secure political contributions);

"(xii) section 607 of title 18 (place of solicitation);

"(xiii) section 641 of title 18 (public money, property or records); or

"(xiv) section 1001 of title 18 (statements or entries generally).

"(B) Perjury committed under the statutes of the United States in falsely denying the commission of an act which constitutes an offense within the purview of a statute named by subparagraph (A).

"(C) Subornation of perjury committed in connection with the false denial of another individual as specified by subparagraph (B).".

(c) ABSENCE FROM THE UNITED STATES TO AVOID PROSECUTION.—

(1) IN GENERAL.—Section 8313 of title 5, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

"(b) An individual, or his survivor or beneficiary, may not be paid annuity or retired pay on the basis of the service of the individual which is creditable toward the annuity or retired pay, subject to the exceptions in section 8311 (2) and (3) of this title, if the individual—

"(1) is under indictment, after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act, for an offense named by section 8312(d)(2) of this title, but only if such offense satisfies section 8312(d)(1)(C) of this title;

"(2) willfully remains outside the United States, or its territories and possessions including the Commonwealth of Puerto Rico, for more than 1 year with knowledge of the indictment or charges, as the case may be; and

"(3) is an individual described in section 8312(d)(1)(B).".

(2) CONFORMING AMENDMENT.—Subsection (c) of section 8313 of title 5, United States Code (as redesignated under paragraph (1)(A)) is amended by inserting "or (b)" after "subsection (a)".

(d) REFUND OF CONTRIBUTIONS AND DEPOSITS.—

Section 8316(b) of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) if the individual was convicted of an offense named by section 8312(d) of this title, for the period after the conviction of the violation.".

(e) FORFEITURE OF PRESIDENTIAL ALLOWANCE.—Subsection (a) of the first section of the Act entitled "An Act to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (Public Law 85–745; 72 Stat. 838; 3 U.S.C. 102 note) is amended—

(1) by striking "Each former President" and inserting "(1) Subject to paragraph (2), each former President"; and

(2) by inserting at the end the following new paragraph:

"(2) The allowance payable to an individual under paragraph (1) shall be forfeited if—

"(A) the individual is convicted of an offense described under section 8312(d)(2) of title 5, United States Code, committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) such individual committed such offense during the individual's term of office as President; and

"(C) the offense is punishable by imprisonment for more than 1 year.".

Mr. GREGG. Mr. President, I again propound my unanimous consent request. I would be willing to proceed with this amendment after the regular order on the amendment, which is going to be voted on at 3:30, is pursued, so that the Senator from Maine and the Senator from New Mexico could proceed, with the understanding that I would bring the first amendment up at the conclusion of that regular order.

Mr. NUNN. Mr. President, I will have to object.

The PRESIDING OFFICER. Objection is heard. The Senator from New Hampshire has the floor. The Senator from New Hampshire is advised that, under the previous agreement, at 4 o'clock we are to take up the PRYOR amendment.

Mr. GREGG. At 3:25?

The PRESIDING OFFICER. At 3:25, we have the amendment by the Senator from New Jersey. At 4 o'clock, we have the amendment by the Senator from Arkansas.

Mr. GREGG. Fine. After that, we will be on my amendment.

I wish to proceed on my amendment. I understand I have 10 minutes to discuss this amendment at this time. This amendment is supported by myself and Senator REID of Nevada, and Senator BRYAN of Nevada and Senator NICKLES are also original cosponsors of this bill as introduced.

This goes to the issue and the fact that a large number of—unfortunately, 34—Members of Congress over the last century have been convicted of felonies, which is obviously a serious act. Some of these individuals were convicted of felonies that involve a violation of the public trust.

Under the laws of this country, in certain instances when the public trust is violated, Members of Congress who are convicted felons for doing that lose their pensions—or at least the public part of their pension, that which is supported by the taxpayers. Unfortunately, it does not apply to all actions that involve violation of the public trust.

For example, somebody could be convicted of bribery, of a conflict of interest, of defrauding or conspiring to defraud the United States, of theft or embezzlement of Government property, false or fraudulent statements to the Government, perjury, insubordination in actions relative to their duties as a Member of Congress and, still, while serving time for a conviction, receive pension benefits, which is rather ironic and clearly inappropriate.

So this amendment simply expands those areas of the present law which terminates pension benefits for people who are convicted of crimes while serving in the Congress and when those crimes are directly related to their service.

It means that, for example—I will use a hypothetical—a person convicted of a crime in recent times, who is receiving a pension from the Federal Government of over $70,000, would no longer be able to receive that part of that pension, which is basically a public tax contribution. That person would still receive the pension, to the extent that they contributed to it. They would get their money back, under the usual course of law, but they would not get the additional benefit of having the taxpayers support them—actually, in many instances, while they are still in jail with these pension benefits.

This is an issue which is timely, and it is important that we act on it in a timely manner. That is why I offered it on this bill, even though it is not directly related to defense matters, although it would obviously impact a defense individual who committed this sort of action.

I would yield at this time to the Senator from Nevada for any comments he might have.

Mr. REID. I appreciate that very much.

The PRESIDING OFFICER. Without objection, the Senator from Nevada is recognized.

Mr. REID. Mr. President, I first of all want to express my appreciation to the Senator from New Hampshire for his leadership on this issue. He and I started working on this matter in May of this year, and it is an important issue. It is something that I think is important because this is an issue where we can go forward on a bipartisan basis.

Joining us initially on this legislation was the Chairman of the Republican Policy Committee, Senator NICKLES. Senator NICKLES, Chairman of the Republican Policy Committee, and I have a similar job on the Democratic side. We do our partisan things in this body. But there are certain things that we have to express to the American public in a bipartisan fashion, and this is one of them.

It is simply wrong for people who are convicted of felonies —especially felonies related to their jobs; that is, being Members of Congress, and then they resign and draw these hefty pensions. They are convicted of crimes and draw these hefty pensions that are congressional pensions paid for by the taxpayers. And that is simply wrong.

So I publicly express my appreciation for the leadership of the Senator from New Hampshire on this issue and our friend, the majority whip.

I also want to extend my appreciation to my junior colleague, the Senator from Nevada, who is also extremely interested in this issue.

Mr. President, you cannot reward public officials who have engaged in wrongdoing, and, I repeat, especially wrongdoing connected with their jobs even though this legislation draws no distinction between a felony that comes about as a result of working in the Congress or a wrong where you just do something wrong generally.

You do not have to be a Democrat or a Republican to reach this conclusion. This is a problem that is seriously undermining the public's confidence in Federal officials generally. It is my understanding—I see here on the floor the senior member of the appropriations committee and the chairman of the Governmental Operations Committee. I hope that the Senator from Alaska, if I could just get his attention for a second, would be willing to hold a hearing quickly on this issue. I think it is necessary that it be done no matter what happens on this issue.

As I indicated to the body earlier, we joined forces in May, and introduced the Congressional, Judicial, and Presidential Forfeiture Act. This legislation will not apply only to the legislative branch of Government. It should apply the same to the executive branch of Government and the judicial branch of Government.

As a Member of this body, I sat on impeachment committees. I have voted for impeachment. I think it also should apply to Federal judges. We have Federal judges who are convicted of felonies. They should not be able to draw their taxpayer driven pension.

So this legislation, the Congressional, Judicial, and Presidential Forfeiture Act, should apply to all aspects of Government. Our legislation now before this body in the form of an amendment will help to restore trust in Government.

Mr. President, I express my appreciation to my friend for yielding, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. REID. I suggest the absence of a quorum.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. There does not appear to be a sufficient second.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. REID. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue calling the roll.

The bill clerk continued with the call of the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the quorum call——

Mr. REID. I object.

The PRESIDING OFFICER. There is objection.

The bill clerk continued with the call of the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 4364, WITHDRAWN

Mr. STEVENS. Mr. President, I have conferred with the sponsors of this bill—it is a bill, a separate bill—that has been referred to the Governmental Affairs Committee. It is a matter on which we are seeking the advice of many people in this country as to how it would affect the pension systems not only of our governmental employees but also of those in the private sector. As I have said to the two Senators, whatever we do in this area has generally been followed in the private sector after we have taken a new course with regard to pensions.

I have committed to the Senators, I am pleased to say, Senator GREGG, who is the principal sponsor, and Senator REID, cosponsor of the bill, that we will have a hearing and we will get the opinions of these people as quickly as possible. If we can get to the place where we can reach a conclusion in time to consider it at the time the legislative appropriations bill comes up, I will be pleased to assist in that regard. But I do think we have to have time to see how this is going to affect those people who rely on the pension systems. I am thinking of widows and spouses of those who might be incarcerated and how it is going to happen that we follow this process and what happens to the economy if they do not have the money they have earned in the past through the retirement systems.

So I commit that we will hold that hearing as quickly as possible when we come back and work with them. I do applaud what they are doing. I do not disagree. There are provisions already in Federal law that authorize the forfeiture of benefits such as this in the event of conviction. I am not disputing the fact that there could well be additions to that. But I only ask that we be allowed to know what is the impact.

There is, I understand, a rollcall vote scheduled now I am taking time on, but I would urge the gentlemen to withdraw this, we hold the hearing and come back to the floor at a later time in this Congress.

Mr. REID. Will the Senator yield?

Mr. STEVENS. If I am able to, I will.

Mr. GREGG. Will the Senator yield for a question?

Mr. STEVENS. I just said I would yield to the Senator from Nevada.

Mr. REID. I say to the distinguished Senator from Alaska, I serve on the Appropriations Committee. The Senator is chairman of the Governmental Operations Committee. I think it is appropriate that we have some hearings or his staff does some detailed study of this before we go forward. So I take the Senator's word as his bond, as everyone does here, and on behalf of Senator JUDD GREGG I would be happy to withdraw the amendment, in fact, if the Senator from New Hampshire is willing to do so.

Mr. STEVENS. Does the Senator from New Hampshire wish me to yield?

Mr. GREGG. It is my understanding the Senator hopes to proceed with these hearings as soon as possible?

Mr. STEVENS. I will find some time in July, if we need to hold the hearing on Saturday, Mr. President.

Mr. GREGG. I thank the Senator for his courtesy and ask the amendment be withdrawn.

Mr. REID. I withdraw the request for the yeas and nays on the amendment.

The PRESIDING OFFICER. The Senator may withdraw his amendment. The yeas and nays have not been ordered.

The amendment (No. 4364) was withdrawn.

AMENDMENT NO. 4218

The PRESIDING OFFICER. Under the previous order, the Senate will now continue the consideration of the amendment offered by the Senator from New Jersey for a period of 5 minutes.

Mr. SMITH. Mr. President, I ask unanimous consent that a letter from the adjutant general of Michigan and a memorandum from the Camp Grayling Training Site Manager, Lt. Col. Gary J. McConnell, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF MILITARY AFFAIRS,
Lansing, MI, April 25, 1995.

Hon. VIRGIL C. SMITH,
Detroit, MI.

DEAR SENATOR SMITH: Following our conversation this morning, please be assured the Michigan National Guard has not and will not authorize members of paramilitary organizations to train at Camp Grayling, or any other military training site in Michigan. Claims made by members of any organization to the contrary are grievously misrepresenting themselves.

I have greatly appreciated the opportunity to meet with you, over the last few weeks, regarding some very important National Guard issues. You have my utmost assurance, that I will continue to provide you with the best information our department has to offer, regarding any matter confronting you. Your constituents and the people of Michigan are served by the finest men and women the National Guard has to offer.

Sincerely,

E. GORDON STUMP,
Maj Gen, MI ANG,
The Adjutant General.

DEPARTMENT OF
MILITARY AFFAIRS,
Lansing, MI, May 1, 1995.

Memorandum for MG Gordon E. Stump, The Adjutant General.

Subject: Michigan Militia.

1. On 30 March, Camp Grayling received a phone call from Mr. Andy Keller. He stated he was the unit leader of a Department of Defense, Director of Civilian Marksmanship Unit No. 56132 from Caro, Michigan. Mr. Keller indicated Camp Grayling had been designated as their home range and, as such, was responsible for providing their ammunition and targets. He also indicated they had previously used Camp Perry, Ohio. A member of the Camp Grayling staff contacted the DCM Office in Washington D.C. at DSN 285-0810 on or about 3 April 1995. It was verified that DCN Unit 56132 was a Unit sanctioned by the DCM. Based upon this verification and a written request from Mr. Keller, the Unit was scheduled for range firing on 29-30 April.

2. On Friday, 28 April at approximately 1830 hours, Mr. Keller arrived at Camp Grayling in civilian clothing and checked into Camp Grayling Range Operations. On Saturday morning at 0730 hours, the group was provided the Camp Grayling Range Safety briefing, a range flag and radio. They had been assigned Range 8, an automatic pop-up target range for high powered rifles. The group occupied this range at 1011 hours.

3. The undersigned and Captain Leask, a Camp Grayling Range Officer, visited the range at approximately 1025 hours. Eleven personnel were on the range. All personnel had military BDU uniforms on and all had military rank insignia on both collars of the uniform shirt. The ranks ranged from 0-6 to 0-2. Mr. Keller was wearing the rank of 0-5. All members also had an Identification Card attached to their right breast pocket. This card indicated Department of Defense affiliation. A copy of both sides of this Identification Card is attached as Enclosure 1.

4. Several personnel had a tape above the left breast pocket in place of the "U.S. Army" tag that read "SMRM" for Southern Michigan Regional Militia. Several members also had an insignia on their left shoulder that read "Civilian Militia". All other personnel had velcro attached above both breast pockets and on the left shoulder, which would allow for the attachment of name tags and shoulder insignia.

5. As the undersigned and Captain Leask walked up to the firing line, Mr. Keller approached. He was advised that there were two problems and that he would not be allowed to go "hot" on the range.

a. Members of his organization had uniforms on that indicated membership in the Michigan Militia. He was advised that under no circumstances would identified members of the Michigan Militia be allowed to train at Camp Grayling.

b. The wearing of officer insignia on the military uniform. All eleven personnel wore officer insignia, and as such by doing so were giving the impression of being a Federally recognized commissioned officer. When I asked Mr. Keller how he obtained the rank of 0-5, he replied, "he was elected to this rank".

6. Mr. Keller was again advised they would not be allowed to use the range and to return the range flag and radio to Operations. Mr. Keller stated he would file a protest with the Department of Defense, Director of Civilian Marksmanship, and he was advised by me that he should go ahead and do so. All members of this DCM Unit cooperated and pleasantly left the range and turned in range equipment.

GARY J. MCCONNELL,
LTC, EN, MI ARNG,
Training Site Manager.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. While not stipulated, I would certainly agree to dividing the 5 minutes that we have as close to evenly as possible if the Senator from Idaho wanted to say a few words, if the Chair would watch the clock.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. With that agreement, I ask that I be allowed to proceed no longer than 2½ minutes on the issue of the amendment of the Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. Mr. President, the Senator from New Jersey by his amendment is attempting to block or wipe out an action that this Senate took in 1996 in the Defense authorization bill to create the Corporation for the Promotion of Rifle Practice and Firearms Safety, and in doing so to privatize the Civilian Marksmanship Program.

As a result, the Corporation for the Promotion of Rifle Practice and Firearms Safety was created. This is a private, nonprofit, self-sustaining entity. It will have a board of directors appointed by the Secretary of the Army. The corporation will be allowed to raise money, just like any other not-for-profit association.

Of course, the intent of this organization is to instruct marksmanship, conduct national matches and competition, to award trophies, prizes, badges and insignias, and to promote the sale of firearms, ammunition, and equipment.

Under this new action, in addition, the corporation would be permitted to sell an existing 373,000 rifles and use money to fund the Civilian Marksmanship Program.

The Senator from New Jersey has for a good number of years tried to discontinue this program. The Senate clearly recognized the value of it and in so doing recognized that it probably ought not subsidize it anymore and allow it to be privatized so that it could continue in that nature.

I hope that the Senate would reject the amendment of the Senator from New Jersey and vote to table this action. We are now in the midst of organizing this Civilian Marksmanship Program as a private nonprofit. I think it ought to be allowed to move forward in that direction.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I will try to be brief. I hear references here to the fact that this organization will be self-sustaining. That is wonderful. Just give them $76 million worth of goods to start with and then from then on we are self-sustaining. It is taxpayers' money. That is what we are giving away.

The Army says it has this kind of value. The value has been disputed, the value being $76 million, which is conservative because as we have heard from the Senator from California and my personal investigation. I called a gun dealer that I know in Colorado. It may surprise some around here to know that I know a gun dealer, but I do not buy guns from him. He confirmed that an M-1 can be anywhere from $400 to $500, and so when we multiply that by 176,000 weapons, we know pretty well what kind of value we have.

Very simply, Mr. President, this is not a gun control measure. If people choose to have target practice, learn how to use rifles, practice gun safety, that is fine with me. Let them pay for it. When we send teams to the Olympics or we encourage sports, we do not pay for ping-pong paddles or ping-pong balls or tennis rackets or tennis balls or baseball bats or mitts.

That is not the Government's responsibility. This is something that ought to be discontinued. These weapons should be destroyed. They ought not to be out in the population. I hope that we will have support for our amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I move to table.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Will the Senator withhold for a unanimous-consent request before we start?

Mr. President, since Senators COHEN and McCAIN have been trying to get recognized and I had to interpose an objection before they were recognized, I ask unanimous consent that at the conclusion of this vote, the 4 o'clock order be delayed by 8 minutes, with the Senator from Maine having control of that 8 minutes for the purpose of making a statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 71, nays 29, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—71

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Breaux
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Domenici
Dorgan
Exon
Faircloth
Ford
Frahm
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—29

Akaka
Boxer
Bradley
Bryan
Bumpers
Byrd
Chafee
Conrad
Dodd
Feingold
Feinstein
Graham
Harkin
Hatfield
Kennedy
Kerry
Kohl
Lautenberg
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Sarbanes
Simon
Wyden

The motion to lay on the table the amendment (No. 4218) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. THOMPSON). Under the previous order, the Senator from Maine, Senator COHEN, is recognized for 8 minutes.

BOB DOLE AND AMERICAN LEADERSHIP IN THE WORLD

Mr. COHEN. Mr. President, early this week Senator Dole delivered an important speech to the Philadelphia World Affairs Council in which he addressed the need for leadership in the 21st century.

Senator McCAIN and I were privileged to have witnessed Senator Dole's first speech on foreign policy dealing with our relations with our Asian allies and friends. But in Philadelphia, Senator Dole called attention to our relationship with Europe, an area which, of course, by his previous service in World War II, he is infinitely familiar with. He talked about the need to call our attention back to leadership.

He said our success has not been the result of luck, but of leadership. I think he was absolutely correct in pointing out that communism and the Berlin Wall did not fall. They were demolished by a clear vision and consistent leadership.

I recall, Mr. President, that once when Mikhail Gorbachev came to the United States, he made a statement, I believe out in San Francisco, and he said: "The cold war is over. Let's not debate or argue about who won the war." That prompted a prominent columnist to observe that would be the equivalent of having Max Schmeling knocked out by Joe Louis and getting up from the canvas and saying, "This fight is over. Let's not argue about who won the fight." It was worth arguing about who won the fight because of the demands placed upon the American people and their agreement to measure up to those demands itself.

Senator DOLE touched on many aspects in his speech. I am going to ask unanimous consent that the full statement be included in the Record. But he noted, for example, that when the United States was focused almost exclusively on Mikhail Gorbachev, he was one who reached out to Boris Yeltsin, who at that time was being shunned by virtually everybody. He realized before Gorbachev's star was eclipsed that others had to follow. Others recognized his demise later. So Bob DOLE was in the forefront of not just focusing on one individual, but focusing on our relationship with the country.

Mr. President, instead, we seem to have pursued a grand bet instead of a grand bargain. We are betting once again on an individual. We had stuck with Mikhail Gorbachev even as Yeltsin was coming up to the forefront. Now we have shifted to a fascination with Boris Yeltsin, who once mounted a tank in the streets of Moscow, who is now mounting tank assaults in the streets of the cities of Chechnya, killing thousands of innocent citizens, going from fighting a coup in the Kremlin to fomenting coups in the independent republics of the Caucasus.

Mr. President, we need to make very clear, in terms of our relationship with Russia, that we intend to maintain help, maintain the independence of countries in Europe, the Caucasus and Central Asia, some of whom will become as important to the United States as the gulf states have been over the years, and whose states we fought a war to preserve that independence.

We need to make clear, as Senator DOLE did in his speech, "that Russian economic blackmail and military meddling in their former empire will carry costs in terms of relations with the United States."

Mr. President, I have a number of other points I would like to make. I ask unanimous consent that the text of Senator DOLE's address to the Philadelphia World Affairs Council be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Remarks prepared for delivery by Bob Dole, Republican candidate for President of the United States, Philadelphia World Affairs Council, June 25, 1996]

LEADERSHIP FOR A NEW CENTURY

America came of age in the middle of this century, when the interests and ideals of Western democracies faced their greatest moment of peril. Our rite of passage is marked by neat rows of white crosses in quiet corners of Europe where America left to rest so many thousands of her sons and daughters. Buried with them was any belief that America could prosper undisturbed by Europe's recurrent calamities. We accepted then and recognize now that our security and Europe's are joined, and that our alliance offers the best hope for resisting any threat to the peace in Europe and to the civilization we share.

In this city, this cradle of democracy, just steps from the Liberty Bell, stands the house of Thaddeus Kosciuszko, the 18th-Century Polish patriot whose love of liberty brought him to Philadelphia as one of the first foreign volunteers in our struggle for independence. Kosciuszko understood that a love of liberty unites citizens from across the world. We have an interest in helping Poland consolidate its hard-won freedom today, just as a son of Poland once supported ours.

America's interests in Europe are as compelling and as urgent as they were before the Berlin Wall was breached by the stronger forces of human yearning. Yet President Clinton has persistently deferred to our allies and to the Russians, subordinating American interests to the interests of a dubious or ineffective consensus. That's not leadership. And that has harmed the interests of all of us—Russian, Europe, and American alike.

What is urgently needed is a restoration of American leadership in Europe—leadership that understands the purpose and promise of America's role in Europe. Let us begin by reaffirming that Europe's security is indispensable to the security of the United States, and that American leadership is absolutely indispensable to the security of Europe. The cold war's successful conclusion has not altered this fundamental premise of our engagement in Europe.

Let me be absolutely clear. With the end of the Cold War, we should be building firm foundations for a century of peace, fulfilling the promise of a new future for Europe. Instead, Bill Clinton's policy of indecision, vacillation and weakness is making the world a more dangerous place. And we are missing an opportunity that may never come again.

As president I will restore decisiveness and purpose to America's foreign policy.

Today's great tragedy is that this administration is squandering the inheritance that America—through 45 years of struggle and sacrifce—won for free peoples everywhere when we won the Cold War.

This victory for freedom in the Cold War was achieved through leadership—leadership that understood the vital importance of America's power and America's example to the world.

Bill Clinton and his advisors didn't understand that then. They don't understand it now. It's time we had an administration that did. I intend to give America that administration.

The need for change could not be more urgent.

In an era of tectonic shifts in world affairs, we must not continue to entrust American leadership to would-be statesmen still suffering from a post-Vietnam syndrome. This historic moment will not wait upon Administration officials who believe that our Cold War mission was mistaken—not principled and noble—and who are still suffering from the illusion that communism merely fell instead of being pushed.

It is time to take our foreign policy out of the hands of an administration engaged in the dreamy pursuit of an international order, that cherishes romantic illusions about the soul of a former adversey—an administration that doubts American power, questions American purpose, and cannot fulfill American promise.

It is time for a restoration of American leadership based on the democratic values that are shared by our allies—and increasingly by other nations as well.

For fifty years, American statesmen from both parties—Democratic and Republican—have understood that the security of Europe is vital to the security of the United States.

For fifty years, Americans have understood that aggression and conflict in Europe could lead to the domination of Europe by a hostile power, and that if all the power in Europe were in hostile hands, the United States would be directly threatened.

For fifty years, Americans have understood that the economic strength and growing prosperity of Western Europe were critical for our own economic success.

For fifty years, Americans have understood that Germany's full integration into the security structures of the West solved a hundred-year-old problem that had made the 20th Century one of the most violent in recorded human history.

These are America's interests in Europe. They are just as compelling and urgent today as they have ever been.

Nothing better illustrates President Clinton's failure of leadership than his uncertain and vacillating policies toward Bosnia.

After three years of opposing Congressional efforts to enable Bosnia to defend itself—arguing that lifting the arms embargo would involve America in a Balkan quagmire—President Clinton committed American military forces on the ground in Bosnia. Although I believe this commitment would not have been necessary if we had done what I recommended from the start. I made the decision to support our troops. It was not popular, but I learned a long time ago that young Americans risking their lives should never doubt the support of this government and the American people.

After haphazardly getting America into Bosnia, President Clinton now has no idea how to get Americans out or how to accomplish the mission they went to fulfill. President Clinton promised to lift the arms embargo, and then changed his mind. He allowed NATO to act as a subcontractor to the whims of the United Nations bureaucrats and Secretary General Boutros Boutros-Ghali. He refused to allow the Bosnian people the fundamental right to defend themselves, and instead gave a green light for the terrorists of Tehran to establish a beachhead in Europe. And, at long last, under Congressional pressure, he committed the United States to the arming and training of Bosnia—"I give you my word"; he wrote. Yet six months after the Dayton Accords, not a single bullet has been delivered, and Bosnia remains outgunned.

American Presidents from Truman to Reagan proclaimed doctrines that affirm the right of self-defense against aggression. Yet President Clinton still will not do what he has promised since 1994; give the Bosnian people the right to defend themselves. Does the "Clinton Doctrine" provide for the right of self-defense only if it is done covertly by sworn enemies of the United States?

Unless we vigorously move to train and equip the Bosnians, the U.S. and NATO will face a "stay or fail" dilemma in Bosnia; either pull out and ignore the resulting disaster, or become involved in an open-ended commitment with no clear purpose, no achievable mission, and no realistic exit strategy.

Today, the credibility of NATO is on the line in Bosnia and, once again, American leadership is lacking.

Today, the Bosnian people do not have freedom of movement, but war criminals do.

Today, reports about widespread violations of the Dayton Accords are suppressed by order of the Clinton Administration.

Today, despite the fact that conditions for free and fair elections quite plainly do not exist in most of Bosnia, the Clinton Administration continues to push for them anyway. The whole world knows the Clinton Administration has its eye more on American elections in November than Bosnian elections in September.

Let me turn now to Russia.

President Clinton's misguided romanticism towards Russia has led him and his advisors to try to fine-tune the intrigues of Russian domestic politics instead of guarding against the nationalist turn in Russian foreign policy that has already occurred. Post-Soviet Russia has proved all too willing to repeat old patterns, challenging the interests of America and the West. And many of those challenges were excused, ignored and even encouraged by the Clinton Administration.

Just over a week ago, President Yeltsin narrowly won the initial round of Russia's first direct presidential elections. The second round has been scheduled for July 3rd. President Yeltsin appears to be ahead. President Yeltsin has had a central role in the demise of the Soviet Union. He has earned his place in Russian history. I remember going out to meet him at Andrews Air Force Base near Washington in June of 1991. I was virtually alone at the time, but I was convinced that his contributions and his potential to change his country should be recognized. The next year, he and I took a memorable trip to my home state of Kansas.

Boris Yeltsin has changed Russia—its neighbors are independent, its economy is open, and its people are free. President Yeltsin has taken positive steps since the first round of elections, such as dismissal of hard-line advisors. I hope he wins next month's elections. I hope the Russian people decisively reject their communist past. But whatever happens, America has interests that must be protected and values that should be promoted.

I am not here to engage in a debate over "Who lost Russia." Russia was never ours to lose. Russia is a great and powerful nation with a proud people and a vibrant culture. Its future is for the Russian people to decide. But I am here to ask "Who looks out for American interests in Central and Eastern Europe today?" And if we answer that question properly, we can avoid debates tomorrow over "Who lost Ukraine?" or "Who lost the Baltics?"

Make no mistake: I want the Russian people to succeed in their quest for enduring liberty and democracy.

I have a vision of: a free and prosperous Russia living at peace with its neighbors; a new democratic Russia entering the G-7 after its reforms have been consolidated; a Russia with a special relationship with an enlarged NATO; a Russia willing to respect the independence and sovereignty of all its neighbors; a Russia able to harness the energy of its people and the resources of its territory to realize the promise of its future.

But we should have no illusions about Russia's journey: it will be long, it will be difficult and it will be uncertain.

As president, my foreign policy will strive to consolidate our Cold War victory in Europe. I will replace President Clinton's misguided romanticism with leadership for a new century—a century that can realize the peaceful promise of a new Europe . . . leadership that will avoid the mistakes that led to so much bloodshed in the century we are now leaving behind.

My policy will reinforce the independence of all the states of the former Soviet Union, will support the new democracies of Europe, will lead to the enlargement of the North Atlantic alliance, and will advance effective counter-proliferation measures. In doing so, I will deal with the Russia that exists today—not the Russia we all hope to see.

Let's look at the reality.

Russian hard-line security services have regained much of their previous power. The communist-controlled Duma voted in March to annul the treaty that formally dissolved the Soviet Union. Too often, the privatization of state-owned enterprises has served to enrich pervasive organized criminal networks. The Jewish Agency, laboring mightily to aid emigration from Russia, has been shut down, and ominous signs of anti-Semitism are reappearing.

Since December 1994, the world has witnessed the specter of a Russian democrat, Yeltsin, permitting the bombing of cities in Chechnya to appease Russian nationalists. More than 30,000 people have been killed, the vast majority innocent bystanders. Yet, President Clinton's misguided romanticism led him to compare Russian brutality in Chechnya to the American Civil War. This is a comparison as naive about history as it is offensive both to the memory of Abraham

Lincoln and the brave people in Russia who have called for an end to the bloodshed.

By remaining passive in the face of these and other troubling developments, President Clinton has given a green light to the most dangerous tendencies in the New Russia. I will not let illusions about the Russia we hope to see prevent me from seeing clearly the Russia that truly exists.

Forces in Russia have waged a campaign of subversion, intimidation and economic blackmail against other independent states of the former Soviet Union—from the Baltics and Ukraine to the Caucasus and Central Asia. In 1994, the stirrings of Russia's neo-imperial policy were excused by President Clinton in this astonishing statement: "There will be times when you are involved, and you will be more likely to be invoked in some of these areas near you, just like the United States has been involved in the last several years in Panama and Grenada near our area."

Now, President Clinton may not know the difference between the liberation of Grenada from communist thugs and Russian intimidation of Georgia or the Baltic states, but I do.

I will make clear the U.S. interest and desire to maintain the independence of countries in Europe—from the Baltic Sea to the Black Sea—and in the Caucasus and Central Asia.

I will make clear that Russian economic blackmail or military meddling in their former empire will carry costs in relations with the United States. Anything less sends a signal that the collapse of the Soviet Union in 1991 is reversible and that the hard-fought freedom of formerly Captive Nations is not our concern.

Russian officials have conducted a campaign of threats against NATO expansion, and President Clinton got the message. He deferred and delayed—placing the threats of Russian nationalists before the aspirations of democrats in countries like Poland, Hungary and the Czech Republic. It is an outrage that the patriots who threw off the chains of Soviet bondage are told that they must wait.

I will stand firmly with the champions of democracy. I will not grant Russia a veto over NATO enlargement. The Russians should be told that NATO is a defensive alliance. It is not now and has never been the NATO of old Soviet propaganda. Stable and secure democracies in Central Europe will be good for America, good for Europe, and, yes, good for Russia.

My policy toward Russia will employ effective measures to defend against weapons of mass destruction and ballistic missiles.

While the threat of immediate nuclear holocaust has receded, the risk of accidental launch has increased. This makes missile defense more feasible and more necessary. Yet President Clinton is unwilling to have the United States defend itself against even a single incoming nuclear missile.

At the same time, President Clinton has been silent about Russian violations of arms control treaties such as START I and the Biological Weapons Convention. He has ignored the Russian decision to abandon the Bilateral Destruction Accord on chemical weapons. He rewarded Russian violations of the conventional Armed Forces in Europe Treaty by giving Russia a better deal.

As President, I will not renegotiate arms control agreements to indulge Russian ambitions in the Baltics, the Caucasus or anywhere else.

As President, I will link Russian adherence to existing arms control treaties to the provision of U.S. assistance.

I will end the misguided efforts to include theater missile defenses under the ABM treaty—no more "dumbing down" our missile defenses and dulling our technological edge. The Clinton Administration views the ABM treaty as the cornerstone of its arms control policy. I view it as an historical relic that does not reflect the new realities of proliferation, and seeks instead to preserve the Cold War balance of nuclear terror.

Russia also faces a growing threat from missile proliferation. As President, I will engage the Russians in a direct discussion about the mutual benefits of missile defense and urge them to cooperate with us on this critical issue.

But one thing will be certain in my administration: the American people will no longer be left vulnerable to ballistic missile attack. When I am President, we will deploy an effective national missile defense. We can afford it. We can do it. We should begin now.

We must also understand that the linchpin of U.S. and European security is NATO. But as the world has changed, so, too, must NATO change. As former Prime Minister Margaret Thatcher recently said, "Our energies must be directed toward strengthening NATO, which is as important in the post-Cold War world as in the circumstances of its creation." And while our allies can and should take a greater share of the burden, we should not nurture the illusion that this is a substitute for American leadership.

We have the opportunity to forge a new consensus in support of a common defense that includes Central and Eastern Europe.

Fifty years ago, in Fulton, Missouri, Winston Churchill spoke his famous line: "From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the Continent." Today, the iron curtain has been raised, but a security vacuum remains in Europe—from the coast of a democratic Poland to the shores of a free Slovenia.

As the nations of Central and Eastern Europe stretch out their hand to the West, as they offer to stake the lives of their people in the common defense of our democracies, the Clinton Administration proudly proclaims their policy is "slow but deliberate." Seven years after the collapse of communism, it is clear President Clinton's policy is deliberately slow. If the Clinton Administration's confused and timid approach had been followed in 1990, we would still be studying German unification today.

The enlargement of NATO will strengthen security, freedom and peace in Europe. It will secure the gains of democracy in Central Europe. It will stabilize the security of Europe in which Russia also has a stake. It will ensure that security concerns in Eastern Europe are addressed through NATO. It will demonstrate to post-Soviet Russia that the freedom that Eastern and Central Europe gained in 1989 is permanent. And it will be an unmistakable safeguard against a reversal of democratic trends in Russia.

Poland, Hungary and the Czech Republic should be offered full NATO membership today. Many other nations from Slovenia to the Baltics rightly aspire to this goal. And Ukraine, despite the great pressures of its geography, remains a willing, dedicated, and welcome participant in cooperative activities with NATO. As I said, NATO enlargement is a process that should begin with Poland, Hungary, and the Czech Republic—but it should not end there.

When I am elected President, I will urge NATO to begin accession talks with Poland, Hungary, and the Czech Republic, and to set the goal of welcoming new NATO members at a summit in Prague in 1998—the 60th anniversary of the betrayal of Munich, the 50th anniversary of the communist takeover of Czechoslovakia, and the 30th anniversary of the Soviet invasion. There could be no more appropriate year or appropriate place to declare that Central Europe has become a permanent part of the Atlantic community.

I will actively promote cooperative efforts in NATO to develop and deploy Europe-wide missile defenses to protect against missile attack by rogue states poised on NATO's southern flank.

I will support the integration of Central and Eastern European militaries into the NATO defense structure, using the Defense Export Loan Guarantee program—ignored by President Clinton.

I fully recognize the importance of friendly relations with Russia. Lest we forget, in 1993 during a summit in Warsaw, President Boris Yeltsin and then-President Lech Walesa issued a joint declaration affirming that Poland's desire to join NATO did "not run counter to the interests of any state, including Russia." But, as Bill Clinton dragged his feet, extremist elements in Russia began to set the agenda in Moscow again. We should not be surprised that hesitation and vacillation fueled those who thought threats would deter us.

As President, I will not grant Russia a veto over NATO enlargement but I will offer Russia serious dialogue on long term relations with NATO. NATO is a defensive organization by its very nature, and its interests collide with Russia only where Russia intrudes upon sovereign nations. A non-expansionist Russia is not threatened by an enlarged NATO.

The hope of the world still rests, as it has throughout this century, on American leadership. There is no escaping the fact that only America can lead—others cannot, or will not, or should not. How firmly we grasp the remarkable opportunities before us in Europe will determine whether the next century repeats the violence and tragedy of the last or opens up a new era of peace, freedom, and security.

The promise of the future has never been greater. With strong, decisive American leadership, we can make that promise a reality for ourselves and the generations to come.

Thank you and God bless America.

Mr. COHEN. Mr. President, we need to make it clear, that we will not ignore continued Russian violations of biological, chemical and conventional arms control agreements.

In contrast to an approach based on romanticism, Senator Dole outlined:

An approach based on realism and a clear understanding of American interests.

A strategy that will reinforce the independence of the states of the former Soviet Union, that will support the new democracies of Europe, and that will strengthen NATO and lead to its enlargement.

A policy that will deal with Russia as it exists today, so that we can effectively use what leverage we have to encourage Russia to become the country we hope it will be—free, prosperous, respectful of and cooperative with its neighbors.

But not a policy that is based on the illusion that Russia already has reached this stage of development.

Mr. President, there are many important elements to Senator Dole's speech, and I urge all Senators to take the time to read it.

Mr. President, I now yield my remaining 4 minutes to the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I want to join my friend and colleague from Maine in congratulating Senator DOLE on his second very important foreign policy/national security speech, this time concerning our relations with Europe. I believe that he is establishing a conceptual framework with a clear vision and clear idea as to what we want the world to look like in the next century and a clearer definition of those threats as they are today and as we envision them in the future.

Although the speech was about Europe, I think it is important, although tragic, to note that an act of terror was committed just about the same time this speech was given, which is a compelling statement as to how fragile democracy is throughout the world and how easily acts of terror can be committed which take the lives of American citizens.

Mr. President, one of the major parts of the Dole speech given in Philadelphia was the subject of NATO. In it he says:

> We must understand the linchpin of U.S. and European security is NATO. But as the world has changed, so, too, must NATO change. As former Prime Minister Margaret Thatcher recently said, "Our energies must be directed towards strengthening NATO, which is as important in the post-Cold War world as in the circumstances of its creation." And while our allies can and should take a greater share of the burden, we should not nurture the illusion that this is a substitute for American leadership.

American leadership is what the Dole speech was all about, Mr. President, American leadership in a world that is fraught with danger, that has become much less dangerous, but a much less predictable one. This speech that is articulated by Senator DOLE is a clear vision and a clear call and challenge to the American people to again recognize that we cannot discard the mantle of leadership which was handed down to us early in this century.

Finally, Mr. President, Senator Dole said—I think it is worth repeating——

> The hope of the world still rests, as it has throughout this century, on American leadership. There is no escaping the fact that only America can lead—others cannot, or will not, or should not. How firmly we grasp the remarkable opportunities before us in Europe will determine whether the next century repeats the violence and tragedy of the last or opens up a new era of peace, freedom, and security.

Mr. President, I want to again congratulate Senator DOLE on an outstanding speech. I commend it to all of my colleagues and the American people. I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

AMENDMENT NO. 4365

(Purpose: To provide equitable relief for the generic drug industry)

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me. For the benefit of our colleagues, Mr. President, let me state what has gone on today and what I think will go on for the next hour to hour and a half.

Mr. President, first, I am going to be sending an amendment to the desk in the first degree. Immediately following that introduction, the Senator from Utah will offer his amendment in the second degree to my first-degree amendment. We will debate these issues and vote on the Hatch amendment some 45 minutes later. After that vote, it will be very possible that I will offer the same amendment as my amendment in the first degree, which we will debate for 45 minutes and then vote.

I know this is somewhat of a Byzantine situation, Mr. President, but I have been attempting since December 7 to have an up-or-down vote in this Chamber on my amendment. It appears I am not going to get a clear up-or-down vote, but this is as near as possible.

Mr. President, with that explanation, hoping our colleagues understand the nature of this issue and the procedure that we will be following, I send my amendment in the first degree to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for himself, Mr. CHAFEE, Mr. BROWN, Mr. BRYAN, Mr. DORGAN, Mr. LEAHY, and Mr. BYRD, proposes an amendment numbered 4365.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. EQUITABLE TREATMENT FOR THE GENERIC DRUG INDUSTRY.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the generic drug industry should be provided equitable relief in the same manner as other industries are provided with such relief under the patent transitional provisions of section 154(c) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act of 1994 (Public Law 103-465; 108 Stat. 4983).

(b) APPROVAL OF APPLICATIONS OF GENERIC DRUGS.—For purposes of acceptance and consideration by the Secretary of Health and Human Services of an application under subsections (b), (c), and (j) of section 505, and subsections (b), (c), and (n) of section 512, of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b), (c), and (j), and 360b (b), (c), and (n)), the expiration date of a patent that is the subject of a certification under section 505(b)(2)(A) (ii), (iii), or (iv), section 505(j)(2)(A)(vii) (II), (III), or (IV), or section 512(n)(1)(H) (ii), (iii), or (iv) of such Act, respectively, made in an application submitted prior to June 8, 1995, or in an application submitted on or after that date in which the applicant certifies that substantial investment was made prior to June 8, 1995, shall be deemed to be the date on which such patent would have expired under the law in effect on the day preceding December 8, 1994.

(c) MARKETING GENERIC DRUGS.—The remedies of section 271(e)(4) of title 35, United States Code, shall not apply to acts—

(1) that were commenced, or for which a substantial investment was made, prior to June 8, 1995; and

(2) that became infringing by reason of section 154(c)(1) of such title, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4983).

(d) EQUITABLE REMUNERATION.—For acts described in subsection (c), equitable remuneration of the type described in section 154(c)(3) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4983 shall be awarded to a patentee only if there has been—

(1) the commercial manufacture, use, offer to sell, or sale, within the United States of an approved drug that is the subject of an application described in subsection (b); or

(2) the importation by the applicant into the United States of an approved drug or of active ingredient used in an approved drug that is the subject of an application described in subsection (b).

(e) APPLICABILITY.—The provisions of this section shall govern—

(1) the approval or the effective date of approval of applications under section 505(b)(2), 505(j), 507, or 512(n), of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2) and (j), 357, and 360b(n)) submitted on or after the date of enactment of this Act; and

(2) the approval or effective date of approval of all pending applications that have not received final approval as of the date of enactment of this Act.

Mr. PRYOR. Mr. President, it gives me great pleasure to announce I am submitting this amendment on behalf of myself and Senator CHAFEE, Senator BROWN, Senator BYRD, Senator DORGAN, Senator LEAHY, and Senator BRYAN.

With that, Mr. President, I see my friend from Utah is seeking recognition.

The PRESIDING OFFICER. The Senator from Utah.

Amendment No. 4366 to Amendment No. 4365

(Purpose: To provide equitable relief for the generic drug industry, and for other purposes)

Mr. HATCH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 4366 to amendment No. 4365.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word "Sec." and insert the following:

SEC. ____. PHARMACEUTICAL INDUSTRY SPECIAL EQUITY.

(a) SHORT TITLE.—This section may be cited as the "Pharmaceutical Industry Special Equity Act of 1996".

(b) APPROVAL OF GENERIC DRUGS.—

(1) IN GENERAL.—With respect to any patent, the term of which is modified under section 154(c)(1) of title 35, United States Code, as amended by the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983), the remedies of section 271(e)(4) of title 35, United States Code, shall not apply if—

(A) such patent is the subject of a certification described under—

(i) section 505 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV)); or

(ii) section 512(n)(1)(H)(iv) of such Act (21 U.S.C. 360b(n)(1)(H)(iv));

(B) on or after the date of enactment of this section, such a certification is made in an application that was filed under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act and accepted for filing by the Food and Drug Administration prior to June 8, 1995; and

(C) a final order, from which no appeal is pending or may be made, has been entered in an action brought under chapter 28 or 29 of title 35, United States Code—

(i) finding that the person who submitted such certification made a substantial investment of the type described under section 154(c)(2) of title 35, United States Code, as amended by the Uruguay Round Agreements Act; and

(ii) establishing the amount of equitable remuneration of the type described under section 154(c)(3) of title 35, United States Code, as amended by the Uruguay Round Agreements Act, that is required to be paid by the person who submitted such certification to the patentee for the product that is the subject of the certification.

(2) DETERMINATION OF SUBSTANTIAL INVESTMENT.—In determining whether a substantial investment has been made in accordance with this section, the court shall find that—

(A) a complete application submitted under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act was found by the Secretary of Health and Human Services on or before June 8, 1995 to be sufficiently complete to permit substantive review; and

(B) the total sum of the investment made by the person submitting such an application—

(i) is specifically related to the research, development, manufacture, sale, marketing, or other activities undertaken in connection with, the product covered by such an application; and

(ii) does not solely consist of that person's expenditures related to the development and submission of the information contained in such an application.

(3) EFFECTIVE DATE OF APPROVAL OF APPLICATION.—In no event shall the Food and Drug Administration make the approval of an application under sections 505 or 512 of the Federal Food, Drug, and Cosmetic Act, which is subject to the provisions of this section, effective prior to the entry of the order described in paragraph (1)(C).

(4) APPLICABILITY.—The provisions of this subsection shall not apply to any patent the term of which, inclusive of any restoration period provided under section 156 of title 35, United States Code, would have expired on or after June 8, 1998, under the law in effect on the date before December 8, 1994.

(c) APPLICATION OF CERTAIN BENEFITS AND TERM EXTENSIONS TO ALL PATENTS IN FORCE ON A CERTAIN DATE.—For the purposes of this section and the provisions of title 35, United States Code, all patents in force on June 8, 1995, including those in force by reason of section 156 of title 35, United States Code, are entitled to the full benefit of the Uruguay Round Agreements Act of 1994 and any extension granted before such date under section 156 of title 35, United States Code.

(d) EXTENSION OF PATENTS RELATING TO NONSTEROIDAL ANTI-INFLAMMATORY DRUGS.—

(1) IN GENERAL.—Notwithstanding section 154 of title 35, United States Code, the term of patent shall be extended for any patent which encompasses within its scope of composition of matter known as a nonsteroidal anti-inflammatory drug if—

(A) during the regulatory review of the drug by the Food and Drug Administration the patentee—

(i) filed a new drug application in 1982 under section 505 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 355); and

(ii) awaited approval by the Food and Drug Administration for at least 96 months; and

(B) such new drug application was approved in 1991.

(2) TERM.—The term of any patent described in paragraph (1) shall be extended from its current expiration date for a period of 2 years.

(3) NOTIFICATION.—No later than 90 days after the date of enactment of this section, the patentee of any patent described in paragraph (1) shall notify the Commissioner of Patents and Trademarks of the number of any patent extended under such paragraph. On receipt of such notice, the Commissioner shall confirm such extension by placing a notice thereof in the official file of such patent and publishing an appropriate notice of such extension in the Official Gazette of the Patent and Trademark Office.

(e) EXPEDITED PROCEDURES FOR CIVIL ACTIONS.—

(1) APPLICATION.—(A) This subsection applies to any civil action in a court of the United States brought to determine the rights of the parties under this section, including any determination made under subsection (b).

(B) For purposes of this subsection the term "civil action" refers to a civil action described under subparagraph (A).

(2) SUPERSEDING PROVISIONS.—Procedures adopted under this subsection shall supersede any provision of title 28, United States Code, the Federal Rules of Civil Procedure, or the Federal Rules of Appellate Procedure to the extent of any inconsistency.

(3) PROCEDURES IN DISTRICT COURT.—No later than 60 days after the date of the enactment of this Act, each district court of the United States shall adopt procedures to—

(A) provide for priority in consideration of civil actions on an expedited basis, including consideration of determinations relating to substantial investment, equitable remuneration, and equitable compensation;

(B) provide that—

(i) no later than 10 days after a party files an answer to a complaint filed in a civil action the court shall order that all discovery (including a hearing on any discovery motions) shall be completed no later than 60 days after the date on which the court enters the order; and

(ii) the court may grant a single extension of the 60-day period referred to under clause (i) for an additional period of no more than 30 days upon a showing of good cause;

(C) require any dispositive motion in a civil action to be filed no later than 30 days after completion of discovery;

(D) require that—

(i) if a dispositive motion is filed in a civil action, the court shall rule on such a motion no later than 30 days after the date on which the motion is filed;

(ii) the court shall begin the trial of a civil action no later than 60 days after the later of—

(I) the date on which discovery is completed in accordance with subparagraph (B); or

(II) the last day of the 30-day period referred to under clause (i), if a dispositive motion is filed;

(E) require that if a person does not hold the patent which is the subject of a civil action and is the prevailing party in the civil action, the court shall order the nonprevailing party to pay damages to the prevailing party;

(F) the damages payable to such persons shall include—

(i) the costs resulting from the delay caused by the civil action; and

(ii) lost profits from such delay; and

(G) provide that the prevailing party in a civil action shall be entitled to recover reasonable attorney's fees and court costs.

(4) PROCEDURES IN FEDERAL CIRCUIT COURT.—No later than 60 days after the date of the enactment of this Act, the United States Court of Appeals for the Federal Circuit shall adopt procedures to provide for expedited considerations of civil actions brought under this Act.

Mr. PRYOR. Mr. President, I will speak only for a very few moments and then I will yield time to my friend from Rhode Island, Senator CHAFEE, and those others who want to enter into this debate.

I had lunch with my interns a few moments ago, Mr. President. One of the young men at the table said, "What is all of this GATT-Glaxo debate all about?" It is very hard to explain, and sometimes it is arcane. Mr. President, the bottom line was stated by our colleague from Illinois recently as eloquently as I know how to frame this debate. I quote Senator PAUL SIMON: "This is a classic case of the public interest versus the special interest." This is indeed a classic case of the public interest versus the special interest.

That is exactly what the issue is today on the floor. Let me anticipate, Mr. President, if I might, and I hope I am not being presumptuous, as to what is going to happen and what the arguments of the Senator from Utah might be.

First, Mr. President, the Pryor-Brown-Chafee amendment closes a loophole that every expert in this field, from our Patent Office and the Food and Drug Administration to our U.S. Trade Representative, says should be closed.

We are also seeking to have the prescription drug industry play by the very same rules as every other industry in our country.

The third thing our amendment does, Mr. President, is guarantee that American consumers have access to affordable generic drugs as was intended by the GATT treaty. We are simply saying that affordable generic drugs should be able to come to the marketplace without the obstacles presented by Senator HATCH will not be allowed.

The fourth thing we do, Mr. President, is not affect medical research in any way. It is not an issue, although we will debate that point later. Nor does our amendment affect intellectual property rights in any way. That has been absolutely nailed down in concrete. Since our amendment is consistent with the GATT agreement, that is a moot argument and is simply a scare tactic.

Finally, Mr. President, our amendment guarantees that the financial windfall created by our mistake in the GATT agreement does not go to the drug companies. Instead, it goes to the consumers, it goes to the elderly, it goes to the veterans, and it goes to those who are vulnerable and in need of assistance in buying life-sustaining pharmaceuticals. Today, in the absence of our amendment, you will find that these companies are gaining a multibillion dollar windfall as a result of our error.

Let me briefly state what the so-called Hatch substitute does. It codifies and puts our original mistake into law. It guarantees that the American consumer never gets the affordable, generic drugs intended under the GATT agreement.

Here is the so-called Rube Goldberg chart, Mr. President, showing what the Hatch substitute actually does. This chart shows how the Hatch substitute guarantees that generic competition is locked out and leaves it up to the consumer to continue paying for the multibillion dollar windfall to a few drug companies as a result of a congressional mistake.

Let me emphasize that affordable generic drugs will be something that will not be within the grasp of our American consumer should the Hatch provision prevail. The Hatch substitute guarantees Glaxo and a few other drug companies that they get the entire $2.5 billion windfall. It is an enormous Christmas gift, Mr. President, that we have no business doling out as a special favor to undeserving companies.

Finally, Mr. President, the Hatch substitute would also grant a 2-year patent extension for a drug called Lodine, manufactured in the State of Pennsylvania by Wyeth-Ayerst, a division of one of the major pharmaceutical companies in the country, American Home Products. This patent extension was added by the Judiciary Committee, Mr. President.

In addition, the Hatch substitute creates the Christmas tree of other gifts like additional patent protection to brand name companies like Zeneca and Merck. These provisions were, once again, added by the Judiciary Committee. Mr. President, this is what I think is going to be occurring during the next several minutes. I am wondering now if my colleague from Utah would like to respond, or if my colleague from Rhode Island would like

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first of all, I want to congratulate Senator PRYOR, the Senator from Arkansas, for his tenacity in connection with this really outrageous situation that exists as a result of a mistake that was made and the failure of the Congress to correct that mistake. Senator PRYOR, recognizing the cost that this is incurring upon the U.S. Government, our State governments, and upon our citizens—especially our citizens—has, with tremendous tenacity, tried to correct it. I think Senator PRYOR deserves all of our thanks for this.

Now, what are we doing here? What we are trying to do today, Mr. President, is to correct an inadvertent error made in the 1994 GATT, General Agreement on Tariffs and Trade, that we passed. This error, as I say, is costing consumers and our Government, not just thousands of dollars, but millions of extra dollars, and is giving an unintended windfall to the drug companies. It is well past time for the Senate to act. I do hope that the Pryor amendment will be adopted.

Now, what is this amendment that we are working on this afternoon? It is very simple. As I say, it corrects an inadvertent error. It is a mistake that was made that kept qualified generic drugs from going to market. What is a generic? It is something anybody can manufacture. It keeps these generic drug manufacturers from going to market, as they plan to do when the patent expired on these drugs, particularly those that are manufactured, in certain instances, by Glaxo. Now, the result has been that a handful of brand name drug companies have received a staggering—and, as I say, this is not thousands, this is really billions—$4.3 billion windfall at the expense of consumers, and neither the Congress nor U.S. trade officials, nor even the companies themselves, expected this to occur.

Now, the cost to consumers, as I mentioned, is enormous. The drugs covered by the windfall are widely prescribed. They are used for everyday ailments that affect millions of Americans, particularly the elderly. Keeping the generic version of these drugs off the shelf for up to three additional years means that Americans—especially older Americans—are paying far more than was ever intended for these medications.

Not only are consumers paying for this error, but so are the governments—State governments and the Federal Government—in the form of higher reimbursement for prescription drugs. The military, likewise, is paying, because the military, as we all know, pays not only for drugs for the active duty personnel, but for retirees, as well.

Now, we in Congress made a mistake. We all recognize that, and we ought to fix it. In this case, the solution is obvious: Enact the conforming amendment presented by Senators PRYOR, BROWN, myself, and others, who have been working likewise.

Enacting the conforming amendment has a positive side effect, an important one for our States. Back in December, we had a vote on this, and because of parliamentary maneuvering, we were told repeatedly that it was important to have a hearing on this. Ultimately, we lost by one vote. This was going to go to a hearing. Since that vote last December, what has happened? Well, finally a hearing took place, 3 months later, at the end of February. What did we find out at the hearing? Well, we found out exactly what we have been saying all along. There were no new discoveries at this hearing. The USTR, U.S. Trade Representative, at the time GATT was enacted, Mr. Kantor, testified: "We did not intend for this to happen, and we support the correction of this oversight through the appropriate amendment to the Food, Drug and Cosmetic Act, and the Patent Act."

That is what Mickey Kantor, our U.S. Trade Representative, said.

Three months went by, and then two more months went by, a markup being continuously postponed. We finally saw our bill be marked up in the committee. What the result was, was a bill that did not correct the loophole at all. Senator PRYOR has touched on that already. I thought it was very interesting. This is, as he showed on his chart—and perhaps the Senator could go back to that original chart that shows this Rube Goldberg setup—how the generic drug companies could straighten out the situation. Well, it is ridiculous. I must say, I praise the ingenuity of those who worked out this intricate process.

So the situation has become ludicrous. Unfortunately, it has been more than a year since the FDA first ruled that it did not have the power to permit these generics to go to market. A year ago, we found out there was a problem. Instead of fixing it right away, we have been stymied time and time again by procedural motions and talk of hearings. We all know the time is running out.

So, Mr. President, I want to conclude by reading a couple of quotes from newspapers who have commented on this.

This is what the New York Times had to say:

> Congress finds it hard to remedy the simplest mistakes when powerful corporate interests are at stake.

The Washington Post said:

> It is doubly difficult to understand why the Senate refuses to do anything about a windfall that, as far as the administration is concerned, is based on nothing more than an error of omission.

We made an error and ought to correct it.

The Des Moines Register said:

> Unless the Senate gives the issue another look, hundreds of Iowans suffering from ulcers and heartburn will each have to fork over about $1,600 more than necessary for their prescriptions over the next 18 months.

The NBC Nightly News said:

> This is one area where Congress could help save millions of taxpayers dollars now.

So, Mr. President, it is my hope that we will prove to our constituents that there is not business as usual around here, that we can and we will correct a mistake that was made and do the right thing and fix this loophole now.

I urge my colleagues to vote against the Hatch amendment and for the Pryor-Chafee amendment, the only bill that will close the loophole. I thank the Chair.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I believe that the problems presented in the pending amendment could be solved if the parties would get together and agree to a procedure which would provide for prompt judicial determination as to what is a substantial investment.

I agree with my distinguished colleague from Rhode Island that this matter ought to be cured and acted upon, because the more time that passes, the greater the potential damages on one side or another, depending upon whether there has been a substantial investment. That is the issue which is outstanding, and it is my view that the generic manufacturer should be compelled to show that it has complied with the provisions of law and that it has, in fact, made a substantial investment before it can enter the marketplace.

With all due respect, I do not believe that this is a matter for editorial comment, or for generalization. Instead, it requires a hard look at the facts and a careful analysis of the law. What we are dealing with here is public policy to encourage pharmaceutical companies to make very substantial investments to produce pharmaceutical products. The other public policy consideration is to make available generic products for the benefit of many parties, once the patent has had a reasonable life term.

Those who benefit from generics are many. They are the senior citizens. They are the veterans. They are the Government. Many interested parties ought to have access to generic products.

The critical key issue is whether the generic company has made a substantial investment or not, and it is my view that that has to be judicially determined.

We had a very extended discussion on the Record back on June 20, just 8 days ago. It is summarized really as follows: I offered a procedure, first in the Judiciary Committee and now incorporated into the amendment offered by the Senator from Utah, which would provide for expedited proceedings which could be completed within 70 days.

What is really happening when the Senator from Arkansas is offering this amendment is that nothing is going to happen for a lot longer than 70 days. This matter has been pending for months. If the parties had agreed to expedited judicial proceedings, which the Hatch amendment is prepared to accept, if Senator PRYOR would accept that, we could have a determination of any generic company which had made a substantial investment within a relatively short period of time. That generic company could then begin to market its product.

I do not believe this matter ought to be left undefined. I think really we ought to have a definition of what is a "substantial investment." We hear a great deal of talk about the undesirability of judicial legislation; that we ought to have Congress act on these matters.

My staff and I made a very concerted and extended effort to try to define "substantial investment" and "equitable remuneration," sitting down with parties on both sides at some substantial length.

I continue to believe that, if the parties really wanted to resolve this and have a determination as to which generics had made a "substantial investment" so that those generic products would be made available to the public at large, that could be done instead of this extended debate.

But in the absence of that kind of an agreement, it seems to me that what is fair is to have the generic with its burden of proof of showing that a substantial investment had been made. And, with the additions I have made to the pending amendment offered by the Senator from Utah, we would have those proceedings concluded within a few short months. If the Senator from Arkansas was willing to adopt that kind of a procedure, he could have set the judicial mechanism in place long ago so that we could have had a determination of this matter.

Mr. President, I reserve the remainder of my time.

Mr. PRYOR. Mr. President, I thought that Senator HATCH would be speaking now. I think he has stepped out of the Chamber. Therefore, I will make a few remarks in response to my friend from Pennsylvania.

First, we are not changing the GATT language. We are keeping the GATT language as it relates to the term "substantial investment." This is simply what we are trying to do with the Pryor-Brown-Chafee substitute amendment at this time. We are trying to basically reinforce what we already have built into the GATT treaty, adopt that language, and apply to the drug companies the exact same rules and definitional standards that we apply to every other industry in our country and in our world today who are signatories to the GATT.

I want to make a couple of more points. The Senator from Pennsylvania has mentioned that we needed 70 days in order to resolve all of this. What the Senator from Pennsylvania must be aware of, and what the Senator from Arkansas is aware of, is that every day that goes by these companies are getting, in my opinion, egregious windfalls totaling $5 million extra every day that we estimate could be used to purchase cheaper or less expensive generic drugs.

What this is about, Mr. President, really is about a few drug companies. For example, here is Zantac. If we had a generic substitute today for Zantac, we would be paying about 40 percent or 50 percent less than we are paying with the brand name Zantac today in our drugstores.

Mr. President, this is an absurd situation. It is time for us to correct this. We hope that the Senate will avail itself of this opportunity.

Mr. President, inadvertently a few moments ago when I sent the amendment to the desk I did not mention our original cosponsor from Vermont, Senator LEAHY.

I ask unanimous consent that his name be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. SPECTER. Mr. President, I inadvertently referred to a judicial time line of 70 days. I really meant 7 months.

My point is this. This controversy first arose on May 25, 1995. Had we had in effect a procedure, which I am suggesting, for a maximum 7-month determination regarding companies that the Senator from Arkansas refers to, we could have had a judicial determination made on or about January 1, 1996. It could have already been made.

This legislation is really not the best way to solve the problem. There is a question as to what will happen in conference on this Department of Defense authorization bill, and whether the amendment will be adopted in the first place. There is also a question of whether the President will veto this

Department of Defense authorization bill because it has substantially more spending than he is prepared to accept. But, if the parties agree to a procedure where there was expedited judicial determination as to what is a substantial investment, we could have generic products on the market within 7 months.

If my colleague from Arkansas would engage in a brief discussion—it has to be brief because I do not have too much time left—what would the problem be with the generic companies that the Senator from Arkansas refers to to accept the procedure where there would be a court determination made within 7 months as to whether they had made a substantial investment. Then, if the court finds in their favor, they could sell the generic drug plus recover full damages for the period from the time that they could not sell the generic drug until the time the court determined there was substantial investment and they could sell the generic drug?

Mr. PRYOR. Are we on the Senator's time?

Mr. SPECTER. We are.

Mr. PRYOR. I ask that the time be allocated to the Senator, if I might respectfully say so.

I have a letter from Donna Shalala, the Secretary of HHS, and I quote from the letter that has been distributed throughout the Senate this afternoon.

Secretary Shalala says:

> It will be nearly impossible to meet the substantial investment requirement under the Hatch substitute.

She concludes saying:

> It would be virtually impossible for a manufacturer to obtain FDA approval for a generic drug product during this transition period.

Mr. SPECTER. If the Senator from Arkansas will also focus, in the very limited time, just on the issue of substantial investment. What Secretary Shalala had to say, with all due respect, is totally irrelevant. I have a very crisp question. If your generic company has to have a determination of substantial investment within 7 months, would that not be a lot better than this elongated, uncertain legislative process?

Mr. PRYOR. Mr. President, I simply respond by saying the generic companies cannot get the market because they cannot meet the requirements and the obstacles set forth in the Hatch substitute. It is that simple.

Mr. SPECTER. Mr. President, I want to reclaim my time. I want to conclude my argument in the very brief time that I have left.

With all due respect for my very distinguished colleague from Arkansas—and I do agree with Senator CHAFEE in complimenting Senator PRYOR for his tenacity here—this is a matter which requires a determination of what is a substantial investment. This matter has been pending now for more than a year—since May 25, 1995. If the parties really wanted to resolve this, we could come to terms on expedited judicial proceedings which Senator HATCH is prepared to accept. That would take, of course, a maximum of 7 months. Then the generic company would have a determination of substantial investment, and they would be in the field. In addition, they would be entitled to collect their damages in the interim.

I believe, as a matter of fairness, that we ought to get the judicial determinations as promptly as possible. But we also need to have fair protection for the substantial investments made by the pharmaceutical pioneer companies. This expedited procedure would ensure justice for all parties, and I submit that we ought to proceed forward with it.

I yield the floor.

Mr. PRYOR. Mr. President, I will respond by saying that this expedited procedure and the substantial investment, is basically what the GATT Treaty calls for and lays out the rules for every other industry in the world today with the exception of the pharmaceutical industry.

We left out, by mistake, a conforming amendment that would guarantee the application of the GATT Treaty to brand name drug companies and as a result a few companies are protected against any generic competition.

Now, who pays the bill for that? Who pays the ante? Well, we know who pays. The consumer pays—the elderly pay, the veterans pay, the Medicaid Program pays, the government pays. But across the board these windfall profit dollars are going to the major drug companies, and we are asking today for the Senate to support less expensive drugs. We are begging today for competition in the pharmaceutical marketplace.

Just recently—and I ask that this item be placed in the RECORD at the appropriate place—Glaxo cut the cost of Zantac to the German people by 30 percent. The concern they were responding to was that a generic was about to become available and be a competitor to Zantac in that country—a 30-percent decrease in the cost of that drug. I wish they would give us the same cost decrease in this country.

But what the Senator from Pennsylvania is talking about—simply wait another 7 months for these drugs to be available in generic form—is another $1 billion in consumer losses and another $1 billion windfall profits for three companies in this country.

Mr. President, I do not think the Senate supports extension of this type of benefit to a few drug companies.

I see my friend from Utah. I would like to ask how much time I have remaining, please.

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. PRYOR. Mr. President, I will reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I would feel much more confident in the distinguished Senator from Arkansas's comments if he were willing to turn back all of the GATT blessings that Arkansas received. I have a list here which gives some of the examples of extensions made under GATT and the number of days.

Here are 25 Arkansas companies which received extensions, one of which had its patent extended as by 713 days, another by 667 days, another by 665. The Jacuzzi Brothers had a patent extended by 218 days.

None of their competitors has come to us and complained that they are being cheated.

I might ask why we aren't suggesting that all those companies give back the extensions they received? Because there were winners and losers in the GATT. Unfortunately, the distinguished Senator from Arkansas does not happen to agree with some of the winners.

Mr. President, what you have heard this afternoon from our colleague, Senator PRYOR, admittedly is a compelling populist argument that will have a great deal of surface appeal to some people.

Who among us would not want to lower the price of drugs used by the elderly?

Who would not want to correct a mistake?

Who would not want to level the playing field to promote fairness between two very important segments of a very important industry?

Unfortunately, none of these arguments are accurate. All of them are built on a foundation of sand.

With one strong wave of reality this dream castle will come crashing down and we will be left with the truth of the matter.

The truth is that:

There is no loophole;

There is no technical error; and

And there is no need for the overreaching Pryor/Brown/Chafee amendment.

Let me give you the facts.

It should be no secret to anyone in this body that GATT extended the terms of patents. The GATT Treaty—a very important treaty that took decades to get—was debated extensively in open session. It was negotiated for a period of years, extending through three Presidential Administrations. It was one of the most talked-about pieces of legislation we have considered.

As a consequence of the GATT, the terms of about 1 million patents were extended. I just mentioned 25 of those were in Arkansas. They came from virtually every type of industry in the

United States, including pioneer pharmaceutical patents.

From this debate, you would think that only pharmaceutical patents were extended, but that is far from true.

In truth, only about 100 pharmaceutical patents were extended—100 out of 1 million—100 patents out of 1 million.

Today you will hear the argument that this issue is a simple case of Congress making an oversight in a piece of complex legislation. Again, that is not correct.

In fact, the Food and Drug Administration has said as much. In black and white.

Last May, the FDA's Deputy Commissioner for Policy said:

> (T)his apparently is not an example of Congress having overlooked a statutory provision it might have changed had it been aware of its existence . . .

So, it is clear that both the executive and legislative branches acknowledge this was not an oversight, even though we hear that over and over again.

But, if the FDA statement were not enough of an argument for you, consider that the courts have also reviewed this issue and have concurred that there is no evidence that this was an oversight.

The Court of Appeals for the Federal Circuit noted last November in the Royce case that it could not find any definitive evidence on the question of intent.

The court said:

> The parties have not pointed to, and we have not discovered, any legislative history on the intent of Congress, at the time of passage of the URAA, regarding the interplay between the URAA and the Hatch-Waxman Act.

By the way, I coauthored the Hatch-Waxman Act, and I do understand it.

When Senator PRYOR's glitzy, diversionary charts are put aside, it seems to me that my opponents must concede that they have no hard evidence that this is simply a case of legislative mistake. It is not. And by the way, those charts, as much as they are curly-cued to death are misleading. Every generic patentee must go through the process on that chart, under the URAA. It is not just a process set up for generic drugs.

Do not let their attempts at a revisionist history fool you. As the Federal circuit correctly noted, the true test of legislative history is what was stated when the bill passed, not what some are trying to say now, after the fact.

You will also hear today that the Congress should adopt the Pryor amendment so that generic drug manufacturers have the same protections afforded to every other generic product manufacturer under the transition rules.

This is the so-called level-the-playing-field argument.

The truth of the matter is that there are no reported cases of any generic manufacturer, including those 25 in Arkansas, for any other industry reaching—or for that matter even seeking to reach—the marketplace through these transition rules.

It is important for all involved in this debate to understand that under these transition rules, generic drugs have not been treated differently than any other generic products.

Not one individual in this body can point to any other industry except generic drugs which has used, or even attempted to use the transition rules. In other words, out of the 1 million patents extended, not one other industry, or for that matter not one person from one other industry, has attempted to use the transition rules.

The playing field is level.

In fact, the generic drug industry is actually trying to tilt the playing field in its favor.

It may surprise some in this body to see what the generic drug industry has been arguing in court.

Let me just read to you for a few moments from a transcript of the oral argument at the Federal circuit last October in the Royce case:

> Milton Bass, a lawyer for the generic drug industry, said:
>
> I suggest to this court that this statute in one respect is written expressly for generic drugs and in the other respect primarily for generic drugs.

Judge Bryson:

> You think the URAA was written expressly for generic drugs?

Mr. Bass:

> Absolutely, and I'll tell you why . . . I can't think of a single act that was not infringing before June 8 that became infringing after June 8 except for the generic drug industry. . .
>
> With other patents, a company is limited in what they can spend their money for to invest before the patent expires. Because if they use the patent, that's an act of infringement.

So we have the generic drug industry lawyer actually arguing that the transition rule was specifically intended for just this one industry.

That hardly sounds like a level playing field argument to me. That sounds to me like an argument for special treatment.

And this apparently was not just one of those statements that inadvertently slip out during the pressure of the moment in oral argument.

The same argument was repeated by the generic company's lawyer in his petition for writ of certiorari to the Supreme Court.

The generic drug company attorney stated to the Supreme Court:

> The most obvious intended beneficiary of the statutory licensing system was the generic drug industry . . . In fact, since the adoption of TRIPS and the URAA no industry other than the generic drug industry has emerged as being potentially affected by the equitable remuneration system.

So there you have it: plain evidence that contrary to what our colleague will allege, the generic drug industry wants to tilt the playing field toward itself.

Frankly, the Pryor amendment is nothing more than an attempt to see that one industry, the generic drug industry, gains a special, widespread, wholesale benefit that no other type of generic manufacturer will ever likely get under the transition rules.

And why is this so harmful?

As much as we all sympathize with the goal of getting lower priced generic drugs to the American consumer—particularly our elderly living on fixed incomes, we must not act in a fashion that undermines the incentives to invest in biomedical research.

We want both new breakthrough therapies and cheap generic equivalents.

The issue is how best to satisfy both ends.

Over the years I have enjoyed working with Dr. C. Everett Koop, former Surgeon General of the United States. I stood behind Dr. Koop when many in this body were anxious to prevent him from becoming Surgeon General. Time has proven that Dr. Koop is one of the world's leading public health authorities.

I respect and value his opinion. I believe that the American people know that Dr. Koop is a man of integrity and speaks his mind. Dr. Koop wrote me a letter last week which shows just how important it is to retain incentives for biomedical research. He said:

> Because of my long-standing concerns about the effect on biomedical research of weakened patent protection, I have been following the efforts in the Senate to roll back the advances in intellectual property protection established by the GATT amendment.
>
> The right to claim ideas as property allows innovators in any discipline to invest time and money to bring those ideas to fruition. This is especially true in the pharmaceutical industry, where each new medicine requires an average investment of 12 years and $350–500 million. Stronger patent protection bolsters the incentives for these high-risk investments, and thus represents a significant leap forward in our effort to preserve and improve the nation's health. It is for this reason that I submitted testimony to the Judiciary Committee opposing legislation to roll back the GATT intellectual property protections for pharmaceuticals.

I think that Dr. Koop is focusing attention on the right issue when he points out the importance that strong intellectual property laws have on biomedical research.

Frankly, a strong case can be made by those who argue that it is unnecessary to make any changes in our current statutory framework. But in the spirit of compromise the Judiciary Committee passed on a 10–7 bipartisan vote compromise legislation on this issue, to which Senator SPECTER is referring.

The Judiciary compromise is the text of the amendment I offer today, with small-but-important modification suggested by Senator SPECTER last week which will ensure that the process envisioned in the Judiciary bill is a speedy one.

The Judiciary compromise is a responsible, reasonable alternative. It allows generic drug products to reach the marketplace before the expiration of the GATT-extended patents.

The difference between my approach and that of Senator PRYOR is that the Judiciary bill protects intellectual property by precluding the generic's entry into the marketplace until a court has decided that a substantial investment has been made. As with the Pryor approach, the manufacturer must demonstrate that it has made a substantial investment.

Mr. President, I reserve the remainder of my time.

Mr. PRYOR. Mr. President, did the Senator from Utah conclude his statement?

The PRESIDING OFFICER. He reserved the remainder of his time.

Mr. PRYOR. Mr. President, as I have only a few moments, let me point out that the Hatch substitute was born out of a proposal by PhRMA. PhRMA is the group that represents the major brandname drug companies. Every element, according to a memo of April 30, 1996, of a draft PhRMA proposal which, as they wrote to their members, "benefits members of PhRMA" wound up in the so-called Hatch substitute. That, Mr. President, is what they are interested in. They are not interested in benefiting the consumer, they are interested in benefiting their own—regardless of what happens to consumers and taxpayers. This is why we should really call this proposal the PhRMA-Glaxo substitute. I hate to call it the Hatch substitute because I have such respect for my friend from Utah. Certainly he would not want to have his name associated with what he knows is an enormous boon to special interests.

Finally, the Hatch substitute has become a Christmas tree, literally a Christmas tree, of patent extensions and special favors for a variety of drug companies like Wyeth-Ayerst, Merck and Zeneca. Once again, I will quote our friend, Paul SIMON from Illinois. Senator SIMON, who we will miss greatly in this body, said: "This is a classic case of the public interest versus the special interest."

Mr. President, that is precisely what this vote we are about to take is all about.

I yield the floor.

Mr. HATCH. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. HATCH. I have heard the arguments of the distinguished Senator from Arkansas over and over.

I know he is sincere.

I know he means well.

But his arguments fixate on one or two companies.

If you were to look at this in the context of all of the companies, the thousands of companies, that benefited from the GATT Treaty, it reduces his arguments to nothing.

If you look at the companies from Arkansas that benefited from the GATT Treaty, you have to ask why they should receive a benefit that others did not? It is because they had to draw the line somewhere. The simple truth is that there were some who won and some who did not.

The thrust of my colleague's argument is that consumers are spending exorbitant amounts of money for Zantac because one company, Glaxo, has had its patent expanded under the GATT Treaty.

It does not matter if Glaxo or any other company benefited under this treaty.

The important thing is that treaty be preserved. It took decades to bring this treaty about. It is a treaty with important intellectual property provisions, provisions important for the whole world.

We have taken decades to get other nations to sign on to this treaty, many of which did not want to. Some of them would like nothing better than to undermine this treaty.

If the United States, pursuant to the Pryor amendment, were to adopt this language and undermine this treaty, right off the bat, I think it would send the wrong message to all the nations which would like an excuse to undermine the treaty anyway.

If we uphold the treaty, then, it seems to me in the long run we will save trillions of dollars for the consumers, compared to the relatively few millions the Senator is complaining about.

In the short run, consumers are going to pay more for some products under the treaty, because thousands of patents for all sorts of products and technologies were extended.

Let us just be honest about it. There is a lot riding here.

The overall goal of keeping the URAA intact outweighs the concerns of any one of us that one company or another may benefit somewhat from this. The fact of the matter is, there are a number of companies that benefit from this.

It is also important to note that, under the Hatch-Waxman Act, the generic industry gets something that no other industry gets. They can infringe the pharmaceutical pioneer companies' patents like no other industry can. We included that provision in the best interests of bringing pioneer drugs off patent into the marketplace as quickly as we could.

I am proud of that Waxman-Hatch Act. I worked my guts out to have it come to fruition.

It was negotiated, every word of it, right in my office.

It saved consumers billions and billions of dollars.

If we turn around now, just because, as the Senator argues, one or two or even eight out of a million companies may have benefited, we will undermine the very GATT Treaty that we fought so hard to get. That will be a mistake.

This is not some insignificant battle between two good people here in the U.S. Senate. This is a very, very important set of legal principles, legislative principles, treaty principles, and intellectual property principles.

Frankly, the arguments are not as the distinguished Senator would portray.

At this point I would like insert in the RECORD some examples of patents which were extended in Arkansas. I would also like to insert a statement by former Senator and Trade Representative Brock, who rebuts the arguments that former Ambassador, now Secretary Kantor says. And, finally, I would like to insert the letter from Dr. C. Everett Koop, former Surgeon General of the United States. I ask unanimous consent to have those printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXAMPLES OF ARKANSAS PATENTEES GRANTED EXTENSIONS UNDER GATT AND NUMBER OF DAYS

Abilities Unlimited, 640.
AGL Corporation, 324.
Arthur W. Reed Machine Co., 660.
BC Pausch, Inc., 471.
BEI Electronics, Inc., 535.
BEI Electronics, Inc., 240.
BEI Electronics, Inc., 419.
BEI Electronics, Inc., 466.
Carroll Herring, 713.
Citation Manufacturing Co., Inc., 454.
Cordell Tackle, Inc., 296.
Darrell Boyd, Kathy Sue Boyd, Mark Stodola, James Hall, Stuart Vess, J. Russell Reinmiller, 667.
Domination Incorporated, 663.
DuraCraft Boats, Inc., 403.
Gator Products, Inc., 527.
Hustler Corporation, 189.
Jacuzzi Bros., 218.
Klipsch and Associates, Inc., 481.
Malvern Minerals Company, 410.
Norman Manufacturing Co., Inc., 611.
Roland Clardy Rogers, Ray Green Rogers, 541.
Shakespeare of Arkansas, Inc., 437.
Shakespeare of Arkansas, Inc., 552.
Sprayrite Manufactoring Company, 465.
SunPower Systems Corp., 688.

BROCK GROUP, LTD.,
Washington, DC, September 20, 1995.

Senator WILLIAM V. ROTH, Jr.,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR ROTH: When I first proposed international agreements to extend intellectual property protection worldwide under the GATT, no one believed it could be done. Yet it was the crowning achievement of the recently successful Uruguay Round—thanks almost solely to the persistent and active support of the U.S. business community and U.S. governmental leaders.

Now I hear that some pending proposals could imperil the implementation of that agreement. I refer specifically to legislation recently introduced by David Pryor, called the Consumer Access to Prescription Drugs Act (S. 1191). S. 1191 creates special rules so that the generic pharmaceutical manufacturers can take advantage of preferential treatment under the Drug Price Competition and Patent Term Restoration Act of 1984 ("Hatch/Waxman Act") without adhering to the 20 year patent term negotiated during the GATT Uruguay Round negotiations.

Proponents suggest that this legislation is only a "technical" correction to the Uruguay Round Agreements Act (URAA) and neither weakens patent protection under URAA nor diminishes the United States' ability to fight for stronger international patent protection. I disagree! This issue is far too important to risk on the basis of hoped-for "good intentions" in nations which have never favored intellectual property protection.

Countries around the world are still in the process of implementing the Uruguay Round Agreement. A number have withheld their own action to wait and see what we do. We all know those whose prior actions have cost American inventors and entrepreneurs billions. They will see this retreat on our part as a ready excuse to implement their own minimalist versions on intellectual property protection. It will be difficult, if not impossible for the United States to force other nations to adhere to the TRIPS agreement if we set this unfortunate precedent.

In sum, in exchange for the hope of short term savings, the Pryor proposal could cost all U.S. firms and workers the enormous long term gains we worked so hard to achieve in the Uruguay Round. That is penny wise and pound foolish. The United States must continue to be a leader on full implementation of every aspect of the agreement on intellectual property in both substance and in form.

One final additional point. Domestically, this legislation would upset the delicate balance provided for in the Hatch/Waxman Act, which already grants generic pharmaceutical firms special treatment in the area of patents not available to other industries. S. 1191 would further the bias against pioneer pharmaceutical firms.

Please give careful consideration to the negative impact this legislation would have. I would be delighted to give you additional specifics if it would be helpful.

Sincerely,

WILLIAM E. BROCK.

BETHESDA, MD, *June 20, 1996*.

Hon. ORRIN G. HATCH,
Chairman, Judiciary Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Because of my longstanding concerns about the effect on biomedical research of weakened patent protection, I have been following the efforts in the Senate to roll back the advances in intellectual property protection established by the GATT agreement.

The right to claim ideas as property allows innovators in any discipline to invest time and money to bring those ideas to fruition. This is especially true in the pharmaceutical industry, where each new medicine requires an average investment of 12 years and $350-500 million. Stronger patent protection bolsters the incentives for these high-risk investments, and thus represents a significant leap forward in our effort to preserve and improve the nation's health. It is for this reason that I submitted testimony to the Judiciary Committee opposing legislation to roll back the GATT intellectual property protections for pharmaceuticals.

While I am still concerned about the impact that any change in our intellectual property protections could have on the incentives for medical R&D, the bill reported by the Judiciary Committee on May 2 is a significant improvement over the other proposals on this issue. I commend you and your colleagues for finding a way to accommodate the varied political interests that have been actively involved in this debate.

By allowing for the issues of "substantial investment" and "equitable remuneration" to be resolved before generic medicine comes on the market, the proposal mirrors the system that has worked well since it was instituted by the Hatch-Waxman Act. It also adheres with the requirements of the GATT legislation itself, which requires a court to determine these issues.

Most importantly, by requiring a court to establish "equitable remuneration," the Judiciary Committee's proposal establishes a procedure for the value of intellectual property to be recognized. This is crucial if we are to sustain the research that will answer patient needs now and in the future. It is absolutely essential if we as a society genuinely care about the nation's long-term health.

Ideally, no change would be made in the relevant laws establishing stronger patent protections. But given the political reality, you have done a good job of developing a compromise that maintains some reasonable protection for the intellectual property concepts that have made the U.S. a leader in medical innovation.

Sincerely yours,

C. EVERETT KOOP, M.D., Sc.D.,
Surgeon General, 1981–1989.

Mr. HATCH. With regard to my amendment, which is the text of the Judiciary Committee bill, the court would consider expenses related to the generic drug application and other activities, such as plant construction and equipment purchases, made specifically in connection with particular generic drugs.

Our compromise would prevent applicants from gaming the system by precluding approval of applications submitted for products that come off-patent beyond 1998.

Also, at the suggestion of Senator BIDEN, we have included language that would make clear that pioneer drug patents could receive both the restoration extension afforded by the Hatch-Waxman Act and any additional time received under the URAA.

This is only fair, because these extensions derive from separate statutory sources.

Mr. President, I have worked long and hard on this issue and have endeavored to find a reasonable middle ground which will accommodate the interest of all my colleagues. The Judiciary bill is a good compromise, and I urge my colleagues to support the amendment.

Mr. HELMS. Mr. President, there are a number of red herrings flying across the Senate in an effort to politicize this issue and scare senior citizens and others. But the bottom line of this issue is whether we will support the search for new medicines or undermine it.

Let me quote from an article that was written by Dr. C. Everett Koop and published in the March 28, 1996, issue of The Washington Times:

> Generic drugs play an important role in helping lower the cost of medicines. But it is the pharmaceutical research industry that discovers and develops those medicines in the first place, investing billions of dollars in research and development that can span decades without any guarantee of success—an investment made possible by our system of patent protection.
>
> Congress should stand firm in its decision to provide greater protection for American innovators. This protection is a leap forward in our ongoing battle to preserve our long-term national health.

Speaking of our long-term national health, a company that Senator PRYOR frequently criticizes, was recently awarded the highest honor that can be bestowed on a company by the American Diabetes Association.

On June 6, Glaxo Wellcome, Inc., which is headquartered in North Carolina, was awarded membership into the Banting Circle. According to the announcement, the award recognizes Glaxon Wellcome's effort to cure diabetes.

Dr. Bob Bell, vice president of research at Glaxo Wellcome, explained that "If we can find that gene or combination of genes that causes diabetes, and link them to specific functions of their proteins, then we can use this insight to develop better treatments."

Approximately, 15 million people suffer from type II diabetes. How much longer does the Senator from Arkansas think they should have to wait for a better treatment or even a cure for their disease?

Ms. MOSELEY-BRAUN. Mr. President, I would like to take this opportunity to express my support for the Hatch substitute amendment. The Senate voted in December to require the Judiciary Committee to hold hearings on the General Agreement on Tariffs and Trade [GATT] patent extension provisions. As promised, the hearings were held, and a May 2 markup resulted in a vote in favor of a bipartisan compromise proposal.

The Hatch amendment, which represents this bipartisan Judiciary Committee compromise, would allow the Food and Drug Administration to approve a generic drug marketing prior to expiration of the GATT patent extension if the manufacturer complies with the GATT implementation law and the 1984 Hatch-Waxman law. This special exemption from patent laws is permitted by no other sector.

The Pryor amendment on the other hand, would modify the current GATT as it applies to patent protections for pharmaceutical products. This amendment, which was voted down in the Finance Committee, has been portrayed as a technical correction to the GATT agreement. It is not. This amendment opens up an international agreement on trade to resolve a domestic intraindustry dispute. It is short-sighted, counterproductive, and will impede the availability of life-saving drugs and therapies for all of us.

This is not an argument about whether the American people should generally have access to generic drugs. I firmly believe that all persons who are sick should have access to affordable and comprehensive health care services. My views on the GATT patent extension issue are in no way inconsistent with my support for health reform. In fact, I believe present attempts to undo and reopen GATT could have an adverse impact on the development of state of the art medicines and treatments, which in turn deny all of us the benefit of advances in medical science.

This argument in support of changing the GATT patent extension for pharmaceutical products seems to rest primarily on the potential cost savings to consumers of accelerating the availability of a generic version of one anti-ulcer drug. Such an argument totally ignores the fact that the anti-ulcer marketplace is highly competitive with a wide range of choices, including generics, for patients and physicians. There are new medicines available and coming to the market that can cure peptic ulcer disease. The senior citizen on a fixed income will save far more from the availability of medicines that eradicate the cause of his/her ulcer after a few weeks of therapy than from a less expensive version of a medicine taken daily.

On average, it takes 12 years and $360 million to bring a new drug to market. Research-based pharmaceutical firms spend nearly $18 billion annually on research and development. This emphasis on R&D has produced treatments not only for common conditions and ailments but also for life threatening diseases. The United States invests more than any other nation on research. I have received numerous letters from patient groups that are very concerned that modifications to GATT will adversely impact research and development particularly on orphan diseases for which it is not feasible to develop generic equivalents. We must continue to increase our investment if we are to discover cures and effective treatments for diseases that continue to plague millions of Americans like AIDS, Alzheimer, Parkinson's Disease, and cancer.

Increased patent protection ensures that research and development will continue in, not only the medical field but also in all areas of innovation. This country leads the world in research and innovation, it contributes to the public good both here and abroad and every American benefits from our leadership. Changes to the GATT agreement that seek to repeal patent extensions for only one class of innovations are, in my opinion, shortsighted. Such changes will decrease private sector revenues for research and development, compromise U.S. leadership on intellectual property, and adversely impact the competitiveness of U.S. companies in relation to their foreign counterparts. They do nothing to provide greater access to affordable health care for consumers.

I have given careful consideration to all of these issues. I am convinced that the measures included in the GATT and the Hatch amendment will continue to increase the ability of U.S. industries to compete while also allowing low-cost generic equivalents to reach the market. It is for these reasons that I support the Hatch amendment and oppose the Pryor amendment.

Mr. COATS. Mr. President, this is an enormously complicated issue with very board implications. I understand that the Judiciary Committee has held hearings on the issue and that as a result, voted 10 to 7 to report out a bipartisan compromise. The compromise reached would allow the FDA to approve a generic drug for marketing prior to expiration of the GATT patent extension, but only after a generic drug manufacturer demonstrated in court that they had made a substantial investment before June 8, 1995.

This requirement is contained in both the GATT implementing law and the generic drug approval process in the 1984 Hatch-Waxman law and applies to all generic manufacturers. The investment of a generic drug manufacturer would have to be more than merely the filing of an abbreviated new drug application [ANDA] for regulatory approval with the FDA, although the costs of an ANDA could be included.

There have been a lot of questions raised concerning how this transition would work and why, for example, certain industries have been singled out and required to meet special criteria before they can bring their product to the market. In reality, under both current law and the Judiciary Committee compromise, a generic company in any industry must go to court to prove substantial investment, in order to bring its product to market. There is a prevalent misconception that no other industry has to go to court to prove substantial investment. This is simply not true.

Others have asked why the Committee bill fails to permit expenses related to filing of an abbreviated new drug application [ANDA] to be counted toward the determination of a substantial investment. The expenses related to the filing on an ANDA are unique to the generic pharmaceutical industry. These activities would constitute patent infringement for any other industry. The intent of the GATT transition provisions is to allow those companies which had made capital expenditures—like building or expanding a plant, to market their imitator product during the patent extension period. A generic pharmaceutical company should only benefit from the same type of expenses available to all industries.

Finally, the opponents of the Judiciary Committee compromise argue that the Judiciary bill treats generic pharmaceutical companies unfairly. This could not be farther from the truth. In fact, the Hatch compromise offers the generic pharmaceutical industry special protections not available to any other industry. The Judiciary bill would permit a generic pharmaceutical company to collect damages from the innovator company if litigation between the innovator and generic companies caused an unwarranted delay an imitator drug to the market. No other industry is afforded a similar benefit.

Mr. President, it seems to me that the compromise reached by the Judiciary Committee is both thorough and fair. It answers the questions that have been raised and does so in a very well thought out manner. This is a difficult issue and I appreciate the enormity involved in reaching an agreement. While I would have preferred using the normal Committee route to bring this legislation to the floor, I intend to support it.

Mr. KENNEDY. Mr. President, I want the Senate to overwhelmingly support the Pryor-Brown-Chafee amendment, which is the text of the Prescription Drug Equity Act. It is difficult to understand why it has taken over 6 months for this bill to return to the floor for a vote. The legislation proposed by Senator PRYOR, Senator BROWN, and Senator CHAFEE achieves the result clearly intended by the GATT treaty, and gives patients access to expensive drugs they should have had before now. Senate delay has cost American consumers, many living on meager incomes, millions of dollars. We owe it to them to close the Glaxo loophole today.

GATT was intended to give longer patent terms to all patent holders. But, those drafting the legislation to implement GATT recognized that longer patent terms would be an injustice for firms in many different industries who had been acting in good faith and preparing to market products based on the patent expiration date under prior law.

The GATT implementing law dealt with this problem through a fair compromise, by permitting such firms to begin marketing their products on the pre-GATT expiration date, if they had made a "substantial investment" or commenced product activity before June 8, 1995. The firm must, however, pay the patent holder a fair price.

Unfortunately, a mistake was made. Laws affecting all other industries were modified to reflect the compromise, but not the pharmaceutical industries. By an accidental oversight, Congress failed to amend the relevant

FDA law. As a result, generic drug companies that had planned in good faith to market products in reliance on the old law have been prevented from taking their products to market as planned. The result is an unintended windfall worth vast sums to a handful of brand-name pharmaceutical manufacturers. One company in particular—Glaxo-Wellcome—has benefited immensely from this windfall. To date, out of a total windfall of an estimated $700 million; Glaxo-Wellcome alone has received $550 million.

What has happened since discovery of the loophole is a lesson in greed. First, Glaxo and the other brandname manufacturers began an intense lobbying campaign to prevent this inadvertent mistake from being corrected. They claimed that correcting it would undercut pharmaceutical research and development. But the windfall was completely unexpected. Correcting the mistake will not deprive pharmaceutical companies of any funds budgeted for research and development. In fact, corporate profits, not research and development, will be the prime beneficiary of the windfall.

Brand-name manufacturers also claimed that the correction would undermine the GATT Treaty and weaken the United States in world trade. That's nonsense. Every other industry in America is living successfully and trading successfully under the GATT compromise, and so can Glaxo-Wellcome and other firms that are reaping these windfall profits.

Once it became clear that the Senate would take action, brand-name manufacturers helped shape the so-called Hatch "compromise," which is no compromise at all. Secretary of HHS Shalala has said that the Hatch bill would be ineffective in giving generic drugs the same benefits available to other industries under GATT. The Hatch proposal will lead to years of litigation. It is a one-sided deal that benefits Glaxo and other brand-name drug companies at the expense of the American consumer. The Senate is awash in crocodile tears and campaign contributions. This scandal has to end.

The Pryor-Chafee-Brown proposal corrects the error and achieves fairness for generic drug companies and consumers. The generic drug companies relied upon the law and made substantial investments to bring their products to market in good faith reliance on the prior law. They should not be penalized because Congress made a mistake.

Consumers should not pay more for pharmaceuticals as they are now doing because of this mistake. Let's not force American consumers to absorb the cost of Congress's mistake any longer. The Senate should stop this price-gouging, support the Pryor amendment, and close the Glaxo loophole.

Mr. PELL. I would like to clarify my understanding of some language contained in section 2(B) of the section of the pending amendment entitled Determination of Substantial Investment.

It is my understanding that this section of the legislation is meant to simply set a standard for a determination of "substantial investment" by a generic drug company at a level higher than the simple completion of paperwork and testing necessary for filing of an application submitted under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act, the so-called ANDA, to the FDA. Is that so?

Mr. HATCH. That is correct.

Mr. PELL. In that regard then, is it correct to say that under the language of the amendment, when a company includes information in its ANDA which pertains to the capital investments it has made in bringing a product to the market, such as the building of plants, buildings, or equipment or investments in developing manufacturing processes or personnel, that that information can be fully used in court proceedings to prove its claim of substantial investment.

Mr. HATCH. That is correct. Evidence of plant construction, equipment, and the like are exactly the type of qualifying activities that the Judiciary bill contemplates.

Mr. PELL. To be perfectly clear then, under the amendment, generic drug companies will be able to use all of the information contained in their ANDA, in addition to any other evidence they wish, to assist in proving their claim of "substantial investment" in court.

Mr. HATCH. That is correct.

Mr. PELL. I thank the Senator for that clarification.

Mr. BRYAN. Mr. President, last week I joined my colleagues Senators PRYOR, CHAFEE, and BROWN in supporting and debating this loophole closing important amendment. I am glad that today we will get a vote on this issue.

As I said last week, what we are talking about is money—big money—hundreds of millions of dollars—even billions of dollars.

When that kind of money is on the table, all kinds of special interests come forward and seek to protect themselves.

The fact is that the prescription drug industry, through inadvertence and omission, has been given separate treatment—separate, distinct, special treatment—that no other industry or product in America receives.

Our amendment to correct this inadvertence has the endorsement of the U.S. Trade Representative, the Patent Office, and the FDA plugs this loophole.

Since last December, as these windfall profits have continued to accumulate, seniors across this country have continued to pay more than they should for certain prescription drugs.

The loophole is still open today. We face the same issue—each and every day. American consumers are paying millions of dollars more than they ought to.

So let me suggest, as I view my responsibilities as a Member of this Chamber, it is highly appropriate that we seek to correct this inequity and to provide the relief to which American consumers are entitled—and to do so immediately.

When the loophole closing amendment came to the Senate floor last fall, a critical vote was taken—and by a margin of only 1 vote—48 to 49—the Senate defeated this important amendment.

A compromise was reached after that vote. The Judiciary Committee would review the GATT Treaty problem, and report back to the Senate with its recommendation. This was to be a good faith effort to analyze the issue.

It is fair to ask what the outcome of this review was?

The Judiciary Committee did report out a substitute bill to our GATT amendment—albeit 5 months after our amendment was voted upon.

This substitute is called the Pharmaceutical Industry Special Equity Act of 1996. It has a somewhat ironic ring to it.

Who does it benefit?

It benefits the prescription drug industry in a very special way that is inequitable to American consumers, and particularly those on fixed incomes.

What we really are being asked to support today is a bill that CODIFIES—in my view codifies—the very GATT Treaty mistake our amendment is trying to correct. A bill that continues the GATT treaty loophole for such drug manufacturers as Glaxco-Wellcome, Inc. and its ulcer-heartburn drug, Zantac—the world's best selling drug, which costs twice as much as it should because of the loophole.

More than 100 drugs are being protected from generic drug competition because of this loophole. These include the hypertension drug, Capoten, which costs 40 percent more due to the loophole—the cholesterol lowering drug Mevacor, the ulcer drug Prilosec, and the anti-fungal agent drug Diflucan.

A bill that ensures that seniors across this Nation will pay more than they should for prescriptions drugs they need and that are essential to their health.

A bill that ensures American taxpayers will pay more than they should to provide prescription drugs for those essential programs offered by the Department of Defense, the Department of Veterans Administration and other agencies of the Federal Government which purchase prescription drugs on behalf of the clientele they serve.

A bill that creates tremendous legal barriers—in my view, insurmountable barriers—to the generic drug manufacturing industry to ensure that these manufacturers cannot bring to the marketplace lower priced prescription drugs.

A bill that ensures the prescription drug manufacturers keep their $2.3 billion windfall, plus a bill that extends special patent extensions for two brand name drug companies—Zeneca and Wyeth Ayerst Laboratories which received a 2-year patent extension for Lodine, its anti-inflammatory medicine.

So what has occurred here?

In my view, we have a situation worse than before.

Not only do some prescription drug companies retain their windfall profits—they are protected from nearly any possibility that any generic manufacturer will be able to compete against them during the extended patent term.

Generic drug manufacturers will be required to prove a substantial investment before being allowed to compete against any brand name drug. The key change, however, is that this substantial investment requirement is being defined differently to ensure that generic manufacturers cannot—as a practical matter—compete against any brand-name drug benefiting from the extended patent period under the GATT Treaty.

Under the substitute bill, substantial investment is defined much differently. In addition, generic manufacturers are required to make a determination of equitable remuneration to the brand name manufacturer before any generic drug to be manufactured.

You do not have to be a rocket scientist to recognize those who are enjoying these windfall profits are not going to be eager to agree as to what equitable remuneration may be. In effect, we create a lawyers' field day to debate what is, in fact, equitable remuneration.

The effect of the change is, first, it will be virtually impossible for any generic manufacturer to meet the new substantial investment standard.

Second, it will mean generic manufacturers will be tied up in court proving substantial investment and what is equitable remuneration before they can bring any generic drug to be marketed.

Two obstacles, two hurdles, two barriers that, as a practical matter, are going to be virtually insurmountable.

Who is being forgotten? Who gets hurt by this change?

Those Americans particularly that are on a fixed income. That is primarily our senior community. They have been paying and will continue to pay more than they should—for lack of a prescription drug alternative.

I am puzzled as to why anyone believes it is equitable to force seniors—many on very limited incomes—to pay more for a drug than they should so prescription drug manufacturers can continue to reap the windfall profits that this loophole has created.

I must say I am astonished by the provisions of this Pharmaceutical Industry Special Equity Act—a misnomer if there ever was one. Its a special interest provision.

My colleagues who talk the virtues of competition in the marketplace surely must find this substitute bill to be a bit beyond the pale.

I remind my colleagues that there is no reason to allow a limited number of prescription drug companies an unintended windfall profit to the detriment of all Americans who depend upon prescription drugs in order to sustain their health.

Seniors, veterans, and the most vulnerable in our country cannot fight the brand name pharmaceutical industry on their own. They deserve and need our protection from an industry that is trying to "codify" a mistake to ensure their windfall profit margin.

I hope my colleagues can see both this loophole for the mistake it is—and this substitute bill for the even larger mistake it is.

We have the ability to end this inequity now. The vote you cast today is very clear. You vote for the pharmaceutical industry windfall, or you vote for seniors and all consumers who need fair drug prices. Please join me in stopping this travesty by supporting this amendment.

Mr. BYRD. Mr. President, Senator PRYOR has offered an amendment, of which I am a cosponsor, that would correct an unintended loophole created in the legislation implementing the General Agreement on Tariffs and Trade [GATT]. It is estimated that the loophole will ultimately result in a windfall profit of approximately $2.5 billion to certain drug companies. Congress must take the responsible course of action and correct its mistake by passing the Pryor amendment.

Time is running out to correct this matter. Each day of inaction results in increased costs to consumers. In addition, to those who argue that this is not the appropriate vehicle, this amendment will result in savings to the Department of Defense [DOD] via the cost of prescription drugs purchased through DOD health programs.

How did this loophole come about? When Congress enacted the Uruguay Round Agreements Act [URAA], the legislation implementing GATT, which I opposed, it extended all patent terms from 17 years from date of approval to 20 years from the filing date. In addition, the legislation allowed generic companies to market their products as of the 17-year expiration date if they had made a substantial investment and would pay a royalty to the patent holder. The carefully constructed transition rules were meant to apply to all industries. However, because conforming language to the Federal Food, Drug, and Cosmetic Act was inadvertently omitted, this provision does not apply to the generic pharmaceutical industry. The result is that the drug industry is the only industry that is shielded from generic competition under GATT during the extended patent term.

The U.S. negotiators indicated that it was not their intent to exclude the pharmaceutical industry from this provision, and that the omission of the conforming language was an oversight. According to former-U.S. Trade Representative Mickey Kantor in a letter to Senator CHAFEE,

> This provision [the transition rules] was written neutrally because it was intended to apply to all types of patentable subject matter, including pharmaceutical products. Conforming amendments should have been made to the Federal Food, Drug and Cosmetic Act and Section 271 of the Patent Act, but were inadvertently overlooked.

This oversight means consumers are paying more for their drugs than would otherwise have been the case. If generic drug companies cannot bring their versions of drugs to market under the transition rules, consumers will be forced to continue to pay more for their prescriptions. As I stated previously, nationwide, it is estimated the total cost to consumers may be $2.5 billion. It has already cost consumers a great deal. The loophole is taking money out of the pockets of consumers and adding additional costs to public health care programs that are currently putting a strain on Federal and State budgets. We should not delay passing this legislation any longer.

Senior citizens are especially impacted by this Congressional oversight. Although seniors comprise 12 percent of the population, they use one third of all prescription drugs. At the same time, seniors live on fixed incomes and oftentimes experience difficulty in affording their prescriptions. It is outrageous that Congress would worsen the situation of seniors, and others who depend on prescription drugs, by failing to enact legislation to correct this Congressional oversight.

Mr. President, this situation can easily be remedied by adopting the Pryor amendment. I urge my colleagues to support the Pryor amendment and to oppose the substitute bill reported by the Judiciary Committee. The Judiciary Committee version does not fix the loophole. It will not ease the burden this unintentional oversight by the Congress has placed on the elderly, veterans, consumers, and taxpayers. The Secretary of Health and Human Services, in a letter to Senator PRYOR on the effect of the Judiciary Committee bill, states,

> In brief, despite the bill's declared intent to eliminate the unequal treatment of generic drugs created by the URAA, S. 1277 as ordered reported would be ineffective in affording generic drugs the same transitional period benefits given to other technologies, leaving the generic drug industry for all practical purposes at the same disadvantage as under current law.

The Judiciary Committee bill would result in lengthy litigation keeping generic drugs off the market and the costs of certain prescription drugs high for consumers. Whereas other industries may go to market first and then have the questions regarding substantial investment and equitable remuneration decided by the courts, the substitute would require these issues to be determined before a generic drug could be marketed. In addition, although the legislation implementing GATT does not define substantial investment, the substitute includes a definition of substantial investment that is extremely onerous. The bottom line is that the substitute will not remedy the situation and consumers will be left to pay the price as they are now because of Congress' failure to adopt the Pryor amendment when it was brought up last December. Let us not squander this additional opportunity Senator PRYOR has given the Senate to do the right thing. I urge my colleagues to pass the Pryor amendment.

Mr. KEMPTHORNE. Mr. President, the issue of pharmaceutical patents under the General Agreement on Tariffs and Trade [GATT] has been under review by this body for some time. Well respected individuals—from the Senate, from the Administration, and from the private sector—weighed in on both sides of the issue. Last December, I joined my Senate colleagues in voting to send this matter to the Judiciary Committee for hearings because I felt many questions remained unanswered about how certain patents were treated under the GATT. With no clear legislative history to follow, I believed—and still believe—it was important for Congress to carefully review the issue and get to the heart of the matter.

I am pleased to note that my distinguished colleague from Utah, Senator HATCH, followed through on his commitment to hold hearings on pharmaceutical patents and the GATT, just as I knew he would. With his long history on addressing issues of concern to the generic drug industry, I had no question that he would do all he could to get to the bottom of this issue. The subsequent hearings were sorely needed so that the Senate could adequately consider the ramifications of the various courses of action proposed on this matter. Taking some time to adequately review an issue leads to better legislation and better results for Americans. This is a serious matter, and deserved serious and thoughtful review.

Since those hearings concluded I have carefully reviewed the record on this complex issue. Based on this information, I have concluded that the question at hand is indeed the result of a drafting oversight in the GATT implementing language, and, as a result, I will support the amendment offered by my colleague from Arkansas, Senator PRYOR.

I believe very valid concerns were raised when this amendment was first introduced. Because of this, it is not an easy task to choose between amendments offered by my two distinguished colleagues. In this case, however, I feel the right decision is the one which restores fairness to this matter. The generic drug manufacturers moved ahead with their plans on the good faith effort that they would be treated the same as other industries with similar circumstances. They believed, in good faith, that under the GATT they would be able to proceed to market, with some new limitations, on the same timetable which existed prior to Senate passage of the GATT implementing legislation. Only the Pryor amendment allows us to bring about what I believe is the fairest possible solution.

This is the primary reason why I cannot support the amendment being offered by the Senator from Utah. I understand and respect his concerns on this issue. I, however, am concerned about whether under his amendment, the generic pharmaceuticals will be able to get to market in a timely fashion. While the Senator's amendment offers some relief to the generic drug makers if they are unnecessarily prevented from going to market, I do not believe it truly restores fairness. It also does not offer any protection to the consumers who will be saddled with higher drug prices during the interim.

Another issue which must be addressed is that of medical research. I have heard the concern expressed that if the Pryor amendment becomes law future research into new and improved pharmaceuticals will not occur or will be significantly reduced. I simply do not believe this is true. Even if the Pryor amendment is adopted, the research-based pharmaceutical manufacturers will benefit more than if the GATT had not been approved. The claim that only the granting of an exclusive patent extension will guarantee future advancements in pharmaceutical research is an argument I do not accept.

The Pryor-Brown-Chafee amendment will get certain generic medications into the hands of the people within the time frame all parties reasonably expected prior to the passage of the GATT implementing legislation, saving consumers and the Government millions of dollars in the process. For this reason, I believe the amendment is the correct course of action for the Senate to follow.

Mr. HATCH. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask unanimous consent for 4 minutes to make final remarks on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise as a cosponsor and in support of the second degree amendment offered by Senator HATCH. The underlying PRYOR first degree amendment concerns the complex interrelationship among the GATT Treaty, the Federal Food, Drug and Cosmetic Act, and the Patent Code.

We considered this very issue last December on the Senate floor when Senator PRYOR attempted to have this matter attached to the bill to ban partial-birth abortions. The Senate voted at that time to have the Judiciary Committee—that is the Committee with proper jurisdiction—to consider this important issue. The Judiciary Committee held a comprehensive hearing on this matter on February 27 of this year and Senator PRYOR testified at that time.

Mr. President, following the hearing in the Judiciary Committee, of which I am a member, the committee amended a proposal similar to Senator PRYOR's amendment with a bipartisan compromise. The Judiciary Committee approved the compromise. This bill will be available for Senate floor consideration in due course. It would be most appropriate to consider Senator PRYOR's amendment at that time. The Department of Defense authorization bill is not the proper vehicle on which to debate the Pryor amendment. Unfortunately, we are now having to debate this contentious intellectual property issue and I am compelled to support the second degree amendment offered by the chairman of the Judiciary Committee, Senator HATCH.

The second-degree amendment reflects the bipartisan compromise agreed upon by the Judiciary Committee. Senator HATCH has spoken on the practical effect of this amendment which he drafted with others when this matter was before his Committee.

Mr. President, as I noted earlier, this is a very difficult and complex issue which addresses how certain transition rules contained in the Uruguay Round Agreements Act apply to the pioneer pharmaceutical patents which have been extended by the act. The overall approach to this issue is to find an appropriate balance to encourage research and development of breakthrough innovator drugs while making low cost generic equivalents available to the public. The Judiciary Committee approved one approach which many believe reaches the goal of encouraging research and development but also expediting their generic equivalents to the marketplace.

It would be my preference to debate the Pryor amendment when the full Senate turns to consideration of the bill recently approved by the Judiciary

Committee. That would seem to me to be the appropriate time to consider the Pryor amendment. Yet, here we are on the Defense bill debating the Pryor amendment in a compressed manner that does not avail itself to full discussion. I urge my colleagues to support the second-degree amendment which is essentially the compromise language already approved by the Judiciary Committee.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ABRAHAM). The question is on agreeing to the amendment of the Senator from Utah, amendment No. 4366.

Mr. HATCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4366 of the Senator from Utah. The yeas and nays have been ordered. The clerk will call the roll.

Mr. SIMPSON (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Biden
Bond
Burns
Campbell
Coats
Cochran
Coverdell
D'Amato
DeWine
Dodd
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Johnston
Kassebaum
Kyl
Lautenberg
Lieberman
Lott
Mack
McConnell
Mikulski
Moseley-Braun
Murkowski
Nickles
Nunn
Pell
Rockefeller
Roth
Santorum
Shelby
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Baucus
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Craig
Daschle
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Inouye
Jeffords
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Lugar
McCain
Moynihan
Murray
Pressler
Pryor
Reid
Robb
Sarbanes
Simon
Smith
Snowe
Wellstone
Wyden

ANSWERED "PRESENT"—1

Simpson

NOT VOTING—1

Hatfield

The amendment (No. 4366) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. HATCH. Mr. President, I move to lay it on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is to be recognized.

Mr. PRYOR. Mr. President, earlier today the Senate agreed to a unanimous-consent request agreement whereby at this point I would be recognized to offer the Pryor-Chafee-Brown amendment. This last vote, of course, was an up or down vote on the amendment offered by the Senator from Utah.

Mr. President, I think the Senate has spoken. I am sorry the Senate spoke in this manner, as we lost some key Senators who had supported our position before. But that is the prerogative of each Senator.

Mr. President, I see no real reason to put the Senate through this vote again because I think there would probably be no changes. Therefore, I congratulate the Senator from Utah in his real win today. I thought we were within about one or two votes difference, but evidently that was not the case. I do feel, Mr. President, and I would like to say that I think, ultimately, this correction needs to be made in the GATT treaty. I feel very, very strongly about this.

If there is another way to frame this issue, or another way on another day to have a debate on this matter so that we can have more competition in the drug market, then I am going to, once again, rise on this floor and try to present that case to my colleagues.

Once again, I congratulate the Senator from Utah. I think I know when I am defeated. I think today we were defeated. I am very sorry for the outcome. But the Senate, Mr. President, has spoken, and I bow to the will of this great body.

Mr. HATCH. Mr. President, I want to compliment my colleague. I have been debating with our fellow Senators here for 20 years, and I have to say that no one has worked me over with greater regularity, or in a nicer way and with greater decency, than my dear friend from Arkansas. I do not think anybody in this body is going to miss him any more than I.

This has been a very difficult debate. The Senator from Arkansas is very sincere. He believes in what he is doing. He made arguments that I know he believed. I want everybody to know that I am very sincere, too.

I really believe in this GATT treaty.

My Committee has jurisdiction over patent, copyright, and trademark issues and I have worked with these issues during my whole Senate career.

I believe this is a tremendously important issue.

Although my colleague and I differ here today—and I feel badly that my colleague feels badly—I know that nobody could have put up a more noble or hard fight than he did. I hope that this is now resolved.

There are two good sides to this issue.

Senator PRYOR is trying to help consumers. I am trying to help consumers. We have people on the outside trying to malign both of us, and both of us are trying to do our jobs in the Senate. We just happen to disagree on how it should be done.

I respect my colleague from Arkansas.

I also want to pay particular tribute to the distinguished Senator from Pennsylvania, Senator SPECTER, who has worked long and hard to try and make the agreement that came out of the Judiciary Committee one that would function and work.

I pay tribute to my distinguished ranking Democrat leader on the Judiciary Committee, Senator BIDEN, who, I think, made a real difference on this matter with the suggestions he made.

Last but not least, Senator HEFLIN played a significant role in this, as has Senator THURMOND, and others.

I will not take any more time of the Senate. I want everybody to know that I appreciate those who voted with us, and I respect those who voted against us—especially my dear friend from Arkansas.

Mr. PRYOR. Mr. President, if I might respond by thanking the Senator for his very kind and generous words. I am deeply grateful for that. I have enjoyed a splendid relationship with Senator HATCH through this fight and other issues. He has always been a gentleman in every respect. He is a very eloquent adversary, I might say.

Mr. President, I also want to say a special word of thanks to the Senator from Rhode Island, Senator CHAFEE, who has been our ally in this fight, not only in the Senate Committee on Finance, but on the floor of the Senate. He and his staff have been unfailing in their support. We are very grateful for the opportunity to work with him and by his side. Also, I thank the Senator from Colorado, Senator BROWN, and the other cosponsors of this particular amendment.

Once again, Mr. President, I see no need to put the Senate through this vote again. I guess I will ask the leadership if they would like to attempt to vitiate the unanimous-consent agreement.

Mr. President, I yield the floor.

VOTE ON AMENDMENT NO. 4365, AS AMENDED

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 4365 by the Senator from Arkansas, as amended by the Senator from Utah.

The amendment (No. 4365), as amended, was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, if no other Senator seeks recognition, I have a brief statement I will make. But I will be glad to yield the floor if another Senator wishes to proceed with an amendment.

Has the Pastore rule run its course for the day?

The PRESIDING OFFICER. We are calculating. The Pastore rule expired at 12:30.

Mr. BYRD. I thank the Chair.

Mr. President, I will yield the floor to the distinguished Senator from Georgia with the understanding that I do not lose my right to the floor.

AMENDMENT NO. 4367

(Purpose: To require the President to submit a report on NATO enlargement to Congress.)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mrs. HUTCHISON, Mr. BRADLEY, Mrs. KASSEBAUM, and Mr. COHEN, proposes an amendment numbered 4367.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. NUNN. I thank the Senator from West Virginia.

I yield the floor.

LETTING GO OF THE ONES WE LOVE

Mr. BYRD. Mr. President, earlier today, Senator LEAHY rose to pay tribute to his late mother, Alba Leahy, who passed away last month. It was a beautiful tribute, filled with memories about the love that his mother radiated throughout her life and about the people which that love nourished. I was moved by reading Senator LEAHY's remarks. The memories he conveyed were so vivid because, some 14 years ago, I sustained a great loss. Upon two or three occasions, I attempted to make reference to that loss and give a tribute to my departed grandson.

I came to this same Senate floor and gave a eulogy for my grandson, and it was a very difficult thing to do. And I know that Senator LEAHY's remarks today were very hard for him to deliver.

Letting go of those whom we love is one of the most trying experiences, if not the most trying experience, in human existence. But looking back over a road of 78 years, it seems to me that much of life is about the seemingly simple process of letting go. It begins early in our human experience, as we let go of the security of our mother's arms, our mother's lap, of our favorite toys—if we were fortunate enough to have any toys—of childhood friends, of the house in which we grew up, our favorite teachers, and the blissful security of being still a child.

It continues throughout life, as we let go of our youth, as we watch our children grow up, as we watch them go away, as we say our final goodbyes to our parents and other loved ones, and at last we let go even of our own earthly existence to progress along the pathway to an unknown final destination.

Somehow, although we spend our lives letting go and moving on, it never becomes any easier. The practice never seems to make perfect; never seems to ease the pain of all of the goodbyes. The best that we poor humans can do is to handle the letting go with a modicum of dignity, to soothe the outward signs of pain with ceremony and nourish the lingering void inside with the sustenance of memories.

So, today Senator LEAHY shared some of his precious memories with all of us here in the Senate. He had told his mother that he would deliver such a eulogy. At the time he talked about it with her, he thought that the time that eulogy would be expressed was perhaps some years away. But we have no way of knowing what another day will bring forth.

He bade his wonderful mother a beautiful farewell. But, as with all farewells, things will forever be changed. There are relationships and rituals in the Leahy family often, but nothing will ever be quite the same anymore.

As Senator LEAHY and his family traverse the familiar but ever difficult process of letting go, my heart goes out to them. But, as he already knows, and as is so evident in his beautiful tribute to his mother's life, as they always do, the memories will never cease to sustain us.

Let Fate do her worst, there are relics of joy,
Bright dreams of the past, which she cannot
  destroy;
Which come, in the night-time of sorrow and
  care,
And bring back the features that joy used to
  wear.
Long, long, be my heart with such memories
  filled,
Like the vase in which roses have once been
  distilled,
You may break, you may shatter the vase, if
  you will,
But the scent of the roses will hang round it
  still.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I thank my dear friend from West Virginia. I have been privileged to serve with him for now 22 years, and I daresay that everything I have learned about the rules and protocol of this body I have learned from him. But I have learned far more than that.

I have learned from my good friend from West Virginia the special bond that Senators have. It really goes beyond party, or region, or anything else. And when my good friend from West Virginia, Senator BYRD, called me the weekend my mother died, when I was at my farmhouse in Vermont, his words touched me as a friend, as a Senator, as a colleague, and as one who knew my mother and knew my late father. His words were a great comfort to me and to my family at that time, as they are today.

He is right. There are times, of course, when we have to let go in our lives. I know the great tragedy that the Senator from West Virginia had in his own life more than a decade ago—almost a decade and a half ago now. I recall sitting in his office on a rainy evening once when we talked of that great tragedy. I could understand, not from a parental or grandparental feeling, but more through my own experiences as a prosecutor. I grieved for him, and I know how much he has grieved over the years since then. But I think he found during that time, and since, that it is his own friends and the words and thoughts of those friends that helped him just as he helps me in this.

So I do thank him for doing that. I told my good friend from West Virginia that among my mother's possessions were letters that he had sent her on different occasions—birthdays, and whatnot. Among the things she had collected were speeches of his in the CONGRESSIONAL RECORD and poems that he had spoken.

He is the only person I have ever seen who is able to recite poetry of all types at great length with nary a note. She read those. And in the later years, when her eyes failed, I would read to her "The History of the Senate."

So, my friend, thank you.

I yield the floor.

Ms. MOSELEY-BRAUN. Mr. President, at the outset, I would like to add my sympathy and my condolences to my friend, Senator PAT LEAHY. I would not have known but for the eloquence of the Senator from West Virginia. Certainly, I know that all of us join in our thoughts and prayers at a very sad time.

(The remarks of Ms. MOSELEY-BRAUN pertaining to the introduction of S. 1911 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONDEMNATION OF TERROR ATTACKS IN SAUDI ARABIA

Mr. HELMS. Mr. President, I send a Senate resolution to the desk and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

A resolution (S. Res. 273) condemning terror attacks in Saudi Arabia:

S. RES. 273

Whereas on June 25, 1996, a massive truck bomb exploded at the King Abdul Aziz Air Base near Dhahran, in the Kingdom of Saudi Arabia;

Whereas this horrific attack killed at least nineteen Americans and injured at least three hundred more;

Whereas the bombing also resulted in 147 Saudi casualties;

Whereas the apparent target of the attack was an apartment building housing United States service personnel;

Whereas on November 13, 1995, a terror attack in Saudi Arabia, also directed against U.S. personnel, killed five Americans, and two others;

Whereas individuals with ties to Islamic extremist organizations were tried, found guilty and executed for having participated in the November 13 attack;

Whereas United States Armed Forces personnel are deployed in Saudi Arabia to protect the peace and freedom secured in Operations Desert Shield and Desert Storm;

Whereas the relationship between the United States and the Kingdom of Saudi Arabia has been built with bipartisan support and has served the interest of both countries over the last five decades and;

Whereas this terrorist outrage underscores the need for a strong and ready military able to defend American interests.

Resolved, That the Senate—

(1) condemns in the strongest terms the attacks of June 25, 1996, and November 13, 1995 in Saudi Arabia;

(2) extends condolences and sympathy to the families of all those United States service personnel killed and wounded, and to the Government and people of the Kingdom of Saudi Arabia;

(3) honors the United States military personnel killed and wounded for their sacrifice in service to the nation;

(4) expresses its gratitude to the Government and the people of the Kingdom of Saudi Arabia for their heroic rescue efforts at the scene of the attack and their determination to find and punish those responsible for this outrage;

(5) reaffirms its steadfast support for the Government of the Kingdom of Saudi Arabia and for continuing good relations between the United States and Saudi Arabia;

(6) determines that such terrorist attacks present a clear threat to United States interests in the Persian Gulf;

(7) calls upon the United States Government to continue to assist the Government of Saudi Arabia in its efforts to identify those responsible for this contemptible attack;

(8) urges the United States Government to use all reasonable means available to the Government of the United States to punish the parties responsible for this cowardly bombing and;

(9) reaffirms its commitment to provide all necessary support for the men and women of our Armed Forces who volunteer to stand in harm's way.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HELMS. Mr. President, I wish to stress that this is a bipartisan resolution, and I wonder if I might ask the distinguished clerk to read the cosponsors so that they might be shown in the RECORD.

The assistant legislative clerk read as follows:

Mr. HELMS, for himself, Mr. PELL, Mr. LOTT, Mr. DASCHLE, Mr. BROWN, and Mrs. FEINSTEIN.

Mr. REID. Mr. President, I ask unanimous consent that I be allowed to be listed as a cosponsor of this measure.

Mr. HELMS. I thank the Senator.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to also be added as a cosponsor.

Mr. HELMS. I certainly thank the Senator.

Mr. BRYAN. Mr. President, I likewise ask unanimous consent that I be added as a cosponsor.

Mr. HELMS. I thank all three Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, all decent and honorable human beings join in the condemnation of the brutal terrorists who participated in Tuesday's cowardly and contemptible attack on United States military personnel in Dhahran, Saudi Arabia.

All of us send our condolences to the families of the 19 brave Air Force servicemen and women who died in the attack, and we offer our prayers to the hundreds of wounded U.S. military personnel.

This tragedy has touched my home State of North Carolina. Airman 1st Class Paul Blais of Kinston was among those killed in the bombing. We send our condolences and prayers to his family. Also we convey our deepest sympathies to the people and the Government of Saudi Arabia for the many scores of Saudi citizens who were wounded in the attack.

Mr. President, the United States is a world leader, a nation with global responsibilities, and is therefore necessarily obliged to assign young Americans in uniform to almost every corner of the world to protect the interests of the American people and our allies.

When and wherever young Americans sacrifice their lives we are reminded of the big price paid to maintain America's global obligations. This price has been especially high in Saudi Arabia, where another bombing last November killed five Americans. Despite the cost, Mr. President, we must stand firm in our support for Saudi Arabia.

Terrorists will not and cannot drive the United States out of Saudi Arabia. U.S. interests in that country, and in the Persian gulf, are clear and compelling. We have a vital national interest in maintaining the stability of this strategically important region and shielding our friends in the gulf from the expansionist designs of rogue regimes in Iran and Iraq.

Mr. President, since the dust has barely settled from the blast, the facts are not yet entirely clear. Nobody yet knows who is responsible for this cowardly attack. I am confident that our Saudi friends will make every effort to apprehend and punish those guilty of this outrage and if this bombing turns out to be the work of a hostile foreign government, I hope that the President will respond swiftly and harshly.

Through this tragedy, we must remember to thank our friends in Saudi Arabia for their rescue efforts, which have won praise from United States officials. We should be grateful for the lives that may have been saved by their prompt reaction.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I join with my colleague from North Carolina and applaud his action and believe that all of us obviously share his view, his outrage and his sorrow, especially for the young man from the State of North Carolina who was killed.

I also think we should consider some salient facts. One is that this is not the first act of terror that has been committed in Saudi Arabia. It is not the first time that American lives have been lost. Last November, there was another bombing. I think it is very important for us to recognize that this administration has an obligation to take every possible measure to protect the lives of these young men and women in Saudi Arabia.

Since the last bombing in November, the President of the United States held an antiterrorism summit which took place at a resort in Egypt. I have no idea how many millions of dollars it took to provide security. There was 240 minutes of opening statements made at this antiterrorism summit, 40 minutes of discussion, and then all participants went out for a nice photo-op where they all, in an almost teenage fashion, raised each other's arms in the air and celebrated the end of terrorism.

To my knowledge, Mr. President, there was no concrete action taken as a result of this photo-op antiterrorism summit. So now we have the next tragedy and the next outrage. What is the President of the United States going to do? He is going to raise it at the G-7 Summit and make the G-7 Summit an antiterrorism summit.

Meanwhile, the Secretary of State has just gone back to Damascus again. I remind my colleagues that Syria is still a nation listed as a terrorist nation by the State Department. I might point out it was his 25th trip to Syria.

I saw Mr. Netanyahu, the new Prime Minister of Israel, last night, and he made a very important point I think, and that is that first we have to have security before we can have peace.

Perhaps some people have those priorities reversed. If we want to stop terrorism, we do not attack it at the end of the line, the end of the chain where the act of terrorism takes place. We go to the source.

I do not know whether this act of terror or the one before were orchestrated from within and are simply part of the internal Saudi Arabian situation—although I should note that four individuals were beheaded by the Saudis recently because they were supposed to have been the culprits in the November bombing that took five American lives. I do not think many of us think that trading of lives is really a satisfactory answer, which emphasizes my point of the President taking care of the problem after rather than before it has done the damage. But I also do not know, nor do any of us yet know, if this act of terror was orchestrated from without, by well-known terrorist organizations such as Hezbollah.

I am not an expert on acts of terrorism. I do know something about the conduct of warfare. From what I have seen of this act, it required a significant amount of sophistication, planning, and execution. Apparently, there were people who were seen in and around the compound, checking out the security points, passers-by asking questions, and of course, as we know, a warning was sounded but, unfortunately and tragically, too late. But I suggest, if it is Hezbollah or if it is another terrorist organization which has been provided training by either the Iranians or the Syrians, then I suggest we should respond and respond in the strongest fashion.

I do not say every situation is similar, but I do remember with great clarity after the bombing of a cafe in Germany where American lives were taken, and we traced it back to Mr. Qadhafi, and there was a bombing raid on Mr. Qadhafi, Mr. Qadhafi has been very quiet ever since then—ever since. I do not suggest we bomb Damascus. I am not suggesting that we do anything to the Iranians militarily. That is a decision that the President as Commander in Chief makes, sometimes in consultation with the leaders of Congress.

What I am suggesting is that antiterrorism photo ops do not do the job. The United States should lead. The United States should urge our allies to cooperate and assist us. I think it is about time. There seems to be some problem between ourselves and our European allies as to how to treat Iran. I would remind our European friends—and they are indeed our close and dear friends—that there are 20,000 American troops in Bosnia as we speak, who have their lives on the line. We believe that Iran is a threat to the peace and security, not only of the West, but the men and women in our military.

So I applaud the Senator from North Carolina for his resolution. I know all of us support it. All of us share in the anguish and the anger and the sorrow of the families of Americans who have suffered death and injury in this latest outrage. Words do not adequately describe how strongly we feel about that.

But now, or very soon, our efforts should be made to prevent a recurrence of this tragedy, this kind of tragedy which has already happened twice in the country of Saudi Arabia. The answer is not to leave Saudi Arabia, Mr. President, in my view, because when we leave countries because Americans are killed, it only encourages our adversaries to kill other Americans in other countries. But we do owe these men and women who have volunteered to defend the Nation, not only every possible security measure—which I am sure is being taken as we speak—but we owe them a response. We owe a response to this act of terror, which will prevent further acts of terror from being contemplated by the evil that seems rampant through the world.

I yield the floor. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. NUNN. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4367

Mr. BROWN. Mr. President, I want to express my thanks to the distinguished Senator from Georgia. We have some difference of opinion over the NATO expansion amendment. The Senator has gone out of his way to advise me that he was going to offer it, and out of consideration, to let me have a copy in advance. And he also was kind enough to adjust the time of which he would offer it on the floor to fit my schedule. I was tied up in a meeting on Afghanistan I was chairing, and I could not be here. I think he exhibits exceptional courtesy. I want to express my thanks to the Senator from Georgia for his consideration.

Mr. NUNN. I thank the Senator very much. I look forward to working with him. As I mentioned, I have not spoken on this subject yet. But as I talked to the Senator from Colorado and the Senator from Arizona, it is my intent in this amendment, and the intent of all of us, not to tilt this amendment one way or the other, but, rather, to ask the questions that need to be asked before we make this very important decision about expanding an alliance where we extend article V protection. And article V protection includes nuclear protection. That is a very serious matter.

I think we have not started nor has the administration thought through nor has NATO thought through some of the tough questions here. We all have an obligation to do that. This could be a matter before the Senate for ratification of the expansion of the treaty next year.

So it is my intent to have questions that are tough questions, the hard questions, but also fair questions, on both sides. I invite my colleagues that may perceive that this is a tilt, one way or the other, to work on the language. And I would certainly be amenable to taking a look at their suggestions.

So Mr. President, I ask unanimous consent that this amendment be temporarily laid aside. We will continue to work on it. So we are open for amendment. I know Senator THURMOND and I, as managers of this bill, encourage people to come down with relevant amendments on the defense matter.

The PRESIDING OFFICER. Without objection the amendment is laid aside.

Mr. NUNN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4367

Mr. NUNN. Mr. President, in the interest of time, while we are waiting on an amendment to be presented, I will go ahead and make my remarks on the amendment which was pending and which has been temporarily laid aside.

This amendment has been offered on behalf of myself, Senator HUTCHISON, Senator BRADLEY, Senator KASSEBAUM, and Senator COHEN. I note at the outset this amendment is not intended to prejudice the case for or against NATO enlargement or even the pace at which NATO might enlarge.

The amendment requires the President to submit a report on NATO enlargement to the Senate Armed Services Committee and their counterpart committee in the House at the same time that the President submits the budget request for fiscal year 1998 to the Congress.

This amendment is designed to provide the information that will stimulate a comprehensive and informed discussion in the Congress on this important matter. If there are questions that are not in this amendment that people on the other side of the aisle or this side think should be added, I certainly would be receptive to that.

Mr. President, there have been a number of editorials and op-ed pieces favoring a rapid pace for NATO enlargement. These pieces generally focus on two aspects. First, on the positive side, the need for greater security for Poland, Hungary and the Czech Republic so they can continue on the road toward democratization and free market economies. On the second side is the need to ensure that Russia does not have a veto over the process by which NATO decides to enlarge.

There have also been a number of editorials and op-ed pieces opposing NATO enlargement. These opposition pieces tend to focus on the potential that NATO enlargement would have to produce the very thing that we are trying to prevent; namely, a Russian military threat to European security and also the impact it would have on Ukraine, Latvia, Lithuania and Estonia if those nations were not included in the first stage of NATO enlargement.

What is missing, however, are a number of other issues that are directly involved in NATO enlargement that have not been discussed in the various commentary on either side of the issue and that need to be carefully considered. This amendment provides for the President's report to comprehensively discuss a host of issues. In the interest of time, I will mention only a few of the issues for purposes of illustration.

What would the cost be for NATO enlargement and who would pay these costs? Certainly that is a question the American people are entitled to have us debate and actually examine and present. There ought to be at least some projection of that by the administration and by NATO.

Incidentally, the Congressional Budget Office has concluded a study on the cost of defending the Visegrad countries—that is Hungary, the Czech Republic, and Poland—over the 15-year period from 1996 through 2010. That study concludes that the cost would range from $61 billion to $125 billion. Whatever part of that range you choose, this is a substantial amount of money. It seems to me the Senate of the United States is not performing its duty if we do not tell the administration we want an answer to this question, at least their best projection, before they make a commitment committing this country, which, of course, would have to then be ratified by the Senate.

A second question: Since article V of the North Atlantic Treaty provides for a NATO member nation to treat an attack on one as an attack on all, what is the general strategy that NATO would adopt to defend the potential new member nations, including defense against a possible nuclear threat? Do we deploy forces? If so, are our allies prepared to join us in that deployment? Would it be American troops in those host countries without allies, or will allies join? Which allies are willing to join? These are questions that have to be answered.

The third question: The North Atlantic Council recently decided to create more deployable headquarters and more mobile forces to mount non-article V operations, as well as traditional collective defense missions and to develop a European defense identity within the alliance. The question is whether the enlargement of NATO should proceed prior to NATO's reorganization of its military command structure and the completion of the other actions required to carry out these decisions. How is the enlargement going to impact these kinds of fundamental changes in NATO beginning to prepare itself to operate out of an area, and vice versa?

The next question is whether an enlarged NATO can continue to function on a consensus; that is, a basis of unanimous consent, before major decisions are made. Here on the Senate floor we operate by unanimous consent. We know sometimes that is difficult. If we expand NATO, will we have a two-thirds rule, three-fourths rule, or say any nation, including one of the new nations that may come into NATO, would be able to veto any decision of NATO? That is a fundamental question that NATO, it seems to me, has to answer.

Another question regards the relationship of prospective new NATO members to the European Union and what the impact that gaining NATO membership would have on the possibility and timing of such nations gaining associate and then full membership in the European Union. What is the plan of the European Union? My impression of some of the countries is the main thing they need now is not a military protective shield but rather an economic expansion, economic trade opportunity and the ability to trade with the European nations and with other nations in the world. What are the Europeans going to do about opening the European Community to these nations? I know the administration is going to have to give their best estimate on this. Certainly we cannot speak for the Europeans. But at least it is something we ought to consider very strongly.

There is another very important part of this expansion that has not been talked about. What about the Conventional Forces Treaty? If we expand NATO enlargement, do we have to really do that treaty over? Because basically, the CFE Treaty allocated forces and tanks and artillery based on the two alliances that then existed. If part of that alliance now is on the other side, what does that do to the CFE Treaty? Of course, we hope at some point we will be able to say there are no sides in Europe, that they are all basically working together in peace, but I am not sure we have arrived at that point at this point in time.

The next question: The anticipated impact of NATO enlargement on Russian foreign and defense policies, including the emphasis Russia would place on defense planning on nuclear weapons. This at least has to be contemplated. Are we going to basically be prepared to respond if the Russians decide that they are going to go back to deploying tactical nuclear weapons because they do not have conventional defenses and if they perceive this enlargement as being a threat? I am hoping they will not have that perception as we move forward in this regard, but it has to be carefully considered because it will affect tremendously our response and the cost and the question of deploying American forces. All of these are important questions that need answers.

Another question: The impact a NATO enlargement would have on the political, economic, and security well-being of the nations, such as Ukraine, Latvia, Lithuania, and Estonia, if they are not included in the first stage of NATO enlargement.

Mr. President, this is a sampling of the issues that the President would report on. I stress once again that this amendment was not drafted and is not designed to prejudice the case either for or against NATO enlargement or the pace of NATO enlargement, but it does require the administration to begin to think through important issues and questions, tough questions in my view, and lay them out on the table. They need to be on the table so that the Congress and the American people can start to consider the matter of NATO enlargement in a comprehensive and informed manner.

If there are other questions that need to be added to this amendment that some Members are concerned about, I would be pleased to consider that language and to work with my colleagues on that.

Finally, I would note that the ultimate question that the Senate will have to address with respect to the ratification of any agreement to enlarge NATO, and that both the Senate and House will have to address with respect to the funding of the costs associated with NATO enlargement, is the question of extending our nuclear umbrella over any new NATO members.

Mr. President, this is an extraordinarily serious decision, and I hope that a comprehensive report by the

President, which is called for in this amendment, would provide much of the information needed for the debate on that question, and, most important, I hope it will stimulate the kind of in-depth thinking that we need to have on this issue.

Mr. President, I know that my colleagues who have cosponsored this—Senators HUTCHISON, BRADLEY, KASSEBAUM and COHEN—would like to speak on this subject at some point as we consider it. At this point in time, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, on this amendment, I think it is unfortunate timing to start with. Russian elections are coming up in barely a week. We all know the incredible sensitivity that issues like these have during a political campaign. I am not sure if a debate on the floor of the Senate concerning the enlargement of NATO is appropriate at this time.

Let me also say, Mr. President, that I have given a cursory review to some of the provisions of the bill. I appreciate the fact that the Senator from Georgia would be agreeable to other questions, but I also suggest that there are questions that are raised here that really have no answer, or have a very negative connotation.

Here are just a few examples:

The extent to which the European Union has opened its markets to prospective new NATO members?

What would that have to do with membership in NATO? That is none of our business. I do not know how you answer this question, or how anybody in the Pentagon could answer this.

The relationship of Russia with NATO, including Russia's participation in the Partnership for Peace Program and NATO's strategic dialog with Russia?

That is related as to how we approach Russia, related to who is conducting our foreign policy and foreign affairs. I can give the Senator right now several different scenarios in which they would all be the right answer, depending on what happened.

The anticipated impact of NATO enlargement on Russian foreign and defense policies, including in particular the implementation of START I, the ratification of START II, and the emphasis placed in defense planning on nuclear weapons.

I say to the Senator from Georgia, again, that is directly related to who the President of the United States is, who the President of Russia is, who the Defense Minister of Russia is, and our relations with Russia over time. To ask that question, in my view—there is no answer to it because it is directly related to events, as to who the President of Russia is. I say right now, if Mr. Zyuganov wins the election, you will have one answer; if Mr. Yeltsin wins, you will have another answer. They will be dramatically different.

I still do not understand the effect that the gaining of membership in NATO by a nation would have on the possibility and timing of that nation gaining associate membership and subsequently full membership in the European Union. Again, that eludes me, as to what membership in the European Union has to do with membership in NATO.

Let me pursue it.

The extent to which prospective new NATO members are committed to protecting the rights of all of their citizens, including national minorities.

Should we now have a review of present members of NATO and how they treat the rights of their citizens, including minorities?

The extent to which prospective new NATO members have established democratic institutions, free market economies, civilian control of their armed forces, including parliamentary oversight of military affairs and appointment of civilians to senior defense positions, and the rule of law.

I would suspect strongly that unless they were in compliance with those, there would be no prospect of them being engaged.

The strategy by which attacks on prospective new NATO member nations would be deterred, and, if deterrence fails, defended, including whether the strategy would be based on conventional forces or on nuclear capabilities. If based on conventional forces, the extent to which the strategy would be based on host nation forces and the extent to which it would be based on NATO reinforcement.

I say to the Senator from Georgia, it would be the same policy that applies to every nation that is a member of NATO and would be directly related to the crisis and situation at the time. If there is a ground attack in one part of NATO that could be countered by conventional forces, then, clearly, you do not launch a hydrogen bomb.

The thrust of these questions, I say to the Senator from Georgia, or of these requirements, whether they are intended to or not, would, frankly, to the uninitiated, portray a situation where the United States of America is departing from our traditional position and role in Europe, which is to abide by the fundamental premise of NATO, which is that an attack on one is an attack on all; and that, with the expansion of NATO, I say to the Senator, cannot be violated. And the response is directly dictated by the kind of attack, the kind of threat it is, and the commitment on the part of the United States and our allies is directly related to that.

If the Senator from Georgia can envision every possible scenario that would be an attack on a new member or old member of NATO, then fine. But I do not see how anyone has the kind of clairvoyance to know exactly what that would be.

So the fundamental premise of NATO, as I understand it, of the Atlantic Alliance is that, if one nation is attacked, then all are attacked, and all will join in response to that attack. But nowhere in NATO doctrine do I see an ironclad, dictated response to an attack, because it depends on the kind of attack; it depends on what the threat is. If it can be countered, obviously, by a short-term conventional response, that is fine. But if there is a nuclear attack, clearly, there is a nuclear response, as well.

Mr. NUNN. If the Senator will yield, I want to ask something on another subject. I have a meeting to try to move this bill along back here in the other room. It is one of those things that happens to all of us. I need to be in two places at one time. But I know the Senator from South Carolina would like for me to give my first priority to working out some agreements to move the bill along.

I would like to thank the Senator for yielding and say that I support the Harkin amendment. He will bring that up when he gets the floor. That has been cleared on both sides, I believe. I will be available to Senator THURMOND in Senator DASCHLE's office, if I am needed.

Mr. MCCAIN. Could I say, first of all, I understand the concerns that the Senator from Georgia has. I believe he is correct and that these questions must be answered. There has to be a clear definition of exactly what the United States is going to do.

What I ask the Senator is, perhaps we can sit down and maybe simplify these questions to some degree, so that we can get answers to the questions, but in a realistic fashion, and one that might be agreeable to this side. Would that be all right?

Mr. NUNN. I would be glad to work on that with my friend from Arizona and my friend from Colorado. The amendment is temporarily laid aside.

I just ask this. I do not intend to have a second-degree amendment to it. I informed people that I was planning on doing that, and I wanted to accord other Senators a chance. I only ask that there not be a second-degree amendment while we have not laid it aside and are working in good faith on it.

Mr. MCCAIN. I thank the Senator from Georgia. Again, I appreciate what the Senator from Georgia is trying to find out. Those facts are going to have to be made known to the U.S. Senate and the American people prior to any two-thirds vote on the floor of the Senate that would accompany enlargement.

I am worried with setting a stage that might in some ways prejudge in a negative fashion what I think is critical for the future of the spirit of Europe.

Mr. President, earlier I stated on the floor when discussing Senator HELMS' amendment concerning the expression of sorrow over the tragedy that took place in Saudi Arabia that I had heard that the Secretary of State was going to Syria. That is not the case. I retract that remark.

I do think that I will stick to my previous statement, though, that 24 times he has been in Damascus, which is probably sufficient for some period of time. I do believe that the Secretary of State is doing a dedicated job. He is a fine and outstanding man, and in no way do I mean my remarks to be in any way a diminution of the very outstanding and dedicated work that the Secretary of State has done.

Mr. President, I believe that the Senator from Colorado who has a second-degree amendment with the Senator from Georgia, and perhaps we can craft an amendment and make changes in the amendment which hopefully would more narrowly focus the questions and be able to move forward with this very important amendment.

I want to state again. It is not healthy at this point for the U.S. Senate to debate the issue of the expansion of NATO with Russian elections coming up in just a few days.

I hope we can do whatever we can to avoid that at this time.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 4177, AS MODIFIED

(Purpose: To provide for defense burdensharing)

Mr. HARKIN. Mr. President, I call up amendment No. 4177, and I send a modification to the desk and ask that it be considered at this time.

The PRESIDING OFFICER. The clerk will report.

The clerk read as follows:

The Senator from Iowa (Mr. HARKIN), for himself, Mr. KERRY, Mr. CONRAD, Mr. LAUTENBERG, and Mr. DORGAN, proposes an amendment numbered 4177, as modified.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle D of title X, add the following:

SEC. 1044. DEFENSE BURDENSHARING.

(a) FINDINGS.—Congress makes the following findings:

(1) Although the Cold War has ended, the United States continues to spend billions of dollars to promote regional security and to make preparations for regional contingencies.

(2) United States defense expenditures primarily promote United States national security interests; however, they also significantly contribute to the defense of our allies.

(3) In 1993, the gross domestic product of the United States equaled $6,300,000,000,000, while the gross domestic product of other NATO member countries totaled $7,200,000,000,000.

(4) Over the course of 1993, the United States spent 4.7 percent of its gross domestic product on defense, while other NATO members collectively spent 2.5 percent of their gross domestic product on defense.

(5) In addition to military spending, foreign assistance plays a vital role in the establishment and maintenance of stability in other nations and in implementing the United States national security strategy.

(6) This assistance has often prevented the outbreak of conflicts which otherwise would have required costly military interventions by the United States and our allies.

(7) From 1990–1993, the United States spent $59,000,000,000 in foreign assistance, a sum which represents an amount greater than any other nation in the world.

(8) In 1995, the United States spent over $10,000,000,000 to promote European security, while European NATO nations only contributed $2,000,000,000 toward this effort.

(9) With a smaller gross domestic product and a larger defense budget than its European NATO allies, the United States shoulders an unfair share of the burden of the common defense.

(10) Because of this unfair burden, the Congress previously voted to require United States allies to bear a greater share of the costs incurred for keeping United States military forces permanently assigned in their countries.

(11) As a result of this action, for example, Japan now pays over 75 percent of the nonpersonnel costs incurred by United States military forces permanently assigned there, while our European allies pay for less than 25 percent of these same costs. Japan signed a new Special Measures Agreement this year which will increase Japan's contribution toward the cost of stationing United States troops in Japan by approximately $30,000,000 a year over the next five years.

(12) These increased contributions help to rectify the imbalance in the burden shouldered by the United States for the common defense.

(13) The relative share of the burden of the common defense still falls too heavily on the United States, and our allies should dedicate more of their own resources to defending themselves.

(b) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) Increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving the following percentages of such costs:

(A) By September 30, 1997, 37.5 percent.

(B) By September 30, 1998, 50 percent.

(C) By September 30, 1999, 62.5 percent.

(D) By September 30, 2000, 75 percent.

An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide, including United Nations or regional peace operations.

(c) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (b) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation taxes, fees, or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(d) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (b);

(2) all measures taken by the President, including those authorized in subsection (c), to achieve the actions described in subsection (b); and

(3) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(e) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1997, in classified and unclassified form.

Mr. HARKIN. Mr. President, I also ask that Senators CONRAD, LAUTENBERG, and DORGAN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I believe, as modified, this amendment is agreeable to the managers. It has been worked out. I thank them. I thank the manager and the ranking members for their help in working this out. I thank also my colleagues for their cooperation in working out this important proposal.

Basically, what this amendment, which passed the House recently by a vote of 353 to 62, would do is begin to ask our allies in Europe to pay a fairer share of the costs for their own defense. The CBO says this amendment would save taxpayers up to $11.3 billion over the next 6 years. I personally think we need to go even further in reducing the taxpayer subsidy for Europe and Japan's defense, but this is a major step in the right direction. It is a victory for deficit reduction and the American taxpayers.

Again, I thank the managers for their cooperation.

Mr. President, I rise to offer an amendment on behalf of myself, and Senator KERRY of Massachusetts, Mr. CONRAD, Mr. LAUTENBERG, and Mr. DORGAN that calls on our NATO allies to share more of the burden for maintaining stability in Europe and their own defense. This amendment is nearly identical to one on the House Department of Defense authorization bill that was agreed to by a strong bipartisan vote of 353 to 62 on May 14. The CBO has scored our amendment as saving $11.3 billion over the next 6 years.

It is time we stopped asking American taxpayers to underwrite the security of our European allies. We are all justifiably proud of the role American played in rebuilding Europe after World War II. The Marshall plan stands as a monument to American generosity and concern for our fellow citizens around the world.

We not only helped our wartime allies, but we aided our former enemies as they rebuilt their war-torn societies. Aiding our former enemies to restore their society is the true mark of American generosity.

But that was then, and this is now. Times have changed.

Germany and Japan are no longer prostrate, exhausted from years of all-out war. Far from it. Germany and Japan are now economic giants, providing significant competition to the United States across a broad spectrum of industries.

After World War II, we were justified in stationing troops in Europe and Japan to restore basic order, to provide the security necessary for vibrant economies to flourish and grow. But now it is time for our allies to take over the cost of their own defense. Not only has the threat of world domination by the Soviet Union evaporated, but our allies now have the financial means and internal stability to provide their own defense.

In 1991 Japan agreed to pay for 75 percent of the costs of stationing United States troops on Japanese soil by this year, excluding salaries of United States servicemen and women, and United States civilian contractors. Mr. President, Japan has done what it promised. Our total nonpersonnel cost there is $5.8 billion and Japan contributes $4.6 billion or 79 percent. That contribution should increase further, but they are making progress.

Why can't our NATO allies pick up a larger share of their defense burden? This amendment allows them to increase their contributions in one or more of 4 areas to meet the goal of increased burden sharing.

The NATO allies' four options are:

First, gradually increasing their contributions over 4 years to 75 percent of the nonpersonnel costs incurred by U.S. military forces stationed on their soil. They currently contribute about 25 percent of the $8 billion annual costs.

Second, increasing their defense spending as a percentage of GDP by 10 percent or at least to a level equal to that of the United States by September 30, 1997. Although U.S. defense spending is declining, the spending by the NATO Allies is declining more rapidly. This provision prevents the United States from picking up the growing difference in defense spending.

Third, increasing their budgetary outlays for foreign assistance by 10 percent or to a level equal to that of the United States. This provision gives the NATO allies a nonmilitary mechanism to contribute to the security of Europe.

Fourth, increasing their contributions of military assets to multinational, United Nations, or regional peace operations. This provision will prevent the United States from having to bear an unfair amount of the responsibility in future peacekeeping missions.

Mr. President, I reiterate, our NATO Allies can choose any combination of the above options to meet the requirements of this amendment. They need not do all four.

Should our NATO Allies miss the targets specified above, the President is authorized by this amendment to do one or more of the following:

First, reduce the levels of troops stationed in NATO countries.

Second, impose taxes or fees similar to those that other nations impose on the U.S. forces stationed in the foreign nation.

Third, reduce through rescission, impoundments or line-item veto, the amount the United States contributes to the NATO budget or other bilateral aid accounts.

Fourth, take any other action that is currently authorized by law to make our NATO allies pick up a fair share of the defense burden.

Mr. President, this amendment also requires the President to report to Congress by March 1, 1997, the progress that has been made in achieving the goals enumerated here. This deadline is set so that we may review the progress in time for next years' Defense authorization bill.

This is indeed a very modest amendment. I think we should go much further to reduce the American taxpayers' subsidy for Europe and Japan's defense. As we work to balance our budget and reduce the debt, I do not think we can justify any subsidy. But this is a reasonable first step to that end.

Mr. President, this amendment has been endorsed by Taxpayers for Common Sense and Citizens Against Government Waste. Let me read a couple of paragraphs from their letters.

Taxpayers for Common Sense:

> As the United States attempts to rein in its defense budget, it is no longer acceptable for the U.S. taxpayer to pay the lion's share for keeping American troops in Europe. While the Japanese Government pays over 75 percent of all non-personnel costs for American military bases in Japan, our wealthy European allies typically make a collective contribution of less than 25 percent. We support your amendment's call for a 75 percent contribution standard.

Citizens Against Government Waste:

> This amendment, which would require host countries to pay 75 percent of nonpersonnel costs, is essential to maintaining a strong and cost-effective military partnership with our allies around the world. If enacted, this proposal would save taxpayers $11.3 billion by 2002.
>
> As the United States continues to define its role in the post-Cold War era, we must realize that we can no longer afford to bear the brunt of maintaining a large presence overseas. However, we do recognize that American strength is necessary to maintain peace

and cooperation worldwide. Your amendment successfully addresses both issues.

The 104th Congress' clear mission is to eliminate unnecessary spending, while ensuring that vital obligations, such as protecting our national security, are fulfilled. Your amendment is a vital part of that mission. Not only does it provide for continued international cooperation, but it also saves the taxpayers billions of dollars.

Your amendment makes a fundamental contribution to the debate on the Defense Authorization and its passage is an important step toward achieving a balanced budget. We strongly urge its adoption by the Senate.

Our amendment is also supported by the State Department and the Defense Department. Let me read from their respective statements:

State Department:

We support this amendment because it supports U.S. policy objectives in achieving equitable responsibility sharing of global security interests with our allies. This amendment does not tie the hands of the Administration in the execution of U.S. policy. This amendment does allow the President the flexibility in pursuing different avenues in attaining the same objective without undermining the credibility of the United States commitments to our allies. It recognizes that one formula does not fit every allied country or every region and permit[s] our allies to choose to contribute on an equitable basis tailored to their own political, economic, cultural, and historical perspectives.

Department of Defense:

After detailed review, analysis and consideration of the provisions in the amendment, the Department believes it provides a solid basis upon which to proceed in future discussions and negotiations with our allies around the world to attain greater Responsibility Sharing in defense and security issues of common concern.

This amendment has the overwhelming support of the House, and the support of the administration. If you agree that our allies are now sufficiently strong economically to pay a fair share for their security, then I urge that you also support this amendment. I ask unanimous consent that the letters of support be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POSITION PAPER ON PROPOSED BURDENSHARING AMENDMENT TO H.R. 3230

DESCRIPTION OF THE BILL

The amendment to the DoD Authorization Bill calls on our allies to equitably share in the roles, risks, responsibilities as well as costs in global security. The amendment recognizes that the United States continues to pay an unfair share of the "common defense burden" and calls for our allies to take one or more of four actions to increase their contributions to share equitably in global responsibility sharing.

These four actions include: increased cost-sharing with established goals of 37.5%, 50%, 62.5%, and 75% by September 30 of each successive year starting in 1997; or increasing national defense budgets by 10% or comparable to the U.S. by September 30, 1997; or increase its annual budget for foreign assistance by 10% or at least to a level commensurate to that of the U.S. by September 30, 1997; or increase the amount of military assets that it contributes, or would be prepared to contribute, to multinational military activities worldwide, including United Nations or regional peace operations.

The amendment also provides authority for the President to take certain actions with our allies should they not meet any of the four obligations above. Although threatening and punitive in nature, these actions are non-binding.

The amendment does direct the President to submit an annual report to Congress not later than March 1, 1997 in classified and unclassified from reviewing the effects of our allies compliance to our responsibility sharing initiatives.

DEPARTMENT POSITION

We support this amendment because it supports U.S. policy objectives in achieving equitable responsibility sharing of global security interests with our allies. This amendment does not tie the hands of the Administration in the execution of U.S. policy. This amendment does allow the President the flexibility in pursuing different avenues in attaining the same objective without undermining the credibility of the United States commitments to our allies. It recognizes that one formula does not fit every allied country or every region and permits our allies to choose to contribute on an equitable basis tailored to their own political, economic, cultural, and historical perspectives.

TALKING POINTS AND BACKGROUND TO SUPPORT THE DEPARTMENT'S POSITION

We agree with the findings of this amendment that the United States continues to pay a higher cost for global defense compared to that of our allies. We also acknowledge that many of our allies are sharing equitably in the global responsibilities of defense while others are beginning to assume increased roles, risks, and responsibilities.

We support this amendment because it supports U.S. policy objectives in achieving equitable responsibility sharing of mutual global security interests. This amendment does not tie the hands of the President, allowing him the flexibility in pursuance of those goals while maintaining the credibility of the United States commitments to our allies.

We believe that by working together with Congress on this issue, U.S. interests are preserved and that the basis for our policy or responsibility sharing serves the best security interests of our country and that of our allies in promoting peace, stability, democracy, and free-market economies.

We note with concern, however, that rigid percentage cost-sharing goals by specified dates are incompatible with recently concluded and highly favorable cost-sharing agreements. We ask that only one small change to the amendment be incorporated.

POTENTIAL AMENDMENT

(Prepared by Mike Walsh)

SERVICE AFFECTED

US military forces and activities around the world.

AMENDMENT NUMBER

Amendment 102 to H.R. 3230

STATEMENT OF AMENDMENT

Amendment consists of four parts: Findings, which detail discrepancies Congress perceives between US and allied defense spending and resource allocation, generally concluding that the US continues to bear greater defense burden than allies, and that they should do more to defend themselves; Efforts to Increase Allied Burdensharing, which provides President latitude to seek increased allied contributions in four areas (i.e., cost sharing, defense spending, foreign assistance, military assets to multinational military activities); Authorities to Encourage Allies, which provides President with authority to take specific actions to obtain allied compliance (i.e., wide range of options, including withdrawals, impositions, funding or program rescissions, suspensions, terminations, reductions or similar actions); and Revised Reporting Requirements, stipulating reporting on relevant measures and actions by allies to determine compliance.

DOD POSITION

The Department generally supports the amendment, but has some reservations about specific provisions, discussed below [After detailed review, analysis and consideration of the provisions in the amendment, the Department believes it provides a solid basis upon which to proceed in future discussions and negotiations with our allies around the world to attain greater Responsibility Sharing in defense and security issues of common concern. The Department has long sought such an orientation, as it offers us the most latitude in seeking greater contributions. Additionally, provisions in this amendment establish the basis for a renewed Executive-Legislative consensus on determining progress in these matters, another long-sought goal.] The Department is concerned however, with a couple of provisions in the amendment. In paragraph (b) Efforts, sub-paragraph (1), Congress proposes adopting a specific schedule of financial contributions by allies between 1997–2000. We have not found this to be a viable approach to attain the goals the Department and Congress want to reach. We recommend deleting the schedule and instead substituting language (consistent with the other parts of this section) that encourages "greater allied equity in sharing roles, risks, responsibilities, and costs for global security". This will afford President more flexibility and options for attaining increased contributions from various sources. We also recommend, in paragraph (d) Reports, that these two new reporting requirements be combined into a single report, due 15 April each year, and that these reporting requirements supersede current burdensharing reporting requirements (see PL 98–525, FY85 DOD Authorization Act, Title X, Section 1002, et seq.), which are both obsolete and inconsistent with the intention of this amendment. The Department urges Congress to consider favorably these minor adjustments.

SAVE U.S. TAXPAYER UP TO $11.3 BILLION—SUPPORT "BURDENSHARING" AMENDMENT

TAXPAYERS FOR COMMON SENSE,
Washington, DC, June 25, 1996.

DEAR SENATORS HARKIN AND KERRY: Taxpayers for Common Sense is please to support your "burdensharing" amendment to the FY97 Defense Authorization Bill. This amendment takes an important step towards reducing the $16 billion direct cash subsidy paid each year to our allies for their national defense. As you know, the House passed this amendment during consideration of the Defense Authorization.

As the United States attempts to rein in its defense budget, it is no longer acceptable for the U.S. taxpayer to pay the lion's share for keeping American troops in Europe. While the Japanese government pays over 75% of all non-personnel costs for American military bases in Japan, our wealthy European allies typically make a collective contribution of less than 25%. We support your amendment's call for a 75% contribution standard.

Despite the end of the Cold War and a steadily decreasing defense budget, the U.S. still spends more on defense than all of its allies. For example, while Japan spends 1.1% of is GDP on defense and European nations average 2.5%, the U.S. spends 4.7% of its GDP on defense. The American taxpayer cannot afford to continue subsidizing our allies defense budgets. Not only are taxpayers asked to shoulder higher defense spending and increased deficits, but as consumers and producers they face a competitive disadvantage from countries whose economies do not bear the full cost of defending their own territories.

This year's amendment gives the President and the Secretary of Defense more than a year to negotiate increased contributions from our allies who benefit from the 200,000 U.S. troops stationed abroad. If those contributions do not increase, the amendment provides options for pressuring our allies to increase their contributions through measures such as a reduction of troops and/or a recession of bilateral aid and NATO appropriations.

The Congressional Budget Office projects potential six year outlay savings, from the amendment, to be around $11.3 billion. These savings are significant and would provide a welcome relief to overburdened American taxpayers. We urge all members of the Senate to support your amendment.

Sincerely,

JILL LANCELOT,
Legislative Director.

COUNCIL FOR CITIZENS AGAINST
GOVERNMENT WASTE,
Washington, DC, June 25, 1996.

Hon. TOM HARKIN,
Hon. JOHN KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND KERRY: On behalf of the 600,000 members of the Council for Citizens Against Government Waste, I am writing to endorse the Harkin/Kerry amendment to the FY 1997 National Defense Authorization Act, S. 1745. This amendment, which would require host countries to pay 75 percent of nonpersonnel costs, is essential to maintaining a strong and cost-effective military partnership with out allies around the world. If enacted, this proposal would save taxpayers $11.3 billion by 2002.

This amendment won overwhelming bipartisan support in the House by a vote of 353–62. It deserves the same in the Senate this year.

As the United States continues to define its role in the post-cold War era, we must realize that we can no longer afford to bear the brunt of maintaining a large presence overseas. However, we do recognize that American strength is necessary to maintain peace and cooperation worldwide. Your amendment successfully addresses both issues.

The 104th Congress' clear mission is to eliminate unnecessary spending, while ensuring that vital obligations, such as protecting our national security, are fulfilled. Your amendment is a vital part of that mission. Not only does it provide for continued international cooperation, but is also saves the taxpayers billions of dollars.

Your amendment makes a fundamental contribution to the debate on the Defense Authorization and its passage is an important step toward achieving a balanced budget. We strongly urge its adoption by the Senate.

Sincerely,

TOM SCHATZ,
President.

Mr. HARKIN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the Senator from Iowa and Massachusetts. I appreciate their efforts to craft an amendment that would provide a number of actions that our allies could take to increase their contributions to defense burdensharing.

I agree that the United States pays an unfair share of the common defense burden and our allies should do more. This amendment would provide the United States with a basis by which to achieve agreements with our allies to increase their share of costs for defense.

Let me emphasize that U.S. forces are deployed overseas to advance U.S. security interests. Although we seek common efforts with our allies to secure peace and promote U.S. interests abroad, we do not always necessarily agree on how those interests are to be advanced.

As a result, I am not comfortable with the notion that one action an ally could take to increase its cost share would be to increase its peacekeeping or humanitarian activities—that would be considered of equal value to an ally increasing its participation in coalition operations or increasing its defense budget.

Would Congress be satisfied if an ally agreed to increase its contributions to foreign assistance, and at the same time, reduce its defense expenditures? This would be counter to our efforts to get our allies to contribute more for global and regional security. Our objective should be to get our allies to agree to increase their efforts in all areas.

With those remarks, I recommend that my colleagues adopt the amendment.

Mr. LAUTENBERG. Mr. President, I am pleased to join my colleague Senator HARKIN in offering an amendment which seeks to relieve the American taxpayer of some of the enormous burden of defending our allies.

This amendment is straightforward. It requires the President to seek increased contributions from countries which have cooperative military relations with the United States. It requires the President to negotiate agreements under which our allies will be responsible for bearing a greater share of the common defense burden.

The end of the cold war has signaled the need for us to reevaluate our spending priorities. Despite the end of the cold war, the United States continues to pay an unfair share of the costs of defending our allies. American taxpayers should no longer be responsible for the lion's share of the common defense burden.

According to the U.S. Arms Control and Disarmament Agency's data for 1993, we spent 20.1 percent of our budget on military expenditures, while European NATO nations spent only 6.2 percent of their combined budgets. That's $1,153 per capita spent by the United States on military expenditures compared to $419 per capita spent by our European NATO allies.

It is simply time for the United States to negotiate a better deal, and this amendment represents a positive step in that direction.

The amendment allows the President to negotiate an increase in our allies' contributions in four areas. First, the President may require an ally to gradually increase its contributions to 75 percent of the nonpersonnel costs incurred by our forces stationed on its soil. Second, the President may require a host country to increase its defense spending as a percentage of its GDP by 10 percent or at least to a level equal to that of the United States. Third, the President may negotiate for a foreign country to increase its budgetary outlays for foreign assistance by 10 percent or to a level commensurate with the United States. Finally, the President may choose to require an ally to increase its contributions of military assets to multinational, United Nations, or regional peace operations.

Although far from perfect, our agreement with Japan is a good example of what the President would be required to negotiate under this amendment. Currently, Japan pays for 79 percent, of nonpersonnel costs incurred by stationing troops on its soil. The administration recently negotiated an agreement under which Japan will increase its contributions by approximately $30 million a year over the next 5 years. This is an pretty good deal compared to the meager 24 percent that our European NATO allies contribute to the nonpersonnel costs the United States incurs in Europe.

Budget estimates for fiscal year 1996–97 reveal that the United States will incur $8 billion in nonpersonnel costs in Europe and that our NATO allies will only contribute $2 billion of that amount. I think this is an outrage.

This amendment would remedy this situation by requiring the President to negotiate a better deal.

Mr. President, critics of this amendment may argue that it will compromise U.S. troop presence and global national security interests. This just isn't the case. If this amendment is implemented, and I hope it will be, the

United States will continue to pay enormous amounts to defend collective security interests. We will still spend billions defending our allies.

This amendment provides the flexibility necessary to preserve our commitments to our allies. It allows the President to accommodate each country's unique economic, political, and military situation while creating a more equitable balance of the common defense burden. Each of our allies has different capabilities and limitations to sharing the costs of the common defense. This amendment recognizes these differences and gives the President flexibility needed to secure greater participation by our allies.

Mr. President, American taxpayers deserve a better deal. If implemented, this amendment would be a solid starting point for requiring our allies to chip in more for the common defense. It would send a clear message to our citizens that we are committed to relieving them of some of the enormous burden of defending our allies. This initiative is long overdue, and I urge my colleagues to support it.

Mr. HARKIN. Mr. President, I ask that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is their objection to the amendment?

Without objection, the amendment is agreed to.

The amendment (No. 4177), as modified, was agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 4367

Mr. BROWN. Mr. President, one of the items that I want to draw the Senate's attention to with regard to the Nunn amendment is really the astounding story of the United State's history with regard to central Europe since the Iron Curtain fell down.

I think a decade ago, or two decades ago Americans, would be amazed to think that the Iron Curtain could fall and that the world could change as it has.

I do not know whether Members remember watching the television coverage of President Reagan in Berlin talking about how in the future Russian leaders would tear down that wall. But I confess my thoughts were that the wonderful Irishman was engaging in wishful rhetoric, perhaps more than a serious prediction. Lo and behold, the President turned out to be more than correct, and his words were prophetic.

I think more shocking than his statements was the fact that the wall came down and that the Soviet Union dissolved. However, even more shocking is the way this country has treated the central European governments.

I simply do not know of a place in the world where Americans are more popular than central Europe; more popular than they are in America at times even.

But, Mr. President, you cannot be in central Europe and not experience the warmth of people who love, admire, and respect freedom and independence, who are grateful to the United States for championing freedom and independence, who want to be like Americans in many, many ways.

I think to most Americans would be shocked if they realized how we have treated those people who looked at us so eagerly and with so much affection, and so much thanks and so much hope of making their countries like America; so much hope of bringing freedom to their countries.

What are the facts? The facts are that when the Iron Curtain fell and those countries developed new governments, we did not react to them as we had reacted to Western Europe at the end of World War II.

I will remind Senators what happened. At the end of World War II when Western Europe had problems, we did a couple of things because of concern about their future and the future of the freedom and democracy there.

First, we opened our markets to them and ensured that they had a way to earn their way out of the incredible destruction and poverty that they were in.

The second thing we brought forth was assistance to them to provide the emergency needs and help give them a boost to get things started again.

Mr. President, I do not think anyone would doubt that those efforts were helpful. We can debate whether or not we did too much, or too little, whether we gave it to the right or wrong country, whether we gave it the right way or the wrong way. Those are legitimate questions and ought to be debated. The key point is we came forward at a time of need and we ensured that their spark of freedom survived and grew, and democracy is greater and stronger in the world because we did it.

I hope that the distinguished Senator who offers this amendment and others who may be tempted to join him will look at the contrast of how the Central Europeans were treated versus the way the Western Europeans were treated, where we came forward and opened our markets to them and gave them a chance to earn their way out of the dire circumstances they were in. The Western European powers said they were going to study for 5 or 10 or 20 years whether or not Central European countries will be let into Common Market.

Western European countries went through hell. When they went through hell, we opened our markets to them. Now Western Europe says they are going to study for a long, long period of time whether they will let Central European countries into the Common Market.

That is not right. It is in our interest, in the interest of freedom-loving people around the world to see Central Europe do well. To think of selfish subsidies and self-interests at a time when we ought to be opening the world of opportunity to them is wrong.

Second, when Western Europe was threatened, we joined our arms with them. We offered them NATO, and we volunteered to stand side by side with them and not only carry our share of the burden, but to do even more. And what did the Western European countries do? When Central Europe asked to join NATO, they decided to study it.

This Congress has acted on this issue. Three years ago, we passed the NATO Participation Act I, and it was meant to address the questions that are brought up in the amendment of Senator NUNN and others. It was done because the administration was dragging its feet and turning its back on the cry of those free people for help and assistance and participation.

These are proud people. They are not coming and asking for a handout. They are coming and asking to be our friends, to be our comrades, to be our allies, and to stand with us—in the words of Americans, to pledge their lives and their sacred honor in a joint enterprise with us.

I suppose you can turn the back of your hand to people like that, but I think they at least deserve an answer. What this country has done and what some Western European countries have done is turn their back on them, not even given them the courtesy of an answer.

It was this Senator's belief, and I know it is not shared by all Senators that the administration was very slow to respond to the situation in Central Europe. As Western Europe and the United States have been slow to embrace the freedom-loving people of Central Europe, the forces of totalitarianism in those countries have had a new boost of strength at the ballot box.

I have listened to Ambassadors and Members of Parliament from countries all across Central Europe. They ask me, where we should be aligned? Who should we be close to? Who do we work with? Where is our future? And they are shocked to find that America and Western Europe are slow to embrace them and slow to want them to be part of us. They want to go West. They want to be part of the free world. They want to stand up with us to protect against totalitarianism.

These people, who love Americans so much, are confused and puzzled at our slowness in allowing them to stand with us in NATO and are almost mystified at the slowness and reluctance of the Europeans to allow them into the Common Market. It is almost as if all these years we thought of them as an enemy, and when they want to join our side, we will not let them.

Some people have said we have to consider the cost. We have to figure out whether it is in our interest. We have to look at this detail and that detail and this detail.

That was 5 years ago. Three years ago, we finally passed a bill that required those things to be addressed, the NATO Participation Act I, because the administration had not done its work and because this Congress had not done its work. Last year, we passed the NATO Participation Act II to urge the project on further.

I want Members to ask themselves this: Toward the end of World War II there was something of a coup or an overthrow of the Government in Italy. Italy, which had been fighting against us and with the Nazis, switched sides, declared war on Germany and joined the Allies' cause.

How much did it cost to have Italy join us? Was it to our advantage to have hundreds of thousands of troops that had been fighting us to change sides and join us? I suppose some people could come and say we ought to have studied that seriously. But I do not think it would take too many people very long to figure out that it is much better to have hundreds of thousands of troops that were opposed to you on your side.

Is it an advantage to have Poland and the Czech Republic and Hungary on our side, pledged to help defend our freedom with the potential of very valuable bases and hundreds of thousands of service men and women willing to help defend our freedom rather than the other side? I do not think, with all due respect, it takes a genius to figure out that is a plus, not a minus.

Reference is made here to a study as to what could be spent in terms of the defense of that area. Mr. President, you can spend any amount you want. The question comes back to two things. Is it better to have them on our side rather than opposed to us? Of course. And maybe most importantly of all, what is the cost if we do not do it? How do they react to the slap in the face that says, "We do not want to stand with you"?

What is the cost if we again fail to recognize that area as part of the sphere of influence of other powers? I submit to Members that the cost is very heavy, indeed, and far outweighs any other.

Last, let me simply say this. I do not know how any American can review the history of what went on when the Soviet Union and Nazi Germany invaded Poland and free men and women failed to understand that our freedom was in part dependent on their freedom. I do not know how we can ignore that history. I do not know how anyone could ignore what happened when this country guaranteed the freedom of the Polish underground if they would negotiate with the Soviets and then refused to even speak up on their behalf when they were arrested and tried and sentenced to death, even though we had asked them to surrender. I do not know how any American can look at the history of what happened in the cold war and see the flame of freedom snuffed out in Poland during the 1940's by the Soviets and not feel a twinge of horror that another 40 or 50 years of enslavement followed.

I do not know how we as a country can turn our back on freedom in central Europe, and so I look forward to working with the Senator from Georgia. I hope very much this can be resolved, but I do know one thing. I do know that stalling and delay in endless reports and endless studies and a Mississippi literacy test to get into NATO are not the answer.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I rise, I might say with regret, to oppose the amendment introduced by the Senator from Georgia, now temporarily laid aside. I rise with regret because I have such respect for the Senator from Georgia, Mr. NUNN. But on this issue I respectfully disagree. I associate myself with the eloquent remarks of the Senator from Colorado. The questions raised by the amendment introduced by the Senator from Georgia and others are important questions. They go to the heart of this great opportunity, challenge, and debate that is coming on the question of NATO enlargement.

I certainly agree this body has to consider all these questions. But I feel very strongly that this is not the right time nor is it the right bill on which to carry out this debate. Let me state clearly from the outset where I stand. I believe a strong transatlantic partnership serves America's interests. For reasons of history and economy, war or instability in Europe inevitably harms American interests. In this century alone, the United States has fought two world wars and the cold war, all of which had their origins in Europe.

Today, we are involved in a conflict in the former Yugoslavia, keeping the peace, helping to provide the ground on which a country can regain its feet after the slaughter and aggression it suffered, in Europe. There, as part of an international implementation force, we are again expressing what is a basic fact of American history, which is that what happens in Europe matters to us. That is part of what NATO is all about.

We are now developing a consensus, slowly, methodically—too slowly, frankly, for some, including this Senator—but a consensus moving forward, nonetheless, in the United States and with our allies and like-minded countries of Europe, on the future of the North Atlantic alliance, this extraordinarily successful alliance often referred to as the most successful defensive alliance in the history of the world. In fact, NATO did deter Soviet aggression, the prospect of Soviet aggression westward into Europe throughout the course of the cold war.

I hope, over the coming months, we will be able to work together, Democrats and Republicans, the President and Congress, to advance the adaptation as well as the enlargement of NATO to meet the challenges of the post-cold-war world.

The amendment before us raises questions. But I do think it also expresses the underlying skepticism of its sponsors about either the idea of enlarging NATO or the pace of NATO enlargement. The amendment, however, does not express the views of many of us in this body who have thought through the same issues and come, respectfully, to a different conclusion. That is why I rise in opposition to the amendment.

In my view, we must look to the future and expand the North Atlantic Treaty Organization in two significant ways. I think we need to deepen this great partnership to develop a reliable coalition of like-minded countries to share the burdens of maintaining international security and we need to enlarge NATO by admitting new democracies of Central and Eastern Europe to full membership.

I believe we should enlarge NATO for two basic reasons. The first I will call moral. Senator BROWN referred to this. Throughout the cold war, we promised these nations our support to achieve freedom and democracy. The millions of people who come together to form these nations were forced to live under the yoke of Soviet dictatorship. And we reached out to them and tried to give them encouragement during those years. We referred to them as "captive nations." That is a term that seems so wonderfully dated today. Today they are no longer captive. They are free and independent. They are working their way to strengthen democracy, market economies, freedom, full expression, better lives for their citizens. The question is whether we will remember this promise we made to them, that if only they would persist through the dark years of Soviet domination, Communist domination, we would greet them, we would embrace them, we would stand with them. So I think we owe these people the opportunity to join with us in this alliance of free nations.

The second reason I believe NATO should be expanded is strategic. By enlarging NATO to include the free and democratic states in Central and Eastern Europe, we can help to ensure the stability and security of Europe. NATO is often viewed as a defensive alliance, because of the cold war history, an alliance to defend its members against the threat, that then existed, of Soviet movement across Western Europe. The fact is, NATO from the beginning, and particularly today in the post-cold-war world, has a second and I would say today much more important purpose, which is to serve as a body in which the potential conflicts among its members are moderated and defused. That is the role it has played and that is the role it will continue to play, once these fledgling democracies and market economies of Central and Eastern Europe reach the plateau which will be established, at which they can join NATO. That is the role NATO will play for them as well.

Secretary General Solana, the Secretary General of NATO, was here earlier this week and he made a very important point, which is that one of the standards for membership in NATO will be not only the extent to which human rights are recognized in the potential NATO member, not only the extent its market economy is flourishing, not only its military capacity to participate in the NATO alliance, et cetera, but also the extent to which it has eliminated conflicts with its neighbors. That is a precondition of joining NATO. Conflicts between, for instance, Hungary and Romania over the rights of ethnic minorities—it seems to me one of the preconditions of membership in NATO will be for those countries, if they are to be considered, to resolve those conflicts. And that is a perfect indication of the way in which NATO has had an internal purpose, to preserve stability in Europe. It is important to remember that the members of NATO have, in a very profound sense, given up the use or threat of force in relationship to each other. That is clearly at the heart of our hopes for continued stability in Europe in the post-cold-war world.

While some Russians view NATO enlargement as a threat, NATO is a defensive alliance. NATO, as an organization to maintain the peace among its own members, does not pose any risk to Russian security. We are going to have to work hard to make this point to some of those among our friends in Russia. We have to work hard, but we can do it, to make it clear that NATO already has established and wants to build on a friendly and peaceful relationship with the new post-cold-war Russia.

The NATO enlargement process is moving forward, thanks to leadership from President Clinton, Secretary General Solana, and a host of leaders in both parties in this country. Senator Dole is, obviously, a strong supporter of NATO enlargement, and others in Europe are strong supporters as well. The study agreed to by the NATO defense ministers last December provides, I think, a generally sound basis for the admission of new members. This is not moving precipitously, it is moving very methodically—in fact too slowly for some of us. The individualized dialogues with interested countries, an important stage in the process, are now underway.

Mr. President, I am concerned that the amendment offered by the Senator from Georgia to mandate yet another study would have the effect of delaying the NATO enlargement process already underway.

The requirements of the study in the amendment before us seem to emphasize only the costs and commitments that the United States would undertake and the anticipated impact on Russia. These questions, if I may say so with respect, seem to be the questions of an attorney in a courtroom leading the witness.

In another sense, Senator BROWN has referred to this as a literacy test, as a pre-civil-rights-era literacy test that used to be applied to respective African-American voters in the South with the intention of denying them the opportunity to vote. I am afraid the effect of these questions will lead to a conclusion that there are not going to be any countries joining NATO in the near future, and that is a result that I am opposed to.

It is possible, as has been suggested by the Senator from Colorado and the Senator from Arizona and the Senator from Georgia, that discussions can be carried on that would alter or at least broaden the nature of the questions. Some of these questions ought to ask about the positive effects, of which there are many, in expanding NATO: standing true to American principles of human rights that we expressed so often during the cold war, creating a kind of burdensharing for ourselves that NATO has represented.

NATO for us, more and more, means that we are not going to be called on to be the sole policeman of the world. Remember what happened in the gulf war. We did not have to fight that conflict alone; our allies from NATO were with us. They are with us in Bosnia today. Years into the future, as we worry about continued security and stability in the Middle East and in Asia, I think our allies in NATO will provide an opportunity to share the burdens and cost of world leadership that the United States would otherwise be called upon to expend.

The point is this: The process is underway under which Ministers of the member nations of NATO will meet in December to make some key decisions about how to enlarge the alliance. We cannot forego that opportunity while we await the results of another study.

I will say two things. Perhaps it is worth trying to alter these questions to make them more balanced. My preference, frankly, is that this amendment be defeated, because I think it confuses an ongoing process. In some ways, it begins to tie the hands of the President and the executive branch. These are all questions that, should there be a decision in NATO to enlarge, will come back to this floor for a great debate, because no one can automatically be added to NATO without the Senate of the United States—this body—being asked to ratify an amendment to the North Atlantic Treaty alliance by a two-thirds vote. So I say these questions are preliminary.

The first choice would be we defeat the amendment. Second, perhaps we could work on some questions and withdraw others to make it a more balanced series of questions.

Third, I hope we make it clear, and I hope within the text of the amendment that these questions are not intended to delay in any way the process that is now going on in NATO, meeting in December, a presumed summit to occur sometime in the first 6 months of 1997, to formally continue the process of NATO enlargement.

If we are going to go forward in the spirit of compromise, let us make it clear it is not intended to inhibit the President or his designees in any way in what they will do between now and when the study will come forward.

I see other colleagues on the floor. I have spoken at length. It is an important issue. It is an issue we are going to debate and we ought to debate in the interest of our national security. Respectfully, I do not think this is the right time to have this debate or adopt this resolution, and I will vote against it, certainly, as it is before us at the current time.

I thank the Chair, and I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I join in questioning this amendment. I say to my colleague from Georgia, for whom I have great respect—I notice the Senate staffers were asked by Washingtonian magazine which Senator retiring would be missed the most, and the person who came out first in that contest was SAM NUNN. I agree with that assessment.

I was home grabbing a bite to eat. We just live about 10 minutes from here, and I heard Senator NUNN speak and Senator MCCAIN. I hope the Senator from Colorado will forgive me, but as soon as he got up to speak, I got in my car to come down here and heard the end of Senator LIEBERMAN's comments.

The point that Senator MCCAIN made that this is ill-timed, I think, is appropriate, and I hope my colleague from Georgia will think about deferring this amendment until we get to the foreign ops bill after the election.

This is an emotional issue in Russia. You can argue that it should not be an emotional issue, but the people in Russia were told year after year after year by the propaganda machine that NATO represents a military threat, and even though the Soviet dictatorial apparatus is gone, that fear of NATO is there. It is an emotional issue in Russia.

For those who say, "Well, emotions shouldn't govern decisions on foreign relations," take a look at—and I know many of my colleagues will disagree with me on this—take a look at what the United States is doing vis-a-vis Cuba. Our policy in Cuba is clearly a reaction to national passion rather than national interest. We could not have devised a policy ultimately that is more favorable to Castro than the policy that we designed. So in Russia, you have an emotional reaction to NATO.

The amendment that is before us is tilted. There is just no question about it. I have enough confidence in the Senator from Georgia that if this were to be withdrawn and then some of us get together before we have the foreign ops bill and try to fashion something, I think we can do it.

I will add here, I think there are ways of defusing this a little bit in Eastern Europe. The President of the Parliament of Belarus was here about 10 days ago and visited with me. One of the things he said to me was, "I hope you don't permit NATO to be expanded. It's a very emotional issue in Belarus."

I said, "What if we were to say that nuclear weapons could not be based in any of the additional countries that come into NATO?"

He said, "That would be a very different thing. That would make it much more acceptable."

Frankly, because nuclear weapons can reach anyplace in a matter of minutes today, militarily it is not necessary.

I think some compromises can be worked out. Let me just add, for anyone from the Russian Embassy who is interested who may be listening, I think this is in the best long-term interest of Russia. Yes, I am concerned about Poland and the Czech Republic and Hungary and the other Central European governments.

I had the privilege, some of you may recall, of being the chief sponsor of the bill to provide aid for Poland in 1989, right after the change there. It has been dramatic. I have been in touch with the situation in Poland for some time. They have fears. Whether they are legitimate or not, that is a matter of judgment, but they have fears of their neighbor to the east.

Ultimately, the great threat that Russia faces militarily is from China, not from the West. I hope when we have a more stable democracy in Russia—and Russia is moving in that direction, clearly—I hope Russia can become a member of NATO. But I think to adopt this amendment right now is not in our interest.

Frankly, I do not think even having a vote on this amendment right now is in our interest. I think—and I again have a huge respect for my colleague from Georgia, who is one of the giants of this body—but I think it would be much better to consider this after the Russian election, the runoff election, which is not that many days off. But if we have to vote, I will vote for a substitute or vote against this amendment. I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise in support of the amendment offered by the Senator from Georgia. I think this amendment is vitally important to prevent us from precipitously going down the path of NATO expansion without considering the consequences.

This amendment forces us to ask the who and the when, to take a hard look at the consequence of NATO's expansion before we leap. I and many in this body are absolutely thrilled by the dramatic geopolitical changes in the last several years. The end of communism as far as an active, vital, dominant force in the landmass of the Soviet Union is a startling development. The breakup of the Soviet Union itself was a startling development.

When the cold war ended, it thrust the United States, Russia, the former republics of the Soviet Union, Eastern Europe, Central Asia, and our NATO allies all into uncharted waters.

As long as the Soviet Union existed, the United States-Soviet rivalry was defined as an era in fundamentally ideological terms. It was the prominent feature of the international system in a bipolar world, and it was the primary justification for NATO, one of the two treaties—the other with Japan—that governed our sovereign commitments to allies around the world, commitments that required us to send American troops to defend the nations with whom we had made the treaty.

Now the Soviet Union no longer exists. We are in a period of transition. As a result, NATO in particular is redefining its role in the world, in a world without the Soviet Union, which was the pretext for its founding. But just as NATO is trying to redefine its role in the world, so Russia itself is struggling to redefine its future. It is in the midst of that redefinition period now, in the midst of a Presidential election.

In early May, I was in Moscow. I arrived the day that there were 30,000 or 40,000 supporters of Mr. Zyuganov in the streets, with red flags, pictures of Lenin, the whole thing, parading for their candidate. That same day I drove past the park and saw a candidate up on a big platform speaking, with great speakers, and four our five generals with ribbons standing next to him.

I said, "Who's that?" They said, "Zyuganov." I said, "Stop." I and a Republican colleague melded into the crowd. I know the Chair might think it is difficult for me to meld into any crowd, but we did so. And I asked our interpreter, "What is he saying?" The interpreter said, "He has just said that the German-Israeli-American conspiracy to destroy Russia will not succeed if I am elected President." To which my response was, "Well, at least we were third."

Indeed, he did not make a successful showing in the Presidential election. The first round has been held. Mr. Zyuganov and Mr. Yeltsin are in a final runoff that will be decided in the next several days.

Russia is in a period of redefinition. It is beginning to say—will it cast its lot more in the direction of democracy, market reform, moving into integration into the world economic and political system, or will it once again retreat to a more isolationist position in the world?

So the Presidential elections in Russia are very much about all this. As Russia defines itself internally, what kind of system it wants, what kind of democracy it wants, Russia will also continue to redefine itself in relation to both the West and the East. It has grave concerns and worries about China. It is very concerned about Turkish influence in a lot of the Central Asian republics.

It has much less concern about the West. The war of ideology is over. There is no reason for them to fear the West. We know that. They see where their geopolitical worries are, to the south and to the east. They are now in the process of not only redefining themselves internally but also externally. In this process the nature of those relationships are not a foregone conclusion.

The Eastern European countries that are seeking NATO membership are also in a process of transition. They have turned their backs on Soviet Russian influence and are firmly allying themselves with the West. We welcome that. We want them to be integrated into the West. We want them to become a member of the European Community. We want them to be a part of a Western future. They want to integrate as quickly as possible to get the economic benefits as well as the promise of greater security.

So, Mr. President, as we consider NATO's expansion against this backdrop of sweeping change, of redefinition in the West as well as the East, I think we have to be honest about what we hope and what we can realistically expect to accomplish.

First, on the issue of increased security and stability, the primary rationale voiced by the proponents of NATO enlargement is that it will increase security and stability in Europe.

How that can be accomplished, though, in real terms has yet to be explained. Achieving stability is a long-term process that will require strategic dialogue with all parties. It will also require the completion of the fundamental economic and political reform process that the countries of Eastern Europe and Central Asia are still undergoing. This is not going to happen overnight. It is far from certain that NATO's immediate expansion will promote either of those tasks.

In fact, NATO expansion is likely to cut off or possibly even polarize a strategic dialog between the West and Russia about Turkey or about Asia or about where they perceive their threats coming from.

Further, NATO enlargement is not an automatic guarantee of security, particularly, as this amendment suggests, as many important questions related to membership enlargement of NATO have yet to be answered, particularly with regard to the effect that enlargement will have on NATO itself, including its nuclear posture and its security guarantees. Indeed, an expanded NATO is probably no more likely to respond militarily to an invasion of Eastern Europe than an unexpanded NATO.

If we consider these countries sufficiently vital to our interest, the West will act without a treaty; if we do not consider them vital, no treaty is going to force a President to send American troops into the region.

Nor will NATO's expansion guarantee the vital political and economic reform that is a prerequisite to security. You can have a lot of military armor deployed forward, a nuclear deterrent, and if you have an economy crumbling, because the comparative advantages available in Poland, Hungary, and Czechoslovakia cannot bring full fruit because the Western Europeans will block all their products from being imported into the markets of the West, it is a hollow victory.

In fact, one might argue that NATO expansion enlargement may hinder such reform by encouraging the diversion of limited resources in these countries to military modernization rather than to economic development.

Mr. President, it is important we also try to think through before we take this step. The amendment, I think, forces this thinking process. What does it say about Russia? We have to be honest about the role of Russia, both in our motivation toward expanding NATO and in our assessment of the potential stabilizing or destabilizing effect of enlargement.

First, the motivation. Despite protestations to the contrary by some policymakers and NATO itself in its enlargement study, fears of Russian aggressiveness are clearly a significant motivating force behind NATO expansion. That is a legitimate feeling on the part of the peoples of Eastern Europe because they were dominated, occupied, by a Soviet Army for 45 years. Naturally, they have a fear, but to assuage those fears, do we want to jump headlong before we consider some of the larger strategic questions?

I think this fear of Russian aggressiveness is obviously the case for these Eastern European countries seeking enlargement immediately. It could very well be the motivating force for many Western policymakers.

What is the effect? While NATO's own study and others downplay the effect of NATO expansion on Russia, it is clear to even the most casual observer that NATO's enlargement is viewed as a threat by Russia, particularly given that those who would expand NATO are seeking to do so because of their fears of Russian aggressiveness reasserting itself as if it were a genetic quality.

Russia's view of NATO expansion is not surprising when one looks at the post-cold-war world from a Russian vantage point. Russia has been stripped of its empire, gone the way of new republics, new countries, and is but one of 15 countries—the largest, but one of 15—in the former Soviet space. By expanding the West's military bloc—and that is what NATO is, that is why it was formed, that is what its primary funding is, let's be honest—by expanding the West's military bloc along its borders, Russia could not help but feel boxed in by an organization whose primary aim for most of its existence has been to act as a shield against a potentially aggressive Soviet Union.

If expansion is accelerated, a threatened and increasingly nationalistic Russia may further isolate itself from the West, and the prophecy about Russian aggressiveness could easily become a self-fulfilling one. I think that is unlikely because of the economic circumstance in Russia.

However, immediate NATO expansion enlargement gives a pretext for those who would play on those fears and those who would stir that pot. We need to think about this and ask some tough questions.

If expansion is accelerated, a threatened and increasingly nationalistic Russia may further, as I said, isolate itself from the rest of the world. The hopes of Russia's implementation of START I or the ratification of START II would become increasingly remote. Tensions could increase. NATO's immediate enlargement will not solve our security concerns. Indeed, I believe it is very possible that it could heighten them.

Rather than isolating Russia, we should seek to engage Russia and others in a long-term strategic dialog about what they perceive to be their security concerns. If we engage that dialog without a precipitous action of enlargement in that dialog, it will become clear that their concerns are more oriented toward China and to the Turkish activity in the former republics of central Asia than it is to the West, particularly NATO, particularly Western Europe, and certainly Eastern Europe.

Mr. President, I think we should work to reduce the threat of nuclear weapons by ensuring implementation of START I and START II, but I have some reservations about precipitously expanding NATO at the expense of our own national security. Our consideration of these concerns is not, as proponents of enlargement like to argue, the result of Russia bullying the United States or NATO. It is in our own self-interest to consider the impact that enlargement would have on Russia. It is in our own interest to do this. If the purpose of NATO expansion is to increase security, our security, obviously, its destabilizing impact on Russian-NATO and Russian-United States relations need to be a part of that analysis.

What about the effect on NATO and U.S. participation in NATO? Finally, we have to be honest about the effect of enlargement, as I said, on NATO itself and on the increased responsibilities it will entail for the United States.

Enlargement could have significant repercussions for how NATO operates. I do not think these issues have been actually explored. That is really the purpose of the amendment of the distinguished Senator from Georgia.

Enlargement will also require NATO to devote less energy to important reforms, helping it to adopt to the realities of the post-cold-war world, and the enlargement will impose even greater responsibilities and costs on the United States without any serious assessment of whether such responsibilities and costs are in the United States' interest.

Mr. President, as the foregoing illustrates, NATO expansion is not an easy issue. It is a quick fix, a form of what I call "cold war lite," that is likely to cause a lot more harm than good. It is more a leftover from cold war thinking than it is a rethinking of U.S. security interests worldwide. It is more a predictable human response to the call to assuage the worries and historical concerns of our friends in Eastern Europe than it is a longer term view of how to guarantee their security over time.

Mr. President, I have serious concerns about precipitously rushing into NATO expansion. At a minimum, we should ask some difficult questions and take the time to study the issue seriously. I think that is precisely what the amendment offered by the Senator from Georgia requires.

I support the amendment fully. It is his amendment to decide how to pursue in the remaining hours. If he chooses to have a vote, I will be for it. If he chooses to wait and have a vote a little bit later, I will be for it then.

It is enormously important that we ask the questions before we leap and find we have precipitated a response that will create less security, not more security, for the very countries to whom the enlargement is expected to give greater security.

So, Mr. President, I support the amendment.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I know there is a good-faith effort to now see if we can draft some additional language, or perhaps some substitute language for some of this amendment. I am certainly pleased to work with my friend from Arizona and others on that approach.

I am a bit curious, though, how a vote on an amendment that is asking what it is going to cost to expand NATO and how much the American taxpayers are going to pay—that that information is tilted. I do not quite understand that logic. I really do not understand the logic that says that we do not want to know what the strategy is going to be as we expand the defense alliance that involves possible commitment of American forces and the possible—in fact, automatic, if there is an article V protection for full NATO members, an automatic basic nuclear umbrella being extended, meaning that we are willing to, in an extreme situation, use nuclear weapons, if we have to, to defend our allies. That is a serious undertaking.

I am not sure why there is any reluctance to ask the President to tell us what the strategy is. Is that something we do not want to know? If he cannot give us the complete strategy, and if he says there are certain contingencies, fine, that is what he will answer. But why should we be afraid to ask the question? I am not sure why we would not want to ask the question of whether it is going to involve prepositioning American equipment and how much that is going to cost. Why would we not want to know the answer to that?

I am not sure why we would not want to know the answer to whether air forces are going to be involved, or whether there is going to be forward stationing of ground forces. Are we really going to expand the alliance and not ask ourselves those questions? I am puzzled.

I am not sure why we would not want to know the extent to which prospective new NATO members have achieved, or are expected to achieve, interoperability of their military equipment, air defense systems, and command, control, and communications systems and conformity of military doctrine with those of NATO.

That is the purpose of the Partnership for Peace. That is what they have been doing for the last 3 years. Why are we reluctant to ask the question? I am not sure why we would not want to know the extent to which the new NATO members have established democratic institutions, free market economies, civilian control of their armed forces, including parliamentary oversight of military affairs and appointment of civilians to senior defense position, and the rule of law.

Is there reluctance to find out or get the assessment of the President of the United States sometime next year, giving him plenty of time? This is not something we are going to have answers to tomorrow or the next day. It is not going to come until January of next year.

One of our colleagues said that, of course, the answers would vary as to whether Mr. Zyuganov is elected or Mr. Yeltsin is elected. Precisely. I would assume that any President would take that into account before they filed a report next January. If they did not, then I would be amazed. Certainly, the circumstances will make a difference.

I do not know why we would not want to know the extent to which the prospective new NATO members are committed to protecting the rights of all of their citizens, including national minorities.

Is there someone that does not want to ask that question? Is that a painful question to ask? I know the Senator from Connecticut made the statement—and I think he is right—that one advantage of NATO is to keep the countries from having armed conflict with each other. Certainly, that is the case, I think, in the case of two allies, Greece and Turkey. Their membership in NATO has helped prevent that—although the animosities are, unfortunately, still present.

Why would we not want to know something about the treatment of national minorities? It seems to me that was a fundamental question that should have been asked by our allies and the United States of the newly emerging states in the former Yugoslavia before we recognized them. We should have asked the question about their treatment of minorities and their respect for human rights and their rule of law.

Is there really a sentiment in the Senate that we do not want to know the answer to that question, or we do not even want to ask it? Is that tilting? It does not seem to me that it is.

Is there somebody who does not want to ask the question whether the prospective new NATO members are in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area? Is that a painful question? Is this some kind of inside-the-beltway steamroller that is going so strong with people, having taken positions about NATO expansion and not asking these questions, that we cannot ask them now? What is going on?

Are the American people not entitled to know what it is going to cost? Are they entitled to know whether we are going to forward deploy our forces? Are they entitled to know whether we are going to preposition our equipment? Or are they at least entitled to have the President tell the Congress what we are going to do in terms of strategy? Some of it may be classified. Is that something that we are going to do, put blinders on and say, let us charge out and see who can take the strongest stance and expand NATO the quickest, without asking questions? Is that what our colleagues are concerned about?

I know that there are people who have taken the position we should expand NATO. I think there is a case that we should. I, myself, believe we should expand NATO. I believe that the logical step, though, as the Senator from New Jersey said so well, is to make sure that countries which are not now under military threat secure their economy and their political system.

I really find it a little puzzling that some of our European colleagues could say it is too difficult to expand the European Community. They need access to trade. What they need is markets. It is too difficult to decide whether we are going to let new countries in that grow vegetables and they might ship them across the border. It is easier for the US. to extend a nuclear guarantee. I mean, we can be the country that decides that question, but we do not want to ask the question.

I mean, is it really harder to open up markets and let countries that are newly emerging and need the markets—is it harder to give them access than it is to extend a nuclear guarantee, saying that if there is a war, we would go even to the extent, in extreme situations, of using nuclear weapons?

Are we basically saying that politicians cannot deal with economic issues; let us all turn it over to the military?

I favor a logical sequence of expansion of NATO. I think it makes all sorts of sense as the European Community expands to take those new members, and, if they meet NATO standards to give them serious consideration for membership, then I think in most cases they would be eligible for membership.

I also think if there is a threat that we ought to be willing to respond to that threat where it makes sense militarily and where we can be effective militarily. If the Russians elect an extremist or nationalist who decides they are going to rebuild the threat against Central Europe, of course, we ought to be alert to that. The difference now though is that—in the cold war we may have had 15 days of warning time or we may have had 3 months warning time of any kind of attack—now all of our intelligence and military people would tell us we have years of warning time; years of warning time before any kind of threat to certainly some of the countries that we are talking about taking in.

Does anyone really not want to ask the question, and ask the President to think before we agree to immediate expansion of NATO, of the effect on Ukraine? If you look at the map, Ukraine geographically may be the most vulnerable and may be the most important country to retain its sovereignty. But if they are not going to be in the first tier, not going to be part of NATO but we expand NATO and nationalism kicks up in Russia in response to it and they start basically putting pressure on Ukraine, are we ready to deal with that, or do we not want to ask that question?

Is that one that is too hard to ask? Should we restrain ourselves and not ask it because it might be a hard question?

What about the Baltics? What about the countries that have been suppressed for years and years by the former Soviet Union that are now not only building their own sovereignty but are doing pretty well in democracy, and in their economy? If they get left out of the NATO expansion in the first round, are they likely to come under real pressure from a nationalistic kind of response in Russia? Is this something we do not want to think about? Do we want to just say let us not think about it?

Mr. President, I am perfectly willing to work out language. I think there are some questions that can be added to this.

Certainly it seems to me that every question in here is relevant, and every question in here I would be appalled if I did not think the President of the United States leading our country as Commander in Chief had thought through these questions before we make the final decisions. I would be appalled if I did not think NATO had thought through them.

I know they have not all been thought through now. I understand that. But by the time NATO makes these decisions, if they do not ask themselves these questions, and if our leadership in the Congress does not ask these questions, and if the President does not ask these questions, then we are not fulfilling our constitutional obligation to the American people.

Mr. President, I am perfectly willing to work with people on this amendment. I find it a little bit puzzling that the argument is being made that this amendment asking the questions might place some adverse effect on the Russian elections when we are asking the questions but a NATO expansion amendment that pushes forward with it that is put on the Foreign Relations appropriations bill today has no bearing.

One amendment—this one—asks the questions. How could that have an adverse effect on the Russian elections when NATO let us expand quickly and let us pick out the members by a legislative fiat amendment, basically which is put on the Foreign Relations Committee bill the same day? I find that also puzzling.

Mr. President, these are all questions that need to be asked. I will not be here when this debate takes place next year, or whenever it takes place, on the NATO expansion. But I will be watching the debate as will other people all over this country, and I will certainly hope that all of these questions would have not only been asked but also to the best extent possible been answered.

You cannot forecast every scenario and every possible type of conflict. But that does not mean you do not have a strategy.

Is the NATO strategy something we cannot talk about? For 45 years we have had a strategy in NATO. The first report out of the U.S. Senate was on NATO's strategy; a critique of it. It was not classified. We had a strategy. We had a strategy of forward defense. America has had a strategy for years not only of conventional deterrence in NATO that was avowed, but we had a declared open strategy of being willing to use nuclear weapons in response to a conventional attack. That was not a secret. Maybe somebody did not know it. But we had that as a strategy. That was part of our strategy. If the NATO alliance were overwhelmed with conventional weapons, we reserved the right by declaration of being the first ones to use tactical nuclear weapons in response to that. That was our strategy; an open declared strategy.

Now are we going to expand NATO and not have a strategy? Is that what we are being told? If so, then I dissent.

NATO has to have a strategy. That is why when the politicians start telling the military, "OK. Folks, it is too hard to talk about economic expansion. It is too hard to talk about access to markets. Those are tough questions. But you go out and you expand and give these military guarantees, and we are not going to ask any hard questions about how you are going to do it."

Well, if we ever have to do it, if there is ever a threat and we have to respond, we will demand that our military have thought through that strategy, and any of them who have not in leadership positions would be properly criticized. They would not have fulfilled their duty, and they know that. That is why they are busy scratching their heads with these questions, and basically trying to figure some of them out when we may be reluctant to even ask them to think about it.

Mr. President, I find it puzzling. But I am sure that we can continue to work and perhaps work out some language on this. I can assure my colleagues, if we do not work out language now, we will be revisiting this issue this year because at least I am determined that we have a framework—a kind of framework that the American people have every right to expect of us where the Congress of the United States will be called on to ratify this treaty, this expansion of the NATO alliance. We will be called on to ratify it, and I think our constituents—the American people—have every right to expect that we will be asking these questions and that President Clinton, or President Dole, or whoever is President, when this decision is made will have asked and have a projection of the answers to these kinds of questions.

Mr. President, I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Indiana.

Mr. COATS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, I wanted to just talk for a moment or two about the amendment of the distinguished Senator from Georgia dealing with NATO expansion.

Obviously, the immediate step that both NATO and the United States and Central Europe have talked about is the potential of the Czech Republic, Poland, and Hungary jointly. There are other countries that wish to join as well, and in time they will be evaluated and pass the standards that have already been developed.

While this amendment is put in the framework of asking a whole series of new studies, I compare it to the old-style Mississippi literacy test because it is this Senator's belief that they are designed to have the same effect. That is to take on the pretense of a study or ascertaining a fact, but in reality to simply flatly prohibit anyone from ever entering.

I understand that is not the intent of the Senator from Georgia, and I do not mean to attribute that intent to him, but that is my belief of its impact.

I wanted to deal specifically with one of the issues raised, and that is the cost. The amendment discusses a study done by the Congressional Budget Office as to what it might cost to defend Central Europe. Mr. President, the question is not the cost of defending Central Europe in the event of a military conflict. With all due respect, it is the difference in cost of defending Central Europe if they are part of NATO and if they are not part of NATO.

You do not have to have a CPA to figure out this question. If 400,000 Polish troops are on your side instead of opposed to you, does it cost more to defend Central Europe or does it cost less? That is why I feel this the amendment is so ludicrous. Of course it is better to have 400,000 Polish troops on your side than opposed to you. Of course it is in your interest to have the Czech Republic on your side rather than opposed to you. Of course it is in your interest to have Hungary on your side rather than opposed to you. Does a war cost less if they are on your side than if they are opposed to you? Of course it does. This is phrased in the terms of reference of the Congressional Budget Office—how much more does it cost to do it?

That is stupidity. I am not referring to individuals. I am referring to concept. The question is not what it costs to defend them. The question is, what does it cost if we do not defend Central Europe? To suggest that if you have more allies and more troops and more strength it is more costly to defend that than with less is not a serious question. To ask if it increases your cost to have a bigger enemy or a smaller enemy, I do not think is a serious question.

Now, what is the question? The question is basically this. Do we want to recognize a sphere of influence by Russia over the future fate and defense policies of Central Europe? That is the real question that we have to address. My sense is that if we are clear that they must be masters of their own destiny, or at least have that option, we put the question to rest. It would be solved. It would be decided. But if we leave it open, as has happened the last 4 years, then we invite people in countries that might want to control Central Europe to imagine that we would sit idly by and allow them to dictate their future.

Mr. President, if there is a lesson that comes out of World War II, it is that uncertainty as to your intentions can be devastating at times. But I hope we will debate that issue, because a sphere of influence is a reasonable debate. It is an important question. It may be there are those who think giving others a control, a sphere of influence over Central Europe is a wise policy that will placate them. That may well be. There is a case to be made there, a debate to be had. But to suggest it is less costly to have troops and allies based on the other side than our side I do not believe is a serious question.

I must say, Mr. President, there is a suggestion here that somehow we are going to be the ones to pay for the troops in Poland and pay for the troops in Hungary and pay for the troops in the Czech Republic. No one from those countries has suggested that. They have not asked for it. We have not volunteered it. I do not think it makes any sense, nor should it. But I do think it makes sense for them to be on our side and not opposed to us.

We have talked about sharing surplus material with them as we do with other countries around the world. But let me suggest that there is a real plus in the development of joint material with those countries. It helps develop a common bond, a bigger production base and more unity, and I think it is worth pursuing. So I hope we will discuss the issue and debate it and will move quickly on it. But I think it is a mistake for us to hold out a hand of friendship and then not answer their question when they ask to stand side by side with us. If we really want someone else to have a sphere of influence over them, we ought to be straightforward enough to say it. I think it would be a bad policy, but we ought to be straightforward about it. But year after year after year to say:

Oh yes, we want you as part of NATO but just not this year.

Well, when?

Well, maybe next year. Maybe the year after. We are certainly talking about the year after that.

These are smart people. They are not foolish. If we treat them that way they will understand what is happening to them and they will react. Is it in our interests to give the back of our hand to people who want to be our friends and allies, our comrades? I do not think so. But we ought, at least, to be straightforward.

If the question is recognized sphere of influence of other countries over them, we ought to at least face up to that. But if we think they should have an opportunity to be independent and free, and this country stood for that for a long, long time, and we think the addition of their forces standing side-by-side with ours would make that more likely to be realized, their freedom and long-term independence, then we ought to get on with it. We should not play games. A 2- or 3-year study on top of 4 or 5 years of study is not a way to decrease our problems.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I am not sure what our state of affairs is, but I wonder if I may speak as in morning business for 3 or 4 minutes.

Mr. NUNN. Yes, we are waiting on amendments. There is an amendment pending, a NATO amendment, my amendment, but it is temporarily laid aside so if anyone wants to bring a defense-related amendment in we would welcome it.

In the meantime, we will all be fascinated with the Senator's remarks.

Mr. MURKOWSKI. I appreciate my friend from Georgia. I am sure he will be fascinated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY POLICY CONSERVATION ACT EXTENSION

Mr. MURKOWSKI. Mr. President, I would like to bring the attention of this body to a piece of legislation that is pending, S. 1888, the Energy Policy Conservation Act extension. I think my friend from Georgia will find it does have an application to the defense of our Nation, because this bill is very simple, and its immediate passage is extremely important to our Nation's energy security as well as our Nation's national security.

The administration strongly supports the passage of this bill and the language is not controversial. However, as chairman of the Energy Committee, we have been trying to clear this for 2 weeks now. We continue to have, unfortunately, objections from our friends on the other side of the aisle, the Democrats. But I know it is not the content of S. 1888 that they are objecting to. So let me make the situation very clear. I appeal to my friend from Georgia, the manager of the bill, that the authorization for two vital energy security measures, the Strategic Petroleum Reserve and the U.S. participation in the International Energy Agency are due to expire at the end of this month.

S. 1888 simply extends those two vital authorities through September, until a more comprehensive reauthorization bill can be enacted. So if we do not pass S. 1888 by the time we recess, the President will not have the authority to withdraw oil from the Strategic Petroleum Reserve if an energy emergency occurs in this country. Further, our Government will not have the authority to participate in International Energy Agency emergency actions in an international energy emergency.

It has been evident in the last few days, the significance of our dependence on Mideast oil, and the fact we are willing to have United States troops in Saudi Arabia to ensure that peace is maintained and that energy from that part of the world flows. Currently we are about 51.4 percent dependent on imported oil. It is estimated by the Department of Energy that by the year 2000, roughly 4 years from now, that will increase up to about 66 percent.

Here we are with our authority to operate the Strategic Petroleum Reserve in jeopardy. There will be no antitrust exemption available to our private oil companies to allow them to cooperate with the International Energy Agency and our Government to respond to the crisis. Although it appears to be an easy one for some to simply disregard these dangers, I again indicate that recent events have underscored exactly how precarious the Nation's energy security is. As I have indicated, the bombing in Saudi Arabia is further evidence of the instability of the region that we rely on to supply the oil that keeps the Nation moving.

As proven during the Persian Gulf war, the stabilizing effect of a Strategic Petroleum Reserve drawdown far outstrips the volume of oil sold. The simple fact that the Strategic Petroleum Reserve is available can have a calming influence on oil markets.

There are those, myself included, who were dismayed to some extent by a recent trend toward use the SPR as a piggy bank to pay for other programs. We will continue to debate the long-term prospects for the SPR in the future. In any case, we have already invested a large amount of taxpayer money in the stockpiles. The oil is there, ready to dampen the effects of an energy emergency on our economy. However, if we do not ensure we have the authority to use the oil when it is needed, we will have thrown tax dollars away. So, as I stand here before you, I implore my colleagues to release the hold and allow this simple extension to take place in the interests of our national security and our national energy security. If we do not ensure that there is authority to use the oil when it is needed, it simply will be to no avail.

So, as I stated earlier, the content of this legislation is noncontroversial. I understand the Department of Energy has been strongly urging Members on the other side to remove their objection. It is clear the objection from a few Democratic Members has nothing to do with the substance of this bill. It is intended only to gain leverage on unrelated issues.

Some of my fellow Republican Senators have problems with other parts of EPCA that they would like to raise on the larger reauthorization legislation. However, they have acted in concert to agree to allow this bill to proceed without amendment simply because of the strategic significance of it.

So I think it is reckless, I think it is irresponsible to knowingly place our Nation's energy security at risk, to try to gain some small political advantage. American service men and women, as we have seen time and time again, have given their lives to ensure our Nation's energy security. We have seen that with the tragic bombing in Saudi Arabia the other day. Make no mistake about it, part of our presence there is to ensure the supply of oil for the Western World would continue uninterrupted. We fought a war over that. We tried to put Saddam Hussein in a cage. So I think it is shameful that today we would hold this legislation hostage to a political will.

I encourage my colleagues to allow the immediate passage of S. 1888. I think it certainly is germane to the defense matters we are discussing here on the floor tonight, because you cannot move military or defense capability if you do not have the oil availability. So I encourage my colleagues to address their attention to the fact that, unless we get this authority, SPR will simply be unable to be utilized if there is an emergency.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

AMENDMENT NO. 4367

The Senate continued with the consideration of the bill.

Mr. COHEN. Mr. President, there has been a good deal of discussion this evening about the amendment offered by my colleague from Georgia, an amendment which I cosponsored. I know it has generated considerable controversy because some have questioned the consequences of and even the motivation for such an amendment at this time. But I would just like to indicate that I think it is important that we try, as best we can, to return to a bipartisan approach to foreign policy.

I would include within foreign policy our defense policy as well. This is something that, when I came to the Senate in 1979, we assumed would be the policy of this body—at least to try to forge a bipartisan coalition that would support foreign policy initiatives and certainly our defense policy, knowing unless we are united, we can only cause confusion, certainly within the country, and confusion amongst our allies as well.

The issue of NATO expansion is not new. We have been talking about it for some time. Yet suddenly, by virtue of the submission of this amendment, some of my colleagues assumed there may be some political agenda, some hidden agenda on the part of my colleague from Georgia and the cosponsors that would have implications for our Presidential candidate.

Let me indicate from the very beginning, I favor the expansion of NATO. I also support the candidacy of BOB DOLE. I hope he becomes our next President. I know that he feels very strongly that NATO should be expanded. I intend to lend whatever support I can to his candidacy, as I have indicated.

But I believe that before we make a decision on enlargement, which carry some fairly serious consequences, we ought to know a number of things. We ought to know what the implications are in terms of costs. We ought to know, at least get an assessment from our intelligence community, what the likely consequences would be for our allies and what the reaction will be in Russia, to the extent we can calculate it. Notwithstanding what the Russian reaction might be, we are likely to take the steps necessary to enlarge. But we should at least be aware of what our intelligence community can tell us about it so that we can make informed judgments.

It seems to me that is not asking too much. And perhaps it comes at a political time, but these are issues that we should raise in advance. We should not find ourselves coming in at the tail end of a decision where a President has made recommendations either to enlarge or not to enlarge, where NATO has gone on record in favor, and suddenly the President turns to the U.S. Senate and says, "Well, the decision has been made. NATO is in favor of the expansion. Now the Senate must go along." Ipso facto, we must approve because NATO has approved.

That, I think, would put this Senate in an untenable position—to have a President of the United States make a decision and then simply submit it to us for ratification without us having any prior input into the decision itself or any kind of prior analysis of the evidence that we ought to be considering.

There are other questions that can be added to the list of questions contained in this amendment. Indeed, one concerns the benefits of enlargement. That, I think, is a very appropriate question to add. A whole list of questions can be added. It is not locked in concrete. These were not written on Mount Sinai. They can be added to; they can be subtracted from. But it seems to me we ought to start the discussion now.

One of my biggest criticisms is that NATO expansion has been bandied about, but the American people have not been asked about it. I hope we can persuade them that it is in our national security interest to expand the coverage and the protection and the benefits of NATO membership to countries that have long been under the heel and boot of tyranny, who are yearning to become part of this wonderful experiment in democracy and capitalism. They are eager to come in under our umbrella, as such.

I hope that we can start the dialog now, to start going to the American people and pointing out exactly what is involved, understanding what the risks are, what the calculated risks are, if any. I, frankly, think we have succumbed too often to Soviet, and now Russian, indication. Mr. Lebed once indicated if we were to expand NATO, that is world war III. Since that time, he has modified that suggestion. Now that he is a candidate for vice president, as such, he is taking a more moderate approach.

Nonetheless, we cannot ignore the statements made. We may take an action in the face of such a threat, but at least it should be an informed decision on our part. And I find nothing wrong with raising these issues now, even though there is a Presidential campaign underway, because President—well, I speak too soon—Senator DOLE, candidate for President DOLE has been on record for a long time about his favoring expansion. We will support him as best we can in that regard.

But I think it is critically important that we start raising these issues now, that we not blind side the American people and say, "Well, the President of the United States and the Congress have now gone on record that we are all favoring expansion." We have never asked them. We do not know if there are tax implications for them or whether we are simply going to borrow the money, or if any money will be necessary at all.

We have not asked them whether or not they would be willing to do it for not only Danzig, but Poland or the Czech Republic or any of the other nations that may come in, Hungary and others, Slovenia. We have not asked the American people as to whether or not they would support our sending our troops to those regions should there be an attack upon any one of them. It is important we ask them now to get some sense of what the public opinion is going to be, and if it is negative, to try to overcome that and shape it to follow our leadership on that particular issue.

I might say in connection with another subject matter, that of Bosnia, I do not think we have asked enough questions on the subject of Bosnia. Things are going well; apparently they are going quite well now. There is less bloodshed, virtually no bloodshed taking place. The sides appear to have stepped back from this warfare that has been waged for so many years, and there seems to be a positive role that we have played during this interim period, a period of trying to maintain a truce.

President Clinton and Secretary Perry each have pledged publicly time and time again this is a 1-year commitment. I think most of us would raise questions initially as to whether you should ever make a time commitment on the deployment of American troops anywhere, but a political decision has been made that 1 year and 1 year only is the amount of time we would deploy our men and women to that region on the ground.

President Clinton has stated it publicly many times, Secretary Perry has testified before the Armed Services Committee on a number of occasions that they will start taking troops out, as a matter of fact, beginning in either late September or early October.

So there will be no October surprise. It will not be a politically astute movement on the part of the President, "Aha, we're going to have troops coming home; unbeknownst to the American people, they will come on the eve of the election." We know in advance they will be coming home before the election.

Yes, I am sure there will be some political benefit from that which President Clinton will seek to reap. We know that is going to take place. We also know, according to Secretary Perry, that all of our troops will be out by the end of December.

IFOR will no longer exist, according to the stated plan. But there is something else afoot, I must say, Mr. President. We have not talked about it, but I see it starting to take place. It is somewhat undefined right now. It is like a cloud very distant on the horizon that is coming our way, and we ought to try to identify it, because, Mr. President, there is afoot an attempt and a movement, I should say, in which the IFOR—the so-called IFOR that is there today, the NATO force—will be replaced with a new force.

That new force, presumably, will be made up of NATO members, including the United States. The size of that force has yet to be determined, but it will still have to be a sizable force if we are going to deter and discourage any attempt to attack our men and women who are serving there.

So now we have a situation in which we have pledged to the American people it is 1 year, and that 1 year came over the strong objection, I might say, of many on this side of the aisle. But, nonetheless, a deployment for 1 year, and at the end of 1 year we are coming home. That is the pledge.

What is taking place now, however, is a suggestion that we need a new force, and that new force necessarily will have to include U.S. ground forces. We ought to start discussing that now and not wait until after the fact. Not wait until after November. Not wait until the Congress has dispersed either at the end of September or early October, when we are spread to our constituencies, and suddenly a decision is made that we are now formulating a new policy.

The elections will come, and whether it is President Clinton who is reelected or President DOLE who is elected, a decision could be made in that interim between November and January to create a new NATO force committing U.S. participation. And then we would be told: "Well, it's a done deal. Our NATO allies are in favor of it, and now we must go along or we undermine the credibility of the NATO force itself." Our NATO allies would no longer trust the United States if we should back away from such a commitment.

That is a subject matter that is worth discussing. It may be necessary to do that. I have yet to identify a vital national security interest in Bosnia, which is an artificial state, but nonetheless that is this Senator's judgment. But we ought to be talking about that. We should not wait until after the Bosnia elections in September. We should not wait until after the Congress is dispersed and we adjourn sine die. We should not wait until after the November elections and then suddenly find, my God, the President of the United States has made a commitment to deploy our troops in a new type of IFOR in the region, maybe smaller, but nonetheless still significant in size.

So, Mr. President, we ought to get back to the business of having an active, intelligent discussion of these issues. We ought to try to do so on a bipartisan basis if at all possible. It seems to me we ought not to look for hidden agendas. Does the Senator from Georgia have an agenda to try to slow the process down? I do not think so. Others may come to a different conclusion. He is raising these issues because it is important that we prepare the American people for an analysis of exactly what the pros and what the cons are, what the benefits are, what the costs are.

Are we placing ourselves in greater jeopardy? Are we reducing the jeopardy to our new friends and allies? All of that is of critical importance, and we ought to discuss it before we take action, rather than bemoan the fact that someone has taken action and we are called to ratify it with no prior role or participation.

I hope we can amend the language to make it more positive, to ask about the benefits of expanding NATO, which I support. But I hope we do not simply defer these questions until some time after the decision has been made and then have the American people say, "We don't want it. We don't want to pay for it. We don't want the benefits of it. We don't want to defend Poland or Hungary or the Czech Republic or Slovenia or the Baltics. We don't want any part of that." And suddenly the United States is placed in the position of saying, "Well, we can't back out of it now. We have made the pledge."

So I think these are important issues to be discussed. I hope that we can help shape public opinion in favor of expansion, and I continue to lend whatever support I can to Presidential Candidate DOLE, Senator DOLE, whom I expect and hope will become the new President of the United States.

AMENDMENT NO. 4369

(Purpose: To authorize additional disposals of material from the National Defense Stockpile)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 4369.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XXXIII, add the following:

SEC. 3303. ADDITIONAL AUTHORITY TO DISPOSE OF MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $110,000,000 during the five-fiscal year period ending September 30, 2001;

(2) $260,000,000 during the seven-fiscal year period ending September 30, 2003; and

(3) $440,000,000 during the nine-fiscal year period ending September 30, 2005.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

AUTHORIZED STOCKPILE DISPOSALS

Material for disposal	Quantity
Chrome Metal, Electrolytic	8,471 short tons
Cobalt	9,902,774 pounds
Columbium Carbide	21,372 pounds
Columbium Ferro	249,395 pounds
Diamond, Bort	91,542 carats
Diamond, Stone	3,029,413 carats
Germanium	28,207 kilograms
Indium	15,205 troy ounces
Palladium	1,249,601 troy ounces
Platinum	442,641 troy ounces
Rubber	567 long tons
Tantalum, Carbide Powder	22,688 pounds contained
Tantalum, Minerals	1,748,947 pounds contained
Tantalum, Oxide	123,691 pounds contained
Titanium Sponge	36,830 short tons
Tungsten	76,358,235 pounds
Tungsten, Carbide	2,032,942 pounds
Tungsten, Metal Powder	1,181,921 pounds
Tungsten, Ferro	2,024,143 pounds

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury and used to offset the revenues lost as a result of the amendments made by subsection (a) of section 4303 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 100 Stat. 658).

(2) This section shall be treated as qualifying offsetting legislation for purposes of subsection (b) of such section 4303.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

Mr. COHEN. Mr. President, this is an amendment which I am offering, actually, on behalf of the administration. It is something that involves what we call research and development recoupment.

The state of affairs is as such: The U.S. companies that sell defense equipment abroad are charged a fee by the Department of Defense for the purpose of recouping the research and development investment that the Department has made in developing the equipment. These fees can run anywhere from 5 percent of the unit cost to as high as 25 percent of the unit cost.

These recoupment fees often put our industries at a substantial competitive disadvantage because the fees result in higher sales costs, leading some of the buyers to simply purchase foreign-produced systems, instead.

The Bush administration eliminated the R&D recoupment fee for commercial arms sales, but in the case of foreign military sales, so-called FMS, those in which the U.S. Government acts as a middleman, the fee is actually required by law.

Last year—let me emphasize this—last year the Defense Authorization Act included a provision to allow the President to waive the fee under two conditions. First, if imposing the fee would cause us to lose the sale, then the President can waive that recoupment fee. Second, if the foreign sale would result in unit cost savings to the Defense Department when it buys the same equipment and those fees would substantially offset the revenue lost from waiving the fee.

Here is the problem, Mr. President. Since allowing the fee to be waived would on a net basis lower Government revenues, last year's bill delayed the waiver authority until the enactment of legislation to offset the projected lost revenues through the year 2005.

So the administration, as required by last year's bill, has submitted such offset legislation. They have now submitted offset legislation which would cover the lost revenues by selling assets from the strategic stockpile. The Congressional Budget Office has given its stamp of approval to the administration's plan.

For several months there was some confusion over whether the administration's bill would work because it significantly overestimated how much lost revenue needed to be offset, calling into question whether the Department of Defense could sell off sufficient stockpile assets without interfering with the market.

Earlier this month, however, CBO concluded that waiving the R&D recoupment fee per last year's bill would cost roughly $415 million through the year 2005. That is about half of what the administration originally projected would be the cost.

At the time that the Armed Services Committee marked up this bill, CBO had yet to produce its analysis. So the issue simply was not addressed at that time. But after we completed the markup, President Clinton's administration said that unless we included this provision in the offset, they would recommend a veto of the DOD bill.

So, in essence, I am acting on behalf of the administration to try to avoid a veto of the measure by now offering that provision in the form of an amendment, the provision that the committee had failed to include. So I am serving here, I think, a bipartisan purpose; namely, the administration said we are going to veto this bill unless you include this amendment, so now I am offering the amendment to help avoid a veto.

I know that some Members from States that produce materials that would have to be sold have indicated some concern about the effect that selling these strategic minerals would have on the markets. But I emphasize, the amendment explicitly prohibits any sale that would have an undue disruption on the markets involved.

Also, I am aware that some Senators might look at this amendment and ask, "Aren't we promoting international arms sales?" I agree that we should always be careful about what arms we sell and to whom we sell them. But this amendment does not pose any problem in terms of unwise arms sales.

First of all, the amendment only deals with FMS sales, which the Government has complete control and discretion over. If a proposed sale is unwise or against our interest, this amendment in no way creates any incentive for U.S. officials to approve the sale. In fact, it would create a disincentive because waiving the fee would reduce revenues.

I also note a Presidential commission on conventional arms proliferation just last week released its report. That commission was chaired by Janne Nolan, known to many Senators because of her service in the Carter administration and as a Democratic Senate staffer. Another commission member was Paul Warnke, who was President Carter's head of the Arms Control and Disarmament Agency. So we have two very strong individuals who have served in past Democratic administrations who served on this commission.

The commission came out with some strong recommendations to limit the sale of conventional arms to other countries. The relevant point for this amendment is that the commission called for the complete repeal of FMS R&D recoupment fees.

My amendment does not go that far. Perhaps we ought to eliminate the recoupment fee altogether. But my amendment is not trying to establish new policy. It merely finances the policy decision that Congress made last year when we approved the DOD authorization bill.

So, Mr. President, the President's commission on preventing the proliferation of conventional arms sales totally supports this particular approach. They want to eliminate the recoupment fee entirely. This is a much more modest step. It is something that the administration has requested. I hope that my colleagues will see fit to support it.

Also, Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Department of Defense supporting the amendment, an excerpt from the report of the President's Advisory Board on Arms Proliferation Policy, an article from the Washington Post describing the general findings of the commission calling for greater restraint in arms sales, and, finally, a letter from the Aerospace Industries Association, which endorses the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF THE
UNDER SECRETARY OF DEFENSE,
Washington, DC.

Senator STROM THURMOND,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR SENATOR THURMOND: Your staff has asked for the Department of Defense views on two draft floor amendments to S. 1745, the DoD Authorization Act for Fiscal Year 1997. The first amendment would reinsert into the bill offsets valued at $440 million over nine years for funding Foreign Military Sales (FMS) from sales of excess inventories of the National Defense Stockpile (NDS). The initial Department of Defense legislative proposals for FY97 also contained such an offset provision. The draft floor amendment is worded somewhat differently from DoD's original offset proposal for FMS sales. However, we support the amendment as long as it contains language in subsection (c) subjecting the stockpile sales to a provision that would prohibit disposals to the extent that they would result in "undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal."

Without the market impact provision, the Department could be in a position where we would have to sell large amounts of its inventories of NDS materials on to the world market in order to meet the mandatory schedule of receipts even if this would adversely impact world markets for these materials and harm both domestic and foreign producers. Moreover, such action could affect the market value of the remainder of the NDS inventories of these materials making it impossible to meet the schedule of receipts in future years.

The second amendment would authorize sales of 10,000 short tons of Titanium Sponge. This amendment is duplicative of the disposal authority for Titanium Sponge in section (b) of the first floor amendment regarding FMS offsets which authorizes disposal of our total Titanium Sponge inventory of 36,830 short tons. Therefore, these amendments are mutually inconsistent. We believe the FMS offset amendment should have priority.

Sincerely,

JOHN B. GOODMAN,
Deputy Under Secretary
(Industrial Affairs and Installations).

Enclosure.

EXCERPT FROM THE REPORT OF THE PRESIDENTIAL ADVISORY BOARD ON ARMS PROLIFERATION POLICY

THE R&D RECOUPMENT CHARGE

Current law provides that when certain weapons developed for U.S. use are sold abroad by the U.S. Government, a charge is to be added to the price and remitted to the Department of Defense. This requirement, intended to recover part of the U.S. government's original investment, is called an R&D recoupment charge. The case-by-case application of this charge has historically been both uneven and controversial. Various administrations have obtained numerous exceptions from Congress, allowing the charge to be reduced or waived for foreign policy reasons. General exceptions currently exist in law for individual nations, including NATO allies.

Industry has argued that the charge discriminates against defense contractors, since such recoupment rules have no such parallel in other areas where the U.S. government has made major R&D investments in developing and purchasing capital equipment—for example, power generation, telecommunications, computer systems, and nuclear reactor technology. Further, American firms cite the R&D recoupment charge as a clear and sometimes significant price discriminator against them as they compete for sales in third countries against foreign producers. These foreign competitors have no equivalent added costs, and may even benefit from overt or covert subsidies from their respective governments. Based upon its review of this issue, the Board supports the Administration's stated intent to seek repeal of the current R&D recoupment charge.

[From the Washington Post, June 26, 1996]

ARMS TRADE MENACES U.S. SECURITY, PANEL SAYS: CLINTON-APPOINTED GROUP URGES RESTRAINT IN SELLING CONVENTIONAL WEAPONS TO OTHER COUNTRIES

(By R. Jeffrey Smith)

An advisory panel appointed by President Clinton has warned that the $22 billion global trade in increasingly sophisticated conventional arms threatens to undermine the security of the United States and its friends and has called on Washington and its allies to exercise more restraint in selling such weaponry to other countries.

Noting that the end of the Cold War has reshaped the world market for armaments and given the United States the predominant share of all such exports, the panel said that Washington should show more leadership to slow the proliferation of advanced weaponry and ensure that civilian technology are not being diverted to military use overseas.

Although the panel noted that some arms sales to friendly regimes can add to U.S. security, it warned that modern arms "have in some cases attained degrees of military effectiveness . . . [previously] associated only with nuclear weapons" and expressed particular concerns about the risks from selling to unstable regimes in Asia and the Persian Gulf.

In particular, the panel called for U.S. policymakers to stop approving some weapons exports to prop up declining U.S. defense firms, a recommendation at direct odds with a U.S. conventional arms control policy adopted by Clinton in February 1995. National security interests should be the sole criteria for making such exports, and domestic economic pressures should "not be allowed to subvert" decision-making, the panel said.

"The world struggles today with the implications of [exporting] advanced conventional weapons," including the promotion of regional arms races or political instabilities, and risks to U.S. soldiers overseas, the panel said. It warned of even greater problems in the future, as "yet another generation of weapons" with greater destructive power is exported.

As a result, the five-member, bipartisan panel said it was "strongly convinced that control of conventional arms and technology transfers must become a significantly more important and integral element of United States foreign and defense policy if the overall goals of nonproliferation are to succeed." The report—the result of an 18-month study with assistance from the Rand Corp.—was presented to the White House on Friday, and is to be formally released this week.

The U.S. shares of the global arms market is 52 percent, up from around 25 percent nine years ago, and will likely expand to about 60 percent by the end of the decade, according to the report. But the size of the market has shrunk by more than half during the same period, primarily at the expense of Russia, which no longer ships arms to client states such as Afghanistan, Cuba, Iraq, Syria and Vietnam. U.S. domestic arms procurement also declined by $60 billion between 1985 and 1993.

The result is what the report describes as an "excess production capability" in weapons factories around the world that has created enormous corporate pressures to sell products abroad. The Clinton administration paid heed to these pressures when it decided that safeguarding the U.S. "defense industrial base" or certain key U.S. defense firms should be among the criteria used in arms export decisions.

The panel said, however, that the export market remains too small to compensate for domestic business losses, and that "means other than questionable arms sales" are available to protect vital U.S. defense firms. It said that "the best solution to over capacity in defense industries is to reduce supply rather than increase demand."

This conclusion was hailed by House Budget Committee Chairman John R. Kasich (R–Ohio), who sponsored legislation creating the panel. "'It's the economy, stupid,' is a cute slogan, but must never be the justification for arms sales abroad. I am glad the commission rejected the industrial base argument and hope the administration will implement the recommendation."

The panel was also sharply critical of the way the administration reviews arms exports, accusing the National Security Council of paying insufficient attention to the issue and urging it to exercise more power to restructure interagency mechanisms for greater efficiency, including improved intelligence-gathering. It also said regulations created by a half-dozen or more laws that govern exports should be formed into a "single, coherent framework."

"It looks like a very thorough, thoughtful, comprehensive report and we look forward to studying its recommendations closely," a senior administration official said.

The panel chairman was Janne E. Nolan, a senior fellow at the Brookings Institution who was a delegate to international arms transfer negotiations during the Carter administration. Its other members were Edward R. Jayne II, a business executive; Ronald F. Lehman, a former director of the Arms Control and Disarmament Agency in the Bush administration; David E. McGiffert, a former assistant secretary of defense; and Paul C. Warnke, a former U.S. arms negotiator and assistant secretary of defense.

AEROSPACE INDUSTRIES ASSOCIATION,
Washington, DC, June 27, 1996.

Senator SAM NUNN,
Ranking Member, Senate Armed Services Committee, Russell Senate Office Building, Washington, DC.

DEAR SAM: The Arms Export Control Act currently requires the government to add a charge on all Foreign Military Sales (FMS) of major defense equipment to recoup costs incurred by the government for the research and development, and non-recurring costs for production of the products being sold. The Bush and Clinton Administrations, recognizing that this fee is essentially a tax on exports, asked Congress to rescind this requirement. Furthermore, the recently published Report of the Presidential Advisory Board on Arms Proliferation Policy, also recommends that this charge be eliminated.

Congress ultimately included an authority in the FY 96 DoD Authorization bill to waive FMS recoupment requirement should failure to do so likely result in the loss of a sale or should U.S. Government procurement cost savings associated with a sale substantially offset the foregone recoupment revenue. However, this waiver authority is not effective until qualifying budget offset legislation is enacted. Recently, DoD has identified such a budget offset.

It is my understanding that Senator Cohen (R ME) will offer an amendment to the FY97 DoD Authorization bill that will enact the budget offset legislation. As I mentioned above, the recently published Presidential Advisory Board report states that recoupment charges should be completely eliminated. Senator Cohen's amendment would provide only partial repeal, and we feel that this is a fair compromise position.

We believe that the time has come to eliminate this tax on exports, and we urge you to support the Cohen Amendment.

Sincerely,

DON FUQUA.

Mr. LIEBERMAN. Mr. President, I am offering my support to and cosponsorship of Senator COHEN's amendment to the fiscal year 1997 defense authorization bill which authorizes additional disposals of material from the national defense stockpile. The revenues generated by these sales are needed to offset the revenues lost as a result of waiving certain surcharges on sales of U.S. defense equipment to foreign countries aimed at recouping some of the original costs of developing those products.

Last year, this Congress correctly saw fit to expand the President's authority to waive these surcharges when, and only when doing so would improve the prospects of winning contracts from foreign countries or lowering the cost of acquiring similar equipment by the Department of Defense. With the downsizing of our military force structure and the concomitant reduction in demand for equipment, it has become increasingly important for us to ensure that we can maintain a minimum industrial base and the skilled workforce necessary to preserve our production capabilities so as to provide for an adequate defense of our Nation. These sales will help us maintain these manufacturing and manpower capabilities.

In addition, the requirement for the stockpiles that would be reduced by this amendment was established in case they would be needed in a protracted war with the Soviet Union. Clearly, this threat has significantly abated, and the stockpiles in question are in excess of any near term requirement.

Mr. President, for these reasons it is important that these stockpile sales be authorized. I urge my colleagues to vote for this amendment.

Mr. COHEN. I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

AMENDMENT NO. 4367

Mrs. HUTCHISON. Mr. President, I rise to speak on behalf of the Nunn-Hutchison amendment. Let me just say that I appreciate what has been said on the floor, and I think that all of us are moving in the same direction. I think that we are moving in a very positive and responsible way. This is not an issue of, are you for NATO expansion or not? This is an issue of a responsible approach to the expansion of NATO.

What we are asking for is a report that would ask and answer the questions that anyone coming into a mutual defense pact would want to be answered. Very clearly, if we are going to put up the resources of the United States and the lives of our young men and women who are in our armed services, we want to do it in a very responsible and studied way.

We have simply said we want this decision to be a fully informed decision. We want to know the extent to which any prospective new NATO members have established democratic institutions, free market economies, civilian control of their armed forces, the rule of law, parliamentary oversight of military affairs. I think these are very important questions to ask because they determine how strong a democracy will be in any country that would be part of this very important alliance.

I think it is important that we know what are the mechanisms for border dispute resolutions. Certainly, we know there are going to be border disputes among friendly nations. There are border disputes that are not so friendly. We must know exactly what the resolution of border disputes will be, how will it be handled, what are the mechanisms that will be set forth for the resolution of border disputes.

Most certainly, had Yugoslavia been a member of NATO, it would have put us in a very difficult situation. Yugoslavia was not a member of NATO, so it was not in the perimeter of the actual NATO alliance. I think these are very valid questions. I am certainly going to support the informed expansion of NATO. I want to be there for especially the countries that are trying so hard and are succeeding at having strong economies and are putting democracies in place that are beginning to work. I think we are looking at the time element here. We need to have a test of time before we go into the mutual defense pact. That is what we are saying here.

I think it is a very positive thing for all of us to ask these questions and to make sure that if we are going to have before us the ratification of the expansion of the NATO treaty, that we have all of the answers to these questions, because a two-thirds vote will be required in the Senate. We want to make sure there is overwhelming support.

Last but not least, Mr. President, I want to make sure that we protect the underlying NATO alliance. I think it is very important we keep the commitment that we have in this country to our transatlantic friendships and our transatlantic allies and alliances. To do this, we must make sure if we expand this very important alliance, which I think probably has been the most successful alliance perhaps in the history of the world, that we need to do it judiciously and carefully and in a very informed way.

I think we have seen great disagreement on American troops in Bosnia. We did this in a NATO mission. I do not want there to be a question in the future about the strength of NATO or our commitment to NATO. This is our important alliance. I want to keep it strong. I think the way to do that is to make sure when we expand, we do it in an informed way.

It is not a question if you are for or against the expansion of NATO, but whether you are for a deliberate and informed expansion of NATO. I think there can be no question that when the lives of our citizens are at stake and when the money of our hard-earned taxpaying citizens is at stake, we should know exactly what we are getting into, as should every member nation of this alliance and every prospective member nation of this alliance.

I speak in favor of the amendment. I hope we can work out the language so that every single Member of the Senate will be comfortable that this is the right thing to do. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I support the adoption of the amendment offered by the able Senator from Maine.

The Department of Defense proposed this amendment allowing the President to waive recoupment charges on foreign military sales. This measure to repeal the recoupment provision is strongly supported by this administration, which feels that recoupment is an impediment to foreign military sales.

Eliminating recoupment was also supported by President Bush's administration. So this is not a partisan issue. Because of its support by the executive branches under both Republicans and Democrats and because of the support on both sides of the aisle in Congress, this matter needs to be addressed.

Some will no doubt contend that eliminating recoupment charges will encourage an arms race. Those against repealing recoupment argue that we are going to become an arms merchant, and that we are going to contribute to the escalation of arms sales all over the world if this recoupment provision is repealed. There is no basis for such claims. In fact, the decision as to whether or not to buy a particular weapons system is made primarily by countries and their particular defense needs. Elimination of recoupment is not an incentive to additional arms sales. However, its elimination will have the result of making the United States much more competitive in terms of being able to compete with those nations which are now both our allies in the world and also now our industrial competitors. The United States initially enacted laws requiring recoupment payments primarily for the benefit of our allies, especially to enable our NATO allies to have these weapons. Now that is no longer solely the case. Our friends are also competing internationally with U.S. businesses, and in many cases they are overtaking us on some of these arms sales. This ultimately affects U.S. jobs.

Mr. President, recoupment payments were initially instituted in the early 1960's. The intent of recoupment was to enable our Government to recover part of the cost of developing the technology needed to fight at the side of our NATO allies and win the cold war. However, our allies—especially in Europe—have now also become our economic competitors. Now, when American corporations attempt to sell military goods, their products are burdened with a surcharge that makes American products less competitive. These exports create and protect thousands of American jobs and contribute billions of dollars to our national economy. Lowering barriers and expanding opportunities for American companies to trade abroad is critical to America's long term well-being and international competitiveness.

If we encourage appropriate and responsible commercial foreign military sales, we do three things. Jobs is one. Second, we save the industrial base. The United States can use the advantage of a strong industrial base later as our own national security problems arise. Third, and this is very important in terms of saving money for the Government, we are able to manufacture more units of whatever is exported. Because of these exports, we lower the per-unit cost of whatever the item might be. This means that when the U.S. Government purchases that item in the future, it will cost the United States less. If, for instance, C–17's are sold abroad, the per-unit cost of is lower to the U.S. Government. We save the industrial base; we lower the cost of defense purchases for the U.S. Government. For all these reasons I think this proposed change in the law is a worthy idea.

Mr. President, the question of recoupment is also a question of national security. If we can keep defense industry healthy doing business that is fully supported by our laws and U.S. foreign policy, then this same industry will be alive and healthy to produce weapons and defense assets for the future in the event the need arises in this increasingly unstable world. This is one strong measure in which we can help preserve our industrial base. If our industrial base shrinks, it would jeopardize us in the event we have hostilities elsewhere in the world. We must respect these long-range national security implications. The issue has jobs, economic, and security implications for our country. For these reasons, I support adoption of this amendment.

(Mrs. HUTCHISON assumed the chair.)

Mr. GRASSLEY. Madam President, I ask unanimous consent that the Cohen amendment be set aside for the purpose of my offering an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 4370

(Purpose: To establish a commission to review the dispute settlement reports of the World Trade Organization, and for other purposes)

Mr. GRASSLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 4370.

Mr. GRASSLEY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GRASSLEY. Madam President, the amendment that I am offering does not need a great deal of discussion. The reason it does not need a great deal of discussion at this point is because it has been considered on the floor of the Senate and has been the subject of hearings before the Senate Finance Committee.

This amendment incorporates the language contained in S. 1438, the bill introduced by our former colleague, Senator Dole. It would create a review commission, consisting of Federal appellate judges, who would review the decisions of the World Trade Organization. It would review those decisions made against the United States. The judges would determine whether any decision was arbitrary or capricious, or otherwise constituted an abuse of the World Trade Organization's authority.

If such an abuse were found by our appellate judges, that determination would be transmitted to the Congress. At that time, any Member of Congress would be authorized to introduce a joint resolution calling for the renegotiation of the World Trade Organization dispute settlement rules.

Upon the third such determination within a 5-year period, a joint resolution could be introduced withdrawing congressional approval of U.S. membership in the World Trade Organization.

It should be remembered that this language was approved by the White House as part of the compromise needed to assure passage of the Uruguay Round and, as more and more cases will be going to the WTO in the future, this amendment will provide a crucial safety valve to assure that our interests in free and fair trade will be given a proper hearing.

It should also ease the fears of any of our constituents that the United States has somehow surrendered its sovereignty by joining the World Trade Organization. I think such an argument is not very factual, does not have any basis whatsoever; but those arguments are made. And it was a major issue of concern during the debate on the approval of the World Trade Organization 2 years ago. So we now know that not to be true.

But Senator DOLE, because of that concern at the time of the approval, worked out this agreement with the administration, in order to assure passage of the Uruguay Round. President Clinton strongly supports this bill, and it is supported by the special trade representative office. I believe that now is a good time to put this commission into place. So I ask my colleagues to vote for this amendment.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina, Mr. HOLLINGS, is recognized.

Mr. HOLLINGS. Madam President, I was just notified that the amendment was called up, and I do not have my entire file on this subject here. But I have a mental file because this has been discussed back and forth over the past several months.

What really occurred, Madam President, is that we made a disastrous mistake in joining in the World Trade Organization. We joined the WTO without the caution exercised in joining the United Nations. We would never have really joined the United Nations and maintained our support for its operations had we not had our veto power in the U.N. Security Council.

The creation of a security council with an absolute veto by any one member was debated at length at the time of the adoption of the United Nations. Here we were, in the family of some 117 countries at the time—and I think maybe 137 have joined since—and in this family of nations, we were looked upon as the rich nation that could afford any and every kind of contribution for the freedom of man the world around. This was particularly true when it came to economic affairs. We agreed to act as the market of first resort in order to rebuild the shattered economies and in order to develop the third world. If we had any illusions about how we are perceived in most international organizations we need only to look back to 3 weeks ago when the—the People's Republic of China—faced condemnation by a U.N. resolution criticizing the People's Republic for human rights abuses. In the United Nations they passed a resolution, joined in the Assembly with the European Community and the United States, to get a hearing before the Human Rights Commission. Our friends, the People's Republic of China, immediately went down to Africa and corralled the votes, and when the issue came up 3 weeks ago, the People's Republic of China had the votes within the U.N. Human Rights Commission that it was what they called a nonissue, and not to be discussed.

So here is an example of the problems we face in the international organizations, rather than the United States being the leader we were immediately put on the defensive and roundly condemned in the developing world. We may think of ourselves as the light upon nations leading the way to democracy but in international organizations we are viewed as the hypocritical rich uncle constantly lecturing others on how they should behave.

With respect to the World Trade Organization itself, we argued at the time—and I will argue at length here this evening—how we lost our rights under section 301. So we have lost those rights under 301.

Again, not just 3 weeks ago but this past week, you see where the United States of America has abandoned the Eastman Kodak case, instead of using sanctions for unfair practices not covered under the WTO the Japanese have called our bluff and said in the new WTO era all disputes must be taken to the WTO. We had no choice but to comply with their desire to settle this dispute. If the WTO found against Japan and for the United States in that particular case, I can tell you right now that would be the end of the WTO. If the WTO rules in favor of the Japanese in the Kodak case I can tell you right now, we won't need a review commission, the pressure to withdraw from the WTO will be overwhelming. This case amply displayed that we have lost our independence in trade policy, the WTO has achieved its principal objective, the elimination of U.S. unilateralism in trade policy.

There are two very important individuals that are worried about these strains. One is the President of the United States, and the other is the likely Republican nominee for the Presidency here come November. These two folks are unindicted coconspirators if you will conspiring to pass the GATT. The Senator from South Carolina would then charge them—that is the President and the Republican nominee—as conspirators unindicted to cover their backsides.

The Senator from Iowa has put in S. 1437, the Dole bill, Calendar No. 253, to establish a commission to review the dispute settlement reports of the World Trade Organization.

Madam President, this is not a well-conceived thing. It need not be well conceived because it really is to get the people past the Presidential election. But the commission shall be composed of five members, all of whom shall be judges of the Federal judicial circuits and shall be appointed by the President, after consultation with the majority leader and minority leader of the House of Representatives, the majority leader and the minority leader of the Senate, the chairman and the ranking member of the Committee on Ways and Means of the House of Representatives, and the chairman and ranking member of the Committee on Finance of the Senate.

Here is a high-level commission of Federal district judges from the Federal judicial circuit, plus these leaders in both Houses, and everything else, to get together to do what? To determine if three adverse rulings by the World Trade Organization are, of course, adverse, being against us, and, if so, then they can memorialize Congress to pass a resolution to withdraw from the World Trade Organization.

We can do that now. We do not need a commission.

This crowd has certainly got political gall to buck the responsibilities of being Senators and Congressmen to any and everybody else. It is sort of hit-and-run driving in politics in this day—"I am concerned. I am concerned. I am disturbed." This crowd should quit getting concerned and disturbed, and let us start to do some things.

This does nothing. It can be used on the political stump in the Presidential debates later on. "Oh, yes, don't worry it. We got a high-level commission that we passed this year to review it."

Well, go over there and ask the Chief Justice of the Supreme Court of the United States, and he will tell you these Federal district judges have no authority to serve on such a commission. In fact, they will be forbidden to serve on it.

This is hogwash, a cover-your-backside kind of resolution to show that they are concerned and they are disturbed and they are watching it carefully, as they berate, "I am for jobs, I am for jobs, I am for jobs." They are nothing but pollster politicians running around—"I am for the family and against crime. I am for jobs and against taxes." And all they do is they take these seven or eight hot buttons, and they make their little TV squibs, 20-second bites. As long as they can articulate a lot of them with a lot of money, a lot of TV shots and everything, come to public service, and they do not know anything else to do.

They get in this sort of game here tonight where we have the armed services bill, a very important measure. I serve on the Defense Appropriations Subcommittee, so I am familiar with many of the particular issues that need be decided here by the U.S. Senate on the armed services authorization. But, instead of that, we got any and everything—cattle, dog—bring it up with respect to this. This is a grab bag for the Presidential race, and we do it, so-called, with dignity and in seriousness of purpose, and treat it seriously by this news crowd that my friend James Fallows has written an entire book about, now, about breaking the news, how the media undermine American democracy.

So it will be my purpose this evening—and I will be taking up a good part of the evening, I would think, because I do not have some of the colleagues alerted, but I will be taking up a good part of the evening reading this bill and the Fallows book about how the media has undermined American democracy by refusing to engage in the real issues the American people should be engaged in.

Fallows really has a very interesting approach, Madam President. He describes the dichotomy between Walter Lippmann, on the one hand, and John Dewey on the other. Lippmann contended that the press should be an erudite, an unusually trained and skilled group on all the complicated subjects, and together they should decide the more or less bill of particulars for the American public and the programs and the way they emitted the news.

In contrast, John Dewey said, yes, they should be well trained and skilled, fully informed of this particular subject matter, but, more particularly, they should engage the American public in subject matters that need to be engaged in—and that, they have not. And to tell the American people the truth even at times they do not want to hear the truth. The truth is the most important subject totally neglected in this particular session of the 104th Congress is the subject matter of trade. The helter-skelter treatment given trade in November year before last was just that. We were force fed without the proper leadership, without the proper hearings. We tried our best at the level of the Commerce, Science and Transportation Committee that I chaired at that particular time to bring the witnesses from all the different trade organizations.

Madam President, I am getting good news. I feel that my good friend from Iowa realizes how serious we are. I do not want to just act like we do not have a point here and we are just politically rejoining.

I happen to be a friend of the distinguished former majority leader, the Republican nominee for the Presidency. I will never forget the early days when I had suggested the appointment of Clement Furman Haynesworth to the U.S. Supreme Court, a distinguished South Carolinian, and I turned to then freshman Senator Robert Dole, of Kansas, who stayed in the Chamber intermittent hours on end to help me with that particular appointment. We have been close friends ever since. But I had explained to the distinguished former majority leader that this was a subject matter not to be glossed over with one of these cover-your-backside kind of amendments to get a judicial council like they are studying it and they are watching it closely—all, of course, apple sauce to get us past the November election and then once again the total drain of America's industrial backbone.

I would be delighted to continue. I know my distinguished former majority leader, the former President pro tempore of the Senate, the Senator from West Virginia, had a studied amendment here. I wanted to be able to discuss that. But I have just been notified that the distinguished Senator from Iowa has a different idea perhaps at the moment for this particular evening about his amendment. And I learned in the courtroom long ago, when the judge is ruling with you, to hush, so I yield the floor.

Mr. BYRD. Madam President, will the Senator yield before he does?

Mr. HOLLINGS. Yes.

Mr. BYRD. Madam President, I congratulate the distinguished Senator.

He will perhaps remember that one Friday afternoon, I believe it was, most everyone had gone home and the distinguished former majority leader, Mr. Dole, wanted to call up this bill and get it passed by unanimous consent, and we contacted, I believe, Senator HOLLINGS' office and Senator DORGAN's office because I knew how they felt about it. I think everybody was gone. I said, well, who am I to object to this, but I just do not feel right in letting this bill pass with nobody here, so I objected to passing the bill by unanimous consent on that afternoon, which irritated the then-majority leader, but I was sure I did the right thing in objecting to unanimous consent.

I voted against the GATT, as did the Senator from South Carolina; I was very much opposed to it. I did not think too much of the legislation that was being drawn up by Mr. Dole because it included a number of judges, five I believe. They do not have time to engage in matters of this kind. As a matter of fact, I received a letter dated August 31, 1995, from the Administrative Office of the United States Courts in which they objected to this legislation.

So I thought, well, I would like to get that judgeship panel out of there, but I was unable to get it out, and so I decided I would try for an amendment that would create some other entities, one of which would be made up of business men and women and labor representatives, so that they would have some idea of what is happening, what the impact of WTO decisions was going to be on our own economy, jobs, and so forth.

So that was the amendment I was going to offer if this thing was going to move, and I am sure the distinguished Senator, while he opposed the then Dole proposal and now the proposal by the Senator from Iowa, would not oppose my amendment if it had to go along with this thing. If the Senate is going to act on it and take it, I would like to have my amendment on it. But I am personally happy just to rest and let matters take their course, and if on another day this comes up, I will have my amendment ready if need be.

I thank the Senator. I think he has done yeoman's work here, and he has been successful. I will sit down. I will take my seat along with him.

Mr. HOLLINGS. I thank the distinguished Senator.

Mr. BYRD. Madam President, I ask unanimous consent to insert in the RECORD the letter to which I referred from the Administrative Office of the United States Courts.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, DC, August 31, 1995.

Hon. ROBERT C. BYRD,
United States Senate,
Washington, DC.

DEAR SENATOR BYRD: The Judicial Conference of the United States opposes the enactment of S. 16, the WTO Dispute Settlement Review Commission Act, so long as five sitting federal judges are required to become members of this commission. Accordingly, we applaud your action of August 11, 1995, when you declined to give consent to Senator Dole's request to allow the Senate to pass this bill.

While you said on the floor that you do not have a full understanding of the merits and demerits of S. 16, your instincts were entirely correct. There is no compelling reason why sitting federal judges have to comprise the membership of this commission. As you say, the judiciary has a very heavy workload, and also the responsibility to the public and to litigants to promptly deal with the cases assigned to them. In response to your second point, federal judges have no special competence or experience to decide whether a WTO dispute resolution panel complied or failed to comply with GATT-related rules in reaching a decision.

The Finance Committee held a hearing on S. 16 on May 10, 1995. Judge Stanley S. Harris testified in opposition to the bill on behalf of the Judicial Conference. A copy of the Judge's statement is enclosed. Judge Harris explained that of the 179 authorized circuit court judgeships, 16 positions are vacant; that circuit court judges have, on average, dockets of nearly 300 pending cases, up from 120 cases in 1970; and that the forecast is that the caseload will continue to increase. In sum, forcing five judges off the bench, for at least six months each year, will have a negative effect on judicial resources.

During the Finance Committee hearing, the issue of the constitutionality of this bill was raised by Senator Grassley. Judge Harris pointed out in his prepared statement that the Judicial Conference does not offer advisory opinions on such an issue, although he urged the committee to study the constitutionality of this bill for itself. A witness at the hearing, Alan M. Wolff, testified that the use of federal judges on the commission "does not present constitutional problems".

Given that, Senator Grassley asked Judge Harris his personal opinion of whether Congress has the authority to assign non-judicial duties to Article III judges in light of *Mistretta* v. *United States*, 488 U.S. 361 (1989). In that case, the Supreme Court held that sitting Article III judges could serve on the U.S. Sentencing Commission. Judge Harris said that the "linchpin" of the Mistretta decision was that the Court recognized that the U.S. Sentencing Commission operated "within the essential framework of the Judicial Branch of Government", that the duties to be performed by judges on this commission were clearly not judicial functions but rather functions "sort of in between the Executive Branch and the Legislative Branch", Judge Harris then summarized as follows:

"I commend the purposes of S. 16. I think it would be extremely unfortunate to have it begin to be implemented, get down the track, and then get thrown off the track by a conclusion that it involves an unconstitutional use of Article III judges."

In conclusion, I commend you for your action on August 11. Hopefully, if and when the Finance Committee considers S. 16, it will decide that all federal judges should continue to judge as the Constitution commands, and that others can decide whether the United States has been treated fairly by the World Trade Organization. If I can provide anything further to convince you to persist in opposing this bill, please advise.

Sincerely,

L. RALPH MECHAM,
Secretary.

Mr. THURMOND. Madam President, there is no question that the new rules of the World Trade Organization, especially the new dispute settlement regime, can create a situation of unprecedented opportunity. It also creates a situation of potential harm to American interests if we do not enact responsibilities by Congress on this matter.

Americans have been generally suspicious of the GATT Agreement and the corresponding powers given to the World Trade Organization. Many Americans feel our country might be giving up far more than we are getting under this agreement. Most importantly, what we appear to be giving up is some of our sovereignty, some of our ability to decide for ourselves, and control over the laws and practices which govern us. The biggest potential threat to our sovereignty is the new dispute settlement process.

If we are to be comfortable with the international dispute settlement process, above all else, it must be completely impartial. If the United States does not perceive impartiality and if the WTO oversteps its authority, then our country must be prepared to respond. That is what this amendment calls for. The Dispute Settlement Review Commission will help us respond. The Commission will review every adverse decision issued by the WTO. Federal appellate court judges, which this amendment proposes as Commission members, are especially qualified to review these decisions, because the questions will be complex international legal issues of whether the WTO as an international tribunal acted within its authority, abused that authority or acted arbitrarily or capriciously.

I believe establishing this review commission will enhance the credibility of the WTO. It will be a powerful signal to WTO panelists that their work must be absolutely impartial. And, a reminder of their obligation to observe the bounds in negotiated trade agreements. And perhaps, most importantly, it will demonstrate that the U.S. Congress takes a strong and long-term interest in the dispute settlement process and its proper functioning. Confidence in the WTO process was not created merely by signing a trade agreement. Confidence must be built up over a long time.

I believe the President has already expressed support for this legislation in its earlier form as a bill. This is not a partisan measure. It gives Congress some authority and some responsibility required in international trade. We know the American people are concerned about job loss, about exporting jobs, and about international organizations making decisions that might affect their jobs. In this light, the Congress should have some comment on the WTO's activities, and if necessary, authority to initiate withdrawal from participation if U.S. interests are abused.

It would also send a strong enough signal that some of our unfair competitors in foreign countries understand that we are serious about this. We are concerned about American jobs, fairness in international trade, and the accountability of Congress in these matters.

AMENDMENT NO. 4370, WITHDRAWN

Mr. GRASSLEY. Madam President, I will withdraw my amendment and do withdraw it, but I want to make some points.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. My amendment is withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. GRASSLEY. I want to make a couple of points, some of them on the issue and some of them the situation we are in with this amendment.

This amendment has been approved by the Senate Finance Committee a long time ago. This amendment has the support of the President of the United States. This amendment has the support of the person who will be the Republican nominee for President of the United States, a former Member of this body, Bob Dole. I would imagine, if we could get this amendment to a vote, it would carry overwhelmingly.

If anybody wonders why sometimes the political process does not work, the decisionmaking process does not work, this is a perfect example. How much better of a position should the Senate be in to get work done, passing very good legislation, when the President of the United States, who is a Democrat, thinks it ought to be done and the Republican nominee to be thinks it ought to be. If they agree on it, it seems to me it ought to have a pretty good chance of passing the Senate but not so.

Just remember, that is the situation. Also remember the situation is this in regard to the World Trade Organization, the WTO. It builds on 50 years of dispute settlement within the GATT process. There has been a dispute settlement process to have trade disputes between two countries settled for almost a half a century. The United States had a lot of trade disputes with other countries before GATT over the last half century. We would win a fair majority, a good number of those disputes.

But under the old process, the United States could win and not win. We could win because we had the facts on our side, the decisions were made in our favor, but if the country we defeated wanted to ignore the decision, they could thumb their noses at the process, thumb their noses at the United States. If we were to take action, we could be guilty of violating the GATT agreement, just because we were willing to take action to do what was said to be right for ourselves in the first place.

So the World Trade Organization has a process that will allow disputes between countries to be settled, but it also allows retaliation by a country if the country that is the loser in the process is not going to honor and respect the decision.

It seems to me that anybody who wants the United States to advance as a result of the freeing up of trade, and to have disputes settled, ought to welcome the opportunity when there is a dispute settlement process in which not only will the United States have as much of a chance of winning as ever, which seems to always be in our favor, and be able to enforce that, because if the other country will not respect it, unlike in the past, if we were to take action, it would be GATT illegal. If we are to take retaliatory action at this time, it will be GATT legal. And everybody understands that the world is better off with the freeing up of trade.

Any of the speakers on free trade, any of the speakers on GATT, have to realize that our country has more to gain than any other country has to gain by the freeing of trade because we already have lower barriers than any other country has. If other countries under those agreements bring their barriers down, we are the winners, not the losers. And $1 billion more in trade is 20,000 more jobs. That is not bad for America.

So I hope sometime we will be able to get this legislation passed. Again, the President of the United States, President Clinton, agrees it should be done, and Bob Dole agrees that it should be done. We should do it.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, right to the point, that is exactly what is the trouble right this minute. The Finance Committee approved GATT and the WTO. The President of the United States approved GATT and the WTO. Senator Bob Dole approved and led the fight for the approval of GATT and the WTO.

Now, why is the President this very minute in France beating up on the council of the seven economic ministers? Why is he beating up on the Japanese, trying to get their attention? Because the World Trade Organization and the GATT agreement has chilled progress in trade disputes.

Specifically, the Japanese will not even talk to us. They have WTO. They know they have the vote. So, under 301, we found out we could not use the sanctions, and if we tried to, they would retaliate against us. Not retaliate as the distinguished Senator just referred—that is exactly our dilemma.

So they say, point 1, it probably is a matter of terrorism. Because publicly the public can understand that, and we all really regret the loss. I have had 10 of those airmen—we did not lose them—we had 10 hurt in Charleston, and we had from the 9th Air Force, I would say, 30 or 40 at least flying those F-16's out of Shaw Air Base. So I do not talk casually about that.

But the real No. 1 trade issue is this dilemma we have gotten into with the World Trade Organization. We are not making any progress at all. We had a semiconductor agreement. Instead of adhering to the agreement, they ignore it now. They said, go to the WTO, go to the WTO. We know that is a loser now.

So, politically, before the American people can appreciate —and my distinguished colleague from Iowa can appreciate—the fact that the WTO is a loser, before we can learn that, let us get in ahead of the curve here, of public despondency over the trend of trade in this so-called globalization, globalization, globalization.

Specifically, I want to make one good reference that is categorically uncontested. In 1981, we had before then-President Reagan a textile bill. The deficit and the balance of trade in textiles in the United States was $4 billion. The deficit in the European Community in textile trade was $4 billion.

I noted just recently, of course, that the Europeans enforce their trade agreements. We do not. We act like we have these rights, and we are in there moving and we are watching and everything else of that kind. We just never have been astute to really go against these dumping cases. We have asked for more customs agents and everything else. The authorities, customs, tell us there are as much as $5 billion in transshipments violations coming in here with this cheap clothing, way less than any kind of minimum wage, child labor and slave labor, you might call it, in the People's Republic, all being manufactured.

The deficit and the balance of trade in Europe in textiles is less than $1 billion. The deficit in the balance of textile trade is $35.8 billion. So, the Europeans know how to deal and enforce, and categorically have. We have taken the position of Uncle Sucker. We have done it in defense, and we know it. We have done it in all these other international organizations, and we know it. It is time we start protecting our industrial backbone.

America's strength and security rests like on a three-legged stool. We have the one leg of defense. That is unquestioned. That is what they mean by superpower. We have the leg of the values as a Nation, and that is strong. Yes, we feed the hungry in Somalia. We sacrifice for democracy, to build it in Haiti. We commit troops to try to bring peace in Bosnia. So our values, we all know, of the American good will, stand for freedom and democracy the world around.

But the third leg of economic strength, that leg was fractured over some 45 to 50 years now. The cold war, where we had to intentionally, in a sense, sacrifice that leg in order to keep the alliance together. But now, with the fall of the wall, we continue to act like we are fat, rich and happy.

The American people see it. Why do you think they followed Pat Buchanan wherever he went? Because he was talking sense on trade. I do not agree with him on many of his other stances, but he was solid as a dollar on the subject of jobs and trade. That is why he was picking up Republicans, Democrats, Independents, all, as long as he talked that sense on trade.

My workers know, for example, under NAFTA we have already lost, last year, 1995, with the closure of 21 mills, the loss of 10,000 textile jobs. Almost that many already this year have gone down to Mexico and to Malaysia. You go over to the Secretary of Labor and the fine little gentleman gives you the singsong, "retrain, retrain, retrain."

Madam President, I wish to get your attention here. If you look at Oneida Mills that just closed—they have been there 37 years—just the other day, 487 workers, most of them female. They make T-shirts. The age average is 47 years of age.

Let us retrain them and assume tomorrow morning they are already expert computer operators. Are you going to hire the expert computer operator, 47 years of age, or the 21-year-old computer operator? The answer is obvious. You are not going to take on the retirement costs. You are not going to take on these medical costs. But that is what they continue to tell you up here. The American people are losing these jobs, losing this industry, losing, as a Nation, our economic strength.

Superpower—they are ashes in my mouth. You cannot use the nuclear bomb, we all know that. We cannot meet them man for man on manpower. We try to develop our technology, but the truth of the matter is, by the year 2000—Fingleton, read his book "Blind Side"—they will have a larger economy with 120 million and less than the size of California, compared with our 260 million.

They are already our manufacturing superior. Give them 4 more years, and they will have a larger economy than we will have. In 15 years, the People's Republic of China will be ahead of us. We are going the way of England, I can tell you that right now: a second-rate nation with a lot of parliamentary papers and scandalous newspapers, parliamentary maneuvers around here and debate, debate, debate: "I am concerned," "I am worried," "I am disturbed," "I am concerned," "I am worried," and nothing happens. It is all procedural.

That sorry contract over there on the House side was all procedural bunk. Term limits, product liability—I can just go down the list of all of those things they had in there. Constitutional amendments—it is like running up in the grandstand like a football team: "We want a touchdown." We are on the field, and we are supposed to balance the budget, but we have to hear all the procedural crap so we can get to the next election and try to get elected and try to hoodwink the people even further.

It is time we stop this nonsense and realize—I say to the distinguished Senator from Iowa that I am just as much an agricultural Senator as he is. I got up to WHO in Des Moines, IA. It was 5:30 in the morning. "No Democrat would appear." I did.

The first question for me was, "Senator, how do you expect to get any votes out here in Iowa when you are standing for all the protectionism for the textile industry?"

I said, "Wait one minute." It was a young lady. I said, "Madam, the truth of the matter is that we don't ask for any protection. What we ask for is protection of our agricultural products. We believe in price supports and import quotas and those Export-Import Bank subsidies. We've got wheat, too, and corn. We've got agricultural products."

Until I was Governor, we were an agricultural State. Now the majority are in industry today. We have to find technical training and skills, but we think highly of agriculture. So do not think we do not know about agriculture and jobs and wheat. We want to sell it, too, but we have to have a balanced approach to try to maintain America's industrial backbone.

So I appreciate the position of the distinguished Senator from Iowa tonight, and I hope he will give me a little bit more notice next time, because I thought once the distinguished Senator from Kansas, the former majority leader, had left us, that that was one problem solved and we could go on and get some other things done.

But I can tell you now why that passed before with all of those. We had fast track, no amendments, limited time. When your amendment comes, we will not have fast track, we will have amendments, and we will have unlimited time, and my distinguished senior Senator has set the pace for unlimited time and debate. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

PROVIDING FOR AN ADJOURNMENT OF THE TWO HOUSES

Mr. THURMOND. Madam President, I ask unanimous consent that the Senate now turn to the consideration of House Concurrent Resolution 192, the adjournment resolution, which was just received from the House; further, that the resolution be agreed to and the motion to reconsider be laid upon the table.

Mr. FORD. Madam President, reserving the right to object, I understand that this is the adjournment resolution; that the House is anxious to get out, and that is fine. But this resolution allows us to get out Thursday night, Friday night, Saturday night or Sunday night and then come back on July 8 sometime after noon, based on the time set out by the majority leader later in the day?

The PRESIDING OFFICER. That is correct.

Mr. THURMOND. Madam President, it is my understanding, this will give us enough time to finish this bill.

Mr. FORD. Through Sunday. I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 192) was agreed to, as follows:

H. CON. RES. 192

> *Resolved by the House of Representatives (the Senate concurring),* That when the House adjourns on the legislative days of Thursday, June 27, 1996, or Friday, June 28, 1996, pursuant to a motion made by the Majority Leader or his designee, it stand adjourned until noon on Monday, July 8, 1996, or until noon on the second day after members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, June 27, 1996, Friday, June 28, 1996, Saturday, June 29, 1996, or Sunday, June 30, 1996, pursuant to a motion made by the Majority Leader or his designee in accordance with this resolution, it stand recessed or adjourned until noon on Monday, July 8, 1996 or until such time on that day as may be specified by the Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.
>
> SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. THURMOND. Madam President, I yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. BRYAN. I thank the Chair. May I inquire of the Chair as to the parliamentary state of affairs on the floor? What is the pending amendment?

The PRESIDING OFFICER. The pending amendment is the amendment by Senator COHEN from Maine.

Mr. BRYAN. I thank the Chair.

AMENDMENT NO. 4371 TO AMENDMENT NO. 4369

Madam President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Nevada [Mr. BRYAN], for himself and Mr. REID, proposes an amendment numbered 4371 to amendment No. 4369.

Mr. BRYAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In the table in subsection (b), delete the entry relating to titanium sponge.

Mr. BRYAN. If it is not clear, I ask unanimous consent that Senator REID be made a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Madam President, I do not know whether we are going to be debating this extensively this evening, but the underlying amendment seeks, as an offset, to compel the sale of certain minerals in the strategic reserve, one of which would have a profound impact on a very important industry in my own State. The issue is titanium, titanium sponge.

My colleagues may not be familiar with this, but upon the implosion of the Soviet Union into its various respective states, massive amounts of titanium sponge, a part of the Soviet reserve, were dumped on the international market, depressing the price of titanium to the extent that the domestic titanium industry nearly went under. That occurred in 1991.

Over the past 4 or 5 years, it has been a struggle just to survive. Senator REID and I have been informed that this year is kind of a turnaround year; that is to say, they have begun to, from a financial perspective, surface above the water line, and the concern that I have is that with the authorized disposition of the strategic reserve, including titanium sponge, we might lose a very important domestic industry, one that is critical to our national defense as well.

So it is on that basis that the second-degree amendment that Senator REID and I have offered would delete titanium sponge from the list of strategic materials that Senator COHEN has provided as an offset to finance the recoupment provisions in the underlying amendment.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, the titanium metals is located in a place called Henderson, NV. Henderson, NV, is a town that was developed during the Second World War. It was built for no other purpose than to supply essential war products to the allied war efforts. It was Nevada's industrial center and, in fact, still is.

Madam President, after World War II ended, this facility started building other things, doing other things than what was done during the Second World War. With the advent of jet engines, one of the things they needed was titanium metal.

As a result of that, Henderson, NV, became one of the two places in the United States that manufactures this essential product. It is important that manufacturing of this product continue. It is important that there be a stockpile of this material, because in case of an international crisis, the country would be simply without products that are essential to our national security.

Hundreds of employees are affected as a result of this amendment by our friend from the State of Maine. There are only, to my knowledge, two operations in the United States that manufacture titanium sponge. The largest manufacturer is in Henderson, NV.

Madam President, if in fact this underlying amendment passes, hundreds of people would be laid off. And not only would hundreds of people be laid off, but the United States would not be in a position to be ready in case of international crisis.

The amendment says that:

> The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—
>
> (1) undue disruption of usual markets of producers, processors, and consumers of the materials proposed for disposal. . .

Madam President, this amendment is being offered as an offset. Because of the amendment we passed last year, what is beginning to happen around here, because of all the cuts that have been made, is that we are beginning to scavenger anything that is in existence.

To show how desperate we are for offsets, we are now going to cannibalize the stock piles of essential minerals and metals that we have in the United States. I think it is simply wrong. I hope that this second-degree amendment will pass. It is important, Madam President, that we eliminate titanium sponge from this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. If I could just respond very briefly. I know the Senator from Nevada is concerned about the potential consequences of any amendment to his State. But I point out that the amendment provides, specifically on page 2 of the amendment, that "The President may not dispose"—may not dispose—"of materials under subsection (a) to the extent that the disposal will result in—(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or (2) avoidable loss to the United States."

Second, we have a factsheet submitted by the Department of Defense.

Madam President, I ask unanimous consent that that be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

DOD FACT SHEET—TITANIUM SPONGE

Reported consumption for 1995 was estimated by the Bureau Mines to be 21,000 metric tons (23,100 short tons).

Domestic production is running at 80 to 85 percent of capacity. However, Johnson

Matthey is installing a titanium sponge facility in Salt Lake City, Utah. They have told DNSC officials that they would prefer the Stockpile to sell material into the market during the early part of 1996 while their facility is being brought on line. Thereafter, they would hope to see DNSC not sell titanium sponge at all.

Considering the state of the domestic production (U.S. sponge producers have sold out their production, forcing titanium metal producers to go offshore for sponge) this would be an ideal time to enter the market with the Stockpile sponge. Market growth has been in the commercial aerospace applications, demand for titanium-shafted golf clubs and tubing for energy applications. RMI Titanium Co. (U.S. producer of titanium metal) recently increased its metal prices by 5 percent. RMI indicated that the reason for the increase has been the tightening of supply, demand exceeding the supply and a bid to increase the profit margin. The published price for domestic sponge has been consistent at $4.40 per pound ($8,800 per short ton) since October 12, 1995.

The Market Impact Committee has not been asked to comment on possible sales of titanium sponge in fiscal year 1996 and fiscal year 1997.

P.L. 104-106 February 10, 1996, Sec. 3305 requires the Secretary of Defense to transfer up to 250 short tons of titanium sponge to the Secretary of the Army during each of the fiscal years 1996 to 2003 for the main battle tank upgrade program. Maximum total transfer will equal 2,000 short tons.

Mr. COHEN. Madam President, I will cite it here.

Considering the state of the domestic production (U.S. sponge producers have sold out their production, forcing titanium metal producers to go offshore for sponge) this would be an ideal time to enter the market with the Stockpile sponge.

Madam President, I am doing this at the request of the administration. They are saying they are going to veto this measure unless we include this provision. So I am trying to act in a bipartisan fashion saying: The administration wants this. I want it. It makes good sense for our producers of military equipment. The Department of Defense wants it.

It seems to me that the language is written as such that it would not pose the kind of job loss that the Senator from Nevada has indicated. As a matter of fact, according to DOD, this is the precise time that we ought to enter the market for stockpile sponges.

So, Madam President, I hope that we will vote against the elimination of the titanium from my amendment and approve the amendment as I have drafted it. I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered on the amendment.

Mr. COHEN. I suggest the absence of a quorum.

Mr. BRYAN. Before the Senator from Maine would be prepared to yield, the Senators from Nevada appreciate the Senator from Maine operating in a bipartisan fashion, but the concern that we have with this amendment surfaces on the floor at nearly 2200 hours eastern daylight time. We get an emergency call expressing concern from an industry that is vital, not only, in my view, to our national defense, but to a community that my senior colleague and I represent.

We are also informed that the amount of the offset that the Senator from Maine needs to accomplish his objective is something in the neighborhood of $440 million. I will yield to him if he seeks to correct those numbers that we have been provided with.

In point of fact, by having all the materials in the strategic reserve made available in the market, they actually generate more money than the Senator has required for the offset. We want to work with the Senator, but I do not believe we can feel comfortable that there will not in fact be an impact upon an industry which is of critical importance to our State. And I share the concern with the Senator, my friend, from Maine.

Mr. COHEN. Madam President, just for the record, this amendment was filed yesterday. It is not a last-moment initiative on my part. We do need to move forward if we are going to have any chance of completing action on this bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRYAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4371, WITHDRAWN

Mr. BRYAN. Madam President, at this time, I would like to withdraw my second-degree amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

Mr. BRYAN. I thank the Chair.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 4369, AS MODIFIED

Mr. COHEN. Madam President, I have a modification of my original amendment, which will add a new subsection that would satisfy the interests of the Senators from Nevada.

The PRESIDING OFFICER. The Senator has the right to modify his amendment, and the amended will be so modified.

The amendment (No. 4369), as modified, is as follows:

At the end of title XXXIII, add the following:

SEC. 3303. ADDITIONAL AUTHORITY TO DISPOSE OF MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $110,000,000 during the five-fiscal year period ending September 30, 2001;

(2) $260,000,000 during the seven-fiscal year period ending September 30, 2003; and

(3) $440,000,000 during the nine-fiscal year period ending September 30, 2005.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

AUTHORIZED STOCKPILE DISPOSALS

Material for disposal	Quantity
Chrome Metal, Electrolytic	8,471 short tons
Cobalt	9,902,774 pounds
Columbium Carbide	21,372 pounds
Columbium Ferro	249,395 pounds
Diamond, Bort	91,542 carats
Diamond, Stone	3,029,413 carats
Germanium	28,207 kilograms
Indium	15,205 troy ounces
Palladium	1,249,601 troy ounces
Platinum	442,641 troy ounces
Rubber	567 long tons
Tantalum, Carbide Powder	22,688 pounds contained
Tantalum, Minerals	1,748,947 pounds contained
Tantalum, Oxide	123,691 pounds contained
Titanium Sponge	36,830 short tons
Tungsten	76,358,235 pounds
Tungsten, Carbide	2,032,942 pounds
Tungsten, Metal Powder	1,181,921 pounds
Tungsten, Ferro	2,024,143 pounds

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury and used to offset the revenues lost as a result of the amendments made by subsection (a) of section 4303 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 658).

(2) This section shall be treated as qualifying offsetting legislation for purposes of subsection (b) of such section 4303.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(g) ADDITIONAL LIMITATION.—Of the amounts listed in the table in subsection (b), titanium sponge may be sold only to the extent necessary to attain the level of receipts specified in subsection (a), after taking into account the estimated receipts from the other materials in such table.

Mr. COHEN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COHEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Madam President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Maine. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Oregon [Mr. HATFIELD], and the Senator from Oklahoma [Mr. INHOFE] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS], the Senator from Nebraska [Mr. EXON], the Senator from California [Mrs. FEINSTEIN], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The result was announced—yeas 74, nays 18, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—74

Abraham
Ashcroft
Baucus
Bennett
Biden
Bond
Breaux
Bryan
Burns
Byrd
Campbell
Coats
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Faircloth
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Levin
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Reid
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—18

Akaka
Bingaman
Boxer
Bradley
Brown
Dorgan
Feingold
Glenn
Graham
Harkin
Kennedy
Lautenberg
Leahy
McCain
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—8

Bumpers
Chafee
Cochran
Exon
Feinstein
Hatfield
Inhofe
Pryor

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Maine.

Mr. COHEN. I ask unanimous consent Senator LIEBERMAN be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have discussed with my friend, Senator THURMOND, the issue of shipboard solid waste discharges and the Navy's ability to comply with the Act to Prevent Pollution from Ships [APPS] and Annex V of the International Convention for the Prevention of Pollution on Ships [MARPOL]. After thoroughly studying the operational and environmental impacts, the Navy has identified the use of paper/cardboard pulpers and metal/glass shredders as the preferred technology for full compliance with MARPOL, at a fleet-wide cost of about $300 million. Conversely, full compliance with the APPS would involve the use of technologies that would significantly degrade operations and result in a fleet-wide cost of about $1.1 billion. Therefore, it is evident that additional legislative guidance is necessary to ensure that U.S. strictures allow for the use of developed technologies that are environmentally sound, operationally feasible, and affordable. As a result, I have introduced S. 1728, which amends section 1902(c) of the APPS by allowing the Navy to use pulpers and shredders to dispose of non-plastic and non-floating solid waste. Senator THURMOND, I am aware that you and I have similar concerns related to this issue.

Mr. THURMOND. Let me assure my friend that I am aware of this issue and agree that a legislative solution is necessary. It is clear that the Navy's use of pulpers and shredders provides the best available means of balancing the competing interests associated with environmental protection, shipboard quality of life, operational capability, and cost effectiveness. As chairman of the Senate Armed Services Committee, I feel that compliance with U.S. and international laws must, as a matter of national security, take into consideration the impacts on mission effectiveness and operational flexibility. Navy ships are self-contained units with severe limits on space, weight, and the ability to power onboard equipment. In short, these ships are designed to maximize mission performance for the preservation of our national security. Based on an administration request and the Navy's expressed operational needs, I have included a provision in the National Defense Authorization Act for fiscal year 1997 that is similar to S. 1728. I say to the Senator from Alaska, I would propose that we use the National Defense Authorization Act as a vehicle for this legislative provision.

Mr. STEVENS. I agree that the National Defense Authorization Act for fiscal year 1997 is an appropriate vehicle for this legislative proposal. Accordingly, I will support your efforts to include such a provision in your bill.

Mr. THURMOND. I want to express my deep appreciation for the Senator's interest and support on this issue. It is my hope that we may continue to work together in such matters.

TELEMEDICINE

Mr. SANTORUM. Mr. President, as the Chairman knows, the Senate Appropriations Committee has provided $20 million in the fiscal year 97 Department of Defense Appropriations bill in the area of telemedicine.

The Armed Services Committee, under the strong leadership of Senator THURMOND, has for several years recognized the importance of military research, development, and implementation of telemedicine. It has also given value to the idea of working in partnership with non-governmental entities in this area.

My own home State of Pennsylvania has a strong interest in this area and is developing several new and exciting programs to assist our military health care capabilities. I encourage the distinguished chairman of the Armed Services Committee to closely examine these new technologies and look forward to his continued involvement in this area.

Mr. THURMOND. I thank the Senator from Pennsylvania for his interest and dedication to this important breakthrough in military health care and I look forward to working with him and our counterparts on the Appropriations Committee on these efforts.

AMENDMENT NO. 4349

Mr. KEMPTHORNE. Mr. President, I rise in support of the amendment offered by the Senators from Georgia, New Mexico, and Indiana to authorize funding for an emergency assistance program to train and equip State and local emergency personnel to respond to domestic terrorist WMD incidents.

The amendment also authorizes increases in the Defense and Energy budgets for assistance to Russia and all the Independent States of the former Soviet Union under the cooperative threat reduction programs.

I have concerns about authorizing new activities in both of these departments. I don't question the goals of the sponsors of this amendment. However, authorizing increases of this nature as well as expanding the scope of these two programs has not been discussed in our committee.

The committee has received no information on the budgetary impact of this amendment. Additionally, conferencing this provision with the House will no doubt be extremely contentious. As it was last year.

As other members have done, I will emphasize that there are no appropriations for these activities in either of the defense appropriations bill. Of course, we have not yet received the energy appropriations bill.

I have concerns about the transfer authority in the amendment, and the potential impact on programs in the defense bill, as well as programs in the defense portion of the energy bill.

The amendment includes authority for the Department of Defense to provide assistance to the Department of Justice. I have concerns about Posse Comitatus implications of this provision. This was the same provision in the Senate's anti-terrorist bill, which was eventually dropped in conference because of those concerns.

I would mention that I have concerns about increasing assistance to Russia, when they continue to conduct research and development on ballistic missiles and in building submarines. Additionally, I do have concerns about Russia's recalcitrance on the issue regarding their transfer of knowledge, training and material to Iran, to help them build their nuclear reactors, as well as to China.

Additionally, Russia continues to refuse to provide information on its biological research activities, as well as its chemical research activities on binary weapons, which we all have been informed on by the former Russian scientist Vil Miransaynov.

The authority to conduct these programs are not small commitments. I understand from DOE that the potential cost for replacing the reactor cores at Tomsk 7 and Krasnoyarsk 26 is around $100 million. And that is just an estimate.

What is the cost of converting biological and chemical production facilities in all the independent states of the Former Soviet Union?

What impact would ratifying a Chemical Weapons Convention have on this authority? While the Bilateral Destruction Agreement would have allowed the conversion of chemical facilities, the CWC prohibits the conversion of the chemical facilities for nondefense purposes.

I support the efforts of, and want to work with, my colleagues on establishing a program to assist State and local communities in responding to terrorist use of WMD. But I must emphasize my concerns about increasing funds for the cooperative threat reduction programs in the DOD and DOE budgets.

TRITIUM PRODUCTION

Mr. SMITH. Mr. President, I rise today to express some strong concerns that I have regarding this country's ability to produce and maintain our vital supply of tritium. I am deeply concerned that the administration is proceeding down a costly and uncertain path, and that we are failing to take necessary action to protect our national security interests.

Mr. President, tritium is a manmade radioactive isotope of hydrogen. It has a half-life of about 12 years and decays at a rate of about 5.5 percent per year. It is essentially the "booster" that gives a nuclear weapon much of its explosive power. Even though the cold war is over, the United States still requires a downsized nuclear deterrent to ensure our security from continuing threats, including those from emerging Third World nations with nuclear capabilities and a demonstrated willingness to use terrorist tactics to achieve their national objectives.

With regard to the tritium production decision, Secretary Hazel O'Leary and now this Congress are about to travel down a path with far-reaching implications for both national security and U.S. taxpayers' pocketbooks over the next half century. In October 1995, Secretary O'Leary announced a dual-track approach of more studies for meeting future tritium requirements for the next 3 years. According to the legislation before us, we are authorizing $160 million in fiscal year 1997 for tritium production studies. According to the legislation, approximately 90 percent will go to Los Alamos National Laboratory's linear accelerator research project. The remaining 10 percent of the $160 million will go toward continued research for use of an existing nuclear reactor to produce tritium.

With regard to the linear accelerator for tritium production, the Department of Energy's last attempt at building a new accelerator was the superconducting super collider—now an empty ditch full of rusting equipment and shattered dreams, sitting idle on the plains of Texas. Like the accelerator that the DOE wants to build, the Department started out with an estimate of only a few billion dollars to build the super collider. However, after several years and billions of dollars of taxpayer money, the project began running behind schedule and the cost estimates began to balloon out of control. Finally in 1992, when the cost estimate had grown to more than $11 billion, Congress said "enough is enough" and pulled the plug on the collider program.

Now the DOE proposes to start a new accelerator research project, using the Nation's need for tritium as the excuse. Although the project is being justified by national security needs, scientists at DOE's national laboratories are lining up to propose new research programs for which the accelerator can be used.

Mr. President, the Department of Energy has a poor track record of starting large projects and then helplessly watching the costs and schedule expand out of control. Virtually every major project ever started by DOE has been terminated during construction or before beginning any useful operation. Besides the money wasted on the Super Collider, there was the Clinch River Breeder Reactor, the Fast Flux Test Facility, upgrades to the K-Reactors, et cetera, et cetera. Each of these were multibillion-dollar projects.

Recently, the Department provided a forecast of the funds required to fulfill the tritium mission during the research, development, and proposed construction phases. According to the chart, the Department plans on spending $4.863 billion on the accelerator and an additional $535 million on civilian light water reactor research. Mr. President, over the next several years, we are going to ask the taxpayers to foot a bill of over $5 billion for tritium production and that is simply to get the program up and running. That does not include the several billion dollars it will take in annual operation and maintenance. Indeed, according to the Department's own estimates, the accelerator could cost taxpayers in excess of $20 billion over its lifetime.

Mr. President, I ask unanimous consent that the "Tritium Production Budget Forecast" be printed in the RECORD. Obviously, it is clear that when President Clinton commented during his State of the Union speech that "the era of big government is over." He forgot about this project.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TRITIUM PRODUCTION BUDGET FORECAST—1996–1997

[In millions]

Year	APT funding	CLWR
1996	$45	$5
1997	85	15
1998	255	37
1999	276	44
2000	282	69
2001	496	78
2002	739	108
2003	903	120
2004	901	36
2005	431	23
2006	228	0
2007	221	0
Total	4863	535

Notes.—Taken from presentation by Bill Bishop, DOE, to Aiken/Augusta Chambers of Commerce, May 2, 1996.

Mr. SMITH. Mr. President, I must ask my colleagues: Is this the direction we should go? We are putting a great deal of trust in an undeveloped technology for such a critical national security mission. I certainly cannot predict the future, but I am 100 percent at predicting the past. I cannot say with any degree of certainty that the accelerator technology—for which we are authorizing over $140 million in spending in fiscal year 1997—will or will not work. However, I can say with confidence that the Department of Energy has demonstrated a very poor record in managing other large initiatives. Furthermore, the American people have never been enthusiastic about paying for these types of large projects. When costs begin to escalate, what makes us think they will support this risky project in the future?

Unfortunately, Mr. President, I fear that the administration, and now this Congress, may be overlooking the most reasonable approach to performing the tritium mission; that being, a new nuclear reactor that could produce tritium, while generating electricity for use in the surrounding area of the country. Since this type of new reactor project would earn revenue from the electricity sales, it could be privatized and, thus, its construction could be paid for largely through private funds—not by the taxpayers. In fact, Department of Energy studies show the new reactor option to be billions of dollars less expensive than the accelerator. Indeed, industry critics say that the cost gap between the accelerator and reactor options is even larger than the numbers in DOE's studies—more like $10 to $15 billion over the project's lifetime.

Mr. President, I doubt this issue will receive any more debate or discussion than what I have raised today. I know that my colleague from Arizona, Senator KYL, has been an outspoken critic of the Department of Energy's handling of the tritium decision. I commend my friend from Arizona for his continuing interest in this matter, and his steadfast support for maintaining a safe, reliable, and effective nuclear deterrent.

While this issue may go largely unnoticed this year, I am forewarning my colleagues that we are likely to debate in the future this Government's exorbitant spending on the accelerator and how research and development is taking much longer than previously anticipated—at the same time that our tritium stockpile comes perilously close to depletion. Meanwhile, a technology available today that can be privately financed is apparently being shunned.

Considering all of the painful budget cuts confronting us in the years ahead, and the critical need for tritium, I cannot understand how this body would allow the Energy Department to initiate another big ticket accelerator research project, particularly when its overall cost and performance are seriously in question. In my view, we should be exploring other possible alternatives, particularly those that are less expensive and more reliable, to satisfy this key national security requirement.

ENVIRONMENTAL MANAGEMENT HEADQUARTER'S, PROGRAM DIRECTION SUBACCOUNT

Mr. SARBANES. Mr. President, I rise today regarding the Department of Energy's Environmental Management Headquarters' Program Direction subaccount which is funded under the fiscal year 1997 DOD authorization.

The House passed version of the fiscal 1997 Defense authorization cuts the Environmental Management Headquarters' Program Direction subaccount by $71 million. This office under the EM program boasts some of DOE's most technically savvy, highly trained employees—each of whom provide critical oversight for our Nation's extensive Defense Nuclear Safety and Waste Management initiatives. It is my understanding that the House's reduction in this subaccount was made precipitously—without hearings or any other discussion of its long-term impact on the Department's ability to administer such an essential function. The Senate version of the DOD authorization retains funding for this important function and I urge my colleagues on the Armed Services Committee to work to ensure that funding for the Environmental Management Headquarters' Program Direction subaccount will be upheld at the Senate level when the fiscal year 1997 Defense authorization is taken up in conference.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senate will come to order. The majority leader is recognized.

Mr. LOTT. Mr. President, I ask unanimous consent the cloture vote scheduled to occur today now occur at 9:30 a.m. on Friday, June 28.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. For the information of all Senators, a third attempt to vote cloture on this DOD authorization bill will occur in the morning at 9:30 as just announced.

Immediately following that vote, regardless of outcome, it will be my intention to propound a unanimous-consent agreement limiting the remaining amendments to the bill. We will be meeting after this announcement with the distinguished Democratic leader to go over the list of amendments. Also to see if we have been able to work out an agreement on a number of other items that have been delaying final movement. We are asking once again all Senators to cooperate. Please do not come up with amendments that do not relate directly to the defense bill.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1745, the Department of Defense Authorization bill:

Trent Lott, Phil. Gramm, Larry E. Craig, Conrad Burns, Arlen Specter, Dan Coats, Connie Mack, Chuck Grassley, Craig Thomas, Bill Cohen, Jon Kyl, Strom Thurmond, Rick Santorum, C.S. Bond, Bob Smith, Judd Gregg.

Mr. LOTT. For the information of all Senators, this cloture vote, if necessary, would occur on Saturday. It is my sincere hope the Senate will have taken this bill to third reading long before Saturday, however we may not be able to get it done. But if we get this unanimous-consent agreement worked out that we are working on, and I think we are getting close, if we can get the list of amendments agreed to in the morning, then we can move them forward and I think we can get to third reading tomorrow.

But as for now, that is the last vote of tonight.

I yield the floor.

Mr. MACK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

AMENDMENT NO. 4372

(Purpose: To require a study of ship self-defense options for the "Cyclone" class patrol craft)

Mr. MCCAIN. Madam President, on behalf of Senators WARNER and SMITH, I offer an amendment that would require a study of ship self-defense options for the "Cyclone" class patrol craft. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. WARNER, for himself, and Mr. SMITH, proposes an amendment numbered 4372.

The amendment is as follows:

At the end of subtitle B of title II add the following:

SEC. 223. CYCLONE CLASS CRAFT SELF-DEFENSE.

(a) STUDY REQUIRED.—Not later than March 31, 1997, the Secretary of Defense shall—

(1) carry out a study of vessel self-defense options for the Cyclone class patrol craft; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(b) SOCOM INVOLVEMENT.—The Secretary shall carry out the study through the Commander of the Special Operations Command.

(c) SPECIFIC SYSTEM TO BE EVALUATED.—The study under subsection (a) shall include an evaluation of the BARAK ship self-defense missile system.

Mr. LEVIN. Madam President, this amendment has been cleared on this side. We have no objection to it.

Mr. MCCAIN. I urge the Senate to adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4372) was agreed to.

Mr. MCCAIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

Mr. LEVIN. Madam President, could I interrupt for just a moment to ask unanimous consent that the privileges of the floor be extended to Max H. Della Pia in the Air Force Reserve, a Fellow in my office, during the pendency of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4373

(Purpose: To place a condition on authority of the Secretary of the Navy to dispose of certain tugboats to the Northeast Wisconsin Railroad Transportation Commission)

Mr. LEVIN. Madam President, on behalf of Senator GLENN and Senator ABRAHAM, I offer an amendment that would place a condition on the authority of the Secretary of the Navy to transfer tugboats to the Northeast Wisconsin Railroad Transportation Commission.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for Mr. GLENN, for himself, Mr. ABRAHAM, and Mr. LEVIN, proposes an amendment numbered 4373.

The amendment is as follows:

In section 1022(a), strike out ". Such transfers" and insert in lieu thereof ", if the Secretary determines that the tugboats are not needed for transfer, donation, or other disposal under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.). A transfer made under the preceding sentence".

Mr. LEVIN. Madam President, this amendment would reinstate the normal GSA review of the disposal.

I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Madam President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4373) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4374

(Purpose: To clarify the definition of the term "national security system" for purposes of the Information Technology Management Reform Act of 1996)

Mr. McCAIN. Madam President, on behalf of Senator COHEN, I offer an amendment which would clarify the definition of "national security systems" under the Information Technology Management Reform Act of 1996.

I believe this amendment has been cleared by the other side.

Mr. LEVIN. Madam President, this amendment has been cleared.

Mr. McCAIN. Madam President, I urge that the Senate adopt this amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. McCAIN), for Mr. COHEN, proposes an amendment numbered 4374.

The amendment is as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. CLARIFICATION OF NATIONAL SECURITY SYSTEMS TO WHICH THE INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1996 APPLIES.

Section 5142(b) of the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 689; 40 U.S.C. 1452(b)) is amended—

(1) by striking out "(b) LIMITATION.—" and inserting in lieu thereof "(b) LIMITATIONS.—(1)"; and

(2) by adding at the end the following:

"(2) Notwithstanding any other provision of this section or any other provision of law, for the purposes of this subtitle, a system that, in function, operation, or use, involves the storage, processing, or forwarding of classified information and is protected at all times by procedures established for the handling of classified information shall be considered as a national security system under the definition in subsection (a) only if the function, operation, or use of the system—

"(A) involves activities described in paragraph (1), (2), or (3) of subsection (a);

"(B) involves equipment described in paragraph (4) of subsection (a); or

"(C) is critical to an objective described in paragraph (5) of subsection (a) and is not excluded by paragraph (1) of this subsection.".

Mr. COHEN. Madam President, the amendment I am offering today is designed to maintain the integrity of the national security systems definition of the Information Technology Management Reform Act [ITMRA] of 1996. This act lays the foundation for real information management reform not only at the Department of Defense but at all government agencies.

The need for this amendment is to make clear that the Senate does not wish to see any significant policy changes to the ITMRA until there has been some time to assess progress in the implementation of the act. The national security systems language in the ITMRA represents a delicate compromise between Congress, DOD, and the intelligence community. But, even before the law becomes effective the House was asked to include a significant change to the ITMRA on the House-passed version of the DOD authorization bill. The House provision undermines the compromise reached last year and would have the effect of limiting oversight for a new class of information systems. The administration in its Statement of Administrative Policy opposes the House-passed provision, and I look forward to the administration's continued support for maintaining the integrity of the ITMRA in conference.

The ITMRA was based on compromise. Like most compromises, it probably will not satisfy everyone with an interest in information management issues. The ITMRA is a significant step in establishing the oversight criteria by which all information systems including national security systems will be judged. This criteria will be used by OMB, agency heads, the inspectors-general, GAO, and the Congress in holding agency officials accountable for obtaining a positive return for the taxpayers on the more than $50 billion annual Government investment in information systems. It is important to know whether we are getting our money's worth on information technology investments including, for example, the systems that process classified imagery, the software that guides a precision-guided munition to its target, the computers that control our Nation's air traffic control system, and the long distance phone bill for Federal employees in Portland, ME.

The ITMRA would accomplish meaningful reform, in part, by emphasizing up-front capital planning and the establishment of clear performance goals and investment criteria designed to improve agency operations. Once the up-front planning is complete and the performance goals are established, the procurement reforms that Congress has enacted in the last 2 years would make it simpler and faster for agencies to purchase information technology.

This management criteria applies to all systems in the Government including national security systems. Yet we have not emerged from the old Brooks Act paradigm. During the negotiations over the ITMRA, I reluctantly agreed to maintain the status quo and keep the old Brook Act national security systems definition and exemptions. But one must really ask what these systems are really exempted from? It is not from OMB oversight as OMB already has that authority in the budget process. This authority was reaffirmed in the ITMRA as Congress explicitly directed the Director of OMB to enforce accountability for sound information resources management through the budget process for all information technology including national security systems.

The Brooks Act exemptions were originally passed to exclude some DOD and intelligence systems for the procurement authority of the Administrator of the General Services Administration. It was never intended to exempt DOD and the CIA from implementing sound management practices. ITMRA frees all agencies from GSA oversight in exchange for adhering to the sound business-tested methods of capital planning, establishing investment controls, measuring performance, benchmarking, and enforcing accountability. Thus, there was never any compelling reason for keeping the Brooks Act exemption language as the ITMRA eliminated the original reason for the exemption.

The Congress did believe, however, that national security systems should be given some greater flexibility in implementing the ITMRA and agreed to keep a national security systems definition and classification. Systems classified as national security systems are exempt from select portions of the act. It perhaps can be argued that with recent problems with classified financial systems and information management at the National Reconnaissance Office, the serious cost overruns derived from poor software management in many major weapons systems, and the lack of interoperability among our command, control, communications systems that the ITMRA national security systems exemption are too broad. This is probably the case, and I considered offering an amendment to eliminate the national security systems exemption.

I have, however, decided not to pursue that amendment in order to see how the current system will work in practice. I will have to leave it to my successors to ascertain how well national security systems are conforming to the ITMRA and whether a more restricted exemption is necessary. In the coming years we will witness whether DOD is able to seize the opportunities generated from procurement and management reforms to provide cost-effective intelligence and information systems that effectively support our service men and women and maintain our technological advantage on the battlefield. I fear, however, if the culture does not change at DOD and the Pentagon continues to hide behind legalistic and metaphysical barriers to outside oversight, we will witness the continued development of shoddy systems that do not take advantage of the dynamic commercial marketplace and that will in time erode our national security in the information age.

Another of the more contentious issues in developing the ITMRA was how to treat the oversight of security standards in the Government. Recent hearings of the Permanent Subcommittee on Investigations reveal that information security is still a serious problem that needs to be addressed. In ITMRA, Congress attempted to maintain the status quo regarding the division of responsibilities over information security standards and oversight. Based on recent events, I have now come to the conclusion that the agencies responsible for information security are more concerned with turf battles and bureaucratic infighting than they are about securing vital Government information. I am convinced that Congress needs to readdress the Computer Security Act and its implementation, but I am also convinced that this bill is not the vehicle to address the issue.

In conclusion, the amendment I propose clarifies any ambiguity regarding the definition of national security systems, reaffirms the Senate's commitment to maintaining the application of the ITMRA, and directly counters the House provision. Unlike the amendment to the House bill, this amendment does not change the status quo with regard to information systems security and maintains the comprehensive applicability of ITMRA to classified systems that do not meet the national security systems definition.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4374) was agreed to.

Mr. McCAIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4375

(Purpose: To require the Secretary of the Army to type classify the Electro Optic Augmentation [EOA] system)

Mr. LEVIN. Madam President, on behalf of Senators HEFLIN and SHELBY, I offer an amendment which I believe is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN), for Mr. HEFLIN, for himself and Mr. SHELBY, proposes an amendment numbered 4375.

The amendment is as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. TYPE CLASSIFICATION OF ELECTRO OPTIC AUGMENTATION (EOA) SYSTEM.

(a) REQUIREMENT.—The Secretary of the Army shall type classify the Electro Optic Augmentation (EOA) system.

(b) FUNDING.—Of the amounts authorized to be appropriated for the Army by this division, $100,000 shall be made available to the Armored Systems Modernization Program manager for the type classification required by subsection (a).

Mr. HEFLIN. Madam President, I rise to offer an amendment that would allow the Army to type classify the electro optic augmentation system. The Army spent millions of dollars to develop this hardware but, for the lack of less than $100,000, was unable to certify the final product.

I have been informed that elements of the Army wish to purchase this equipment, but cannot due to the lack of this final certification. As the use of the EOA will save the Army millions of maintenance dollars annually, I hope my colleagues will join me in supporting this legislation.

Mr. LEVIN. Madam President, this amendment would direct the Army to conduct the necessary administrative actions to allow the Army to buy a system to test some of its electro-optic devices on its tanks and other armored vehicles.

Mr. McCAIN. Madam President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4375) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4376

(Purpose: To amend section 218 to require that the report on F-22 aircraft program costs include a comparison with an earlier estimate of costs)

Mr. McCAIN. Madam President, on behalf of Senator GRASSLEY, I offer an amendment which requires a report on the F-22 aircraft program cost, including a comparison with an earlier estimate of costs.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. GRASSLEY, proposes an amendment numbered 4376.

The amendment is as follows:

At the end of section 218(a) add the following: "The report shall include—

"(1) a comparison of—

"(A) the results of the review, with

"(B) the results of the last independent estimate of production costs of the program that was prepared by the Cost Analysis Improvement Group in July 1991; and

"(2) a description of any major changes in programmatic assumptions that have occurred since the estimate referred to in paragraph (1)(B) was made, including any major change in assumptions regarding the program schedule, the quantity of aircraft to be developed and acquired, and the annual rates of production, together with an assessment of the effects of such changes on the program.".

INDEPENDENT COST ESTIMATE FOR F-22 AIRCRAFT

Mr. GRASSLEY. Madam President, I would like to express strong support for section 219 of the bill. This is an excellent provision. It just needs some fine tuning.

Section 218 calls for an independent cost estimate of the Air Force F-22 Fighter Program by March 30, 1997. The independent estimate is to be prepared by the Cost Analysis Improvement Group [CAIG]. The last CAIG report on the F-22 was done in 1991—5 years ago.

The CAIG has two missions: first, be a cost watchdog at the Pentagon; and second, develop independent cost estimates for major weapons systems. The CAIG's charter is embodied in a small piece of legislation—section 2434 of title 10 of the U.S. Code—developed, in part, by Senator NUNN.

Having honest and accurate cost estimates is the key to making smart decisions. Unfortunately, the CAIG's track record is dismal. Historically, it has underestimated actual costs by 25, 50, 75 or even 100 percent or more.

In a nutshell, this is the problem: The CAIG uses the notorious "pass-through" method of cost estimating. The CAIG relies on the estimates prepared by the contractors and the program offices. The CAIG massages their numbers. The CAIG adds 5 or 10 percent to the price tag—for safe measure. That's the CAIG's cover your fanny maneuver. Then the CAIG "Chair," Mr. David McNicol, wages his magic wand and declares his estimates "independent."

The CAIG's highly educated staff acts like a high-priced conveyer belt for shoddy estimates. Keep in mind that the program offices and contractors like to low ball it. They want to get their program started—get the camel's nose under the tent, so to speak. Once they get the program rolling, then they gradually ratchet up the cost. That's dishonest.

This is one reason why we have the $150 billion plans/reality mismatch at the Pentagon.

This is not the kind of cost-estimating process envisioned in section 2434 of the law. The CAIG should develop its own estimate from the bottom up.

The original F–22 cost estimate is an excellent case in point. When the Defense Acquisition Board or DAB met in June and July 1991 to consider whether to move the F–22 into full-scale development, the CAIG presented a cost estimate. But it wasn't independent.

The CAIG presented a report to the DAB citing two estimates: the Program Office estimate of $110.2 billion; and the Air force estimate of $114 billion. This was for 750 aircraft in FY 1990 dollars. There was no independent CAIG estimate.

The CAIG's sole input consisted of a bunch of gross generalizations and lame caveats. For example, it warned of a "high probability" that development or EMD costs would exceed the $12.7 billion cited in the Air Force estimate because there was no allowance for "unknown unknowns."

How would the CAIG quantify an unknown unknown if it had one? And what about "known knowns"?

I ask unanimous consent to have printed in the RECORD the June 1991 CAIG report on the F–22 report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF THE
SECRETARY OF DEFENSE,
Washington, DC. June 21, 1991.

MEMORANDUM TO THE CHAIRMAN,
CONVENTIONAL SYSTEMS COMMITTEE

Subject: Initial CAIG Report on the Advanced Tactical Fighter (ATF).

This memorandum provides a preliminary statement of the main conclusions of our review of the Air Force program office and independent estimates of the costs of the ATF program.

Top lines of the program office estimate (POE) and the Air Force's Independent Cost Analysis (ICA) are shown below.

ATF COST ESTIMATES—MILESTONE II [750 Aircraft; fiscal year 1990; dollars in millions]

	Program Office estimate	Air Force ICA estimate	Delta (in percent)
DEM/VAL	3,808	3,847	+1.0
EMD	11,620	12,730	+9.6
Production	[1] 48,845	49,621	+1.6
O&S	45,900	47,800	+4.1

[1] The POE production cost estimate for 648 F–22s is $43.5B (FY90$).

There are two major issues concerning the EMD estimate which we believe need to be addressed.

First, the program is not fully funded in the President's Budget. Our assessment of EMD costs is close to the ICA, and we recommend that the EMD program be funded to that level. The ICA is about $2.7B higher than the ATF EMD funding in the FY 1992 Amended President's Budget (APB). The following adjustments to ATF RDT&E in the APB are needed through FY97 to fund the Air Force ICA estimate: +62M FY91; −$179M FY92; +$22M FY93; +159M FY94; +430M FY93; +$892M FY96; and +$978M FY97.

Second, we believe that there is a high probability that the EMD program will require more than the $12.7B ICA estimate before EMD is completed. We do not say this out of any belief that the costing methods used by the Air Force are inappropriate, or that the Air Force estimate omits major elements of content that can be specifically identified at this time, neither of which is the case. Our point is simply that the EMD cost estimate for this tremendously complex and challenging airframe, engine, and avionics development program contains no specific provisions for "unknown unknowns."

In discussions of this topic with us, Air Force representatives have described their extensive risk reduction program which has:

Proved key aspects of the technology;

Achieved an exceptionally well established set of regulations;

Provided management tools giving unparalled insight into the evolution of the development program.

The force of these points, which we grant, is that the risks are not so large as they seem looking only at the scope of the program.

The Air Force also has argued that the engineering change order (ECO), award fee, and avionics software cost estimates constitute or, in the case of the software, include allowances for "unknown unknowns." It is also relevant that the Air Force EMD estimate is above the contractor BAFO numbers. Some of the award fee funds surely will be used to reward the contractor, however, and a fair portion of the ECO allowance is likely to be consumed fixing normal developmental problems. Thus, the potential amount available for "unknown unknowns" is far smaller than the Air Force claims. Moreover, even if the full amount of the ECO and award fee lines, and the relevant part of the avionics software line could be counted, judged by historical experience that would not be a large enough allowance for "unknown unknowns" to provide reasonable confidence that the budget would not be exceeded before the end of the ATF EMD program.

Our view, in short, is that the ATF is an extremely complex and challenging, and in those respects risky, program, while the Air Force cost estimate contains at most very modest allowances for that risk.

The scale of the ATF program is suggested by the attached table. It appears to be by the largest tactical aircraft program the Department has ever undertaken.

Neither we nor the Air Force would claim that it is possible to identify perfectly the entire content of an EMD effort so large and complex as that of the ATF. Providing an allowance for the risk of the EMO program, then, would require funding for program content that has not been specifically identified. We recognize that some would argue that funding reserves for risk is bad practice, particularly for cost plus contracts. (And the ATF is the first large development program in nearly a decade for which a cost-plus contract will be used.) It seems clear, however, that the Department must either accept the Air Force estimate and be prepared to add funding later, or add funds now for yet-to-be-identified content changes.

The CAIG's crosscheck of the production estimate is about 10% higher than the POE and the ICA estimate, due to differences on composite manufacturing hours and on ratios of ancillary costs to manufacturing hours for composites.

We will provide a full CAIG report later.

DAVID L. MCNICOL,
Chairman, Cost Analysis Improvement Group.

Mr. GRASSLEY. Madam President, because of persistent complaints about its shoddy work on the F–22, the CAIG was forced back to the drawing board. In late July 1991—after the second DAB review, the CAIG produced an independent cost estimate of the F–22. This was an 80-page report with detailed supporting documentation. Very few people have actually seen it. It never went to the DAB.

Madam President, I don't have a copy of it, but I'm told its buried in a file someplace in the Pentagon. The Committee should see it.

The author of the 1991 CAIG reports on the F–22, Mr. David J. Gallagher, is still a member of the CAIG. He knows where the 80-page report is hidden. He knows where the F–22's skeletons are buried.

I would like to urge the Committee to give the CAIG strict guidance about using the July 1991 report as a reference or starting point for the new study. Otherwise, the Pentagon bureaucrats will invent some kind of rubber baseline. A rubber baseline would be a neat device for shielding the CAIG from accountability.

We need to make sure that the CAIG uses the proper and logical point of comparison for the F–22 cost estimate ordered by the Committee in section 218. If we don't insist on it, DOD will establish a phony baseline estimate. They will create a rubber baseline to hide F–22 cost growth.

I am sure DOD has already changed the F–22 baseline, so we can't follow the audit trail back to the 1991 estimate. The F–22 audit trail is probably already covered up.

The CAIG should be held accountable for the July 1991 F–22 cost estimate. How good was that estimate? Where are we today relative to that estimate? Have the major programmatic assumptions used in the July 1991 report changed? If so, how do these changes affect the total cost of the program?

I have developed a very minor, noncontroversial amendment. My amendment merely directs the CAIG to use the July 1991 report as the point of comparison for F–22 cost estimate ordered by the Committee. In addition, actual manufacturing cost data from the first development aircraft is becoming available. To the maximum extent possible, the CAIG should use that data in preparing its estimate of F–22 production costs.

The intent of my amendment is simple: Get the CAIG to do a good job this time. The F-22 is one of DOD's biggest programs, and it needs scrutiny and disciplined analysis. The last time around the CAIG hid in the weeds. I don't want to see that happen again.

The Committee staff has reviewed my amendment and indicated that it is acceptable.

Madam President, I would like to thank the Committee Chairman, Senator THURMOND, and the ranking minority member, Senator NUNN, for their leadership and support on this issue. I would also like to thank the responsible staff person, Mr. Steve Madey, for his advice and assistance.

Mr. MCCAIN. Madam President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. It has been cleared.

Mr. MCCAIN. I urge the Senate to adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4376) was agreed to.

Mr. MCCAIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4377

(Purpose: To provide funding for research and development relating to desalting technologies)

Mr. LEVIN. Madam President, I send an amendment to the desk on behalf of Senators SIMON, CONRAD, and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), Mr. SIMON, for himself, Mr. CONRAD, and Mr. LEVIN, proposes an amendment numbered 4377.

The amendment is as follows:

At the end of subtitle D of title II, add the following:

SEC. 243. DESALTING TECHNOLOGIES.

(a) FINDINGS.—CONGRESS MAKES THE FOLLOWING FINDINGS:

(1) Access to scarce fresh water is likely to be a cause of future military conflicts in the Middle East and has a direct impact on stability and security in the region.

(2) The Middle East is an area of vital and strategic importance to the United States.

(3) The United States has played a military role in the Middle East, most recently in the Persian Gulf War, and may likely be called upon again to deter aggression in the region.

(4) United States troops have used desalting technologies to guarantee the availability of fresh water in past deployments in the Middle East.

(5) Adequate, efficient, and cheap access to high-quality fresh water will be vital to maintaining their readiness and sustainability of United States troops, and those of our allies.

(b) SENSE OF SENATE.—It is the sense of the Senate that, as improved access to fresh water will be an important factor in helping prevent future conflicts in the Middle East, the United States should, in cooperation with its allies, promote and invest in technologies to reduce the costs of converting saline water into fresh water.

(c) FUNDING FOR RESEARCH AND DEVELOPMENT.—Of the amounts authorized to be appropriated by this title, the Secretary shall place greater emphasis on making funds available for research and development into efficient and economical processes and methods for converting saline water into fresh water.

Mr. LEVIN. This amendment would encourage the Secretary of the Army to place greater emphasis on making funds available for research and development and to have efficient and economical processes and methods for converting saline water into fresh water.

Mr. CONRAD. Madam President, I rise today to express my support for an amendment to be offered by Senator SIMON to S. 1745, the Department of Defense fiscal year 1997 authorization bill. This amendment directs the Secretary to place greater emphasis on making funds available for research and development into efficient and economical processes and methods for converting saline water into fresh water.

Madam President, access to scarce fresh water is important both nationally and internationally. As my colleague from Illinois has often pointed out, improved access to fresh water could be an important factor in the prevention of future conflicts in the Middle East. Further, the benefits derived from research into economical methods of desalination have applications in the United States and throughout the world. Converting the brackish water found in many watersheds into water that could be utilized for potable, agricultural, or industrial purposes would enhance our world's beleaguered water supply and would assist in the development of long-term water management plans.

It is my hope the Secretary will direct the funding authorized for research and development by this amendment toward several desalination technologies in an attempt to find a versatile, economical, and effective method for converting saline water to fresh water. For example, the Energy and Environmental Research Center [EERC], located at the University of North Dakota, has been conducting research into the freeze-thaw evaporation method of separating salts and other contaminants from water. In fact, EERC successfully demonstrated this technology on oil production water in New Mexico and is attempting to demonstrate the effectiveness of this technology on a larger scale in a brackish watershed in North Dakota.

Technologies that appear to hold much promise for converting brackish water into water that can be utilized for potable and other purposes, such as freeze/thaw evaporation, merit further research and development. I urge my colleagues to support this amendment.

Mr. SIMON. Madam President, the Department of Defense currently conducts desalting research at the U.S. Army Tank-Automotive RD&E Center in Warren, MI. I have introduced an amendment to authorize additional funding for this research.

Desalting technology is critical to our military. Naval troops, of course, depend on desalting facilities to produce fresh water on ships. In addition, ground troops have relied on desalting technologies to guarantee the availability of potable water in the Middle East and around the world. Adequate, efficient, and cheap access to high-duality fresh water will be vital to maintaining the readiness and sustainability of those troops, and those of our allies.

My amendment is very simple. It expresses the sense of the Senate that improved access to fresh water will be an important factor in helping prevent future conflicts in the Middle East, and that the United States and its allies should promote and invest in technologies to reduce the costs of desalination. In addition, my amendment stipulates that the Secretary shall place greater emphasis on making funds available for research and development in this area.

Madam President, this may not seem like an issue that would be a priority for a Senator from Illinois. But it affects all of us, and it affects the future stability of the world. With the end of the cold war and the fear of nuclear annihilation significantly reduced, the next military conflict will not likely be over territory or hatred, but rather over water rights.

This month, United Nations officials have expressed fear that wars over water could erupt in the next decade. And within the past few years, both King Hussein of Jordan and former Prime Minister Rabin of Israel have declared that if there is another war in the Middle East, it will not be about land, it will be about water. If we can find lower cost technologies to convert salt water to fresh water, we can really make a difference.

The world population now stands at approximately 5.5 billion and it is rising. In numbers, the world's population grows each year by an amount equal to half of the current U.S. population. By the year 2050, population experts project a world with ten billion people. And yet, while population is rising, water resources are not.

You do not need to be an Einstein to recognize that we are headed for problems.

Madam President, let me give you some examples of the global water crises we currently face. The Aral Sea was once the fourth-largest body of fresh water in the world. Soviet experts had assured Khrushchev that he could divert water going into the Aral Sea for irrigation purposes and that runoff and other sources would eventually replenish the temporary water loss. Shipowners were told not to worry. Now, however, ships are stranded on dry land, literally 50 miles from the new shores of the shrunken Aral Sea.

The list of affected countries is long. Mauritania is a desperately poor country right on the ocean—and yet it can grow only 8 percent of its food because of water shortages. Spain is facing the worst drought in 100 years. Since 1992, rainfall in the south has been less than 30 percent of average. And Algeria, Morocco, Tunishia, and Ethiopia will all soon face critical problems.

UNICEF has warned that 35,000 children worldwide—a majority of them on the African continent—are dying daily from hunger or disease caused by lack of water or contaminated water.

Madam President, less than 1 percent of the Earth's water can be used directly for human consumption, or agricultural uses. As we have to deal with diminishing water resources, the only place we can get additional water is from the ocean. Desalination can help us address this problem.

U.N. Secretary General Boutros Boutros-Ghali, responding to a letter I wrote him, said: "I am particularly pleased to hear of your interest in water issues and the legislation you are sponsoring on research on less costly desalination methods. As you rightly point out, such concerns are uppermost in the minds of people in regions where fresh water is scarce, not least in my own part of the world. During my tenure as Secretary-General, I will do my utmost to promote international cooperation regarding this most crucial resource."

Clearly, this is an area where we can work together to affect the future of humanity. I commend the managers of this bill for recognizing the importance of desalination research and I thank them for their support of my amendment.

Mr. McCAIN. Madam President, this amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4377) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4378

(Purpose: To propose an alternative to section 366, relating to Department of Defense support for sporting events)

Mr. McCAIN. Madam President, on behalf of myself and Senators HATCH, BENNETT, and NUNN, I offer an amendment which would clarify the authority of the Department of Defense to provide essential security and safety assistance to agencies responsible for law enforcement and safety services. This amendment would also require reimbursement for nonsecurity and safety assistance provided by the Department of Defense to civilian sporting events.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. McCAIN), for himself, Mr. HATCH, Mr. BENNETT, and Mr. NUNN, proposes an amendment numbered 4378.

The amendment is as follows:

Strike out section 366 and insert in lieu thereof the following new section:

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) SECURITY AND SAFETY ASSISTANCE.—At the request of a Federal, State, or local government agency responsible for providing law enforcement services, security services, or safety services, the Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs.

(b) OTHER ASSISTANCE.—The Secretary may authorize a commander referred to in subsection (a) to provide assistance for a sporting event referred to in that subsection in support of other needs relating to such event, but only—

(1) to the extent that such needs cannot reasonably be met by a source other than the Department;

(2) to the extent that the provision of such assistance does not adversely affect the military preparedness of the Armed Forces; and

(3) if the organization requesting such assistance agrees to reimburse the Department for amounts expended by the Department in providing the assistance in accordance with the provisions of section 377 of title 10, United States Code, and other applicable provisions of law.

(c) INAPPLICABILITY TO CERTAIN EVENTS.—Subsections (a) and (b) do not apply to the following sporting events:

(1) Sporting events for which funds have been appropriated before the date of the enactment of this Act.

(2) The Special Olympics.

(3) The Paralympics.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the provision of assistance under this section as the Secretary considers necessary and appropriate to protect the interests of the United States.

(e) REPORT ON ASSISTANCE.—Not later than January 30 of each year following a year in which the Secretary provides assistance under this section, the Secretary shall submit to the congressional defense committees a report on the assistance provided. The report shall set forth—

(1) a description of the assistance provided;

(2) the amount expended by the Department in providing the assistance;

(3) if the assistance was provided under subsection (a), the certification of the Attorney General with respect to the assistance under that subsection; and

(4) if the assistance was provided under subsection (b)—

(A) an explanation why the assistance could not reasonably be met by a source other than the Department; and

(B) the amount the Department was reimbursed under that subsection.

(f) RELATIONSHIP TO OTHER LAWS.—Assistance provided under this section shall be subject to the provisions of sections 375 and 376 of title 10, United States Code.

Mr. McCAIN. Madam President, I offer an amendment to S. 1745, the National Defense Authorization Act for fiscal year 1997, which will clarify a current provision in the bill regarding military support to civilian sporting events. As you know, I have taken a particular interest in military support for civilian sporting events for a number of years. I want to ensure that any such assistance does not degrade military readiness, demean our men and women in uniform, and burden the American taxpayer when the costs of supporting such events should appropriately fall to the sponsoring organization which will receive the revenues.

The recommendation of the Senate Armed Services Committee for the fiscal year 1997 Defense Authorization Act, already includes a provision that would grant the Department of Defense the authority to provide security and safety assistance to civilian sporting events such as the Olympics. This provision also requires that any assistance provided to the sponsoring organization be reimbursed if the event results in a profit. However, there have been a number of concerns raised regarding this provision.

Madam President, the principal objection which I have heard raised to the current provision is it prevents the Department of Defense from supporting civilian law enforcement agencies in providing essential security services. As long as we are discussing what is misleading or inaccurate information, I would like to inform my fellow Senators that the allegations that this provision will prevent such service from being provided to law enforcement agencies definitely falls into this category. One only has to read chapter 18 of title 10, U.S.C. to realize that the DOD is already authorized to provide such assistance in permanent law. The current provision does nothing to change this. In fact, the American Law Division of the Congressional Research Service was asked to review this provision to see if there was any conflict between it and title 10, U.S.C. In response to this question, the American Law Division stated "in contrast to other statutory schemes in which conflicts may be found, little indication of conflict may be discerned between section 366 and the provisions already in title 10." In light of the truth on this matter, I believe that it is irresponsible for individuals to object to the provision on these grounds. I ask that the letter from the CRS be included in the record.

I fully understand the need to provide adequate security at these types of events and do not advocate the prevention of such assistance. We do not want to risk another tragedy like the one that occurred at the Munich Olympics. We cannot assume that we are safe from such incidents simply because we live in the United States. Our own vulnerability to terrorists was demonstrated by the bombings of the World Trade Center in New York and the Federal building in Oklahoma City.

However, I have become increasingly concerned that the Department of Defense is being forced to provide assistance to major sporting events which does little to enhance security or safety. In fact, I find much of the support which the Department of Defense has decided to provide for the Atlanta Olympics to be disturbing. By the time the Olympic games in Atlanta are completed, the military will have dedicated over 13,000 military personnel and $50 million to support these activities. Although this support is being portrayed as necessary to ensure the security and safety of the international athletes and Olympic visitors, much of the assistance appears to be little more than a subsidy to the Atlanta Committee on the Olympic games. After all, section 1385 of title 18, United States Code, prohibits the use of the military as a posse comitatus. This means that the 13,000 military personnel who will be providing security are prohibited from acting as domestic law enforcement agents. In other words, they cannot enforce the laws; they have no authority to arrest or even detain individuals who engage in criminal activities.

Furthermore, I would like to point out that some of the services which will be provided by military personnel may in fact result in increased risk to the international athletes and Olympic visitors. One example is the military personnel who will be acting as bus drivers for the international athletes. While these individuals will receive some training prior to the Olympic games, they are not professional bus drivers. In fact, they will be less qualified than the professional civilian bus drivers they will displace.

In addition to increasing the danger to the Olympic athletes, the provision of bus drivers will negatively impact upon the small businesses which were under contract to provide these services. Last week, I received a letter from Robert Pounders of Motorcoach Charters outlining how the military personnel are displacing his company and other small businesses who had contracts to provide transportation services to the Olympic athletes. Last month, after the congressional defense committees voted to provide the Atlanta Olympics with an additional $12.2 million, he received a call canceling his contract because these duties will be performed by the military. According to Mr. Pounders, his company will now suffer an estimated $160,000 loss. In his letter he asked a very important question: "Why is our tax money being used to take away the small business jobs that are the backbone of this nation's economy?" This is a valid and important question that we should all ask ourselves whenever we are considering using military people for what are essentially commercial activities.

Madam President, I ask that Mr. Pounders' letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOTORCOACH CHARTERS
AND WINNING TOURS,
Richmond, VA, May 17, 1996.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: Eleven months ago we contracted all of our motorcoaches for use at the Olympic games in Atlanta, to a professional motorcoach broker working closely with the Atlanta Committee on the Olympic Games (ACOG). We agreed that we would commit our entire fleet of 14 motorcoaches for this event and the broker sent us a small good faith deposit.

We just received a telephone call from the broker canceling all of our equipment since ACOG has decided to use school buses with military drivers supplied by the Department of Defense.

For 11 months we have turned down business since our fleet was committed to the Atlanta event. We promised our employees work and got them to commit to the Atlanta games and now we have nothing for them. Not only do we have an irate work force, but we have a severe financial loss just 60 days before our fleet was to be in Atlanta. At this point it appears our employees and our expensive motorcoach equipment will be sitting home while the government plays its own games with our tax money and livelihood.

I want answers to the following:

1. How does the government justify the use of military drivers, donated by the Department of Defense, to drive school buses in lieu of all the coaches that were contracted from private enterprises 11 months ago?

2. Why is our tax money being used to take away the small business jobs that are the backbone of this nation's economy?

3. What is the Department of Defense "defending" with the use of 1000 soldier drivers at the Olympic games—ACOGs bottom line?

4. Most importantly, how do you think all this will sit with the voters when we release this story to the TV networks "20/20", "Dateline", and "Primetime"? This is exactly what they are looking for in their pursuit to expose what is really going on in Washington.

The government takes away our jobs, takes away our business, gives $50 million to a sporting event and then expects us to pay the bill with the money they took away from us.

Your response to each of the above questions by the numbers would be most appreciated. My colleagues and I anxiously await your reply.

Sincerely,

ROBERT R. POUNDERS,
President.

WINN,
Richmond, VA, June 10, 1996.

Senator JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR: The following information is a follow up to my letter to you on May 17, 1996, regarding the use of the military to drive buses at the Atlanta Olympics.

On or about June 5, 1996, I received a telephone call from a Lieutenant Commander Rusty White in Norfolk, Virginia (804–322–5169). He was asking us to quote on a training program for sailors under the U.S. Atlantic Command. The program entailed training 50 military men to drive buses for the Olympics. They wanted the men fully trained and pass their Commercial Drivers License test by June 30, 1996.

To add insult to injury, the government first gives the Olympic Committee military drivers and I lose my contract to perform this service. Then the government has the audacity to ask us to train their men to drive in less than thirty days.

We are now seeking to institute a lawsuit in order to recover the hundreds of thousands of dollars we will loose since we are unable to re-book our equipment at this late date and our drivers are without work.

It is no wonder that we can't have a balanced budget when Congress keeps killing all the geese that lay the golden eggs.

Sincerely,

ROBERT R. POUNDERS,
President.

Mr. MCCAIN. Madam President, some people have alleged that the assistance which the military personnel will provide will enhance their capabilities and training. In the case of the bus drivers, I would argue that the opposite is true. The individuals who will have to be trained in order to perform this mission are not military bus drivers. Therefore, I believe that we would be hard pressed to demonstrate that driving busses will improve the skills necessary for the true military mission of these personnel. In fact, I believe that it would be far easier to demonstrate that such assistance degrades military capabilities because valuable and scarce training time is being wasted performing menial tasks.

In my opinion, this one example highlights how military assistance to these sporting events, if taken too far, can result in decreased safety, negatively impacts upon small businesses, and potentially degrades military readiness. How many accidents will we see as a result of this decision? How many small businesses are we intending to displace? How many military units will suffer a degradation in their readiness in order to provide services which have nothing to do with security or safety?

These questions may only be answered after the Olympic games in Atlanta have concluded. I believe that it is the responsibility of the Department of Defense and the Congress of the United States to review any negative affects of this assistance, and to take whatever corrective action is necessary to ensure that there is not a repetition of such negative affects in the future.

Madam President, the bus drivers are only one example of the support we are asking the military to provide in the name of "security and safety." I believe that we can only consider assistance such as this to be security and safety if we use the broadest definitions of those words. In fact, we may have to actually redefine those words in order to make some of this assistance fit within the definition.

In addition to the bus drivers, we have heard about the watering of artificial turf on the hockey field which is now being portrayed as fire safety; the purchase of the Olympic dining facility; and the provision of the barges for the Olympic yachting events. Furthermore, some military personnel will be used to perform what one military officer has referred to as menial labor. I am gratified that the supporters of this assistance are not claiming that all of this is security and safety. However, I am disappointed these supporters claim that it is appropriate for the Department to provide such assistance. I believe it is an outrage that fine young Americans, who dedicate their lives to the protection of this Nation, should be forced to perform tasks such as chauffeuring international athletes and watering artificial turf on field-hockey fields. I also believe that it is inappropriate to dedicate scarce defense resources on these activities unless such support cannot be obtained from another source.

Although there is supposed to be a reimbursement for some of the assistance being provided in Atlanta, there is no guarantee. We have already seen ACOG renege on $2.8 million worth of support they had originally agreed to provide to the military. In one case, ACOG had originally agreed to feed the military personnel who are providing the assistance. However, while ACOG is continuing to provide food for the other Olympic volunteers, they are now charging the Department of Defense for the meals that will be served to the military personnel. In addition, although it has been reported that ACOG has reimbursed the Department of Defense for the provision of barges at the yachting events, this only includes $39,750 for the repair of the barges. There is another cost of $9,247 for the towing of the barges to the event location which was absorbed by the Department of Defense.

Madam President, this is another example of the misleading information which is being spread about the assistance which the Department of Defense is providing to the Atlanta Olympics. Earlier, we heard one member state that DOD would be reimbursed for all nonsecurity and safety assistance. However, here is a clear example of nonsecurity, nonsafety assistance, which will not be reimbursed. I believe that when we talk about the $39,750 that will be reimbursed, we should also discuss the $9,247 that will not be reimbursed; just to ensure that we are not providing misleading information.

Madam President, I believe that it is also important to discuss the fact that Federal tax dollars, including funds provided to the DOD, were used to send 9 State and local officials to the 1993 Presidential Inauguration. Although, this has been portrayed as "a unique opportunity to study and synthesize the security planning and preparation of the Secret Service," I am personally skeptical and asked the Department of Defense to provide more detail regarding the activities of these individuals during this time, including the cost of each of these activities. Unfortunately, the response I received was that the Army is "unable to explain decisions made before the Secretary of the Army was designated Executive Agent." I guess they were unable to pick up the phone and call other entities in the Department of Defense.

Madam President, an issue which further aggravates me is the way in which the Atlanta Committee on the Olympic Games is treating the very military from which it asks so much. Recently I received a letter from Mr. Tom Roskelly of Annapolis, MD. According to Mr. Roskelly, last year he met with a Mr. Charles Snow who is the advance manager for the Atlanta Committee for the Olympic Games in region 5. The purpose of this meeting was to discuss preliminary plans for the Olympic Torch Run through Annapolis. At this meeting, Mr. Roskelly suggested that the Olympic Torch be carried through the grounds of the Naval Academy because it would serve to honor Academy graduates who have participated in past Olympic Games; it would provide a very scenic route through which to carry the torch; and it would reduce the amount of city streets which must be closed down to accommodate the torch run. Although these are all very good arguments for carrying the torch through the Naval Academy, Mr. Snow curtly informed Mr. Roskelly that the Olympic Torch would not be allowed to travel through any active military installations. I guess they are afraid of militarizing the Olympics.

Madam President, I ask that Mr. Roskelly's letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITY OF ANNAPOLIS,
Annapolis, MD, June 4, 1996.

Hon. JOHN S. MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: Mr. Charles Snow, Advance Manager, Region V, Atlanta Committee for the Olympic Games (ACOG) met with me and several members of the United Way of Central Maryland on July 20, 1995 to discuss preliminary plans for the Olympic Torch Run through Maryland's Capital City on June 20, 1996.

At that meeting, I made several suggestions to Mr. Snow including a routing through the United States Naval Academy for what I considered several very cogent reasons:

1. It would serve as a salute to the USNA alumni who have participated in past Olympic Games.

2. It would provide a very photogenic route through a registered National Historic Landmark.

3. It would reduce the amount of City streets which must be closed down to accommodate the torch run (in a City where traffic and parking are always considered to be problems).

I was curtly informed by Mr. Snow that the Olympic Torch would not be allowed to travel through any active military installation. Although I reminded Mr. Snow that the Naval Academy is an "open base" and considered to be one of the foremost visitor attractions in Maryland, he insisted that the prohibition would not allow a change in the routing of the torch run.

As a corollary matter, I also suggested yet another photographic opportunity involving the Governor of the State of Maryland and the venue of the Maryland Statehouse (the oldest statehouse in continuous legislative use in the United States). Mr. Snow informed me that the torch cannot be touched by any elected official.

After being rebuffed with my suggestions, I decided to sit back and let Mr. Snow tell me what he wanted from the City—no more, no less. I did not ask for any written confirmation of Mr. Snow's comments. As a matter of fact, the meeting resulted in a letter which was requested by Mr. Snow to be written by Mayor Alfred A. Hopkins.

If I can be of any further assistance in this matter, please do not hesitate to call on me. My Annapolis telephone is (410) 263-1183; FAX (410) 263-8120; E-mail: roskelly@annapolis.gov

Sincerely,

THOMAS W. ROSKELLY,
Public Information Officer.

Mr. MCCAIN. Madam President, another objection which has been raised to the current provision is the requirement that the sponsoring organization reimburse the Department of Defense for its support if, I repeat if, the event results in a profit for that organization. Although it is certainly possible that some events may not realize a profit, this is certainly not the rule as was demonstrated by the $222 million made at the Los Angeles Olympics.

Some argue that the accounting procedures necessary for determining if a profit is made would be a nightmare. I personally cannot imagine any major event, such as the Olympics, where the officials responsible for the management of the event would not already keep track of the revenues and expenditures. Perhaps it is simply that some members of the sponsoring organizations, such as the International Olympic Committee, would object to returning some of the profits of the American taxpayers. However, I believe that it is far more appropriate to return these funds to the citizens of the United States rather than using them to support the luxurious lifestyles of Olympic officials. One only has to read a recent article in the Washington Post to see how these funds are currently expended.

Furthermore, I would like to point to chapter 18 of title 10, United States Code, which currently outlines the authority for the Department of Defense to support domestic law enforcement agencies. This chapter contains a number of provisions which already provide the Department of Defense with the authority to support law enforcement agencies if such assistance is requested I would like to draw everyone's attention to section 377 of that chapter which requires the civilian law enforcement agencies to reimburse the Department of Defense for the assistance which the DOD provides.

Should we not also require private organizations to reimburse the Department? This was not the belief of the Congress and the President when Public Law 94-427 was passed. This law included a provision which required "all revenues generated by the Olympic winter games in excess of actual costs shall revert to the Treasury of the United States in an amount not to exceed the total amount of funds appropriated under the authority of section 9 of this Act."

Madam President, I would like to address some of the other issues which have been raised regarding misleading or inaccurate information. One of these issues was the State of Georgia waiving the fees for military personnel to obtain a commercial drivers license. It was stated that Georgia has agreed to waive all of the fees associated with the cost of obtaining such a license, if the license is going to a military individual residing in the State of Georgia. As the member is aware, this was not always the case, and it was only after members of the Senate raised the issue that such an agreement was obtained. In addition, while I am gratified that DOD will incur no cost for the 358 individuals to whom this waiver will apply, I am disappointed that the DOD will incur such costs for the other 700 individuals.

I would also like to address the issue of the military personnel who are contributing to the watering of artificial turf on the field hockey fields. This is true and everyone is fully aware of the facts. The fact that these 25 military personnel will only operate the equipment that provides the water to the distribution system in no way diminishes the fact that they are being used to provide the water for this artificial turf. Calling this assistance fire safety is only an example of the broad definition which has been applied to the words security and safety in order to justify the provision of such assistance.

Another issue which was raised was that allegations have been raised that military personnel will wash ACOG vehicles. I personally have raised that issue based on the information which was provided to me and my staff by the General Accounting Office which was looking into the issue of what assistance the military was providing to the Atlanta Olympics. Subsequent information was provided retracting this information and neither I, nor anyone else that I am aware of, has used it since.

Madam President, I would like to thank the members of the Armed Services Committee for supporting the current provision in the committee's recommendation of this bill. I believe that this provision would go a long way toward protecting the interests of the American taxpayers.

However, in order to satisfy the concerns of those individuals who believe that the current provision would restrict the Department of Defense from providing essential security and safety. I am sponsoring this amendment which would clarify the DOD's authority to provide such assistance. Before such assistance could be provided, it would have to be requested by a civilian official responsible for security or safety, and the Attorney General of the United States would have to certify that it is necessary to meet essential security and safety needs.

Madam President, this amendment would also allow the Department to provide other assistance to sporting events so long as such assistance cannot be reasonably provided by a source other than the Department of Defense. In addition, the organization requesting this assistance must agree to reimburse the Department of Defense for the full costs to the Department of providing this assistance, including the personnel costs of any military individuals involved in providing the assistance.

Furthermore, no assistance can be provided if that assistance would result in a degradation of military readiness or capability. This means that scarce training time could not be used providing assistance which does little to enhance the military capabilities of our men and women in uniform. Reservists who spend only a few short weeks each year preparing for combat, could not forgo this training in order to observe pedestrians crossing the streets or driving buses. This requirement will help to ensure that whatever level of assistance is provided, it is not provided at the cost of military readiness.

The amendment would also require the Department of Defense to provide the congressional defense committees with a report each year after such assistance is provided. This report would set forth a description of the assistance provided; the amount expended by the Department in providing the assistance; and other important information. This would allow the Congress to closely monitor the assistance provided pursuant to this provision to ensure that such assistance is being provided in an appropriate manner.

Madam President, I ask that the Members of the Senate vote to support this provision which clarifies the Department's authority to assist civilian law enforcement agencies, protects the interests of the American taxpayers, and preserves military readiness.

OLYMPIC SECURITY

Mr. HATCH. Madam President, the amendment rationalizes section 366, which provides for Defense Department support for major sporting events hosted in the United States.

Since the DOD authorization bill for fiscal year 1997 was reported from the Armed Services Committee last month, there has been much attention given to the need to create a strong terrorism deterrent at the forthcoming Olympic games in Atlanta.

I appreciate the concerns expressed and raised by my good friend, Senator McCAIN, and deeply respected his views throughout this process, although we disagreed on the language that was incorporated into the committee reported version of this bill. But, because we shared the same goal, it was only a matter of agreeing upon the means to that end, which this amendment represents.

I, especially, want to thank Senators NUNN, BREAUX, CRAIG, COVERDELL, and MOSELEY-BRAUN; they were leaders among the nearly 65 Senators who joined in the effort to make certain that the Atlanta Olympic games—and all other future sporting events held in this country—would be events that all spectators, American citizens as well as foreign visitors, could attend with an optimal sense of security. We are not just talking about high-visibility Olympic events, but other mass sporting activities which draw international attention—and, therefore, terrorist interest—like super bowls, goodwill and Pan-American games, special and paralympics, and world cups, among others.

I, particularly, want to thank my friend and colleague from Utah, Senator BENNETT. His input and initiative on this issue were key.

The amendment we are adopting to this bill today reinforces the message sent by my good friend and ranking minority member of the Judiciary Committee, Senator BIDEN, who, in a June 11 hearing on Olympic security, warned prospective purveyors of harm to the Atlanta games, not even to think about it.

In fact, as we have learned from the Judiciary Committee hearing, as well as a recent CNN series on Olympic security, unprecedented security and safety capabilities are being put in place. In a few words, Madam President, we have taken every imaginable precaution to ensure the security and safety of the 2 million visitors, 40,000 other members of the Olympic family, visiting dignitaries from more than 190 countries, and the Atlanta community.

As the Olympic torch winds its way across country, and having just seen it pass through the streets of Washington to the White House lawn, we have seen an outpouring of public support for the summer games that is both refreshing and exciting. The Olympic flame encourages all of us to focus on teamwork and competition instead of conflict and strife.

I urge you to listen to composer and Maestro John Williams' rendition of the Atlanta Olympic games' musical theme: Summon the Heroes. It is a rousing, patriotic musical restatement of our national pride. It's already a hit with the summer Boston Pops' Esplanade Concert series. Nothing, Madam President, I repeat nothing, should derail what could be the greatest Olympic event in modern history. In fact, I believe that our country should give nothing less to the world.

The Atlanta games are also America's games, said Vice President GORE on May 14, 1996. He added that the Federal Government must run the only leg that it can: Assuring security.

Madam President, of course, the Olympic spirit could be extinguished in a second should an individual or group decide to turn international attention to a radical cause. It is incumbent on us to take steps to prevent such a calamity. And, it is a possibility that is all too real given the tragic incident at the 1972 Olympic games.

This amendment will contribute constructively to this colossal security and safety effort. I will deal categorically with the two important topics of this amendment: Security and financial considerations.

There are four points this amendment makes regarding essential security and safety:

First, the United States is setting a new American security standard which, I believe, is necessary.

This standard is rooted in the Antiterrorism and Effective Death Penalty Act, which passed this body by a 91 to 8 vote, and was signed into law by President Clinton last month. The spirit of that law is embodied in this amendment: That our commitment to security has no partisan fences.

All future major sporting events will enjoy the best security arrangements this country can bring forward. In Judiciary Committee hearings on June 11, Israeli antiterrorism expert, Prof. Ariel Mercari of Tel Aviv University, warned that terrorists seek out mass events to convey an ugly political message.

This amendment facilitates cooperation between law enforcement officials and DOD, and creates a strong security deterrent for such games as the Atlanta and Salt Lake Olympics, the World Masters games in Portland, and the Goodwill games in New York City, both in 1998, and the Special Olympics to be held in Raleigh, in 1999, as well as the 1999 Women's World Cup, for which such cities as Boston, Orlando, Miami, Birmingham, Washington, and Pasadena are likely to compete this year.

Second, the amendment fosters the type of systematic, coordinated and comprehensive effort needed across the entire law enforcement, security, and safety community to control all forms of terrorism, whether they originate from domestic or international sources.

By inserting a requirement for the Attorney General to validate all essential security requests from Federal, State, and local officials, DOD support will be entirely consistent with current law regarding the use of military personnel and equipment.

Third, the amendment provides an unprecedented capability to deal with modern security threats.

The memory of the Munich massacre was a common thread in the drafting of this amendment. The United States commitments to several international conventions and treaties, calling for the protection of athletes and other foreign visitors, have been codified into law at title 18, United States Code, sections 112(f), 1116(d) and 1201(f). These statutes have been strengthened, the net effect of which is the creation of a deterrent to terrorism and other criminal behavior so potent that only the most reckless persons would risk wrongdoing—but it is this type of activity that we are nonetheless prepared to prevent.

The changing nature of terrorism compels this amendment. As the Justice Department and FBI witnesses warned us at our June 11 Judiciary hearing: it is a changing world, security arrangements made for Los Angeles are simply insufficient for Atlanta. Atlanta is unique. The needs cannot be met by the total law enforcement community in the State of Georgia.

The fourth security need addressed by the amendment clarifies the collection of Federal statutes that embody the legal basis for DOD support.

Public safety remains a governmental responsibility. The amendment avoids the risk of abdicating security to a private organization which could be obligated to pay for essential security and safety support. In such an event, the temptation to cut corners is too great. This was a fear expressed by the Justice Department.

Limitations on the use of military personnel and equipment for sporting event support are brought into conformance with existing laws. Most notably, the posse comitatus statutes, found at sections 375 to 377 of title 10, United States Code, are applied with full force. Military preparedness will not be sacrificed, and the restrictions on military personnel performing such law enforcement activities as search, seizure and arrest are explicitly applied.

Madam President, let me now turn to the parallel concern of many members of Congress and citizens: the appropriate use of military personnel. We all honor the service of our military people. They should not be conscripted into service as servants, chauffeurs, launderers, waiters and waitresses, and other demeaning uses—and they assuredly will not. This type of misuse of our armed forces has been averted by a rigorous requirement that services, other than essential security and safety, be agreed to by the Secretary of Defense, and where agreed upon, be subject to reimbursement in accordance with section 377 of title 10.

Lastly, Madam President, the amendment avoids last-minute rule changes that could have totally disrupted Olympic host entity planning by creating financial obligations that were unforeseen, such as the reimbursement for essential security and safety, and that could have spelled financial ruin and organizational chaos for an event.

Madam President, I encourage the members of this Chamber to provide the same hearty endorsement of this amendment that they gave to the recent antiterrorism bill. An overwhelming vote of support will convey a message to the entire world that the United States intends to honor, fulfill and vigorously prosecute its responsibilities as a global leader in the crusade against threats.

Again, my thanks to my colleagues for their assistance and support of this amendment.

Mr. BENNETT. Madam President, I rise to support the amendment that modifies section 366 dealing with DOD assistance to civilian sporting events. I thank Senator MCCAIN for his willingness to work with both Senator HATCH and me in crafting language that clarifies the manner in which the Department of Defense can provide security to civilian sporting events in the future. I found that we all had an interest in safety and ensuring that government resources are spent wisely.

Because Salt Lake City, UT, has been chosen to host the 2002 winter Olympic games, I have more than a passing interest in ensuring that everyone attending the Olympics can do so feeling confident of their safety. I believe visitors can have that confidence in Atlanta, and I want that to be the case in Salt Lake City. Federal expertise and assistance is invaluable to ensuring public safety in such circumstances. The Department of Defense also has unique capabilities that have proven very useful in supporting an event of this size.

Senator MCCAIN is known for his vigilance in ensuring tax dollars are spent wisely, especially in the Department of

Defense. As the chairman of the Readiness Subcommittee, and as one whose family has a long history of military service to this country, I understand his concern. I share his belief that DOD resources must be used very carefully, whether it is for a new weapon system or providing Olympic security.

This amendment will continue to permit the Department of Defense to assist government entities responsible for safety and security with essential security needs. This assistance is absolutely necessary to adequately address the threats to any large international sporting event in today's environment. In addition, it will make DOD's nonsecurity capabilities available, as they have been in the past, if the DOD costs of providing that assistance is reimbursed. This would permit the current practice of making available surplus or unused equipment that is sitting in a warehouse on loan. The Department of Defense will also be required to report to Congress, outlining the assistance that has been provided.

It is my hope that this amendment strikes an appropriate balance between accountability and flexibility when Federal assistance is needed. Again, I thank Senator MCCAIN for his willingness to work with us. I would also like to thank my colleague Senator HATCH for his work on this amendment. He is very aware of the terrorist threat, and is committed to providing a secure environment for our citizens, athletes, and international guests.

We are on the eve of another Olympics coming to the United States. I reiterate my support for Atlanta. I know this has been a long road and I wish to thank my colleagues from Georgia, Senator NUNN and Senator COVERDELL. They have provided a valuable perspective and given me a glimpse of the magnitude of this event, and the efforts that have been made to bring the Olympics to the United States.

As the world gathers to watch the best of the best compete in the spirit of good will, I extend my best wishes to Atlanta. May the games enjoy every success. It is an honor to have the games here.

Mr. McCAIN. Madam President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. The amendment has, indeed, been cleared on this side.

Mr. McCAIN. Madam President, I urge the Senate adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4378) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4379

(Purpose: To provide for the payment by the Department of Energy of costs of operating and maintaining the infrastructure of the Nevada Test Side, Nevada, with respect to activities of the Department of Defense at the site)

Mr. LEVIN. Madam President, I send an amendment to the desk on behalf of Senator REID and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mr. REID, proposes an amendment numbered 4379.

The amendment is as follows:

At the end of subtitle C of title XXXI, add the following:

SEC. 3138. PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SITE.

Notwithstanding any other provision of law and effective as of September 30, 1996, the costs associated with operating and maintaining the infrastructure at the Nevada Test Site, Nevada, with respect to any activities initiated at the site that date by the Department of Defense pursuant to a work for others agreement may be paid for from funds authorized to be appropriated to the Department of Energy for activities at the Nevada Test Site.

Mr. REID. Madam President, the Department of Energy, as of September 30, 1997, is authorized to apply stockpile stewardship funds to infrastructure costs of the Nevada Test Site associated with new Department of Defense programs at the site.

Presently, there are significant Department of Defense programs at the Nevada Test Site because of its unique capabilities to meet these programs' objectives. The Department of Defense chooses to operate at the Nevada Test Site because of its unique, one-of-a-kind capabilities and because the Test Site offers a more cost-effective option for program execution. These benefits are wholly appropriate reasons for a Department of Defense program to choose to operate at a Department of Energy site.

The Nevada Test Site has a continuing and overriding mission to assure the safety and reliability of the U.S. stockpile that requires meeting most of the facility infrastructure expenses.

This authorization expands the opportunities for cost-effective execution of Department of Defense programs at the Nevada Test Site by providing a facility charge policy similar to that implemented at Defense Department facilities.

In addition to cost savings opportunities, this authorization benefits the mandated Test Readiness Program. Test Readiness requires trained teams of technicians, drillers, riggers, geologists, meteorologists, operations safety specialists, and so forth. These experts must exercise their skills to assure a high level of proficiency at all times. A healthy and diverse set of operational requirements such as derives from many Department of Defense programs would assure productive activity that increases the proficiency and readiness of these teams.

Mr. LEVIN. Madam President, this amendment authorizes but does not require the DOE to pay for infrastructure costs at the Nevada test site beginning in FY 1997 from stockpile stewardship funds.

Mr. McCAIN. Madam President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4379) was agreed to.

Mr. MCCAIN. Madam President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4380

(Purpose: To express the sense of the Senate concerning export controls)

Mr. McCAIN. Madam President, on behalf Senator KYL, I offer an amendment that would express the sense of the Senate.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. KYL, for himself and Mr. BINGAMAN, proposes an amendment numbered 4380.

The amendment is as follows:

At the end of subtitle D of title X add the following:

SEC. 1044. SENSE OF THE SENATE CONCERNING EXPORT CONTROLS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Export controls are a part of a comprehensive response to national security threats. United States exports should be restricted where those threats exist to national security, nonproliferation, and foreign policy interests of the United States.

(2) The export of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technologies by those countries and end users whose actions or policies run counter to United States national security or foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies. The availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should

be eliminated through deterrence, negotiations, and other appropriate means whenever possible.

(4) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(5) On November 5, 1995, President William J. Clinton extended Executive Order No. 12938 regarding "Weapons of Mass Destruction", and "declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons and the means of delivering such weapons".

(6) A successor regime to COCOM (the Coordinating Commission on Multilateral Controls) has not been established. Currently, each nation is determining independently which dual-use military items, if any, will be controlled for export.

(7) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of sensitive dual-use goods and technologies.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) establishing an international export control regime, empowered to control exports of dual-use technology, is critically important and should become a top priority for the United States; and

(2) the United States should strongly encourage its allies and friends to—

(A) adopt a commodity control list which governs the same or similar items as are controlled by the United States Commodity Control list;

(B) strengthen enforcement activities; and

(C) explore the use of unilateral export controls where the possibility exists that an export could contribute to proliferation.

Mr. MCCAIN. This amendment would express the sense of the Senate that it is critically important, and should be a top priority, for the United States to establish an international export control regime empowered to control exports of dual-use technologies; encourage our allies and friends to adopt a commodity control list which is similar to the U.S. commodity control List; strengthen enforcement activities; and, use unilateral export controls in the case of exports which could contribute to the proliferation of weapons of mass destruction.

Madam President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. The amendment has, indeed, been cleared.

Mr. MCCAIN. I urge the Senate adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4380) was agreed to.

Mr. MCCAIN. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4381

(Purpose: To attach conditions and limitations to the provision of support for Mexico for counter-drug activities)

Mr. MCCAIN. Madam President, on behalf of Senator HELMS, I offer an amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. HELMS, proposes an amendment numbered 4381.

The amendment is as follows:

In section 1031(a), strike out "The Secretary of Defense" and insert in lieu thereof "Subject to subsections (e) and (f), the Secretary of Defense".

At the end of section 1031, add the following:

(e) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (3) the certification described in paragraph (2).

(2) The certification referred to in paragraph (1) is a written certification of the following:

(A) That the provision of support under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and materiel provided as support will be used only by officials and employees of the Government of Mexico who have undergone a background check by that government.

(C) That the Government of Mexico has certified to the Secretary that—

(i) the equipment and materiel provided as support will be used only by the officials and employees referred to in subparagraph (B);

(ii) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(iii) the equipment and materiel will be used only for the purposes intended by the United States Government.

(D) That the Government of Mexico has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of the Government of Mexico will grant United States Government personnel unrestricted access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(F) That the Government of Mexico will provide security with respect to the equipment and materiel provided as support that is equivalent to the security that the United States Government would provide with respect to such equipment and materiel.

(G) That the Government of Mexico will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(3) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services and Foreign Relations of the Senate.

(B) The Committees on National Security and International Relations of the House of Representatives.

(f) PROHIBITION ON PROVISION OF CERTAIN MILITARY EQUIPMENT.—The Secretary may not provide as support under this section—

(1) any article of military equipment for which special export controls are warranted because of the substantial military utility or capability of such equipment;

(2) any military equipment identified on the United States Munitions List; or

(3) any of the following military equipment (whether or not the equipment has been equipped, re-equipped, or modified for military operations):

(A) Cargo aircraft bearing "C" designations, including aircraft with designations C-45 through C-125, C-131 aircraft, and aircraft bearing "C" designations that use reciprocating engines.

(B) Trainer aircraft bearing "T" designations, including aircraft bearing such designations that use reciprocating engines or turboprop engines delivering less than 600 horsepower.

(C) Utility aircraft bearing "U" designations, including UH-1 aircraft and UH/EH-60 aircraft and aircraft bearing such designations that use reciprocating engines.

(D) Liaison aircraft bearing "L" designations.

(E) Observation aircraft bearing "O" designations, including OH-58 aircraft and aircraft bearing such designations that use reciprocating engines.

(F) Truck, tractors, trailers, and vans, including all vehicles bearing "M" designations.

Mr. MCCAIN. This amendment would attach conditions and limitations to the provision of support for Mexico for counter drug activities.

Madam President, I believe this amendment has been cleared by the other side.

Mr. LEVIN. The amendment has been cleared.

Mr. MCCAIN. I urge the Senate adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4381) was agreed to.

Mr. MCCAIN. Madam President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4382

(Purpose: To control the sale of chemicals used to manufacture controlled substances)

Mr. LEVIN. Madam President, on behalf of Senator FEINSTEIN, I offer an amendment which would prohibit Federal agencies from selling chemicals that could be used to manufacture illegal drugs unless the Drug Enforcement Agency certifies that there is no reasonable cause to believe that the sale will result in the illegal production of controlled substances.

I believe the amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for Mrs. FEINSTEIN, for herself, Mr. Kyl, and Mr. GRASSLEY, proposes an amendment numbered 4382.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. SALE OF CHEMICALS USED TO MANUFACTURE CONTROLLED SUBSTANCES BY FEDERAL DEPARTMENTS OR AGENCIES.

A Federal department or agency may not sell from the stocks of the department or agency any chemical which, as determined by the Administrator of the Drug Enforcement Agency, could be used in the manufacture of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802) unless the Administrator certifies in writing to the head of the department or agency that there is no reasonable cause to believe that the sale of the chemical would result in the illegal manufacture of a controlled substance.

Mrs. FEINSTEIN. Madam President, I am, along with Senators KYL and GRASSLEY, proposing an amendment to the DOD authorization bill that will stop the Government from inadvertently contributing to the manufacture of controlled substances. Our amendment requires that no Federal department or agency may sell stockpiled chemicals until the Drug Enforcement Agency certifies that the sale of the chemical would not result in the illegal manufacture of a controlled substance.

This problem was brought to my attention through a routine solicitation to sell iodine by the Defense National Stockpile Center. Earlier this year, Defense National Stockpile offered for sale, to the highest bidder, 450,000 pounds of crude iodine. Iodine is one of the main ingredients in methamphetamine. Defense National Stockpile had no idea that iodine was used in making meth, and therefore did not consult with the Drug Enforcement Agency regarding the practices of the companies that might purchase this iodine at rock-bottom prices. After consulting with DEA, at my request, the Defense National Stockpile chose to cancel the iodine sale.

Had my staff not noticed this proposed sale, hundreds of thousands of pounds of iodine could be on its way to methamphetamine labs across the country—the lion's share probably in my State.

I have been extremely concerned with the proliferation of methamphetamine due to the meteoric rise in hospitalizations and arrests from abuse. Earlier this year, Senators KYL, REID, GRASSLEY, and I introduced the Methamphetamine Control Act of 1996. This legislation, drafted with the input of the Drug Enforcement Agency, the California Attorney General's Bureau of Narcotic Enforcement, the California Narcotics Officers Association, and local, State, and Federal and law enforcement, is a carefully crafted, targeted piece of legislation aimed at the supply side of the problem. The bill increases criminal penalties that can be applied to large-scale methamphetamine manufacturers in our Nation; restricts access to the precursor chemicals used in mass quantities to produce methamphetamine; and, increases the penalties for possession of controlled chemicals or specialized equipment used to make methamphetamine

This legislation also adds the chemicals used to make methamphetamine—iodine, red phosphorous, and hydrochloric gas—to the Chemical Diversion and Trafficking Act.

You can, therefore, see how an unchecked sale of 450,000 pounds of iodine could add to the huge problem we already have.

I have a particular interest in this issue because of the ravaging effects it is having on my State and on other States in the Southwest.

Let me explain how serious this problem is today:

Methamphetamine has been around for a long time. But what was once a relatively small-scale drug operation run by American motorcycle gangs, has now been taken over by the Mexican drug cartels and, according to DEA, is now a multibillion dollar industry.

California—particularly Sacramento, the Central Valley, and the Inland Empire—has become the front line in this new and dangerous drug war.

DEA has designated California as the source country for methamphetamine—much like Colombia is the source country for cocaine, and identified 93 percent of the methamphetamine seized nationwide as having its point of origin in California.

The explosion of this drug is being documented in jails and hospital emergency rooms around California, and this epidemic is spreading eastward:

California hospitals—366 percent increase—from 1,466 admissions in 1984 to 6,834 in 1993.

Central California hospitals saw a 1,742 percent increase. Sacramento hospitals—1,385 percent increase—from 46 cases in 1984 to 637 in 1993.

In San Diego, admissions to drug-treatment programs for methamphetamine abuse surged 551 percent from 1988 to 1995. In 1994, for the first time, methamphetamine admissions outnumbered those for alcohol.

At Sutter Memorial Hospital in Sacramento, babies born with methamphetamine in their blood system now outnumber crack babies by as much as 7 to 1.

More than 1,800 deaths were caused by methamphetamine abuse from 1992 to 1994—a 145-percent increase in just 2 years. The majority of these cases occurred in the four western cities of Los Angeles, San Francisco, San Diego, and Phoenix.

The problem is still growing:

Large-scale labs are now commonplace. Last year, in the central valley, law enforcement convicted a man who manufactured in excess of 900 pounds of methamphetamine, with a street value of $5 million.

Literally hundreds of illicit laboratories are located throughout the State. San Bernardino and Riverside law enforcement officials say there were 589 methamphetamine labs discovered in 1995—in just those two counties alone.

And since the first of this year—just 9 weeks—another 127 labs were found in these two counties.

Part of the problem for law enforcement is that the labs are so highly mobile.

Labs can be set up in apartments, mobile homes, and even moving vehicles, and can be dismantled in a matter of hours, making it very difficult for police to track and close these labs.

Law enforcement is now finding labs in hotel rooms. Drug dealers come in, set up, produce their drugs, and leave. Hotel staff then find the materials left in the rooms.

California Environmental Protection Agency expects that 1,150 sites will require cleanup by the end of this year in California.

This trend is overwhelming local resources because these labs are also very dangerous.

Most of the chemicals used in these laboratories, such as iodine, refrigerants, hydrochloric gas, and sodium hydroxide, are toxic and, in the case of red phosphorous, highly flammable or even explosive.

Two months ago, a mobile home in Riverside County being used as a meth lab exploded killing three small children.

Incredibly, the mother of these children pleaded with neighbors that they not call for help. Before firefighters could find the children's burnt bodies, the woman walked away from the scene.

This is a horrifying example of the effects of this drug. But the violence associated with methamphetamine is even more alarming. Prolonged use of the drug produces paranoid and violent behavior.

And, because the methamphetamine trade is so lucrative with its low production costs and high-profit margin, police are seeing a tremendous surge in violence, particularly among rival gangs associated with distribution.

Police in Phoenix say methamphetamine is mainly responsible for the 40-percent jump in homicides the city is experiencing.

In Contra Costa County, law enforcement leaders report that methamphetamine is involved in 89 percent of domestic disputes.

Last year in San Diego, rival methamphetamine smuggling rings were responsible for 26 homicides.

In 1994, among all the adults arrested in the San Diego area, 42 percent of men and 53 percent of women tested positive for amphetamines.

In San Luis Obispo, CA last year, local authorities requested assistance from DEA in dealing with spiraling violence that involved 13 drug-related homicides—in 1 month—committed by gangs in the production and distribution of methamphetamine.

Fighting the spread of methamphetamine should be the responsibility of every Federal department and agency. My amendment helps to ensure that the Federal Government does not contribute to this crisis.

Mr. McCAIN. Madam President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4382) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4383

(Purpose: To continue funding for computer-assisted education and training)

Mr. McCAIN. Madam President, on behalf of Senators MOSELEY-BRAUN, COCHRAN and LOTT, I offer an amendment to continue funding for computer system education and training.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Senator from Arizona [Mr. MCCAIN], for Ms. MOSELEY-BRAUN, for herself, Mr. LOTT and Mr. COCHRAN, proposes an amendment numbered 4383.

The amendment is as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. COMPUTER-ASSISTED EDUCATION AND TRAINING.

Of the amount authorized to be appropriated under section 201(4), $10,000,000 shall be available under program element 0601103D for computer-assisted education and training at the Defense Advanced Research Projects Agency.

Ms. MOSELEY-BRAUN. Madam President, my amendment to the National Defense Authorization Act for Fiscal Year 1997 would continue funding for the Computer Aided Education and Training Initiative [CAETI]. This program has been authorized for each of the preceding 3 years, and the research and development it has funded has advanced the state of educational software, and the level of training software available to all of the branches of our Armed Forces.

My amendment would authorize $10 million in fiscal year 1997 University Research Initiative funds—where the program has historically been funded—to continue the successful research currently being funded. Because my amendment sets aside funds from an existing account, it does not require an offset.

The CAETI program supports high-level academic research and development of computer and networking tools. Projects funded under the CAETI program have been specifically chosen for their dual benefit to the Department of Defense Dependent School system, and to the Armed Forces for military training.

The Department of Defense estimates that the tools developed under the CAETI program will markedly improve student performance in the DOD schools, as well as teacher performance. Because of greater efficiency, DOD estimates that the development of software and networking technology under the CAETI program will result in a net savings of 65 percent in the cost of education and training.

As military downsizing continues, there is a continual need to provide training to our troops whenever needed and where ever they are stationed. This is especially relevant for the reserve forces who often have civilian occupations very different from their military jobs. Only through the application of high technology distance learning will both the active and reserve forces be able to meet their readiness requirements. The CAETI program is designed to help meet this challenge.

I would like to talk for a minute about one of the projects being funded by CAETI in my home State of Illinois. The Institute for the Learning Sciences at Northwestern University [ILS] has a contract to develop educational software for use in the Department of Defense Dependent Schools.

The ILS research is based on high-level, academic research. The ILS develops models of how we learn most efficiently and most effectively based on empirical evidence and the latest research in cognitive science and educational theory. They then create software programs around these models. The result is education and training software that helps people learn what they need to know more quickly and more effectively.

Training software developed by the ILS is already in use by large corporations like Andersen Consulting and Ameritech. The Army uses their software to train its intelligence officers.

The ILS is currently developing a software program for use in the school system, that will help students learn how to analyze complex information and recommend alternatives, as well as improve their writing skills.

The armed services has a long history of pioneering the development of advanced technology—technology that can later be applied to other facets of our lives. The CAETI program is no exception. The technology being developed under CAETI contracts will translate directly into our civilian schools and to various industries.

I urge all of my colleagues to support this amendment, and support the development of advanced computer and networking technology.

Mr. McCAIN. I believe this amendment has been cleared by the other side.

Mr. LEVIN. The amendment has, indeed, been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4383) was agreed to.

Mr. McCAIN. Madam President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4384

(Purpose: To require that operational support airlift aircraft excess to the requirements of the Department of Defense be placed in an inactive status and stored at Davis-Monthan Air Force Base pending any study or analysis of the costs and benefits of operating or disposing of such aircraft)

Mr. LEVIN. I send an amendment to the desk in my own behalf and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 4384.

The amendment is as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT.

(a) STATUS OF EXCESS AIRCRAFT.—Operational support airlift aircraft excess to the requirements of the Department of Defense shall be placed in an inactive status and stored at Davis-Monthan Air Force Base, Arizona, pending the completion of any study or analysis of the costs and benefits of disposing of or operating such aircraft that precedes a decision to dispose of or continue to operate such aircraft.

(b) OPERATIONAL SUPPORT AIRLIFT AIRCRAFT DEFINED.—In this section, the term "operational support airlift aircraft" has the meaning given such term in section 1086(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 458).

Mr. LEVIN. Madam President, this amendment will require the Department of Defense to retire certain operational support airlift aircraft while it studies the ultimate disposition of that aircraft that is excess to the needs of the Department of Defense.

Mr. McCAIN. Madam President, the amendment has been cleared by this side.

Madam President, has the amendment been adopted?

The PRESIDING OFFICER. It has not.

Without objection, the amendment is agreed to.

The amendment (No. 4384) was agreed to.

Mr. LEVIN. Madam President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. McCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. McCAIN. I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRAGEDY IN SAUDI ARABIA

Mr. CAMPBELL. Madam President, as the bodies of the servicemembers killed in Tuesday's terrorist attack in Saudi Arabia arrive today at Dover Air Force Base, I join my colleagues in expressing my deepest condolences to those families who must now endure the pains of this senseless tragedy. Words cannot adequately express the sorrow our Nation feels for the loss of these soldiers who have made this ultimate sacrifice in service to our country. Fortunately, none of the nearly 40 service people from Colorado who were caught in this terrorist bombing were killed, although some sustained serious injuries.

It is my sincere hope that the cowardly extremists responsible for this horrendous act are soon caught and swiftly brought to justice. I trust my colleagues in this Chamber will work closely with the administration and the Saudi Government to ensure their apprehension. I am also hopeful that the necessary actions will be taken to prevent any future assaults on the service men and women who guard and protect the peace not only in this region but throughout the world.

MEMORIAL TO RANDY BELLINGHAM

Mr. BAUCUS. Mr. President, I want to talk today about a friend, Randy Bellingham, who lived life to the fullest—in his work, in his play, in his personal relationships. And because of the way he lived, the sense of loss for those who knew him, is that much greater.

He was a decorated combat veteran of Vietnam. He was an avid outdoorsman. He was a superb lawyer. He was a cancer survivor. And he was a dedicated father. But to simply look at these achievements and call Randy a great man would not be doing him justice.

Randy will best be remembered for what he gave to those around him. His honesty, strength, courage, and understanding are qualities that brightened the days and lives of those he worked with and loved. Though he was a busy man, he took the time to counsel those who suffered from cancer. Randy used his own experiences combatting the disease to help ease the pain of others. He changed the lives of everyone he knew. And now we are living monuments to his life. We will carry the memory of this great man with us in our hearts and in our minds always.

There is no remedy for the pain we feel when we lose a friend in the prime of his life. We search for meaning in such events, and pray that God has some higher purpose. I do not claim to know the answer to such questions. But I do know that Randy made the very most of every day of his life. And to me, that is the greatest achievement one can claim.

Sadly, Randy leaves behind a young family, his wife Mary Ann and his daughter Brynn. They should be very proud of the life Randy lived. He will be sorely missed. Thank you.

SENSELESS VIOLENCE IN SAUDI ARABIA

Mr. BAUCUS. Madam President, like so many Americans, I have watched with horror and anger the news accounts of the senseless act of violence in Dhahran, Saudi Arabia which has claimed the lives of 19 of our Nation's best and brightest young men and women and shattered the lives of so many others.

Across the Nation and in my own State of Montana we all feel the impact of this tragedy. Great Falls, MT, is the home of Malmstrom Air Force Base and the 341st Missile Wing. Twenty-three dedicated members of the 341st Missile Wing were deployed at King Abdul Aziz Air Force Base the night of the bombing and 5 soldiers were injured in the blast. Fortunately, we have now learned that their injuries are not serious.

I know all Montanans join me in offering our best wishes for a full recovery to Capt. Stephen Goff, A1c Daniel D. Hazell, AB Christopher T. Wagar, A1c Dennis A. Kuritz, and A1c Roger K. Kaalekahi IV. T.Sgt. James Rangitsch, originally of Billings, MT, was also injured in the blast and our best wishes go out to him and his family as well as his mother Dorothy Rangitsch, also of Billings.

We have all felt the pain of this horrible tragedy. The thoughts and prayers of all Montanans and all Americans are with the families of those who have lost their lives and those who are now burdened by injury. For those young men and women who have been taken from us too soon, we must resolve that these senseless acts of terror will not go unpunished and the perpetrators of the bombing in Dhahran will be brought to justice.

YANKTON DAILY PRESS & DAKOTAN CELEBRATES 135 YEARS

Mr. DASCHLE. Madam President, today I offer my congratulations to the Yankton Daily Press & Dakotan, the oldest daily newspaper in South Dakota.

For the last 135 years, Press & Dakotan has served the public interest by providing reliable local news to the residents of southeastern South Dakota. When the Press & Dakotan was founded in the Missouri River community of Yankton in 1861, the Dakota Territory was barely organized. Moving west, many early pioneers settled near the River and the Press & Dakotan, then known as the Weekly Dakotian, was there to serve them.

Over the years, the Press & Dakotan has recorded great national events from the end of the Civil War to the launch of the Space Shuttle. It has kept its readers informed with first-hand accounts of the Indian wars of the 1870's, the Depression of the 1930's, and the astounding economic growth experienced by Yankton throughout the 1990's. Fifteen other newspapers have come and gone in Yankton since 1861, but the Press & Dakotan has always been present to witness and record South Dakota's history. By persevering, it has etched out a tiny piece of history for itself.

South Dakotans depend on their hometown newspapers to provide updated local information. The residents of Yankton are no exception. The Press & Dakotan has a proven track record as a constant and reliable source for local information and it has served its community well. It has exhibited a remarkable ability to change with the times and is poised for new growth and development in the 21st century.

Once again, I applaud the Press & Dakotan for the hard work and commitment it took to reach this important milestone. I know the next 135 years will be just as successful.

TRIBUTE TO NORTH DAKOTA AIR FORCE PERSONNEL INJURED IN BOMBING IN DHAHRAN, SAUDI ARABIA

Mr. CONRAD. Madam President, I rise today to express my deep condolences to the families of the 19 Americans who the Air Force reports were killed in Tuesday's blast in Dhahran, Saudi Arabia. I know that the thoughts and prayers of all Senators are also with the more than 300 people who were injured and their families, but I would like to make my colleagues aware that 3 of those who were wounded serve in my State, North Dakota.

Madam President, approximately 60 Air Force personnel from air bases in Minot and Grand Forks in my home State are currently in the Persian Gulf theater. Many of them have been serving on a temporary basis in Dhahran with the 4404th Composite Wing, which is helping to enforce the no fly zone over Iraq. In light of reports that reverberations from the blast were felt nearly a hundred miles away in Bahrain, we must be thankful that more people were not killed, and that the three individuals from Grand Forks AFB who were hurt suffered only very minor injuries. It is my understanding that they have had an opportunity to speak with their families, and have been given necessary medical care.

Although the names of the injured are being withheld for the time being, I want to take this opportunity to pay tribute to the fine work that these injured servicemembers and all North Dakota personnel in the Gulf have done for our country. Duty in the Persian Gulf is, by all accounts, an extremely challenging assignment. The desert environment is unyielding, and the culture is vastly different from what servicemembers are used to in the United States. Tuesday's blast also reminds us of the area's political instability, and the fact that the gulf is one of the few places in the post-cold war world where American forces daily face the real threat of attack.

In the face of these challenges, personnel from the Grand Forks and Minot bases have performed extremely well. They have been a tribute to their fine installations, our State, the U.S. Air Force, and our country. I am proud of every member of the Air Force assigned to North Dakota, and offer my special thanks to the men and women from Minot and Grand Forks who are in the gulf today. It is because of your vigilance and hard work that all of us back home can sleep well at night.

President Clinton and Saudi authorities have vowed that those responsible for this shameful attack will be brought to justice, and I echo their sentiments that this cowardly act will not sway our resolve in the gulf. I have no doubt that North Dakota's personnel in the region will play an outstanding role in dealing with the aftermath of the blast, and on behalf of my colleagues in the Senate, wish to extend my sincere wishes for a quick recovery to the 3 servicemembers from Grand Forks AFB who were injured.

A TRIBUTE TO THOSE WHO SERVED AND DIED IN SAUDI ARABIA

Mr. ASHCROFT. Madam President, I rise today to condemn the June 25 cowardly terrorist attack which claimed the lives of 19 United States Air Force members at the Khobar Barracks near Dhahran, Saudi Arabia. The explosion which killed these men and injured 106 others was a heinous crime for which those responsible must be held accountable. The message must be sent that the United States will not tolerate conduct of this nature and our commitment to preventing future terrorist attacks in Saudi Arabia and elsewhere must be stronger than ever before.

Today, we honor the service and sacrifice of those who were killed or injured in this attack. We mourn the loss of some of our Nation's finest service members and pray that God will comfort those closest to them in time of grief. We are also thankful for those who continue to serve in a land far from their own in the defense of the United States and its allies and we commit ourselves to taking whatever action is necessary to ensure their continued safety.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Madam President, at the close of business yesterday, Wednesday, June 26, 1996, the Federal debt stood at $5,118,103,732,700.15.

On a per capita basis, every man, woman, and child in America owes $19,301.59 as his or her share of that debt.

LEONARD PELTIER

Mr. INOUYE. Madam President, I rise today in recognition of events which are taking place in the Capitol today concerning the cause of a native American, Mr. Leonard Peltier.

For over 20 years, Mr. Peltier has been imprisoned for a crime that the Government now appears to be admitting Mr. Peltier may not have committed.

I first became interested in this case when I viewed a documentary on one of the network television news programs in which, much to my surprise, the prosecuting attorney evinced some pride in the fact that at trial, the defense did not request and the prosecution did not produce certain exculpatory ballistics evidence which may have well effected a different outcome in the jury's verdict.

Although it has been many years since I served as a prosecutor, at that time, a defendant was entitled to the production of all of the evidence that might be used against him by the prosecution, and to my knowledge the law has not changed in that regard.

Thereafter, I learned that Mr. Peltier had been extradited from Canada on the basis of affadavits of eyewitnesses who later admitted that their testimony was not truthful. Although the Government apparently knew of the false nature of these affadavits, they were nonetheless presented to the Government of Canada as the basis for extradition.

Over the ensuing years, it has been my belief that if these facts of apparent misconduct on the part of the government could be disproved, it would serve the interest of justice to have a full review of all of the actions and proceedings leading up to and resulting in Mr. Peltier's incarceration.

Accordingly, I called upon President Bush to initiate such a review, and it is my understanding that a hearing examiner of the U.S. Parole Commission undertook such a review.

Thereafter, in December 1995, I am told that a hearing was held in which the prosecuting attorney in the Peltier case acknowledged that the Government could not be certain who was responsible for the murder of two FBI agents on the Pine Ridge Indian Reservation on June 26, 1975, and that rather than having evidence which would support the theory that Mr. Peltier fired at the agents at close range, the most the Government could say was that Mr. Peltier may have been firing shots at long range in the direction from which other gunfire was emanating and that in so doing, he may have aided and abetted those who were in fact responsible for the murders.

Thus I was surprised to learn the Parole Commission ultimately concluded that "the government has not changed its position that circumstantial evidence presented at your trial established your complicity in the execution of the agents."

Even more surprising, given that Mr. Peltier has consistently maintained his innocence of the crime with which he was charged, is the Parole Commission's finding that "[Mr. Peltier] has not given a factually specific account of your actions at the time of the offenses that is consistent with the jury's verdict of guilt, considering either theory of your participation in the crimes outlined by the government at trial."

Madam President, in the 8 years that I served as chairman of the Committee on Indian Affairs, the committee received literally thousands of letters each week from citizens of almost every country on this globe, calling upon the United States to examine the facts and circumstances surrounding Mr. Peltier's conviction and subsequent incarceration, and urging clemency.

International attention continues to be focused on what is seen by many as a matter of human rights.

Madam President, it is my hope that one day soon, a nation which prides itself on being an open society will find it appropriate to reexamine Mr. Peltier's case in all of its aspects. If there is nothing to hide, as honorable men and women, we can do no less.

If we find that we have been holding the wrong man accountable for these heinous crimes, let us renew our efforts to find the real culprits, and let an innocent man live out the remaining years of his life as a free man.

WELFARE AND MEDICAID REFORM

Mr. ROTH. Madam President, it has been stated countless times that the American people want three things: real welfare reform, a balanced budget, and compromise, if necessary to get the job done. Yesterday, the Finance Committee approved S. 1795, the Personal Responsibility and Work Opportunity Act of 1996. This legislation reflects the will of the American people on all three of these issues.

Let me first address bipartisanship and compromise. This past February, the Nation's Governors gathered in Washington and approved two resolutions dealing with welfare reform and Medicaid. Their efforts were lauded across the country, including by President Clinton.

For more than 3 years, President Clinton has been saying that, "what keeps people on welfare is the cost of health care and child care for their kids."

Under S. 1795, we are providing more child care funding than under current law and more mandatory child care funding than President Clinton has proposed. This legislation will help families make that all important transition into the work force.

When the Democratic and Republican Governors were working together on welfare and Medicaid reform, he did not tell the Governors to abandon their efforts because he would not sign Medicaid reform. In fact, he encouraged them. On the eve of the NGA proposal, the President encouraged the bipartisan Governors' group to "try to reach agreement on a number of issues that are important to your people and to us here in Washington, including Medicaid and welfare * * *".

In order to protect the President from his own words, many Democrats are now demanding that welfare be separated from Medicaid. The Governors understand there is no real welfare reform without Medicaid reform.

The compromise forged last February was supported by the most liberal Governor and the most conservative Governor and everyone in between. No one liked everything, but there was something for everyone in these resolutions. That is the essence of bipartisanship.

On May 22, I introduced S. 1795, the Personal Responsibility and Work Opportunity Act of 1996. An identical bill was introduced in the House of Representatives by Chairman ARCHER and Chairman BLILEY.

My colleagues in the House and I made every effort to meet the goals adopted by the Democratic and Republican Governors.

Last week, members of the Finance Committee submitted 163 amendments to S. 1795. There were 53 Republican amendments and 110 Democrat amendments. Based on the Finance Committee work, S. 1795, as amended, includes more than 50 Democratic amendments.

Nearly half of the Democratic amendments offered are included in this legislation.

Turning to the subject of welfare reform itself, it is critical to not lose sight of the overall goal of this legislation. That goal is to replace a system which has failed the very people it was intended to serve. The Governors understand that there is no real welfare reform without also restructuring Medicaid. Democratic and Republican Governors alike understand that Medicaid reform is a critical component of moving families from welfare to work.

More than 3 years ago, President Clinton told the Nation's Governors that,

> * * * many people stay on welfare not because of the checks * * * they do it solely because they do not want to put their children at risk of losing health care or because they do not have the money to pay for child care * * *.

This is precisely the purpose of S. 1795.

Madam President, there is plenty of talk coming from the other side of the aisle that the Governors and State legislatures cannot wait to abandon the children in their State. That is nonsense. If a family stays on welfare, that family will bet both a welfare check and Medicaid. Under this reform proposal, the States have greater incentives to expand Medicaid coverage and help prevent families from being forced onto the welfare rolls in the first place. Reform is a critical component of getting those now on welfare off of cash assistance.

The Governors also understand that under current law, Medicaid is an all or nothing proposition. The current system contains built-in incentives for families to impoverish themselves in order to qualify for Medicaid.

The Governors also understand that under today's all or nothing scheme, a lot of low-income working families get nothing. As if to add insult to injury, many low-income families are paying for the benefits a welfare family is getting while their own children go without coverage.

Medicaid is an important program for our elderly citizens in terms of long-term care coverage. But the current system is far from perfect in serving our senior citizens. The current system forces elderly citizens into poverty even before any benefits can be provided.

Our senior citizens often do not receive the most appropriate services because the current system, run under rules dictated by the Federal Government, is not flexible enough. What is good for the bureaucracy is not necessarily good for the individual. S. 1795 will give the States greater flexibility to redesign benefits so that our senior citizens can be better served.

The Clinton administration is scaring the elderly and hiding behind children. The very idea that the current system must remain in place in order to protect our vulnerable citizens from their Governors and State legislators is not only insulting. It is wrong. More than half of the money being spent on Medicaid is there solely because the States have chosen to provide optional benefits and extend optional coverage to a greater number of people.

The administration is trying to scare people with a convoluted argument that S. 1795 lacks a Federal guarantee. This argument is completely hollow. As Secretary Shalala acknowledged to the Finance Committee earlier this month, the States could take nearly $70 billion today out of the current Medicaid system without needing her approval.

S. 1795 did not create the linkage between welfare and Medicaid. That was done more than 30 years ago when Medicaid was created.

This legislation meets the four primary goals of the NGA Medicaid resolution:

First, the basic health care needs of the Nation's most vulnerable populations must be guaranteed.

S. 1795 guarantees coverage and benefits for poor children, children in foster care, pregnant women, senior citizens, persons with disabilities, and families on welfare.

If anything, the legislation goes beyond the NGA resolution in terms of setting guarantees. Yesterday we extended those Medicaid guarantees even further to phase-in coverage of children ages 13 to 18.

We also extended coverage to families leaving welfare. The modification also requires states to provide health coverage under the new Medicaid program for 1 year to families leaving welfare to go into the work force.

Second, the growth in health care expenditures must be brought under control.

While slowing the rate of growth, the Federal commitment to Medicaid remains intact. Even after reform, Medicaid spending will rise faster than Social Security.

The Federal Government will spend an estimated $827.1 billion between 1996 and 2002 on Medicaid, an average annual increase of approximately 6 percent.

We have met the President halfway in terms of Medicaid savings. The difference between us is less than 2 percent of total Federal cost of Medicaid.

That is a difference of about two dimes a day per beneficiary.

The American people should fully understand that the critical difference between President Clinton and this legislation is not about the level of spending. The difference between us is who controls the spending. The fundamental issue is whether or not the Governors and State legislators and judges can do a better job in running the $2.4 trillion welfare system than the bureaucracy in Washington.

The essence of the administration's opposition to S. 1795 is that the States cannot be trusted. The Clinton plan is built on the premise that Washington must control the decision making.

This goal of the Governors also goes directly to issue of a balanced budget, the third major issue of concern to the American people. Simply put, the Federal budget cannot be balanced without Medicaid reform. It is the third largest domestic program in the Federal budget. It costs more than AFDC, food stamps, and SSI combined.

Medicaid reform is also critical to balancing State budgets and priorities. One out of every $5 spent by the State goes to Medicaid. The National Association of State Budget Officers reports that Medicaid surpassed higher education as the second largest program in 1990.

If nothing changes, Medicaid spending may soon overtake elementary and secondary education spending as well.

To those taxpayers who are wondering why there is not more money for schools, to repair roads, and build bridges, a large part of the answer is the uncontrolled spending of Medicaid.

Third, States must have maximum flexibility in the design and implementation of cost-effective systems of care.

Among a number of provisions in meeting this goal, S. 1795 repeals the Boren amendment as requested by the Governors.

It frees the States from Federal restrictions which impede the movement into managed care.

Fourth, States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters.

S. 1795 includes an open-ended supplemental umbrella mechanism to provide additional funds for unexpected growth in guaranteed populations as well as certain specified optional populations.

This legislation achieves each of these goals.

It will replace a failed welfare system in which dependence is measured in generations and illegitimacy is the norm, with a system that encourages work and helps keep families together.

This legislation will return power and flexibility to the states, while retaining guarantee of a safety net for the most vulnerable populations.

Thirty-nine months ago, President Clinton promised the Nation's Governors and the American people that he would end welfare as we know it. Nothing happened.

He abandoned welfare reform and instead pursued a misguided attempt to take government control over the world's finest health care system. It didn't work.

Yesterday, the Finance Committee reported out legislation which will deliver on the promise of welfare reform and expand health coverage to many low income families.

After 30 years, we know that Washington does not know how to build strong families. It is time to end the incentives for staying in poverty. It is time to end a system in which welfare pays more than work.

Over 5 years, a typical welfare family receives more than $50,000 in tax free benefits. In a number of States, the benefits are significantly higher. It is appropriate to set a time limit on benefits and say enough is enough.

There is now little difference between this plan and the President's own plan in terms of Federal spending levels on Medicaid.

Secretary Shalala appeared before the Finance Committee earlier this month and acknowledged the President proposed to cut Medicaid by $59 billion.

Republican Governors have compromised. Democratic Governors have compromised. The legislation approved by the Finance Committee yesterday is a compromise.

There have been ample reference to political motivations launched by the other side of the aisle about the linkage between welfare and Medicaid. It is time to question why, after all of these changes, the President would not sign authentic welfare reform which includes Medicaid.

Last January, President Clinton vetoed welfare reform which did not include Medicaid.

In doing so, he also veto a bill which provided more support, including child care, for welfare families than his own legislation does.

H.R. 4 did not include Medicaid. But it did include the sweeping child support enforcement reform for which millions of American families are waiting. This legislation, again included in S. 1795, goes light years beyond anything the President could ever accomplish solely through administrative actions. How many thousands of children will remain in poverty or under the threat of poverty for at least another 6 months because they will not receive cash assistance and medical insurance of their absent parent as a result of President Clinton's vetoes?

Earlier this year, President Clinton declared that the era of big government is over. His action on this legislation will determine whether indeed that time is here.

This legislation will be a test to see if President Clinton is truly committed to ending the era of big government. Nothing could demonstrate a true allegiance to this pledge better than to return the responsibility and authority for welfare programs, including Medicaid, to the States.

UNITED STATES-JAPAN AVIATION RELATIONS: PROGRESS OR PROTECTIONISM

Mr. PRESSLER. Madam President, in recent months the Government of Japan publicly has indicated its desire to move forward in United States-Japan aviation relations by expanding air service opportunities. Given that Japan is our second largest aviation trading partner overseas and is the gateway to the booming Asia-Pacific market, these statements are encouraging news for consumers on both sides of the Pacific. Regrettably, Japan's actions speak much louder than its words.

While Japan certainly talks about progress, it has prevented any real progress from taking place by continuing to prohibit several of our carriers from serving various United States-Asia markets via Japan despite a clear right to do so guaranteed by the United States-Japan bilateral aviation agreement. In fact, Japanese negotiators seem more intent on protecting intra-Asian air service markets for Japanese carriers by blocking out United States carrier competitors than they are in opening the United States-Japan aviation market. That certainly was evident in air service talks earlier this month in Tokyo.

Japanese negotiators must make a choice. They must choose between progress or protectionism. More fundamentally, Japan must choose whether to embrace the future of global air service or unwisely cling to the past. In our ongoing air service talks with the Japanese, the United States is rightly requiring the Japanese to make that choice: Japan must meet its present obligations and stop wrongly protecting its air service markets before a new treaty can be discussed.

Other countries faced with that same decision overwhelmingly have chosen progress. Over the past 2 years, over 20 nations have signed more liberal aviation accords with the United States. No wonder. The economic benefits flowing from an opening of air service opportunities can be enormous. Our recent phased-in open skies agreement with Canada dramatically makes this point. Since that signing, the United States-Canada aviation market has generated an additional 1 million passengers and a remarkable $2 billion in economic activity on both sides of the border. In terms of enhanced consumer choice, nearly 50 city-pair markets have received first time scheduled service and another 14 city-pair markets have received additional competition.

These benefits will surely grow as the remaining barriers are phased out. In fact, the United States Department of Transportation estimates from 1995 through 2000, the cumulative economic benefits of this accord to both countries will be $15 billion.

In contrast, some countries such as France have chosen protectionism thereby foregoing the economic benefits of further liberalization. While air service markets around France have grown significantly in recent years as those countries have opened their markets, the French air service market has been stagnant. In fact, last year combined passenger traffic at the two major Paris airports fell nearly 1 percent. Is it any wonder Air France has accumulated losses totaling $3.3 billion since 1990, and continues to have operating costs among the highest in the world? As the French experience unmistakably shows, in today's global economy a protectionist air service policy is economic folly.

Fortunately, most countries are rejecting the protectionist path. For instance, most recently 18 member economies of the Asia Pacific Economic Cooperation [APEC] organization voted specifically to add aviation to the list of core industries designated for liberalization, and the European Union has been given a limited mandate by member States to negotiate an open skies agreement with the United States. Nevertheless, there are major United States trading partners in addition to France, such as Japan and the United Kingdom, that continue to resist change.

Madam President, in Japan's case the reasons are evident. For nearly two decades cost inefficiency has caused Japanese carriers to become less competitive and to lose their market share even on Asian and Pacific routes that are not open to significant competition. Japan's chief aviation policy makers at the Ministry of Transportation [MOT] have responded to the challenge negatively, creating operational obstacles for U.S. carriers and demanding increasingly restrictive limitations on its originally open 1952 Air Transport Agreement with the United States.

And therein lies the heart of the problem confronting the United States delegation in the aviation talks. The issue is both philosophical and economic. Japan is convinced its airlines cannot compete for Asian markets whose annual passenger volume is expected to triple—and account for more than half the world's traffic—by 2010. The United States, on the other hand, has to be concerned that, as the Economic Strategy Institute concluded recently, the loss of its competitive aviation presence in the booming Asia-Pacific market would cost this country $5 billion in trade receipts annually and hundreds of thousands of United States jobs. Incredibly, the MOT's approach—in contradiction to the Japanese Government's stated goal in virtually all other sectors—is to eliminate competition from highly cost-efficient United States airlines. In pursuit of this short-sighted policy, the MOT has threatened sanctions to penalize carriers that are only exercising their rights. Thus, Japan is caught in a trap. The restrictions it has imposed over the years have prevented its airlines from becoming more efficient, and now the MOT believes it has to protect them if they are to compete in Asia.

Nonetheless, to the United States, the MOT's intransigence poses a series of inescapable dilemmas. It cannot ignore Japan's refusal to abide by the 1952 agreement without setting a very dangerous precedent for all of our other international agreements. It cannot concede more treaty modifications or restrictions without surrendering the few rights left to United States carriers and accepting Japanese control over the United States presence in many United States/Asian aviation markets. It cannot stand passively by while Japanese carriers expand service in those very same markets to which United States carriers are wrongly denied access. And, ultimately, the United States cannot yield to Japan's protectionist policy without abandoning its long-standing commitment to the principle that open competition in a free market environment is the only way to advance the best interests of consumers, countries, communities, and carriers that together shape a global and interdependent economy.

Thus far, United States negotiators are standing firm in defending that critically important principle despite intense pressure exerted by Japan directly and indirectly. As the talks proceed, our representatives deserve our complete support. We can hope only that their efforts will lead to Japan's realization that protectionism is inevitably an obsolete trading weapon capable of serving no one but of causing great harm.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:06 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1903. An act to designate the bridge, estimated to be completed in the year 2000, that replaces the bridge on Missouri highway 74 spanning from East Girardeau, Illinois, to Cape Girardeau, Missouri, as the "Bill Emerson Memorial Bridge," and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

The message also announced that the Speaker, pursuant to the provisions of Resolution 459, appoints to Funeral Committee of the late Hon. Bill Emerson the following Members on the part of the House: Mr. CLAY of Missouri, Mr. GINGRICH of Georgia, Mr. GEPHARDT of Missouri, Mr. BOEHNER of Ohio, Mr. SKELTON of Missouri, Mr. VOLKMER of Missouri, Mr. HANCOCK of Missouri, Ms. DANNER of Missouri, Mr. TALENT of Missouri, Ms. MCCARTHY of Missouri, Mr. MONTGOMERY of Mississippi, Mr. HALL of Ohio, Mr. LEWIS of California, Mr. HUNTER of California, Mr. ROBERTS of Kansas, Mr. WOLF of Virginia, Mr. KANJORSKI of Pennsylvania, Mr. MCNULTY of New York, Mr. POSHARD of Illinois, Mr. MORAN of Virginia, Mrs. LINCOLN of Arkansas, Mr. CHAMBLISS of Georgia, Mrs. CUBIN of Wyoming, and Mr. LATHAM of Iowa.

At 2:48 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

At 8:42 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 192. Concurrent resolution providing for an adjournment of the two Houses.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3666. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3666. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3178. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on Regular Trade Adjustment Assistance; to the Committee on Finance.

EC–3179. A communication from the President of the United States, transmitting, pursuant to law, a report concerning an extension of waiver authority; to the Committee on Finance.

EC–3180. A communication from the Chairman of the Social Insurance Committee of the American Academy of Actuaries, transmitting, pursuant to law, the report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for calendar year 1996; to the Committee on Finance.

EC–3181. A communication from the Chair of the Physician Payment Review Commission, transmitting, pursuant to law, the report entitled "Monitoring Access of Medicare Beneficiaries and Monitoring the Financial Liability of Medicare Beneficiaries"; to the Committee on Finance.

EC–3182. A communication from the Chief of Staff of the Office of the Commissioner of Social Security, transmitting, pursuant to law, the rule entitled "Payment For Vocational Rehabilitation Services Furnished Individuals During Certain Months of Nonpayment of Supplemental Security Income Benefits," (RIN0960–AD39) received on June 17, 1996; to the Committee on Finance.

EC–3183. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to value units for the full range of pediatric physicians' services; to the Committee on Finance.

EC–3184. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a final rule entitled "Health Maintenance Organizations," (RIN0938–AE64) received on June 10, 1996; to the Committee on Finance.

EC–3185. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the status of the implementation and evaluation of social health maintenance organization demonstration; to the Committee on Finance.

EC–3186. A communication from the Assistant Secretary of the Treasury (Tax Policy), transmitting, a draft of proposed legislation to amend the Internal Revenue Code; to the Committee on Finance.

EC–3187. A communication from the General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to amend section 304 of the Tariff Act of 1930; to the Committee on Finance.

EC–3188. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Miscellaneous Regulations Relating to Liquor," (RIN1512–AB44) received on June 18, 1996; to the Committee on Finance.

EC–3189. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "The Extension of the Paso Robles Viticultural Area," (RIN1512–AA07) received on June 19, 1996; to the Committee on Finance.

EC–3190. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "The Malibu-Newton Canyon Viticultural Area," (RIN1512–AA07) received on June 21, 1996; to the Committee on Finance.

EC–3191. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a statement of procedural rules (RIN1512–AB53) received on June 21, 1996; to the Committee on Finance.

EC–3192. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Taxpaid Distilled Spirits Used in Manufacturing Products Unfit for Beverage Use," (RIN1512–AA20) received on June 24, 1996; to the Committee on Finance.

EC–3193. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Extensions of Time to Make Elections," (RIN1545–AU41) received on June 26, 1996; to the Committee on Finance.

EC–3194. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Regulations Under Section 382 of the Internal Revenue Code of 1986," (RIN1545–AU37) received on June 26, 1996; to the Committee on Finance.

EC–3195. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Consolidated returns-Limitations on the use of certain losses and deductions," (RIN1545–AU35) received on June 26, 1996; to the Committee on Finance.

EC–3196. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of temporary regulations entitled "Regulations Under Section 1502 of the Internal Revenue Code of 1986," (RIN1545–AU36) received on June 26, 1996; to the Committee on Finance.

EC–3197. A communication from the Chief of Regulations Unit, Department of Treasury, transmitting, pursuant to law, the report of Revenue Procedure 96–37; to the Committee on Finance.

EC–3198. A communication from Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Basic Permit Requirements Under the Federal Alcohol Administration Act, Nonindustrial Use of Spirits and Wine, Bulk Sales and Bottling of Distilled Spirits," (RIN1512–AB43) received on June 10, 1996; to the Committee on Finance.

EC–3199. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, Notice 96–35 entitled "Regulatory Reinvention Initiative," received on June 17, 1996; to the Committee on Finance.

EC–3200. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Revenue Ruling 96–34 entitled "Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property," received on June 19, 1996; to the Committee on Finance.

EC–3201. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Revenue Procedure 96–34 received on June 11, 1996; to the Committee on Finance.

EC–3202. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Modification of Bad Debts," (RIN1545–AT14) received on June 25, 1996; to the Committee on Finance.

EC–3203. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Modification of Debt Instruments," (RIN1545–AR04) received on June 25, 1996; to the Committee on Finance.

EC–3204. A communication from Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the Treasury regulation entitled "Debt Instruments with Original Issue Discount," (RIN1545–AQ86, 1545–AS35) received on June 25, 1996; to the Committee on Finance.

EC–3205. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the rule relative to the Visa Waiver Pilot Program, (RIN1115–AB93) received on June 26, 1996; to the Committee on the Judiciary.

EC–3206. A communication from the Acting General Sales Manager and Acting Vice President, Commodity Credit Corporation, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a rule concerning the Commodity Credit Corporation Supplier Credit Guarantee Program, (RIN0551–AA30) received on June 25, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3207. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 26, 1996; to the Committee on Governmental Affairs.

EC–3208. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, the rule entitled "Federal Energy Management and Planning Programs," (RIN1991–AA80) received on June 26, 1996; to the Committee on Energy and Natural Resources.

EC–3209. A communication from President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a notice relative to U.S. exports to Russia for a storage terminal project; to the Committee on Banking, Housing, and Urban Affairs.

EC–3210. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning military education and training to the Dominican Republic; to the Committee on Foreign Relations.

EC–3211. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties; to the Committee on Foreign Relations.

EC–3212. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the report of informational copies of two lease prospectuses; to the Committee on Environment and Public Works.

EC–3213. A communication from the Chief Financial Officer of the Department of Energy, transmitting, pursuant to law, the report of a detailed description of the compliance activities undertaken by the Department for mixed waste streams; to the Committee on Environment and Public Works.

EC–3214. A communication from the Director of the Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the rule entitled "Production and Utilization Facilities," (RIN3150–AF20) received on June 13, 1996; to the Committee on Environment and Public Works.

EC–3215. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a final rule concerning reclassification of the Saltwater Crocodile Population in Australia, (RIN1018–AC30) received on June 17, 1996; to the Committee on Environment and Public Works.

EC–3216. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a final rule concerning the Ohio River Islands National Wildlife Refuge, (RIN1018–AD43) received on June 17, 1996; to the Committee on Environment and Public Works.

EC–3217. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a final rule concerning the Great Bay National Wildlife Refuge, (RIN1018–AD44) received on June 17, 1996; to the Committee on Environment and Public Works.

EC–3218. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Federal Operating Permits Program," (RIN2060–AD68) received on June 24, 1996; to the Committee on Environment and Public Works.

EC–3219. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Approval and Promulgation of Implementation Plans," (FRL5511–4, 5525–4) received on June 18, 1996; to the Committee on Environment and Public Works.

EC–3220. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of four rules entitled "Hazardous Waste Management System," (FRL5529–1, 5464–7, 5516–7, 5528–4) received on June 25, 1996; to the Committee on Environment and Public Works.

EC–3221. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of seven rules entitled "Regulation of Fuels and Fuel Additives," (FRL5522–2, 5519–2, 5524–4, 5524–9, 5456–4, 5523–7, 5526–4) received on June 20, 1996; to the Committee on Environment and Public Works.

EC–3222. A communication from the the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, the rule entitled "The Postsecondary Education Program for Individuals with Disabilities," received on June 25, 1996; to the Committee on Labor and Human Resources.

EC–3223. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the report on the financial status of the railroad unemployment insurance system; to the Committee on Labor and Human Resources.

EC–3224. A communication from the Director of Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, a rule entitled "Tin-Coated Lead Foil Capsules for Wine Bottles," received on June 19, 1996; to the Committee on Labor and Human Resources.

EC–3225. A communication from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting, pursuant to law, the rule entitled "Consolidation of Repetitive Provisions," (RIN1218–AB53) received on June 19, 1996; to the Committee on Labor and Human Resources.

EC–3226. A communication from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a final rule entitled "Reorganization, Renumbering, and Reinvention of Regulations," (RIN1212–AA75) received on June 25, 1996; to the Committee on Labor and Human Resources.

EC–3227. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of thirteen rules entitled "Tolerance Exemption," (FRL5376–3, 5377–7, 5370–8, 5371–4, 5372–5, 5375–9, 5374–7, 5373–5, 5521–5, 5522–6, 5521–4, 5372–4, 5521–7) received on June 20, 1996; to the Committee on Environment and Public Works.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–639. A petition adopted by the Legislature of the State of Maryland; to the Committee on Governmental Affairs.

"HOUSE BILL 712

"TITLE III.—ARTICLE—
TRANSPORTATION

"Section 10–204

"ARTICLE III

"Section 3

"There is hereby created the Washington Metropolitan Area Transit Zone which shall embrace the District of Columbia, the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington, Fairfax, and Loudoun and political subdivisions of the Commonwealth of Virginia located within those counties, and the counties of Montgomery and Prince George's in the State of Maryland and political subdivisions of the State of Maryland located in said counties.

"Section 5

"(a) The Authority shall be governed by a board of six directors consisting of two directors for each signatory. For Virginia, the directors shall be appointed by the Northern Virginia Transportation Commission; for the District of Columbia, by the Council of the District of Columbia; and for Maryland, by the Washington Suburban Transit Commission. For Virginia and Maryland, the directors shall be appointed from among the members of the appointing body, except as otherwise provided herein, and shall serve for a term coincident with their term on the appointing body. A director may be removed or suspended from office only as provided by the law of the signatory from which he was appointed. The appointing authorities shall also appoint an alternate for each director, who may act only in the absence of the director for whom he has been appointed an alternate, except that, in the case of the District of Columbia where only one director and his alternate are present, such alternate may act on behalf of the absent director. Each alternate shall serve at the pleasure of the appointing authority. In the event of a vacancy in the office of director or alternate, it shall be filled in the same manner as an original appointment.

"Section 8

"(a) Four directors or alternates consisting of at least one director or alternate appointed from each signatory, shall constitute a quorum and no action by the board shall be effective unless a majority of the board present and voting, which majority shall include at least one director or alternate from each signatory, concur therein; provided, however, that a plan of financing may be adopted or a mass transit plan adopted, altered, revised or amended by the unanimous vote of the directors representing any two signatories.

"ARTICLE VI

"Section 14

"(b) It shall be the duty and responsibility of each member of the board to serve as liaison between the board and the body which appointed him to the board. To provide a framework for regional participation in the planning process, the board shall create technical committees concerned with planning and collection and analyses of data relative to decision-making in the transportation planning proces and the mayor and council of the District of Columbia, the component governments of the Northern Virginia Transportation District and the Washington Suburban Transit District shall appoint representatives to such technical committees and otherwise cooperate with the board in the formulation of a mass transit plan, or in revisions, alterations or amendments thereof.

"Section 15

"(a) Before a mass transit plan is adopted, altered, revised or amended, the board shall transmit such proposed plan, alteration, revision or amendment for comment to the following and to such other agencies as the board shall determine:

"(1) The Mayor and Council of the District of Columbia, the Northern Virginia Transportation Commission and the Washington Suburban Transit Commission;

"(2) The governing bodies of the counties and cities embraced within the zone;

"(3) The transportation agencies of the signatories;

"(4) The Washington Metropolitan Area Transit Commission;

"(5) The Washington Metropolitan Council of Governments;

"(6) The National Capital Planning Commission;

"(7) The National Capital Regional Planning Council;

"(8) The Maryland-National Capital Park and Planning Commission;

"(9) The Northern Virginia Regional Planning and Economic Development Commission;

"(10) The Maryland Office of Planning; and

"(11) The private transit companies operating in the zone and the labor unions representing the employees of such companies and employees of contractors providing service under operating contracts.

"(b) A copy of the proposed mass transit plan, amendment or revision, shall be kept at the office of the board and shall be available for public inspection. Information with respect thereto shall be released to the public. After thirty days' notice published once a week for two successive weeks in one or more newspapers of general circulation within the zone, a public hearing shall be held with respect to the proposed plan, alteration, revision or amendment. The thirty-days' notice shall begin to run on the first day the notice appears in any such newspaper. The board shall consider the evidence submitted and statements and comments made at such hearing and may make any changes in the proposed plan, amendment or revision which it deems appropriate and such changes may be made without further hearing.

"ARTICLE VII

"Section 18

"(c) With respect to the federal government, the commitment or obligation to render financial assistance shall be created by appropriation or in such other manner, or by such other legislation, as the Congress shall determine. Commitments by the District of Columbia shall be by contract or agreement between the governing body of the District of Columbia and the Authority, pursuant to which the Authority undertakes, subject to the provisions of Section 20 hereof, to provide transit facilities and service in consideration for the undertaking by the District of Columbia to contribute to the capital required for the construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and obligations incurred in the operation of such facilities.

"ARTICLE XVI

"Section 81

"The United States District Courts shall have original jurisdiction, concurrent with the courts of Maryland, Virginia and the District of Columbia, of all actions brought by or against the Authority and to enforce subpoenas issued under this title. Any such action initiated in a State or District of Columbia court shall be removable to the appropriate United States District Court in the manner provided by Act of June 25, 1948, as amended (28 U.S.C. 1446).

"Section 84

"Amendments and supplements to this title to implement the purposes thereof may be adopted by legislative action of any of the signatory parties concurred in by all of the others. When one signatory adopts an amendment or supplement to an existing section of the compact, that amendment or supplement shall not be immediately effective, and the previously enacted provision or provisions shall remain in effect in each jurisdiction until the amendment or supplement is approved by the other signatories and is consented to by Congress.

"Section 86

"This title shall be adopted by the signatories in the manner provided by law therefor and shall be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary of State of each of the signatory parties or in accordance with the laws of the state in which the filing is made, and one copy shall be filed and retained in the archives of the authority upon its organization. This title shall become effective ninety days after the enactment of concurring legislation by or on behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all other acts or actions have been taken, including the signing and execution of the title by the Governors of Maryland and Virginia and the Mayor and Council of the District of Columbia.

"Section 2. *And be it further enacted,* That this Act may not take effect until similar Acts are passed by the District of Columbia and the Commonwealth of Virginia; that the District of Columbia and the Commonwealth of Virginia are requested to concur in this Act of the General Assembly by the passage of substantially similar Acts; that the Department of Legislative Reference shall notify the appropriate officials of the District of Columbia, the Commonwealth of Virginia, and the United States Congress of the passage of this Act; and that, upon the concurrence in this Act by the District of Columbia, the Commonwealth of Virginia, and the United States, the Governor of the State of Maryland shall issue a proclamation declaring this Act valid and effective and shall forward a copy of the proclamation to the Director of the Department of Legislative Reference.

"Section 3. *And be it further enacted,* That, subject to the provisions of Section 2 of this Act, this Act shall take effect October 1, 1996."

POM–640. A petition adopted by the Legislature of the State of Maryland; to the Committee on Governmental Affairs.

"HOUSE BILL 711

"(a) The board shall not raise any fare or rate, nor implement a major service reduction, except after holding a public hearing with respect thereto.

"(c) The board shall give at least fifteen days' notice for all public hearings. The notice shall be given by publication in a newspaper of daily circulation throughout the transit zone and such notice shall be published once a week for two successive weeks. The notice period shall start with the first day of publication. Notices of public hearings shall be posted in accordance with regulations promulgated by the board.

"Section 2. *And be it further enacted,* That, in Maryland, the Washington Metropolitan Area Transit Authority shall conform with the following standards that constitute a major service reduction. A major service reduction includes: (1) one or more reductions in a single year that represent a total reduction of more than 20% in that year in the number of scheduled revenue miles; (2) one or more reductions in a single year that represent a total reduction of more than 1 hour in that year in the hours of service; (3) one or more reductions in a single year that represent a total reduction of more than 15% in that year in the number of route miles; or (4) one or more eliminations of service in a single year that represent a total elimination of service in that year for more than 10% of current riders. Any change that does not conform with these standards shall constitute a minor service reduction.

"Section 3. *And be it further enacted,* That, in Maryland, any posting of notice of public hearing regulations adopted by the Washington Metropolitan Area Transit Authority under this Act shall include requirements for advanced posting of notice at stations, terminals, but shelters, and vehicles that serve members of the public that are directly affected by a proposed change.

"Section 4. *And be it further enacted,* That Section 1 of this Act may not take effect until similar Acts are passed by the District of Columbia and the Commonwealth of Virginia; that the District of Columbia and the Commonwealth of Virginia are requested to concur in this Act of the General Assembly by the passage of substantially similar Acts; that the Department of Legislative Reference shall notify the appropriate officials of the District of Columbia, the Commonwealth of Virginia, and the United States Congress of the passage of this Act; and that, upon the concurrence in Section 1 of this Act by the District of Columbia, the Commonwealth of Virginia, and the United States, the Governor of the State of Maryland shall issue a proclamation declaring this Act valid and effective and shall forward a copy of the proclamation to the Director of the Department of Legislative Reference.

"Section 5. *And be it further enacted,* That, subject to the provisions of Section 4 of this Act, this Act shall take effect October 1, 1996."

POM–641. A resolution adopted by the House of the Commonwealth of Pennsylvania; to the Committee on Environment and Public Works.

"HOUSE RESOLUTION NO. 401

"Whereas, The United States Supreme Court has issued a series of decisions holding that the Commerce Clause of the Constitution of the United Stats prohibits states from restricting the importation of solid waste from other states; and

"Whereas, Over the past several years owners and operators of solid waste landfills located in this Commonwealth have increased significantly the amount of solid waste that they accept from other states; and

"Whereas, According to statistics compiled by the Department of Environmental Protection, the percentage of solid waste disposed of in this Commonwealth that is imported from other states has increased in each of the past five years; and

"Whereas, According to statistics compiled by the Department of Environmental Protection, in 1995 imported waste made up 39.2 percent of the solid waste disposal of in landfills located in this Commonwealth; and

"Whereas, New York State and New York City recently announced plans to close by the year 2001 the Fresh Kills landfill located on Staten Island, which currently accepts 13,000 tons of waste per day from New York City, and the city's sanitation director stated that the city would consider sending its waste to landfills in Pennsylvania, among other places; and

"Whereas, The present and projected future levels of solid waste that owners and operators of landfills and incinerators located in this Commonwealth import from other states poses environmental, aesthetic and traffic problems and is unfair to citizens of his Commonwealth, particularly citizens living in areas where landfills and incinerators are located; and

"Whereas, In 1988 the Commonwealth adopted a law designed to reduce the need for additional landfills and incinerators by requiring and encouraging recycling of certain materials; and

"Whereas, It is within the power of Congress to delegate authority to the states to restrict the amount of solid waste they import from other states; and

"Whereas, Legislation has been introduced in both houses of Congress, and passed by the United States Senate, that would give states authority to impose reasonable restrictions on the amount of solid waste imported from other states; and

"Whereas, Passage of such legislation by Congress may hinge upon the success of negotiations between certain states that import and export trash; and

"Whereas, Recently Governor Ridge and the governors of four other states wrote to the Honorable George Pataki; Governor of New York, expressing their desire to reach an accord on authorizing states to place reasonable limits on the importation of solid waste; and

"Whereas, The failure of Congress to act will harm the Commonwealth by allowing the continued unrestricted flow of solid waste generated in other states to landfills and incinerators located in this Commonwealth; therefore be it

"*Resolved*, That the House of Representatives memorialize Congress to approve legislation authorizing states to restrict the amount of solid waste they import from other states; and be it further

"*Resolved*, That the House of Representatives memorialize the Governor of New York to support legislation giving states the authority to place reasonable restrictions upon the amount of solid waste imported from other states; and be it further

"*Resolved*, That copies of this resolution be transmitted to the Honorable George Pataki, Governor of New York, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-642. A resolution adopted by the Senate of the Commonwealth of Pennsylvania; to the Committee on Environment and Public Works.

"SENATE RESOLUTION NO. 138

"Whereas, The Supreme Court of the United States has issued a series of decisions holding that the Commerce Clause of the Constitution of the United States prohibits states from restricting the importation of solid waste from other states; and

"Whereas, Over the past several years owners and operators of solid waste landfills and resource recovery facilities located in this Commonwealth have increased significantly the amount of solid waste that they accept from other states; and

"Whereas, According to statistics compiled by the Department of Environmental Protection, the percentage of solid waste disposed of in this Commonwealth that is imported from other states has increased in each of the past five years; and

"Whereas, According to statistics compiled by the Department of Environmental Protection, in 1995 imported waste made up 35.4% of the solid waste disposed of in landfills and resource recovery facilities located in this Commonwealth; and

"Whereas, New York State and New York City recently announced plans to close by the year 2001 the Fresh Kills landfill located on Staten Island, which currently accepts 13,000 tons of waste per day from New York City, and the city's sanitation director stated that the city would consider sending its waste to landfills in Pennsylvania, among other places; and

"Whereas, The present and projected future levels of solid waste that owners and operators of landfills and incinerators located in this Commonwealth import from other states poses potential environmental, aesthetic and traffic problems and is unfair to citizens of this Commonwealth, particularly citizens living in areas where landfills and resource recovery facilities are located; and

"Whereas, In 1988 the Commonwealth adopted a law designed to reduce the need for additional landfills and incinerators by requiring and encouraging recycling of certain materials; and

"Whereas, It is within the power of Congress to delegate authority to the states to restrict the amount of solid waste they import from other states; and

"Whereas, Legislation has been introduced in both houses of Congress, and passed by the United States Senate, that would give states authority to impose reasonable restrictions on the amount of solid waste imported from other states; and

"Whereas, Passage of such legislation by Congress may hinge upon the success of negotiations between certain states that import and export trash; and

"Whereas, Recently Governor Ridge and the governors of four other states wrote to the Honorable George Pataki, Governor of New York, expressing their desire to reach an accord on authorizing states to place reasonable limits on the importation of solid waste; and

"Whereas, The failure of Congress to act will harm the Commonwealth by allowing the continued unrestricted flow of solid waste generated in other states to landfills and incinerators located in this Commonwealth; therefore be it

"*Resolved*, That the Senate memorialize Congress to approve legislation authorizing states to restrict the amount of solid waste they import from other states; and be it further

"*Resolved*, That the Senate memorialize the Governor of New York to support legislation giving states the authority to place reasonable restrictions upon the amount of solid waste imported from other states; and be it further

"*Resolved*, That copies of this resolution be transmitted to the Honorable George Pataki, Governor of New York, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-643. A resolution adopted by the General Assembly of the State of New Jersey; to the Committee on Commerce, Science, and Transportation.

"ASSEMBLY RESOLUTION NO. 99

"Whereas, Whales have been recognized internationally since the 1960s as animals unnecessarily threatened with extinction because of the variety of alternative sources in modern time for the products and by-products derived from whales; and

"Whereas, The International Whaling Commission voted in 1982 to impose a moratorium on all commercial whaling at the end of the 1984-85 season; and

"Whereas, The principal whaling nations—Japan, Norway and Russia (then the Soviet Union)—did not agree to the moratorium until 1988, and in 1992, Norway announced it would resume hunting minke whales because, in Norway's opinion, the species was no longer in danger of extinction; and

"Whereas, The International Whaling Commission specifically banned commercial whaling of minke whales in 1993 because of the declining numbers of the species; and

"Whereas, It has been reported by international news services that Norway has almost doubled its quota from 232 to 425 minke whales for the 1996 season at a time when the total world population of minke whales is estimated at 110,000 to 120,000 whales; and

"Whereas, Public opposition to this move has been made all the more apparent by published news reports that the head of resources management at the Ministry of Fisheries in Norway said no public announcement of this initiative would be made to avoid violence against whalers; and

"Whereas, The United States has been in the forefront of the "Save the Whales" movement, by banning the importation of whale products in 1970 and, later in 1972, by prohibiting all commercial hunting of whales in United States waters; now, therefore, be it

"Be it Resolved by the General Assembly of the State of New Jersey:

"1. The President and the Secretary of State of the United States are requested to express disapproval of Norway for its commercial whaling policies and for the raising of its quotas on minke whales.

"2. Duly authenticated copies of this resolution, signed by the President of the Senate and attested to by the Secretary thereof, shall be transmitted to the King and Prime Minister of Norway, the President, Vice President and the Secretary of State of the United States, the United States Ambassador to Norway, and the members of the Congress of the United States.

"STATEMENT

"This resolution requests the President and the Secretary of State of the United States to express disapproval of Norway for its commercial whaling policies and for the raising of its quotas on minke whales. Norway, in the face of an international ban on minke whale hunting, recently increased its minke whale quotas from 232 to 425 whales. It is estimated that the total world population of minke whales is 110,000 to 120,000 whales.

"Requests the President and the Secretary of State of the United States to express disapproval of Norway for its commercial whaling policies and for the raising of its quotas on minke whales."

POM-644. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Environment and Public Works.

"SENATE JOINT RESOLUTION 38

"Whereas the United States Environmental Protection Agency has proposed new rules to expand the Toxics Release Inventory (TRI) Program; and

"Whereas this expansion could add electric utilities, waste management facilities, mining, oil and gas exploration and production, materials recovery and recycling, and some warehousing activities to the list of facilities required to report toxic chemical releases under the TRI program; and

"Whereas only manufacturing facilities must currently report under the TRI program and there are significant fundamental differences between manufacturing facilities and the facilities threatened with addition to the list; and

"Whereas nearly all of the produced water, natural gas, and other miscellaneous materials from oil and gas exploration and production facilities are discharged to deep disposal wells far below the groundwater aquifer; and

"Whereas the Environmental Protection Agency's profiles of various industries not currently required to report under the TRI program assume that typical releases remain constant; this is not the case for at least some operations where the concentrations of chemicals in wastestreams change constantly; and

"Whereas the only way to monitor these varying discharges would be for operators to perform regular, expensive wastestream tests; and

"Whereas the information gained from these tests would not benefit communities significantly because much of the information regarding on-site hazardous substances is already required to be reported to local emergency planning committees, the Alaska State Emergency Planning Commission, the State Fire Marshall's office, and local fire departments; and

"Whereas the Alaska State Legislature considers this proposed rule-making would result in an unnecessary, duplicative reporting burden; and

"Whereas this expanded reporting requirement will force companies operating in Alaska to redirect financial resources to a reporting effort with far less benefit than current reporting requirements; and

"Whereas the State of Alaska has been implementing changes to minimize the cost burden on marginal oil and gas projects and those nearing their economic end: Be it

"*Resolved* that the Alaska State Legislature respectfully requests that the United States Environmental Protection Agency cease from imposing additional, duplicative reporting mandates on industry; and be it further

"*Resolved* that, if the Environmental Protection Agency continues with the implementation of the proposed rule, the Alaska State Legislature requests that oil and gas exploration and production be exempted from the TRI program reporting requirements."

POM–645. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Governmental Affairs.

"LEGISLATIVE RESOLVE NO. 70

"Whereas the United States Congress, by its authority to regulate commerce among the states, has repeatedly preempted state laws, including those relating to health, welfare, transportation, communications, banking, environment, and civil justice, reducing the ability of state legislatures to be responsive to their constituents; and

"Whereas more than one-half of all federal laws preempting states have been enacted by the Congress since 1969, intensifying an erosion of state power that leaves an essential part of our constitutional structure—federalism—standing precariously; and

"Whereas the United States Constitution anticipates that our American federalism will allow differences among state laws, expecting people to seek change through their own legislatures without federal legislators representing other states preempting states to impose national laws; and

"Whereas constitutional tension necessary to protect liberty arises from the fact that federal law is "the supreme Law of the Land" while, in contrast, powers not delegated to the federal government are reserved to the states or to the people, and that tension can exist only when states are not preempted and, thus, remain credible powers in the federal system; and

"Whereas less federal preemption means states can act as laboratories of democracy, seeking novel social and economic policies without risk to the nation; and

"Whereas S. 1629 is designed to create mechanisms for careful consideration of proposals that would preempt states in areas historically within their purview through procedural mechanisms in the legislative, executive, and judicial branches of government, namely—

"(1) in the legislative branch, by requiring a statement of constitutional authority and an expression of the intent to preempt states;

"(2) in the executive branch, by curbing agencies that may preempt beyond their legislative authority;

"(3) in the judicial branch, by codifying judicial deference to state laws where the Congress is not clear in its intent to preempt; be it

"*Resolved*, That the Alaska State Legislature urges that

"(1) the congressional delegation of this state cosponsor S. 1629 in order to show its support for a decisive role for states within the federal system;

"(2) the United States Congress enact S. 1629, the Tenth Amendment Enforcement Act of 1996, in order to strengthen the political safeguards of federalism as anticipated under the United States Constitution; and

"(3) the President of the United States sign S. 1629 as a means of ensuring full consideration of federalism principles within the exercise of executive powers."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCONNELL, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 3540. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104–295).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1194. A bill to amend the Mining and Mineral Policy Act of 1970 to promote the research, identification, assessment, and exploration of marine mineral resources, and for other purposes (Rept. No. 104–296).

S. 1225. A bill to require the Secretary of the Interior to conduct an inventory of historic sites, buildings, and artifacts in the Champlain Valley and the upper Hudson River Valley, including the Lake George area, and for other purposes (Rept. No. 104–297).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

S. 1646. A bill to authorize and facilitate a program to enhance safety, training, research and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes (Rept. No. 104–298).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1703. A bill to amend the Act establishing the National Park Foundation (Rept. No. 104–299).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1823. A bill to amend the Central Utah Project Completion Act to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Central Utah Water Conservancy District dated December 28, 1965, and November 26, 1985, and for other purposes (Rept. No. 104–300).

H.R. 2967. A bill to extend the authorization of the Uranium Mill Tailings Radiation Control Act of 1978, and for other purposes (Rept. No. 104–301).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 3008. A bill to amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, and for other purposes (Rept. No. 104–302).

By Mrs. HUTCHISON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1648. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *HERCO TYME* (Rept. No. 104–303).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1682. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *LIBERTY*, and for other purposes (Rept. No. 104–304).

S. 1825. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *HALCYON* (Rept. No. 104–305).

S. 1826. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *COURIER SERVICE* (Rept. No. 104–306).

S. 1828. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *TOP GUN*, and for other purposes (Rept. No. 104–307).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted on June 26, 1996:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources:

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. FOR APPOINTMENT:

To be assistant surgeon:

John M. Balintona
Al-Karim A. Dhanji
Heidi C. Erickson
Tracey A. Ford
Rochelle Nolte
David C. Houghton
John Mohs
Mark A. Sheffler
Kimberly S. Stolz

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on Armed Services:

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Joseph E. DeFrancisco, xxx-xx-xxxx.

The following-named officer for reappointment to the grade of vice admiral in the U.S. Navy assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John S. Redd, [redacted].

The following-named officer for reappointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Donald L. Pilling, [redacted].

The following-named officer for appointment to the grade of Admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. Thomas J. Lopez, [redacted].

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Joseph W. Kinzer, [redacted].

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Charles S. Abbott, [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William M. Steele, [redacted].

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601(a), title 10, United States Code:

To be lieutenant general

Maj. Gen. Peter Pace, [redacted].

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, sections 601 and 5141:

CHIEF OF NAVAL PERSONNEL

To be vice admiral

Rear Adm. Daniel T. Oliver, [redacted].

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Dennis L. Benchoff, [redacted].

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of June 18 and June 21, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of June 18 and June 21, 1996, at the end of the Senate proceedings.)

**In the Air Force there are 31 appointments to the grade of second lieutenant (list begins with Brian K. Bakshas) (Reference No. 1166).

**In the Air Force Reserve there are 50 promotions to the grade of lieutenant colonel (list begins with Daniel A. Babine) (Reference No. 1167).

**In the Air Force there are 170 appointments to the grade of second lieutenant (list begins with Justin L. Abold) (Reference No. 1168).

**In the Air force Reserve there are 31 promotions to the grade of lieutenant colonel (list begins with Larry D. Biggers) (Reference No. 1171).

**In the Army Reserve there are 49 promotions to the grade of colonel and below (list begins with Gregory K. Austin) (Reference No. 1172).

**In the Army there are 6 promotions to the grade of major (list begins with Gregory B. Baxter) (Reference No. 1173).

**In the Marine Corps there are 636 promotions to the grade of major (list begins with Mark D. Abelson) (Reference No. 1174).

Total: 983.

By Mr. HATCH, from the Committee on the Judiciary:

Arthur Gajarsa, of Maryland, to be U.S. Circuit Judge for the Federal Circuit.

Frank R. Zapata, of Arizona, to be U.S. District Judge for the District of Arizona.

Joan B. Gottschall, of Illinois, to be U.S. District Judge for the Northern District of Illinois.

Lawrence E. Kahn, of New York, to be U.S. District Judge for the Northern District of New York.

Margaret M. Morrow, of California, to be U.S. District Judge for the Central District of California.

Robert L. Hinkle, of Florida, to be U.S. District Judge for the Northern District of Florida.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. BOXER:

S. 1910. A bill to amend the Public Health Service Act to provide for expanding, intensifying, and coordinating activities of the National Heart, Lung, and Blood Institute with respect to heart attack, stroke, and other cardiovascular diseases in women; to the Committee on Labor and Human Resources.

By Ms. MOSELEY-BRAUN (for herself and Mr. JEFFORDS):

S. 1911. A bill to amend the Internal Revenue Code of 1986 to encourage economic development through the creation of additional empowerment zones and enterprise communities and to encourage the cleanup of contaminated brownfield sites; to the Committee on Finance.

By Mr. PRYOR:

S. 1912. A bill to clarify the provision of section 3626(b) of title 39, United States Code, defining an "institution of higher education"; to the Committee on Governmental Affairs.

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. 1913. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1914. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of research related to an existing business component; to the Committee on Finance.

By Mr. JEFFORDS:

S. 1915. A bill to amend the Endangered Species Act of 1973 to prohibit the sale of products labeled as containing endangered species, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DEWINE:

S. 1916. A bill to authorize the Secretary of the Army to convey to the village of Mariemont, Ohio, a parcel of land referred to as the "Ohio River Division Laboratory of the Army Corps of Engineers", and for other purposes; to the Committee on Environment and Public Works.

By Mr. ABRAHAM (for himself and Mr. SHELBY):

S. 1917. A bill to authorize the State of Michigan to implement the demonstration project known as "To Strengthen Michigan Families"; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. BAUCUS, Mr. SIMPSON, Mr. CONRAD, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. BRADLEY, Mr. ROCKEFELLER, Mr. MURKOWSKI, Mr. NICKLES, Mr. PRYOR, Mr. GRAHAM, Mr. BREAUX, Mr. GRAMM, Mr. D'AMATO, Mr. HATCH, Mr. PRESSLER, and Mr. LOTT):

S. 1918. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations; to the Committee on Finance.

By Mr. COVERDELL:

S. 1919. A bill to amend the Controlled Substances Import and Export Act to prohibit the use of an imported controlled substance (including flunitrazepam) to commit a felony, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1920. A bill to amend the Alaska National Interest Lands Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG:

S. 1921. A bill to authorize the Secretary of the Interior to transfer certain facilities at the Minidoka project to the Burley Irrigation District, and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS (for himself, Mr. PELL, Mr. LOTT, Mr. DASCHLE, Mr. BROWN, Mrs. FEINSTEIN, Mr. REID, Ms. MOSELEY-BRAUN, Mr. BRYAN, Mr. COATS, Mr. BAUCUS, Mr. MOYNIHAN, Mr. DOMENICI, Mr. GRAMM, and Mr. COVERDELL):

S. Res. 273. A resolution condemning terror attacks in Saudi Arabia; considered and agreed to.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. Res. 274. A resolution to express the sense of the Senate regarding the outstanding achievements of NetDay96; to the Committee on the Judiciary.

By Mr. WELLSTONE (for himself, Mr. KENNEDY, Mrs. MURRAY, Mr. WYDEN, Mr. FEINGOLD, Mr. AKAKA, Mr. SIMON, and Mr. SARBANES):

S. Con. Res. 66. A concurrent resolution to express the sense of the Congress that any welfare reform legislation enacted by the Congress should include provisions addressing domestic violence; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. BOXER:

S. 1910. A bill to amend the Public Health Service Act to provide for expanding, intensifying, and coordinating activities of the National Heart, Lung, and Blood Institute with respect to heart attack, stroke, and other cardiovascular diseases in women; to the Committee on Labor and Human Resources

THE WOMEN'S CARDIOVASCULAR DISEASES RESEARCH AND PREVENTION ACT

Mrs. BOXER. Mr. President, today I am introducing the Women's Cardiovascular Diseases Research and Prevention Act, a bill to expand and intensify research and educational outreach programs regarding cardiovascular diseases in women. This bill will aid our Nation's doctors and scientists in developing a coordinated and comprehensive strategy for fighting this terrible disease.

Cardiovascular disease is the No. 1 killer of women in the United States. Over 479,000 women die from cardiovascular disease each year and 1 in 5 women has some form of the disease. Research is our best hope for averting this national tragedy which strikes so many of our grandmothers, mothers, aunts and daughters.

The Women's Cardiovascular Diseases Research and Prevention Act authorizes $140 million to the National Heart, Lung and Blood Institute to expand and intensify research, prevention, and educational outreach programs for heart attack, stroke and other cardiovascular diseases in women.

This bill will educate women and doctors about the dire threat heart disease poses to women's health. It will help train doctors to better recognize symptoms of cardiovascular disease which are unique to women. It would also teach women about risk factors, such as smoking, obesity, and physical inactivity, which greatly increase their chances of developing coronary heart disease.

For years, women have been underrepresented in studies conducted on heart disease and stroke. Models and tests for detection have been conducted largely on men. This legislation will help ensure that women are well represented in future heart and stroke research studies.

The Women's Cardiovascular Diseases Research and Prevention Act has been introduced in the House by Representative WATERS, and it has been included in the Women's Health Equity Act, a broader package of bills to bring national attention to women's health issues.

I urge my colleagues to commit to combating cardiovascular disease by supporting this bill.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "women's Cardiovascular Diseases Research and Prevention Act".

SEC. 2. FINDINGS.

The Congress finds as follows with respect to women in the United States:

(1) Heart attack, stroke, and other cardiovascular diseases are the leading causes of death in women.

(2) Heart attacks and strokes are leading causes of disability in women.

(3) Cardiovascular diseases claim the lives of more women each year than does cancer. Each year more than 479,000 females die of cardiovascular diseases, while approximately 246,000 females die of cancer. Heart attack kills more than 5 times as many females as breast cancer. Stroke kills twice as many females as breast cancer.

(4) One in 5 females has some form of cardiovascular disease. Of females under age 65, each year more than 20,000 die of heart attacks. In the case of African-American women, from ages 35 to 74 the death rate from heart attacks is approximately twice that of white women and 3 times that of women of other races.

(5) Each year since 1984, cardiovascular diseases have claimed the lives of more females than males. In 1992, of the number of individuals who died of such diseases, 52 percent were females and 48 percent were males.

(6) The clinical course of cardiovascular diseases is different in women than in men, and current diagnostic capabilities are less accurate in women than in men. Once a woman develops a cardiovascular disease, she is more likely than a man to have continuing health problems, and she is more likely to die.

(7) Of women who have had a heart attack, approximately 44 percent die within 1 year of the attack. Of men who have had such an attack, 27 percent die within 1 year. At older ages, women who have had a heart attack are twice as likely as men to die from the attack within a few weeks. Women are more likely than men to have stroke during the first 6 years following a heart attack. More than 60 percent of women who suffer a stroke die within 8 years. Long-term survivorship of stroke is better in women than in men. Of individuals who die from a stroke, each year approximately 61 percent are females. In 1992, 87,124 females died from strokes. Women have unrecognized heart attacks more frequently than men. Of women who died suddenly from heart attack, 63 percent had no previous evidence of disease.

(8) More than half of the annual health care costs that are related to cardiovascular diseases are attributable to the occurrence of the diseases in women, each year costing this nation hundreds of billions of dollars in health care costs and lost productivity.

SEC. 3. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING HEART ATTACK, STROKE AND OTHER CARDIOVASCULAR DISEASES IN WOMEN.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by inserting after section 424 the following section:

"HEART ATTACK, STROKE, AND OTHER CARDIOVASCULAR DISEASES IN WOMEN

"SEC. 424A. (a) IN GENERAL.—The Director of the Institute shall expand, intensify, and coordinate research and related activities of the Institute with respect to heart attack, stroke, and other cardiovascular diseases in women.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate activities under subsection (a) with similar activities conducted by the other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to heart attack, stroke, and other cardiovascular diseases in women.

"(c) CERTAIN PROGRAMS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the causes of, and to develop methods for preventing, cardiovascular diseases in women. Activities under such subsection shall include conducting and supporting the following:

"(1) Research to determine the reasons underlying the prevalence of heart attack, stroke, and other cardiovascular diseases in women, including African-American women and other women who are members of racial or ethnic minority groups.

"(2) Basic research concerning the etiology and causes of cardiovascular diseases in women.

"(3) Epidemiological studies to address the frequency and natural history of such diseases and the differences among men and women, and among racial and ethnic groups, with respect to such diseases.

"(4) The development of safe, efficient, and cost-effective diagnostic approaches to evaluating women with suspected ischemic heart disease.

"(5) Clinical research for the development and evaluation of new treatments for women, including rehabilitation.

"(6) Studies to gain a better understanding of methods of preventing cardiovascular diseases in women, including applications of effective methods for the control of blood pressure, lipids, and obesity.

"(7) Information and education programs for patients and health care providers on risk factors associated with heart attack, stroke, and other cardiovascular diseases in women, and on the importance of the prevention or control of such risk factors and timely referral with appropriate diagnosis and treatment. Such programs shall include information and education on health-related behaviors that can improve such important risk factors as smoking, obesity, high blood cholesterol, and lack of exercise.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $140,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 and 1999. The authorization of appropriations established in the preceding sentence is in addition to any other authorization of appropriation that is available for such purpose.".

By Ms. MOSELEY-BRAUN (for herself and Mr. JEFFORDS):

S. 1911. A bill to amend the Internal Revenue Code of 1986 to encourage economic development through the creation of additional empowerment zones and enterprise communities and to encourage the cleanup of contaminated brownfield sites; to the Committee on Finance.

THE COMMUNITY EMPOWERMENT ACT OF 1996

Ms. MOSELEY-BRAUN. Mr. President, it gives me great pleasure, together with my colleagues, Senators D'AMATO and JEFFORDS, to introduce the Community Empowerment Act of 1996. This is economic development legislation that will create new growth and new jobs, by facilitating the cleanup and reuse of what are called brownfield industrial and commercial sites, and by adding 20 additional empowerment zones and 80 additional enterprise communities all across the Nation.

Mr. President, this legislation provides a new opportunity for cooperation between government and the private sector not only to help rebuild urban areas and rural areas and suburban areas to attract investments, but also to effect the cleanup of what I sometimes refer to as an "environmentally challenged area."

The act refers to brownfields specifically and provides a tax incentive rather for brownfield cleanups. Incentives exist in that money spent by new owners for the cleanup of environmentally polluted areas will accrue as an expense on their income tax.

Brownfields are contaminated industrial sites. Usually, the facilities are abandoned and have problems selling because of the contamination that was left on the property. These sites are well suited for industrial and commercial redevelopment because the transportation infrastructure already exist, the utilities are there and the labor force is there. However, potential redevelopers usually stay away from these sites, in no small part because current law forces them to capitalize environmental cleanup costs. That constitutes a daunting obstacle to redevelopment. Even small amounts of contamination adds significantly to the cost and uncertainty of a reuse project. Therefore, businesses have a significant incentive to move to areas outside of the brownfield communities because of the cost associated with the cleanup and redevelopment. Reversing this deterrent, therefore will help to encourage businesses to reuse these brownfields.

Under the provisions of this legislation, qualifying brownfields would be provided full first-year expensing of environmental cleanup costs under the Federal tax code. Full first-year expensing simply means that a tax deduction will be allowed for the cleanup costs in the year that the costs are incurred.

At present, if an industrial property owner does environmental damage to their property and then cleans up the site, the owner is allowed to expense the cost of that cleanup. However, in a strange twist of logic, someone who buys an environmentally damaged piece of property and who cleans up that property is now allowed to expense these cleanup costs, but instead must deduct the cost over many years.

The result? An urban landscape littered with vacant and abandoned properties—properties which attract crime and bring down property values in the surrounding neighborhoods.

This is an issue that directly affects the lives of literally millions of Americans, and addressing it will empower communities across the country. The collective efforts of everyone, particularly, the nonprofit community, the private sector, the Government, developers and grassroots community groups are essential to begin the process of returning brownfield properties back to productive use, and to bring economic growth back to the inner cities and disadvantaged rural areas.

In order to help communities across the Nation begin rebuilding their economic base, reestablish viable areas for businesses to locate, and to stimulate job growth, at the Federal level, we must provide the appropriate mix of incentives and the right climate to encourage private investment.

This legislation take a non bureaucratic approach to encouraging investment because all of the funds go toward the cleanup and not to administrative costs. This legislation opens up opportunity through targeted tax incentives.

The Community Empowerment Act creates tax incentives, that we hope will break through some of the current barriers preventing the private industry from investing in brownfields cleanup projects. The legislation's tax incentives will help bring thousands of environmentally contaminated industrial sites back into productive use again, help to rebuild neighborhoods, create jobs, and help restore our Nation's cities, distressed communities and rural areas.

Particularly in my State of Illinois, the brownfields provisions should have a major impact on efforts to help restore severely neglected areas. It will allow for the cleanup of 300 to 500 sites in Illinois with remediation costs ranging from $250,000 to $500,000. It is expected that such cleanup will create hundreds of jobs.

This legislation will help companies all across America absorb the costs of restoring brownfields. The Treasury Department estimates that the Community Empowerment Act of 1996 will provide $2 billion in tax incentives, and that it will leverage $10 billion in private investment, returning an estimated 30,000 brownfields to productive use again.

What makes this legislation so attractive, is that the Federal dollars to cleanup these brownfields will be concentrated in the areas with the most severe problems. The tax incentive would be available in neighborhoods that are truly in need of an investment. The bill targets four areas: First, existing EPA brownfields pilot areas; second, areas with a poverty rate of 20 percent or more and in adjacent industrial or commercial areas; third, areas with a population under 2,000 or more than 75 percent of which is zoned for industrial or commercial use; and fourth, Empowerment Zones and Enterprise Communities.

This legislation will assist efforts to cleanup these brownfields in cities across the Nation, with the active primary participation of the cities and community leaders. Such participation will make the initiative efficient, and successful.

Mayor Richard Daley of Chicago, has taken the initiative to establish a brownfields pilot program. One example of a successful public/private partnership pulling together to cleanup a brownfields site is the Madison Equipment site located in Illinois. This abandoned industrial building was a neighborhood eyesore. Scavengers had stolen most of the wiring and plumbing and illegal or "midnight" dumping was rampant. Madison Equipment needed expansion space but feared environmental liability. However, in 1993, the city of Chicago invested just a little over $3,000 in this project and 1 year later Madison had put $180,000 into redeveloping the building. The critical reason that lenders and investors will look at this area is because the city committed public money to spur private redevelopment and investment. When the local government demonstrates the confidence to commit public funds, private financial institutions are more likely to follow suit.

Chicago's pilot program successfully will return all of the pilot sites to productive use for a total of about $850,000. It has helped to retain and create hundreds of jobs, and stimulated private investment. Chicago is a perfect example of what this legislation can accomplish on a national level. But in order to make it all happen, cooperation is key. Effective strategies require strong partnerships among government, industry, organized labor, community groups, developers, environmentalists, and financiers who all realize that when their efforts are aligned, progress is easier.

Brownfields are both an environmental and an economic development problem and brownfield initiatives should be viewed as one important component of a larger strategy for revitalizing our Nation's communities. Cleaning up sites is only half the goal. Cleanup must be pursued along with redevelopment that will benefit not only the private companies but the community at large.

That is why along with the brownfield tax incentives, the legislation also establishes 20 more empowerment zones and 80 additional enterprise communities. Empowerment Zones and Enterprise Communities receive a variety of tools from the Federal Government: First, a package of tax incentives and flexible grants available over a 10-year period; second, priority consideration for other Federal empowerment programs; and third, assistance in removing bureaucratic red tape and regulatory barriers that prevent innovative uses of Federal funds.

This approach recognizes that top-down, big-government solutions are not the answer to communities' problems, and that enhanced public-private partnerships are essential.

Economic empowerment can be achieved but it is best done through public/private partnerships. Economic revitalization in this Nation's most distressed communities is essential to the growth of our entire Nation. With the concept of team effort, we can rebuild our cities by stimulating investment that creates jobs. Environmental protection can be and is good business. With this legislation, we will begin the effort to restore economic growth back into our countries industrial centers and rural communities while improving the environment.

I would like to thank President Clinton, Vice President GORE and Secretary Rubin for their leadership and work on this issue. I appreciate my colleagues Senator D'AMATO and JEFFORDS for their cosponsorship and in making this legislation a bipartisan effort. I urge all of my colleagues to join us in supporting the quick passage of this legislation. Mr. President, I ask unanimous consent that a section-by-section analysis of the bill and the text of the bill be printed in the RECORD.

I urge my colleagues to take a good look at the legislation. I think and I hope that it will receive bipartisan support.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—ADDITIONAL EMPOWERMENT ZONES

SEC. 101. ADDITIONAL EMPOWERMENT ZONES.

(a) IN GENERAL.—Paragraph (2) of section 1391(b) (relating to designations of empowerment zones and enterprise communities) is amended—

(1) by striking "9" and inserting "11",

(2) by striking "6" and inserting "8", and

(3) by striking "750,000" and inserting "1,000,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that designations of new empowerment zones made pursuant to such amendments shall be made during the 180-day period beginning on the date of the enactment of this Act.

TITLE II—NEW EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

SEC. 201. DESIGNATION OF ADDITIONAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.

(a) IN GENERAL.—Section 1391 (relating to designation procedure for empowerment zones and enterprise communities) is amended by adding at the end the following new subsection:

"(g) ADDITIONAL DESIGNATIONS PERMITTED.—

"(1) IN GENERAL.—In addition to the areas designated under subsection (a)—

"(A) ENTERPRISE COMMUNITIES.—The appropriate Secretaries may designate in the aggregate an additional 80 nominated areas as enterprise communities under this section, subject to the availability of eligible nominated areas. Of that number, not more than 50 may be designated in urban areas and not more than 30 may be designated in rural areas.

"(B) EMPOWERMENT ZONES.—The appropriate Secretaries may designate in the aggregate an additional 20 nominated areas as empowerment zones under this section, subject to the availability of eligible nominated areas. Of that number, not more than 15 may be designated in urban areas and not more than 5 may be designated in rural areas.

"(2) PERIOD DESIGNATIONS MAY BE MADE.—A designation may be made under this subsection after the date of the enactment of this subsection and before January 1, 1998.

"(3) MODIFICATIONS TO ELIGIBILITY CRITERIA, ETC.—

"(A) POVERTY RATE REQUIREMENT.—

"(i) IN GENERAL.—A nominated area shall be eligible for designation under this subsection only if the poverty rate for each population census tract within the nominated area is not less than 20 percent and the poverty rate for at least 90 percent of the population census tracts within the nominated area is not less than 25 percent.

"(ii) TREATMENT OF CENSUS TRACTS WITH SMALL POPULATIONS.—A population census tract with a population of less than 2,000 shall be treated as having a poverty rate of not less than 25 percent if—

"(I) more than 75 percent of such tract is zoned for commercial or industrial use, and

"(II) such tract is contiguous to 1 or more other population census tracts which have a poverty rate of not less than 25 percent (determined without regard to this clause).

"(iii) EXCEPTION FOR DEVELOPABLE SITES.—Clause (i) shall not apply to up to 3 noncontiguous parcels in a nominated area which may be developed for commercial or industrial purposes. The aggregate area of noncontiguous parcels to which the preceding sentence applies with respect to any nominated area shall not exceed 1000 acres (2,000 acres in the case of an empowerment zone).

"(iv) CERTAIN PROVISIONS NOT TO APPLY.—Section 1392(a)(4) (and so much of paragraphs (1) and (2) of section 1392(b) as relate to section 1392(a)(4)) shall not apply to an area nominated for designation under this subsection.

"(v) SPECIAL RULE FOR RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—The Secretary of Agriculture may designate not more than 1 empowerment zone, and not more than 5 enterprise communities, in rural areas without regard to clause (i) if such areas satisfy emigration criteria specified by the Secretary of Agriculture.

"(B) SIZE LIMITATION.—

"(i) IN GENERAL.—The parcels described in subparagraph (A)(iii) shall not be taken into account in determining whether the requirement of subparagraph (A) or (B) of section 1392(a)(3) is met.

"(ii) SPECIAL RULE FOR RURAL AREAS.—If a population census tract (or equivalent division under section 1392(b)(4)) in a rural area exceeds 1,000 square miles or includes a substantial amount of land owned by the Federal, State, or local government, the nominated area may exclude such excess square mileage or governmentally owned land and the exclusion of that area will not be treated as violating the continuous boundary requirement of section 1392(a)(3)(B).

"(C) AGGREGATE POPULATION LIMITATION.—The aggregate population limitation under the last sentence of subsection (b)(2) shall not apply to a designation under paragraph (1)(B).

"(D) PREVIOUSLY DESIGNATED ENTERPRISE COMMUNITIES MAY BE INCLUDED.—Subsection (e)(5) shall not apply to any enterprise community designated under subsection (a) that is also nominated for designation under this subsection.

"(E) INDIAN RESERVATIONS MAY BE NOMINATED.—

"(i) IN GENERAL.—Section 1393(a)(4) shall not apply to an area nominated for designation under this subsection.

"(ii) SPECIAL RULE.—An area in an Indian reservation shall be treated as nominated by a State and a local government if it is nominated by the reservation governing body (as determined by the Secretary of Interior)."

(b) EMPLOYMENT CREDIT NOT TO APPLY TO NEW EMPOWERMENT ZONES.—Section 1396 (relating to empowerment zone employment credit) is amended by adding at the end the following new subsection:

"(e) CREDIT NOT TO APPLY TO EMPOWERMENT ZONES DESIGNATED UNDER SECTION 1391(g).—This section shall be applied without regard to any empowerment zone designated under section 1391(g)."

(c) INCREASED EXPENSING UNDER SECTION 179 NOT TO APPLY IN DEVELOPABLE SITES.—Section 1397A (relating to increase in expensing under section 179) is amended by adding at the end the following new subsection:

"(c) LIMITATION.—For purposes of this section, qualified zone property shall not include any property substantially all of the use of which is in any parcel described in section 1391(g)(3)(A)(iii)."

(d) CONFORMING AMENDMENTS.—

(1) Subsections (e) and (f) of section 1391 are each amended by striking "subsection (a)" and inserting "this section".

(2) Section 1391(c) is amended by striking "this section" and inserting "subsection (a)".

SEC. 202. VOLUME CAP NOT TO APPLY TO ENTERPRISE ZONE FACILITY BONDS WITH RESPECT TO NEW EMPOWERMENT ZONES.

(a) IN GENERAL.—Section 1394 (relating to tax-exempt enterprise zone facility bonds) is amended by adding at the end the following new subsection:

"(f) BONDS FOR EMPOWERMENT ZONES DESIGNATED UNDER SECTION 1391(g).—

"(1) IN GENERAL.—In the case of a new empowerment zone facility bond—

"(A) such bond shall not be treated as a private activity bond for purposes of section 146, and

"(B) subsection (c) of this section shall not apply.

"(2) LIMITATION ON AMOUNT OF BONDS.—

"(A) IN GENERAL.—Paragraph (1) shall apply to a new empowerment zone facility bond only if such bond is designated for purposes of this subsection by the local government which nominated the area to which such bond relates.

"(B) LIMITATION ON BONDS DESIGNATED.—The aggregate face amount of bonds which may be designated under subparagraph (A) with respect to any empowerment zone shall not exceed—

"(i) $60,000,000 if such zone is in a rural area,

"(ii) $130,000,000 if such zone is in an urban area and the zone has a population of less than 100,000, and

"(iii) $230,000,000 if such zone is in an urban area and the zone has a population of at least 100,000.

"(C) SPECIAL RULES.—

"(i) COORDINATION WITH LIMITATION IN SUBSECTION (c).—Bonds to which paragraph (1) applies shall not be taken into account in applying the limitation of subsection (c) to other bonds.

"(ii) CURRENT REFUNDING NOT TAKEN INTO ACCOUNT.—In the case of a refunding (or series of refundings) of a bond designated under this paragraph, the refunding obligation shall be treated as designated under this paragraph (and shall not be taken into account in applying subparagraph (B)) if—

"(I) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

"(II) the refunded bond is redeemed not later than 90 days after the date of issuance of the refunding bond.

"(3) NEW EMPOWERMENT ZONE FACILITY BOND.—For purposes of this subsection, the term 'new empowerment zone facility bond' means any bond which would be described in subsection (a) if only empowerment zones designated under section 1391(g) were taken into account under sections 1397B and 1397C."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 203. MODIFICATIONS TO ENTERPRISE ZONE FACILITY BOND RULES FOR ALL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.

(a) MODIFICATIONS RELATING TO ENTERPRISE ZONE BUSINESS.—Paragraph (3) of section 1394(b) (defining enterprise zone business) is amended to read as follows:

"(3) ENTERPRISE ZONE BUSINESS.—

"(A) IN GENERAL.—Except as modified in this paragraph, the term 'enterprise zone business' has the meaning given such term by section 1397B.

"(B) MODIFICATIONS.—In applying section 1397B for purposes of this section—

"(i) BUSINESSES IN ENTERPRISE COMMUNITIES ELIGIBLE.—References in section 1397B to empowerment zones shall be treated as including references to enterprise communities.

"(ii) WAIVER OF REQUIREMENTS DURING STARTUP PERIOD.—A business shall not fail to be treated as an enterprise zone business during the startup period if—

"(I) as of the beginning of the startup period, it is reasonably expected that such business will be an enterprise zone business (as defined in section 1397B as modified by this paragraph) at the end of such period, and

"(II) such business makes bona fide efforts to be such a business.

"(iii) REDUCED REQUIREMENTS AFTER TESTING PERIOD.—A business shall not fail to be treated as an enterprise zone business for any taxable year beginning after the testing period by reason of failing to meet any requirement of subsection (b) or (c) of section 1397B if at least 35 percent of the employees of such business for such year are residents of an empowerment zone or an enterprise community. The preceding sentence shall not apply to any business which is not a qualified business by reason of paragraph (1), (4), or (5) of section 1397B(d).

"(C) DEFINITIONS RELATING TO SUBPARAGRAPH (B).—For purposes of subparagraph (B)—

"(i) STARTUP PERIOD.—The term 'startup period' means, with respect to any property being provided for any business, the period before the first taxable year beginning more than 2 years after the later of—

"(I) the date of issuance of the issue providing such property, or

"(II) the date such property is first placed in service after such issuance (or, if earlier, the date which is 3 years after the date described in subclause (I)).

"(ii) TESTING PERIOD.—The term 'testing period' means the first 3 taxable years beginning after the startup period.

"(D) PORTIONS OF BUSINESS MAY BE ENTERPRISE ZONE BUSINESS.—The term 'enterprise zone business' includes any trades or businesses which would qualify as an enterprise zone business (determined after the modifications of subparagraph (B)) if such trades or businesses were separately incorporated."

(b) MODIFICATIONS RELATING TO QUALIFIED ZONE PROPERTY.—Paragraph (2) of section 1394(b) (defining qualified zone property) is amended to read as follows:

"(2) QUALIFIED ZONE PROPERTY.—The term 'qualified zone property' has the meaning given such term by section 1397C; except that—

"(A) the references to empowerment zones shall be treated as including references to enterprise communities, and

"(B) section 1397C(a)(2) shall be applied by substituting 'an amount equal to 15 percent of the adjusted basis' for 'an amount equal to the adjusted basis'."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 204. MODIFICATIONS TO ENTERPRISE ZONE BUSINESS DEFINITION FOR ALL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.

(a) IN GENERAL.—Section 1397B (defining enterprise zone business) is amended—

(1) by striking "80 percent" in subsections (b)(2) and (c)(1) and inserting "50 percent",

(2) by striking "substantially all" each place it appears in subsections (b) and (c) and inserting "a substantial portion",

(3) by striking ", and exclusively related to," in subsections (b)(4) and (c)(3),

(4) by adding at the end of subsection (d)(2) the following new flush sentence:

"For purposes of subparagraph (B), the lessor of the property may rely on a lessee's certification that such lessee is an enterprise zone business.",

(5) by striking "substantially all" in subsection (d)(3) and inserting "at least 50 percent", and

(6) by adding at the end the following new subsection:

"(f) TREATMENT OF BUSINESSES STRADDLING CENSUS TRACT LINES.—For purposes of this section, if—

"(1) a business entity or proprietorship uses real property located within an empowerment zone,

"(2) the business entity or proprietorship also uses real property located outside the empowerment zone,

"(3) the amount of real property described in paragraph (1) is substantial compared to the amount of real property described in paragraph (2), and

"(4) the real property described in paragraph (2) is contiguous to part or all of the real property described in paragraph (1),

then all the services performed by employees, all business activities, all tangible property, and all intangible property of the business entity or proprietorship that occur in or is located on the real property described in paragraphs (1) and (2) shall be treated as occurring or situated in an empowerment zone."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

(2) SPECIAL RULE FOR ENTERPRISE ZONE FACILITY BONDS.—For purposes of section 1394(b) of the Internal Revenue Code of 1986, the amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

TITLE III—EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS

SEC. 301. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by adding at the end the following new section:

"SEC. 198. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

"(a) IN GENERAL.—A taxpayer may elect to treat any qualified environmental remediation expenditure which is paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expenditure which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

"(b) QUALIFIED ENVIRONMENTAL REMEDIATION EXPENDITURE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified environmental remediation expenditure' means any expenditure—

"(A) which is otherwise chargeable to capital account, and

"(B) which is paid or incurred in connection with the abatement or control of hazardous substances at a qualified contaminated site.

"(2) SPECIAL RULE FOR EXPENDITURES FOR DEPRECIABLE PROPERTY.—Such term shall not include any expenditure for the acquisition of property of a character subject to the allowance for depreciation which is used in connection with the abatement or control of hazardous substances at a qualified contaminated site; except that the portion of the allowance under section 167 for such property which is otherwise allocated to such site shall be treated as a qualified environmental remediation expenditure.

"(c) QUALIFIED CONTAMINATED SITE.—For purposes of this section—

"(1) QUALIFIED CONTAMINATED SITE.—

"(A) IN GENERAL.—The term 'qualified contaminated site' means any area—

"(i) which is held by the taxpayer for use in a trade or business or for the production of income, or which is property described in section 1221(1) in the hands of the taxpayer,

"(ii) which is within a targeted area, and

"(iii) which contains (or potentially contains) any hazardous substance.

"(B) TAXPAYER MUST RECEIVE STATEMENT FROM STATE ENVIRONMENTAL AGENCY.—An area shall be treated as a qualified contaminated site with respect to expenditures paid or incurred during any taxable year only if the taxpayer receives a statement from the appropriate agency of the State in which such area is located that such area meets the requirements of clauses (ii) and (iii) of subparagraph (A).

"(C) APPROPRIATE STATE AGENCY.— For purposes of subparagraph (B), the appropriate agency of a State is the agency designated by the Administrator of the Environmental Protection Agency for purposes of this section. If no agency of a State is designated under the preceding sentence, the appropriate agency for such State shall be the Environmental Protection Agency.

"(2) TARGETED AREA.—

"(A) IN GENERAL.—The term 'targeted area' means—

"(i) any population census tract with a poverty rate of not less than 20 percent,

"(ii) a population census tract with a population of less than 2,000 if—

"(I) more than 75 percent of such tract is zoned for commercial or industrial use, and

"(II) such tract is contiguous to 1 or more other population census tracts which meet the requirement of clause (i) without regard to this clause,

"(iii) any empowerment zone or enterprise community (and any supplemental zone designated on December 21, 1994), and

"(iv) any site announced before February 1, 1996, as being included as a brownfields pilot project of the Environmental Protection Agency.

"(B) NATIONAL PRIORITIES LISTED SITES NOT INCLUDED.—Such term shall not include any site which is on the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this section).

"(C) CERTAIN RULES TO APPLY.—For purposes of this paragraph, the rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"(D) TREATMENT OF CERTAIN SITES.—For purposes of this paragraph, a single contaminated site shall be treated as within a targeted area if—

"(i) a substantial portion of the site is located within a targeted area described in subparagraph (A) (determined without regard to this subparagraph), and

"(ii) the remaining portions are contiguous to, but outside, such targeted area.

"(d) HAZARDOUS SUBSTANCE.—For purposes of this section—

"(1) IN GENERAL.—The term 'hazardous substance' means—

"(A) any substance which is a hazardous substance as defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and

"(B) any substance which is designated as a hazardous substance under section 102 of such Act.

"(2) EXCEPTION.—Such term shall not include any substance with respect to which a removal or remedial action is not permitted under section 104 of such Act by reason of subsection (a)(3) thereof.

"(e) DEDUCTION RECAPTURED AS ORDINARY INCOME ON SALE, ETC.—Solely for purposes of section 1245, in the case of property to which a qualified environmental remediation expenditure would have been capitalized but for this section—

"(1) the deduction allowed by this section for such expenditure shall be treated as a deduction for depreciation, and

"(2) such property (if not otherwise section 1245 property) shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.

"(f) COORDINATION WITH OTHER PROVISIONS.—Sections 280B and 468 shall not apply to amounts which are treated as expenses under this section.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 198. Expensing of environmental remediation costs."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SECTION-BY-SECTION ANALYSIS

TITLE I—ADDITIONAL EMPOWERMENT ZONES

Section 101 would authorize the designation of an additional two urban empowerment zones under the 1994 first round.

TITLE II—NEW EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Section 201 authorizes a second round of designations, consisting of 80 enterprise communities and 20 empowerment zones. Of the 80 enterprise communities, 50 would be in urban areas and 30 would be in rural areas. Of the 20 empowerment zones, 15 would be in urban areas and 5 would be in rural areas. The designations would be made before January 1, 1998.

Certain of the eligibility criteria applicable in the first round would be modified for the second round of designations. First, the poverty criteria would be relaxed somewhat, so that unlike the first round there would be no requirement that at least 50 percent of the population census tracts have a poverty rate of 35 percent or more. In addition, the poverty criteria will not be applicable to areas specified in the application as developable for commercial or industrial purposes (1,000 acres in the case of an enterprise community, 2,000 acres in the case of an empowerment zone), and these areas will not be taken into account in applying the size limitations (e.g., 20 square miles for urban areas, 1,000 square miles for rural areas). The Secretary of Agriculture will be authorized to designate up to one rural empowerment zone and five rural enterprise communities based on specified emigration criteria without regard to the minimum poverty rates set forth in the statute. Rural census tracts in excess of 1,000 square miles or including a substantial amount of governmentally owned land may exclude such excess mileage or governmentally owned land from the nominated area. Unlike the first round, Indian reservations will be eligible to be nominated (and the nomination may be submitted by the reservation governing body without the State government's participation). The empowerment zone employment credit will not be available to businesses in the new empowerment zones, and the increased expending under section 179 will not be available in the developable acreage areas of empowerment zones.

Section 202 authorizes a new category of tax-exempt financing for financing for businesses in the new empowerment zones. These bonds, rather than being subject to the current State volume caps, will be subject to zone-specific caps. For each rural empowerment zones, up to $60 million in such bonds may be issued. For an urban empowerment zone with a population under 100,000, $130 million of these bonds may be issued. For each urban empowerment zone with a population of 100,000 or more, $230 million of these bonds may be issued.

Section 203 liberalizes the current definition of an "enterprise zone business" for purpose of the tax-exempt financing available under both the first and second rounds. Businesses will be treated as satisfying the applicable requirements during a 2-year start-up period if it is reasonably expected that the business will satisfy those requirements by the end of the start-up period and the business makes bona fide efforts to that end. Following the start-up period a 3-year testing period will begin, after which certain enterprise zone business requirements will no longer be applicable (as long as more than 35 percent of the business' employees are residents of the empowerment zone or enterprise community). The rules under which substantially renovated property may be "qualified zone property," and thereby be eligible to be financed with tax-exempt bonds, would also be liberalized slightly.

Section 204 liberalizes the definition of enterprise business for purposes of both the tax-exempt financing provisions and the additional section 179 expensing by reducing from 80 percent to 50 percent the amount of total gross income that must be derived within the empowerment zone or enterprise community, by reducing how much of the business' property and employees' services must be located in or provided within the zone or community, and by easing the restrictions governing when rental businesses will qualify as enterprise zone businesses. A special rule is also provided to clarify how a business that straddles the boundary of an empowerment zone or enterprise community (e.g., by straddling a population census tract boundary) is treated for purposes of the enterprise zone business definition.

TITLE III—EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS

Section 301 would provide a current deduction for certain remediation costs incurred with respect to qualified sites. Generally, these expenses would be limited to those paid or incurred in connection with the abatement or control of environmental contaminants. This deduction would apply for alternative minimum tax purposes as well as for regular tax purposes.

Qualified sites would be limited to those properties that satisfy use, geographic, and contamination requirements. The use requirement would be satisfied if the property is held by the taxpayer incurring the eligible expenses for use in a trade or business or for the production of income, or if the property is of a kind properly included in the inventory of the taxpayer. The geographic requirement would be satisfied if the property is located in (i) any census tract that has a poverty rate of 20 percent or more, (ii) any other census tract (a) that has a population under 2,000, (b) 75 percent or more of which is zoned for industrial or commercial use, and (c) that is contiguous to one or more census tracts with a poverty rate of 20 percent or more, (iii) an area designated as a federal EZ or EC, or (iv) an area subject to one of the 40 EPA Brownfields Pilots announced prior to February 1996. Both urban and rural sites may qualify. Superfund National Priority listed sites would be excluded.

The contamination requirement would be satisfied if hazardous substances are present or potentially present on the property. Hazardous substances would be defined generally by reference to sections 101(14) and 102 of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), subject to additional limitations applicable to asbestos and similar substances within buildings, certain naturally occurring substances such as radon, and certain other substances released into drinking water supplies due to deterioration through ordinary use.

To claim the deduction under this provision, the taxpayer would be required to obtain a statement that the site satisfies the geographic and contamination requirements from a State environmental agency designated by the Environmental Protection Agency for such purposes or, if no such agency has been designated by the EPA, by the EPA itself.

This deduction would be subject to recapture under current-law section 1245. Thus, any gain realized on disposition generally would be treated as ordinary income, rather than capital gain, up to the amount of deductions taken with respect to the property.

Mr. D'AMATO. Mr. President, I rise today to join my friend and colleague, Senator MOSELEY-BRAUN, in introducing legislation that will provide a new tax incentive to encourage the private sector to clean up thousands of contaminated, abandoned sites known as "brownfields." Brownfield sites are abandoned or vacant commercial and industrial properties suspected of being environmentally contaminated.

Under current law, the IRS has determined that costs incurred to clean up land and ground water are deductible as business expenses, as long as the costs are incurred by the same taxpayer that contaminated the land, and that taxpayer plans to use the land after the cleanup for the same purposes used prior to the cleanup. That means that new owners who wish to use land suspected of environmental contamination for a new purpose, would be precluded from deducting the costs of cleanup in the year incurred. They would only be allowed to capitalize the costs and depreciate them over time. Therefore, it is time for us to recognize the need for aggressive economic development policies for the future economic health of communities around the country, and to recognize the inequity of current tax law. Senator MOSELEY-BRAUN and I believe that our legislation is the type of initiative the Federal Government needs to encourage development of once-abandoned, unproductive sites that will bring real economic benefits to urban distressed and rural areas across the United States. By encouraging redevelopment, jobs will be created, economic growth will continue, property values will increase, as well as local tax revenues.

Mr. President, I am proud to say that in my State of New York, the city of Elmira has been selected as a fourth round finalist for the EPA's Brownfields Economic Redevelopment Initiative Demonstration Pilot Program. The city of Elmira has primed an unsightly and unsafe urban brownfield and is now in the final stages of turning it into a revenue and jobs producing venture. The city of Elmira initiated this important project with no guarantees of public or private funding and has done this at very minimal cost to taxpayers. Can you imagine what could and would be done if the public and private sector had the encouragement to also become involved?

Mr. President, I urge my colleagues on both sides of the aisle to join Senator MOSELEY-BRAUN and me in cosponsoring this important legislation.

Mr. JEFFORDS. Mr. President, I am pleased to join with Senators MOSELEY-BRAUN and D'AMATO to introduce a bill that will give tax incentives to businesses that cleanup these contaminated industrial sites known as brownfields. This bill will put us on a path that will bring environmental renewal and economic revitalization to our communities.

Mr. President, brownfields are like scars on the American landscape, a legacy of the dramatic shift of industry from inner cities to suburban greenfields during the 1970's and 1980's. Once bustling factories are now abandoned eyesores. In communities across the country, some 500,000 abandoned and contaminated sites and facilities are in desperate need of revitalization.

Vermont may not have as many brownfield sites as some of the more industrial States, but we are just as interested in seeing these cites cleaned up and put back to use. In Vermont, we see the reuse of brownfield sites as a way to keep development downtown and reduce the pressure to pave pastureland.

Mr. President, we treasure our open spaces in Vermont and this legislation will give incentives to companies around the country to invest in the downtowns of our States. When a company builds a facility on a brownfield site it takes advantage of existing infrastructure. The revitalization of a brownfield site means one less farm or field is paved over or forest cut down for the sake of a new plant or facility.

The redevelopment of brownfield sites also has important social implications for our towns and cites. It means that jobs stay downtown and that our urban centers can continue to be places of commerce and social interaction. I am pleased that the EPA recently awarded one of its brownfields pilot projects to Burlington, VT.

Mr. President, since the early 1800's, Burlington has been the largest and most important industrial center of Vermont and the Lake Champlain region. The city is among the least well-off in the State and was recently designated as an Urban Enterprise Community.

There are currently 19 polluted commercial and industrial sites in Burlington. The city now has only one unpolluted site available for industrial development. The lack of sites has been a major obstacle in the city's efforts to attract quality jobs and has contributed to the development of prime agricultural soil, suburban sprawl, and all the associated environmental problems. Mr. President, most of the city's brownfields are located either within or adjacent to low- and moderate-income neighborhoods, contributing to a trend of disinvestment and increased health hazards.

While this legislation won't solve all of our problems, it is an important step in the right direction and I urge my colleagues to join us in cosponsoring this significant bill.

By Mr. PRYOR:

S. 1912. A bill to clarify the provision of section 3626(b) of title 39, United States Code, defining an "institution of higher education"; to the Committee on Governmental Affairs.

ELDERHOSTEL CATALOG LEGISLATION

Mr. PRYOR. Mr. President, to day I am introducing legislation that will address a situation facing Elderhostel. Elderhostel, for those who have not heard of this organization, is an independent, non-profit organization which operates a central course catalog and registration system for college level classes for people over the age of 60. These courses are sponsored by colleges and universities at more than 1,900 colleges, universities, museums, national parks, and environmental education centers in the United States, Canada, and 47 other countries. Elderhostel receives no Federal or State support.

Elderhostel provides easy access to these continuing education programs through the mailing of its course catalog. Unfortunately, a U.S. Postal Service definition prevents Elderhostel from mailing their catalog at a second-class catalog rate. This catalog rate is used, for example, by the American Bar Associations' continuing legal education material. Elderhostel is barred from using that rate because rather than being a catalog of one institution of higher learning, it is a compilation of courses offered by otherwise eligible "regularly incorporated non-profit institutions of learning."

The legislation I am introducing today simply expands the definition of an institution of higher education eligible to mail at second-class rates to include a nonprofit organization that coordinates a network of college level courses that non-profit colleges and universities offer to older adults. The National Federal of Nonprofits, the Advertising Mail Marketing Association and the Direct Marketing Association have no objection to this legislation.

Mr. President, this bill solves a problem caused by the fact that Elderhostel does not fit neatly into the Postal Services' definitions and I urge my colleagues to support the bill.

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. 1913. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Energy and Natural Resources.

THE LOWER EAST SIDE TENEMENT MUSEUM NATIONAL HISTORIC SITE ACT OF 1996

Mr. D'AMATO. Mr. President, most of us have heard the stories of how the great wave of immigrants of generations ago entered our Nation, but few really know what happened to them after Ellis Island. At the Lower East Side Tenement Museum at 97 Orchard Street in New York City, one is able to follow the lives of the immigrants beyond the first hours on our shores. The museum tells their history, displays their courage and showcases their values in an interpretive setting that brings the visitor back to an era from which many of us came. The museum presents to many of us an awareness of our ancestral roots that we may never have known existed. Through the legislation being introduced by my friend Senator MOYNIHAN and I, the museum will be declared a national historic site and able to affiliate itself with the National Park Service. Enactment of this legislation will bestow national recognition on the humble beginnings of millions of our ancestors.

The Tenement Museum is unique in that it not only traces the quality of life inside the tenement, but presents a picture of the immigrant's outside world as well. Due to the cramped and dingy nature of the tenement, as much time as possible was spent outside. Thus, in order to fully explore their lives, it is essential to look toward their work, their houses of worship, their organizations, and their entertainment. The museum incorporates the experiences of yesteryear's immigrants and interprets them for today's generations. Besides on-site programs, the museum utilizes the surrounding neighborhood; an area which continues to this day in its role as a receiver of immigrants.

Throughout our Nation we have preserved, remembered and cherished places of national significance and beauty. We have put enormous energy in maintaining homes of noted Americans and protecting vast areas of wilderness. What we do not have, though, is a monument to the socalled "ordinary citizen." The Tenement Museum will fill that role.

It is unlikely that many of those who lived in buildings like the one at 97 Orchard Street felt that they were special. Rather, they were probably grateful for the chance to come to America to try to make a better life for themselves and their families. Given the living and working conditions that we now take for granted, the language and cultural obstacles they had to overcome, we should be in awe of their ability to take hold of an opportunity and not only survive, but thrive. It is their contributions to society in the face of overwhelming obstacles that defined an era and established an ethic that survives to this day. It is their spirit that we admire, and that, in retrospect, makes these otherwise ordinary individuals special. The Tenement Museum is their monument, and as their descendants, it is ours as well.

Congress has an opportunity to recognize the pioneer spirit of our ancestors and deliver it to future generations of Americans. The museum reminds us all of an important and often forgotten chapter in our immigrant heritage, mainly, that millions of families made their first stand in our Nation not in a log cabin or farm house or mansion, but in a city tenement. Designating the Lower East Side Tenement Museum a National Historic Site and granting it affiliated area status within the National Park Service will shed light on that chapter in our history while linking it to the chain of the Statue of Liberty, Ellis Islands and Castle Clinton in the story of our urban immigrant heritage. I urge my colleagues to join Senator MOYNIHAN and me in cosponsoring this bill, and I urge its speedy consideration by the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lower East Side Tenement Museum National Historic Site Act of 1996".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Lower East Side Tenement Museum at 97 Orchard Street is an outstanding survivor of the vast number of humble buildings that housed immigrants to New York City during the greatest wave of immigration in American history;

(2) the Museum is well suited to represent a profound social movement involving great numbers of unexceptional but courageous people;

(3) no single identifiable neighborhood in the United States absorbed a comparable number of immigrants;

(4) the Lower East Side Tenement Museum is dedicated to interpreting immigrant life on the Lower East Side and its importance to United States history, within a neighborhood long associated with the immigrant experience in America; and

(5) the National Park Service found the Lower East Side Tenement Museum to be nationally significant, suitable, and feasible for inclusion in the National Park System.

(b) PURPOSES.—The purposes of this Act are—

(1) to ensure the preservation, maintenance, and interpretation of this site and to interpret in the site and in the surrounding neighborhood, the themes of early tenement life, the housing reform movement, and tenement architecture in the United States;

(2) to ensure the continuation of the Museum at this site, the preservation of which is necessary for the continued interpretation of the nationally significant immigrant phenomenon associated with the New York City's Lower East Side, and its role in the history of immigration to the United States; and

(3) to enhance the interpretation of the Castle Clinton National Historic Monument and Ellis Island National Historic Monument through cooperation with the Museum.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) HISTORIC SITE.—The term "historic site" means the Lower East Side Tenement Museum designated as a national historic site by section 4.

(2) MUSEUM.—The term "Museum" means the Lower East Side Tenement Museum at 97 Orchard Street, New York City, in the State of New York, and related facilities owned or operated by the Museum.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 4. ESTABLISHMENT OF HISTORIC SITE.

To further the purposes of this Act and the Act entitled "An act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.), the Lower East Side Tenement Museum at 97 Orchard Street, in the city of New York, State of New York, is designated as a national historic site.

SEC. 5. COOPERATIVE AGREEMENT.

(a) IN GENERAL.—The Secretary may enter into a cooperative agreement with the Lower East Side Tenement Museum to carry out this Act.

(b) TECHNICAL AND FINANCIAL ASSISTANCE.—The agreement may include provisions by which the Secretary will provide—

(1) technical assistance to mark, restore, interpret, operate, and maintain the historic site; and

(2) financial assistance to the Museum to mark, interpret, and restore the historic site, including the making of preservation-related capital improvements and repairs.

(c) ADDITIONAL PROVISIONS.—The agreement may also contain provisions that permit the Secretary acting through the National Park Service, to have a right of access at all reasonable times to all public portions of the property covered by the agreement for the purpose of conducting visitors through the properties and interpreting the portions to the public.

SEC. 6. APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Mr. MOYNIHAN. Mr. President, I rise to join my friend and colleague Senator D'AMATO in introducing a bill that will authorize a small but most significant addition to the National Park System by designating the Lower East Side Tenement Museum a national historic site. For 150 years New York City's Lower East Side has been the most vibrant, populous, and famous immigrant neighborhood in the Nation. From the first waves of Irish and German immigrants to Italians and Eastern European Jews to the Asian, Latin, and Caribbean immigrants arriving today, the Lower East Side has provided millions their first American home.

For many of them that home was a brick tenement; six or so stories, no elevator, maybe no plumbing, maybe no windows, a business on the ground floor, and millions of our forbearers upstairs. The Nation has with great pride preserved log cabins, farm houses, and other symbols of our agrarian roots. We have reopened Ellis Island to commemorate and display the first stop for 12 million immigrants who arrived in New York City.

Until now we have not preserved a sample of urban, working class life as part of the immigrant experience. For many of those who disembarked on Ellis Island the next stop was a tenement on the Lower East Side, such as the one at 97 Orchard Street. It is here that the Lower East Side Tenement Museum will show us what that next stop was like.

The tenement at 97 Orchard was built in the 1860s, during the first phase of tenement construction. It provided housing for 20 families on a plot of land planned for a single family residence. Each floor had four three-room apartments, each of which had two windows in one of the rooms and none in the others. The privies were out back, as was the spigot that provided water for everyone. The public bathhouse was down the street.

In 1900 this block was the most crowded per acre on earth. Conditions improved after the passage of the New York Tenement House Act of 1901, though the crowding remained. Two toilets were installed on each floor. A skylight was installed over the stairway and interior windows were cut in the walls to allow some light throughout each apartment. For the first time the ground floor became commercial space. In 1918 electricity was installed. Further improvements were mandated in 1935, but the owner chose to board the building up rather than follow the new regulations. It remained boarded up for 60 years until the idea of a museum took hold.

The Tenement Museum will keep at least one apartment in the dilapidated condition in which it was found when reopened, to show visitors the process of urban archeology. Others will be restored to show how real families lived at different periods in the building's history. At a nearby site there will be interpretive programs to better explain the larger experience of gaining a foothold on America in the Lower East Side of New York.

There are also plans for programmatic ties with Ellis Island and its precursor, Castle Clinton. And the Museum plans to play an active role in the immigrant community around it, further integrating the past and present immigrant experience on the Lower East Side.

This bill designates the Tenement Museum a national historic site. It also authorizes the Secretary of the Interior to enter into cooperative agreements with the Museum. Such agreements could include technical or financial assistance to help restore, operate, maintain, or interpret the site. Agreements can also be made with the Statue of Liberty/Ellis Island and Castle Clinton to help with the interpretation of life as an immigrant. It will be a productive partnership.

Mr. President, I believe the Tenement Museum provides an outstanding opportunity to preserve and present an important stage of the immigrant experience and the move for social change in our cities at the turn of the century. I know of no better place than 97 Orchard Street to do so, and no other place in the National Park System doing so already. I look forward to the realization of this grand idea, and I ask my colleagues for their support.

By Mr. HATCH:

S. 1914. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of research related to an existing business component; to the Committee on Finance.

CLARIFICATION LEGISLATION

Mr. HATCH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF RESEARCH ON EXISTING BUSINESS COMPONENTS ELIGIBLE FOR RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (C) of section 41(d)(4) of the Internal Revenue Code of 1986 (relating to activities for which credit is not allowed) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to research related to the development of a business component of a taxpayer which is an original alternative to achieve the equivalent result of an existing business component of a competitor of the taxpayer."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. JEFFORDS:

S. 1915. A bill to amend the Endangered Species Act of 1973 to prohibit the sale of products labeled as containing endangered species, and for other purposes; to the Committee on Environment and Public Works.

THE RHINO AND TIGER PRODUCTS LABELING ACT

Mr. JEFFORDS. Mr. President, it gives me great pleasure today to introduce legislation aimed at helping to stem the dramatic decrease in populations of some of the Earth's most exotic and magnificent animals. Animals such as the African black rhino, the white rhino, the Bengal tiger and other endangered species are on the brink of extinction. Rhinos and tigers are disappearing faster than any other large mammal on the planet. No more than 5,000 to 7,500 Bengal tigers and fewer than 650 Sumatran tigers remain in the world.

Ironically, in many ways their rarity and mystique are contributing to the problem. The parts of these animals are advertised as having powerful medicinal qualities. For example, tiger bone and rhino horn are considered to calm convulsions and enhance longevity. The business of trade in endangered species parts and products is becoming big business and encouraging increased poaching of these animals—threatening international recovery efforts. A booming underground market has developed around the trade of endangered species parts and products.

Mr. President, today I am introducing a bill that will address a remaining loophole in the Endangered Species Act that allows the sale of products labeled as containing endangered species. My legislation will amend section 9 of the Endangered Species Act to prohibit the sale of products labeled as containing any species of fish or wildlife listed in Appendix I of the Convention on International Trade in Endangered Species.

Through this legislation, we will be addressing the increasing trade in endangered species in two ways—first, by giving U.S. law enforcement officers the ability to prosecute the retailers of these products; and—second, by curbing the marketing of endangered species parts as key ingredients in medicinal products.

First, there is currently no legal mechanism to confiscate or prosecute for sale or display of these products once they are on store shelves. Through this legislation, law enforcement officers will be able to start addressing the increasing promotion and sale of products labeled as containing endangered species.

By addressing the marketing of these products, this legislation will help curb the expanding domestic U.S. market for medicines that contain, or claim to contain, endangered species parts. By allowing these products to remain on the shelves of stores across the country, we are perpetuating the reliance upon and perception of the efficacy of endangered species I addressing health ailments. Again, this perception is fueling increased poaching and smuggling of endangered species around the world.

Mr. President, in order to eliminate the domestic market for patented medicines and other products containing critically endangered tigers, rhinos and other species, and to increase the success and frequency of prosecutions of merchants and traffickers of these items, this change in current law is needed. Let us send a message to these merchants and traffickers of endangered species that the United States will not help feed the global demand for endangered species. Mr. President, let us send a strong and forceful message to our wildlife enforcement officers that we support their efforts to stem the increasing trade in these magnificent animals.

By Mr. DEWINE:

S. 1916. A bill to authorize the Secretary of the Army to convey to the village of Mariemont, OH, a parcel of land referred to as the "Ohio River Division Laboratory of the Army Corps of Engineers", and for other purposes; to the Committee on Environment and Public Works.

THE ARMY CORPS OF ENGINEERS LEGISLATION

Mr. DEWINE. Mr. President, I rise to introduce a bill that provides for the transfer of 3.22 acres of land owned by the Army Corps of Engineers at an appraised value to the Village of Mariemont, OH. The proceeds of the sale will be deposited in the general fund of the Treasury and credited as miscellaneous receipts. The General Services Administration conducted a 30-day Federal screening of the property and informed the minority side of the Governmental Affairs Committee and me that no Federal agency expressed interest in the property.

By Mr. ABRAHAM (for himself and Mr. SHELBY):

S. 1917. A bill to authorize the State of Michigan to implement the demonstration project known as "To Strengthen Michigan Families"; to the Committee on Finance.

MICHIGAN WELFARE WAIVER LEGISLATION

Mr. ABRAHAM. Mr. President, I rise today along with my colleague from Alabama, Senator SHELBY, to introduce legislation that will allow the State of Michigan to proceed with the third phase of its comprehensive welfare reform program, known as "To Strengthen Michigan Families." This legislation is similar to legislation which recently passed the House of Representatives that authorized the State of Wisconsin to proceed with its latest welfare reform initiatives without requiring formal waiver approval by the U.S. Department of Health and Human Services.

In 1992, Michigan began a comprehensive overhaul of its welfare reform programs. This effort, called "To Strengthen Michigan Families," was guided by four major principles that distinguished it from existing Federal welfare policy.

First, Michigan sought to eliminate many of the existing disincentives for welfare recipients to find work and to earn money.

Second, Michigan proposed to end the elements in the current system which serve either as an incentive for families to split up or as a disincentive for couples to become or to remain married.

Third, Michigan sought to instill increased personal responsibility among welfare recipients by making greater demands of them with respect to finding work or obtaining the education and skills necessary to finding future employment.

Fourth, Michigan sought to supplement these changes in personal and familial behavior with a commitment to greater involvement on the part of community-based institutions, especially faith-based organizations.

With reforms in each of these areas, Michigan began its crusade to end long-term, chronic welfare dependency. It required executive action by the Governor, acts of the State Legislature, and waivers from HHS from many burdensome or counterproductive regulations that were symptomatic of the existing failed system. And in 1994, Michigan enacted and began implementation of its second set of comprehensive welfare reforms, building on the foundation established by the original reform initiatives.

The results of Michigan's reforms to date have been impressive and demonstrate Michigan's success in moving people off of welfare. Michigan's AFDC caseload has dropped from 221,884 cases in September 1992 to 176,634 cases in May 1996—a decrease of 45,250 cases. The current AFDC caseload level is the lowest in nearly 25 years in Michigan. Caseloads in our State have decreased for 26 straight months and have fallen by more than 20 percent over the past 2 years.

There is similar evidence that Michigan's emphasis on placing welfare recipients into employment activities has been effective. During fiscal year 1994 alone, nearly 30,000 individuals were placed into employment. In addition, by January 1996, the number of cases with earned income had risen to 31.1 percent, compared to the 15.7 percent of cases with earned income in September 1992. The most recent figures available—May 1996—for percentage of caseload with earned income is 29.1 percent. Since September 1992, over 90,000 AFDC cases have been closed as a result of earned income from employment.

In developing the latest round of reform initiatives, Michigan created advisory committees to make policy recommendations in four core areas of public assistance: AFDC and other cash assistance, child care, child protection, and Medicaid. These advisory committees were each comprised of 50 to 100 people selected to represent a broad cross-section of community leaders, service providers and advocates, and users of services. These advisory committees conducted over 400 focus group meetings involving more than 4,000 participants. Their objective was to analyze the current system and identify barriers to greater program efficiency and to moving people more quickly and compassionately from welfare to self-sufficiency.

The advisory committees were a key reason why these reforms received such strong bipartisan support in the Michigan State Legislature. The Michigan State Senate adopted the reform package on a vote of 30 to 7. The State house of representatives passed the legislation by a margin of 85 to 22.

In the latest series of reforms, we impose tougher requirements on welfare recipients, but we also pledge more assistance—including child care, transportation and health care—in helping those who are attempting to make the transition from welfare to work. The goal is not to punish people who receive welfare. Rather, we believe people who are in need of assistance and receive it have some important responsibilities of their own. We stand ready to assist them as long as they are willing to make genuine efforts toward becoming self-sufficient.

Mr. President, if Congress and the President cannot agree on comprehensive welfare reform legislation at the national level, I believe individual States must be allowed to implement their own bold and innovative new approaches to ending welfare dependency. Under the present system, States are required to obtain prior approval from HHS before they implement many types of reform. The latest package of Michigan reforms would require 76 waivers. When you consider that during the 3½ years of the Clinton administration HHS has only approved 67 waivers nationwide, there is tremendous concern as to how long it will likely take for all of Michigan's waivers to become approved—if they ever are all approved.

The bill I am introducing today will provide the State of Michigan the latitude it needs and deserves to conduct effective welfare reform until it can be enacted at the national level. As I discussed earlier in my remarks, Michigan's leadership in the area of welfare reform is well-known. To date, the reforms have been very successful—both in moving people off of welfare and in improving the quality of life for those who remain on welfare. The latest round of reforms follows in the tradition of tough but compassionate welfare policies that we in Michigan started in 1992. The people of Michigan deserve to be allowed to move forward expeditiously with these latest reform initiatives.

It is my hope that the Clinton administration will move quickly to approve all of the necessary waivers that have been requested. If that does not happen, the legislation that I have introduced in the Senate today—and that my friend and colleague Representative DAVE CAMP is introducing today in the other body—will be available for us to bring to the floor for debate and hopefully passage.

Mr. President, I ask unanimous consent that an analysis of the reforms included in the most recent proposed reforms in the Michigan program be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD; as follows:

MICHIGAN'S LATEST ROUND OF PROPOSED WELFARE REFORMS IN THE "TO STRENGTHEN MICHIGAN FAMILIES" PROGRAM

The third phase of Michigan's ongoing efforts at comprehensive welfare reform, called "To Strengthen Michigan's Families," passed the Michigan State Legislature and were signed into law by Governor Engler in December 1995. These reforms affect five major Federal public assistance programs: AFDC, Food Stamps, Medicaid, child day care, and refugee assistance.

The proposed reforms require a total of—at last count—76 waivers approved by the Department of Health and Human Services. The major components of the reform package fall into four general categories:

(1) Increased Personal Responsibility for Individuals Receiving Assistance:

Require attendance for all adult AFDC, Food Stamps, and State General Assistance applicants/recipients at a joint orientation meeting with Family Independence Agency and Michigan Job Commission personnel as a condition for eligibility.

Require recipients to enter into a Family Independence Contract.

Require compliance with work activity requirements within 60 days. Failure to comply will result in the loss of the family's AFDC benefits and food stamps for a minimum of one month and until there is compliance with work requirements.

Require teen parents to live in an adult-supervised setting and stay in school. Failure to comply will result in case closure.

(2) Assistance and Incentives for Those Seeking Employment:

Provide greater employment-related services.

Guarantee access to child care.

Guarantee transportation.

Guarantee access to health care for anyone leaving welfare for work.

Provide more resources to welfare recipients who work by providing monthly EITC payments instead of one lump sum payment.

(3) Remove Unnecessary or Overly Burdensome Regulations:

Provide for a vastly simplified application form—reduced from the current 30 pages to 6 pages in length.

Provide for the most dramatic simplification of AFDC, Food Stamps, and Medical Assistance anywhere in the country.

Streamline services by establishing a single point of contact with the welfare office for each welfare recipient—regardless of the mix of benefits received.

(4) Strengthening Families and Increasing Community Involvement:

Provide additional funding for prevention services to help keep children safe and strengthen families.

Allow faith-based organizations to work with communities to address the needs of welfare recipients.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. BAUCUS, Mr. SIMPSON, Mr. CONRAD, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. BRADLEY, Mr. ROCKEFELLER, Mr. MURKOWSKI, Mr. NICKLES, Mr. PRYOR, Mr. GRAHAM, Mr. BREAUX, Mr. GRAMM, Mr. D'AMATO, Mr. HATCH, Mr. PRESSLER, and Mr. LOTT):

S. 1918. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations; to the Committee on Finance.

THE NORMAL TRADE RELATIONS ACT

Mr. ROTH. Mr. President, since the founding of our Republic, the cornerstone of United States international trade policy has been the principle of nondiscrimination. What this principle means is that every country will give equal treatment to all products it imports from any other country. For example, the United States applies the same tariff duty rate on a particular product imported from one country as it applies to imports of the same product from all other countries.

However, the principle of nondiscrimination goes beyond just trade in goods. For example, if a foreign company wants to set up a branch in the United States, it is subject to the same rules for establishing and running its operations as companies from all other countries operating in the United States.

The traditional term for this principle of nondiscrimination is most-favored-nation treatment, or MFN for short. This term is rooted in a very old concept in international law which states that in trade relations, all countries will receive the same treatment as the most favored nation.

While the term "most-favored-nation" is very old, it is a misnomer that has created much confusion as to its exact meaning. There is no such thing as a most favored nation—it is merely a hypothetical concept. Yet, many mistakenly believe that a country that has MFN status is being singled out for special status or preferential treatment.

Despite its name, however, MFN is not a special trading privilege or reward, nor is it the most favorable trade treatment that the United States gives to its trading partners. Rather, MFN refers to the uniform trade treatment that the United States gives to nearly every country in the world. Because there are only seven countries in the world to which the United States does not give MFN status, MFN denotes the ordinary, not the exceptional, trading relationship.

To help correct the misconception created by the term "most-favored-nation", Senator MOYNIHAN and Senator CHAFEE have argued for some time that the term should be changed. I agree with my colleagues that a better term is needed. After working with them and Senator BAUCUS on this issue, I am now introducing a bill, with the cosponsorship of the entire membership of the Committee on Finance, that would establish a new term—"normal trade relations" as a more accurate description in U.S. law and regulation of the principle of nondiscrimination. Creating this new term does not in any way alter the international rights and obligations of the United States. Rather, we merely seek to clarify that the principle of nondiscrimination under U.S. law denotes the standard and normal trade relationship that we have with nearly every country in the world.

I urge my colleagues to support this modest, but important piece of legislation.

Mr. MOYNIHAN. Mr. President, today I join with the chairman of the Committee on Finance in introducing legislation to bring new clarity to the muddled language of U.S. trade policy. The unanimity of support for this legislation is demonstrated by the fact that each and every Member of the Finance Committee is an original cosponsor.

Since the 18th century, the United States has pursued a policy of nondiscrimination among its trading partners. This policy has created considerable equality in the trading conditions we extend to the great majority of countries with which we trade. If the United States has normal trade relations with a country, that country receives treatment equal to most others under our trade laws.

The legislation we introduce today is designed to call this policy of equal treatment what it is—normal trade relations. For it has become increasingly clear that the 18th century term used to describe this policy of equal treatment, the term that still prevails in our international agreements, our laws, and our usage, has served only to confuse. By confusing, it is complicating the conduct of American foreign trade policy.

Much of international and American law would have one believe that there is a select handful of countries that are most favored. Not at all the case, so it is time to stop suggesting so.

The legislation we introduce today states that it is the sense of the Congress that henceforth U.S. law should more clearly reflect the underlying principles of U.S. trade policy by substituting the term "normal trade relations" for the term "most-favored-nation." In each instance in U.S. trade law where it is appropriate to make such a change, the legislation does so.

To our trading partners, let me say that there is no intention to alter our international rights or obligations by virtue of this legislation. "MFN" is a term with a long history of application and interpretation. We mean no substantive change here. Our purpose is solely linguistic—to change the language, not the content, or our trade policy so that it is more comprehensible.

I hope the Senate will have an opportunity to act on this legislation soon. I commend it to the attention of the Senate.

By Mr. MURKOWSKI:

S. 1920. A bill to amend the Alaska National Interest Lands Conservation Act, and for other purposes: to the Committee on Energy and Natural Resources.

THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AMENDMENT ACT OF 1996

• Mr. MURKOWSKI. Mr. President, today I introduce legislation to amend the Alaska National Interest Lands Conservation Act [ANILCA]. I introduce this so that we can return to the original intentions of the act and clarify the blurring of lines that have occurred over the years.

Fifteen years ago, Congress enacted the ANILCA. Over the opposition of many Alaskans, over 100 million acres of land was set aside in a series of vast Parks, Wildlife Refuges, and Wilderness units. Much of the concern about the act was the impact of these Federal units, and related management restrictions, on traditional activities and lifestyles.

To allay these concerns, ANILCA included a series of unique provisions designed to ensure that traditional activities and lifestyles would continue, that Alaskans would not be subjected to a permit lifestyle, and that the agencies would be required to recognize the crucial distinction between managing small units surrounded by millions of people in the lower 48 and vast multi-million acre units encompassing a relative handful of individuals and communities in Alaska. The sponsors of ANILCA issued repeated assurances that the establishment of these units would in fact protect traditional activities and lifestyles and not place them in jeopardy.

Early implementation of the act closely reflected these promises. However, as the years have passed, many of the Federal managers seem to have lost sight of these important representations to the people of Alaska. Agency personnel, trained primarily in lower 48 circumstances, have brought the mentality of restriction and regulation to Alaska. The critical distinctions between management of Parks, Refuges and Wilderness areas in the 49th State and the lower 48 have blurred. The result is the spread of restriction and regulation and the creation of the exact permit lifestyle which we were promised would never happen.

I have become increasingly aware of this disturbing trend. In my conversations with Alaskans, I hear many complaints about every increasing restraints on traditional activities and requirements for more and more paperwork and permits. A whole new industry has sprung up to help Alaskans navigate the bureaucratic shoals that have built up during the past few years.

Let me cite a few of the incidents that have come to our attention and were discussed last year during oversight hearings held by the Committee on Energy and Natural Resources. The U.S. Fish and Wildlife Service decides it wants to establish a wilderness management regime and eliminate motorboat use on a river. It proceeds with the plan until protests cause the Regional Solicitor to advise the Service that its plan violates section 1110(a) of ANILCA. Owners of cabins built, occupied, and used long before ANILCA are told they must give up their interests in the cabins although section 1303 expressly enables cabin owners to retain their possessory interests in their cabins. Visitor services contracts are awarded and then revoked because the agencies failed to adhere to the requirements of section 1307. Small landowners of inholdings seek to secure access to their property and are informed that they must file for a right-of-way as a transportation and utility system and pay the U.S. hundreds of thousands of dollars to prepare a totally unnecessary environmental impact statement. An outfitter spends substantial time and money responding to a request for proposals, submits an apparently winning proposal, and has the agency arbitrarily change its mind and decide to withdraw its request—it does not offer to compensate the outfitter for his efforts.

State fish and game regulations are circumvented by agency review boards that give benefits to guide applicants willing to limit their take of animals consistent with the Federal agencies' desires rather than management rules of the Alaska Game Board.

Mr. President, the legislation I introduce today will ensure that agencies are fairly implementing ANILCA consistent with its written provisions and promises. These technical corrections to ANILCA will ensure that its implementation is consistent with the intent of Congress.

Mr. President, conditions have changed in the 15 years since the passage of ANILCA and we have all had a great deal of experience with the act's implementation. It is time to make the law clearer and to make the Federal manager's job easier. We want to turn to the original intent of Congress in some cases to make sure that intent is being carried out.

Next month I plan on holding a hearing on this bill and look forward to gaining the support of my colleagues for passage of this legislation.•

ADDITIONAL COSPONSORS

S. 814

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 814, a bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes.

S. 1044

At the request of Mrs. KASSEBAUM, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1044, a bill to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

S. 1304

At the request of Mr. MCCAIN, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 1304, a bill to provide for the treatment of Indian tribal governments under section 403(b) of the Internal Revenue Code of 1986.

S. 1487

At the request of Mr. GRAMM, the names of the Senator from Utah [Mr. HATCH and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive medicare reimbursement for health care services provided to certain medicare-eligible covered military beneficiaries.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1628

At the request of Mr. BROWN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1628, a bill to amend title 17, United States Code, relating to the copyright interests of certain musical performances, and for other purposes.

S. 1660

At the request of Mr. GLENN, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1660, a bill to provide for ballast water management to prevent the introduction and spread of nonindigenous species into the waters of the United States, and for other purposes.

S. 1743

At the request of Mr. BINGAMAN, the names of the Senator from Arizona [Mr. MCCAIN and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1898

At the request of Mr. DOMENICI, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1898, a bill to protect the genetic privacy of individuals, and for other purposes.

S. 1899

At the request of Mr. MURKOWSKI, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1899, a bill entitled the "Mollie Beattie Alaska Wilderness Area Act".

SENATE JOINT RESOLUTION 52

At the request of Mr. KYL, the names of the Senator from Louisiana [Mr. BREAUX and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 52, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of victims of crimes.

AMENDMENT NO. 4083

At the request of Mr. GRAMM the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of amendment No. 4083 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4111

At the request of Mr. COCHRAN his name was added as a cosponsor of amendment No. 4111 intended to be proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4177

At the request of Mr. HARKIN the names of the Senator from North Dakota [Mr. CONRAD], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of amendment No. 4177 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4203

At the request of Mr. GLENN the names of the Senator from North Carolina [Mr. HELMS], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of amendment No. 4203 intended to be proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4218

At the request of Mr. LAUTENBERG the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of amendment No. 4218 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4349

At the request of Mr. NUNN the names of the Senator from Iowa [Mr. HARKIN], and the Senator from Utah [Mr. HATCH] were added as cosponsors of amendment No. 4349 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE CONCURRENT RESOLUTION 66—RELATIVE TO WELFARE REFORM

Mr. WELLSTONE (for himself, Mr. KENNEDY, Mrs. MURRAY, Mr. WYDEN, Mr. FEINGOLD, Mr. AKAKA, Mr. SIMON, and Mr. SARBANES) submitted the following concurrent resolution; which was referred to the Committee on Finance.

S. CON. RES. 66

Whereas, in enacting the Violence Against Women Act, the Congress recognized the epidemic of violence that affects all aspects of women's lives;

Whereas violence against women is the leading cause of physical injury to women, and the Department of Justice estimates that every year more than 1,000,00 violent crimes against women, including assault, rape, and murder, are committed by intimate partners of the women;

Whereas the American Psychological Association has reported that violence against women is usually witnessed by the children of the direct victims, and that such child witnesses suffer severe psychological, cognitive, and physical damage, and studies have shown that children residing in battered mothers' homes are 15 times more likely to be physically abused or neglected, and male children residing in such homes are 3 times more likely to be violent with their female partners when they reach adulthood.

Whereas violence against women dramatically affects women's workforce participation, insofar as ¼ of battered women surveyed reported that they had lost a job due, at least in part, to the effects of domestic violence, and that over ½ of battered women reported that they had been harassed by their abuser at work;

Whereas violence against women is often exacerbated as women seek to gain economic independence, and often increases when women attend school or training programs, and batterers often prevent women from attending such programs, and often sabotage their efforts at self-improvement;

Whereas numerous studies have shown that at least 60 percent of battered women suffer from some or all of the following symptoms: terrifying flashbacks, sleep disorders, inability to concentrate, as well as other symptoms, all of which can impair a victim's ability to obtain and retain employment;

Whereas several recent studies indicate that over 50 percent of women in welfare-to-work programs have been or currently are victims of domestic violence, and a study by the State of Washington indicates that over 50 percent of recipients of Aid to Families with Dependent Children (AFDC) in that State have been so victimized;

Whereas the availability of economic support is a critical factor in a woman's ability to leave abusive situations that threaten themselves and their children, and over ½ of battered women surveyed reported that they stayed with their batterers because they lacked resources to support themselves and their children;

Whereas proposals to restructure the AFDC program may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families; and

Whereas proposals to restructure the AFDC program by imposing time limits and increasing emphasis on work and job training should be evaluated in light of data demonstrating the extent to which domestic violence affects women's participation in such programs, and in light of the Congress' commitment to seriously address the issue of violence against women as evidenced by the enactment of the Violence Against Women Act: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) when the Congress considers proposed welfare legislation, it should seriously evaluate whether such welfare measure would exacerbate violence against women, make it more difficult for women and children to escape domestic violence, or would unfairly penalize women and children victimized by or at risk of violence;

(2) any welfare legislation enacted by the Congress should require that any welfare-to-

work, education, or job placement program implemented by the States should take domestic violence into account, by providing, among other things, mechanisms for—

(A) screening and identifying recipients with a history of domestic violence;

(B) referring such recipients to counseling and supportive services;

(C) tolling time limits for recipients victimized by domestic violence; and

(D) waiving, pursuant to a determination of good cause, other program requirements such as residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for the recipients to escape domestic violence or unfairly penalize recipients victimized by or at risk of further violence;

(3) any welfare legislation enacted by the Congress should include a provision requiring that the Comptroller General should develop and implement a comprehensive study of the incidence and effect of domestic violence on AFDC recipients, including a study of the extent to which domestic violence both precipitates and prolongs women's and children's poverty and the need for AFDC; and

(4) any welfare reform legislation adopted by the States that contains a welfare-to-work, education, or job placement program should take domestic violence into account, by providing, among other things, mechanisms for—

(A) screening and identifying recipients with a history of domestic violence;

(B) referring such recipients to counseling and supportive services;

(C) tolling time limits for recipients victimized by domestic violence; and

(D) waiving other program requirements, pursuant to a determination of good cause, such as residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for the recipients and their children to escape domestic violence or unfairly penalize recipients victimized by or at risk of further violence.

SENATE RESOLUTION 273—CONDEMNING TERROR ATTACKS IN SAUDI ARABIA

Mr. HELMS (for himself, Mr. PELL, Mr. LOTT, Mr. DASCHLE, Mr. BROWN, Mrs. FEINSTEIN, Mr. REID, Ms. MOSELEY-BRAUN, Mr. BRYAN, Mr. COATS, Mr. BAUCUS, Mr. MOYNIHAN, Mr. DOMENICI, Mr. GRAMM, and Mr. COVERDELL) submitted the following resolution; which was considered and agreed to:

S. RES. 273

Whereas on June 25, 1996, a massive truck bomb exploded at the King Abdul Aziz Air Base near Dhahran, in the Kingdom of Saudi Arabia.

Whereas this horrific attack killed at least nineteen Americans and injured at least three hundred more:

Whereas the bombing also resulted in 147 Saudi casualties;

Whereas the apparent target of the attack was an apartment building housing United States service personnel;

Whereas on November 13, 1995, a terror attack in Saudi Arabia, also directed against U.S. service personnel, killed five Americans, and two others;

Whereas individuals with ties to Islamic extremist organizations were tried, found guilty and executed for having participated in the November 13 attack;

Whereas United States Armed Forces personnel are deployed in Saudi Arabia to protect the peace and freedom secured in Operations Desert Shield and Desert Storm;

Whereas the relationship between the United States and the Kingdom of Saudi Arabia has been built with bipartisan support and has served the interest of both countries over the last five decades and;

Whereas this terrorist outrage underscores the need for a strong and ready military able to defend American interests.

Resolved, That the Senate—

(1) condemns in the strongest terms the attacks of June 25, 1996, and November 13, 1995 in Saudi Arabia;

(2) extends condolences and sympathy to the families of all those United States service personnel killed and wounded, and to the Government and people of the Kingdom of Saudi Arabia;

(3) honors the United States military personnel killed and wounded for their sacrifice in service to the nation;

(4) expresses its gratitude to the Government and the people of the Kingdom of Saudi Arabia for their heroic rescue efforts at the scene of the attack and their determination to find and punish those responsible for this outrage;

(5) reaffirms its steadfast support for the Government of the Kingdom of Saudi Arabia and for continuing good relations between the United States and Saudi Arabia;

(6) determines that such terror attacks present a clear threat to United States interests in the Persian Gulf;

(7) calls upon the United States Government to continue to assist the Government of Saudi Arabia in its efforts to identify those responsible for this contemptible attack;

(8) urges the United States Government to use all reasonable means available to the Government of the United States to punish the parties responsible for this cowardly bombing; and

(9) reaffirms its commitment to provide all necessary support for the men and women of our Armed Forces who volunteer to stand in harm's way.

SENATE RESOLUTION 274—RELATIVE TO NETDAY96

Mrs. FEINSTEIN (for herself and Mrs. BOXER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 274

Whereas the children of the United States deserve the finest preparation possible to face the demands of this Nation's changing information-based economy;

Whereas on March 9, 1996, California's NetDay96 succeeded in bringing together more than 50,000 volunteers to install the wiring infrastructure necessary to connect classrooms, from kindergarten to the high school level (K–12), to the Information Superhighway and bring them the educational benefits of contemporary technology;

Whereas California's NetDay96 succeeded in wiring 3,500 K–12 schools efficiently and cost-effectively, while establishing and improving classroom information infrastructure;

Whereas NetDay96 organizers created a World Wide Web site (http://www.netday96.com/) with an on-line database of all schools, where individuals with a shared interest in upgrading technology in their schools can locate each other and form communities with a lasting interest in their schools;

Whereas NetDay96 stresses educational opportunity for everyone by reaching out to rural and lower income communities to equalize access to current technology;

Whereas the relationships formed on NetDay96 between schools and their communities will last well beyond March 9, 1996, and other states are already planning to organize future NetDay activities, for this October and beyond, that build and expand upon the initial achievements of the NetDay96 activities;

Whereas NetDay96 has substantially increased the visibility of educational technology issues;

Whereas NetDay96 enables schools to move into the information age through community and cyberspace-based action;

Whereas students and schools benefit from significant NetDay96 corporate sponsorship, including MCI, America Online, Netscape, Netcom, Earthlink, who all agreed to provide free Internet access to every K–12 school in California, AT&T, Pacific Bell, Sun Microsystems, and hundreds of other companies, who contributed by sponsoring individual schools, providing wiring kits, and helping to design and test the networks;

Whereas NetDay96 will help facilitate the placement of educational technology, such as computer hardware, software, Internet and technical services, and teaching aids and training material, in the hands of schools through NetDay96 activities nationwide;

Whereas NetDay96 and future NetDay activities across America will save schools and taxpayers millions of dollars in technology startup costs;

Whereas President Clinton and Vice President Gore participated in California's NetDay96 activities and support the expansion of NetDay96 activities throughout the Nation in an effort to increase the level of technology in this Nation's classrooms and to enhance the ability of children to learn; and

Whereas the Administration plans to work with NetDay96 organizers and corporate sponsors including Sun Microsystems, Cisco Systems, and BellSouth, to organize a national conference to allow States that are planning or considering NetDay96 activities to learn from each others' experience: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the organizers, coordinators, and volunteers of NetDay96 throughout the Nation should be commended for their actions;

(2) NetDay96's success in California should be used as a positive model in other States throughout the Nation, this year and in future years;

(3) NetDay96 should be expanded nationwide to assist students, parents, and schools across the country, so that they may obtain the full benefits of computer equipment and networks, strengthen their educations, and begin careers with more skills and opportunities in order to help them compete more successfully in the global economy;

(4) businesses, students, parents, educators, and unions throughout the country should consider organizing NetDay96 activities in their communities to provide similar opportunities for their schools; and

(5) the Senate affirms its support of NetDay96's commitment to have United

States classrooms fitted with the needed technological infrastructure for the 21st century.

Mrs. FEINSTEIN. Mr. President, I rise today to address technology and children, two of our Nation's highest investment priorities.

March 9 was a very exciting day this year in California. On March 9, more than 50,000 Californians volunteered in their neighborhood schools, installing communications cables, connecting wires and switches, and upgrading their schools for the 21st century. Throughout the State, volunteers installed the wiring infrastructure to connect thousands of elementary and secondary school classrooms to the information superhighway and provided schools with the educational benefits of contemporary technology.

March 9, named "NetDay96" by its cofounders John Gage of Sun Microsystems, one of the Nation's leading technology companies, and Michael Kaufman of KQED, a California public broadcasting station, was an old fashioned barn-raising for the modern technology age.

Just as volunteers would gather in the Nation's early years, neighbors helping neighbors, to build homes, barns or community buildings, California's NetDay96 volunteers gathered in support of neighborhood schools. NetDay96 succeeded in wiring 3,500 schools efficiently and cost-effectively, establishing and improving our classroom information infrastructure.

Despite the State's tremendous resources and opportunities, California ranks 50th in the Nation in funds spent per student on computers. The cost of providing one computer for each student, from kindergarten to high school, would cost approximately $6 billion for 1,159,565 computers. The NetDay96 activities will help build community involvement and ease some of the financial burden.

Today, it is my pleasure to submit a resolution in support of California's NetDay96 activities, commend NetDay organizers and volunteers and those who would work to extend the benefits of NetDay96 nationwide.

The relationships formed between schools and their communities will extend beyond March 9. Californians are already planning to organize future NetDay96 activities, building and expanding upon the earlier achievements. Congress and the President should encourage other communities to build upon the success of California's NetDay96 experience and provide the benefits of technology and education for students and schools across the country.

Several members of my California staff were among the 50,000 NetDay96 volunteers at work in schools across the State. Cathy Widener of my staff described the work at Brittan Acres Elementary School in San Carlos, California as "inspirational." Cathy attended school at Brittan Acres and her father teaches there.

Cathy noted parents and teachers were on the classroom floor, pulling cable and installing wires, as employees of California's leading high tech companies provided instructions and directed traffic.

Dalila De Lancey, principal of Freeport Elementary School, a magnet school in the Sacramento school system, indicates the school connected every classroom and library in the school. Corporate sponsors, including Apple, Hewlett-Packard, Pacific Bell, Sun Microsystems and others donated equipment needed to get the job done.

Carolyn Harper, the Elmhurst Middle School Librarian in Oakland appreciated the support from Honeywell Corp., whose volunteers brought ladders, tools, and loads of enthusiasm. NetDay96 was part of the Oakland Unified School District's effort to complete the construction of a districtwide computer network and develop a technology exchange program to recondition and install computers.

Technology companies were an important part of Netday96 and helped to forge a partnership between California's businesses and schools to improve education for all students. Even if students don't have computers at home, at least students can have access at schools to explore, develop skills, learn, and grow.

We all agree our children deserve the finest preparation possible to face the demands of the changing information-based economy. NetDay96 helped meet these challenges, stressing educational opportunity for everyone by reaching out to rural and lower-income communities where current technology may be inadequate or incomplete.

It may surprise others to learn that the most valuable asset of Netday96 was, in addition to the computers, wires and equipment, the commitment of thousands of volunteers who worked in their community schools. California's NetDay96 experience can be adopted in other States and communities that may not have the same number of technology companies as California's Silicon Valley.

NetDay96 sponsors found that virtually all companies today have the technology, expertise, and skills to help schools if they choose to do so. For NetDay96, technology companies were as near as the local phone or cable company. All businesses equipped to be competitive today have the necessary tools to assist schools if they have the desire and opportunity to do so. NetDay96 provided them with the opportunity. Companies can step forward.

Students, parents, and schools benefited from significant NetDay96 corporate sponsorship, including companies like MCI, AT&T, NetCom, and Earthlink, who agreed to provide free Internet access to every elementary and secondary school in California. Other companies such as American Online, Pacific Bell, Cisco Systems, Sun Microsystems and hundreds of other companies contributed by sponsoring individual schools, providing wiring kits, and helping to design and test the networks.

With our current budget deficit, we have been doing everything we can to encourage local, volunteer solutions to difficult problems. NetDay96 and future NetDays across America can save schools and taxpayers millions of dollars in technology start-up costs by providing equipment, computer time and training for teachers through the school's corporate partners. Business sponsors and corporate volunteers were key ingredients in making NetDay96 a successful reality.

This administration deserves great credit for advancing education and technology. President Clinton and Vice President GORE joined the thousands of California's NetDay volunteers. They support the expansion of NetDay96 activities nationwide to increase the level of technology in our classrooms and enhance our children's ability to learn.

It is my pleasure to submit this resolution commending the NetDay96 cofounders, Michael Kaufman and John Gage, the dozens of corporate sponsors and business partners, and the thousands of volunteers working in community schools throughout California. The success and commitment they have shown can serve as a positive model for other States throughout the Nation, this year and in future years.

My California colleague, Senator BARBARA BOXER, joins in co-sponsoring this resolution. Together, we urge our Senate colleagues to affirm congressional support for preparing U.S. classrooms with the needed technological infrastructure for the 21st century.

In today's global economy, America's students will face challenges on an international scale. Students must graduate with the skills needed to face today's international challenges. Computers and technology can enhance education experience of children and provide a valuable complement to traditional teaching tools. Technology is not the complete solution to our complex education needs, but it is an important area that needs both our attention and our support.

I am pleased to submit this resolution to stress the value of volunteer efforts to bring technology to the classroom. With our investments in technology and students, the next generation will graduate with more of the skills they need to compete and win in the global economy.

NetDay96 was a successful effort in California and I encourage an effort to expand the effort nationwide to permit students across the country to enjoy the benefit of technology and education. I urge my Senate colleagues to support this effort.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

ROBB (AND McCAIN) AMENDMENT NO. 4363

(Ordered to lie on the table.)

Mr. ROBB (for himself and Mr. McCAIN) submitted an amendment intended to be proposed by him to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the end of subtitle A of title X, add the following:

SEC. 1014. SENSE OF SENATE REGARDING AUTHORIZATION OF APPROPRIATIONS FOR MILITARY EQUIPMENT NOT IDENTIFIED IN THE ANNUAL BUDGET REQUEST OF THE DEPARTMENT OF DEFENSE AND FOR CERTAIN MILITARY CONSTRUCTION.

It is the sense of the Senate that—

(1) to the maximum extent practicable, the Senate should consider the authorization of appropriation of funds for the procurement of military equipment only if the procurement is included—

(A) in the annual budget request of the Department of Defense;

(B) in the current future years defense program of the Department; or

(C) in a supplemental request list provided to the Committee on Armed Services of the Senate, upon request of the Committee, by the Office of the Secretary of Defense, by the military departments, by the National Guard Bureau, or by the officials responsible for the administration of the Reserves;

(2) any procurement of military equipment authorized in a defense authorization bill reported to the Senate by the Committee which procurement is not included in the annual budget request of the Department, included in the current future years defense program, or included in a supplemental request list should be listed in a separate section of the report accompanying the bill with a detailed justification of the national security interest addressed by the procurement; and

(3) any military construction project authorized in a defense authorization bill reported to the Senate by the Committee which project does not meet the criteria set forth in section 2856(a) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 3073) should be listed in a separate section of the report accompanying the bill with a detailed justification of the national security interest addressed by the project.

GREGG AMENDMENT NO. 4364

Mr. GREGG proposed an amendment to the bill, S. 1745, supra; as follows:

In the appropriate place in S. 1745, insert the following new section:

SEC. ____. CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE.

(a) SHORT TITLE.—This section may be cited as the "Congressional, Presidential, and Judicial Pension Forfeiture Act".

(b) CONVICTION OF CERTAIN OFFENSES.—

(1) IN GENERAL.—Section 8312(a) of title 5, United States Code, is amended—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or";

(C) by adding after paragraph (2) the following new paragraph:

"(3) is convicted of an offense named by subsection (d), to the extent provided by that subsection.";

(D) by striking "and" at the end of subparagraph (A);

(E) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(F) by adding after subparagraph (B) the following new subparagraph:

"(C) with respect to the offenses named by subsection (d) of this section, to the period after the date of the conviction.".

(2) IDENTIFICATION OF OFFENSES.—Section 8312 of title 5, United States Code, is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) The offenses under paragraph (2) are the offenses to which subsection (a) of this section applies, but only if—

"(A) the individual is convicted of such offense committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) the individual was a Member of Congress (including the Vice President), a congressional employee, or a Federal justice or judge at the time of committing the offense; and

"(C) the offense is punishable by imprisonment for more than 1 year.

"(2) The offenses under this paragraph are as follows:

"(A) An offense within the purview of—

"(i) section 201 of title 18 (bribery of public officials and witnesses);

"(ii) section 203 of title 18 (compensation to Members of Congress, officers, and others in matters affecting the Government);

"(iii) section 204 of title 18 (practice in United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Members of Congress);

"(iv) section 219 of title 18 (officers and employees acting as agents of foreign principals);

"(v) section 286 of title 18 (conspiracy to defraud the Government with respect to claims);

"(vi) section 287 of title 18 (false, fictitious, or fraudulent claims);

"(vii) section 371 of title 18 (conspiracy to commit offense or to defraud the United States;

"(viii) section 597 of title 18 (expenditures to influence voting);

"(ix) section 599 of title 18 (promise of appointment by candidate);

"(x) section 602 of title 18 (solicitation of political contributions);

"(xi) section 606 of title 18 (intimidation to secure political contributions);

"(xii) section 607 of title 18 (place of solicitation);

"(xiii) section 641 of title 18 (public money, property or records); or

"(xiv) section 1001 of title 18 (statements or entries generally).

"(B) Perjury committed under the statutes of the United States in falsely denying the commission of an act which constitutes an offense within the purview of a statute named by subparagraph (A).

"(C) Subornation of perjury committed in connection with the false denial of another individual as specified by subparagraph (B).".

(c) ABSENCE FROM THE UNITED STATES TO AVOID PROSECUTION.—

(1) IN GENERAL.—Section 8313 of title 5, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

"(b) An individual, or his survivor or beneficiary, may not be paid annuity or retired pay on the basis of the service of the individual which is creditable toward the annuity or retired pay, subject to the exceptions in section 8311(2) and (3) of this title, if the individual—

"(1) is under indictment, after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act, for an offense named by section 8312(d)(2) of this title, but only if such offense satisfies section 8312(d)(1)(C) of this title;

"(2) willfully remains outside the United States, or its territories and possessions including the Commonwealth of Puerto Rico, for more than 1 year with knowledge of the indictment or charges, as the case may be; and

"(3) is an individual described in section 8312(d)(1)(B).".

(2) CONFORMING AMENDMENT.—Subsection (c) of section 8313 of title 5, United States Code (as redesignated under paragraph (1)(A)) is amended by inserting "or (b)" after "subsection (a)".

(d) REFUND OF CONTRIBUTIONS AND DEPOSITS.—

Section 8316(b) of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) if the individual was convicted of an offense named by section 8312(d) of this title, for the period after the conviction of the violation.".

(e) FORFEITURE OF PRESIDENTIAL ALLOWANCE.—Subsection (a) of the first section of the Act entitled "An Act to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (Public Law 85-745; 72 Stat. 838; 3 U.S.C. 102 note) is amended—

(1) by striking "Each former President" and inserting "(1) Subject to paragraph (2), each former President"; and

(2) by inserting at the end the following new paragraph:

"(2) The allowance payable to an individual under paragraph (1) shall be forfeited if—

"(A) the individual is convicted of an offense described under section 8312(d)(2) of title 5, United States Code, committed after the date of the enactment of the Congressional, Presidential, and Judicial Pension Forfeiture Act;

"(B) such individual committed such offense during the individual's term of office as President; and

"(C) the offense is punishable by imprisonment for more than 1 year.".

PRYOR (AND OTHERS) AMENDMENT NO. 4365

Mr. PRYOR (for himself, Mr. Chafee, Mr. Brown, Mr. Bryan, Mr. Dorgan, Mr. Leahy, and Mr. Byrd) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. EQUITABLE TREATMENT FOR THE GENERIC DRUG INDUSTRY.

(a) Sense of the Senate.—It is the sense of the Senate that the generic drug industry should be provided equitable relief in the same manner as other industries are provided with such relief under the patent transitional provisions of section 154(c) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act of 1994 (Public Law 103–465; 108 Stat. 4983).

(b) Approval of Applications of Generic Drugs.—For purposes of acceptance and consideration by the Secretary of Health and Human Services of an application under subsections (b), (c), and (j) of section 505, and subsections (b), (c), and (n) of section 512, of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b), (c), and (j), and 360b (b), (c), and (n)), the expiration date of a patent that is the subject of a certification under section 505(b)(2)(A) (ii), (iii), or (iv), section 505(j)(2)(A)(vii) (II), (III), or (IV), or section 512(n)(1)(H) (ii), (iii), or (iv) of such Act, respectively, made in an application submitted prior to June 8, 1995, or in an application submitted on or after that date in which the applicant certifies that substantial investment was made prior to June 8, 1995, shall be deemed to be the date on which such patent would have expired under the law in effect on the day preceding December 8, 1994.

(c) Marketing Generic Drugs.—The remedies of section 271(e)(4) of title 35, United States Code, shall not apply to acts—

(1) that were commenced, or for which a substantial investment was made, prior to June 8, 1995; and

(2) that became infringing by reason of section 154(c)(1) of such title, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983).

(d) Equitable Remuneration.—For acts described in subsection (c), equitable remuneration of the type described in section 154(c)(3) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983) shall be awarded to a patentee only if there has been—

(1) the commercial manufacture, use, offer to sell, or sale, within the United States of an approved drug that is the subject of an application described in subsection (b); or

(2) the importation by the applicant into the United States of an approved drug or of active ingredient used in an approved drug that is the subject of an application described in subsection (b).

(e) Applicability.—The provisions of this section shall govern—

(1) the approval or the effective date of approval of applications under section 505(b)(2), 505(j), 507, or 512(n), of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2) and (j), 357, and 360b(n)) submitted on or after the date of enactment of this Act; and

(2) the approval or effective date of approval of all pending applications that have not received final approval as of the date of enactment of this Act.

HATCH AMENDMENT NO. 4366

Mr. HATCH proposed an amendment to amendment No. 4365 proposed by Mr. Pryor to the bill, S. 1745, supra; as follows:

Strike all after the word "**SEC.**" and insert the following:

PHARMACEUTICAL INDUSTRY SPECIAL EQUITY.

(a) Short Title.—This section may be cited as the "Pharmaceutical Industry Special Equity Act of 1996".

(b) Approval of Generic Drugs.—

(1) In general.—With respect to any patent, the term of which is modified under section 154(c)(1) of title 35, United States Code, as amended by the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983), the remedies of section 271(e)(4) of title 35, United States Code, shall not apply if—

(A) such patent is the subject of a certification described under—

(i) section 505 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV)); or

(ii) section 512(n)(1)(H)(iv) of such Act (21 U.S.C. 360b(n)(1)(H)(iv));

(B) on or after the date of enactment of this section, such a certification is made in an application that was filed under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act and accepted for filing by the Food and Drug Administration prior to June 8, 1995; and

(C) a final order, from which no appeal is pending or may be made, has been entered in an action brought under chapter 28 or 29 of title 35, United States Code—

(i) finding that the person who submitted such certification made a substantial investment of the type described under section 154(c)(2) of title 35, United States Code, as amended by the Uruguay Round Agreements Act; and

(ii) establishing the amount of equitable remuneration of the type described under section 154(c)(3) of title 35, United States Code, as amended by the Uruguay Round Agreements Act, that is required to be paid by the person who submitted such certification to the patentee for the product that is the subject of the certification.

(2) Determination of substantial investment.—In determining whether a substantial investment has been made in accordance with this section, the court shall find that—

(A) a complete application submitted under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act was found by the Secretary of Health and Human Services on or before June 8, 1995 to be sufficiently complete to permit substantive review; and

(B) the total sum of the investment made by the person submitting such an application—

(i) is specifically related to the research, development, manufacture, sale, marketing, or other activities undertaken in connection with, the product covered by such an application; and

(ii) does not solely consist of that person's expenditures related to the development and submission of the information contained in such an application.

(3) Effective date of approval of application.—In no event shall the Food and Drug Administration make the approval of an application under sections 505 or 512 of the Federal Food, Drug, and Cosmetic Act, which is subject to the provisions of this section, effective prior to the entry of the order described in paragraph (1)(C).

(4) Applicability.—The provisions of this subsection shall not apply to any patent the term of which, inclusive of any restoration period provided under section 156 of title 35, United States Code, would have expired on or after June 8, 1998, under the law in effect on the date before December 8, 1994.

(c) Application of Certain Benefits and Term Extensions to All Patents in Force on a Certain Date.—For the purposes of this section and the provisions of title 35, United States Code, all patents in force on June 8, 1995, including those in force by reason of section 156 of title 35, United States Code, are entitled to the full benefit of the Uruguay Round Agreements Act of 1994 and any extension granted before such date under section 156 of title 35, United States Code.

(d) Extension of Patents Relating to Nonsteroidal Anti-Inflammatory Drugs.—

(1) In general.—Notwithstanding section 154 of title 35, United States Code, the term of patent shall be extended for any patent which encompasses within its scope of composition of matter known as a nonsteroidal anti-inflammatory drug if—

(A) during the regulatory review of the drug by the Food and Drug Administration the patentee—

(i) filed a new drug application in 1982 under section 505 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 355); and

(ii) awaited approval by the Food and Drug Administration for at least 96 months; and

(B) such new drug application was approved in 1991.

(2) Term.—The term of any patent described in paragraph (1) shall be extended from its current expiration date for a period of 2 years.

(3) Notification.—No later than 90 days after the date of enactment of this section, the patentee of any patent described in paragraph (1) shall notify the Commissioner of Patents and Trademarks of the number of any patent extended under such paragraph. On receipt of such notice, the Commissioner shall confirm such extension by placing a notice thereof in the official file of such patent and publishing an appropriate notice of such extension in the Official Gazette of the Patent and Trademark Office.

(e) Expedited Procedures for Civil Actions.—

(1) Application.—(A) This subsection applies to any civil action in a court of the United States brought to determine the rights of the parties under this section, including any determination made under subsection (b).

(B) For purposes of this subsection the term "civil action" refers to a civil action described under subparagraph (A).

(2) Superseding provisions.—Procedures adopted under this subsection shall supersede any provision of title 28, United States Code, the Federal Rules of Civil Procedure, or the Federal Rules of Appellate Procedure to the extent of any inconsistency.

(3) Procedures in district court.—No later than 60 days after the date of the enactment of this Act, each district court of the United States shall adopt procedures to—

(A) provide for priority in consideration of civil actions on an expedited basis, including consideration of determinations relating to substantial investment, equitable remuneration, and equitable compensation;

(B) provide that—

(i) no later than 10 days after a party files an answer to a complaint filed in a civil action the court shall order that all discovery (including a hearing on any discovery motions) shall be completed no later than 60 days after the date on which the court enters the order; and

(ii) the court may grant a single extension of the 60-day period referred to under clause

(i) for an additional period of no more than 30 days upon a showing of good cause;

(C) require any dispositive motion in a civil action to be filed no later than 30 days after completion of discovery;

(D) require that—

(i) if a dispositive motion is filed in a civil action, the court shall rule on such a motion no later than 30 days after the date on which the motion is filed;

(ii) the court shall begin the trial of a civil action no later than 60 days after the later of—

(I) the date on which discovery is completed in accordance with subparagraph (B); or

(II) the last day of the 30-day period referred to under clause (i), if a dispositive motion is filed;

(E) require that if a person does not hold the patent which is the subject of a civil action and is the prevailing party in the civil action, the court shall order the nonprevailing party to pay damages to the prevailing party;

(F) the damages payable to such persons shall include—

(i) the costs resulting from the delay caused by the civil action; and

(ii) lost profits from such delay; and

(G) provide that the prevailing party in a civil action shall be entitled to recover reasonable attorney's fees and court costs.

(4) PROCEDURES IN FEDERAL CIRCUIT COURT.—No later than 60 days after the date of the enactment of this Act, the United States Court of Appeals for the Federal Circuit shall adopt procedures to provide for expedited considerations of civil actions brought under this Act.

NUNN (AND OTHERS) AMENDMENT NO. 4367

Mr. NUNN (for himself, Mrs. HUTCHISON, Mr. BRADLEY, Mrs. KASSEBAUM, and Mr. COHEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title X, add the following:

SEC. 1044. REPORT ON NATO ENLARGEMENT.

(a) FINDINGS.—Congress makes the following findings:

(1) Since World War II the United States has spent trillions of dollars to enable our European allies to recover from the devastation of the war and, since 1949, to enhance the stability and security of the Euro-Atlantic area through the North Atlantic Treaty Organization (NATO).

(2) NATO has been the most successful collective security organization in history.

(3) The Preamble to the Washington Treaty (North Atlantic Treaty) provides that:

"The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments. They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and well-being in the North Atlantic Area. They are resolved to unite their efforts for collective defense and for the preservation of peace and security.".

(4) Article 5 of the North Atlantic Treaty provides for NATO member nations to treat an attack on one as an attack on all.

(5) NATO has enlarged its membership three times since its establishment in 1949.

(6) At its ministerial meeting on December 1, 1994, NATO decided to enlarge the Alliance as part of an evolutionary process, taking into account political and security developments in the whole of Europe. It was also decided at that time that enlargement would be decided on a case-by-case basis and that new members would be full members of the Alliance, enjoying the rights and assuming all obligations of membership.

(7) The September 1995 NATO study on enlarging the Alliance concluded that the "coverage provided by Article 5, including its nuclear component, will apply to new members", but that there "is no a priori requirement for the stationing of nuclear weapons on the territory of new members.".

(8) At its ministerial meeting on June 3, 1996, NATO made decisions in three key areas as follows:

(A) To create more deployable headquarters and more mobile forces to mount traditional missions of collective defense as well as to mount non-Article 5 operations.

(B) To preserve the transatlantic link.

(C) To develop a European Security and Defense Identity within the Alliance, including utilization of the approved Combined Joint Task Forces (CJTF) concept, to facilitate the use of separable but not separate military capabilities in operations led by the WEU.

(9) Enlargement of the Alliance has profound implications for all of its member nations, for the nations chosen for admission to the Alliance in the first tranche, for the nations not included in the first tranche, and for the relationship between the members of the Alliance and Russia.

(10) The Congressional Budget Office has studied five illustrative options to defend the so-called Visegrad nations (Poland, the Czech Republic, Slovakia, and Hungary) to determine the cost of such defense.

(11) The results of the Congressional Budget Office study, issued in March 1996, included conclusions that the cost of defending the Visegrad nations over the 15-year period from 1996 through 2010 would range from $61,000,000,000 to $125,000,000,000; and that of those totals the cost to the new members would range from $42,000,000,000 to $51,000,000,000, and the cost to NATO would range from $19,000,000,000 to $73,000,000,000, of which the United States would expect to pay between $5,000,000,000 and $19,000,000,000.

(12) The Congressional Budget Office study did not determine the cost of enlarging the Alliance to include Slovenia, Romania, Ukraine, the Baltic nations, or other nations that are participating in NATO's Partnership for Peace program.

(13) Enlarging the Alliance could be considered as changing the circumstances that constitute the basis for the Treaty on Conventional Forces in Europe.

(14) The discussion of NATO enlargement within the United States, in general, and the United States Congress, in particular, has not been as comprehensive, detailed, and informed as it should be, given the implications for the United States of enlargement decisions.

(b) REPORT.—Not later than the date on which the President submits the budget for fiscal year 1998 to Congress under section 1105 of title 31, United States Code, the President shall transmit a report on NATO enlargement to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives. The report shall contain a comprehensive discussion of the following:

(1) The costs, for prospective new NATO members, NATO, and the United States, that are associated with the illustrative options used by the Congressional Budget Office in the March 1996 study referred to in subsection (a)(10) as well as any other illustrative options that the President considers appropriate and relevant.

(2) The strategy by which attacks on prospective new NATO member nations would be deterred and, if deterrence fails, defended, including—

(A) whether the strategy would be based on conventional forces or on nuclear capabilities;

(B) if based on conventional forces, the extent to which the strategy would be based on host nation forces and the extent to which it would be based on NATO reinforcement;

(C) to the extent that the strategy is based on NATO reinforcement, whether substantial prepositioning of equipment and supplies and establishment of reception facilities would be necessary;

(D) whether the forward deployment of substantial NATO air forces or ground forces, or both, would be necessary;

(E) if the forward deployment of substantial NATO air forces or ground forces would be necessary, the approximate percentage of the number of the forward-deployed forces that would be United States forces and whether any NATO member would be unable to deploy forces forward; and

(F) if the strategy is based on nuclear capabilities, whether any changes in NATO's nuclear posture would be necessary.

(3) Whether NATO enlargement can proceed prior to the implementation of the NATO decisions referred to in subsection (a)(8), including the establishment of more deployable headquarters and more mobile forces, and the development of a European security and defense identity.

(4) Whether an enlarged NATO will be able to function on a consensus basis that makes it necessary for all NATO members to agree on major decisions.

(5) The extent to which prospective new NATO members have achieved, or are expected to achieve, interoperability of their military equipment, air defense systems, and command, control, and communications systems and conformity of military doctrine with those of NATO.

(6) The extent to which prospective new NATO members have established democratic institutions, free market economies, civilian control of their armed forces, including parliamentary oversight of military affairs and appointment of civilians to senior defense positions, and the rule of law.

(7) The extent to which prospective new NATO members are committed to protecting the rights of all of their citizens, including national minorities.

(8) The extent to which prospective new NATO members are committed to respecting the territorial integrity of their neighbors, together with the mechanisms that are established, or are planned to be established, for resolving border disputes peacefully.

(9) The extent to which prospective new NATO members are in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area.

(10) The bilateral assistance, including cost, provided by the United States to prospective new NATO members since the institution of the Partnership for Peace program.

(11) The impact on the political, economic, and security well-being of prospective new NATO members (with a particular emphasis

on Ukraine, Latvia, Lithuania, and Estonia) if they are not selected for inclusion in the first tranche of NATO enlargement.

(12) The relationship of prospective new NATO members to the European Union, with special emphasis on—

(A) the effects that the gaining of membership in NATO by a nation would have on the possibility and timing of that nation gaining associate membership and, subsequently, full membership in the European Union; and

(B) the extent to which the European Union has opened its markets to prospective new NATO members.

(13) The impact of NATO enlargement on the CFE Treaty.

(14) The relationship of Russia with NATO, including Russia's participation in the Partnership for Peace program and NATO's strategic dialogue with Russia.

(15) The anticipated impact of NATO enlargement on Russian foreign and defense policies, including in particular the implementation of START I, the ratification of START II, and the emphasis placed in defense planning on nuclear weapons.

(c) CLASSIFICATION OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

(d) TREATIES DEFINED.—In this section:

(1) The terms "CFE Treaty" and "Treaty on Conventional Armed Forces in Europe" mean the treaty signed in Paris on November 19, 1990, by 22 members of the North Atlantic Treaty Organization and the former Warsaw Pact to establish limitations on conventional armed forces in Europe, and all annexes and memoranda pertaining thereto.

(2) The term "START I Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on July 31, 1991.

(3) The term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103–1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

SHELBY (AND OTHERS) AMENDMENT NO. 4368

(Ordered to lie on the table.)

Mr. SHELBY (for himself, Mr. FAIRCLOTH, Mr. BRYAN, and Mr. GRAMM) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the appropriate place in the bill add the following new section:

SEC. . EXEMPTION FOR SAVINGS INSTITUTIONS SERVING MILITARY PERSONNEL.

Section 10(m)(3)(F) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(3)(F)) is amended to read as follows:

"(F) EXEMPTION FOR SPECIALIZED SAVINGS ASSOCIATIONS SERVING CERTAIN MILITARY PERSONNEL.—Subparagraph (A) does not apply to a savings association subsidiary of a savings and loan holding company if not less than 90 percent of the customers of the savings and loan holding company and the subsidiaries and affiliates of such company are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.".

COHEN (AND LIEBERMAN) AMENDMENT NO. 4369

Mr. COHEN (for himself and Mr. LIEBERMAN), proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title XXXIII, add the following:

SEC. 3303. ADDITIONAL AUTHORITY TO DISPOSE OF MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $110,000,000 during the five-fiscal year period ending September 30, 2001;

(2) $260,000,000 during the seven-fiscal year period ending September 30, 2003; and

(3) $440,000,000 during the nine-fiscal year period ending September 30, 2005.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Chrome Metal, Electrolytic	8,471 short tons
Cobalt	9,902,774 pounds
Columbium Carbide	21,372 pounds
Columbium Ferro	249,395 pounds
Diamond, Bort	91,542 carats
Diamond, Stone	3,029,413 carats
Germanium	28,207 kilograms
Indium	15,205 troy ounces
Palladium	1,249,601 troy ounces
Platinum	442,641 troy ounces
Rubber	567 long tons
Tantalum, Carbide Powder	22,688 pounds contained
Tantalum, Minerals	1,748,947 pounds contained
Tantalum, Oxide	123,691 pounds contained
Titanium Sponge	36,830 short tons
Tungsten	76,358,235 pounds
Tungsten, Carbide	2,032,942 pounds
Tungsten, Metal Powder	1,181,921 pounds
Tungsten, Ferro	2,024,143 pounds

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury and used to offset the revenues lost as a result of the amendments made by subsection (a) of section 4303 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 658).

(2) This section shall be treated as qualifying offsetting legislation for purposes of subsection (b) of such section 4303.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

GRASSLEY AMENDMENT NO. 4370

Mr. GRASSLEY proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of division A, insert the following new title:

TITLE XIII—WTO REVIEW COMMISSION

SEC. 1301. SHORT TITLE.

This title may be cited as the "WTO Dispute Settlement Review Commission Act".

SEC. 1302. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The United States joined the WTO as an original member with the goal of creating an improved global trading system and providing expanded economic opportunities for United States firms and workers, while preserving United States sovereignty.

(2) The American people must receive assurances that United States sovereignty will be protected, and United States interests will be advanced, within the global trading system which the WTO will oversee.

(3) The WTO's dispute settlement rules are meant to enhance the likelihood that governments will observe their WTO obligations, and thus help ensure that the United States will reap the full benefits of its participation in the WTO.

(4) United States support for the WTO depends on obtaining mutual trade benefits through the openness of foreign markets and the maintenance of effective United States and WTO remedies against unfair or otherwise harmful trade practices.

(5) Congress passed the Uruguay Round Agreements Act based on its understanding that effective trade remedies would not be eroded. These remedies are essential to continue the process of opening foreign markets to imports of goods and services and to prevent harm to American industry and agriculture.

(6) In particular, WTO dispute settlement panels and the Appellate Body should—

(A) operate with fairness and in an impartial manner;

(B) not add to the obligations, or diminish the rights, of WTO members under the Uruguay Round Agreements; and

(C) observe the terms of reference and any applicable WTO standard of review.

(b) PURPOSE.—It is the purpose of this title to provide for the establishment of the WTO Dispute Settlement Review Commission to achieve the objectives described in subsection (a)(6).

SEC. 1303. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the WTO Dispute Settlement Review Commission (hereafter in this title referred to as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 5 members all of whom shall be judges of the Federal judicial circuits and shall be appointed by the President, after consultation with the Majority Leader and Minority Leader of the House of Representatives, the Majority Leader and Minority Leader of the Senate, the chairman and ranking member of the Committee on Ways and Means of the House of Representatives, and the chairman and ranking member of the Committee on Finance of the Senate.

(2) DATE.—The appointments of the initial members of the Commission shall be made no later than 90 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members of the Commission shall each be appointed for a term of 5 years, except of the members first appointed, 3 members shall be appointed for terms of 3 years and the remaining 2 members shall be appointed for terms of 2 years.

(2) VACANCIES.—

(A) IN GENERAL.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment and shall be subject to the same conditions as the original appointment.

(B) UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(d) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) AFFIRMATIVE DETERMINATIONS.—An affirmative vote by a majority of the members of the Commission shall be required for any affirmative determination by the Commission under section 1304.

(h) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a Chairperson and Vice Chairperson from among its members.

SEC. 1304. DUTIES OF THE COMMISSION.

(a) REVIEW OF WTO DISPUTE SETTLEMENT REPORTS.—

(1) IN GENERAL.—The Commission shall review—

(A) all adverse reports of dispute settlement panels and the Appellate Body which are—

(i) adopted by the Dispute Settlement Body, and

(ii) the result of a proceeding initiated against the United States by a WTO member; and

(B) upon the request of the Trade Representative, any adverse report of a dispute settlement panel or the Appellate Body—

(i) which is adopted by the Dispute Settlement Body, and

(ii) in which the United States is a complaining party.

(2) SCOPE OF REVIEW.—With respect to any report the Commission reviews under paragraph (1), the Commission shall determine in connection with each adverse finding whether the panel or the Appellate Body, as the case may be—

(A) demonstrably exceeded its authority or its terms of reference;

(B) added to the obligations, or diminished the rights, of the United States under the Uruguay Round Agreement which is the subject of the report;

(C) acted arbitrarily or capriciously, engaged in misconduct, or demonstrably departed from the procedures specified for panels and the Appellate Body in the applicable Uruguay Round Agreement; and

(D) deviated from the applicable standard of review, including in antidumping cases, the standard of review set forth in Article 17.6 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

(3) AFFIRMATIVE DETERMINATION.—The Commission shall make an affirmative determination under this paragraph with respect to the action of a panel or the Appellate Body, if the Commission determines that—

(A) any of the matters described in subparagraph (A), (B), (C), or (D) of paragraph (2) has occurred; and

(B) the action of the panel or the Appellate Body materially affected the outcome of the report of the panel or Appellate Body.

(b) DETERMINATION; REPORT.—

(1) DETERMINATION.—No later than 120 days after the date on which a report of a panel or the Appellate Body described in subsection (a)(1) is adopted by the Dispute Settlement Body, the Commission shall make a written determination with respect to the matters described in paragraphs (2) and (3) of subsection (a).

(2) REPORTS.—The Commission shall promptly report the determinations described in paragraph (1) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Trade Representative.

SEC. 1305. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold a public hearing to solicit views concerning a report of a dispute settlement panel or the Appellate Body described in section 1304(a)(1), if the Commission considers such hearing to be necessary to carry out the purpose of this title. The Commission shall provide reasonable notice of a hearing held pursuant to this subsection.

(b) INFORMATION FROM INTERESTED PARTIES AND FEDERAL AGENCIES.—

(1) NOTICE OF PANEL OR APPELLATE BODY REPORT.—The Trade Representative shall advise the Commission no later than 5 business days after the date the Dispute Settlement Body adopts a report of a panel or the Appellate Body that is to be reviewed by the Commission under section 1304(a)(1).

(2) SUBMISSIONS AND REQUESTS FOR INFORMATION.—

(A) IN GENERAL.—The Commission shall promptly publish in the Federal Register notice of the advice received from the Trade Representative, along with notice of an opportunity for interested parties to submit written comments to the Commission. The Commission shall make comments submitted pursuant to the preceding sentence available to the public.

(B) INFORMATION FROM FEDERAL AGENCIES AND DEPARTMENTS.—The Commission may also secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon the request of the Chairperson of the Commission, the head of such department or agency shall furnish the information requested to the Commission.

(3) ACCESS TO PANEL AND APPELLATE BODY DOCUMENTS.—

(A) IN GENERAL.—The Trade Representative shall make available to the Commission all submissions and relevant documents relating to a report of a panel or the Appellate Body described in section 1304(a)(1), including any information contained in such submissions identified by the provider of the information as proprietary information or information designated as confidential by a foreign government.

(B) PUBLIC ACCESS.—Any document which the Trade Representative submits to the Commission shall be available to the public, except information which is identified as proprietary or confidential.

(c) ASSISTANCE FROM FEDERAL AGENCIES; CONFIDENTIALITY.—

(1) ADMINISTRATIVE ASSISTANCE.—Any agency or department of the United States that is designated by the President shall provide administrative services, funds, facilities, staff, or other support services to the Commission to assist the Commission with the performance of the Commission's functions.

(2) CONFIDENTIALITY.—The Commission shall protect from disclosure any document or information submitted to it by a department or agency of the United States which the agency or department requests be kept confidential. The Commission shall not be considered to be an agency for purposes of section 552 of title 5, United States Code.

SEC. 1306. REVIEW OF DISPUTE SETTLEMENT PROCEDURES AND PARTICIPATION IN THE WTO.

(a) AFFIRMATIVE REPORT BY COMMISSION.—

(1) IN GENERAL.—If a joint resolution described in subsection (b)(1) is enacted into law pursuant to the provisions of subsection (c), the President should undertake negotiations to amend or modify the rules and procedures of the Uruguay Round Agreement to which such joint resolution relates.

(2) 3 AFFIRMATIVE REPORTS BY COMMISSION.—If a joint resolution described in subsection (b)(2) is enacted into law pursuant to the provisions of subsection (c), the approval of the Congress, provided for under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement shall cease to be effective in accordance with the provisions of the joint resolution.

(b) JOINT RESOLUTIONS DESCRIBED.—

(1) IN GENERAL.—For purposes of subsection (a)(1), a joint resolution is described in this paragraph if it is a joint resolution of the 2 Houses of Congress and the matter after the resolving clause of such joint resolution is as follows: "That the Congress calls upon the President to undertake negotiations to amend or modify the matter relating to _________ that is the subject of the affirmative report submitted to the Congress by the WTO Dispute Settlement Review Commission on ____", the first blank space being filled with the specific provisions of the Uruguay Round Agreement with respect to which the President is to undertake negotiations and the second blank space being filled with the date that the affirmative report, which was made under section 1304(b) and which has given rise to the joint resolution, was submitted to the Congress by the Commission pursuant to section 1304(b).

(2) WITHDRAWAL RESOLUTION.—For purposes of subsection (a)(2), a joint resolution is described in this paragraph if it is a joint resolution of the 2 Houses of Congress and the matter after the resolving clause of such joint resolution is as follows: "That, in light of the 3 affirmative reports submitted to the Congress by the WTO Dispute Settlement Review Commission during the preceding 5-year period, and the failure to remedy the problems identified in the reports through

negotiations, it is no longer in the overall national interest of the United States to be a member of the WTO, and accordingly the Congress withdraws its approval, provided under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement as defined in section 2(9) of that Act.".

(c) PROCEDURAL PROVISIONS.—

(1) IN GENERAL.—The requirements of this subsection are met if the joint resolution is enacted in accordance with this subsection, and—

(A) in the case of a joint resolution described in subsection (b)(1), the Congress adopts and transmits the joint resolution to the President before the end of the 90-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives an affirmative report from the Commission pursuant to section 1304(b)(2); or

(B) in the case of a joint resolution described in subsection (b)(2), the Commission has submitted 3 affirmative reports pursuant to section 1304(b)(2) during a 5-year period, and the Congress adopts and transmits the joint resolution to the President before the end of the 90-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives the third such affirmative report.

(2) PRESIDENTIAL VETO.—In any case in which the President vetoes the joint resolution, the requirements of this subsection are met if each House of Congress votes to override that veto on or before the later of the last day of the 90-day period referred to in subparagraph (A) or (B) of paragraph (1), whichever is applicable, or the last day of the 15-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives the veto message from the President.

(3) INTRODUCTION.—

(A) TIME.—A joint resolution to which this section applies may be introduced at any time on or after the date on which the Commission transmits to the Congress an affirmative report pursuant to section 1304(b)(2), and before the end of the 90-day period referred to in subparagraph (A) or (B) of paragraph (1), as the case may be.

(B) ANY MEMBER MAY INTRODUCE.—A joint resolution described in subsection (b) may be introduced in either House of the Congress by any Member of such House.

(4) EXPEDITED PROCEDURES.—

(A) GENERAL RULE.—Subject to the provisions of this subsection, the provisions of subsections (b), (d), (e), and (f) of section 152 of the Trade Act of 1974 (19 U.S.C. 2192 (b), (d), (e), and (f)) apply to joint resolutions described in subsection (b) to the same extent as such provisions apply to resolutions under such section.

(B) REPORT OR DISCHARGE OF COMMITTEE.—If the committee of either House to which a joint resolution has been referred has not reported it by the close of the 45th day after its introduction (excluding any day described in section 154(b) of the Trade Act of 1974), such committee shall be automatically discharged from further consideration of the joint resolution and it shall be placed on the appropriate calendar.

(C) FINANCE AND WAYS AND MEANS COMMITTEES.—It is not in order for—

(i) the Senate to consider any joint resolution unless it has been reported by the Committee on Finance or the committee has been discharged under subparagraph (B); or

(ii) the House of Representatives to consider any joint resolution unless it has been reported by the Committee on Ways and Means or the committee has been discharged under subparagraph (B).

(D) SPECIAL RULE FOR HOUSE.—A motion in the House of Representatives to proceed to the consideration of a joint resolution may only be made on the second legislative day after the calendar day on which the Member making the motion announces to the House his or her intention to do so.

(5) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a joint resolution (other than a joint resolution received from the other House), if that House has previously adopted a joint resolution under this section relating to the same matter.

(d) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 1307. DEFINITIONS.

For purposes of this title:

(1) ADVERSE FINDING.—The term "adverse finding" means—

(A) in a panel or Appellate Body proceeding initiated against the United States, a finding by the panel or the Appellate Body that any law or regulation of, or application thereof by, the United States is inconsistent with the obligations of the United States under a Uruguay Round Agreement (or nullifies or impairs benefits accruing to a WTO member under such an Agreement); or

(B) in a panel or Appellate Body proceeding in which the United States is a complaining party, any finding by the panel or the Appellate Body that a measure of the party complained against is not inconsistent with that party's obligations under a Uruguay Round Agreement (or does not nullify or impair benefits accruing to the United States under such an Agreement).

(2) AFFIRMATIVE REPORT.—The term "affirmative report" means a report described in section 1304(b)(2) which contains affirmative determinations made by the Commission under paragraph (3) of section 1304(a).

(3) APPELLATE BODY.—The term "Appellate Body" means the Appellate Body established by the Dispute Settlement Body pursuant to Article 17.1 of the Dispute Settlement Understanding.

(4) DISPUTE SETTLEMENT BODY.—The term "Dispute Settlement Body" means the Dispute Settlement Body established pursuant to the Dispute Settlement Understanding.

(5) DISPUTE SETTLEMENT PANEL; PANEL.—The terms "dispute settlement panel" and "panel" mean a panel established pursuant to Article 6 of the Dispute Settlement Understanding.

(6) DISPUTE SETTLEMENT UNDERSTANDING.—The term "Dispute Settlement Understanding" means the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16) of the Uruguay Round Agreements Act.

(7) TERMS OF REFERENCE.—The term "terms of reference" has the meaning given such term in the Dispute Settlement Understanding.

(8) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(9) URUGUAY ROUND AGREEMENT.—The term "Uruguay Round Agreement" means any of the Agreements described in section 101(d) of the Uruguay Round Agreements Act.

(10) WORLD TRADE ORGANIZATION; WTO.—The terms "World Trade Organization" and "WTO" mean the organization established pursuant to the WTO Agreement.

(11) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

BRYAN (AND REID) AMENDMENT NO. 4371

Mr. BRYAN (for himself and Mr. REID) proposed an amendment to amendment No. 4369 proposed by Mr. COHEN to the bill, S. 1745, supra, as follows:

In the table in subsection (b), delete the entry relating to titanium sponge.

WARNER (AND SMITH) AMENDMENT NO. 4372

Mr. McCAIN (for Mr. WARNER for himself and Mr. SMITH) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II add the following:

SEC. 223. CYCLONE CLASS CRAFT SELF-DEFENSE.

(a) STUDY REQUIRED.—Not later than March 31, 1997, the Secretary of Defense shall—

(1) carry out a study of vessel self-defense options for the Cyclone class patrol craft; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(b) SOCOM INVOLVEMENT.—The Secretary shall carry out the study through the Commander of the Special Operations Command.

(c) SPECIFIC SYSTEM TO BE EVALUATED.—The study under subsection (a) shall include an evaluation of the BARAK ship self-defense missile system.

GLENN (AND OTHERS) AMENDMENT NO. 4373

Mr. LEVIN (for Mr. GLENN for himself, Mr. ABRAHAM, and Mr. LEVIN) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 1022(a), strike out ". Such transfers" and insert in lieu thereof ", if the Secretary determines that the tugboats are not needed for transfer, donation, or other disposal under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.). A transfer made under the preceding sentence".

COHEN AMENDMENT NO. 4374

Mr. McCAIN (for Mr. COHEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. CLARIFICATION OF NATIONAL SECURITY SYSTEMS TO WHICH THE INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1996 APPLIES.

Section 5142(b) of the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 689; 40 U.S.C. 1452(b)) is amended—

(1) by striking out "(b) LIMITATION.—" and inserting in lieu thereof "(b) LIMITATIONS.—(1)"; and

(2) by adding at the end the following:

"(2) Notwithstanding any other provision of this section or any other provision of law, for the purposes of this subtitle, a system that, in function, operation, or use, involves the storage, processing, or forwarding of classified information and is protected at all times by procedures established for the handling of classified information shall be considered as a national security system under the definition in subsection (a) only if the function, operation, or use of the system—

"(A) involves activities described in paragraph (1), (2), or (3) of subsection (a);

"(B) involves equipment described in paragraph (4) of subsection (a); or

"(C) is critical to an objective described in paragraph (5) of subsection (a) and is not excluded by paragraph (1) of this subsection.".

HEFLIN (AND SHELBY) AMENDMENT NO. 4375

Mr. LEVIN (for Mr. HEFLIN for himself and Mr. SHELBY) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. TYPE CLASSIFICATION OF ELECTRO OPTIC AUGMENTATION (EOA) SYSTEM.

(a) REQUIREMENT.—The Secretary of the Army shall type classify the Electro Optic Augmentation (EOA) system.

(b) FUNDING.—Of the amounts authorized to be appropriated for the Army by this division, $100,000 shall made be available to the Armored Systems Modernization Program manager for the type classification required by subsection (a).

GRASSLEY AMENDMENT NO. 4376

Mr. MCCAIN (for Mr. GRASSLEY) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of section 218(a) add the following: "The report shall include—

"(1) a comparison of—

"(A) the results of the review, with

"(B) the results of the last independent estimate of production costs of the program that was prepared by the Cost Analysis Improvement Group in July 1991; and

"(2) a description of any major changes in programmatic assumptions that have occurred since the estimate referred to in paragraph (1)(B) was made, including any major change in assumptions regarding the program schedule, the quantity of aircraft to be developed and acquired, and the annual rates of production, together with an assessment of the effects of such changes on the program.".

SIMON (AND OTHERS) AMENDMENT NO. 4377

Mr. LEVIN (for Mr. SIMON for himself, Mr. CONRAD, and Mr. LEVIN) proposed and amendment to the bill, S. 1745; supra; as follows:

At the end of subtitle D of title II, add the following:

SEC. 243. DESALTING TECHNOLOGIES.

(a) FINDINGS.—Congress makes the following findings:

(1) Access to scarce fresh water is likely to be a cause of future military conflicts in the Middle East and has a direct impact on stability and security in the region.

(2) The Middle East is an area of vital and strategic importance to the United States.

(3) The United States has played a military role in the Middle East, most recently in the Persian Gulf War, and may likely be called upon again to deter aggression in the region.

(4) United States troops have used desalting technologies to guarantee the availability of fresh water in past deployments in the Middle East.

(5) Adequate, efficient, and cheap access to high-quality fresh water will be vital to maintaining the readiness and sustainability of United States troops, and those of our allies.

(b) SENSE OF SENATE.—It is the sense of the Senate that, as improved access to fresh water will be an important factor in helping prevent future conflicts in the Middle East, the United States should, in cooperation with its allies, promote and invest in technologies to reduce the costs of converting saline water into fresh water.

(c) FUNDING FOR RESEARCH AND DEVELOPMENT.—Of the amounts authorized to be appropriated by this title, the Secretary shall place greater emphasis on making funds available for research and development into efficient and economical processes and methods for converting saline water into fresh water.

MCCAIN (AND OTHERS) AMENDMENT NO. 4378

Mr. MCCAIN (for himself, Mr. HATCH, Mr. BENNETT, and Mr. NUNN) proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out section 366 and insert in lieu thereof the following new section:

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) SECURITY AND SAFETY ASSISTANCE.—At the request of a Federal, State, or local government agency responsible for providing law enforcement services, security services, or safety services, the Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other civilian sporting event in support of essential security and safety at such event, but only if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs.

(b) OTHER ASSISTANCE.—The Secretary may authorize a commander referred to in subsection (a) to provide assistance for a sporting event referred to in that subsection in support of other needs relating to such event, but only—

(1) to the extent that such needs cannot reasonably be met by a source other than the Department;

(2) to the extent that the provision of such assistance does not adversely affect the military preparedness of the Armed Forces; and

(3) if the organization requesting such assistance agrees to reimburse the Department for amounts expended by the Department in providing the assistance in accordance with the provisions of section 377 of title 10, United States Code, and other applicable provisions of law.

(c) INAPPLICABILITY TO CERTAIN EVENTS.—Subsections (a) and (b) do not apply to the following sporting events:

(1) Sporting events for which funds have been appropriated before the date of the enactment of this Act.

(2) The Special Olympics.

(3) The Paralympics.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the provision of assistance under this section as the Secretary considers necessary and appropriate to protect the interests of the United States.

(e) REPORT ON ASSISTANCE.—Not later than January 30 of each year following a year in which the Secretary provides assistance under this section, the Secretary shall submit to the congressional defense committees a report on the assistance provided. The report shall set forth—

(1) a description of the assistance provided;

(2) the amount expended by the Department in providing the assistance;

(3) if the assistance was provided under subsection (a), the certification of the Attorney General with respect to the assistance under that subsection; and

(4) if the assistance was provided under subsection (b)—

(A) an explanation why the assistance could not reasonably be met by a source other than the Department; and

(B) the amount the Department was reimbursed under that subsection.

(f) RELATIONSHIP TO OTHER LAWS.—Assistance provided under this section shall be subject to the provisions of sections 375 and 376 of title 10, United States Code.

REID AMENDMENT NO. 4379

Mr. LEVIN (for Mr. REID) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXXI, add the following:

SEC. 3138. PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SIT.

Notwithstanding any other provision of law and effective as of September 30, 1996, the costs associated with operating and maintaining the infrastructure at the Nevada Test Site, Nevada, with respect to any activities initiated at the site after that date by the Department of Defense pursuant to a work for others agreement may be paid for from funds authorized to be appropriated to the Department of Energy for activities at the Nevada Test Site.

KYL (AND BINGAMAN) AMENDMENT NO. 4380

Mr. MCCAIN (for Mr. KYL, for himself and Mr. BINGAMAN) proposed an amendment to the bill, s. 1745, supra; as follows:

At the end of subtitle D of title X add the following:

SEC. 1044. SENSE OF THE SENATE CONCERNING EXPORT CONTROLS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Export controls are a part of a comprehensive response to national security

threats. United States exports should be restricted where those threats exist to national security, nonproliferation, and foreign policy interests of the United States.

(2) The export of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technologies by those countries and end users whose actions or policies run counter to United States national security or foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies. The availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should be eliminated through deterrence, negotiations, and other appropriate means whenever possible.

(4) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(5) On November 5, 1995, President William J. Clinton extended Executive Order No. 12938 regarding "Weapons of Mass Destruction", and "declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons and the means of delivering such weapons".

(6) A successor regime to COCOM (the Coordinating Commission on Multilateral Controls) has not been established. Currently, each nation is determining independently which dual-use military items, if any, will be controlled for export.

(7) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of sensitive dual-use goods and technologies.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) establishing an international export control regime, empowered to control exports of dual-use technology, is critically important and should become a top priority for the United States; and

(2) the United States should strongly encourage its allies and friends to—

(A) adopt a commodity control list which governs the same or similar items as are controlled by the United States Commodity Control list;

(B) strengthen enforcement activities; and

(C) explore the use of unilateral export controls where the possibility exists that an export could contribute to proliferation.

HELMS AMENDMENT NO. 4381

Mr. MCCAIN (for Mr. HELMS) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 1031(a), strike out "The Secretary of Defense" and insert in lieu thereof "Subject to subsections (e) and (f), the Secretary of Defense".

At the end of section 1031, add the following:

(e) LIMITATIONS.—(1) The Secretary may not obligate or expend funds to provide support under this section until 15 days after the date on which the Secretary submits to the committees referred to in paragraph (3) the certification described in paragraph (2).

(2) The certification referred to in paragraph (1) is a written certification of the following:

(A) That the provision of support under this section will not adversely affect the military preparedness of the United States Armed Forces.

(B) That the equipment and materiel provided as support will be used only by officials and employees of the Government of Mexico who have undergone a background check by that government.

(C) That the Government of Mexico has certified to the Secretary that—

(i) the equipment and material provided as support will be used only by the officials and employees referred to in subparagraph (B);

(ii) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(iii) the equipment and materiel will be used only for the purposes intended by the United States Government.

(D) That the Government of Mexico has implemented, to the satisfaction of the Secretary, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(E) That the departments, agencies, and instrumentalities of the Government of Mexico will grant United States Government personnel unrestricted access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(F) That the Government of Mexico will provide security with respect to the equipment and materiel provided as support that is equivalent to the security that the United States Government would provide with respect to such equipment and materiel.

(G) That the Government of Mexico will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(3) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services and Foreign Relations of the Senate.

(B) The Committees on National Security and International Relations of the House of Representatives.

(f) PROHIBITION ON PROVISION OF CERTAIN MILITARY EQUIPMENT.—The Secretary may not provide as support under this section—

(1) any article of military equipment for which special export controls are warranted because of the substantial military utility or capability of such equipment;

(2) any military equipment identified on the United States Munitions List; or

(3) any of the following military equipment (whether or not the equipment has been equipped, re-equipped, or modified for military operations):

(A) Cargo aircraft bearing "C" designations, including aircraft with designations C–45 through C–125, C–131 aircraft, and aircraft bearing "C" designations that use reciprocating engines.

(B) Trainer aircraft bearing "T" designations, including aircraft bearing such designations that use reciprocating engines or turboprop engines delivering less than 600 horsepower.

(C) Utility aircraft bearing "U" designations, including UH–1 aircraft and UH/EH–60 aircraft and aircraft bearing such designations that use reciprocating engines.

(D) Liaison aircraft bearing "L" designations.

(E) Observation aircraft bearing "O" designations, including OH–58 aircraft and aircraft bearing such designations that use reciprocating engines.

(F) Truck, tractors, trailers, and vans, including all vehicles bearing "M" designations.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 4382

Mr. LEVIN (for Mrs. FEINSTEIN for herself, Mr. KYL, and Mr. GRASSLEY) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. SALE OF CHEMICALS USED TO MANUFACTURE CONTROLLED SUBSTANCES BY FEDERAL DEPARTMENTS OR AGENCIES.

A Federal department or agency may not sell from the stocks of the department or agency any chemical which, as determined by the Administrator of the Drug Enforcement Agency, could be used in the manufacture of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802) unless the Administrator certifies in writing to the head of the department or agency that there is no reasonable cause to believe that the sale of the chemical would result in the illegal manufacture of a controlled substance.

MOSELEY-BRAUN (AND OTHERS) AMENDMENT NO. 4383

Mr. MCCAIN (for Ms. MOSELEY-BRAUN, for herself, Mr. COCHRAN, and Mr. LOTT) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. COMPUTER-ASSISTED EDUCATION AND TRAINING.

Of the amount authorized to be appropriated under section 201(4), $10,000,000 shall be available under program element 0601103D for computer-assisted education and training at the Defense Advanced Research Projects Agency.

LEVIN AMENDMENT NO. 4384

Mr. LEVIN proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. 1072. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT.

(a) STATUS OF EXCESS AIRCRAFT.—Operational support airlift aircraft excess to the requirements of the Department of Defense shall be placed in an inactive status and stored at Davis-Monthan Air Force Base, Arizona, pending the completion of any study or analysis of the costs and benefits of disposing of or operating such aircraft that precedes a decision to dispose of or continue to operate such aircraft.

(b) OPERATIONAL SUPPORT AIRLIFT AIRCRAFT DEFINED.—In this section, the term "operational support airlift aircraft" has the meaning given such term in section 1086(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 458).

THE NORTH PLATTE NATIONAL WILDLIFE REFUGE BOUNDARY ACT OF 1996

CHAFEE AMENDMENT NO. 4385

Mr. MCCAIN (for Mr. CHAFEE) proposed an amendment to the bill (H.R. 2679) to revise the boundary of the North Platte National Wildlife Refuge; as follows:

Strike all after the enacting clause and insert the following:

TITLE I—NORTH PLATTE NATIONAL WILDLIFE REFUGE

SEC. 101. REVISION OF BOUNDARY OF NORTH PLATTE NATIONAL WILDLIFE REFUGE.

(a) TERMINATION OF JURISDICTION.—The secondary jurisdiction of the United States Fish and Wildlife Service over approximately 2,470 acres of land at the North Platte National Wildlife Refuge in the State of Nebraska, as depicted on a map entitled "Relinquishment of North Platte National Wildlife Refuge Secondary Jurisdiction", dated August 1995, and available for inspection at appropriate offices of the United States Fish and Wildlife Service, is terminated.

(b) REVOCATION OF EXECUTIVE ORDER.—Executive Order Number 2446, dated August 21, 1916, is revoked with respect to the land described in subsection (a).

TITLE II—PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE

SEC. 201. EXPANSION OF PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE.

Section 204 of Public Law 100–610 (16 U.S.C. 668dd note) is amended by adding at the end the following:

"(e) EXPANSION OF REFUGE.—

"(1) ACQUISITION.—The Secretary may acquire for addition to the refuge the area in Rhode Island known as 'Foddering Farm Acres', consisting of approximately 100 acres, adjacent to Long Cove and bordering on Foddering Farm Road to the south and Point Judith Road to the east, as depicted on a map entitled 'Pettaquamscutt Cove NWR Expansion Area', dated May 13, 1996, and available for inspection in appropriate offices of the United States Fish and Wildlife Service.

"(2) BOUNDARY REVISION.—The boundaries of the refuge are revised to include the area described in paragraph (1).

"(f) FUTURE EXPANSION.—

"(1) IN GENERAL.—The Secretary may acquire for addition to the refuge such lands, waters, and interests in land and water as the Secretary considers appropriate and shall adjust the boundaries of the refuge accordingly.

"(2) APPLICABLE LAWS.—Any acquisition described in paragraph (1) shall be carried out in accordance with all applicable laws.".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206(a) of Public Law 100–610 (16 U.S.C. 668dd note) is amended by striking "designated in section 4(a)(1)" and inserting "designated or identified under section 204".

SEC. 203. TECHNICAL AMENDMENTS.

Public Law 100–610 (16 U.S.C. 668dd note) is amended—

(1) in section 201(1)—

(A) by striking "and the associated" and inserting "including the associated"; and

(B) by striking "and dividing" and inserting "dividing";

(2) in section 203, by striking "of this Act" and inserting "of this title";

(3) in section 204—

(A) in subsection (a)(1), by striking "of this Act" and inserting "of this title"; and

(B) in subsection (b), by striking "purpose of this Act" and inserting "purposes of this title";

(4) in the second sentence of section 205, by striking "of this Act" and inserting "of this title"; and

(5) in section 207, by striking "Act" and inserting "title".

Amend the title so as to read: "An Act to revise the boundary of the North Platte National Wildlife Refuge, to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes.".

THE MARK O. HATFIELD UNITED STATES COURTHOUSE DESIGNATION ACT OF 1996

LEVIN AMENDMENT NO. 4386

Mr. MCCAIN (for Mr. LEVIN) proposed an amendment to the bill (S. 1636) to designate the United States Courthouse under construction at 1030 Southwest 3d Avenue, Portland, OR, as the "Mark O. Hatfield United States Courthouse," and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . EXTENSION OF FDR MEMORIAL MEMBER TERMS.

The first section of the Act entitled "An Act to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt", approved August 11, 1955 (69 Stat. 694) is amended by adding at the end thereof the following: "A Commissioner who ceases to be a Member of the Senate or the House of Representatives may, with the approval of the appointing authority, continue to serve as a Commissioner for a period of up to one year after he or she ceases to be a Member of the Senate or the House of Representatives.".

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Committee on Indian Affairs will hold a hearing on Wednesday, July 3, 1996 at 9:30 a.m. in Hawaii. The hearing will focus on the final report of the National Commission on American Indian, Alaska Native and Native Hawaiian Housing, a report of the Urban Development and Research of the U.S. Department of Housing and Urban Development, and a study prepared by SMS Research for the Department of Hawaiian Home Lands entitled, the "Beneficiary Needs Study." The hearing will be held in the Aha Kanawai Courtroom, fourth floor, Federal Courthouse, Prince Kuhio Federal building complex, Honolulu, HI.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the benefit of Members and the public that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources has scheduled a hearing on several measures relating to the Bureau of Reclamation.

The measures are:

S. 931—To authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes.

S. 1564—To amend the Small Reclamation Projects Act of 1956 to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality, and transmission projects, and for other purposes.

S. 1565—To amend the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation Laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects.

S. 1649—to extend contracts between the Bureau of Reclamation and irrigation districts in Kansas and Nebraska, and for other purposes.

S. 1719—To require the Secretary of the Interior to offer to sell to certain public agencies the indebtedness representing the remaining repayment balance of certain Bureau of Reclamation projects in Texas, and for other purposes.

The hearing will take place on Tuesday, July 30, 1996 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building.

Those wishing to testify or submit written statements for the record should contact James Beirne or Betty Nevitt of the subcommittee staff or write the Subcommittee on Forests and Public Land Management, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Thursday, June 27, 1996 beginning at 10 a.m. in room SH–215, to conduct a markup on S. 1795.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, June 27 at 10 a.m. for a hearing on "Improving Management and Organization in Federal Natural Resources and Environmental Functions."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, June 27, 1996, at 9:30 a.m., to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, June 27, 1996, at 10 a.m. to hold a hearing on "Church Burnings."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING OPPORTUNITY AND COMMUNITY DEVELOPMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, June 27, 1996, to conduct a hearing on restructuring the Federal Housing Administration's Insured and Assisted Multifamily Housing Portfolio.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 27, at 2 pm to hold hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CHURCH BURNINGS

Mr. KYL. Mr. President, the attacks on the churches, predominantly in the Southeast, are far more than attacks on these institutions—they are attacks on the very foundation of the United States. This country was formed to protect people's religious liberty. Burning a place of worship assaults this principle. The American people, who cherish religious freedom, do not look kindly on the destruction of houses of worship.

I think the American people are particularly concerned—I know I am—that a disproportionate number of these attacks have occurred at African-American churches. Of the 56 church burnings in the past 18 months, approximately 40 were predominantly African-American houses of worship. Many of these institutions are more than places of prayer—they are the center of the community.

According to the Justice Department, racial hatred is behind at least some of the burnings. Authorities will need to continue to investigate whether the fires prove to be part of a conspiracy or the work of individual miscreants.

It is important to note that church burnings have occurred outside of the Southeast, including in Arizona. This February, the 65-year-old First Southern Baptist Church in Tucson was badly damaged by a fire that is now under Federal investigation. The Pastor, Ron Hart, said words with universal appeal: "The First Southern Baptist Church did not burn down—just the building. The church is scattered all over Tucson. People are the church. We can rebuild."

While it took too long for the church burnings to bother America's conscience, now that the issue is in the open, there is action on many fronts to put an end to the fires, capture those responsible, and help rebuild destroyed institutions.

Federal and State law-enforcement agencies are working together to solve these crimes against the people of America. Over 200 Federal law-enforcement agents are on the case, and many more State and local officials are investigating the fires.

A laudable example of Federal-State cooperation will soon occur in my State of Arizona. Next week, in Phoenix, the FBI and the Phoenix Police Department will host a forum on the church burnings with African-American pastors.

In responding to the burnings, the Congress has acted in a most appropriate bipartisan fashion to get to the bottom of these terrorist incidents. Hearings have already been held in the House. And today the Senate Judiciary Committee learned the latest on the criminal investigation.

Senators FAIRCLOTH and KENNEDY and Representatives HYDE and CONYERS have drafted church arson legislation that will soon reach the President. Both Chambers have passed it unanimously. The measure will sharpen federal penalties for the burning of churches and enhance the resources available to law enforcement to investigate and prevent such acts of arson in the future.

Another key element of the legislation provides Federal loan guarantees to help rebuild the razed churches. Senator KENNEDY describes this section as an "important provision granting the Department of Housing and Urban Development the authority to make loan guarantees to lenders who provide loans to places of worship that have been victimized by arson." This section is important for the comfort it will provide to churches that lack the resources to rebuild, assuming that it does not violate the wall of separation between church and State.

Private efforts are at least equally impressive. Organizations both religious and nonreligious have pledged millions in grants and loans to help rebuild the churches.

The reaction of the religious community is particularly commendable and welcome. During the civil rights struggle, the Reverend Martin Luther King Jr. lamented the religious community's lack of support for those engaged in efforts to end segregation and promote equality:

> Called to be the moral guardian of the community, the Church at times has preserved that which is immoral and unethical. Called to combat social evils, it has remained silent behind stained-glass windows.

I think Dr. King would be very happy to learn that America has grown, and this indifference is no longer the case. Before the church burnings received national attention, the Christian Coalition posted a $25,000 award for information leading to the conviction of any church arsonist, and recently, the group announced a major fundraising drive to repair and reconstruct the houses of worship. The Southern Baptist Convention, at its annual meeting this month, passed a resolution condemning the arsons, and initiated an offering to help rebuild the churches. Other notable organizations have offered assistance, including the National Council of Churches and the Anti-Defamation League.

I applaud all those who have undertaken these efforts. We must all continue to work together as one people—the American people—to douse the flames, punish those responsible, and rebuild what pernicious bigotry and hatred have sought to destroy.

HEDGESVILLE HIGH SCHOOL

• Mr. ROCKEFELLER. Mr. President, I would like to congratulate Hedgesville High School on their outstanding achievement in We the People * * * the Citizen and the Constitution national finals. This competition promotes an understanding of the key objectives and significance of American constitutional democracy.

The 17 students from Hedgesville, WV, who competed in the national finals in Washington, DC, April 27–29, were Erin Ambrester, Kelly Buck, Robert Deters, Dwain Donaldson, Alisha Harper, Jessica Hedrick, Jennifer

Huftless, Janice Kelly, Travis Kline, Rebecca Maslauskas, Aaron Moats, Janelle Myers, Jennifer Powers, Heidi Silver, Christopher Twigg, Stephanie Whitford, and Melissa Zombro. This group competed against 49 other classes from around the country.

I would also like to recognize their teacher, Harriett Kopp, who deserves acknowledgment for the success of the team. Other individuals who contributed to the team were district coordinator, Sharon Flack, and State coordinator, Ernest Dotson.

This program is conducted by the Center for Civic Education. The program itself reaches more than 22 million students between elementary and high school levels. The national finals are similar to a congressional hearing whereby students testify as constitutional experts before a panel of judges.

This nationally acclaimed program helps students understand the history and principles of our constitutional government. The U.S. Constitution and Bill of Rights are the focus of this civic competition among students in public and private schools.

This particular class from Hedgesville High School participated at the congressional district, State, and national levels. The panel of judges score students on the basis of their ability to comprehend the constitutional principles of America's historical and contemporary issues. Again, Mr. President, I am so proud of these young men and women from Hedgesville High School.•

TRIBUTE TO BANDO MANUFACTURING OF AMERICA

• Mr. McCONNELL. Mr. President, I rise today to congratulate Bando Manufacturing of America [BMA], located in Bowling Green, KY, on receiving a supplier quality award from Honda of American Manufacturing. The associates of BMA were presented with a supplier award for outstanding achievement in quality by Honda officials.

Bando was 1 of 60 of Honda's 353 North American suppliers to receive an award at the company's 14th annual Supplier Conference in April. Bando makes power transmission belts for the Honda Accord and Civic which are both manufactured at the Marysville, OH, Honda plant.

Dave Nelson, senior vice-president of Honda of American Manufacturing Purchasing and Corporate Affairs, commented, "The quality level, competitiveness, and development capability of suppliers is an essential part of Honda's growth in North America. That's why we honor companies like Bando Manufacturing of America. Their commitment and quality focus is absolutely critical to our future success together." He added, "As we develop and manufacture new products for new markets, we plan for our suppliers to play an ever-increasing role in their development."

In addition to automotive transmission belts, Bando Manufacturing of America also produces power transmission belts for industrial and agricultural applications. With a production capacity of 850,000 pieces per month, Bando currently has 159 employees.

Mr. President, I ask you and my colleagues to join me in congratulating Bando Manufacturing of America on receiving this distinguished award.•

ILLITERACY

• Mr. LAUTENBERG. Mr. President, I rise to call to the Senate's attention the serious problem of illiteracy and its effects on our citizens and our Nation.

Despite living in one of the most technologically advanced countries in the world, far too many Americans are illiterate. Over 27 million of our fellow citizens cannot read, and an additional 35 million read below the level necessary to function in our society. What is particularly alarming is that the ranks of the illiterate are annually swelling by over 2 million adults. In our current age, information is power, but for too many Americans, information is simply inaccessible.

The personal costs of adult illiteracy are indeed high; however, the costs are borne not only by these individuals, but by our Nation as a whole. Illiteracy robs an individual of dignity, and it robs a community of their potential contributions. In fact, the cost, in terms of wasted human resources, is estimated at over $225 billion.

Mr. President, I want to commend those who are dedicating their lives to eradicating illiteracy. I want to thank the teachers, volunteers, parents, and others across America who are freely giving of their time and talent to help those who cannot read. In my own State of New Jersey, "Focus on Literacy, Inc." is a group that is undertaking heroic efforts in the battle against illiteracy; I extend my thanks to everyone involved.

We must focus attention on illiteracy. All of us need to understand the extent of the problem and its far-reaching effects. We must also ensure that our citizens who need help know where services are available. But most importantly, more of us need to enlist in the battle to close the book on illiteracy.•

TRIBUTE TO THE TOWN OF JEFFERSON, NH, AS IT CELEBRATES ITS BICENTENNIAL

• Mr. SMITH. Mr. President, I rise today to pay tribute to the town of Jefferson, NH, on their 200th Anniversary. Jefferson is celebrating their 200th birthday all throughout the year, and the town's citizens will highlight these festivities with a Grand Parade and numerous other activities on July 6. This small New Hampshire town has a significant heritage to celebrate on their bicentennial.

The history of Jefferson began in 1765 with a land grant from George III to John Goffe and 75 others. Although Goffe and his friends failed to meet the conditions of the grant and retain the land, they left the area with the name Dartmouth, which would eventually become Jefferson. The land was eventually granted to Col. Joseph Whipple, a man of great vision who saw the potential and appreciated the beauty of the Singrawac Valley. Located midway along the slopes of Mount Starr King in the Pliny Range, Jefferson has breathtaking views of both the Presidential Range and Cherry Mountain.

Colonel Whipple was instrumental in Jefferson's development, as the man responsible for giving the town its distinguished name. He was both a personal friend to Thomas Jefferson and an ardent Jeffersonian Democrat. In addition, he was the brother of William Whipple, one of New Hampshire's three signers of the Declaration of Independence. In honor of this great man the town received the name Jefferson in 1796, 4 years before Thomas Jefferson was elected President of the United States. Later in 1796 an act of the New Hampshire legislature incorporated the town of Jefferson, beginning its proud history.

The early settlers of this untamed country were independent and self-sufficient folk, characteristics that have endured in the people of this region. They began as a farming community working for the town's founder Colonel Whipple. They were paid with half of a hundred acre lot and had the option to buy the other half. With their independent spirit and determination they built a strong and lasting community that makes their descendants proud. When the town was first settled, the nearest mill was forty miles away, yet the town residents made the trip with bushels of corn in tow.

Thomas Starr King was an important figure in the town's history and lent his name to the mountain Jefferson proudly rests upon. It was he who encouraged Benjamin Plaisted to build a hotel for tourists in this northern region. He wanted to see a place created where people could contemplate the ever changing beauty of the majestic mountains. The Waumbeck, meaning White Rock, was built in 1860 with its name and location chosen by Mr. King. At the height of the late 1800's, the area around Jefferson boasted a large community of inns and hotels. Deborah Vicker was also an important figure in Jefferson's history. She was originally a housemaid of Col. Whipple who, with typical Jefferson independence, later became a well respected doctor in the region.

Today, the town of Jefferson prides itself on its quality of life and community spirit, a tradition that has manifested itself throughout the town's history. In 1885, a disastrous rock slide on the mountain destroyed a nearly completed home and in 1928, fire destroyed the Waumbeck Hotel. Although the era of the grand hotels of the 19th century is gone, the people of Jefferson continue to enjoy their majestic view of the Singrawac Valley and the surrounding mountains. The great Jefferson community spirit manifested itself again in 1988, when a series of fires in the area threatened the town and drew national attention as the community pulled together. This town of nearly 1,000 residents boasts not only magnificent surroundings, but a community of friendly, caring neighbors as well.

I congratulate the town of Jefferson on this historic milestone and wish them a happy bicentennial celebration. I send them my best wishes for continued success and a prosperous year as they mark their 200th birthday. Happy Birthday Jefferson.•

DR. JAMES J. DUDERSTADT

• Mr. LEVIN. Mr. President, I rise to honor Dr. James J. Duderstadt as he leaves the office of president of the University of Michigan after 8 years of outstanding leadership.

James Duderstadt has dutifully served the University of Michigan for the past 28 years. He first joined the faculty in 1969 as an assistant professor of nuclear engineering. He became an associate professor in 1972 and a full professor in 1976. During 1981–86, Dr. Duderstadt was appointed dean of the College of Engineering. In 1986, he was named provost and vice president for academic affairs. Dr. Duderstadt was elected president of the University of Michigan in 1988.

Under Dr. Duderstadt's leadership, the University of Michigan has become the Nation's top research university. He has worked hard to attract the best faculty and to solidify strong private and Federal support. Under his watch, U of M increased its endowment by five times to $1.6 billion and became the first public university to earn an Aa1 credit rating from Moody's Investors Service. Dr. Duderstadt and the University of Michigan have put this newfound investment to good use. U of M is currently involved in renovating all of its campus buildings, diversifying the university community, and strengthening its academic programs.

Dr. Duderstadt's teaching and research interests include science, mathematics, and engineering. He has worked on projects involving nuclear fission reactors, laser-driven thermonuclear fusion and supercomputer development. Dr. Duderstadt's work in the areas of science and education have won him many national awards. He has been the recipient of the Mark Mills Prize for the outstanding thesis in nuclear science, the E.O. Lawrence Award for excellence in nuclear research, and the Arthur Holly Compton Prize for outstanding teaching.

I know my Senate colleagues join me in honoring Dr. James J. Duderstadt on the remarkable work he has done at the University of Michigan.•

CONTINUING DEVELOPMENTS IN IRAN

• Mr. D'AMATO. Mr. President, I wish to warn my colleagues of continuing developments in Iran which I believe to be very dangerous to the national interests of the United States.

As many are aware, I have spoken before to express my concerns about the continuing threat which I believe the leadership of Iran offers to the Middle East. Today, I would like to focus again on Iran's procurement of missiles which threaten the free passage through the Persian Gulf of oil and other goods vital to the United States.

Early this year Pentagon officials acknowledged that Iran had test-fired a Chinese-built C–802 antiship cruise missile. The test firing of this missile occurred near the approaches of the Strait of Hormuz, the strategic waterway at the entrance to the Persian Gulf. The C–802 antiship cruise missile can achieve speeds up to mach 0.9 and can be fired from over 50 miles from the target ship. It is powered by a turbojet with a rocket booster and attacks the target vessel at a height of only 15 feet above the ocean. The Pentagon said that five Chinese fast-attack craft are equipped to carry the missiles, with another five of the missile patrol boats expected to be delivered to Iran soon. Additionally, 10 Kaman-class fast attack boats are now being modified by Iran to carry the C–802. In response to this development, Senators LARRY PRESSLER, ARLEN SPECTER, CONNIE MACK, and I asked President Clinton to verify that China had sold this missile to Iran in violation of the Iran-Iraq Arms Non-Proliferation Act of 1992. I regret to say that the response of the administration was unsatisfactory.

A less publicized acquisition of Iran has been the procurement of the SS–N–22 (SUNBURN) anti-ship cruise missile from a Former Soviet Union State. This missile is much more capable and dangerous than the Chinese C–802. The SUNBURN missile can travel at speeds up to mach 2.5, almost 3 times as fast as the Chinese C–802 missile. It can perform "S" turns during flight and carries sophisticated electronic sensors. This missile, as I will discuss in more detail, poses a significant threat to our naval vessels and the free flow of oil in the Persian Gulf.

Mr. President, let me talk briefly and in very general terms about the systems which our naval vessels use to defend themselves. At the outset, I should say that the Navy has begun to improve its ship self-defense systems, as they are called, following the tragic incident in which the U.S.S. *Stark* was hit and badly damaged by an Iraqi-launched Exocet missile. The ship self-defense systems fall into two general categories. The first are sensors, missiles and guns which are designed to locate and shoot down the attacking missile. The idea is to hit a bullet with a bullet. I believe that there can be no disagreement that this is a difficult task. Because of the size of the Persian Gulf, ships are always relatively close to shore. When an antiship missile is fired from a land-based site as it could be in Iran, ground clutter can conceal the missile from ship or aircraft radar until it reaches open water, which reduces the reaction time of our ships and makes the interception much more difficult. With an anti-ship missile like the SUNBURN, traveling at mach 2.5, the time from its appearance over the horizon until it impacts on its target is only approximately 30 seconds. Further, sophisticated missiles which engage in corkscrew and serpentine maneuvers as they enter their final phase make them very difficult to engage.

The second general category of ship self-defense systems are decoys. Navy vessels are equipped to fire chaff into the air when their sensors detect an incoming anti-ship missile. The chaff can confuse the sensors carried by the less sophisticated anti-ship missiles. This is simply an improvement of the technology used by aircraft early in World War II. A much more promising technology is the NULKA Decoy System. It is an all-weather self-protection missile that is especially designed to protect combatant amphibious ships operating in littoral waters against anti-ship missiles. This decoy draws the anti-ship missile away from its target and shows great promise against the most sophisticated threats when integrated with the ship's sensors and weapons systems. I urge the Pentagon and my colleagues on the Defense committees to take the necessary measures to expedite fielding of this system as quickly as possible.

Mr. President, I now ask what purpose the Government of Iran has for its actions? Its recent procurement of nuclear technology can be explained away, however lamely, with claims of non-military applications. An apologist could argue that Iran's procurement of submarines is defensive in its nature. However, there is no argument which can explain the procurement of anti-ship missiles of the type I have described. They are clearly for offensive purposes. They can only be used to attack ships in the Persian Gulf or threaten to do so. Imagine yourself as a sailor on one of our ships that has just detected the approach of such a missile. Thirty seconds is very little time to react in a meaningful way. I need not remind my colleagues that we fought in Iraq, in large part, to continue to guarantee free passage of oil from the Persian Gulf. If Iran cannot be persuaded to abandon its current course, I am afraid we may be forced to do so again.•

KESHIA THOMAS: LEADING BY EXAMPLE

• Mr. HOLLINGS. Mr. President, recently we have been seeing a lot of headlines about violence, destruction, and racial hatred. Amidst these news stories, it is truly heartening to read about a person like Keshia Thomas. This courageous woman from Ypsilanti, MI, has shown the Nation that, despite all evidence to the contrary, there is still hope that we can set aside our differences and someday have a peaceful society. On the afternoon of June 22, the only statement Keshia planned to make was to counterprotest a KKK rally near her hometown. But when she stepped into a group of people that were beating a man and risked bodily harm to protect him, she made a greater statement than she could have dreamed. I was certainly moved by the picture of a young black woman shielding a Ku Klux Klan member from an angry crowd. And from the tremendous response her action has gotten, it appears that people all over the Nation were moved as well.

Extremely modest about the incident and her status as "heroine", Keshia credits the people who raised her, joking, "who says teenagers don't listen." She considers herself very much a product of her upbringing by her parents and several other adults who taught her from an early age the value of education and tolerance. My office contacted Ms. Thomas and discovered that she was no stranger to Washington, DC. In 1994, Carol Tice, one of the influential people in Keshia's life, took her to the signing of Goals 2000, where she met President Clinton. Other family friends like Joseph Dulin, a principal of an Ann Arbor High School, Joe Lewis, Keshia's horseback riding instructor, and Bernadette Lewis have provided and continue to provide her with support and instruction.

Each of these men and women deserve credit in their own right, for recognizing the importance of mentoring young people. Far from the political rhetoric of family values, these people have shown by example what a valuable investment a community can make by supporting its children. The image of Keshia Thomas' bravery and humanitarianism touched us all, and we must remember that—like every image, there is a whole story behind it.

Keshia Thomas didn't act with the intention of being lauded by the press or given awards, and that is what makes her actions truly heroic. I would like to take this opportunity to thank her for giving the country a stunning example of compassion and a valuable lesson. Her philosophy of nonviolence echoes that of history's most influential activists. "Beating someone won't change their mind * * * maybe what I did might change somebody's mind."

After the incident was over, one of the first things that made Keshia Thomas feel like a hero was her 11-year-old brother telling her he was proud of her. Mr. President, I think we all are. •

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

• Mr. McCONNELL. Mr. President, I rise today to salute an outstanding group of young women who have been honored with the Girl Scout Gold Award. The Gold Award is the highest achievement a Girl Scout can earn and symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development. The award can be earned by girls aged 14–17, or in grades 9–12.

The young ladies from Kentucky who will receive this honor are: Alicia Beth Ayers, Nancy Bach, Karen Blandford, Stacy Cook, Erin Davis, Kimberly Dudgeon, Erin Emery, Emily Evans, Allison Grant, Sharon Hagan, Kimberly Hall, Colleen Kelly, Jennifer Kovacs, Katherine Lindle, Shannon Metcalf, Amy Poppell, Pasquel Ross, Emily Shults, Kimberly Stephenson, Renee Stewart, Heather Watt, Kate Woodford, and Allison Zettwoch from the Kentuckiana Girl Scout Council.

Christie DeMoss, Julie Ann Greis, Mindy Hiles, Jacqui Meier, Angela Schierberg, and Christina Teeters from the Licking Valley Girl Scout Council.

Girl Scouts of the U.S.A., an organization serving over 2.5 million girls, has awarded more than 20,000 Girl Scout Gold Awards to Senior Girl Scouts since the inception of the program in 1980. To receive the award, a Girl Scout must earn four interest project patches, the Career Exploration Pin, the Senior Girl Scout Leadership Award, and the Senior Girl Scout Challenge, as well as design and implement a Girl Scout Gold Award project. A plan for fulfilling these requirements is created by the Senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

Mr. President, I ask you and my colleagues to join me in paying tribute to these outstanding young ladies. They deserve recognition for their contributions to their community and their country and I wish them continued success in the years ahead.•

EQUITABLE RELIEF WITH RESPECT TO S. 1880, THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

• Mr. MOYNIHAN. Mr. President, I recently introduced two bills to correct a serious misallocation of our limited resources under the present law rules that govern the issuance of tax-exempt bonds. My first bill, S. 1879, the Section 501(c)(3) Nonprofit Organizations Tax-Exempt Bond Reform Act of 1996, would increase funding for educational and research facilities at private colleges and universities by removing the arbitrary and injurious $150 million cap on the amount of tax-exempt bonds that can be issued on their behalf. The Senate has twice passed this measure as part of larger legislation that was vetoed for unrelated reasons.

My second bill, S. 1880, the Stop Tax-exempt Arena Debt Issuance Act—or "STADIA" for short—would provide a particularly appropriate revenue offset for the first bill. This bill would end a tax subsidy that inures largely to the benefit of wealthy sports franchise owners, by eliminating tax-subsidized financing of professional sports facilities. This legislation is important in its own right, and would close a loophole that ultimately injures State and local governments and other issuers of tax exempt bonds, that provides an unintended federal subsidy—in fact, contravenes Congressional intent—and that contributes to the enrichment of persons who need no Federal assistance whatsoever.

I chose to introduce S. 1880 with an immediate effective date for a number of reasons. Most importantly, Congress intended to eliminate the issuance of tax-exempt bonds to finance professional sports facilities as part of the Tax Reform Act of 1986. An immediate effective date is appropriate because the issuance of these bonds contravenes the clear and expressed intent of Congress. Also, an immediate effective date is necessary to prevent a rush to market. I have no doubt that bond market professionals would act very quickly to issue stadium bonds if provided a window of opportunity in which to do so. The potential for a rush to market would have a predictable impact on the revenue estimate for this measure.

At the same time, I recognized that a few localities may have expended significant time and funds in planning and financing a professional sports facility, in reliance upon professional advice on their ability to issue tax-exempt bonds. Thus, in my introductory statement, I specifically requested comment regarding "the need for equitable relief for stadiums already in the planning stages."

In response to my request, several localities that had been planning to finance professional sports facilities with tax-exempt bonds have already come forward. They have provided the details necessary to craft appropriate "binding contract" type transitional relief. They have also informed me that, despite my clear statement that appropriate transition relief would be afforded, some proposed stadium deals could be delayed or called into question in reaction to the introduction of the bill. Let me emphasize that the mere introduction of the bill has caused this reaction.

It is flattering that the mere introduction of a bill is given such credence by the bond markets. It is important to note, however, that at the time I introduced my bill to eliminate tax-exempt financing for professional sports facilities, 1,879 bills were on file in the Senate and 3,659 bills were on file in the House in this Congress. The vast majority of these bills have not and will not become law, including, in all likelihood, S. 1879 and S. 1880.

The history of this Senator's efforts to remove the $150 million cap demonstrates this lesson well. The cap was first imposed under the Tax Reform Act of 1986, which President Reagan signed into law on October 22, 1986. I first introduced legislation to repeal this cap in 1987. Since then, legislation to remove the cap has been approved by the Finance Committee four times. Twice the legislation was passed by Congress, and both times President Bush vetoed the bills containing this measure for other reasons. Today, the cap remains in law.

At all events, I have considered the circumstances of the localities that have contacted my office in response to my earlier request. I am told that time is of the essence with respect to several of these transactions. Accordingly, in an effort to respond expeditiously to this need, I am inserting into the RECORD language for a binding contract-type transition relief provision. This modification represents my best effort to draw an equitable line to distinguish between those projects that have progressed to a point where the bill should not cause a disruption, and those projects that should be subject to the bill if enacted. It is my intent that this language be included, as if introduced as part of the original bill, if and when the bill is adopted in committee or in floor action. Further, I will be certain to include this language when reintroducing this legislation in the 105th Congress.

Mr. President, I ask that this language be printed in the RECORD.

The material follows:

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to bonds issued on or after June 14, 1996.

(2) EXCEPTION FOR CONSTRUCTION, BINDING AGREEMENTS, OR APPROVED PROJECTS.—The amendments made by this section shall not apply to bonds—

(A) the proceeds of which are used for—

(i) the construction or rehabilitation of a facility—

(I) if such construction or rehabilitation began before June 14, 1996, and was completed on or after such date, or

(II) if a State or political subdivision thereof has entered into a binding contract before June 14, 1996, that requires the incurrence of significant expenditures for such construction or rehabilitation, and some of such expenditures are incurred on or after such date; or

(ii) the acquisition of a facility pursuant to a binding contract entered into by a State or political subdivision thereof before June 14, 1996, and

(B) which are the subject of an official action taken by relevant government officials before June 14, 1996—

(i) approving the issuance of such bonds, or

(ii) approving the submission of the approval of such issuance to a voter referendum.

(3) EXCEPTION FOR FINAL BOND RESOLUTIONS.—The amendments made by this section shall not apply to bonds the proceeds of which are used for the construction or rehabilitation of a facility if a State or political subdivision thereof has adopted a final bond resolution before June 14, 1996, authorizing the issuance of such bonds. For this purpose, a final bond resolution means that all necessary governmental approvals for the issuance of such bonds have been completed.

(4) SIGNIFICANT EXPENDITURES.—For purposes of paragraph (2)(A)(i)(II), the term "significant expenditures" means expenditures equal to or exceeding 10 percent of the reasonably anticipated cost of the construction or rehabilitation of the facility involved.●

TRIBUTE TO THE TOWN OF PELHAM, NH, ON THEIR 250TH ANNIVERSARY CELEBRATION

● Mr. SMITH. Mr. President, I rise today to pay tribute to the town of Pelham, NH, as they celebrate their 250th birthday on July 5. The town residents have been busy planning a big birthday bash including a charter ceremony, birthday party, fireworks, the town's largest parade, a fireman's muster and many other enjoyable events for the July 4 weekend. The activities are certain to bring the town together for an historic 3-day celebration.

In 1721, the first settlers came to Pelham. John Butler led a group of families from Woburn, MA, who first came to the area. The Wymans, Jakes, Richardsons, and Hamblets were part of the first group. Butler's memory is now honored by a monument on the town common.

The town of Pelham was incorporated on July 5, 1746. Then Governor Benning Wentworth of the new royal province signed the town charter on that day and named the town of Pelham after Henry Pelham, who was the Prime Minister of England at the time. Pelham had been a member of the House of Commons since 1717, and had been made Secretary of War in 1724. He succeeded Lord Wilmington as First Lord of the Treasury in 1721 and became prime minister in 1743, serving 11 years.

One interesting note is that Pelham was once a part of Massachusetts. In 1741, when the boundary line was finally settled between New Hampshire and Massachusetts, Pelham became part of New Hampshire. Originally, the town was very agricultural and had many dairy farms. Since then most of the farms have disappeared and only a few active farms exist today.

One of Pelham's wel-known residents was the Reverend Augustus Barry who was born in 1861. He was the minister of the First Congregational Church and was very active in the schools until his death in 1899. Today, the town has four major churches—St. Patrick Church, Pelham Baptist Church, the New England Pentecostal Ministries, and the First Congregational Church. Pelham's first library was built in 1896, and will celebrate its 100th anniversary this year.

Several of the events planned for the weekend birthday celebration will take place in the more historic areas of the town. Friday evening's charter ceremony and birthday party will be held on the grounds of the First Congregational Church, founded in 1751 just 5 years after the town was founded.

I congratulate the residents of Pelham on 250 years of history. I wish to extend my very best wishes for a festive weekend of activities and continued prosperity. Happy Birthday Pelham.●

CONGRATULATIONS TO PLUMCREEK TIMBER CO.

● Mrs. MURRAY. Mr. President, I rise today to congratulate PlumCreek Timber Co., headquartered in Seattle, WA. Today, Secretary Babbitt will announce the administration's approval of PlumCreek's Habitat Conservation Plan and Secretary Glickman will announce the administration's commitment to expedite the I–90 land exchange.

This HCP is the largest to be approved to date. It covers 170,000 acres of land owned by PlumCreek in Washington's central Cascade Mountains. Under the HCP, PlumCreek has agreed to provide unprecedented habitat protections on an ecosystem wide basis. The plan will protect wildlife habitat in 23 watersheds covering over 418,000 acres of mixed public and private lands.

Designed to complement the President's forest plan, the HCP will maintain current levels of old growth and ensure that all species will find adequate habitat within the planning area. It also emphasizes protection for streamside habitat and other special areas, such as wetland and caves. The plan will benefit all species, not just those currently listed under the Endangered Species Act. In exchange, PlumCreek will receive a long-term permit that will provide the company with regulatory certainty.

Mr. President, one of the primary reasons Secretary Babbitt has taken a special interest in this plan—and why I support it—is that it demonstrates how the Endangered Species Act can and does work on a large scale both to protect species and allow companies to manage actively their forests. It simply take a commitment by the government and by a private entity to work together toward common, realistic goals and respect private rights.

I want also to acknowledge that some of the environmental groups who have reviewed this HCP find it unsatisfactory. I agree that this is not a perfect document. But the process has worked and approval of this HCP demonstrates that we need not dismantle the ESA in order to have reasonable management of private timber lands.

I want to emphasize that I believe it is time to turn over a new leaf in resource conservation. We must acknowledge that private landowners should be held to a more flexible standard than public resource managers. We must start to trust each other a little more and believe that Federal land managers and our private landowners can be, and generally are, good stewards of the land. This HCP establishes a long-term relationship that we should foster.

Mr. President, PlumCreek and the administration are also celebrating their commitment to enter into serious large-scale land exchange negotiations. Under the land exchange agreement acknowledged today, PlumCreek will refrain from entering or harvesting timber for the next 2 years in some roadless areas on its land in order to encourage the Forest Service to expedite land exchange negotiations. The lands at issue are those enmeshed in a checkerboard ownership pattern around Interstate 90 and the central Cascade Mountains.

The I-90 corridor is among the most sensitive areas in the region for the northern spotted owl, the marbled murrelet, and the gray wolf, and may be a recovery area for other species. Despite the area's biological importance, the checkboard pattern of ownership is not conducive to coordinated environmental protection.

Forest and timber management of these lands has also been difficult. Public and private landowners are often in conflict because of their differing roles and objectives. A large-scale land exchange would reduce, if not eliminate, these conflicts. It would place valuable wildlife habitat under public management and block-up lands identified by President Clinton as essential to the recovery of spotted owls.

The PlumCreek lands to be traded also provide outstanding recreational opportunities for the growing Puget Sound metropolitan community. The lands poised for exchange are located just south of the Alpine Lakes Wilderness Area. The space these lands provide will relieve pressure on Alpine Lakes where overuse might limit future access. And buffers obtained in the exchange will protect the wilderness and pressure scenic vistas.

I pledge to work with PlumCreek and the Forest Service as they try to find lands to exchange. This will be a difficult and controversial process. And I must admit to having concerns about one part of the State gaining superb lands, while others are asked to sacrifice their nearby public lands. I am also sensitive to the concerns of National Forest dependent timber producers who fear that they will lose their dwindling land base to PlumCreek, while not receiving lands suitable for timber harvest. Finally, I acknowledge the fear that Kittitas County officials have about losing private, taxable lands in exchange for more Federal lands.

Nevertheless, I strongly support this joint Federal-private effort. I look forward to working both with PlumCreek and the Forest Service to facilitate this exchange based on a principal of equity of all interested parties.

Again, Mr. President, I offer my heartfelt congratulates to PlumCreek Timber Co. and the Clinton administration for the great strides they have made for environmental protection and economic stability.

I ask to include this June 25 editorial from the Seattle Times in the RECORD.

The editorial follows:

[From the Seattle Times, June 25, 1996]

A SENSIBLE FOREST PLAN FOR SNOQUALMIE PASS

For most of a century, Snoqualmie Pass has been both a spectacular gateway to Puget Sound and an environmental battleground. Its proud stands of Douglas fir, cedar and pine have been scattered in a checkerboard pattern of ownership, crisscrossed by railroads and highways, battered by ski areas and some of the ugliest clear-cuts the region has seen.

Now, Plum Creek Timber and the federal government, who own most of the land in the pass, have crafted a landmark land-use plan that promises to integrate environmental and economic common sense.

The "habitat conservation plan," which will be formally endorsed by the Clinton administration this week, is the result of two years of work by scientists and land managers who studied 418,000 acres of public and private forest and 285 species of wildlife ranging from salamanders to grizzly bear.

Their long-term plan moves beyond species-by-species devices such as "owl circles," which obstruct private landowners while producing dubious public benefits. Instead, scientists have crafted a plan that would protect wildlife habitat in some areas while allowing sensible timber harvests in others.

Already, that plan has been a target for criticism from environmentalists, who point out that logging will be allowed in certain spotted owl habitat. Critics prefer major land exchanges, assembling large parcels of critical forest under public ownership, then shutting them down.

Plum Creek and the government may negotiate such exchanges, but that could take years. Snoqualmie Pass is home to some of the most valuable timber in the nation, making exchanges difficult and costly.

The status quo hasn't worked. Since the turn of the century, timber managers have followed the same strategy—sustained yield, which calls for cutting trees at the same pace that they grow back. That strategy ignored wildlife habitat and led to overcutting of both private and public forest lands.

Nobody knows for sure what will work better. Forest Service Chief Jack Ward Thomas wants to experiment with a variety of strategies, monitoring the effects over decades to come.

The opportunity to try something new explains why the Snoqualmie Pass plan has earned support from key forestry experts and selected environmentalists as well as Interior Secretary Bruce Babbit and the timber industry itself. They see a potential model for resolving resource conflicts without turning biological questions over to federal judges. The breadth of their coalition does not prove the habitat strategy will work, only that it's well worth a try.•

IN APPRECIATION OF KITTY ST. GEORGE

• Mr. COATS. Mr. President, ours is too often a cynical age. When we hear the phrase "public servant" we have come to think of cartoon characters, much like those depicted 100 years ago: Overblown figures in dark suits wearing top hats, spats, and smoking cigars. These were people on the take and on the make; serving the public was far from their minds.

While the scourge of widespread cynicism is unfortunately alive and well in our Nation, so too is countervailing spirit of truly tireless public service. That is good news, very good news, indeed.

As U.S. Senators, our first duty is to the people: To represent their interests, to listen to their opinions, to do what is in the best interest of our country and our States by taking into consideration what our constituents believe. Service, truly dedicated public service, is our mission and our call.

To meet that goal, we must have around us people of like mind, people who are unapologetically committed to high ideals, people who are principled, and who have a sense of moral imagination.

For more than half my time in public life, and from my first day as a Member of the House of Representatives, I have been privileged and deeply honored to have work for me in my Fort Wayne regional office a woman named Kitty St. George.

Kitty is the beau ideal of public service. She is committed. She is dedicated. She has worked many 7-day weeks. She is cheerful. She is unfailingly kind.

We have shared many laughs. We have shared a few tears. And through it all, Kitty has been the Webster's Dictionary definition of a gentlelady. Would it were there were more public servants of Kitty's caliber.

As Senators, we are often placed on a pedestal as opinion-makers and opinion-leaders. It can be a heady place to spend part of your life.

But what makes it so meaningful, at least in large measure, is to be able to take away from your constituents, your colleagues, and your staff some glimpse of joy and contentment.

From Kitty, I take away a deeper sense of dedication, a renewed sense of hope, and perhaps most importantly, the ability to find the winsome in everyday life.

As Kitty prepares to move from Indiana to the warmer climes of the South, I wish her much love and Godspeed.•

RETIREMENT OF VIVIAN E. CHURCH

• Ms. MOSELEY-BRAUN. Mr. President, I rise today to honor Ms. Vivian E. Church upon her retirement as director of the Joyner Child Parent Center. In her 38 years working in the public school system she taught generations of children about learning and life. For 1 of those 38 years, she taught me. I am here today to thank and honor her for that and for all she has done.

Ms. Church is a native Chicagoan. She attended Chicago public schools, received her bachelors degree in Elementary Education at Roosevelt College, and her masters in education degree in inner-city studies from Northeastern Illinois University.

Her work in the public school system spanned many years and many positions. She has been a teacher, master teacher, assistant principal, title I consultant, parent resource teacher, and since 1988 the head teacher and director at the Joyner Child Parent Center.

Vivian Church touched the lives of the children that she has taught and guided in her schools. She touched the lives of many other children through her book, "Colors Around Me," which she wrote for kindergarten and first-grade children. This book helps minority children to develop a positive self-image, to develop reading as a personal experience.

She is clearly an impressive woman and she should be honored for taking on the most important and, in many ways, the hardest job there is, being a teacher. For me personally, I will always remember her not just as a teacher, but as a wonderful, warm hero.

I started school a year early. When I was in the first grade I was smaller than the rest of the children. One day, when we were playing out on the playground the other children wouldn't throw the ball to me or would throw it over my head.

Ms. Church looked out the window and saw me crying. She came outside, brought me inside, and sat me on her lap until my tears dried. She then thought up things for me to do with her for the rest of recess. Throughout the year I spent a lot of time working with Ms. Church at recess and I enjoyed myself immensely. Vivian Church went out of her way for me. She not only taught me, she made school fun for me.

After I left first grade I didn't see Ms. Church again for many years. Then one day, when I was running for the State legislature for the first time, I went to a fundraising tea. Now, Ms. Church wasn't a political activist and I never expect to see her at a campaign event. Not only was she at the fundraising tea, she held the tea in her house. She remembered that I was her first grade pupil and she was still trying to smooth the way for me all these years later.

I am honoring Ms. Church on the floor of the U.S. Senate today as my way of thanking her for all she has done for me and for the generations of children that followed. She is a hero, an inspiration, and role model. Thank you, Ms. Church.•

WELFARE-MEDICAID REFORM LEGISLATION

• Mr. CHAFEE. Mr. President, in discharging its responsibilities under the 1997 budget resolution, yesterday the Finance Committee reported S. 1795, as amended. This legislation proposes major reforms to Medicaid and welfare-related programs to give States additional flexibility, and to reduce associated Federal expenditures by $98 billion through 2002.

Under the terms of the budget resolution, this is the first of three legislative packages the Finance Committee will consider. Next month, the committee will act on legislation to shore up the troubled Medicare program. Following that, a third bill will be considered in September that will deal with other Federal entitlement programs.

I would like to make a general comment about the budget process this year, and then proceed with specified points about the Finance Committee-reported bill.

Last month the Senate rejected by only four votes an alternative budget resolution authored by myself and Senator BREAUX. That bipartisan plan would have put us on a constructive, achievable path to a balanced budget.

At the end of the day, I think the Chafee-Breaux plan would have been acceptable to President Clinton. Unfortunately, the same cannot be said for the budget resolution which was ultimately approved by the Congress. Instead, this is like deja vu all over again. We will go through the motions, as we did last year, of sending the President much needed deficit reduction legislation he is all but certain to veto.

Frankly, our time could have been better spend working on a bipartisan basis to develop a consensus package which could have become law, and actually helped to reduce the deficit. In my opinion, we can only enact meaningful entitlement reforms—which are the root cause of our deficit problem—through bipartisan cooperation. That was what the Chafee-Breaux alternative was all about.

Given the critical need to get this intolerable Federal deficit under control, I find the present situation frustrating and disappointing.

On a related matter, I want to commend our Republican leaders for their decision not to include cuts in this Medicaid-welfare package. To do so would have been counterproductive. I would prefer to see us concentrate our firepower on deficit reduction before we start cutting taxes.

With respect to the Finance Committee's action yesterday, I want to offer several observations. Though I voted to report S. 1795, it is widely acknowledged that this legislation is headed for a Presidential veto.

However, I want to commend our distinguished chairman, BILL ROTH, for accommodating a number of the improvements I recommended with respect to the Medicaid and welfare sections of the legislations.

On Medicaid, the initial version of S. 1795 would have allowed States to cut off children 13 or older—a significant departure from current law. Under current law States must cover children at or below 100 percent of poverty through the age of twelve, with an additional year's coverage added each year until such children reach the age of 19. At my urging the chairman agreed to maintain current law in this area.

I was also pleased the chairman retained current law coverage of benefits for children under the early periodic screening, diagnosis, and treatment requirements. This will assure that severely disabled children continue to get medically necessary treatment.

Another concern of mine which the chairman addressed was the lack of health and quality standards for individuals with developmental disabilities who reside in intermediate care facilities for the mentally retarded [ICF's/MR], as well as those who reside in community-based settings. The chairman agreed to include standards in his proposal to ensure the safety and quality of care provided to these individuals.

My biggest remaining concern in the Medicaid area is that S. 1795 does not guarantee coverage for individuals with disabilities under the age of 65, as defined under current law. Under this bill, States would have the option of setting their own standards, which I fear would result in the loss of basic health care services for this vulnerable population. I intend to offer an amendment to correct this deficiency when S. 1795 comes before the Senate.

With respect to the welfare provisions, I was pleased several of my proposed improvements were incorporated into the revised version of S. 1795 which the chairman brought before the committee.

I have long been a proponent of a strong Federal-State partnership with respect to welfare. For this reason, I pressed to have the maintenance of effort requirement in S. 1795 strengthened from 75 to 80 percent, and to prevent States from counting expenditures they make which are not directly related to supporting poor families and their children. The States must maintain their investment in these programs if we are to achieve genuine welfare reform.

On a related matter, I proposed, and the chairman accepted, a provision to ensure that the block grant funds are used only to meet the objectives of this legislation, and not for general social services.

Last, I was very pleased that the chairman agreed with my request to retain current law with regard to child welfare and foster care, and to drop his proposal to block grant these programs. These are not welfare programs, and have no place in welfare reform.

With respect to the issue of abortion services, I was disappointed the committee rejected my amendment to continue current law, which requires States to cover abortions for poor pregnant women in cases of rape, incest, or where the life of the mother is at stake.

S. 1795 would leave this decision to the States. Regrettably, this means, for example, that a poor 13-year-old girl who is pregnant as a result of being raped by her father, may not be able to obtain an abortion. I intend to pursue this matter further when S. 1795 comes before the Senate.

I remain deeply troubled about the immigrant provisions of the committee-reported bill. The restrictions on benefits for legal immigrants in this measure are harsher than those that were included in the welfare reform bill overwhelmingly approved this past September by the Senate.

It had been my intention to offer an amendment in committee to soften the impact of these proposed restrictions. However, once it became clear that no extra funds were available to defray the cost of my amendment, I was unable to proceed. I remain hopeful that we can work to modify these very tough restrictions as the process moves forward.

In closing, while I continue to have significant concerns about this legislation, I am pleased that Chairman ROTH was receptive to addressing a number of my concerns in the revised version of S. 1795 he brought before the committee.

I am very hopeful that these improvements will be retained, and that additional improvements can be made on the Senate floor and in conference.●

EXECUTIVE SESSION

TREATIES

Mr. MCCAIN. I ask unanimous consent the Senate proceed to executive session to consider the following treaties on today's executive calendar, No. 13 through No. 22.

Thereupon, the Senate proceeded to consider the following treaties:

Treaty Document No. 103-35, treaty Between the United States of America and Jamaica Concerning the Reciprocal Encouragement and Protection of Investment, with Annex and Protocol;

Treaty Document No. 103-36, treaty Between the United States of America and the Republic of Belarus Concerning the Encouragement and Reciprocal Protection of Investment with Annex, Protocol, and Related Exchange of Letters;

Treaty Document No. 103-37, treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, and Related Exchange of Letters;

Treaty Document No. 103-38 treaty Between and Government of the United States of America and the Government of the Republic of Estonia Concerning the Encouragement and Reciprocal Protection of Investment with Annex;

Treaty Document No. 104-10, treaty Between the United States of America and Mongolia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol;

Treaty Document No. 104-12, Treaty Between the Government of the United States of America and the Government of the Republic of Latvia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol;

Treaty Document No. 104-13, Treaty Between the Government of the United States of America and the Government of the Republic of Georgia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex;

Treaty Document No. 104-14, Treaty Between the Government of the United States of America and the Government of the Republic of Trinidad and Tobago Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol;

Treaty Document No. 104-19, Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol; and

Treaty Document No. 104-24, Agreement for the Implementation of the United Nations Convention of the Law of the Sea of 10 December 1982 Relating to Fish Stocks.

STATEMENT ON THE AGREEMENT FOR THE IMPLEMENTATION OF THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA OF 10 DECEMBER 1982 RELATING TO FISH STOCKS

Mr. PELL. Madam President, I am very pleased that the Senate is proceeding to consider Treaty Document 104-24, commonly known as the Straddling Fish Stocks Agreement. I strongly urge my colleagues to support Senate advice and consent to ratification.

The need for this Agreement—and indeed other appropriate measures to protect fisheries—has become increasingly evident in the past years. World fish production, both marine and aquaculture, peaked in 1989 at roughly 100 million tons. Since then, marine catches have declined significantly due to over-exploitation. By 1992, the world marine catch had declined to 86 million tons and by 1994 to 72.3 million tons. The Food and Agriculture Organization estimates that 70 percent of the world's marine fish stocks are fully to heavily exploited, over-exploited, depleted, or slowly recovering.

Against this backdrop, the Straddling Stocks Agreement will significantly advance U.S. interests. In effect, it confirms the U.S. approach to fisheries management and reflects the acceptance by other nations of that approach. The agreement does not require any changes to U.S. fishery laws or institutions. The Magnuson Fishery Conservation and Management Act as well as other acts, provide the necessary legislative authority for the United States to carry out its obligations under the agreement.

It is very important to note that the Straddling Stocks Agreement is tightly linked, both legally and practically, to the U.N. Convention on the Law of the Sea, which has for nearly 2 years been pending before the Foreign Relations Committee. The United States ability to pursue its objectives under the agreement will be maximized only if we in the Senate move ahead to grant advice and consent to ratification of the Law of the Sea Convention.

Over the past 2 years I have repeatedly addressed the Senate to highlight the ways in which the Law of the Sea Convention has been improved, and now meets our fisheries interests, our national security interests, and our economic interests. I hope that all my colleagues who have shown such an interest in the Straddling Stocks Agreement will join me in my efforts to see the convention ratified promptly.

Mr. MCCAIN. I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification, that all committee provisos, reservations, understandings, et cetera, be considered agreed to; that any statements be printed in the CONGRESSIONAL RECORD as if read; and that the Senate take one vote on the resolutions of ratification to be considered as separate votes;

Further, that when the resolutions of ratifications are voted upon, the motion to reconsider be laid upon the table, that the President be notified of the Senate's action, that following disposition of the treaties the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

All those in favor of ratification please stand and be counted. (After a pause.) All those opposed to ratification be stand and be counted.

On a division, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

The resolutions of ratification agreed to are as follows:

RESOLUTIONS OF RATIFICATION

TREATY BETWEEN THE UNITED STATES OF AMERICA AND JAMAICA CONCERNING THE RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENT, WITH ANNEX AND PROTOCOL

Resolved, (two-thirds of the Senators present concurring therein), that the Senate advise and consent to the ratification of The Treaty Between the United States of America and Jamaica Concerning the Reciprocal Encouragement and Protection of Investment, with Annex and Protocol, signed at Washington on February 4, 1994 (Treaty Doc. 103–35).

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF BELARUS CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX, PROTOCOL, AND RELATED EXCHANGE OF LETTERS

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and the Republic of Belarus Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, Protocol, and Related Exchange of Letters, signed at Minsk on January 15, 1994 (Treaty Doc. 103–36). The Senate's advice and consent is subject to the following declaration, which the President, using existing authority, shall communicate to the Republic of Belarus, in connection with the exchange of the instruments of ratification of the Treaty:

(1) It is the Sense of the Senate that the United States:

(a) supports the Belarusian Parliament and its essential role in the ratification process of this Treaty;

(b) recognizes the progress made by the Belarusian Parliament toward democracy during the past year;

(c) fully expects that the Republic of Belarus will remain an independent state committed to democratic and economic reform; and

(d) believes that, in the event that the Republic Belarus should unite with any other state, the rights and obligations established under this agreement will remain binding on that part of the Successor State that formed the Republic of Belarus prior to the union.

TREATY BETWEEN THE UNITED STATES OF AMERICA AND UKRAINE CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX, AND RELATED EXCHANGE OF LETTERS

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Related Exchange of Letters, done at Washington on March 4, 1994 (Treaty Doc. 103–37).

TREATY BETWEEN AND GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF ESTONIA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Estonia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, done at Washington on April 19, 1994 (Treaty Doc. 103–38).

THE TREATY BETWEEN AND THE UNITED STATES OF AMERICA AND MONGOLIA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX AND PROTOCOL

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and Mongolia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on October 6, 1994 (Treaty Doc. 104–10).

THE TREATY BETWEEN AND GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF LATVIA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX AND PROTOCOL

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Lativia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 13, 1995 (Treaty Doc. 104–12).

THE TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF GEORGIA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Georgia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, signed at Washington on March 7, 1994 (Treaty Doc. 104–13).

THE TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX AND PROTOCOL

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Trinidad and Tobago Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on September 26, 1994 (Treaty Doc. 104–14).

THE TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF ALBANIA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT, WITH ANNEX AND PROTOCOL

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 11, 1995 (Treaty Doc. 104–19).

AGREEMENT FOR THE IMPLEMENTATION OF THE UNITED NATIONS CONVENTION OF THE LAW OF THE SEA OF 10 DECEMBER 1982 RELATING TO FISH STOCKS

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, with Annexes ("The Agreement"), which was adopted at United Nations Headquarters in New York by Consensus of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks on August 4, 1995, and signed by the United States on December 4, 1995 (Treaty Doc. 104–24), subject to the following declaration:

It is the Sense of the Senate that "no reservations" provisions as contained in Article 42 have the effect of inhibiting the Senate from exercising its constitutional duty to give advice and consent to a treaty, and the Senate's approval of this treaty should not be construed as a precedent for acquiescence to future treaties containing such a provision.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

AMENDING THE FOREIGN ASSISTANCE ACT OF 1961

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 467, H.R. 3121.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3121) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. McCAIN. I ask unanimous consent the committee amendments be agreed to, the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3121) was deemed read three times and passed.

CONDEMNING TERROR ATTACKS IN SAUDI ARABIA

Mr. McCAIN. I ask unanimous consent the Senate proceed to the immediate consideration of a Senate resolution submitted earlier today by Senators HELMS and PELL.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 273) condemning terror attacks in Saudi Arabia.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Madam President, two days ago a truck bomb exploded near a U.S. military housing complex outside of Dhahran, Saudi Arabia. Nineteen Americans were killed and 64 were seriously injured in a devastating blast that left a crater some 35 feet deep and over 80 feet across.

I want to express my deepest sympathies to those who lost loved ones in the attack and my best wishes for a quick and complete recovery to those who were injured. I know I speak for the entire Senate when I say that all of you are in our thoughts and prayers.

The truck bombing in Dhahran underscores the fact that U.S. servicemembers often perform their missions at great personal risk. Like those U.S. servicemembers who lost their lives in the Persian Gulf war and the 241 Marines who were killed in a suicide bombing in Lebanon in 1983, the members of the Air Force's 4404th Air Wing sacrificed their lives to protect our vital national interests. We should pause for a moment to reflect on the commitment, dedication, and sacrifice of all the men and women who have served—and those who continue to serve—in our nation's military.

The Air Force's 4404th Air Wing has done a remarkable job in keeping Iraq in check and enforcing the no-fly zone over Southern Iraq. Air Force personnel—in conjunction with United States Army troops and military personnel from Britain, France and Saudi Arabia—have played an important role in preventing war from returning to the Persian Gulf.

Unfortunately, some terrorists object to our presence in Saudi Arabia and our commitment to protect vital United States interests in the Persian Gulf. In November of last year, a car bomb destroyed a building in Riyadh, killing five Americans and two Indians. Those responsible for that earlier bombing were apprehended and recently punished.

As the intense investigation continues into the truck bombing, we may learn that the terrorist attack in Dhahran occurred in retaliation for those executions and continued United States presence in Saudi Arabia. The identities of the terrorists are still unknown, and the motives for the attack are still unclear. It is certain, however, that the attack will not deter the United States from maintaining our alliance with Saudi Arabia, our commitment to contain Iraq's aggression, or our effort to preserve the peace in this troubled region.

It should be equally clear that those who carried out the attack in Dhahran must be arrested, charged and punished for their cowardly act. We simply cannot and will not allow terrorism against Americans to go unchecked. Whether it occurs in Oklahoma City or Dhahran, terrorist acts against U.S. citizens will not be tolerated. As President Clinton said, "America takes care of our own. Those who did it must not go unpunished."

President Clinton has rightfully dispatched more than 40 FBI agents and a number of U.S. intelligence officials to help the Saudi government investigate the matter. In addition, the fight against terrorism is the President's top priority at the G–7 summit in Lyon, France.

Moreover, Secretary of State Warren Christopher recently arrived in Dhahran to visit the bomb site and U.S. servicemembers stationed in Saudi Arabia.

Madam President, the distinguished Majority Leader, Senator HELMS, Senator PELL and I have submitted a resolution condemning the terrorist attack in Saudi Arabia. It expresses heartfelt condolences to the families and loved ones of those who were killed or wounded in Dhahran. In addition, it expresses the Sense of the Senate that the United States Government should devote all resources necessary to apprehend and punish those responsible for the despicable bombing in Saudi Arabia. It also states that this terrorist act will not affect U.S. determination to protect our vital national security interests in the Persian Gulf.

This resolution is supported by the administration and the distinguished Majority Leader, as well as the chairman and the ranking member of the Foreign Relations Committee. The Senate should show its unanimous support for it.

Mr. MOYNIHAN. Mr. President, I rise this evening in strong support of the resolution submitted by my distinguished colleagues, the chairman and the ranking member of the Foreign Relations Committee, Senators HELMS and PELL. It is most appropriate that the United States Senate adopt a resolution expressing our outrage at the recent terrorist bombing in Saudi Arabia.

I note, sir, that among the 19 Americans slain in the attack was Air Force Capt. Christopher J. Adams of Massapequa Park, NY. I know that all Senators join me in offering solace to his family, and to the families of the other victims.

The United States and the community of civilized nations must never relax our efforts to bring the perpetrators of this cowardly act to justice. Our commitment to the rule of law requires no less.

I thank the Chair and I ask that I be included as a cosponsor of the resolution.

Mr. McCAIN. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 273) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 273

Whereas on June 25, 1996, a massive truck bomb exploded at the King Abdul Aziz Air Base near Dhahran, in the Kingdom of Saudi Arabia;

Whereas this horrific attack killed at least nineteen Americans and injured at least three hundred more;

Whereas the bombing also resulted in 147 Saudi casualties;

Whereas the apparent target of the attack was an apartment building housing United States service personnel;

Whereas on November 13, 1995, a terror attack in Saudi Arabia, also directed against U.S. personnel, killed five Americans, and two others;

Whereas individuals with ties to Islamic extremist organizations were tried, found guilty and executed for having participated in the November 13 attack;

Whereas United States Armed Forces personnel are deployed in Saudi Arabia to protect the peace and freedom secured in Operations Desert Shield and Desert Storm;

Whereas the relationship between the United States and the Kingdom of Saudi Arabia has been built with bipartisan support and has served the interest of both countries over the last five decades and;

Whereas this terrorist outrage underscores the need for a strong and ready military able to defend American interests.

Resolved, That the Senate—

(1) condemns in the strongest terms the attacks of June 25, 1996, and November 13, 1995 in Saudi Arabia;

(2) extends condolences and sympathy to the families of all those United States service personnel killed and wounded, and to the Government and people of the Kingdom of Saudi Arabia;

(3) honors the United States military personnel killed and wounded for their sacrifice in service to the nation;

(4) expresses its gratitude to the Government and the people of the Kingdom of Saudi Arabia for their heroic rescue efforts at the scene of the attack and their determination to find and punish those responsible for this outrage;

(5) reaffirms its steadfast support for the Government of the Kingdom of Saudi Arabia and for continuing good relations between the United States and Saudi Arabia;

(6) determines that such terror attacks present a clear threat to United States interests in the Persian Gulf;

(7) calls upon the United States Government to continue to assist the Government of Saudi Arabia in its efforts to identify those responsible for this contemptible attack;

(8) urges the United States Government to use all reasonable means available to the Government of the United States to punish the parties responsible for this cowardly bombing and;

(9) reaffirms its commitment to provide all necessary support for the men and women of our Armed Forces who volunteer to stand in harm's way.

NORTH PLATTE NATIONAL WILDLIFE REFUGE

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 461, H.R. 2679.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2679) to revise the boundary of the North Platte National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4385

(Purpose: To provide a complete substitute)

Mr. McCAIN. Madam President, I understand there is a substitute amendment at the desk offered by Senator CHAFEE, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. CHAFEE, proposes an amendment numbered 4385.

Mr. McCAIN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

TITLE I—NORTH PLATTE NATIONAL WILDLIFE REFUGE

SEC. 101. REVISION OF BOUNDARY OF NORTH PLATTE NATIONAL WILDLIFE REFUGE.

(a) TERMINATION OF JURISDICTION.—The secondary jurisdiction of the United States Fish and Wildlife Service over approximately 2,470 acres of land at the North Platte National Wildlife Refuge in the State of Nebraska, as depicted on a map entitled "Relinquishment of North Platte National Wildlife Refuge Secondary Jurisdiction", dated August 1995, and available for inspection at appropriate offices of the United States Fish and Wildlife Service, is terminated.

(b) REVOCATION OF EXECUTIVE ORDER.—Executive Order Number 2446, dated August 21, 1916, is revoked with respect to the land described in subsection (a).

TITLE II—PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE

SEC. 201. EXPANSION OF PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE.

Section 204 of Public Law 100–610 (16 U.S.C. 668dd note) is amended by adding at the end the following:

"(e) EXPANSION OF REFUGE.—

"(1) ACQUISITION.—The Secretary may acquire for addition to the refuge the area in Rhode Island known as 'Foddering Farm Acres', consisting of approximately 100 acres, adjacent to Long Cove and bordering on Foddering Farm Road to the south and Point Judith Road to the east, as depicted on a map entitled 'Pettaquamscutt Cove NWR Expansion Area', dated May 13, 1996, and available for inspection in appropriate offices of the United States Fish and Wildlife Service.

"(2) BOUNDARY REVISION.—The boundaries of the refuge are revised to include the area described in paragraph (1).

"(f) FUTURE EXPANSION.—

"(1) IN GENERAL.—The Secretary may acquire for addition to the refuge such lands, waters, and interests in land and water as the Secretary considers appropriate and shall adjust the boundaries of the refuge accordingly.

"(2) APPLICABLE LAWS.—Any acquisition described in paragraph (1) shall be carried out in accordance with all applicable laws.".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206(a) of Public Law 100–610 (16 U.S.C. 668dd note) is amended by striking "designated in section 4(a)(1)" and inserting "designated or identified under section 204".

SEC. 203. TECHNICAL AMENDMENTS.

Public Law 100–610 (16 U.S.C. 668dd note) is amended—

(1) in section 201(1)—

(A) by striking "and the associated" and inserting "including the associated"; and

(B) by striking "and dividing" and inserting "dividing";

(2) in section 203, by striking "of this Act" and inserting "of this title";

(3) in section 204—

(A) in subsection (a)(1), by striking "of this Act" and inserting "of this title"; and

(B) in subsection (b), by striking "purpose of this Act" and inserting "purposes of this title";

(4) in the second sentence of section 205, by striking "of this Act" and inserting "of this title"; and

(5) in section 207, by striking "Act" and inserting "title".

Amend the title so as to read: "An Act to revise the boundary of the North Platte National Wildlife Refuge, to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes.".

Mr. CHAFEE. Madam President, I would like to take a few moments to express my delight on consideration of legislation to expand the Pettaquamscutt Cove National Wildlife Refuge in Rhode Island.

The Pettaquamscutt Cove National Wildlife Refuge was established in 1988 to protect valuable coastal wetlands that have been identified as important habitat for a diversity of species—including the declining black duck population. The refuge is located between the towns of Narragansett and South Kingstown, RI. Currently, its boundary encompasses 460 acres of salt marsh and surrounding forest habitat which is home to various species of waterfowl, wading birds, and shore birds and numerous small mammals, reptiles, and amphibians.

This legislation expands the Pettaquamscutt Cove National Wildlife Refuge boundary to include a 100-acre parcel known as Foddering Farms Acres. It also allows the U.S. Fish and Wildlife Service to expand the refuge boundary to include other important habitat if and when suitable properties become available in the future.

Inclusion of the Foddering Farm Acres property within the refuge provides a wonderful example of cooperation between the U.S. Fish and Wildlife Service and private citizens. The 100-acre Foddering Farm property, owned by the Rotelli family, contains valuable wetland habitat for waterfowl and other species. The Rotellis have indicated their willingness to donate a portion of the value of the property to the Service. In fact, they have been working with, and waiting patiently for, the U.S. Fish and Wildlife Service for several years. Through their partial donation, the National Wildlife Refuge System gains valuable habitat at a bargain price.

In order to assist the Rotellis and ward off threats of development to Foddering Farm Acres, it is imperative that we move this bill as expeditiously as possible. To that end, I am offering S. 1871, the Pettaquamscutt Cove National Wildlife Refuge legislation, as an amendment to H.R. 2679, the North Wildlife Refuge bill that was passed by the House of Representatives on April 23, 1996, and reported out of the Senate Environment and Public Works Committee on June 20, 1996. I would like to make clear that the attached Pettaquamscutt Cove provision is exactly the same as S. 1871, as amended, a bill that was reported out of the Senate Environment and Public Works Committee on June 20, 1996.

Once again, I am pleased that the Senate is considering the Pettaquamscutt Cove National Wildlife Refuge legislation. This bill will enable the U.S. Fish and Wildlife Service to continue their efforts to work with Rhode Island Islanders like the Rotellis to protect the beautiful and important natural resources along Rhode Island's coast.

Mr. McCAIN. Madam President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 4385) was agreed to.

Mr. McCAIN. Madam President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2679), as amended, was deemed read the third time and passed.

SECURITIES INVESTMENT PROMOTION ACT OF 1996

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3005, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. D'AMATO. Madam President, in the spirit of how quickly we have been able to proceed to the floor consideration of S. 1815, the Securities Investment Promotion Act of 1996, I will keep my remarks brief and to the point.

S. 1815 is a balanced, bipartisan bill that will benefit the market and the investors in the market—American consumers. S. 1815 will make it easier to raise capital in the securities market. It will simplify and streamline many areas of the securities laws that haven't been updated in years. S. 1815 will tighten up regulation by giving the States and the Securities and Exchange Commission distinctly separate regulatory roles.

I thank my colleagues for their hard work and diligence on working to move this bill expeditiously through the Senate. I especially thank the chairman and ranking member of the Securities Subcommittee, Senators GRAMM and DODD as well as Senators BRYAN and MOSELEY-BRAUN. This bill is truly a bipartisan effort. They have shown outstanding leadership and dedication to this process. Senators GRAMM and DODD, along with Senator SARBANES, also have been indispensable to improving the bill during consideration by the Banking Committee.

The year 1815 is memorable for the battle at Waterloo—but the bill S. 1815 will be memorable as the watershed in improving our capital markets. The U.S. securities market is the pre-eminent market in the world. It has the most capital and the most investors.

Over 160 million Americans own stocks. Last year, the U.S. stock market had $7.98 trillion in capital—close to half the amount of capital in the entire world market.

The legislation will make it easier to raise capital in the securities market. The bill will create a new category of unregistered private investment companies that will help venture capitalists fulfill their critical role of providing capital markets to fund new, start-up companies. S. 1815 will make it easier for companies that invest in small business to raise money—encouraging more capital flow to small business.

S. 1815 recognizes that mutual funds have become a household commodity in the last several years, turning the mutual fund market into a national market. In fact, almost one-third of U.S. households, about 30 million households, own more than $3 trillion in mutual funds. Everyone seems to agree that it no longer makes sense for all 50 States to have a say in what goes into a mutual fund prospectus.

S. 1815 will eliminate the States' role in reviewing mutual fund prospectuses, but the States will continue to play a critical role in policing fraud and illegal conduct. S. 1815 will also make sure investors and consumers are not confused about what's in a mutual fund by giving the SEC authority to set standards on mutual fund names.

The legislation dusts the cobwebs off laws that now have only antique value. S. 1815 will make the securities laws reflect the reality of today's marketplace. It will simplify procedures for paying fees and making disclosures. It will give the SEC flexibility to adapt to the changing financial market by letting the SEC say the securities laws don't apply where they don't make sense.

S. 1815 will tighten up regulation by giving the States and the SEC distinctly separate regulatory roles. It will divide between the SEC and the States regulation of the 22,500 registered investment advisers who are entrusted with over $10 trillion in customer funds, much of which represents savings and retirement money. As a result, investment advisers will be better regulated and consumers and investors better protected.

The Securities Investment Promotion Act of 1996 is a significant piece of legislation that will ensure that the U.S. securities market remains the preeminent securities market in the world. It is not a controversial bill, it enjoys support on both sides of the aisle.

I commend my colleagues and their staff for their excellent work in drafting this legislation, particularly the Banking Committee staff and Securities and Exchange Commission Chairman Levitt and his staff.

The Securities Investment Promotion Act of 1996 is a significant piece of legislation that should be enacted this Congress.

Madam President, once again, I thank my colleagues for their continued bipartisan support and cooperation.

Mr. SARBANES. Madam President, I am glad that the Senate today will complete action on S. 1815, the Securities Investment Promotion Act of 1996. This is a reasonable bill, and appropriately so, for the Federal and State laws governing our securities markets and the participants in those markets are not in need of wholesale changes. All the evidence suggest that the U.S. securities markets are functioning well. Companies continue to raise capital in the U.S. markets in record amounts. In addition to established businesses, new companies have been raising capital in record amounts. Individual investor confidence in the securities markets, measured by direct investment in securities and investment through mutual funds and pension plans, remains high. The U.S. securities markets retain their preeminent position in the world.

Still, where improvements to the securities laws are in order they should be made. This bill has two major themes: First, improvement of mutual fund regulation, and second, reallocation of responsibility between Federal and State securities regulators. It is appropriate to review the regulation of mutual funds, given the tremendous growth in this segment of the financial services industry. Mutual fund assets now equal insured bank deposits in size. The legislation contains a number of provisions supported by the SEC that are intended to allow mutual funds to operate more flexibly.

With respect to the role of the States in securities regulation, let me say that the current system of dual regulation does not appear to place an undue burden on our securities markets. Not only are our markets a vibrant source of capital for established businesses and new businesses alike, foreign businesses also consider our markets attractive places to raise capital. State securities regulators play a crucial role in policing our markets. Still, dual regulation need not mean duplicative regulation. The State regulators themselves have convened a task force to recommend how securities regulation can be made more efficient and effective by dividing authority between the Federal and State level. I hope we will have the benefit of their thoughtful work before we complete action on this legislation.

I am pleased that the managers amendment offered by Senator D'AMATO at committee markup made some important improvements to the bill. In the mutual fund area, the managers amendment added two provisions that were recommended by the Securities and Exchange Commission. These allow the SEC to require mutual funds to provide shareholders with more current information, and to maintain additional records that will be available to the SEC. Given the importance that mutual funds now have as an investment vehicle for millions of American households, it is crucial that information be available for mutual fund shareholders, and these provisions address that need. The managers amendment also clarified the SEC's authority with respect to preemption of State laws regarding registration of securities. The SEC may preempt State laws only with respect to securities traded on the New York Stock Exchange, the American Stock Exchange, the NASDAQ, or other exchanges with substantially similar listing standards. The provision in the bill as introduced could have preempted State law for all exchange-traded securities, regardless of size or reputability.

As modified by the managers amendment, the provisions in this bill strike a reasonable balance. They received unanimous support from the Senate Banking Committee. I would note that in some respects, particularly in the area of preemption of State law, the House bill goes further. We will have to craft a final product very carefully, so that any bill Congress might send to the President does not go too far in limiting the authority of the State regulators, thereby exposing investors to sharp practices.

Mr. DODD. Madam President, I rise to join my colleagues in supporting the passage of S. 1815, the Securities Investment Promotion Act of 1996. Let me first offer my congratulations to Senators GRAMM, BRYAN, and MOSELEY-BRAUN, all of whom worked very hard with me in drafting this balanced, thoughtful, and bipartisan bill. I particularly would like to acknowledge the efforts of Senator D'AMATO, the chairman of the Banking Committee, who not only was deeply involved in drafting this bill, but who also did his utmost to move the bill quickly and smoothly through the legislative process so that we were able to come to the floor today.

The U.S. capital markets are vitally important for the good economic health not only of virtually every American company but for millions and millions of individual investors who have placed some of their assets either directly in securities or, as has become more and more common, into mutual funds.

We must recognize that sustained economic growth is heavily dependent upon the continuing ability of our capital markets and financial services industry to function efficiently and with integrity. If companies find impediments to obtaining capital, they will not grow. If individuals find impediments to their access to securities and other investments, they will not save.

Taking steps to enhance the access of both corporations and individuals to the securities markets is prudent means by which Congress can help sustain or even increase the Nation's rate of economic growth.

Furthermore, the American capital markets are the envy of the world. No other nation enjoys the international reputation of our capital markets and it is necessary for Congress periodically to review and modernize, where necessary, the laws that make our markets and our financial services industry the world's leader.

The legislation under consideration today is the culmination of a lengthy bipartisan effort to reform those aspects of the securities laws that are an outdated impediment to the efficient functioning of the securities industry.

The bill will also provide clearer statutory directives to both State and Federal regulators so that the integrity of, and confidence in, our capital markets and financial services industry is enhanced.

Without going into excruciating detail, let me just highlight the main areas that this legislation covers: It improves the regulation of investment advisors by clarifying the proper roles of the SEC and the State regulators; it modernizes and streamlines the regulation of mutual funds on the one hand, and provides badly needed modernization of the statutes covering hedge funds and venture capital funds on the other hand; it provides for clarification on a host of technical matters ranging from treatment of church pension plans to the access by U.S. journalists to foreign issuer press conferences. And, significantly, the bill creates the mechanisms for increased regulatory flexibility so that the SEC will have the ability to keep pace with needed regulatory changes as the needs and demands both of investors and the financial industry develop over time.

Madam President, the hearing held on this legislation on June 5 amply demonstrated that the bill will have a salutary effect upon our financial markets. Not only will the legislation remove anomalous and antiquated regulations that impeded the efficient functioning of the markets, but the legislation will clearly improve the ability of investors, both institutions and individuals, to invest and save their hard-earned dollars.

I believe that the legislation, through our qualified purchaser provisions as well as the business-development company sections, will not only provide an immediate benefit to the ability of small businesses to access needed capital, but that these provisions will also provide a future benefit in the event of another credit crunch similar to the one we saw in 1992 and early 1993.

At the committee markup, we adopted a manager's amendment that will make good improvements to the bill and I would like to take note of a few particularly important provisions.

I am pleased that the Banking Committee included new authority for the SEC to require that mutual funds make updated disclosures and that they maintain certain kinds of books and records beyond the minimal amount currently required by law.

I commend my colleague, the ranking member of the Banking Committee, Senator SARBANES, for advocating the inclusion of these provisions and I am very glad that the committee wholeheartedly supported these commonsense and nonburdensome investor protections.

I am also pleased that the Banking Committee will require the commission to study the impact of recent judicial and regulatory rulings that have limited the ability of shareholders to offer proposals at shareholder meetings regarding a company's employment practices. The ability of shareholders to offer such kinds of resolutions such as the "Sullivan principles" for South Africa and the "MacBride principles" for Northern Ireland have had a direct impact on ensuring that United States corporations do not participate in the loathsome discriminatory practices that occurred, or still occur, in those nations. I look forward to the results of the commission's study in a year's time.

In all, this is a carefully balanced bill that improves our Nation's securities laws to allow the markets to function more efficiently, but balances those reforms by maintaining, and in some cases enhancing, the full strength of investor protections that have made our markets the best in the world.

I urge my colleagues to support passage of this important legislation.

Mr. BRYAN. Madam President, I am pleased to support S. 1815, the Securities Investment Promotion Act of 1996. Let me begin by recognizing those who worked diligently to reach bipartisan agreement so that this bill could be considered on an expedited basis. Deserving of particular credit here are Senators GRAMM and D'AMATO and their staffs. I greatly appreciated the opportunity to work with them and with Senators DODD and SARBANES on this important piece of legislation.

When I signed on as an original cosponsor of S. 1815, I said that I believe our capital formation process is fundamentally sound. America's capital markets are the fairest, the most successful, and the most liquid the world has ever known. By virtually every statistical measure, the investment market is vibrant and healthy.

Today, tens of millions of Americans rely on this Nation's financial markets to save for retirement, fund their children's college education, and to receive a rate of return on savings that exceeds the rate of inflation. Now more than ever, the people of America are investing in America. Just one example tells the story: For the first time in history, mutual fund assets exceed the deposits of the commercial banking system. This massive movement into our securities markets promises new and exciting opportunities for investors—and for American businesses.

This Nation's securities laws and regulations are designed first and foremost to protect investors and to maintain the integrity of the marketplace, thereby promoting trust and confidence in our system of capital formation. We should strive for a securities regulatory system that is tough, but one that also is fair, efficient and up-to-date. On balance, I believe that S. 1815 does a good job of eliminating or modernizing laws and regulations that either are duplicative or outdated—without sacrificing investor protection. In general, the legislation strikes the proper balance between promoting efficiency and growth while ensuring integrity and fairness.

One of the key objectives of this bill is to carefully reallocate key aspects of Federal and State securities laws so that we eliminate any duplication, thereby ensuring that our relatively modest regulatory resources are properly focused. Today, both the Securities and Exchange Commission [SEC] and the 50 State securities regulators share the responsibility for overseeing our capital markets. By and large, this system of shared regulatory responsibility has worked well, with the SEC taking responsibility for marketwide issues, while the States focus their attention on the issues most affecting individual investors and small businesses.

I believe that there is room for improved coordination and a more clearly defined allocation of responsibility between the States and the SEC. I support the goal of eliminating duplicative and overlapping regulations that do not provide any additional protections to investors or to the markets but that do serve to increase the costs of raising capital. For these reasons, I support those provisions of the bill that will serve to draw brighter lines of responsibility between the States and the SEC, and that will streamline the securities offering process for American businesses.

When this legislation was introduced, I said that it was critically important that this legislation preserve a strong State role in policing sales practices and in bringing enforcement actions. At the same time, I said that the bill must not undermine the ability of defrauded investors to recover their losses in court under state laws. I am gratified that the bill and the committee report that accompanies it explicitly provide that State securities regulators continue to have available to them the full arsenal of powers needed to investigate and to enforce laws against fraud and to retain their ability to protect the small investors of this country. Similarly, the bill and committee report also make it absolutely clear that nothing in this legislation alters or affects in any way any State statutory or common laws against fraud or deceit, including private actions brought pursuant to such laws.

S. 1815 recognizes the fundamentally national character of the mutual fund industry by assigning exclusive responsibility for the routine review of mutual fund offering documents and related materials to the SEC and NASD. The legislation also encourages further innovation in the mutual fund industry by means of advertising prospectuses and funds of funds. I am pleased that my earlier concerns with the respect to reporting and recordkeeping requirements were addressed in the manager's amendment approved by the Banking Committee.

Finally, I want to say a word about title I, in which we seek to rationalize the regulatory scheme for investment advisers. There is abundant evidence that the current system of investment adviser regulation is woefully inadequate, both in terms of the resources we devote to the effort and the laws that govern the industry. While I applaud the objectives of title I of S. 1815, it is my hope that Congress does not end its consideration of this issue here.

I would agree that establishing the proper lines of regulatory jurisdiction is a necessary first step. Today, both the SEC and the State securities regulators oversee registered investment advisers. But, there are no clearly established lines of jurisdiction. As a result, both the States and the Federal Government essentially have responsibility for the entire population of investment advisers. However, neither the States nor the Commission have the resources to shoulder the entire job. What we are left with is a system that is both burdensome and ineffective. Although the regulators have tried to coordinate their activities, this legislation clearly establishes the concept of bright lines of responsibility so that the policing of the industry is both more rational and more effective.

The oversight of investment advisers is an extremely important issue, as more and more Americans turn to these financial professionals to help guide them through the increasing complexity of our financial markets. Establishing a more rational system for determining jurisdiction is a helpful step. But, it is only a first step. And, while I agree with the objective of establishing clearer lines of responsibility, I am troubled by the very legitimate concerns raised by State and Federal regulators and consumer organizations with respect to the practical application of title I.

The State of Nevada Securities Division has brought to my attention a real life situation that illustrates potential problems with this bill that I hope we can correct in conference. An investment advisor representative who worked for a firm with over $25 million in assets applied for a license in Nevada. The Securities Division discovered he had 14 complaints and numerous disciplinary actions filed against him. He did not get a license to operate in Nevada but, under the provisions of this bill, he would not be required to get one. Nevada regulators would be able to go after a bad actor after he has committed fraud but they would prefer to retain the ability to keep them out in the first place.

One potential fix for this problem would be to require investment advisor representatives who have disciplinary histories to obtain State licenses regardless of the size of the firm. This would protect States' abilities to keep out unscrupulous operators before they have had a chance to prey on unsuspecting consumers.

I understand that time may not permit us to address the many questions that have arisen in the context of title I. Nor do we have the time to comprehensively address all that needs to be done to improve the regulatory system for investment advisers. As a result, I would ask that we commit ourselves when we convene in the 105th Congress to assuring not only that State and Federal regulators have the necessary resources and are effectively implementing them.

PRESERVING STATE REVENUE AUTHORITY

Mr. GRAMM. Madam President, I would like to address a question to the distinguished chairman of the Banking Committee, Mr. D'AMATO. As the chairman is aware, this legislation takes the very important step of providing national rules for national securities markets. In doing so, however, it has been our intent to preserve State authority to collect revenues, either to fund their antifraud efforts or for other State government purposes. In fact, the bill as reported contains explicit language to allow States to continue to collect all fees and revenues related to registration and regulation of securities that they have been collecting, notwithstanding the provisions of the bill that reduce the States' role in registration of nationally traded securities and mutual funds. Does the chairman concur that this has been the intent of the Members both in drafting and approving this legislation?

Mr. D'AMATO. I certainly do. The Senator is correct. That has been the intent of this Senator, and I know it to have been the intent of my colleague, the chairman of the securities Subcommittee, Mr. GRAMM, as well as that of all of the sponsors of the bill and of the members of the Banking Committee. We expressly provided language in the bill to preserve State authority to collect revenues so that there would be no revenue loss at all faced by the States from the enactment of this bill. I do understand that some States have expressed a concern that in spite of the clear language of the bill, some of the provisions of their own State laws may make it difficult in some cases to collect fees. If that is indeed the case, and we have begun discussions to identify the problems precisely, then I see no obstacle to making adjustments in the legislation during our conference with the House of Representatives to ensure that no State loses any revenue authority as a result of enactment of this bill.

Mr. GRAMM. Madam President, I thank the Senator for his response, and I join with him in expressing my willingness and desire to ensure that the language of the final legislation, as it emerges from conference with the House of Representatives, will preserve State revenue authority. I am aware that securities-related fees are an important source of revenue for the Texas State government, and I do not see it as our place here to impair that authority. I further know of no one who disagrees with this intent, so I also see no problem in fully resolving this matter in the final version of the legislation.

Mr. HOLLINGS. Madam President, the securities bill before us, H.R. 3005, makes a number of very important changes in securities regulation, such as regulation of investment advisors and mutual funds. The Senate bill was approved by the Banking Committee on a bipartisan 16 to 0 vote.

I have no problem with the Senate version of this measure. I would support it. However, I have a big problem with the House companion to this bill. It contains provisions that would shift much of the cost of running the Securities and Exchange Commission from firms registering securities to the general taxpayer. I am concerned because of the potential impact on the SEC and, frankly, that this will require the Appropriations Committee to absorb $200 million at the very time that discretionary funding is being cut.

In the present fiscal year, the SEC's budget totals $297.4 million. Of this amount, $194 million is derived from section 6(b) securities registration fees and $103.4 million is appropriated from the general fund. So we have a situation in which about two-thirds of the SEC's operation is financed through fees.

The House bill seeks to change this situation and shift the entire cost of running the SEC to discretionary appropriations. This shift and reduction in fees would occur over a 5-year period. In short, it cuts collections and tells the Appropriations Committee and the general taxpayers to absorb the costs.

Mr. DODD. Would my friend from South Carolina yield?

Mr. HOLLINGS. Of course. The Senator from Connecticut is our authority on securities and financial market matters.

Mr. DODD. I thank my friend. The Senator from South Carolina is essentially correct regarding this funding issue. I would note, however, the current situation is that the SEC collects in total more through fees than the agency's total budget. Of course, a majority of these funds go to the Treasury as general revenues.

Mr. HOLLINGS. Exactly. These fees go to Treasury. They do not do anything to support the SEC. The agency cannot use those receipts. The only fees that the SEC is able to use—to pay personnel to provide for stable markets and to prevent fraud—are those that are collected and deposited in the SEC's appropriation account. It is those that are above the statutory fee level of one-fiftieth of 1-percent. It is exactly these fees that the House bill proposes to terminate.

You know for the past 2 years the SEC has had something of a near-death experience because of problems with its authorization. It wasn't until the last day of the 103d Congress that the other side removed their holds on a bill that enabled the agency to continue functioning. And, just last summer, over my objections, our fiscal year 1996 Commerce, Justice and State appropriations bill proposed cutting the SEC by 20 percent below a freeze at fiscal year 1995 levels. Here we have a law enforcement agency, and an agency in charge of stopping insider trading and fraud, and the appropriations bill reduced its funding far below the level it needed to continue operations.

Mr. D'AMATO. But, eventually through a floor amendment and conference negotiations, the SEC's budget was brought back up at least to a freeze at fiscal year 1995 levels.

Mr. HOLLINGS. That's right. The Senator from New York was instrumental in helping us restore the SEC budget. It wasn't easy.

I think the distinguished chairman of the Banking Committee knows the situation better than most. We served together on the Appropriations Committee for 14 years.

I think he would be surprised how tight the funding situation has gotten. For fiscal year 1997, the President's budget proposals for the Justice Department alone are up $1.947 billion above the current year. The Federal Judiciary is up $414 million. And, so on. Now, we on the Commerce, Justice and State Subcommittee aren't going to get anywhere near those increases in the section 602(b) allocation process. We can't fund those programs, let alone State, Commerce, and Small Business, and other independent agencies. Let alone increases for the Securities and Exchange Commission.

So these are the reasons I have held up this bill. I applaud the changes you have made in securities laws, but I must ask, do you intend to maintain the Senate position on this fee issue? I mean will you and the chairman not reduce section 6(b) fees that are collected and retained by the SEC, as part of this legislation?

Mr. DODD. My friend makes many good points. I know the pressures that the Appropriations Committee faces and we are all too familiar with the Government shutdowns that occurred this year.

I would note that our goal on the Banking Committee is to pass a securities reform bill that the President will sign. And, the administration has expressed many of the same concerns that the Senator from South Carolina has raised. In its June 18 Statement of Administration Policy, the White House said it would support the securities reforms but oppose the House proposed changes in financing the SEC. The administration's letter states:

> Although the Administration supports provisions in H.R. 3005 that would protect investors and reduce the cost of State and Federal regulation of the markets, the Administration would have serious concerns with the bill if it were amended to include reauthorization provisions which would reduce or eliminate certain securities registration and transaction fees. These fees are currently used to offset almost two thirds of the SEC's appropriation. Eliminating or reducing the fees, in a time of declining discretionary resources, would require the SEC to compete for funding with other worthy programs, including criminal justice programs, immigration initiatives, and research and technology programs. The Administration's continued support for H.R. 3005 is contingent on the retention of these improvements and keeping the bill free of any reauthorization provisions which would reduce or eliminate certain SEC fees.

Senator D'AMATO and I intend for this bill to become law, and I assure the Senator from South Carolina that, absent an agreement among all the appropriators, the administration, and the SEC, we will not agree to the House language that lowers registration fees which are used to run the SEC and offset appropriations. While I believe that there is merit on both sides of this funding issue, I believe that the important and difficult questions of how best to fund the SEC—at which levels and through what means—should be reserved for another forum.

Mr. D'AMATO. I would say to the Senator from South Carolina that there probably isn't another Member of the Senate who understands more the importance of the financial markets to the economy, or the economy of his State. This Senator understands the need to maintain fair and open securities markets. The SEC needs to be funded adequately so it can do its job and ensure its regulation of the market. That is simply in everyone's interest.

The Senator from South Carolina's arguments make good sense. I know he has been a good friend to the SEC and the securities industry. I would have to agree that we should try to work towards a funding position that we can agree on to fund the SEC in a fairer way so that section 6(b) fees pay for the cost of regulation and not general deficit reduction. I am concerned about the general taxpayer, of course, but these fees should not be a tax on capital formation. Last year, the SEC brought in more than $750 million to fund a budget of less than $300 million. That isn't right either.

The bill the Senate is being asked to approve today is deficit neutral. The important reforms proposed in this legislation should be accomplished without adding one penny to the deficit. Similarly, any final agreement reached with the other body regarding this legislation must not contribute to the Federal budget deficit. At a time when there is wide bipartisan agreement on the need to balance the budget, it is critical that this legislation not make this goal more difficult to achieve.

I will do everything I can to keep this conference focused on securities regulation reforms and will continue to work with my colleagues on a long-term solution to the SEC funding problem. Let me note that unless there is bipartisan agreement among the appropriators, the administration, and the SEC, we will separate that issue from the bill and put it aside for another day. We do not intend to jettison all the good things in this bill, and the bipartisan spirit in which it was engendered, over this difficult issue. As a friend from Connecticut notes, we are serious about this bill—we intended to get it enacted into law.

Mr. McCAIN. Madam President, I ask unanimous consent that all after the enacting clause be stricken and the text of calendar No. 468, S. 1815, be inserted in lieu thereof, the committee amendment be agreed to, the bill be deemed read a third time and passed, as amended; the motion to reconsider be laid upon the table, the Senate insist on its amendment and request a conference with the House, the Chair be authorized to appoint conferees on the part of the Senate and that several statements and colloquies be printed at the appropriate place in the RECORD.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (H.R. 3005), as amended, was deemed read the third time and passed, as follows:

(The text of the bill will be printed in a future edition of the RECORD.)

APPOINTMENT OF CONFEREES

Under the previous order, the Presiding Officer (Mrs. HUTCHISON) appointed Mr. D'AMATO, Mr. GRAMM, Mr. BENNETT, Mr. SARBANES, and Mr. DODD conferees on the part of the Senate.

WILLIAM J. NEALON POST OFFICE

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 452, H.R. 3364.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3364) to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCAIN. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3364) was deemed read the third time and passed.

MARK O. HATFIELD UNITED STATES COURTHOUSE

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 451, S. 1636.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1636) to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, OR, as the "Mark O. Hatfield United States Courthouse," and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4386

(Purpose: To amend the resolution establishing the Franklin Delano Roosevelt Memorial Commission to extend the service of certain members)

Mr. McCAIN. Madam President, I send an amendment to the desk on behalf of Senator LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] for Mr. LEVIN, proposes an amendment numbered 4386.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . EXTENSION OF FDR MEMORIAL MEMBER TERMS.

The first section of the Act entitled "An Act to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt", approved August 11, 1955 (69 Stat. 694) is amended by adding at the end thereof the following: "A Commissioner who ceases to be a Member of the Senate or the House of Representatives may, with the approval of the appointing authority, continue to serve as a Commissioner for a period of up to one year after he or she ceases to be a Member of the Senate or the House of Representatives.".

Mr. McCAIN. Madam President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 4386) was agreed to.

Mr. McCAIN. Madam President, I ask unanimous consent that the bill, as amended, be deemed read a third time, the motion to reconsider be laid on the table; that any statements relating to the bill be put in the RECORD at the appropriate place as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1636), as amended, was deemed read the third time and passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. McCAIN. I note that this particular bill, I say to my friend from Kentucky, is the designation of the U.S. courthouse in Portland OR as the "Mark O. HATFIELD United States Courthouse," certainly an appropriate and well-deserved honor.

CHARLES A. HAYES POST OFFICE BUILDING

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 425, H.R. 2704.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2704) to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue in Chicago, IL, shall be known and designated as the "Charles A. Hayes Post Office Building."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCAIN. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2704) was deemed read the third time and passed.

EDWARD MADIGAN POST OFFICE BUILDING

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 423, H.R. 1880.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1880) to designate the U.S. Post Office building located at 102 South McLean, Lincoln, IL, as the "Edward Madigan Post Office Building."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1880) was deemed read the third time and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MCCAIN. Madam President, I ask unanimous consent that in executive session the Senate immediately proceed to the consideration of the following Executive Calendar nominations: Nos. 645 through 664, and all nominations placed on the Secretary's desk in the Foreign Service.

I further ask unanimous consent the nominations be confirmed en bloc; the motions to reconsider be laid upon the table en bloc; the President be immediately notified of the Senate's action; that any statements relating to any of the nominations appear at the appropriate place in the RECORD; and that the Senate then immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

John Christian Kornblum, of Michigan, to be an Assistant Secretary of State.

Barbara Mills Larkin, of North Carolina, to be an Assistant Secretary of State.

Thomas C. Hubbard, of Tennessee, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Palau.

Glen Robert Rase, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

Wendy Jean Chamberlin, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Lao People's Democratic Republic.

James Francis Creagan, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Honduras.

Lino Gutierrez, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nicaragua.

Dennis C. Jett of New Mexico, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Peru.

Tibor P. Nagy, Jr., of Texas, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Donald J. Planty, of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

Leslie M. Alexander, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ecuador.

Avis T. Bohlen, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bulgaria.

Marisa R. Lino, of Oregon, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Albania.

John F. Hicks, Sr., of North Carolina, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Eritrea.

Alan R. McKee, of Maryland, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Arlene Render, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Harold Walter Geisel, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to serve concurrently and without additional compensations as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Madeleine May Kunin, of Vermont, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

A. Vernon Weaver, of Arkansas, to be the Representative of the United States of America to the European Union, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Gerald S. McGowan, of Virginia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1998.

IN THE FOREIGN SERVICE

Foreign Service nominations beginning Terence Flannery, and ending George F. Ruffner, which nominations were received by the Senate and appeared in the Congressional Record of May 9, 1996.

Foreign Service nominations beginning Justin Emmett Doyle, and ending Robert T. Yurko, which nominations were received by the Senate and appeared in the Congressional Record of May 9, 1996.

Foreign Service nominations beginning Donald C. Masters, and ending Kurt N. Theodorakos, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1996.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

MEASURE INDEFINITELY POSTPONED—SENATE CONCURRENT RESOLUTION 42

Mr. MCCAIN. Madam President, I ask unanimous consent that Calendar No. 351 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. MCCAIN. Madam President, I ask unanimous consent that during the adjournment of the Senate, Senate committees may file committee-reported Legislative and Executive Calendar business on Tuesday July 2, from 11 a.m. to 2 p.m..

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY, JUNE 28, 1996

Mr. MCCAIN. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 8:30 a.m. on Friday, June 28; further, that immediately following the prayer, the Journal of the proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of the defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MCCAIN. Madam President, for the information of all Senators, under the previous order, there will be a rollcall vote tomorrow morning at 9:30 a.m. on the motion to invoke cloture on the Department of Defense bill.

As announced earlier, Senators are urged to cooperate with the leadership and the managers to enable the Senate to finish action on the defense bill tomorrow.

Another cloture motion was filed this evening and, if necessary, would occur on Saturday.

Senators should expect a busy session tomorrow, with rollcall votes throughout the day.

Mr. FORD. Will the Senator yield?

Mr. McCAIN. I yield the floor.

Mr. FORD. Madam President, I ask unanimous consent that it be added to the request that Senators have until 10 o'clock tomorrow to file second-degrees with respect to the cloture motion tomorrow at 9:30.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ADJOURNMENT UNTIL 8:30 A.M. TOMORROW

Mr. McCAIN. Madam President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:06 a.m., adjourned until Friday, June 28, 1996, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 27, 1996:

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 8036:

SURGEON GENERAL OF THE AIR FORCE

To be lieutenant general

MAJ. GEN. CHARLES H. ROADMAN I [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. ROGER G. DEKOK [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. PATRICK K. GAMBLE, [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. LESTER L. LYLES [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN B. SAMS, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. CHARLES T. ROBERTSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. FRANK B. CAMPBELL, [redacted] U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICER FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3385, 3392 AND 12203(A):

To be brigadier general

COL. PAUL J. GLAZAR [redacted]

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE SECTIONS 601 AND 5035:

VICE CHIEF OF NAVAL OPERATIONS

To be admiral

VICE ADM. HAROLD W. GEHMAN, JR. [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate June 27, 1996:

DEPARTMENT OF STATE

JOHN CHRISTIAN KORNBLUM, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF STATE.

BARBARA MILLS LARKIN, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF STATE.

THOMAS C. HUBBARD, OF TENNESSEE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE PHILIPPINES AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PALAU.

GLEN ROBERT RASE, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BRUNEI DARUSSALAM.

WENDY JEAN CHAMBERLIN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE LAO PEOPLE'S DEMOCRATIC REPUBLIC.

JAMES FRANCIS CREAGAN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF HONDURAS.

LINO GUTIERREZ, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NICARAGUA.

DENNIS C. JETT, OF NEW MEXICO, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PERU.

TIBER P. NAGY, JR., OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUINEA.

DONALD J. PLANTY, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUATEMALA.

LESLIE M. ALEXANDER, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ECUADOR.

AVIS T. BOHLEN, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BULGARIA.

MARISA R. LINO, OF OREGON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ALBANIA.

JOHN F. HICKS, SR., OF NORTH CAROLINA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE STATE OF ERITREA.

ALAN R. MCKEE, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SWAZILAND.

ARLENE RENDER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAMBIA.

HAROLD WALTER GEISEL, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

MADELEINE MAY KUNIN, OF VERMONT, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SWITZERLAND.

A. VERNON WEAVER, OF ARKANSAS, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN UNION, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

GERALD S. MCGOWAN, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 1998.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING TERENCE FLANNERY, AND ENDING GEORGE F. RUFFNER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 9, 1996.

FOREIGN SERVICE NOMINATIONS BEGINNING JUSTIN EMMETT DOYLE, AND ENDING ROBERT T. YURKO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 9, 1996.

FOREIGN SERVICE NOMINATIONS BEGINNING DONALD C. MASTERS, AND ENDING KURT N. THEODORAKOS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 18, 1996.

HOUSE OF REPRESENTATIVES—*Thursday, June 27, 1996*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. WHITE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 27, 1996.

I hereby designate the Honorable RICK WHITE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Ronald F. Christian, Evangelical Lutheran Church in America, Washington, DC., offered the following prayer:

Almighty God, we acknowledge this day our dependence upon Your gracious care and mercy. Faced with great personal loss and national pain, our thoughts always turn to You seeking Your solace and comfort. We do so again today, O Lord.

In the comings and goings of our lives, it is appropriate that we pause, remember, and give thanks for families and friends of those in our national family who are brought home on their last journey this day. Oh God, grant Your mercy to those who now rest from their labors and to all who mourn. And, for the life and work of Bill Emerson, we give You thanks and seek that same mercy.

May all of our days for all of us be so numbered before You that our efforts for good will be untiring, that our concern for justice will never waver, and that our work for peace be forever urgent and steadfastly determined. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WYNN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYNN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this matter will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Georgia [Mr. BARR] come forward and lead the House in the Pledge of Allegiance.

Mr. BARR of Georgia led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 2437. An act to provide for the exchange of certain lands in Gilpin County, Colorado.

H. Con. Res. 102. Concurrent resolution concerning the emancipation of the Iranian Baha'i community.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3517. An act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3517) "An Act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon and appoints Mr. BURNS, Mr. STEVENS, Mr. GREGG, Mr. CAMPBELL, Mr. HATFIELD, Mr. REID, Mr. INOUYE, Mr. KOHL, and Mr. BYRD, to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minutes on each side.

COST OF GOVERNMENT DAY

(Mr. DELAY asked and was given permission to address the House for 1 minute.)

Mr. DELAY. Mr. Speaker, as we approach the celebration of our Nation's independence, let us reflect on one of the lines in the Declaration of Independence.

Referring to the repeated injuries and usurpations inflicted upon them by the King of England, Jefferson wrote:

> He has erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance.

Sadly and outrageously, Mr. Speaker, this describes the way many Americans feel about the enormous size, intrusiveness and cost of Government today.

That is why I am introducing a sense-of-the-Congress resolution today to highlight cost of Government day, which this year is coincidentally 1 day before Independence Day. That is right, Mr. Speaker, according to Americans for Tax Reform, from January 1 through July 3 this year, Americans are working to pay for Government spending at all levels plus the cost of regulations.

One hundred eighty-four days to pay for Government and regulations and 181 days to pay for the things they and their families really need. This situation, my colleagues, has gotten ridiculous. Maybe it is time for a new Declaration of Independence, Mr. Speaker.

GENERAL MOTORS CLOSING MORE U.S. AUTO PLANTS AND MOVING JOBS OVERSEAS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, General Motors has closed another auto plant in America, this time Tarrytown, NY. 2,100 American workers, gonesville.

In addition, General Motors announced it will close another seven factories in America in the next several years.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Now, if that is not enough to grease your slip clutch, General Motors announced it is building a billion-dollar factory in Thailand and a massive new plant in Mexico, and because the Mexican workers are so poor, they will help build the Mexican workers new homes. Unbelievable. Think about it. American workers losing their homes, General Motors building homes for Mexican workers, averaging 70 cents an hour.

Beam me up, Mr. Speaker. For years I thought the Three Stooges ran our economic policy. Today I suspect Dr. Jack Kevorkian. This is no program.

Before the day is over, we will approve most-favored-nation trade status for a country that pays 17 cents an hour wages.

I yield back any jobs left.

TRIBUTE TO HON. BILL EMERSON OF MISSOURI

(Mr. LAHOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAHOOD. Mr. Speaker, I rise today to say that I regret very much that I was not able to be on the floor when a number of Members rose to pay tribute to Bill Emerson, and I urge all Members today, as we have a very spirited debate, to keep in our thoughts and prayers Bill Emerson and the work that he did on behalf of his constituents. As we meet here at this hour, there is a service being conducted for him in Cape Girardeau, MO, and I urge all Members to remember Bill and in the days and months ahead to remember Jo Ann Emerson and Bill Emerson's family.

MUZZLING DEBATE ON UNITED STATES-CHINA TRADE RELATIONS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, what a travesty. Last Tuesday in the dead of night, with Members of this House given no voice and no notice, the House Rules Committee, at the behest of Speaker GINGRICH, ramrodded a rule to restrict debate on the critical issue of United States-China trade relations. Then last night, after 1 a.m., the restrictive rule was voice-voted by a deal struck by the proponents to muzzle debate today. Members were not recorded on that key rule vote. Now today the brief debate on whether Congress will actually grant Most Favored Nation trade status to China for the first time in a straight up or down vote in this Chamber will occur and the debate itself while most Members are at Bill Emerson's funeral today. What an outrage.

Commerce with a fascist state will not yield liberty. Our 250-million-person market cannot sustain these gaping trade deficits growing every year with a nation of 1 billion 250 million people. Just the $40 billion trade deficit this year means another 800,000 lost jobs in America.

EXHIBIT HONORING MARK TWAIN

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARR of Georgia. Mr. Speaker, for 75 days this summer the people of Cobb County, GA, and neighboring communities will have a unique opportunity to view an exhibit featuring original materials from America's great writer and humorist: Mark Twain.

The exhibit, known as, "Mark Twain: An American Voice to the World," will be on display in Kennesaw State University's Horace Sturgis Library, and will feature original manuscripts, artifacts, first editions, and other items from this great American author.

The exhibition has been praised as "The most richly varied and representative display of original materials relating to the life and works of Mark Twain ever assembled for public exhibition," by Robert Pack Browning, director of the Mark Twain papers at the University of California, Berkeley.

I would like to congratulate Kennesaw State University president Betty L. Siegel, library director Robert B. Williams, and his staff. I would also like to thank the numerous institutions and collectors who participated in the exhibition. My thanks goes also to my colleagues, Speaker GINGRICH, and Fifth District Congressman JOHN LEWIS, and to Fred Bentley, Sr., for making this project a reality for the people of Georgia.

THE MANAGED CARE BILL OF RIGHTS OF 1996

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous material.)

Ms. VELÁZQUEZ. Mr. Speaker, I rise before the Members to introduce a crucial piece of legislation that is long overdue, the managed care bill of rights of 1996.

Today I introduce this legislation in response to a repulsive and dangerous trend that is taking place. Across this country, Americans are joining managed care plans in order to cut costs. However, while ultra-wealthy HMO's are making multibillion-dollar profits, working-class families are paying for these profits with their health and, in some cases, their lives.

Health care companies should make people healthier, not sicker, yet HMO patients are routinely denied access to specialists and refused compensation for emergency room visits. My legislation will put an end to these cruel policies. I urge my colleagues to cosponsor this legislation and work toward safeguarding every American's access to quality health care.

SUPPORT THE WORKING FAMILIES FLEXIBILITY ACT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, once again, the Clinton administration has stolen yet another Republican idea and called it their own. After originally opposing legislation that would let hard-working Americans spend more time with their families, the President has chosen to co-opt this popular idea. This is a desperate action by a desperate man in a political year.

When a Republican bill containing comp time, the Working Families Flexibility Act, was first mentioned as the minimum-wage legislative vehicle, the President's Chief of Staff, Leon Panetta, called it a poison pill and President Clinton waved his veto pen at it. But now after the Republicans have built support for this legislation, the President ran down to Nashville this past weekend to announce his own version of a comp time bill.

The President does not show leadership by showboating, or stealing ideas from Republicans. If the President were truly committed to this issue, he would have pledged his support for the Working Families Flexibility Act, and he would work with Congress, instead of trying to upstage it.

I ask the President to stop playing election-year politics and support H.R. 2391, the Working Families Flexibility Act, and I ask my colleagues to do the same.

HOW MUCH MORE WILL CHINA DO TO ITS PEOPLE AND THE WORLD?

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, most-favored-nation status for China giving trade advantages to that Communist dictatorship will cost millions of American jobs. Our trade deficit with China, almost nonexistent only a few years ago, has climbed to $32 billion and is rising, and within a couple of years, it will surpass that of Japan. How much more can China do to its people and how much more can China do to the rest of the world before we finally say "no" to MFN? Massacring students in Beijing, selling nuclear technology to rogue nations, slave labor camps, illegally smuggling 2,000 AK-47's into the United States, forcible seizure of Tibetan children from their homes, 12-year-old children in China making toys for 12-year-old children in America and 12-year-old children in China in labor camps making toys for 12-year-old children in America. Mr. Speaker, when will it stop? When will we in this body stop it? Defeat MFN.

RIGHT CONGRESS ACT: TO RESTORE INTEGRITY, GOODWILL, HONESTY, AND TRUST IN CONGRESS

(Mr. BASS asked and was given permission to address the House for 1 minute.)

Mr. BASS. Mr. Speaker, I rise today to announce the introduction of the RIGHT Congress Act. RIGHT stands for "Restore Integrity, Goodwill, Honesty and Trust in Congress." The bill is a modest, commonsense reform that will help bring back some accountability and responsibility to the Halls of Congress and it follows on the action that we took beginning with the first day of the 104th Congress.

What will this bill do? It will reduce congressional pensions to put them in line with all other Federal employees. It repeals automatic pay raises for Members of Congress and eliminates COLA's on Members' pensions. It will require recorded votes on all bills or amendments increasing Members' pay; prohibit former Members and senior staffs from lobbying for 28 years after leaving Congress or one full term; deny House floor access for Members of Congress who are registered lobbyists; require lobbyists to wear ID's when they are working in the Capitol; limit the use of expensive military flights for congressional travel; ban overseas taxpayer funded travel for retiring Members of Congress.

This bill has received support from across the board, and I urge my colleagues' support for this piece of legislation.

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THE RIGHT OF FREE SPEECH

(Mr. FRANK of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK of Massachusetts. Mr. Speaker, I voted against the Communications Decency Act, which was included in the telecommunications bill, because it was an outrageous disregard by this body of our duty to protect constitutional rights, specifically the first amendment.

Now we have had a ringing thoughtful denunciation of that unconstitutional act by a 3-judge court in Pennsylvania. I commend particularly to Members the opinion by Judge Dalzell, where he points out how unwise it is to try to sensor the Internet.

We have a problem. We began years ago, with regard to broadcasting, the notion that if speech was electronically communicated it got less first amendment protection than other speech. That was based on some technological factors involving the limitations of the spectrum.

Today, as increasingly people communicate with each other through electronic means, we have carried over this notion that electronically communicated speech gets less first amendment protection than other speech.

If we do not reverse that trend, if we do not recognize the wisdom of that 3-judge court, we will find ourselves in future years less protected by that precious right of free speech.

THE GROUNDBREAKING OF THE BRASS MILL CENTER MALL

(Mr. FRANKS of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKS of Connecticut. Mr. Speaker, yesterday was a historic day for my hometown of Waterbury, CT. It marked the groundbreaking of the Brass Mill Center Mall, the soon to be home of the second largest mall in New England.

Having worked at this location along with my father and other relatives when it was the Scovill Manufacturing Co. more than 20 years ago, I have a sentimental attachment to the site. But more important, thanks to the millions of dollars from the Federal Government, approved in the 103d Congress for the environmental cleanup of the site, it is now becoming a reality.

The mall will have a significant impact on revitalizing the downtown area, while producing more than a thousand new much needed jobs. This has been a classic example, Mr. Speaker, of how the local, State and Federal governments can work hand-in-hand with private industry.

I look forward to the fall 1997 grand opening.

AMERICA'S CHOICE: GOP EDUCATION CUTS OR FAMILIES FIRST AGENDA

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, I am often amused as I listen to my Republican colleagues talk about their budget. They come down and wave their arms and talk about their children's future and their children's children's future with great passion. Let us face it. What is important about our children's future is education.

And let us talk about the education record. The fact is, Mr. Speaker, that under the Republican proposals they actually cut student aid. They eliminate the direct student loan program, which means students are going to pay higher fees and higher costs for student loans. That is not helping their future. They cut money for safe and drug-free schools so that children can have a safe education. That is not helping their education or their futures.

On the other hand, the Democrats' Families First agenda addresses education in significant ways: First, 2 years of community college free in the form of a $1,500 tax credit for community college education if the student maintains a B average. I think that is a fair deal for our children's future.

We also provide a $10,000 deduction for college education; $10,000 deduction for college expenses. That is protecting our children's future.

SAUDI ARABIA TERRORISM

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, America has once again felt the sting of a deadly cowardly terrorist attack directed at our troops who have been preserving and protecting America's interest in the Persian Gulf. A similar attack on Americans in Saudi Arabia last November for the first time signaled that radical Islamic elements in Saudi Arabia would use Americans as targets in their war against the ruling regime.

As we seek to determine just who is responsible, there is one thing that is clear from this deadly and senseless attack, and that is that the United States' vital national interests in the gulf remains constant and the threat from the two main rogue regimes in the region, Iran and Iraq, must not be allowed to destabilize our gulf allies.

I join in the President's strong condemnation of this latest terrorist attack and welcome our Nation's determination to help bring to justice those responsible for this cowardly act. I also join in extending our Nation's deepest sympathy and concern for the families of all those killed or injured in the service of their country.

FAMILIES FIRST

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, last weekend I met with parents, children, and community leaders from my district, those who attended the Stand for Children march in Washington this month. Their overwhelming message was that it is time to reorder our Nation's priorities and it is time to put our children and families first.

That is the same message, Mr. Speaker, that Americans across the country are sending, and I am proud that the Democrats have responded with a realistic and commonsense agenda that puts families first, ahead of special interests.

That is right, our agenda is not about crown jewels, tax giveaways, or corporate and military pork. Rather, it is about practical changes we can make to improve the lives of families, changes like fully implementing the safe and drug-free schools program, providing $10,000 tax deductions for education and job training, and making college a reality for more Americans.

Mr. Speaker, we blocked the Gingrich-Dole cuts to education, Medicare, and the environment. It became clear what Democrats are against.

COST OF GOVERNMENT DAY

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, next week, on July 3, Americans will be preparing to celebrate our independence from the British empire over 200 years ago. They will have another reason to celebrate next week; July 3 is the day in which we become independent from having to work for the Government.

It is a sad fact, but a true fact that July 3 is the day in which the cost of all levels of government will finally be paid for. An even more amazing fact, it is not only taxes but also government regulations that we must pay for. In fact, regulations cost more to the average American citizen than the taxes that we pay.

I am happy to join with Senator COVERDELL in the other body and the gentleman from Texas, Majority Whip DELAY, in this body to be an original cosponsor of Cost of Government Day. I would urge all of my colleagues to join us in this resolution.

Let us tell the truth to the American people: Government costs too much, it spends too much money and it wastes a lot of the money that it spends. Let us begin to cut back on taxes, cut back on regulations, and have Independence Day from Government not on July 3 but sometime much earlier in the year.

MOST-FAVORED-NATION STATUS

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, the decision that Congress will make today with regard to most-favored-nation status represents an important step in defining our future trading relationship with China.

We are deciding today whether or not the United States will continue what I believe has been a constructive policy that encourages change with China while firmly expressing United States concern about human rights, protection of our intellectual property, and our desire to curb nuclear proliferation.

For the largest private employer in my State, the Boeing Co., renewing MFN with China is absolutely critical. In the period between 1992 and 1994, Boeing recorded $5.3 billion in sales to China, representing one of the largest single positive influences in improving our balance of trade. In fact, one in every ten commercial jetliners made by the Boeing Co. during this period was sold to a customer in China. These jet sales supported 48,500 jobs in the United States for each of these years.

The jobs I am speaking of are not just at Boeing facilities, but at 4,500 commercial suppliers. That is why we should continue to support MFN.

U.S. MILITARY MUST EXPLAIN ITSELF

(Mr. DIAZ-BALART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIAZ-BALART. Mr. Speaker, a video reached my office this week that shows scenes of meetings between senior U.S. military officers, including the head of the U.S. Atlantic Command, General Sheehan, and Cuban dictator Castro's senior general, Perez-Perez.

The video reflects a private coziness of the Clinton administration with the Castro regime, not-so-subtle reassurances by the administration that the United States would not stand on the Cuban people's side if the Cuban armed forces sought to liberate Cuba from Castro.

The tape also reflects, in all its sickening ignominy, the immorality of the Clinton administration's policy of forcefully repatriating Cuban refugees.

I believe that a number of things that the video shows merit serious congressional inquiry, and if the U.S. military officers involved do not voluntarily meet with Members of Congress to explain themselves, as we have requested, they should be compelled to do so.

REPUBLICAN MAJORITY STIFLES DEBATE ON GRANTING CHINA MFN STATUS

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, today Congress will debate the issue of granting a special request to the President for a waiver to grant most-favored-nation status to China. This is an important issue to the American people. Nothing less is at stake than our economic future, our national security, and our democratic principles.

That is why it is so distressing to see the absurd rule that the Republican majority has put forth for this legislation. They want to railroad this legislation through the House in an untimely fashion. Our tradition has always been to have the Fourth of July week for our constituents to express their views to Members. Many constituents cannot afford the expensive trip to Washington, DC, that the business community has readily available to them.

What is the Republican majority afraid of? Are they afraid of the truth? Are they afraid of 100,000 young people gathered in Golden Gate Park to promote a free Tibet? Are they afraid that our colleagues will learn the facts about United States-China trade and that it is a job loser for the American worker?

It is absolutely a shame that on this most important issue the Republican majority is moving to stifle dabte.

EITHER FIDEL CASTRO IS OUR ENEMY OR HE IS NOT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, south Florida was shocked earlier this week when a video was released showing top United States military officials exchanging gifts and pleasantries at the Guantanamo Naval Base with Cuban general and known Cuban assassin, General Perez-Perez.

At one point the chief of the U.S. Atlantic Command refers to the Cuban thug as "My General," while another tells Castro's communist partner that a plaque he received as a gift from him would be put in a place of honor.

I propose that if we must exchange gifts with Castro officials, let us give them an indictment for their criminal acts and a key to free jailed political dissidents. Let us give them a reproduction of the Statute of Liberty and a ballot, symbols of freedom and democracy.

This repugnant display of camaraderie of a top official of a totalitarian military regime which recently murdered in cold blood American citizens and which continues to harm the United States at every opportunity, is not only a disgusting sight to behold, but an insult to the thousands of men and women of our military who risk their lives every day to defend the principles of freedom and democracy we proudly enjoy in this Nation.

Either Fidel Castro is our enemy or he is not. Let us have these officials explain these actions to us.

REPUBLICANS PLAN TO PREVENT VOTE ON PRIVILEGED RESOLUTION REGARDING GINGRICH COMPLAINTS

(Mr. MILLER of California asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, on August 5, 1987, the gentleman from Georgia, Representative NEWT GINGRICH, offered a privileged resolution on the House floor. The Gingrich resolution directed the Committee on Ethics to expand the investigation into another Member of the House, Representative Fernand St. Germain.

At that time no one moved to table the Gingrich resolution in 1987. The House was permitted to fully debate the resolution in 1987, and the House took an up or down rollcall vote on the resolution in 1987.

Times have apparently changed. When the gentleman from Florida, Representative JOHNSTON, offered a similar resolution to ask the Committee on Standards of Official Conduct to do the same thing with respect to the case of Mr. GINGRICH, the Republican leadership plans to table the resolution immediately, the Republican leadership plans to block all debate on the resolution, and the Republican leadership plans to prevent a vote on the resolution.

My, how things have changed and, my, how the people's House has changed.

NO GLASS CEILING FOR WOMEN REPRESENTATIVES

(Mrs. CHENOWETH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHENOWETH. Mr. Speaker, I am often asked by women in my district if there is a glass ceiling in this Congress for women who serve here, and I tell them no, there is not a glass ceiling as far as I am concerned.

I tell them that I am reminded of Fred Astaire and Ginger Rogers. Remember, Fred Astaire was a spectacular dancer, but some people forget that Ginger Rogers had to do everything he did, except she had to do it in a long dress, high heels, dancing backward, with a smile on her face.

The point of this friendly jibe is that we as women oftentimes have to work differently or harder, but we are working toward the same goal side-by-side with the gentlemen in this body.

Some Members would have us believe that women are some sort of a third political party, that there are a special set of issues that only women care about. One of my colleagues recently claimed that there was a war against women in this body. Such a charge is hollow rhetoric. The real issue is that the most important concerns women have are really no different than all Americans.

NEWTGATE

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, if a Member of this House was involved in a $6 million tax fraud scheme and the Ethics Committee knew and did nothing, what would that be?

If a Member of this House set up and used tax exempt organizations for partisan political purposes and the Ethics Committee knew and did nothing, what would that be?

Well, Mr. Speaker, these are exactly the charges hanging over Speaker NEWT GINGRICH. The Ethics Committee has been sitting on these charges for 6 months and doing nothing. They even refuse to send them to the outside counsel investigating the Speaker.

To answer the question, Mr. Speaker, What would it be? It would be, it is, a scandal. Newtgate is truly the biggest scandal and coverup in this town.

IN SUPPORT OF THE RESOLUTION OF DISAPPROVAL OF MFN STATUS FOR CHINA

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, my colleagues, for 15 years now, we have given MFN status to the Chinese. And rather than getting better, the situation is worsening: we now have a $30 billion trade imbalance, human rights abuses are on the rise, Chinese companies continue to steal America's intellectual property, military spending is increasing, and anti-American sentiment is rising throughout China.

Not only do we tolerate such behavior from China, but by granting MFN status—by voting against this resolution—we actually condone the behavior of the Chinese. We tell them to continue the systematic killing of their children and the state-sponsored abortions; we tell them that America condones communism, hostility, and oppression; we support and fund their Army through our trade imbalance; and we ignore the theft of millions of American dollars in intellectual property. We standby and we do nothing, and our apathy is just as bad as our involvement; it is, in simple terms, the American seal of approval.

My colleagues, we have the opportunity today to send a message to the world that America will not support a rogue nation, that we will not condone terrorism, oppression, and intolerance. Today, we have the opportunity to affect a change in China's policies, and to tell the rest of the world: America allies itself with only those nations who advance and encourage fairness, the nations who foster democracy, and those nations who embrace freedom.

My colleagues, I urge you to do the right thing: Vote for the resolution of disapproval; vote against MFN for China.

THE COMMITTEE SHOULD GET ON WITH IT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, it is almost the Fourth of July, and today many of us will be leaving to go home. I know we are going to be giving wonderful speeches about this country, about this country and how we believe it is a government of laws and not of men, that no man is above the law.

Well, thank goodness for the gentleman from Florida [Mr. JOHNSTON], because he is going to give us a chance to prove we mean that before we leave here today because today he will be offering a resolution that says to a certain committee that has all sorts of charges piled up in front of it that they have been sitting on like nesting hens, very serious charges that go to the core of this democracy saying to that committee, get on with it. Even if this person against whom these charges are being leveled is the Speaker of this House, we must act.

So if we are going to give those speeches later on next week, we better be prepared to vote today to show we mean it.

THE AMERICAN WORKERS TAX BURDEN

(Mr. ROYCE asked and was given permission to address the House for 1 minute.)

Mr. ROYCE. Mr. Speaker, next week on July 4, the American people will celebrate 220 years of independence from Great Britain, but they will also celebrate the fact that their liberation from $3.3 trillion in total costs and regulations that it takes 6 months to pay. It was not always so.

If we went back to the 1960's, we would see that the Federal tax rate then was 12 to 13 percent. It has doubled since then to 25 percent. When we add the regulations cost, when we add the State cost, it brings it up to almost 50 percent.

Now that is the cost of increased Government spending. That is why some of us fight to reduce wasteful Government spending on this floor. Let us reduce the burdens which we have placed upon the American worker. Let us reform the overgrown Government agencies and roll back senseless and burdensome regulations. Let us grant the American worker the independence that he or she deserves from the Federal Government.

GINGRICH ETHICS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the House of Representatives is at one of its all-time-lowest approval ratings in history. The American people have lost confidence in this institution's ability to lead and to do what's right. We must do all we can to restore their confidence and prove beyond a shadow of a doubt that we can monitor our own House.

Stores like the series currently running in the LA Times do not help us in our quest for the public's confidence. The LA Times article and I quote "cited public records showing that six nonprofit organizations linked to GOPAC has raised at least $6 million in tax-decuctible funds that tax experts said appeared to have been used for Republican political purposes."

The American people demand—and deserve—a Congress that is above reproach ethically and morally. Questions have been raised and they need to be answered swiftly, and thoroughly.

No one is above the law in this Congress and no one has a right to be shielded and protected from legitimate questions regarding these very serious issues.

A SPECIAL COUNSEL FOR THE SPEAKER'S WRONGDOING

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, I just wanted to follow up on this resolution that will be proposed later which basically asks that an outside counsel be appointed for certain purposes. I think the notion that we police ourselves in the House of Representatives to some extent makes sense but, when the time comes, when a certain committee is not doing its job and not basically taking on the responsibility to make sure that certain Members here are properly investigated for alleged wrongdoings, particularly when it comes to tax-exempt organizations, the political process needs to be kept in a proper fashion.

If tax-exempt organizations or other organizations are being used to promote a particular candidacy or a particular political party, the time comes when the particular committee here, in this case the ethics committee, must do its job. If it cannot do its job, then we need have to have an outside counsel appointed.

I think that the LA Times article has clearly pointed out that there have been a number of allegations here with regard to the Speaker, and the time has come for this House to move to appoint a special counsel to look into the Speaker's wrongdoing.

RESTORE AMERICANS' FAITH IN GOVERNMENT

(Mr. EHLERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EHLERS. Mr. Speaker, integrity is extremely important to me. I have always been a great believer in Government and believe integrity in Government is also important. There is a very sad period in my life in the early 1970's when it appeared that the Federal Government, or at least some individuals in the White House, had betrayed the trust of the American people and had displayed a notable lack of integrity. It is at that time I decided to become involved in politics. I never expected to be in the Congress, but I did run for local government.

I am sorry to say that once again sadness affects me. Once again, we have an incredible abuse of power in the White House. We have the greatest invasion of privacy that has occurred in the history of the FBI. I am very saddened that this has taken place.

Mr. Speaker, I believe it is extremely important for all of us in this Congress and throughout the Federal Government to take whatever steps are necessary to make sure that those responsible are punished, but above all to once again restore the American faith in our Government and in the integrity of Government both in this Chamber and in the White House. I urge that we take strong action to do so.

INTEGRITY BEGINS AT HOME

(Mr. DOGGETT asked and was given permission to address the House for 1 minute).

Mr. DOGGETT. Mr. Speaker, it seems to me that integrity begins at home. Or, more particularly, integrity begins in this House. Every Member of this House will have an opportunity to go on record concerning the integrity of the proceedings of this House and of its Members today.

When the privileged resolution is presented, if you believe in a fair and impartial investigation, you vote "aye". If you believe in a cover up, you vote "no".

If you believe that this House should be muzzled and that this issue should not get a full and fair airing, you vote for DICK ARMEY's motion to muzzle.

This resolution, in its enacting clause, is one sentence. It does not prejudge charges, as some have done in their remarks here today. It simply instructs the Ethics Committee to immediately transmit the remaining charges against Speaker GINGRICH to the outside counsel for his investigation and recommendations.

How could anyone oppose, given the way these charges have lingered for over 6 months in the committee, simply referring them to the outside counsel to fully and thoroughly investigate them and take such action as is appropriate. That is where integrity begins.

CHURCH ARSON PREVENTION ACT OF 1996

Mr. HYDE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property, with a Senate amendment thereto and occur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Church Arson Prevention Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The incidence of arson or other destruction or vandalism of places of religious worship, and the incidence of violent interference with an individual's lawful exercise or attempted exercise of the right of religious freedom at a place of religious worship pose a serious national problem.

(2) The incidence of arson of places of religious worship has recently increased, especially in the context of places of religious worship that serve predominantly African-American congregations.

(3) Changes in Federal law are necessary to deal properly with this problem.

(4) Although local jurisdictions have attempted to respond to the challenges posed by such acts of destruction or damage to religious property, the problem is sufficiently serious, widespread, and interstate in scope to warrant Federal intervention to assist State and local jurisdictions.

(5) Congress has authority, pursuant to the Commerce Clause of the Constitution, to make acts of destruction or damage to religious property a violation of Federal law.

(6) Congress has authority, pursuant to section 2 of the 13th amendment to the Constitution, to make actions of private citizens motivated by race, color, or ethnicity that interfere with the ability of citizens to hold or use religious property without fear of attack, violations of Federal criminal law.

SEC. 3. PROHIBITION OF VIOLENT INTERFERENCE WITH RELIGIOUS WORSHIP.

Section 247 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "subsection (c) of this section" and inserting "subsection (d)";

(2) by redesignating subsections (c), (d), and (e), as subsection (d), (e), and (f), respectively;

(3) by striking subsection (b) and inserting the following:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.

"(c) Whoever intentionally defaces, damages, or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so, shall be punished as provided in subsection (d).";

(4) in subsection (d), as redesignated—

(A) in paragraph (2)—

(i) by inserting "to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section," after "bodily injury"; and

(ii) by striking "ten years" and inserting "20 years";

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(C) by inserting after paragraph (1) the following:

"(2) if bodily injury results to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this section, and the violation is by means of fire or an explosive, a fine under this title or imprisonment for not more than 40 years, or both;";

(5) in subsection (f), as redesignated—

(A) by striking "religious property" and inserting "religious real property" both places it appears; and

(B) by inserting ", including fixtures or religious objects contained within a place of religious worship" before the period; and

(6) by adding at the end the following new subsection:

"(g) No person shall be prosecuted, tried, or punished for any noncapital offense under this section unless the indictment is found or the information is instituted not later than 7 years after the date on which the offense was committed.".

SEC. 4. LOAN GUARANTEE RECOVERY FUND.

(a) IN GENERAL.—

(1) IN GENERAL.—Using amounts described in paragraph (2), the Secretary of Housing and Urban Development (referred to as the "Secretary") shall make guaranteed loans to financial institutions in connection with loans made by such institutions to assist organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 that have been damaged as a result of acts of arson or terrorism in accordance with such procedures as the Secretary shall establish by regulation.

(2) USE OF CREDIT SUBSIDY.—Notwithstanding any other provision of law, for the cost of loan guarantees under this section, the Secretary may use not more than $5,000,000 of the amounts made available for fiscal year 1996 for the credit subsidy provided under the General Insurance Fund and the Special Risk Insurance Fund.

(b) TREATMENT OF COSTS.—The costs of guaranteed loans under this section, including the cost of modifying loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(c) LIMIT ON LOAN PRINCIPAL.—Funds made available under this section shall be available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $10,000,000.

(d) TERMS AND CONDITIONS.—The Secretary shall—

(1) establish such terms and conditions as the Secretary considers to be appropriate to provide loan guarantees under this section, consistent with section 503 of the Credit Reform Act; and

(2) include in the terms and conditions a requirement that the decision to provide a loan guarantee to a financial institution and the amount of the guarantee does not in any way depend on the purpose, function, or identity of the organization to which the financial institution has made, or intends to make, a loan.

SEC. 5. COMPENSATION OF VICTIMS; REQUIREMENT OF INCLUSION IN LIST OF CRIMES ELIGIBLE FOR COMPENSATION.

Section 1403(d)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(3)) is amended by inserting "crimes, whose victims suffer death or personal injury, that are described in section 247 of title 18, United States Code," after "includes".

SEC. 6. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, in fiscal years 1996 and 1997 such sums as are necessary to increase the number of personnel, investigators, and technical support personnel to investigate, prevent, and respond to potential violations of sections 247 and 844 of title 18, United States Code.

SEC. 7. REAUTHORIZATION OF HATE CRIMES STATISTICS ACT.

The first section of the Hate Crimes Statistics Act (28 U.S.C. 534 note) is amended—

(1) in subsection (b), by striking "for the calendar year 1990 and each of the succeeding 4 calendar years" and inserting "for each calendar year"; and

(2) in subsection (c), by striking "1994" and inserting "2002".

SEC. 8. SENSE OF THE CONGRESS.

The Congress—

(1) commends those individuals and entities that have responded with funds to assist in the rebuilding of places of worship that have been victimized by arson; and

(2) encourages the private sector to continue these efforts so that places of worship that are victimized by arson, and their affected communities, can continue the rebuilding process with maximum financial support from private individuals, businesses, charitable organizations, and other non-profit entities.

Mr. HYDE (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. WHITE). Is there objection to the request of the gentleman from Illinois?

Mr. CONYERS. Mr. Speaker, reserving the right to object, I, of course, do not intend to object. I make this reservation so that we may have an opportunity to clarify how this text, which has been substituted by the other body, differs from the House-passed version of the legislation.

It is my understanding, Mr. Speaker, that this bill makes abundantly clear the jurisdiction federally under the Constitution's interstate commerce clause and the 13th amendment, increases maximum penalties for church arsons where bodily injury occurs, includes religious fixtures and objects as covered property, provides $5 million in HUD loan guarantees and reauthorizes the Hate Crimes Statistic Act.

I wonder if this is the chairman's understanding, Mr. Speaker, and I will yield to the gentleman from Illinois for the purpose of elaboration on this point and observe that the unanimity of our cause has been underlined by the gentleman from Oklahoma, Mr. J.C. WATTS, in the work that he and other Members on the gentleman's side have been doing, along with the gentlewoman from Texas, Ms. SHEILA JACKSON-LEE, the gentleman from Georgia, Mr. SANFORD BISHOP, and the gentlewoman from North Carolina, Mrs. EVA CLAYTON.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Illinois.

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Mr. HYDE. Mr. Speaker, I thank the gentleman, and I want to congratulate the gentleman for his being the chief cosponsor of this legislation and his important work in advancing it to the point where it is today ready for passage.

The Senate amendment retains the provisions of the House version, which amends section 247 of title XVIII to eliminate the $1 minimum, to clarify the interstate commerce requirement, and to make it a crime to destroy religious property due to the racial or ethnic character of persons affiliated with the property.

The Senate amendment includes the House language making personal injury victims of section 247-type crimes eligible under the Victims of Crime Act, but does not create a priority for those victims. The Senate amendment also corresponds the penalties in section 247 to those in the Federal arson statute.

The Senate amendment includes a $5 million loan guarantee program under HUD to assist in the rebuilding of nonprofit property damaged by arson or terrorism. This provision has been cleared with the Committee on Banking and Financial Services.

The Senate amendment authorizes funding to the Departments of Treasury and Justice in 1996 and 1997 for personnel to investigate and respond to violations of section 247 and section 844 of title XVIII. The Senate amendment reauthorizes the Hate Crimes Statistics Act for 6 years, through the year 2002.

Mr. CONYERS. Mr. Speaker, I thank the chairman of the Committee on the Judiciary for his excellent clarification. I commend him personally for the way that, as the sponsor of this measure, he was worked with all the Members, not only on the committee but in the Congress, and I might commend the House itself for the enormous rapidity with which we have acted. I think that the action this Congress has taken and the speed with which we have moved serves notice to all would-be terrorists of the domestic variety that the Federal and State governments will use all of their activities and resources to prosecute these destroyers of houses of worship. They can run but they cannot hide, and when found, they will be vigorously prosecuted.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. WATT of North Carolina. Reserving the right to object, Mr. Speaker, I wanted to do so to heap further praise on the chairman of the committee and on the ranking member, the gentleman from Michigan [Mr. CONYERS], for the haste with which they have moved this legislation along, and also to heap additional praise on the Senate for doing what I think is a major improvement in the bill that had previously passed on the House side. The Senate has taken a good idea and made it surprisingly and pleasingly better than we started with.

There is one reservation that I have about the way we are doing this. I wanted to express that without objecting to the unanimous-consent request. That is, the disappointment that I am sure that all of our Members will feel at not having had the opportunity, because of this process, to vote unanimously in support of this resolution, to send another resounding signal to all Americans that this kind of conduct, church burnings, is not to be tolerated in our country, and this process is depriving us of having the opportunity to be able to cast a recorded vote.

But I understand the reason why. The reason is that these two gentlemen, the chairman of the committee, the gentleman from Illinois [Mr. HYDE], and the ranking member, understand that this is important to get this legislation passed and to the President immediately, and we are about to go home for a break, and we need to move this legislation along.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I want to associate myself entirely with the remarks of the gentleman from North Carolina [Mr. WATT] and let him know that my sentiments are his.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I agree with both gentlemen. It would be desirable, but we do have other considerations. I think the expedition with which we pass this sends that same message. It was a unanimous vote in both Chambers, and that speaks loudly, as well as the fact that we are here today to get it passed.

Mr. WATT of North Carolina. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. WHITE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1972

Mr. LUTHER. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1972.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY ACT OF 1996

Mr. DAVIS. Mr. Speaker, I ask unanimous consent to call up the bill (H.R. 3663) to amend the District of Columbia Self-Government and Governmental Reorganization Act to permit the Council of the District of Columbia to authorize the issuance of revenue bonds with respect to water and sewer facilities, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Water and Sewer Authority Act of 1996".

SEC. 2. PERMITTING ISSUANCE OF REVENUE BONDS FOR WASTEWATER TREATMENT ACTIVITIES.

(a) AUTHORITY TO ISSUE BONDS.—

(1) IN GENERAL.—The first sentence of section 490(a)(1) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47–334(a)(1), D.C. Code) is amended—

(A) by striking "and industrial" and inserting "industrial"; and

(B) by striking the period at the end and inserting the following: ", and water and sewer facilities (as defined in paragraph (5)).".

(2) WATER AND SEWER FACILITIES DEFINED.—Section 490(a) of such Act (sec. 47–334(a), D.C. Code) is amended by adding at the end the following new paragraph:

"(5) In paragraph (1), the term 'water and sewer facilities' means facilities for the obtaining, treatment, storage, and distribution of water, the collection, storage, treatment, and transportation of wastewater, storm drainage, and the disposal of liquids and solids resulting from treatment.".

(b) USE OF REVENUES TO MAKE PAYMENTS ON BONDS.—The second sentence of section 490(a)(3) of such Act (sec. 47–334(a)(3), D.C. Code) is amended by inserting after "property" each place it appears in subparagraphs (A) and (B) the following: "(including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities)".

(c) PERMITTING DELEGATION OF AUTHORITY TO ISSUE REVENUE BONDS TO WATER AND SEWER AUTHORITY.—

(1) IN GENERAL.—Section 490 of such Act (sec. 47–334, D.C. Code) is amended by adding at the end the following new subsection:

"(h)(1) The Council may delegate to the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations to borrow money to finance or assist in the financing or refinancing of undertakings in the area of utilities facilities, pollution control facilities, and water and sewer facilities (as defined in subsection (a)(5)). The Authority may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection.

"(2) Revenue bonds, notes, and other obligations issued by the District of Columbia Water and Sewer Authority under a delegation of authority described in paragraph (1) shall be issued by resolution of the Authority, and any such resolution shall not be considered to be an act of the Council.

"(3) The provisions of subsections (a) through (e) shall apply with respect to the District of Columbia Water and Sewer Authority, the General Manager of the Authority, and to revenue bonds, notes, and other obligations issued by the Authority under a delegation of authority described in paragraph (1) in the same manner as such provisions apply with respect to the Council, to the Mayor, and to revenue bonds, notes, and other obligations issued by the Council under subsection (a)(1) (without regard to whether or not the Council has authorized the application of such provisions to the Authority or the General Manager).

"(4) The fourth sentence of section 446 shall not apply to—

"(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued pursuant to this subsection;

"(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued pursuant to this subsection;

"(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued pursuant to this subsection; or

"(D) any amount obligated or expended for repair, maintenance, and capital improvements to facilities financed pursuant to this subsection.".

(2) CONFORMING AMENDMENT.—The fourth sentence of section 446 of such Act (sec. 47–304, D.C. Code) is amended by striking "(f) and (g)(3)" and inserting "(f), (g)(3), and (h)(4)".

SEC. 3. TREATMENT OF REVENUES AND OBLIGATIONS.

(a) EXCLUSION OF REVENUES FOR PURPOSES OF CAP ON AGGREGATE DISTRICT DEBT.—Paragraphs (1) and (3)(A) of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47–313(b), D.C. Code) are each amended by inserting after "revenue bonds," the following: "any revenues, charges, or fees dedicated for the purposes of water and sewer facilities described in section 490(a) (including fees or revenues directed to servicing or securing revenue bonds issued for such purposes),".

(b) EXCLUSION OF OBLIGATIONS RELATING TO DEBT SERVICING PAYMENTS ON CERTAIN GENERAL OBLIGATION BONDS.—

(1) IN GENERAL.—Section 603(b)(2) of such Act (sec. 47–313(b)(2), D.C. Code) is amended—

(A) by striking "and obligations" and inserting "obligations"; and

(B) by inserting after "establishment," the following: ", and obligations incurred pursuant to general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Administration capital projects,".

(2) CONFORMING AMENDMENT.—Section 603(b)(3)(B) of such Act (sec. 47-313(b)(3)(B), D.C. Code) is amended by inserting after "bonds" the following: "(less the allocable portion of principal and interest to be paid during the year on general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Administration capital projects)".

SEC. 4. TREATMENT OF BUDGET OF WATER AND SEWER AUTHORITY.

(a) PREPARATION OF INDEPENDENT BUDGET.—Subpart 1 of part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting after section 445 the following new section:

"WATER AND SEWER AUTHORITY BUDGET

"SEC. 445A. The District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 shall prepare and annually submit to the Mayor, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the operation of the Authority for the year. All such estimates shall be forwarded by the Mayor to the Council for its action pursuant to sections 446 and 603(c), without revision but subject to his recommendations. Notwithstanding any other provision of this Act, the Council may comment or make recommendations concerning such annual estimates, but shall have no authority under this Act to revise such estimates.".

(b) EXEMPTION FROM REDUCTIONS OF BUDGETS OF INDEPENDENT AGENCIES.—Section 453(c) of such Act (sec. 47-304.1(c), D.C. Code) is amended—

(1) by striking "courts or the Council, or to" and inserting "courts, the Council,"; and

(2) by striking the period at the end and inserting the following: ", or the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996.".

(c) CONFORMING AMENDMENT.—Section 442(b) of such Act (sec. 47-301(b), D.C. Code) is amended—

(1) by striking "and the Commission" and inserting "the Commission"; and

(2) by striking the period at the end and inserting the following: ", and the District of Columbia Water and Sewer Authority.".

(d) CLERICAL AMENDMENT.—The table of contents of subpart 1 of part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting after the item relating to section 445 the following new item:

"Sec. 445A. Water and Sewer Authority budget.".

SEC. 5. CLARIFICATION OF COMPENSATION OF CURRENT EMPLOYEES OF DEPARTMENT OF PUBLIC WORKS.

The first sentence of section 205(b)(2) of such Act (sec. 43-1675(b)(2), D.C. Code) is amended by striking "duties)" and inserting "duties, and except as may otherwise be provided under the personnel system developed pursuant to subsection (a)(4) or a collective bargaining agreement entered into after the date of the enactment of this Act)".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DAVIS

Mr. DAVIS. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DAVIS:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Water and Sewer Authority Act of 1996".

SEC. 2. PERMITTING ISSUANCE OF REVENUE BONDS FOR WASTEWATER TREATMENT ACTIVITIES.

(a) AUTHORITY TO ISSUE BONDS.—

(1) IN GENERAL.—The first sentence of section 490(a)(1) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-334(a)(1), D.C. Code) is amended—

(A) by striking "and industrial" and inserting "industrial"; and

(B) by striking the period at the end and inserting the following: ", and water and sewer facilities (as defined in paragraph (5)).".

(2) WATER AND SEWER FACILITIES DEFINED.—Section 490(a) of such Act (sec. 47-334(a), D.C. Code) is amended by adding at the end the following new paragraph:

"(5) In paragraph (1), the term 'water and sewer facilities' means facilities for the obtaining, treatment, storage, and distribution of water, the collection, storage, treatment, and transportation of wastewater, storm drainage, and the disposal of liquids and solids resulting from treatment.".

(b) USE OF REVENUES TO MAKE PAYMENTS ON BONDS.—The second sentence of section 490(a)(3) of such Act (sec. 47-334(a)(3), D.C. Code) is amended by inserting after "property" each place it appears in subparagraphs (A) and (B) the following: "(including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities)".

(c) PERMITTING DELEGATION OF AUTHORITY TO ISSUE REVENUE BONDS TO WATER AND SEWER AUTHORITY.—

(1) IN GENERAL.—Section 490 of such Act (sec. 47-334, D.C. Code) is amended by adding at the end the following new subsection:

"(h)(1) The Council may delegate to the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations to borrow money to finance or assist in the financing or refinancing of undertakings in the area of utilities facilities, pollution control facilities, and water and sewer facilities (as defined in subsection (a)(5)). The Authority may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection.

"(2) Revenue bonds, notes, and other obligations issued by the District of Columbia Water and Sewer Authority under a delegation of authority described in paragraph (1) shall be issued by resolution of the Authority, and any such resolution shall not be considered to be an act of the Council.

"(3) The fourth sentence of section 446 shall not apply to—

"(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued pursuant to this subsection;

"(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued pursuant to this subsection;

"(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued pursuant to this subsection; or

"(D) any amount obligated or expended for repair, maintenance, and capital improvements to facilities financed pursuant to this subsection.".

(2) CONFORMING AMENDMENT.—The fourth sentence of section 446 of such Act (sec. 47-304, D.C. Code) is amended by striking "(f) and (g)(3)" and inserting "(f), (g)(3), and (h)(3)".

SEC. 3. TREATMENT OF REVENUES AND OBLIGATIONS.

(a) EXCLUSION OF REVENUES FOR PURPOSES OF CAP ON AGGREGATE DISTRICT DEBT.—Paragraphs (1) and (3)(A) of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-313(b), D.C. Code) are each amended by inserting after "revenue bonds," the following: "any revenues, charges, or fees dedicated for the purposes of water and sewer facilities described in section 490(a) (including fees or revenues directed to servicing or securing revenue bonds issued for such purposes),".

(b) EXCLUSION OF OBLIGATIONS RELATING TO DEBT SERVICING PAYMENTS ON CERTAIN GENERAL OBLIGATION BONDS.—

(1) IN GENERAL.—Section 603(b)(2) of such Act (sec. 47-313(b)(2), D.C. Code) is amended—

(A) by striking "and obligations" and inserting "obligations"; and

(B) by inserting after "establishment," the following: "and obligations incurred pursuant to general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Administration capital projects,".

(2) CONFORMING AMENDMENT.—Section 603(b)(3)(B) of such Act (sec. 47-313(b)(3)(B), D.C. Code) is amended by inserting after "bonds" the following: "(less the allocable portion of principal and interest to be paid during the year on general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Administration capital projects)".

SEC. 4. TREATMENT OF BUDGET OF WATER AND SEWER AUTHORITY.

(a) PREPARATION OF INDEPENDENT BUDGET.—Subpart 1 of part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting after section 445 the following new section:

"WATER AND SEWER AUTHORITY BUDGET

"SEC. 445A. The District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 shall prepare and annually submit to the Mayor, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the operation of the Authority for the year. All such estimates shall be forwarded by the Mayor to the Council for its action pursuant to sections 446 and 603(c), without revision but subject to his recommendations. Notwithstanding any other provision of this Act, the Council may comment or make recommendations concerning such annual estimates, but shall have no authority under this Act to revise such estimates.".

(b) EXEMPTION FROM REDUCTIONS OF BUDGETS OF INDEPENDENT AGENCIES.—Section 453(c) of such Act (sec. 47-304.1(c), D.C. Code) is amended—

(1) by striking "courts or the Council, or to" and inserting "courts, the Council,"; and

(2) by striking the period at the end and inserting the following: ", or the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996.".

(c) CONFORMING AMENDMENT.—Section 442(b) of such Act (sec. 47-301(b), D.C. Code) is amended—

(1) by striking "and the Commission" and inserting "the Commission"; and

(2) by striking the period at the end and inserting the following: ", and the District of Columbia Water and Sewer Authority.".

(d) CLERICAL AMENDMENT.—The table of contents of subpart 1 of part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting after the item relating to section 445 the following new item:

"Sec. 445A. Water and Sewer Authority budget.".

SEC. 5. CLARIFICATION OF COMPENSATION OF CURRENT EMPLOYEES OF DEPARTMENT OF PUBLIC WORKS.

The first sentence of section 205(b)(2) of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 (sec. 43-1675(b)(2), D.C. Code) is amended by striking "duties)" and inserting "duties, and except as may otherwise be provided under the personnel system developed pursuant to subsection (a)(4) or a collective bargaining agreement entered into after the date of the enactment of this Act)".

Mr. DAVIS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. DAVIS] is recognized for 1 hour.

Mr. DAVIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3663 is a completely noncontroversial measure which addresses major ongoing problems at the Blue Plains wastewater treatment facility and with the water and sewer pipes in the District of Columbia. The bill was bipartisan support. It was cosponsored by all of the members of the subcommittee on the District of Columbia and the regional delegation. It was reported out of both the subcommittee on the District of Columbia and the Committee on Government Reform and Oversight with unanimous voice votes.

H.R. 3663 changes the home rule charter so that the new water and sewer authority may issue revenue bonds and make other changes necessary to ensure both the independence of new authority and its financial responsibility. The newly created water and sewer authority is good not only for the residents of the city, but for everyone who lives in the metropolitan region. For the first time, the suburban jurisdictions will have representation on the governing board for Blue Plains.

Currently, the Blue Plains facility is caught up in the District's financial problems. This has led the Environmental Protection Agency to become involved in a resolution of the problem. The EPA supports both the District legislation and H.R. 3663, because they are the best immediate solution to the operational problems at Blue Plains.

The amendment in the nature of a substitute which I am offering is a purely technical correction of H.R. 3663, which in no way alters the substance or purpose of the bill. I have chosen to proceed along this path to avoid the confusion of making numerous minor corrections to H.R. 3663.

Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia [Ms. NORTON], the ranking minority member of the subcommittee.

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding time to me. I want to associate myself entirely with the gentleman's remarks. This is a regional matter. All of the regional partners agree. It is before this body only because a charter change in the District of Columbia law requires the action of this body. The matter has enormous environmental implications. We want to move quickly, because we want to avoid environmental damage to the city and to the region. I appreciate the work of the gentleman in moving this matter forward to the floor.

Mr. DAVIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, let me begin by expressing my compliments to the chairman of the Subcommittee on the District of Columbia of the Committee on Economic and Educational Opportunities. He has done an outstanding job in bringing this bill to the floor and bringing together the various parties who are affected.

Mr. Speaker, I am pleased to be a cosponsor of this important legislation concerning the Blue Plains wastewater treatment plant and the establishment of the District of Columbia water and sewer authority with full bonding authority. People do not often talk about sewage until it is backed up, but a regional water and sewer authority that represents the interests of all of the affected jurisdictions is critical so that the Blue Plains facility can make much needed capital improvements and repairs.

Currently the facility does not have the ability to borrow money to meet its capital needs for repairs and maintenance as a result of the District's credit rating. It is imperative that the necessary repairs and expansion of Blue Plains begin. A few months ago the Environmental Protection Agency expressed its concern that a breakdown of old and inadequate equipment could release untreated sewage, contaminating the Potomac River. This would be detrimental to the health and environment of all of us who live in the Washington metropolitan region.

I have been particularly concerned about these developments because Blue Plains currently handles 94 percent of the wastewater flows from Montgomery County and 54 percent of the wastewater flows from Prince Georges County, which are both in my congressional district. Prince Georges and Montgomery Counties contribute about $346 million in capital and operating costs, and we are certainly concerned about the advancement of this facility.

I have been especially pleased with the cooperation between the district and the suburban jurisdictions in resolving many of the conflicts relating to the water and sewer authority, and I believe this is a great example of regional cooperation. It is extremely important that we resolve these difficult issues so we can benefit all of the residents of the metropolitan area.

I would also like to conclude by complimenting the delegate from the District of Columbia [Ms. NORTON] for her leadership in helping us resolve these issues. I am pleased to support this legislation.

Mr. DAVIS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 3663, the District of Columbia Water and Sewer Authority Act of 1996. I especially want to thank and praise the chairman of the D.C. Subcommittee, TOM DAVIS, for his hard work in crafting a bill which has the support of the D.C. Council and all of the local governments in the jurisdictions that surround the District of Columbia. I am an original cosponsor of this legislation, along with the Members of the Washington regional delegation.

H.R. 3663 would allow the newly-formed Water and Sewer Authority to issue revenue bonds. The bill would give the authority the independence that it needs to govern the Blue Plains wastewater treatment plant in a manner that will address the common concerns of the area jurisdictions. Under this bill, the suburban jurisdictions will have representation on the governing board for Blue Plains.

The effective operation of the Blue Plains is critical to my constituents in Montgomery County. Indeed, the efficient operation of Blue Plains is of great importance to the citizens of the District of Columbia, Prince Georges County, and northern Virginia. We all have a significant stake in this facility.

Montgomery County and Prince Georges County together account for more than 39 percent of the sewage that is processed at Blue Plains. Montgomery County is almost totally dependent on Blue Plains, with 95 percent of its sewage flowing to the D.C. plant. The county also provides its proportionate share of funding for the operations of the plant.

We are all interested in making sure that Blue Plains operates in an environmentally-healthy manner. We all want clean water to drink, and we all want to ensure the preservation of the Potomac River and the Chesapeake Bay. The District and the suburban jurisdictions have a shared interest in working together to make the Blue Plains wastewater treatment plant an effective facility. H.R. 3663 will take us one step closer toward our goal.

Again, I commend Congressman DAVIS and the members of the subcommittee for crafting this noncontroversial and important legislation.

Mr. DAVIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this has taken a lot of work on behalf of a lot of people. I thank the gentlewoman from the District of Columbia [Ms. NORTON] for her help in helping bring the city to the table; Mike Rogers, the Mayor, and the entire council, for being flexible on this issue; to Wayne Curry, the chief executive of Prince Georges County; Doug Duncan, the county executive in Montgomery County; Cathy Hanley, the supervisor and the chairman at Fairfax County. I think all worked together with the regional congressional delegation to bring this about and save Congress a lot of time on this bill, and also do what is right for the region. I appreciate their efforts.

Mr. HOYER. Mr. Speaker, I want to thank Chairman DAVIS and delegate HOLMES-NORTON for their continued leadership and hard work on this bill which will provide the newly created District of Columbia Water and Sewer Authority with the ability to issue bonds. Since this new authority will oversee operations at the Blue Plains Water Treatment Facility, it is important that it have the necessary power to deal with issues of concern at the plant.

The citizens living in the Washington metropolitan region remain concerned about operations and management problems at the Blue Plains and the environmental and safety impact of the problems Blue Plains has been experiencing. At a time when we are substantially improving the region's water quality, it is important that we preserve our fragile environment and protect human health.

The ability of this new independent authority to function effectively will go a long way in helping to alleviate some of these concerns. Granting bonding ability will enable the authority to collect its own revenues. This will move us a step closer to ensuring protection of human life and the environment while providing for better operations, proper equipment, financial stability, and sufficient staffing levels. It will enable Blue Plains to manage its business affairs outside the domain of the District's tenuous budgetary affairs. I believe residents living in the surrounding jurisdictions will take comfort in knowing that.

The establishment of the authority is a good step in the right direction. However, one additional step is critical. The authority must be given the power to raise capital to operate and make much needed improvements at the Blue Plains plant.

I would be remiss if I did not express my satisfaction with the cooperative efforts of the suburban jurisdictions and the District. It would have been very difficult to bring this legislation to the floor without their collaboration and support. Again, I want to thank Chairman DAVIS for working with Members in the region to develop a bill which we can all support, and I urge swift adoption of this legislation.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Virginia [Mr. DAVIS].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3663.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

□ 1300

DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 463, I call up the joint resolution (H.J. Res. 182) disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 182 is as follows:

H.J. RES. 182

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on May 31, 1996, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 463, the gentleman from Texas [Mr. ARCHER] and the gentleman from California [Mr. STARK] will each be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, I ask unanimous consent to yield half of my time to the gentleman from Florida [Mr. GIBBONS] and that he be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STARK. Mr. Speaker, I ask unanimous consent to yield 30 minutes of my time to the gentleman from Kentucky [Mr. BUNNING] and that he be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on House Joint Resolution 182.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I speak today in strong opposition to House Joint Resolution 182, which would disapprove the extension of most-favored-nation status, or more accurately, normal trade relations to the People's Republic of China. On June 18, the Committee on Ways and Means reported this resolution adversely by an overwhelming bipartisan vote of 31 to 6.

Mr. Speaker, all of us in this Chamber share a common goal of fostering freedom, democracy, and human rights in China. We of course have deep concerns about China's human rights record, which demonstrates that serious abuses and strong-arm tactics occur all too often. Yet, steady improvements over the decade in the daily lives of the Chinese people is also clearly in evidence.

Mr. Speaker, I am opposed to this resolution because it would have the effect of severing completely our trading relations with China. Such a step would be counterproductive to fostering the growth of freedom and democracy in that nation and would extinguish our ability to improve the human rights situation there.

We have proof that the commercial opportunities set in motion by MFN trade status have given Chinese workers and firms a strong stake in the free market reforms occurring in China and allow our companies to lead by example in spreading our values and ideals throughout the country.

We have no proof that ending this relationship would somehow force China to improve human rights in that country. We have isolated China before, and it did not work. The conditions were worse. Revoking MFN will be an empty gesture and could return us to that cold environment.

In addition, United States commercial involvement with China is critical to our economic objectives. China, whose economy is now the third largest in the world, continues to embark on massive infrastructure programs, spending billions of dollars annually in sectors in which we lead: High technology, aerospace, petrochemical, and telecommunication. With per capita income doubling every 6 or 7 years, the Chinese economy is expanding at an outstanding pace and has an insatiable appetite for goods.

Our participation in that huge market translates directly into U.S. jobs. Our trade relationships with the Chinese have created 200,000 high-paying jobs in the United States, with another 400,000 United States jobs indirectly supported in transportation, production, and distribution fields.

Finally, our interests concerning national security are at stake in this debate. Our presence in China puts us in the best position to influence the Chinese Government concerning sensitive issues in the region, including North Korea, weapons proliferation, and military expansion in the South China Sea.

The recent agreement with China on protecting intellectual property is powerful evidence that our existing section 301 process is effective in dealing with bilateral trade disputes between the United States and China that exists under current law. As a result, it is not necessary to use the heavy-handed threat of removing MFN to handle such issues.

In the future, I intend to address whether it is in our best interests to change the annual review process so that we no longer are forced to put our trading relationship with China at risk every year. In addition, our committee will consider legislation that would change the misleading term, "Most Favored Nation." The term implies that we are extending benefits that are greater than the normal tariffs that we extend to other nations under the World Trade Organization. However, we seek to do no more than to extend to China the same normal benefits that we give to all other trading partners.

Mr. Speaker, there is no doubt that the relationship between the United States and China is troubled. However, the solution is not to walk away. Instead, we should maintain free and open trade. That gives us the greatest opportunity to move step by step to a solution that would be far, far better in the minds of the American people.

For all of these reasons, I am strongly opposed to severing relations with China, to bringing down the curtain, to denying engagement, to help to bring about in the years to come a better situation in that country, and I urge my colleagues to vote no on this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, each year the President must seek a waiver from Congress to allow China to have most-favored-nation [MFN] status. Each year, China gives me at least one new reason to oppose normalized trade with China.

China consistently and flagrantly violates our laws and repudiates our values. China was caught red-handed sending materials to create nuclear weapons—last year to Iran and this year to Pakistan. World peace threatened, just to make a buck.

China's human rights violations have been a longstanding problem. Who among us could forget the sight of those tanks crushing students whose only crime was to meet publicly and peacefully to voice their opposition to their government? China still refuses its citizens the right to speak freely and to meet publicly.

This year's transgressions implicate China's top government officials. A series of Chinese companies operated by the children of senior Chinese officials played a major role in the illicit copying of over $2 billion of United States commercial goods.

Even worse, the son-in-law of China's top leader, Deng Shau Xiaoping, along with other relatives of top Chinese Government officials, has been implicated in the biggest seizure of illegal guns in our Nation's history. As you know, on May 22, 1996, U.S. customs officials intercepted $4 million worth of illegal AK–47 automatic weapons. The link between this illegal shipment and the Chinese Government is direct and indisputable.

I wrote the President urging him to bar all trade in the United States with the companies involved in this outrageous gun running scheme. The problem is not just the companies but to the government of China which exhibits a pattern of flaunting of United States and international laws.

The Chinese Government has no regard for the safety of our streets and our children, or the safety of our world. For these reasons, I adamantly oppose granting China favorable trading status.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I want to thank my friend, the gentleman from California [Mr. STARK] for yielding me this time.

There is no dispute about the outrageous human rights violations in China. The government has silenced dissidents, and the Tiananmen Square episode could still occur today in China. The use of labor, slave labor, continues in China. In addition, China is responsible for nuclear proliferation, the proliferation of other weapons of mass destruction. There is no dispute about that.

It is also clear that the conduct in China is financed because of access to the United States market. It is our consumers that are helping to finance the type of outrageous conduct within China. There is a lopsided balance of payment. We import $33 to $34 billion more products from China than we export ever year.

The Jackson-Vanik provisions were expressly created in order to make it clear that access to the U.S. market is not automatic and that nonmarket economies that do not perform to a certain standard are denied access to our market.

The United States has shown leadership before. It was the leadership of the United States to use trade sanctions in South Africa that brought down the apartheid practices of that country. It was the United States using the Jackson-Vanik provisions that changed the immigration policies of the Soviet Union. We have used trade policies in Uganda and Romania and other countries to bring about changes in those countries. When we exercise leadership, it is part of the proudest moments in the history of this country.

Certainly there are naysayers, naysayers who have financial interests in continuing a relationship with China. We always hear that. But when we stand tall, we bring about change. The United States has done it before, we should do it in China, and I urge my colleagues to support this resolution to make it clear that access to the United States market in China must maintain a standard of acceptable conduct that they do not today.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. CARDIN. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Maryland and congratulate him on his well-reasoned statement.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are going to hear a lot of talk today about how bad things are in China. I am not here to rebut any of that. Yes, things are bad in China. They have been worse. We preferred to ignore them, though, when they were worse, because we did not have to face them.

I first went to China in the early 1970's. At that time it was perfectly obvious that we were faced with a tremendous task of trying to pull a very backward and a very crude nation into the modern world. We have made progress; not all of the progress I want to make and not all of the progress we should make.

However, by cutting off normal relationships, normal trade relationships to China, we would only succeed in isolating ourselves from China again and isolating the Chinese from the reality of the Western World. We should be building bridges at this time in our history, and not burning bridges.

Mr. Speaker, it is a lot easier to burn bridges, and we have a lot of bridge-burners in our Congress here. It is far more difficult to build the bridges. What kind of bridges should we be building? We should be bringing more Chinese students and encouraging more Chinese students to come here and be exposed to the Western ideal. We should be sending our students to China to help expose them to our Western ideas. We need some innovative thoughts, which I would hope that some of the committees of this Congress could come up with, other than the burning-bridge technique that is tried here on this resolution today.

It is far more difficult to do that, but it will be far more productive if we think of China as how we can bring their thoughts and their ideas into the modern times, into the Western ideal, remembering all the time that they have had almost 6,000 years of isolation from Western ideas, that their standards are far different than ours, that conditions are, yes, bad in China, but they have been far worse, and we should continue trying to make them better rather than throwing bombs and getting out.

Mr. Speaker, I reserve the balance of my time.

Mr. BUNNING of Kentucky. Mr. Speaker, I ask unanimous consent to yield 15 minutes of my 30 minutes to the gentleman from California [Mr. ROHRABACHER] and that he be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

I say to my colleagues, I sit here in continued amazement, because I keep hearing there is no disputing, from my side of the aisle by the gentleman from Texas [Mr. ARCHER]; there is no disputing from the Democrat side of the aisle, the gentleman from Florida [Mr. GIBBONS], that this Chinese Government is a rogue government, that they keep proliferating with nuclear activity, they keep dehumanizing people, and it goes on and on and on, but there is no disputing all this. All of my colleagues know and they admit it, but then they make all of these kinds of excuses.

Mr. Speaker, it is time to stand up to the financial interests that consistently push for business as usual with the criminal regime in Beijing, and it is time to discard the false dogma that says that if we just keep trading with Communist China, things will get better.

Some are comparing Communist China today to the depths of the Cultural Revolution 30 years ago when millions of people were being slaughtered, and they say that things have gotten better. Well, my goodness, Mr. Speaker, that is a pathetically low standard.

The fact is the behavior of the Beijing dictatorship is much worse than it was 5 or even 10 years ago, and you all sit here today and admit it. The trade deficit which destroys American jobs has tripled in the last 10 years. We all know it. Their military budget has more than doubled when ours and every other military budget in the world has been going down. It was just 3 months ago that they were lobbing missiles right off the Taiwanese coast in an act of intimidation.

Mr. Speaker, things are not getting better, they are getting worse and everybody in this Chamber knows it. How high does the trade deficit need to go before we react? How many more trade agreements does Communist China have to violate? You have all read about it in liberal newspapers, like The New York Times and The Washington Post, and how many people have to be imprisoned or killed for their political beliefs before we stand up on their behalf? Whatever happened to American foreign policy that looks out for human decency around this world? How much nuclear and chemical weapons material does Communist China have to ship to fellow rogue regimes, like Iran, our enemy, before we punish them? What will it take? Do they really have to make good on their threats to bomb Los Angeles?

Mr. Speaker, this dictatorial regime represents a growing threat to American interests, American jobs, and yes, even more importantly to American lives. I say to my colleagues, do not come back here 15 years from now and say, my goodness, I did not know it. They must be dealt with now, Mr. Speaker. History shows us very clearly that appeasement of tyrants does not work. In fact, it leads to more intransigence.

□ 1315

Mr. Speaker, I want everybody to come over to this Chamber and vote regardless of whether they have GE and IBM in their districts like I do with 25,000 employees and stand up for what is right in this country. We can cut off most-favored-nation treatment today and in a month we can restore it, because the Chinese will come to the table. They are smart people. They will then negotiate fair trade with this country, they will improve their human rights violations, and that is what this whole debate is all about.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is a violation of the rules of the House.

Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, Teddy Roosevelt once said, "The only safe rule is to promise little and faithfully to keep every promise; to speak softly and carry a big stick." That is where that great quotation came from. Well, America's new policy seems to be one of empty promises and empty threats, a policy toward China where we speak softly and carry no stick whatsoever.

My colleagues, we have the opportunity to send a message to the world that America will not support this rogue nation, that we will not condone terrorism, oppression, and intolerance. today we have the opportunity to effect a change in China's policies, and tell the rest of the world America allies itself with only those nations that advance and encourage fairness, those nations who foster democracy, and those nations who embrace freedom.

We hold the power today, my colleagues, the power to help the people of China break the bonds of mass misery, not for their votes, not for their money, but because it is right. It is the right thing to do.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN], a respected member of the Committee on Ways and Means.

Ms. DUNN of Washington. Mr. Speaker, I come from the Nation's most trade-dependent State, so the question of United States-China trade is crucial to the people I represent in Congress. In fact, Washington State ranks first among all 50 States in exports to China.

Contrary to what opponents of MFN suggest—trade with China does promote change. U.S. trade and investment teach the skills of free enterprise that are fundamental to a free society.

Washington State exports a number of U.S. products, from aircraft to software. And every single airplane and every single CD carries with them the seeds of change. These products serve to further unleash the free-market desires of the Chinese people. And I am certain that everyone of my colleagues would agree that it is in our national interest to move China toward a free market.

At the same time, we must make clear to the Chinese that their participation in the world economy and in international security arrangements can come about only with concrete evidence that China is abiding by norms of international behavior. Let me be clear: disengagement will not help us improve our relationship with China.

I suspect that my colleagues who oppose MFN would have had a difficult time suggesting that disengagement would have been the better course of action in addressing intellectual property piracy in China. In fact, it was only through engagement that we have been so successful on this front.

I propose that we use the following criteria to find the answer on difficult MFN cases like China's. We should extend normal trade status, or MFN, to a nation if: it allows U.S. investors and operators in; the rule of law is advancing; a multilateral action is unattainable; or we have that nation's assistance on a critical geopolitical issue.

Conversely, we should deny normal trade status to governments abusing their people if: a multilateral action is doable; they will not help the United States on other geopolitical issues; they do not allow U.S. employers in; and they do not respect the rule of law.

Indeed, I would go one step further by stating that the burden of proof is on those who deny normal trade status with China.

They must prove that an act of protest—such as denying to China normal trade status—would demonstrably improve the human rights situation in China, or how it would address grinding poverty or lessen religious persecution.

The only thing we know for certain is that an act of protest such as denying MFN would increase unemployment and suffering in the United States and result in a tremendous setback in our bilateral relationship with China.

I strongly urge my colleagues to oppose the resolution of disapproval.

Mr. STARK. Mr. Speaker, I would just like to remind my colleagues that China never was willing to deal with intellectual property rights until they were faced with the threat of trade sanctions.

At this point I am delighted to yield 11 minutes to the gentlewoman from California [Ms. PELOSI] who has been a leader in fighting for open trade, for human rights, and for bringing China into the world of nations of human beings.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for being so generous in yielding me this time.

Mr. Speaker, this issue of granting most-favored-nation status to China is a very important one for the American people. It is about nothing less than our economic future, our national security, and our democratic principles.

As Members know, the debate in the House of Representatives and our disagreement on this issue has centered around the issues of trade, proliferation, and human rights. That is why I am so disappointed that we have so little time to debate this issue today and I can only ask the Republican leadership of this House and all of those who are so eager to move this along on both sides of the aisle, what are you afraid of? Are you afraid of the facts? Are you afraid over the Fourth of July break of constituents who cannot afford to travel to Washington who would have time to express their views to their Members of Congress? Are you afraid of 100,000 young people in Golden Gate Park gathered together to support a free Tibet?

I wish our colleagues were here and not away to a funeral or, without votes, off of Capitol Hill, because they must hear the facts. Because today Members of Congress will be asked to set down a marker: How far does China have to go? How much more repression, how big a trade deficit and loss of jobs to the American worker, and how much more dangerous proliferation has to exist before Members of this House of Representatives will say, "I will not endorse the status quo"?

As I mentioned, it is about jobs, proliferation, and human rights. There are those who say we should not link human rights and trade and proliferation and trade. I disagree. But if we just want to take up this issue on the basis of economics alone, indeed China should not receive most-favored-nation status, for several reasons that I would like to go into now.

I would like to call the attention of my colleagues to this chart on the status quo that the business community is asking each and every one of us to endorse today. Right now we have a $34 billion trade deficit with China, the 1995 figure. It will be over $40 billion for 1996. Since the Tiananmen Square massacre, this figure has increased 1,000 percent, from $3.5 billion then to about $34 billion now.

In terms of tariffs, I think it is interesting to note that the average United States MFN tariff on Chinese goods coming into the United States is 2 percent; whereas the average Chinese MFN tariff on United States goods going into China is 35 percent. Is that reciprocal?

Exports. China only allows certain United States industries into China. Therefore, only 2 percent of United States exports are allowed into China. On the other hand, the United States allows China to flood our markets with one-third of their exports, and that will probably go over 40 percent this year, and it is limitless because we have not placed any restriction on it.

In terms of jobs, this is the biggest and cruelest hoax of all. Not only do we not have market access, not only do they have prohibitive tariffs, not only are our exports not let in very specifically, but China benefits with at least 10 million jobs from United States-China trade. The President in his statement requesting this special waiver said that China trade supports 170,000 jobs in the United States, whereas our imports from China support at least 10 million jobs.

Mr. ROHRABACHER. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. ROHRABACHER. The gentlewoman is saying that 170,000 jobs are created in the United States by the China trade but are there not many more jobs that are lost in the United States?

Ms. PELOSI. That is the point I was getting to. I appreciate the gentleman focusing on that.

The fact is that United States-China trade is a job loser for the United States. Our colleagues on the other side of this issue will say that exports to China have increased 3 times in the last 10 years. They have. But they fail to mention that imports from China have increased 11 times, thereby leading to this huge trade deficit.

It is a job loser for several other reasons. There is an important issue that we are all familiar with: Piracy of our intellectual property. It remains to be seen if China will honor the commitment it has made in the recent agreement. It has not honored the memoranda of understanding or last year's agreement and indeed there is a report in the press yesterday that one of the PLA, People's Liberation Army factories has resumed production. But, the other issue is technology transfer. If intellectual property is a $2 billion, $3 billion loss, technology transfer is in the hundreds of billions of dollars. If you want to sell to China, bring United States products into China, the Chinese insist that you open a factory there. They misappropriate your technology, open factories of their own and then say to you, "Now we want to see your plan for export." That is as simply as I can say it briefly.

But the fact is this is not about products made in America. The Chinese want American products that are made in China. The most serious of these transfers of technology are in the airline industry, where tail sections of the Boeing 737's were mostly made in Wichita, KS. Now they are made in Xi'an Province where workers make $50 a month and the transfer of the technology and the transfer of the jobs has taken place. General Motors, Ford, they are all fighting to get in to build factories there so they can make parts there. They want MFN so they can get those parts back into the United States. So we are exporting, not low-technology jobs and textile jobs, we are exporting our technology and high paying jobs. If you take a country the size of China with the very cheap and in some instances slave labor, the lack of market access, the ripoff of our intellectual property, the transfer of technology, a country that is not willing to play by the rules in any respect in this trade relationship, you have a serious threat not only to our relationship but to the industrialized world.

If there is one message that I want our colleagues and our constituents to understand today is that on this day, your Member of Congress could have drawn the line to say to the President of the United States, do something about this United States-China trade relationship. It is a job loser for the United States.

This brings us to the point that others have said, "Well, we can't isolate China." Do you think for one minute that with at least 10 million jobs and $35 billion in profit, and it will be over $40 billion this year in a trade surplus, all those billions of dollars in surplus, that the Chinese are going to walk away? Where are they going to take 35 to 40 percent of their exports? Who is going to buy them? Their exports to the United States are what sustains the regime—the funding and the jobs. They cannot have those people out of work. They have to be at work exporting to the United States.

So we have a situation where again I say human rights, while others think they should not be linked, I think they are linked. We all agree, China will be large, it will be powerful, it is in our interest that they be free. For those who say that economic reform will lead to political reform, I reject that notion of trickle-down liberty. It has not worked. In fact, even by the Clinton administration's own country report on China, it has said that economic reform, and the quote is in my full statement, has not led to political reform because the government has not allowed that to happen.

I would like to quote from a China scholar, and I will read from this:

David Shambaugh, editor of China Quarterly, the leading academic journal on Chinese affairs, recently wrote:

> Let us not deceive ourselves. China's political system remains authoritarian and repressive. In fact, it has become significantly more so in recent years. The Chinese regime is one of the worst abusers of human rights and basic freedoms. It maintains itself in power in part through intimidation and coercion of the population. It tolerates no opposition.

The third issue of concern is proliferation, the most dangerous issue of all. Both in the Bush administration and in the Clinton administration, our administrations have waived sanctions over and over for the proliferation of nuclear and missile technology to Pakistan and nuclear missile and chemical and biological technology to Iran and all of the above other rogue States.

□ 1330

Mr. Speaker, how dangerous does the transfer of weapons technology have to be, I would ask my colleagues, to stop us from putting our seal of approval on this policy? We are not legislating here today. The President will call the shot on most-favored-nation status. But what we are doing is either putting our name down in support of the status quo or calling out for change.

Mr. Speaker, as we approach our own Fourth of July, I hope that Members in this body will remember others who have studied the words of our Founding Fathers. Others who were inspired by them, who quoted those words in Tiananmen Square and were arrested for doing so, particularly Wei Jingsheng. He is the father of the democracy movement in China and is in jail for his second 14-year term because he has spoken out for freedom.

My dear colleagues, today we will have a chance to make the world safer, the political climate freer and the trade fairer. I urge Members to vote "no" on MFN.

Mr. Speaker, I rise today in opposition to President Clinton's request for a special waiver to grant most favored nation status to China.

The debate over China MFN is an important one for the American people. Nothing less is at stake than our economic future, our democratic principles and our national security. That is why I regret that the Republican leadership has chosen to railroad this legislation through the House. This action deprives our constituents, who cannot afford to come to Washington, of expressing their views over the July 4 break. That has always been the situation. This is a departure.

What are the proponents of MFN for China afraid of? Are they afraid of the truth? Are they afraid that Members may have to answer to their constituents for siding with the multinational corporations? Are they afraid of the 100,000 young people who gathered in Golden Gate Park on June 15 and 16 to support a free Tibet?

Today Members will be asked to give their seal of approval on the status quo in United States-China relations. The business community may overwhelm Capitol Hill, the President may tell you that he really needs you, but it is our vote and our constituents who will judge us on how we voted—not on who made us do it. Let us see what the business community is asking you to put your good name to:

Let us start with the truth about the trade situation—the hoax that the United States-China trade relationship is a job winner for our country. The facts are to the contrary:

TRADE

China does not play by the rules. On a strictly trade-for-trade basis, China should not receive MFN because it does not reciprocate the trade benefits we grant to them with MFN. The average United States MFN tariff rate on Chinese goods is 2 percent. The average Chinese MFN tariff rate on United States goods is 35 percent. Despite the fact that over one-third of China's exports are sold into the United States market, China's high tariffs and nontariff barriers limit access to the Chinese market for United States goods and services. Only 2 percent of United States exports are allowed into China. The result is a $34 billion United States trade deficit with China in 1995. Ten years ago, in 1985, our trade with China was only $10 million. The huge trade deficit, which is expected to exceed $41 billion in 1996, does not include the economic loss from China's piracy of United States intellectual property, which cost the United States economy $2.4 billion in 1995 alone. It does not include the loss to our economy from Chinese insistence on production and technology transfer which hurts American workers and robs our economic future. And, it does not include money gained by China in the illegal smuggling of AK–47's and other weapons into the United States by the Chinese military.

You will hear that trade with China is important for United States jobs. President Clinton's statement accompanying his request to renew MFN, claims that "United States exports to China support 170,000 American jobs." These jobs are important, but they must be seen in a larger context.

Other trade relationships of comparable size to the United States-China trade relationship support more than twice as many jobs in the United States as United States-China trade. For example, the United States-United Kingdom trade relationship, totalling $2 billion less than the United States-China trade relationship, supports 432,000 jobs. The United States-South Korea relationship, totalling $8 billion less than the United States-China trade relationship, supports 381,000 jobs.

United States-China trade generates over 10 million jobs in China. Ten million jobs and a $34 billion and the business community says China will walk away. Where will they take one-third of their exports?

We must also be concerned about the harm to our economy of the technology transfer and production transfer which is accompanying United States investment in China and United States sales to China.

The Chinese Government demands that companies wishing to obtain access to the Chinese market not only build factories there, But also transfer state-of-the-art technology in order to do so. The Government then misappropriates that technology to build China's own industries. The companies have little choice, in light of the high tariffs for their products to reach the Chinese marketplace. This is a $100 billion problem.

A recent Washington Post article, "A China Trade Question: Is It Ready for Rules?" May 19, 1996, outlines a number of serious questions about China's willingness to abide by the rules that govern international trade. On the critical issue of technology transfer, this article states that:

> As vital as the Chinese market is, the appropriation of foreign technology by the Chinese poses a serious problem for the industrialized world—"much more serious than CD pirating," said Kenneth Dewoskin, a professor at the University of Michigan and adviser with Coopers & Lybrand's China consulting business. "Think of telecommunications, automotive, electronics, very high technology chemicals—there's enormous value in that technology. You're talking hundreds of billions of dollars."

Dewoskin continued:

> "When you provide technology to your Chinese venture, it has to be certified by one of these research and design institutes," he said, "but unfortunately, those are the same institutes whose job it is to disseminate technology to domestic ventures."

The Chinese Government is using our technology to build its own industries to the detriment of United States industries and we are not only letting them do this, our policies are encouraging them in this practice.

Some people argue that trade should not be linked to violations of human rights and proliferation. I disagree. However, even if we consider the United States-China relationship solely on economic grounds, China should not receive unconditional MFN.

PROLIFERATION

China does not play by the rules. China continues to transfer nuclear, missile and chemical weapons technology to unsafeguarded countries, including Iran and Pakistan, in violation of international agreements and yet the United States continues to hold them to a different standard.

While Congress is in the process of passing legislation to implement a secondary boycott on companies doing business with Iran, the administration is ignoring China's sales of cruise missiles and other dangerous technology to Iran. China's actions make the Middle East, indeed, the entire world, a more dangerous place.

In return for turning a blind eye to unacceptable Chinese Government actions, the administration has been rewarded only with an increase in the extent and the nature of the Chinese transgressions. During the Bush administration, Secretary Baker chose not to implement sanctions for China's violation of the missile technology control regime by its transfer of M–LL missile technology to Pakistan. Instead, he relied on a Chinese promise to halt such practices. As has been the norm with our relationship with China, that promise by the Chinese Government was broken.

The Clinton administration, following the Bush administration pattern, has also accepted such promises, with the same result. instead of halting such practices, the Chinese Government has increased both the quantity and quality of its transfers. It has now gone beyond transferring only advanced missile technology and is providing nuclear and chemical weapons technology to non-safeguarded countries.

In order to avoid implementing sanctions triggered by the recent transfer of Chinese nuclear weapons technology to Pakistan, the administration said the Chinese Government was neither responsible for nor knowledgeable about the transfer of this dangerous technology. If we continue to absolve the Chinese Government of responsibility for the actions of state-run industries, then how can we expect the Chinese Government to live up to the missile technology control regime, the Nuclear Nonproliferation Treaty, and other international arms control treaties? We cannot continue to allow China to violate the rules. Signatories must be expected to have responsibility for institutions within their control or their signatures are not worth the paper on which they are written.

HUMAN RIGHTS

As the Beijing regime consolidates its power by increasing its foreign reserves through trade and the sale of weapons, China's authoritarian rulers are tightening their grip on freedom of speech, religion, press and thought in China and Tibet.

According to the State Department's Annual Country Reports on Human Rights Practices for 1995, as well as Amnesty International and Human rights Watch, repression in China and Tibet continues. The State Department's own report documents the failure of "constructive engagement" to improve human rights in China, and notes that, The experience of China in the past few years demonstrates that while economic growth, trade, and social mobility create an improved standard of living, they cannot by themselves bring about greater respect for human rights in the absence of a willingness by political authorities to abide by the fundamental international norms. David Shambaugh, editor of the China Quarterly, the leading academic journal on Chinese affairs, recently wrote:

> Let us not deceive ourselves—China's political system remains authoritarian and repressive. In fact, it has become significantly more so in recent years . . . the Chinese regime is one of the worlds worst abusers of human rights and basic freedoms . . . it maintains itself in power in large part through intimidation and coercion of the population. It tolerates no opposition.

Today we hear comparatively little about those fighting for freedom in China not because they are all busy making money, but because they have been exiled, imprisoned, or otherwise silenced by China's Communist leaders. According to the State Department's report, "by year's end almost all public dissent against the central authorities was silenced." Our great country is ignoring the plight of China's pro-democracy activists. In the process, we are not only undermining freedom in China, but we are also losing our credibility to speak out for freedom and human rights throughout the world.

The past few months have seen China act to intimidate the people of Taiwan in their democratic elections, diminish democratic freedoms in Hong Kong, crack down on Freedom of religion by Christians in China and Buddhists in Tibet, and smuggle AK–47s into the United States via its state-run companies.

The MFN vote provides us with the only opportunity to demonstrate our concern about United States-China policy and our determination to make trade fairer, the political climate freer and the world safer.

Mr. STARK. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, the gentlewoman from California has touched on a lot of issues that are important to our colleagues: trade, jobs in this country, intellectual property. She somehow has missed a point or two that I am concerned with, and if I voted against this resolution, would I not, in effect, be supporting the thousands of children that have died in China's orphanages, where girl orphans have been selected for dying rooms, where they are tied up and left to die from neglect and starvation after they have been sexually assaulted?

If I voted against this resolution, would I not really be voting to support the practice of taking prisoners and executing them and selling their organs to the highest bidder, which goes on in China today?

And would I not be supporting, if I oppose this amendment, the fact that religious freedom does not exist and that harsh crackdowns of any unofficial religion, which is all religions except the State, the religious leaders are subject to physical abuse and prison terms? Would that not be the effect of my voting against this resolution?

Ms. PELOSI. Reclaiming my time, I would say to the gentleman, that would be the effect. I spent my time on the economics. I am so pleased the gentleman brought up the point, because the National Conference of Bishops opposes MFN.

Mr. GIBBONS. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I thank the ranking member for yielding me the time.

Mr. Speaker, today we are to vote on one of the most important foreign policy issues Congress will face this year: whether to extend China's most-favored-nation status for another year. I strongly urge my colleagues to support MFN renewal by voting against the Rohrabacher resolution of disapproval. Any other course will seriously damage crucial U.S. interests and undermine important American values.

TWO MISCONCEPTIONS

Let me at the beginning address two misconceptions about this vote. This vote is not a referendum on China's behavior. This is not a vote on whether we approve or disapprove of Chinese actions. This is a vote on how best to protect U.S. interests and promote American ideals. That should be the sole criterion for Members as they cast their vote today: What serves U.S. interests and values?

Let me turn now to misconception No. 2: the idea that MFN means preferential treatment for China. That's simply wrong. MFN does not denote special or privileged status. MFN simply means that we accord China the same treatment we give our other major trading partners. This is worth repeating: MFN does not constitute an American seal of approval. Iran, Iraq, Syria, and Libya all have MFN status, despite the fact that we have fundamental differences with these governments.

A DIFFICULT RELATIONSHIP

Mr. Speaker, the Chinese-American relationship is a complex one involving many tough issues: human rights and democracy, nonproliferation, Taiwan, Tibet, trade, and intellectual property rights. Managing this relationship is difficult even in the best circumstances.

At the same time, it is important to remember that sound Chinese-American relations are very much in the interest of the United States.

China, with one-fourth of the earth's population, is the world's largest country. A generation ago we tried to isolate this immense country. It didn't work. As a permanent member of the United Nations Security Council, China is not only a key country in Asia, but has a significant impact—for good or ill—on United States interests around the world. China has the world's largest standing army, which has a direct bearing on peace and stability in East and Southeast Asia. United States efforts to halt the spread of weapons of mass destruction in North Korea, South Asia, and the Middle East can succeed only if China cooperates with us and the rest of the international community. Without China's cooperation, we will be severely handicapped in our fight against narcotics trafficking, alien smuggling, and environmental degradation.

On the economic front, American exports and American jobs depend on decent relations with China. Last year, we sold $12 billion worth of goods to China. These exports supported 170,000 high-wage American jobs.

MFN AND HUMAN RIGHTS

These realities lead me to conclude that engagement with China will best promote our many interests—including our interest in protecting human rights. A decision to revoke MFN and isolate China, on the other hand, would eliminate whatever modest influence we now have on Chinese behavior, including its human rights practices. Do not misunderstand me. Even with MFN, China will remain, for the foreseeable future, an authoritarian state which routinely abuses the rights of its people. But the lesson of the past two decades in China—and the lessons of South Korea, Taiwan, and other authoritarian countries which have evolved into vibrant democracies—is that the best way to promote human rights is to stay engaged. Those who would have us retreat from China do the Chinese people no favors. Withdrawing from China will undermine the position of those Chinese we most want to support—entrepreneurs, reformers, students, and intellectuals. Revoking MFN will strengthen the hand of reactionary elements in China such as the army, central bureaucrats, and hardline Communists.

WDESPREAD SUPPORT FOR MFN

Within China, political dissidents are split on the question of MFN. But many of China's most prominent dissidents, including Wei Jingsheng and other leaders of the pro-democracy movement at Tiananmen Square, have publicly called for renewal of China's MFN status.

Our friends in Hong Kong, who live under the shadow of China, have urged us to renew China's MFN. Christopher Patten, the Governor of Hong Kong, recently warned that revoking China's MFN would badly hurt Hong Kong. Martin Lee, Hong Kong's best known democratic politician, has said the same thing.

Our friends in Taiwan also see MFN renewal as the best way to safeguard Taiwanese interests.

In other words, those on the front lines, who have most reason to fear China, believe that their position would be undermined if Congress were to revoke China's MFN status. The argument is often made that revoking MFN will force China into more acceptable behavior.

MFN IN THE U.S. NATIONAL INTEREST

But the most important reason to renew MFN is that it is in the U.S. national interest.

MFN is not about doing China a favor. It is about doing the United States a favor. It is about supporting our security, political and economic interests. It is about standing up for important U.S. ideals and values

Renewing MFN for China will enable us to address our very real concerns about nuclear and missile proliferation. It will give us an opportunity to influence China's security policies in East Asia. It will help in our efforts to maintain peace on the Korean peninsula. It will give us at least a bit of influence on China's human rights behavior. It will enhance our efforts in the fields of counternarcotics, alien smuggling, and the environment. And it will provide the markets that translate into high-paying jobs for American workers.

CONSEQUENCES OF REVOKING MFN

Revoking MFN for China will also have consequences. It will greatly unsettle our friends and allies in the region. It will have an especially adverse impact on our friends in Taiwan and Hong Kong, who have pleaded with us not to take this step. It will undermine the pro-market, reformist elements in China we seek to assist. It will lessen our ability to make our influence felt on a whole range of issues—proliferation in South Asia, security on the Korean peninsula, stability in the South China Seas, Taiwan. It will make our task of securing U.N. Security Council approval for our initiatives in other parts of the world far more difficult. It will sever our economic ties with the world's largest market. And it will be seen by the Chinese, and the rest of Asia, as a declaration of economic warfare and an American attempt to isolate China.

These are serious penalties—penalties we will inflict upon ourselves if we revoke China's MFN.

Mr. Speaker, many of us are angry at China over its behavior and actions across a wide range of issues. Cutting off MFN would make us feel better. But it will not advance our interests nor promote our principles. The way to do this—the only way to advance important U.S. interests and promote fundamental American values—is to remain engaged with China. And this requires that we vote to renew MFN.

CHINA WILL NOT BE COERCED

Finally, let me address the argument that revoking MFN will force China into more acceptable behavior. Where is the evidence of this? Unfortunately, there is none. China is an old and proud country that is highly sensitive to perceived coercion by foreigners—and no more so than at this moment of political transition in Beijing.

We would not dream of buckling before foreign intimidation. Why would anyone think that China would do so? To the contrary, threats may cause Beijing to dig in its heels, producing the very behavior we are trying to discourage.

MFN opponents have said: But China needs us; it needs our markets.

Yes, China benefits by trading with us and hopes to continue that trade. But China can, if necessary, do without the U.S. market. It has in the past, before our opening to Beijing 25 years ago. And it can today—both because it has the ability to force its people to accept economic discomfort and because the world is filled with other countries eager to take our place in trade with China. History gives little evidence that China can be coerced into better behavior.

CONCLUSION

The choice is clear-cut. Isolating China will neither advance United States interests nor promote American principles. Our interests require engagement with China. That means MFN. Please join me in voting to extend China's MFN for another year. Vote "no" on the Rohrabacher resolution.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of the resolution of disapproval.

I see no reason to continue extending most-favored-nation trading status to China, and I commend Mr. ROHRABACHER for introducing the resolution before us today.

Every summer when the House wrestles with this issue, MFN supporters tell us we need to continue giving most-favored-nation status to China and how expanded commerce with Beijing is changing China for the better.

We hear that China is improving upon its pitiful human rights record, and that it is finally going to exorcise the ghosts of Tiannamen Square.

But, every year when MFN renewal comes before the House, I am reminded of the old saying, "The more things change, the more they stay the same."

MFN supporters keep telling us how continuing most-favored-nation trading status is changing China for the better.

But nothing really changes at all.

Since we visited this issue last year, China has not changed its brutal one-child-per-family policy of forced abortion and sterilization.

China hasn't stopped persecuting Christians or the Tibetan monks, and it still uses slave labor to produce commodities for export to the Unites State.

China continues to menace Taiwan and tried to undermine the recent elections with its thinly veiled threats of invasion.

It has not stopped smuggling AD-47's and other weapons to gangs in America, and only recently claims to have stopped exporting missiles to Iran and nuclear bomb-making materials to Pakistan.

Since the MFN debate last year, I can not see any hard evidence that China has begun mending its ways.

In fact, if Beijing is headed in any direction, it is backward.

Mr. Speaker, when dealing with China, I think that we should probably just put a new twist on the old adage and just say, "The more things change, the more they get worse."

I can think of no reason to support MFN or to further encourage trade with China.

I urge support for the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, I rise in strong opposition to extending MFN to China and I rise as somebody who is deeply aware of China's growing importance and the inevitable rise of China in the 21st century. That is why I believe we have to stand firm today.

I, quite frankly, am getting a little tired of people telling us that the only way that we can change China, the only way we can promote American ideas, is to ignore what happens in China. That is what we heard from a Republican administration in 1989 after Tiananmen Square. Then we had a Democrat run for President and attack the butchers of Beijing. Then he got elected and kept ignoring what went on.

Mr. Speaker, we are told to ignore Tiananmen. We are told to ignore technological piracy. We are told to ignore the murderous orphanages. We are told to ignore infanticide and 9-month abortions. We are told to ignore nuclear proliferation and nuclear trade secrets to Pakistan.

And I just heard somebody stand up here today, telling us that we have to cooperate with China because they can actually help in nuclear matters. How can we depend on a country that is trading nuclear technology and secrets to Third World countries to help us on the issue of nuclear proliferation? But it seems like we gear that every year.

People are willing to turn, throwing their logic out the window, simply to continue kowtowing to a murderous regime, and they continue to fool themselves into believing that we can deal with a country that has murdered 60 million of their own people in the past 50 years. These people do not think like us. These people do not share our values. The only thing they understand is that the United States continues to kowtow and the United States continues to be fearful to say no to China. If we do not say no to China today, then we send another message that we continue to kowtow to them in the future. Say no to extending MFN.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE] who has spent so much productive and worthwhile effort into trade issues.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me the time.

Earlier the gentlewoman from California was talking about the trade deficit with China, and we will probably see a chart up here on the floor very shortly on this. There it is, sure enough that green line. Members can see the trade deficit going up. What Members will not see on that other chart is the trade deficit with the Asian tigers; that is, Taiwan, Singapore, Hong Kong, and South Korea. They won't see it because that deficit is going down. It is pretty clear there is a correlation. We have import substitution. As these countries have gotten richer, they are buying more of our expensive goods, China is producing more of the textiles and footwear and toys. As China grows richer, they too will buy more of our goods. It is important to keep that in mind.

Mr. Speaker, it is clear that our relationship with China is one that is extraordinarily important, and as everybody here acknowledges, extraordinarily complex. There is no doubt we have a lot of contentious issues that surround our relationships. We just heard about some of them: Nuclear proliferation, intellectual property, political and economic freedom for the Chinese people.

Mr. Speaker, no one minimizes the difficulties of those issues, but I believe today we can take a great step, perhaps the first real step in years, toward resolving some of these problems. This resolution for the first time acknowledges that most-favored-nation status for China cannot bear the entire burden of the bilateral relationship between the United States and China, and that is an important milestone.

The destructive debates that we have had here, that we pursue every year over MFN, keep this Congress from addressing the serious challenges that we do face in our relations with China. MFN simply is not the right tool to do that. Complex problems are not solved through this kind of a solution. We have to continue to work for open markets for American exporters. We have to continue to push for greater cooperation on nuclear proliferation. We have to seek Chinese accession in the world trade organization to ensure that they trade fairly and in accordance with international rules, and we have to continue to fight for the right of the Chinese people to live in freedom and democracy, using every avenue and every institution that is available to us to achieve those goals.

But, Mr. Speaker, cutting off MFN is not going to accomplish any one of those worthwhile goals. Denying MFN drives China into the camp of every rogue nation in the world, Iraq, Iran, Libya, opening the door to even more Chinese weapons sales to these countries, eliminating what leverage we may have on these issues.

Cutting off MFN will not solve our bilateral trade problems. It will only shift the source of our Chinese imports from China to other low-cost producers such as India and Pakistan. Meanwhile, much and perhaps all of our $13 billion in exports would be lost through retaliation. This would result in the loss of many high-paying good jobs that are good for American workers. We would find ourselves locked out of the world's fastest-growing market in the world, abdicating our economic leadership in Asia to Europe and Japan.

Nor would cutting off MFN help the Chinese people. As a time when we need to encourage more trade, more economic freedom, more prosperity, we would mire the Chinese people in poverty and economic chaos. Unemployment, hunger, and hopelessness is not a formula for improved human rights, only for increased repression.

One only need to look at the political repressiveness of the Mao Zedong era—a period in history where countless millions of Chinese were killed—to know this is true.

Today I call for the beginning of a new era in United States-Chinese relations. An era where we can move beyond this destructive yearly debate over MFN for China. The choice today is simple—do we retreat from the challenges facing United States-Chinese relations and begin an era of hostility and isolationism by denying MFN—or do we being an era of real engagement, working at every level, bilaterally and multilaterally, to solve the complex and divisive problems we face.

I urge you today to make the right choice.

I urge you to vote "no" on the resolution of disapproval.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. KAPTUR].

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Ms. KAPTUR. Mr. Speaker, a vote not to disapprove China's favored trade status is a vote to rubber stamp a political relationship devoid of Democratic principles, an economic relationship whose benefits will be siphoned off by the powerful few at the expense of the many, and a military relationship that monetizes the growing trade deficit dollars into new Chinese weaponry.

That vote will give China a 2-percent tariff rate in our market while they maintain a 30- to 40-percent tariff rate against our goods, which is the reason for this vast and growing trade deficit we have experienced over the last decade and a half.

There are hundreds of thousands and millions of jobs affected in this country. Just take a look at Nike closing down all U.S. production. The gentlewoman from California, Congresswoman PELOSI, talked about Boeing and how it had moved its production out of Wichita into China. A vote not to disapprove will signify a triumph of commercialism over balanced foreign policy and a triumph of fascism over liberty.

Our terms of engagement with China, which gives them the right to send a third of their goods into our market, should be conditioned on greater freedom. Move toward freedom, not oppression.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I rise in support of treating China like any other trading nation. They call it most favorable treatment, but actually what we are talking about is free trade and trying to see how we can best improve the economy of the United States and create more jobs here.

That does not mean that I have any less sensitivity to human rights. How more sensitive can I be? These Chinese, these Communist bums, shot me over there in 1950. I do not like them worth a darn. I do not like any Communists. I do not like the North Koreans, I do not like the North Vietnamese, but I do not know whether the United States of America has to have a litmus test with who we trade with.

The Cubans, my God, I know they are vicious people, Communists, and violate human rights, and we look like the village clowns at the United Nations. Every one of our partners that trade with us are now suing us because they say we cannot have secondary boycotts against them. We say Iraq, Libya, Iran, you name it, we get sick and tired, by our standards of disliking someone, so we give sanctions.

Hey, I like sanctions, if we are going to win. I like feeling powerful. The United States of America, we have a code. If countries do not live up to our code, they do not have a democracy, then we do not play the game with them. But somehow we have different standards for different countries. Is there any difference between the Communists in China and the Communists in Cuba or the Communists in North Korea? I do not like any of the Communists, so why are we picking them out?

And we talk about human rights. Do my colleagues know that some of these scoundrels believe that we violate human rights here? Do my colleagues know some of them have checked out the jail population and found out we have a million and a half poor folks in jail, most of whom did not commit any crimes of violence? Do my colleagues know that some of these scoundrels are critical of this great country?

At our worst we are better than all the rest of them, and yet they are talking about the number of minorities that all of a sudden find themselves not even being able to be elected to the Congress. Do my colleagues know that? For 200 years they found out how to gerrymander and cut the blacks. Out comes a law and they say do not do that any more. And now the Supreme Court has said do not take color into consideration. We are now colorblind.

I just think they do not understand our American way of life, and I darn sure do not understand them. What I do understand is this: That there are millions of people in jail, more millions of people without jobs, without education, and without hope, and I do not have any hope that this Congress is going to support tax money for education. Oh, we believe in it, we just do not want to pay for it.

I do not believe that this great Nation can keep up with international competition unless we make that investment. If we are not prepared to do it, then I am not prepared to allow local school boards to determine the level of education and job training that we have in this country. The only way to get this money is to expand our economy, the only market is outside of our borders, and this is the only way to go.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. SMITH].

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New Jersey [Mr. SMITH] is recognized for 3 minutes.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friends for yielding me this time.

Mr. Speaker, when the People's Liberation Army massacred, maimed and incarcerated thousands of peaceful prodemocracy activists in June 1989, the well intentioned but wishful thinking that, somehow, the People's Republic of China was turning the page on repression was shattered.

The brutal crackdown on the reformers was not the end, however, it was the beginning of a new, systematic campaign of terror and cruelty that continues still today.

Each year since Tiananmen Square—the savagery has gotten worse and the roster of victims grows by the millions.

It is my deeply held conviction that in 1989 and by the early 1990's, the hardliners in Beijing had seen enough of where indigenous popular appeals for democracy, freedom, and human rights can lead. The Communist dictatorships in control in Eastern and Central Europe—and even the Soviet Union—had let matters get out of hand. And Beijing took careful note as, one by one, tyrants like Nicolae Ceausescu of Romania, Erich Honecker of East Germany, and Wojciech Jeruzelski of Poland were ousted.

Everything Beijing has done since Tiananmen Square points to a new bottom line that we ignore and trivialize at our own peril—and that is democracy, freedom, and respect for human rights won't happen in the PRC any time soon. The dictatorship's not going to cede power to the masses, especially when we fail to employ the considerable leverage at our disposal. We are empowering the hardliners. We are standing with the oppressors, not the oppressed.

Accordingly, stepped up use of torture, beatings, show trials of well known dissidents, increased reliance on the hideous and pervasive practice of forced abortion and coercive sterilization and new, draconian policies to eradicate religious belief, especially Christianity, have been imposed. Genocide is the order of the day in Tibet. Repression on a massive scale is on the march in the PRC.

Some have argued on this floor that conditions have improved, citing the excesses of the cultural revolution as the backdrop to measure improvement. But that's a false test. The depths of depravity during that period has few parallels in history—and the Chinese leaders knew themselves that such extreme treatment of its people could not be sustained.

But the real test is the post-Tiananmen Square reality—and the jury is in—China has failed miserably in every category of human rights performance since 1989.

Mr. Speaker, I chair the International Operations and Human Rights Subcommittee. Since the 104th Congress began my subcommittee has held 9 hearings on human rights in China and an additional half dozen hearings, like a hearing on worldwide persecution of Christians, where China's deplorable record has received significant attention. I have led or co-led 3 human rights delegations to the PRC. On one trip, Representative FRANK WOLF of Virginia and I actually got inside the laogai prison camp and witnessed products being manufactured for export by persecuted human rights activists.

Mr. WOLF and I met with Le Peng—who responded to our concerns with disbelief, contempt, and arrogance.

Mr. Speaker, each representative of the most prominent human rights organizations made it quite clear—things have gotten worse in China and current United States policy has not made a difference for the better and has sent the wrong message to the Chinese Government and other nations in the region and around the world.

Last week at my subcommittee's hearing Dr. William Schulz, the executive director of Amnesty International testified that "the human rights condition in China has worsened since the delinking of human rights and MFN. Despite rapid economic changes in recent years in China, which has led to increased freedom and some relaxation of social controls, there has been no fundamental change in the government's human rights practices. Dissent in any form continues to be repressed."

While Amnesty International takes no position on MFN, it is significant to note, Mr. Speaker, that Dr. Schulz reported that "the delinking has given a clear signal to the Chinese government that trade is more important than human rights considerations" and that "the message is clear, good trade relations in the midst of human rights violations is acceptable to the U.S."

Nina Shea, the director of the Puebla Program on Religious Freedom at Freedom House testified that "China ranks at the bottom of the 1996 Freedom House Freedom in the World survey among the '18 Worst Rated Countries' for political and civil liberties."

And if I might be allowed one more example of what my subcommittee heard, Mr. Speaker, Mike Jendrzejczyk, the Washington Director of Human Rights Watch/Asia testified that—

> In recent months, Chinese authorities have ordered increased surveillance of so-called "counter-revolutionaries" and "splittists" (Tibetans, Uighurs and other national groups) and given even harsher penalties for those judged guilty of violating its draconian security laws. China has silenced most, if not all, of the important dissent communities including political and religious dissent, labor activists, and national minority populations. Their members have been exiled, put under house arrest, "disappeared," assigned to administrative detention, or subjected to economic sanctions and systematic discrimination in schooling and employment. Dissidents also continue to suffer criminal charges, long prison sentences, beatings and torture.

Mr. Speaker, I've met with Wei Jingsheng in Beijing, before he was thrown back into jail, and was deeply impressed with his goodness, candor, and lack of malice towards his oppressors. It is unconscionable that this good and decent democracy leader is treated like an unwanted animal by the dictatorship in Beijing. For Wei—for countless others who have been brutalized by a cruel and uncaring dictatorship. Vote to take MFN away from this barbaric regime.

Each year, Mr. Speaker, as the time approaches for Congress and the President to review the question of most-favored-nation status for the Government of the People's Republic of China, Members of Congress are approached by representatives of business interests to support MFN. Their argument is that constructive engagement is the best long-term strategy for promoting human rights in China.

The biggest problem with this strategy is that it has not yet succeeded in the 20 years our Government has been trying it. Our Government has been embroiled in a 25 year one-way love affair with the Communist regime in Beijing. There is no question that increased contact with the West has changed China's economic system—but there is little or no evidence that it has increased the regime's respect for fundamental human rights.

I have made an honest effort to try to understand why this is—if, as we Americans believe, human rights are universal and indivisible, then perhaps the extension of economic rights should lead to inexorable pressure for free speech, democracy, freedom of religion, and even the right to bring children into the world. And yet it has not worked. One possible reason is that although there has been economic progress in China, this has not resulted in true economic freedom. In order to stay in business, foreign firms and individual Chinese merchants alike must have government officials as their protectors and silent or not-so-silent partners. Yes, there is money to be made in China—and every year at MFN time, we in Congress get the distinct impression that some of the people who lobby us are making money hand over fist—but this is not at all the same as having a free economic system. Large corporations made untold millions of dollars in Nazi Germany. Dr. Armand Hammer made hundreds of millions dealing with the Soviet Government under Stalin. Yet no one seriously argues that these economic opportunities led to freedom or democracy. Why should China be different?

For 20 years we coddled the Communist Chinese dictators, hoping they would trade Communism for freedom and democracy. Instead, it appears that they have traded Communism for fascism. And so there is no freedom, no democracy, and for millions of human beings trapped in China, no hope.

Another reason increased business contacts have not led to political and religious freedom is that most of our business people—the very people on whom the strategy of comprehensive engagement relies to be the shock troops of freedom—do not even mention freedom when they talk to their Chinese hosts. After the annual vote on MFN, the human rights concerns expressed by pro-MFN business interests often recede into the background for another 11 months.

During those 11 months, Mr. Speaker, the United States trade deficit with China continues to grow. In 10 years China rose from being our 70th largest deficit trading partner to our second largest. The deficit has grown from $10 million to over $33 billion. One-third of all of China's exports come to the United States and are sold in our markets. If China did not have the United States as a trading partner they would not have a market for one-third of their goods. China needs us, Mr. Speaker, we do not need China.

Our State Department's own Country Reports on Human Rights Conditions for 1995 make it clear that China's human rights performance has continued to deteriorate since the delinking of MFN from human rights in 1994. In each area of concern—the detention of political prisoners, the extensive use of forced labor, the continued repression in Tibet and suppression of the Tibetan culture, and coercive population practices—there has been regression rather than improvement. And every year we find out about new outrages—most recently the "dying rooms" in which an agency of the Beijing Government deliberately left unwanted children to die of starvation and disease.

Since February 1994, just 1 month into the Clinton administration the United States has been forcibly repatriating people who have managed to escape from China. Some, although not all, of these people claim to have escaped in order to avoid forced abortion or forced sterilization. Others are persecuted Christians or Buddhists, or people who do not wish to live without freedom and democracy. Still others just want a better life. For over 3 years now, over 100 passengers from the refugee ship *Golden Venture* have been imprisoned by the U.S. Government. Their only crime was escaping from Communist China. In the last few months, several dozen of the *Golden Venture* passengers have been deported to China—some by force, some voluntarily because they were worn down by years in detention.

A few days ago I received an affidavit signed by Pin Lin, a *Golden Venture* passenger who through the intervention of the Holy See has been given refuge in Venezuela. He has received information from families of some of the men who have returned. The Chinese Government had promised there would be no retaliation. Contrary to these promises, the men who returned were arrested and imprisoned upon their return to China. Men who had been mentioned in U.S. newspapers or who had cooperated with the American press were beaten very severely as an example to others. The men and women remaining in prison—the men in York, PA, and the women in Bakersfield, CA are terrified by these reports. And yet they are still detained, and they are still scheduled for deportation to China.

I ask the Clinton administration, please, let these people go. They have suffered enough. And I hope this House will send a strong message today to the totalitarian dictatorship in Beijing, to the enslaved people of China and Tibet, and to the whole world, that the time has come to say enough is enough. It is clear that most-favored-nation status and other trade concessions have not succeeded in securing for the people of China their fundamental and God-given human rights. Now we must take the course of identifying the Beijing regime for the rogue regime that it is, a government with whom decent people should have nothing to do.

Mr. Speaker, the time has come for us to send a clear and uncompromising message to China and to the rest of the world: Human rights are important, human lives are more valuable than trade, the people of the United States do care more about the people of China than we do about profit. Now is the time to disapprove MFN.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would advise Members that the gentleman from Texas [Mr. ARCHER] has 20 minutes remaining; the gentleman from Florida [Mr.

GIBBONS] has 22 minutes remaining; the gentleman from Kentucky [Mr. BUNNING] has 7½ minutes remaining; the gentleman from California [Mr. ROHRABACHER] has 11 minutes remaining; and the gentleman from California [Mr. STARK] has 16 minutes remaining.

The gentleman from Texas [Mr. ARCHER] has the right to close, immediately preceded by the gentleman from California [Mr. STARK].

Mr. ARCHER. Mr. Speaker, I yield 30 seconds to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I rise in strong support of the continuation of normal tariff status for the People's Republic of China and oppose the Rohrabacher resolution.

We have a whole range of sanctions that are used now for proliferation, human rights abuse, and a whole range of trade practices that are inappropriate. Many of those sanctions are now in place with respect to the PRC. This denial of so-called MFN is not the place to have our impact.

We should remember that China is a 4,000-year-old culture. They have no tradition of democracy. They have real problems on which we have had a full recitation of here today, but we need to approve MFN. It is in our vital national interest to do so, both in the short and long term.

Mr. Speaker, this Member rises to unequivocally support extending normal tariff status to the People's Republic of China. Furthermore, this Member proposes abolishing this annual process because the imposition of Smoot-Hawley type tariffs on China is contrary to our national interest and because this futile annual debate undermines our leverage to deal constructively with that country.

Justifiably disturbed by reports of China's weapons proliferation policies, it's military aggressiveness, human rights abuses, and unfair trade practices, many Members of Congress argue for sending China a signal by voting against so-called MFN status. However, the Chinese Government knows our own national interest precludes such a draconian step and both Republican and Democrat administrations have long recognized that abolishing China's normal tariff status will only prohibit us from exerting a positive influence on that country.

Therefore, we have chosen to rely on targeted sanctions against China. For example, we currently prohibit United States companies from selling defense articles or not-so-fast computers to the Chinese. We scrutinize China's satellite purchases and we have suspended military exchanges. We oppose multilateral development bank lending to China except loans for humanitarian reasons and we prohibit some indirect United States aid. We impose special procedures on the United States Export-Import Bank and we deny United States firms all other export financing. Recently, we banned the importation of munitions and ammunition from China, and we have long prohibited United States contributions to the United Nations Population Fund [UNFPA] from being used there.

While some claim that the United States has not been tough enough on China, this partial laundry list of United States sanctions suggests the opposite is true. Perhaps we have erratically imposed too many unenforceable sanctions on China. Many of my colleagues probably need to recognize that we do not have sufficient influence to alter China's behavior by acting unilaterally. Presumably, for example, European nations care about human rights abuses in China, and presumably China's neighbors are seriously concerned about China's assertive territorial claims. However, it is no secret to United States companies that our allies businesses gleefully steal American business when the United States engages in a principled disagreement with China over, for example, intellectual property rights.

Mr. Speaker, today's procedure reinforces the view that normal tariff status for China is clearly in our national interest and that maintaining it enables us to positively influence China. However, this process also permits consideration of a separate resolution which requires us to further evaluate our overall foreign policy relationship with China.

During this period, we should examine why no other nation in the world engages in a similar annual trade debate over China. Let us discuss why we deny United States companies Government assistance in one of the world's fastest growing markets. Most important, let us examine why President Clinton and Secretary Christopher have abdicated their responsibility to routinely engage the Chinese in direct meetings to seek constructive ways to improve our mutual understanding and our overall relationship.

Perhaps we should also examine the ridiculous assertion that nothing has changed in China. We should listen to the Chinese jurists, scholars, and students who are optimistic about the legal reforms and village elections budding throughout China and determine how we can assist them in their efforts.

Mr. Speaker, despite very real limitations on our influence and our inept foreign policy, no country in the world has more influence on the course of events in the People's Republic of China than the United States. Already, the lure of our huge market has caused that country to pursue dramatic economic reform in a miniscule fraction of that country's 4,000-year history. However, we cannot expect to end China's unfair trade practices without European cooperation and the support of the Pacific Rim nations. Today's vote for normal tariff status for China is a tacit acknowledgment of our enormously positive influence on that country. It is also an acknowledgment that we cannot, alone, maintain that positive influence.

Mr. Speaker, in listening to the heated rhetoric during debate on the rule for considering the resolution which would reject normal tariff status for the People's Republic of China—all but eight countries in the world have such status—I was appalled by at least two particular remarks. First, one of our colleagues asked at what level is our threshold of conscience regarding the human rights abuses and various outrages in the PRC. This kind of sanctimonious comment about those, like this Member, who believe it is unwise, counterproductive, and contrary to our vital national interest to end normal tariff status for the PRC.

Such remarks and the tone and substance of similar remarks by many other colleagues, self-proclaimed paragons of virtue, violate the dignity and proper civility of the House. This Member and a very large share of Members of the House disagree with those who would deny normal tariff status to the PRC. Many of us believe that a decision to deny that trade status to the PRC does great harm to the short- and long-term vital national interest of the United States of America, but we do not ascribe improper motives or objectives to those with whom we disagree. We do not ask them to check their threshold of conscience when it comes to the impact of their actions on our country.

Second, I was appalled and saddened to hear one of our very esteemed colleagues—perhaps only because the heat of debate—refer to China as our enemy. China is not our enemy but our vacillating, inept foreign policy actions and the continued ill-advised rhetoric and actions of the congress—especially in the distorted and counter-productive annual debate on extending so-called MFN—can push China to unnecessarily become an enemy or adversary. That would undoubtedly prove to be one of the truly momentous tragedies in American and world history. The financial consequences of a cold war with China are staggering and the costs of an eventual overt conflict with the PRC are unimaginably tragic for the two countries and mankind.

Mr. Speaker, it must be emphasized that what Members do here today on this issue, what we have done in the past, and what we do in the future, taken altogether, does have very important consequences. Our actions over time, in combination with the inept handling of Sino-American relations, actually can move our two countries to an adversarial status with all the consequences which follow. Members should be reminded that they are not free to cast irresponsible votes for purely political reasons or to appease interest groups without recognizing the damage they do and the consequences that follow.

Mr. Speaker, while I speak as chairman of the Asia and the Pacific Subcommittee of the House International Relations Committee, I do not claim to be an expert on China. Indeed, it might be said that there are no experts on China—only degrees of ignorance. Yet I would hope that my colleagues would make a sincere and urgent effort to learn more about the PRC, the Chinese people, and their culture. They would better understand how this nation—with a 4,000-year history in which its people understandably take great pride, with a huge percentage of the world's people, with no democratic traditions that resemble our own—will not easily change its ways. They understandably see our own erratic, grossly ineffective foreign policy toward China as consisting primarily as a constant, ad-hoc badgering on an issue-by-issue basis and believe it to be a heavy-handed effort to impose our practices, ideals, and cultural standards. Many of our actions and emphases in our foreign policy and in the Congress are also seen as direct threats to their sovereignty.

Mr. Speaker, this Member's first visit to China was, I believe, in 1988 or thereabouts. At that time I was struck by the warmth of the Chinese toward Americans and the United States. Some of the older citizens were apt to comment about America's help to the Chinese against our common enemy in World War II. It seemed that everyone wanted to learn English because of their friendship for America and their expectations that we were going to see a closer, friendlier, Sino-American relationship, which went beyond business opportunities.

In August 1995, this Member returned to China and noticed that the good will toward America among the average Chinese citizen had deteriorated markedly if in fact it had not totally disappeared. Now they ask, "Why do Americans hate us so much?" Some of my esteemed House colleagues believe the Congress was instrumental in blocking the PRC from having the Olympics in the year 2000 and they are proud of that fact, but at least in Beijing each man or woman on the street really felt that loss of the Olympics and they emphatically blame America for it. Undoubtedly, too the government of the PRC is manipulating the views and emotions of their citizens with anti-American media campaigns and whatever is the latest controversy in the relations between our two governments.

Yet, if you spend time among the average Chinese citizens in the coastal cities—in crowded department stores, noodle lunch shops, or other places, as did this Member, one couldn't help but be struck by the changes in the population. A huge and growing consumer class enjoying a whole range of personal freedoms has been created. The pace of physical development and change in the lifestyles of a large share of China's citizens is literally unmatched in the history of the world. Economic prosperity and a greater exposure to Western ways is inevitably liberalizing despite repressive governmental policies. Chinese leaders probably would not attempt another Tiananmen Square confrontation today and it certainly wouldn't be possible in 5 or 10 years unless America and the West turn its back on China and pushes it to become a more suspicious, aggressive, and isolated regime. Chinese leaders, this Member is convinced, know they have their hands full in pushing internal economic and physical development sufficiently fast to keep up with the impatient massive population who have had the appetites whetted by the economic benefits and personal freedom that have accompanied their amazing economic progress. America and the developed democracies, while watchfully protecting our own interests, warily observing Chinese military modernization efforts, and collectively counteracting any external Chinese aggression that might appear, must also avoid giving the kind of undue provocation to the People's Liberation Army which would further enhance modernization efforts or its influence on top Chinese policymakers.

Finally, this Member cannot help but observe that the demands for reform, the criticism of the PRC, and the overt hostility toward it by so many in this Congress and in the American public has intensified dramatically since the collapse of the Soviet Union as a superpower adversary to the United States. Unfortunately, I don't think this is coincidental. Intentionally or subconsciously, I believe that some people, some politicians, and some special interests find it convenient to have a national enemy. Shortly after the disintegration of the U.S.S.R., the Japanese economic and trade practices caused that nation to become the focus of many Americans' acute anxieties, fanned by the latest leading polling or opinion articles. Now the focus is squarely on the People's Republic of China. There is no reason this Congress, the national media, or anyone else should push or elevate China into being our next enemy. Too many million people's lives are placed at risk and too much of our public and private resources will be needlessly spent.

Mr. Speaker, I strongly urge my colleagues to reject the Rohrabacher resolution and support the continuation of normal tariff status for the People's Republic of China. It is in both the short- and long-term vital national interest of the United States that we continue our engagement with China through this and other means.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a respected freshman on the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I rise in strong opposition to this resolution of disapproval of normal trade relations for China. In my view, we need to renew China's MFN status as part of a long-term commitment to the United States-China relationship.

China is the world's largest and fastest growing market, experiencing exponential growth as its rulers slowly reverse generations of statist economic policies.

If we fail to renew MFN for China, it will uncouple our economy from this fast growing trading partner, it will place U.S. companies at a competitive disadvantage with other international firms, and it will cost American workers jobs.

Mr. Speaker, I do not condone China's human rights abuses. I do not condone China's military adventurism and aggressive behavior in its region or its poor record on nuclear proliferation. I do not condone China's failure to enforce intellectual property rights or its unfair trading practices. But, Mr. Speaker, the advocates of this resolution have made no credible argument that ending normal trade relations with China will lead to reforms in any of these areas. Instead, trade with China by America is an essential catalyst to move China toward greater economic freedom and a liberalization of their economy and their institutions.

Mr. Speaker, I believe the best way for America to influence Chinese society is to pursue a policy of constructive and comprehensive engagement.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, every year China promises to open its market to American products. Every year Congress grants most-favored-nation status to China, yet nothing seems to change, and we are about to do it again.

MFN is a job killer for America. MFN is a job killer for America because China refuses to open its markets. MFN is a job killer for America because China uses slave labor and prison labor camps. MFN is a job killer for America because China uses child labor to make things, like this Mattel Barbie doll and this Spalding softball.

Twelve-year-old Tibetan boys and girls in Chinese slave labor camps making these softballs for 12-year-old American boys and girls to use on America's playgrounds, Chinese children making these Barbie dolls in sweatshops so American children can play with them in their bedrooms.

When will this stop? When will we in this Congress say enough is enough? Kill MFN.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I thank my colleague from Florida for yielding me this time.

Mr. Speaker, I rise in opposition to this resolution of disapproval, in spite of the fact that I have some major concerns about our relationship with China.

The issue that concerns me and a large segment of my constituency, which we may not hear very much about today, is China's treatment of the textile and apparel industry. There are over 1.5 million Americans employed in the textile and apparel industry in the United States.

Fifty thousand of those workers are my constituents. Their struggle to compete in a highly competitive global market is being made much more difficult by China as it violates its agreements with the United States and illegally ships textiles and apparel through other countries in order to exceed their agreed-upon quotas. This is a $4 billion problem for this industry. It costs Americans thousands of jobs, and it must stop.

I do not believe, however, that treating China like that handful of rogue countries that do not now receive MFN treatment is the answer to this problem and other problems we have with China.

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China has the world's fastest growing economy and is expected to be the world's largest economy by sometime early in the next century. This a fact that cannot be overlooked. It is an important fact that both our citizens and China's citizens must realize. Economic engagement with China benefits America because a prosperous and dynamic China will be a better customer for American products generating thousands and thousands of American high-wage jobs.

Economic engagement with China also benefits China because the rise of trade and economic linkage serves as an important force for continued economic and political liberalization for expansion of human rights and encouragement of global peace. I believe revoking MFN serves only to isolate China, not to advance any other worthy goals that we have heard about today.

Mr. Speaker, I urge my colleagues to vote "no" on this resolution of disapproval.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York [Mr. GILMAN] is recognized for 3 minutes.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of House Joint Resolution 182, legislation revoking MFN to China. I commend my good friend, the gentleman from California [Mr. ROHRABACHER], for offering it, along with a number of our colleagues.

Recently the PRC spokesman said that the Congress, and I quote: hurt the Chinese people's feelings, and we further quote, aggravated tensions over the Taiwan Straits, close quote, by passing a resolution stating that the United States should come to the defense of Taiwan. He also stated that what we did at that time was detestable.

It is difficult to imagine what might be detestable to a Communist Chinese Government official. Just a few weeks ago officials of a Communist Chinese Government military industry tried to sell silencers, stinger missiles and some 2000 machine guns to street gangs in Los Angeles. The government spokesman denied it in the same manner that they denied previously the sale of cruise missiles and poison gas factories to Iran, nuclear weapons technology to Pakistan and the severe repression of religion throughout China and occupied Tibet.

Beijing's military provocations off the coast of Taiwan were not the result of our Nation allowing President Li to visit Cornell. The military threats were the result of the administration's failure to take action when Beijing violated MOU's and agreement regarding weapons proliferation, human rights and trade. Beijing knows a paper tiger when it sees one.

If China violates an agreement, it should be held accountable. The administration must stop sweeping aside Beijing's violations of agreements on these matters and dispensing enforcement as an attempt to isolate or contain China. This is not any constructive approach to a serious problem. Ignoring their serious infraction is simply appeasement. Appeasement has led to our serious trade deficit with China. In 1985 it was $10 million. Today it is up to $34 billion. Appeasement has led to our business people being bullied into sharing technology with Beijing in order to receive their contracts. Appeasement has led to Iran obtaining cruise missiles that threaten our troops and Israel. And appeasement has led to the potential sale of stinger missiles to street gangs.

There are even fewer words to describe administration officials who make up one excuse after another for Beijing's behavior and try to shift the blame whenever another outrageous deed is done.

The bare minimum that the administration policy geniuses can do is to send a strong signal that they care about American businesses, about American jobs and about American security, and it is for them to stop claiming it would isolate or contain China by asking them to live up to their agreements with us. Accordingly, I urge my colleagues to revoke MFN and vote for the resolution.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

I have listened to the concerns expressed this afternoon and I share them. I have heard about human rights violations, heard about the inability of the Chinese to properly be concerned about Hong Kong's future and Taiwan, the access to the Chinese market. We have heard a lot about nuclear proliferation. We just heard about arms sales. So I have just a very practical question; how will revoking MFN address any of these concerns? How will it help?

I think that a disengaged China is less likely to care about basic human rights, less likely to care about Hong Kong's economic liberties, less likely to care about living within accepted international norms. I think we only have to look back to the Cultural Revolution to see that. Instead we should be engaging.

Among other things, they think we should be doing all we can, using what leverage and influence we have, to get China into the World Trade Organization, the successor organization to GATT. By that we force China to live by the international trading rules, to ensure that we have access to the Chinese market and improve the very conditions we all implore. That is the approach we ought to be taking as a Government, not revoking MFN status.

I think voting against MFN may make people feel better, but that is not a good enough reason. It is not the right tool to use. I urge Members not to follow this course of action and instead to do the other things we need to do by engaging China to advance the interests we share.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, the People's Republic of China routinely violates international trade laws, arms sales restrictions, human rights conventions. China continues to illegally export goods made by prison and child labor into the United States. China's domestic markets are effectively closed to our products, even as we open our doors wide for Chinese-made goods, many of them produced by United States companies that have moved jobs into the People's Republic. China is also one of the world's leading pirates of copyrighted software.

Our trade deficit with China swelled from $10 billion in 1990 to $33 billion last year, projected to be $41 billion this year. That is more than half a million American jobs lost in their unfair trade practices. Some people call this policy constructive engagement. I call it appeasement. The aging dictators in Beijing know that they can count on our Government's spineless response to their provocations. They understand only too well how effectively their big corporate allies can influence our elected representatives.

Our trade policy ought to work for American workers. Instead, the game has been rigged to benefit a new world order in which corporate investments and family-wage jobs flow downhill toward the world's lowest wages, worst working conditions and least restrictive environmental standards.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, I rise reluctantly to support continuation of most-favored-nation treatment for the People's Republic of China. We cannot afford to ignore China's emergence as a global power, even though clearly it has not yet learned how to act like one. I am appalled by the human rights conditions in China, Chinese willingness to export weapons of mass destruction and their flouting of international trade agreements. But somewhere, someone in this debate has to explain for me the link between achieving those goals and the revocation of MFN.

That is not a policy; engagement is not a policy. Containment is not the alternative. We need a strategy that targets specific objectives, sets priorities, imposes sanctions when those objections are not complied with and those agreements are not met and promotes human rights.

I urge continuation of MFN for China not because I believe in what China is now doing, not what they are doing is right or because China is changing in the right way but because I believe we cannot end MFN and then expect to change China. I urge a no vote on this resolution.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, let us talk about a little bit today on what the Constitution says, Congress shall regulate commerce with foreign nations. The Constitution does not say that Congress shall moderate the behavior of our trading partners.

The facts are clear. China steals American technology. China dumps their products in our markets. China denies access to American products. In addition, China uses false made-in-America labels on their cheap products deceiving American consumers.

To boot, China usually opposes Uncle Sam at the United Nations. China sells nuclear technology to our enemies. Is it any wonder China enjoys a $40 billion trade surplus? All this talk about jobs, we are a net 700,000 job loser.

The American people have done all they could. They elected a Democrat President. There has been no change. They elected a Republican majority, there has been no change. I commend the Republicans who have taken this effort.

The bottom line is, the American people are apathetic, they do not see much difference between either party, and this is a defining issue. It is completely evident to me, very clear, the Congress of the United States will not do anything about trade until there are two Japanese cars in every garage and a Chinese missile pointed at every American city.

How many more welders do we retrain? How many more minimum wage jobs do we create?

I might understand this program if someone finally confessed and told me Jack Kevorkian was running our trade program. We are losers. Now, for all of the workers in Ohio that write to me and write to other Members, I want to make the following recommendation today: No. 1, I want you to invade West Virginia; No. 2, I want you to threaten Columbus and Harrisburg. And maybe then the Congress of the United States will take a look at your plight.

But let me say one last thing, what both of the Democrat and Republican Parties are doing with trade is a defining issue of our times. We have no economic program. We are a bunch of losers. I predict there will be a major third political party in our country. So help me God, I think the country needs it desperately.

I want to thank the gentleman from Kentucky [Mr. BUNNING] for the time. I want to thank the gentleman from California [Mr. ROHRABACHER] for his effort. I understand the positions of everyone on the other side of the line; but, while you are involved with all this free trade, we are getting our assets ripped off left and right.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in May 1994, President Clinton de-linked human rights considerations from our trading relationship with China. He told us then that an improving economy in China would be accompanied by an improvement in Beijing's respect for human rights and would make China a more responsible member of the family of nations.

Today, China's human rights record is worse, and its growing economy has served to underwrite an enormous military expansion and to enrich the Chinese Communist party elite.

President Clinton was wrong to de-link our China trade policy from human rights just as George Bush was wrong in not cutting off MFN after the Tianamen Square massacre. If we had stood up for our principles then, we would likely be re-extending MFN to a freer and less threatening China today.

This vote is not a litmus test on free trade. I believe in free trade among the free people of the world. This is a litmus test about American jobs and human rights. China has 6 to 8 million people in over 100,000 labor camps making products for export. I am a free trader, but slave trade isn't free trade. And how can be expect American workers to compete with Chinese slaves?

We are losing over $30 billion in our bilateral trading relationship with Beijing in spite of billions of dollars in loans to China sponsored by the World Bank and our own Export-Import Bank.

Over $4.3 billion of international loans and guarantees went to China in 1995. $800 million in loans and guarantees came from the U.S. Export-Import Bank. I would like to submit for the RECORD a list of international loans to China.

The justification for these handouts, we are told over and over again, is that China's market is so big and full of such incredible potential that we must close our eyes to the more distressing things in China.

China's American apologists claim that Beijing fears the United States is trying to contain China. That is not true. The Chinese know it isn't true. Everyone knows it isn't true. If anything, we are bending over backwards to engage China. No, the real threat here is that China may threaten Asia—all of Asia. The PRC's actions in the Spratlys, Taiwan Strait, Burma, and the South China Sea, and its accelerating military buildup indicates that China is seeking a hegemonic role for itself in Asia. The implication is that Beijing eventually intends to challenge United States naval power in Asia—that means conflict—almost certainly initiated by Chinese aggression against a democratic neighbor. Mr. Speaker, I would like to submit for the RECORD an analysis which outlines possible Chinese ambitions in Asia, and a report by the Republican Policy Committee on Communist China's invasion threat against Taiwan.

So China is building up its military and threatening its neighbors, and we are financing this threat to Asian stability through our trade relationship. China's apologists shrug off these threats, but they are real.

Just last week China initiated a door-to-door campaign in Tibet to confiscate photographs of the Dali Lama. Reports indicate that those who refuse are jailed, beaten, tortured, even murdered. This isn't some account from the Cultural Revolution or the Great Leap Forward, this is happening now. The Chinese are undertaking a campaign of ethnic cleansing which would make even the most hardened Serb Chetnik wince. Chinese officials routinely inject pregnant Tibetan women to induce birth. They then inject the newborn in the head killing it in front of the mother. The third procedure is to sterilize the women. Another popular practice of the Communist Han Chinese is to simply rape Tibetan women.

Muslims in Sinkiang Province, or East Turkistan, are also being repressed.

Where do the arguments we heard last year to justify MFN for China differ from the ones we hear today? Does it matter that China tried to undermine Taiwan's democratic elections, or broke international agreements on nuclear proliferation, or bilateral agreements on intellectual property rights? Does it matter to those of you who are voting for MFN that China kills its infants in its state-run orphanages?

Where does that enter into a moral person's calculations? Where does torture of Catholic priests or repression of Christianity enter into the picture? In voting to ignore the crimes of the Communist regime we demoralize the democratic forces in China? We are turning our backs on the very people we should be supporting, people who believe in our values, in liberty and freedom and democracy. These are the people we defeat by renewing MFN.

It's Harry Wu, the Panchen Lama, and Wei Jingshen we turn our backs on by renewing MFN. We ignore the threat to attack Los Angeles, the recent nuclear weapons test, and the seizure of 2,000 fully automatic machine guns by U.S. Customs officials which were being smuggled into the United States by People's Liberation Army-owned firms.

But even on purely economic grounds, MFN should be opposed. Giving away American jobs to bolster a rogue regime like this is not beneficial for America. We hear about U.S. sales of commercial jetliners to China—and I come from an area heavily dependent on aerospace—but most of our exports to China are unfinished goods or raw materials.

China's tariffs on United States products entering China's market—especially finished products or high technology consumer goods—are, on average, dramatically higher than our tariffs on Chinese goods—even without MFN, their tariffs on us would still be higher than ours on them. For those with eyes, it is easy to see that any industry that China wants to develop is closed off to American manufactured goods.

Meanwhile, China has launched deliberate efforts to open private front companies in America whose mission is to steal American technology our firms here. Mr. Speaker, I would like to submit for the RECORD an article that appeared in the Denver Post which discusses this issue. I would also like to submit for the RECORD an article which discusses China's other covert intelligence operations, referred to as "political action work" by the Chinese. Chairman FLOYD SPENCE is investigating this issue, and I commend him for that oversight effort.

This year's debate has to go beyond the notion of China's large market justifying our accommodation of China's rogue status. Why do we permit U.S. dollars to finance the military buildup of a repressive dictatorship that is likely to be our enemy? Mr. Speaker, I would like to submit for the RECORD two papers, one concerning China's arms exports and the other addresses China's military modernization. Lord, grant that our sons never go to war with this Asian Godzilla, armed to the teeth with high technology weapons bought with the currency of MFN.

Mr. Speaker, I would like to submit for the RECORD a series of articles which appeared in the January 11, 1996, edition of the Far Eastern Economic Review which discuss questions surrounding the Pentagon's effectiveness in controlling sensitive technology being transferred from America to Red China. Mr. Chairman, I would also like to submit for the RECORD a paper by Greg Mastel and Gregory Stanko which discusses China's deliberate policy of stealing America's intellectual property.

The American people should know that MFN is worth about $10—12 billion a year to China. Why should the American people reward China's bad behavior with a $10 billion benefit? Some of our military service chiefs are already talking about uncertainty in Asia as a partial justification for billions dollars in defense spending. Another cost to the American taxpayer of our current China policy.

America's domestic programs shouldn't reward bad behavior, and our international policies should be no different.

A definition of insanity is doing the same thing over and over again and expecting the results to be different. Well, by that definition, another year of MFN for an increasingly belligerent, more heavily armed, more repressive, Communist-run China is insanity times ten on our part.

We are here to do God's work and the work of the American people. Disapprove MFN for China and do both. Vote "yes" on my resolution of disapproval.

CHINESE STRATEGY IN ASIA AND THE WORLD

(By Prof. June Teufel Dreyer)

THE CHINESE VIEW OF CHINA'S STRATEGY

The view of its strategy that the People's Republic of China (PRC) presents to the international community was expressed metaphorically to a U.S. military attache in terms of an ant hill. Somewhat isolated, tribal, and mistrustful of others, the colony is mainly focussed on internal concerns. Members are sometimes sent outside in search of needed items, but the colony is basically self-sustaining. Only when others encroach too closely or attempt to kick the ant hill will the millions of ants of the Chinese People's Liberation Army (PLA) come charging out of the colony to bite them.[1]

Chinese commentators have been at pains to deny that their country is strategically ambitious. A deputy director of the Beijing-based Center for Chinese Foreign Policy Studies attempted to quell fears that the PRC's impressive economic growth would lead to an increase in military strength that would pose dangers to the international community. Since, he argued, economic construction remains the government's priority, "its security strategy is to maintain a favorable environment for the economy and make utmost efforts to prevent military confrontation, whether within or outside its borders."[2]

Another approach is to define the possibility of an aggressive strategy out of existence. For example, the commandant of the PLA's National Defense University stated that "China's socialist character ensures that it positively will not strive for hegemony."[3] The commandant does not address the question of why other socialist countries such as the former Soviet Union had not been inhibited from seeking hegemony. Since, he continues, China has committed itself to economic development as a priority, a peaceful and stable international environment is necessary. Having thus established that "China's socialist system ensures that China will unswervingly pursue a defensive national defense policy and military strategy," the author outlines a broader and less peaceful-sounding agenda: the arms forces exist to * * * consolidate national defense, withstand aggression, protect the ancestral land, protect the peaceful work of its people, defend the country's territorial sovereignty and maritime rights and interests, and safeguard national unity and security * * * we adhere to a self-defense position of, if others do not attack us, we will not attack them; if others do attack, we will certainly attack them. We adhere to a strategy of gaining mastery by letting others strike first.[4]

In support of the contention that its strategy is peace and economic development rather than confrontation, PRC sources point to the country's very low defense budget. According to statistics presented by former PLA deputy chief of staff Xu Xin, the PRC's defense budget has risen by only 6.2 percent over the past ten years when an average inflation rate of 7.7 percent is factored in. As a proportion of gross national product (GNP), defense expenditures have fallen over the same period: in 1985, the figure was 2.8 percent; in 1994, it was 1.3 percent. Meanwhile, the United States spent 4.3 percent of its GNP. Moreover, China's military expenditure per soldier is less than one-sixtieth of that of Japan's Self Defense Forces and a mere one-seventieth of that of the American military.

Even so, Xu continued, the majority of this modest per-soldier expenditure is used for such purposes as the basic necessities of daily life for its soldiers, plus the costs of administration, routine training, equipment maintenance, and the like. So little remains after these expenditures have been made that it would be impossible to purchase large quantities of equipment. "It is thus obvious that the claims that China is intending to buy an aircraft carrier and is expanding its military armaments clearly are made by people who have an axe to grind."[5]

FOREIGN VIEWS OF CHINA'S STRATEGY

Skeptics find these explanations unconvincing. The ant hill metaphor falls short because the ants' understanding of the territorial limits of their colony does not necessarily coincide with that of others, so that someone this particular group of ants may regard as encroaching on their hill or kicking it may believe that the area in which he is walking does not belong to the colony. Moreover, despite the efforts of the Chinese ant elite to moderate the breeding habit of the hill's members, the population of the colony continues to grow. This may lead the elite to extend to the maximum degree possible the space available to the colony. And, finally, there are other ant colonies in the area who are as sensitive to what they consider encroachment on their turf as the Chinese ants.

The contention that the PRC will never attack unless attacked first comes athwart the fact that China attacked Vietnam in February 1979 without having been attacked first. Presumably the author of the article cited above would point out, as China definitely did at the time, that the action was not an attack but rather a "pre-emptive counterattack." A February 1996 article in the PLA's official newspaper *Jiefangjun bao* (Liberation Daily) describing the advantages of the pre-emptive strike in limited, high-technology war suggests that the Chinese leadership continues to value the concept.[6] Beijing's warning that it would attack Taiwan were the island's government to declare itself independent mentions nothing about a prior attack on the mainland by Taiwan. A 1992 law passed by China's National People's Congress gives the PRC the right to enforce by military means its claim to the territorial waters around islands whose ownership is disputed. Again, no prior attack on the PRC need take place. When Filipino president Fidel Ramos arranged a guided tour of Chinese installations on islands claimed by the Philippines, the PRC warned that if it happened again, forcible means would be employed. No one suggested that the Philippines might have to attack China first.

With regard to defense expenditures, skeptics point out that looking at the military budget as a percentage of China's GNP may show a decline, but that it is a slightly declining share of a rapidly growing pie. Moreover, the published defense budget is not the same as the actual defense budget, which is estimated to be anywhere from two to five times the budget that is officially reported. The higher figures typically include costs for the People's Armed Police (PAP), which contains many demobilized regular army members. The PAP has primarily domestic functions, but could be used transnationally if the need arose.

A comprehensive study done by the U.S. General Accounting Office in 1995 which excludes PAP costs concludes that the Chinese defense budget is three times that officially reported.[7] It notes that many expenditures that would be considered under the defense category if it were calculated according to North Atlantic Treaty Organization (NATO) standards appear under other categories in the PRC's budget. Demobilization costs, for example, are the responsibility of the Ministry of Civil Affairs. And expenditures for nuclear research and development costs, which are believed to be very large, are not included in the defense budget. The costs for recent sizable acquisitions of equipment from Russia, including 72 Su–27 fighter planes and at least four Kilo class submarines, came out the State Council's budget rather than that of the PLA.

These expenditures are not small: the first batch of 26 Su–27s alone was purchased for U.S. $1 billion, or almost $40 million per plane. While the purchase price of the submarines has not been made public, Russia has sold other Kilo-class submarines for approximately $240 million apiece, indicating that the bill for four, plus associated expenses, will add up to another $1 billion.[8] The cost of a recent acquisition of Russian radar to equip 100 Chinese-built J–8 II jet fighters was reportedly $500 million.[9] There have also been major purchases from Israel. Researchers at the Stockholm International Peace Research Institute (SIPRI) estimate the price of Israeli arms transfers to China since the early 1980s at $2 to $3 billion.[10] While the actual impact of these purchases on the Chinese economy will be somewhat softened by the fact that a portion of it is in barter rather than hard cash, they nonetheless represent huge expenditures.

These, of course, are just foreign purchases, which represent only a fraction of total spending. The military correspondent of a respected Hong Kong newspaper placed the cost of each domestically-produced M-class missile fired into the Taiwan Strait at $2 million, and estimated the total cost of the PRC's seven war games and missile testing in and near the strait between July 1995 and March 1996 at a billion dollars. The final round of missile testing, he noted, took place while the National People's Congress was in session. While the NPC was not discussing the wisdom of the tests, this topic apparently having been declared off limits, NPC deputies from central and western provinces were complaining publicly[11] about the central government's failure to route development funds to them. And, in internal meetings, deputies from the coastal provinces were complaining bitterly about the loss of revenue and foreign investment that the missile tests were having on their economy.[12] None of this lends credence to the picture of a PRC so budget-conscious and focussed on economic development that it has neither the will nor the wherewithal to pursue ambitious strategies.

Since the strategy this increasingly capable force structure is intended to support is not consonant with China's public statements, analysts must try to ascertain it from other evidence. The years from 1989 through 1991 appear to have been a watershed for the Chinese leadership. The bloody suppression of peaceful demonstrators at Tiananmen Square and elsewhere in China in the spring of 1989 tarnished the international image of Deng Xiaoping's era as one of benign communism. It increased the sense of isolation of the Chinese leadership, even as foreigners continued to visit the PRC in large numbers and more Chinese than ever were travelling abroad.

When, only a few months later, the Soviet Union began to crumble, the PRC elite's sense of dwelling in a hostile international environment deepended still further. Elation over the conservative coup against Gorbachov was short-lived, since the plotters were quickly arrested and the republics that comprised the Union of Soviet Socialist Republics (USSR) became independent, non-communist states. The repercussions that this could have for China were all too clear to the PRC's octogenarian powerholders. They interpreted publicly-expressed Western hopes that the PRC would undergo a gradual transition toward liberal democracy as harboring malicious intent. This "sinister plot of peaceful evolution" was believed to be aimed at overthrowing the socialist government of China and repeatedly denounced in the official press. "International splittists" were believed to aim at dismantling the People's Republic of China in the same manner that the USSR had disintegrated.

While certain of the above-mentioned views seem overdrawn, there was abundant evidence of foreign collusion with national splittists. Tibetans have been especially successful in mobilizing international sympathy in support of their desire to be free of Chinese rule. In 1989, the Norwegian Nobel Prize Committee announced that the Dalai Lama, Tibet's long-exile spiritual and temporal leader, had won its annual award for peace. The world-wide publicity attendant on the award and the prestige that accrues to recipients were very upsetting to Beijing. Many countries have Tibet Houses to serve as foci for Tibetan culture abroad, and a highly unusual but exceptionally motivated multinational coalition of film stars, rock bands, politicians, scholars, and individuals seeking spiritual enlightenment through Tibetan Buddhism support the cause of independence.

When the Mongolian People's Republic was replaced by the republic of Mongolia, Tibetan Buddhism, which had been suppressed under the MPR, quickly reappeared. Young Mongols were reportedly learning Tibetan in preference to Russian. They, too, appeared to favor independence for Tibet. More worrisome to the Chinese leadership with regard to Mongolia was the possibility that China's ethnic Mongols, most of whom live in Inner Mongolian Autonomous Region that borders the new republic, would want to join it. In the far northwest of the PRC, a variety of Muslim groups ranging from the fanactically religious Hamas to secular Turks were aiding local Turkic Muslims in efforts to recreate an East Turkestan Republic free of Chinese domination.

Coastal provinces, while evincing no interest in declarations of independence, were nonetheless behaving in ways that indicated that they were making decisions independently of Beijing. Foreign investment was an important factor in their ability to ignore the central government's wishes. Hong Kong money was more instrumental to the development of Guangdong province than funds from Beijing, and Taiwan investment in Guangdong and neighboring Fujian far exceeded transfer from the central government to those areas. Similarly, the cities of the northeast attracted funding from Japan and South Korea. The dollar amounts of these investments are huge. According to official statistics provided by the government of the Republic of China on Taiwan (ROC), the small island-state has invested $1.7 billion in Guangdong's Shenzhen Special Economic Zone alone.[13] These are the figures reported to the government by its citizens, and are believed to substantially understate the actual amounts.

America's reaction to Iraqi president Saddam Hussein's invasion of Kuwait heightened China's sense of international threat. U.S. president George Bush quickly put together a multinational coalition to force Saddam Hussein to relinquish Kuwait. Bush also expressed the wish that the Iraqi people would overthrow Saddam. Already on the defensive, the Chinese leadership saw ominous portents for itself, perhaps with regard to its desire to absorb Taiwan, by force if necessary. Foreign ministry spokespersons explained that, although China opposed the use of force against another nation, the PRC had long adhered to the Five Principles of the People, one of which was non-interference in the affairs of other states. Therefore, the "principled stand" of the PRC was to remain aloof from Saddam Hussein's differences of opinion with Kuwait. It is possible that Bush influenced China's eventual decision to abstain from the United Nations Security Council vote through promising to renew the PRC's controversial Most Favored Nation status a few months later.

In any case, the Chinese press tended to portray U.S. behavior in the Gulf War as bullying. In its view, the world's only remaining superpower, now that it was no longer checked by the Soviet Union, was attempting to force other countries to accept American values and the American social system, regardless of how inappropriate they might be to the countries they were being forced on. The PRC was particularly sensitive to U.S. pressures with regard to human rights, which had sharpened after the events at Tiananmen in 1989. China's own interpretation of human rights, spokespersons explained, had nothing to do with a system of checks and balances or the right to criticize the socialist system. Rather it focussed on the right to earn a living and the ability to obtain needed social services.

Co-existing with this view of the United States as an arrogant bully was the impression that the United States was a declining superpower. Government-affiliated think tanks held symposia on Paul Kennedy's imperial overstretch and Samuel Huntington's clash of civilizations, with participants predicting the eventual decline and fall of the American imperium. When asked about the apparent contradiction between these two views, a researcher at the Institute of American Studies of the Chinese Academy of Social Sciences explained to the author that "we think the United States is a declining power, but a dangerous declining power."

CHINESE STRATEGIC ACTIONS

Confronting an international environment that it perceived as hostile and a domestic environment in which its own prestige and legitimacy seemed to be eroding, the leadership appeared to fall back on nationalism. Official spokespersons stridently reiterated "China's principled stand" on a variety of international issues, and declared that the Chinese people would not be bullied. Actions taken in conjunction with these declarations included:

Establishing close ties with Burma's State Law and Order Restoration Commission. This has been described as an alliance between two pariah governments. At the time that close relations began, the Chinese leadership was widely criticized internationally for killing unarmed civilians at the spring 1989 demonstrations. Similarly, many countries shunned the SLORC when it put Aung San Suu Kyi under those house arrest after she won the country's 1988 presidential election. The PRC has built several roads from its southern border which Burmese patriots feared might be used as invasion routes by the Chinese military. China also sold an estimated $1.5 billion of weapons to the SLORC, thereby enabling the Burmese military to more efficiently quash popular opposition to the SLORC's rule. Additionally, the Chinese constructed a naval base on Burma's Cocos island, facing the Indian Ocean, including radar installations, and other bases at Hainggyi Island and Mergui. This upset India, which has regarded itself as guarantor of stability in the area. These fears were magnified when, in August 1993, the Indian navy captured three Chinese trawlers in the Bay of Bengal.[14]

Passing a law in February 1992 unilaterally claiming ownership of the Spratly, Senkaku, and Paracel Islands as well as Taiwan, and asserting the right to "adopt all necessary measures to prevent and stop the harmful passage of vessels through its territorial waters [and for] PRC warships and military aircraft to expel the invaders."[15]

Announcing that it would not take part in sanctions against the Democratic People's Republic of Korea (DPRK) when it was discovered in 1991–92 that the DPRK either possessed or was about to possess nuclear weapons. Because China borders on North Korea and has many rail, air, and land connections with the country, it was deemed unlikely that the sanctions would be effective without the PRC's participation.

In early 1995, constructing bunkers and radar installations on islands whose ownership is contested with the Philippines, and placing boundary markers meant to demarcate the PRC's territorial waters less than fifty miles from the Philippines' Palawan Province.

In spring 1995, circulating a map showing the Natuna Islands as part of China's exclusive economic zone. The Natunas, which contain rich gas deposits, are administered by Indonesia.

Selling 5,000 ring magnets to a state-run nuclear-weapons laboratory in Pakistan in 1995, as well as continuing to secretly export nuclear, chemical, and missile technology to Iran and Pakistan.[16]

Beginning oil-exploration in the Senkaku Islands, despite Japan's continuing claim to the island.[17]

Conducting five sets of missile launches and war games in the Taiwan Strait between July 1995 and March 1996. Taiwan's president Lee Tenghui had angered China with his efforts to raise the island's international profile, and the PRC wished there to be no doubt about its dislike of Lee before Taiwan's voters went to the polls for the island's presidential election on March 23, 1996.

Announcing that Hong Kong's democratically elected legislature would be abolished after China takes over the colony in July 1997 and setting up a provisional legislature to begin governing before that date. The only member of Beijing's carefully chosen preparatory committee to vote against the provisional legislature was immediately told that he would not be part of the new group.[18]

Postponing a vote on a United Nations resolution which would extend the UN peacekeeping force in Haiti for an additional six months and threatening to use its veto in the UN Security Council if necessary to block the action. The PRC became angry with Haiti because it invited Taiwan's vice-president Li Yuan-zu to attend the inauguration of president Reňe Preval in February 1996.[19]

Continuing nuclear testing despite repeated requests to do so. With France having declared an end to its testing, the PRC is now the only state which continues to detonate fissile material.

FOREIGN REACTIONS

These actions, when combined with the substantial weapons purchases discussed above, were consonant with a strategy of China bent on playing the role of hegemon in Asia, as well as exercising substantial influence outside of Asia. Questions of whether or not this is inevitable and how advantageous a strong China would be to global stability have been hotly debated. A columnist for *The Manila Chronicle* applauded the idea of a strong China, writing; thank God that, with the Soviet Union's disintegration and Russia now an American lackey, there is one nation—and an Asian nation at that—that will not be cowed by the U.S. and will stand up to American arrogance and bullying. Thank God for other countries like Iran, Iraq, Cuba and Libya. Otherwise the Americans, who consider themselves a superior race, one of the great hoaxes of our times, would hold all of us hostage to their nuclear arsenal and grind all of us under their heels . . . But China should be able to strike at some American cities with its own intercontinental ballistic missiles, and it is this danger that may stay the bullies' hand and counsel caution and prudence.[20]

Less emotional responses tended to focus on the theme that the sum total of the PRC actions cited above was less hostile than it seemed. For example, many analysts consider the Philippines' claim to the Spratly Islands to be weak. Indeed, Corazon Aquino's administration had planned to renounce the country's claim until an upsurge of nationalism made it politically impossible to do so. It is therefore possible to view China's actions as an effort to challenge a weak adversary, and perhaps to issue a warning to other claimants. An Australian analyst goes so far as to state that since China [both PRC and ROC]'s claim to the Spratlys is well-established, the PRC's plans to take the Spratlys by force "is probably consistent with international law and international practice."[21]

As for Taiwan, those sympathetic to China's actions believe that, in seeking a higher international profile for the Republic of China on Taiwan, Lee Teng-hui knew he was courting disaster. Moreover, the United States should never have granted Lee a visa to visit its territory. Lee used the occasion to make a speech lauding his country's accomplishments. Hence, not the PRC but the ROC, in collusion with the United States, was responsible for the crisis in the Taiwan Strait.

With regard to nuclear testing, China has on several occasions indicated its willingness to participate in the nuclear non-proliferation treaty (NPT). It is in favor of the eventual complete destruction of all nuclear weapons.[22] However, to join in a moratorium on testing before the Comprehensive Test Ban Treaty (CTBT) goes into effect would be to freeze the People's Republic of China in a position of permanent inferiority to the advanced Western powers whose ranks it desires to join. China's goal in its current rounds of testing is the successful miniaturization of nuclear weapons. This should be completed by the time the CTBT goes into effect. At this point, the PRC will ratify the treaty and abide by its provisions.

Nor are the roads and bases in Burma necessarily as menacing as they have been portrayed. China may want an outlet to the Bay of Bengal and Indian Ocean for commercial purposes rather than because of military considerations. Given Burma's rickety infrastructure, road construction and port development are absolutely necessary before this outlet for Chinese goods is feasible. Therefore, it is in China's best interest to help the Burmese government to improve that infrastructure. Deng Xiaoping's economic development policies had the unintended effect of advantaging the industrial growth and income levels of coastal provinces while disadvantaging those of inland provinces, thus creating ill-will between the two areas and exacerbating regional tensions. Being able to export the products of nearby Yunnan and Sichuan through Burma has the potential to mitigate some of these tensions.

A deep-water port on Hainggyi Island could provide Chinese manufacturers with an outlet to markets in the Indian Ocean and beyond. Moreover, neither the hydrography nor the topography of Hainggyi is suited to the construction of a major naval installation. The seaward approaches include several shoals, and the main shipping channel is both narrow and subject to heavy silting. Water levels vary substantially in accordance with the yearly monsoon, and there are strong tides. These factors would complicate the berthing and navigation of large vessels. If armed conflict were to break out, a naval base at Hainggyi would be vulnerable to mining and attack from the sea.[23]

Reports of intelligence surveillance activities based on the Cocos Islands are, in the opinion of some, overdrawn. If China wants to collect intelligence on India, the task could be better carried out from a facility on the Burmese mainland that is located closer to India's missile launch facilities. Such a location would encounter fewer logistical difficulties as well. Moreover, according to reports from India, China already conducts electronic and other surveillance in the Indian Ocean from trawlers.[24]

As for Korea, the same issue of state sovereignty that made China reluctant to endorse a U.N. Security Council resolution condemning Iraq's annexation of Kuwait made it refuse to participate in sanctions against the DPRK. Moreover, since North Korea's economy is believed close to collapse, sanctions might prove the death blow, and China might be invaded by millions of starving refugees and be burdened with an unstable regime on its borders. The PRC hence has sound security reasons for wanting to avoid any actions that would cause the demise of the DPRK.

While there is a certain degree of validity to these arguments, they fail to convince in many ways. If the PRC's claim to sovereignty in the Spratlys is strong, then why has China been unwilling to submit it to adjudication? It has, moreover, been unwilling to enter into multilateral discussions with the other claimants. This gives the impression that the PRC intends to use its large size to intimidate individual claimants in a way that would be more difficult in a multiple forum. The negative publicity from maintaining an intransigent stance in a bilateral context would also be less than in a larger gathering. Hence, shrewd calculations of self-interest rather than a "principled stand" based on respect for international law is the PRC's real motivation.

As for the argument that China's construction activities in Burma have commercial rather than military motives since the areas chosen are not the best ones for large ships and other military platforms, the same arguments could be made about commercial vessels. It seems unlikely that such extensive facilities would be being constructed for the use of small commercial ships. The products of China's southwest could more efficiently be transported to market by larger vessels. The high costs of construction would not appear to be justified by the expected commercial returns, and there are better alternative uses of the funds.

Those who plan bases in Burma may not be applying the same standards of logic and efficiency as foreign analysts. They may also have information and/or motives not available to these analysts. Were logic alone to be applied to China's relations with Burma, it would probably tell the PRC not to become so closely identified with the SLORC at all. The régime is much disliked by ordinary Burmese; should it be toppled from power, the SLORC's successor might well ask the Chinese to leave.

With regard to Taiwan, China's stand also seems unduly belligerent. Even if Lee's efforts to maintain a higher profile for the island convinced PRC leaders that he meant independence despite the fact that Lee has never publicly stated that he is in favor of independence, raining missiles off its coasts and moving troops and equipment into menacing positions near the island seems an overreaction. In the past, the PRC was able to achieve much by threatening economic boycotts of countries who sold weapons to the ROC or gave its diplomats a degree of respect that the PRC thought offensive. One imagines that the proponents of the tough line on Taiwan were feeling increasingly desperate on noticing that countries who continued to publicly endorse a one-China policy had privately come to terms with the reality that two sovereign states existed. The direct popular election of the ROC president, the capstone of the island's impressive democratization process, symbolized to the mainland leaders Taiwan's desire to determine its own future and was therefore the catalyst for the PRC's belligerent posture.

China's reasons for going ahead with nuclear testing while declaring its "principled stand" on the eventual complete destruction of all nuclear weapons also seem disingenuous. If the PRC does intend to sign and abide by the Comprehensive Test Ban Treaty and eventually destroy all its nuclear weapons, one must question the need for expensive, ongoing research and development of products that are slated for destruction. There is certainly no nuclear threat to the PRC in the interim period. Also, given China's stands in certain aspects of the negotiation process, there is some possibility the PRC will not actually sign the CTBT. For example, it has continued to maintain that the CTBT should allow peaceful nuclear explosions, which China claims it needs for purposes of resource extraction. There is little support for this position elsewhere. Arms control experts point out that peaceful nuclear explosions are also unsafe, and that it is more difficult to determine whether a test is for peaceful purposes or military purposes than the Chinese allege. Furthermore, using nuclear explosions to extract resources is highly uneconomical.[25]

COUNTER-STRATEGIES

Although there is a school of thought which argues that other countries can have little influence over the PRC's behavior, with the generally unspoken conclusion that therefore it is useless to try, empirical evidence indicates otherwise. While not all attempts to induce China to modify its stands have been successful, it has happened in several instances.

After the NPC passed a law in February 1992 unilaterally asserting China's sovereignty over several islands including the Senkaku/Diaoyutai group which is claimed by Japan, Tokyo quietly informed the PRC's foreign ministry that this patent affront to Japanese sovereignty would strengthen right-wing sentiment in the country as well as right-wing calls for rearmament. Moreover, the visit of the emperor and empress to China would be jeopardized. The PRC's elderly leadership, with its vivid memories of Japanese cruelty during World War II, fears the re-militarization of Japan. Chinese leaders also very much wanted the imperial visit to proceed on schedule since they were hoping it would include a long-awaited official apology for Japanese aggression against China during the war. Thus, barely a month after the law was passed, a spokesperson for the Chinese foreign ministry explained that the NPC's decision "was part of a normal domestic legislative process, did not represent a change in Chinese policy, and would not affect the joint development of the islands with countries involved in the dispute."[26]

Indonesia despatched its foreign minister to Bejing immediately after learning that a Chinese map showed the Natuna Islands as part of the PRC's exclusive economic zone. He was told by Chinese foreign minister Qian Quichen that the PRC considers the Natunas to be under Indonesian jurisdiction, and has never claimed them.[27]

Confronted with an unusual unity of Latin American states, including Cuba, who denounced China's playing of cold-war games on their continent, the PRC cast its security council vote in favor of extending the UN peace-keeping force in Haiti for four more months with a maximum of 1,200 troops. The resolution was introduced by China, which subsequently described its "adherence to principles and flexibility" as having been "hailed by the international community."[28]

China's belligerence in the Taiwan Strait calmed down after two U.S. carrier battle groups were despatched to the area in mid-March 1996. The PRC even declared that Lee Teng-hui's resounding victory in the March 23 election was actually a triumph for its point of view, since Lee's major opponent had been an outspoken proponent of independence.

One should not draw unduly optimistic conclusions from the instances cited above. The Chinese foreign ministry's attempt to soften the impact of the 1992 law does not mean that the law has been withdrawn; the claims made in it can be advanced again at any time. Qian Quichen's telling his Indonesian counterpart that China does not claim the Natunas does not explain how the map placing it in the PRC's exclusive economic zone came to exist. Qian's promise was apparently oral, and might be re-interpreted in the future. And the mainland could seize on any of a wide variety of happenstances to resume its menacing posture with regard to Taiwan.

There are also examples of efforts to induce the PRC to modify its behavior having no results at all, or results that might even be interpreted as worse than before. For example, the PRC continued nuclear testing despite Japan's repeated entreaties that it stop. The Japanese government responded by suspending grants-in-aid to China until the testing stopped. The PRC then began conducting research activities in the Senkakus, with a Chinese source telling a Tokyo newspaper that the action had been taken as an act of reprisal for the suspended aid.[29]

The strategy that the PRC seems to be employing is one of probing: where a rival claimant or potential adversary seems weak, apply pressure. Where expedient, back down, at least temporarily. Where public opinion in the rival claimant or potential adversary seems to waver in its support for applying retaliatory pressure, ignore the pressure from that country to back down and seek to exploit the divisions. The fact that most of these countries have freedom of the press and outspoken citizens with differing opinions facilitates the PRC's task. As a case in point, Japan's attempts to modify China's behavior are not helped when Japanese newspapers report that "most government officials are averse to freezing the loans, saying that yen-based loans are one of the bases of our policies toward China."[30]

Similarly, Chinese officials are well aware that both the Bush and Clinton administrations have been reluctant to apply the sanctions that U.S. law enjoins them to, fearing adverse effects on American corporations that do business with the PRC. In 1991, when the U.S. Central Intelligence Agency (CIA) revealed that the PRC had shipped missile components to Pakistan, the Bush administration suspended U.S. missile technology sales to the two Chinese state-affiliated companies that shipped the components. The ban was lifted less than a year later, after China pledged to follow the multilateral Missile Technology Control Regime.

However, In 1993, the CIA reported that the PRC had resumed shipping the components. Washington then blocked the sale of $500 million of communications satellites and related technology to Beijing. The sanctions were lifted on February 7, 1996, the same day that administration officials announced that China had secretly sold to Pakistan ring magnets used to refine bomb-grade uranium. Intelligence sources had actually revealed the sale the year before, but the State Department, fearing that making the information public would antagonize the PRC, at first maintained that the evidence was not sufficiently clear-cut.[31] Aware that the U.S. president is reluctant to disadvantage American businesses by enforcing the penalties specified for proliferation, the PRC has little incentive to modify its behavior. Clinton will probably announce selective sanctions on selected PRC factories,[32] more because it will enable him to deflect his domestic critics' accusations that U.S. behavior encourages China to violate agreements than because he believes that the sanctions will encourage China to modify its behavior. Unfortunately, since it demonstrates that the U.S. has written laws with sanctions that it dares not put into practice, this sort of behavior reinforces Mao Zedong's long-ago characterization of the United States as a paper tiger. While able and willing to roar loudly, the American tiger is highly unlikely to use its teeth.

The PRC has shown that it will back down when confronted with determined and united resistance, as it did in the case of the UN peacekeeping force in Haiti. Neither determination nor unity have characterized either the United States' or Asian countries' policies. While Asian nations quietly supported the U.S. decision to send carrier battle groups to the Taiwan area,[33] their public stance was so low-key as to become the focus of criticism in their own countries. For example, an editorial in Bangkok's The Nation described the Thai government's response as "flaccid diplomacy" and warned that "Thailand gains little by appearing so unimaginatively obsequious to Beijing."[34] Similarly, the Tokyo daily Sankei Shimbun accused Japan's Ministry of Foreign Affairs of being "weak-kneed" and "showing consideration only for relations with China, as usual."[35]

Although this kind of response was common, it was not universal. Fears about the implications of China's actions against Taiwan for its own territory and concerned with the fate of the thousands of Filipino guestworkers on Taiwan notwithstanding, the major concern of the Filipino press was whether their country could be dragged into a conflict between China and Taiwan if it allowed United States ships to dock at ports in the Philippines.[36]

There are signs that this attitude of fatalistic passivity may be changing. The Asian Regional Forum (ARF) was established in July 1994 to provide a high-level consultative group on security matters within the area, though it has yet to show any concrete results. ARF has created no dispute resolution mechanisms, and other members have so far been disinclined to put pressure on China to discuss the issues causing the most tension. Conversely, the PRC has successfully pressured ARF members not to allow the ROC to participate, even as an observer, and has also blocked the island from membership in the Asia Pacific Parliamentary Forum (APPF.[37] The Asia-Pacific Security Dialogue, held in March 1996 against a backdrop of missile tests in the Taiwan Strait that, as one Bangkok newspaper phrased it "unnerved the region, but this issue did not make the agenda . . . the three-member Chinese delegation at the seminar said they had no intention of allowing what Beijing considers to be an internal affairs be brought up for discussion at the forum."[38]

Individual and bilateral responses the China's behavior have also occurred. For example, the Japanese cabinet has submitted a bill to the Diet that would establish a 200-nautical mile economic zone around the country's coastline which will include the Senkakus,[39] and the Liberal Democratic Party (LDP)'s Policy Research Council began "in-depth study on measures to cope with a possible situation seriously affecting Japan's security, including introduction of emergency legislation."[40] The LDP's instructions to its research council made it clear that this threat was expected to emanate from the PRC.

Also to China's annoyance, Vietnam and the Philippines concluded a Code of Conduct in the South China Sea governing the two countries' conduct with regard to the disputed Spratly Islands. The PRC's position is that, since it alone holds indisputable sovereignty over the Spratly, such declarations by other countries amount to infringing on China's rights.[41] The Philippines embarked on a force modernization program immediately after the confrontation with China in the Spratlys.[42] And the Five Power Defense Arrangement (FPDA), involving Australia, Malaysia, New Zealand, Singapore, and the United Kingdom, was reactivated. In late March 1996, the FPDA members held an eight-day exercise designed to repel an air attack against Singapore and Malaysia.[43] Taiwan has also made large arms purchases, though it has frequently been prevented from buying the kinds and models of equipment it desires because supplier countries fear risking their business interests with the PRC if they sell weapons to the ROC.

These are small steps, and it remains to be seen whether more substantive consensus on settling outstanding disputes with the PRC can be achieved. If the parties to the dispute over the Spratlys agree to China's demands that they negotiate bilaterally, then the position of all is weakened. One is reminded of Benjamin Franklin's advice to the fractious colonies that were attempting to resist Great Britain: we must all hang together, or most assuredly we will hang separately.

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Mr. CRANE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Speaker, I rise today in opposition to House Joint Resolution 182.

MFN status is not a concession and does not mean that China is getting preferable trade treatment—there really is no most favored in MFN. MFN means China and the United States grant each other the same tariff treatment that they provide to other countries with MFN status—which is everyone except a few rogue states such as North Korea.

Revocation of MFN would be a lose-lose situation for the American people. It would cause substantial harm to the U.S. economy. Trade with China has provided American businesses with a tremendous economic growth opportunity.

And as we have seen in other areas of the world, trade restrictions are successful in changing behavior only when they are universally observed. Unilateral action won't work. China will have little reason to change since Beijing can simply take its business elsewhere.

I ask you to vote against House Joint Resolution 182. Only by fostering economic prosperity can we hope to see the changes in China that we all want. Vote "no" on House Joint Resolution 182.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

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Ms. DELAURO. Mr. Speaker, China has enjoyed most-favored-nation trading status for many years. I have supported MFN for China for the past 3 years with the hope that the United States and China would both benefit from a cooperative relationship. In fact, the opposite has happened. China has engaged in unfair trade, pirated intellectual property, proliferated nuclear weapons, acted with belligerence toward Taiwan, smuggled arms into the United States, and engaged in human rights violations. Because of China's actions, I will regrettably oppose MFN status.

China's trade status with the United States gives us leverage. We must use it to further American interests, interests affecting trade, foreign policy, American exports, and American workers.

Mr. Speaker, I am voting against MFN for China because it is time to send a message to the Chinese and to our trade leaders, and I emphasize our own trade leaders, that more of the same from China is not acceptable. If our Government wants support for free trade, then it must insist on fair and equal standards and compliance with our trade laws. When that happens, there will be broader support for MFN.

Mr. Speaker, China has enjoyed most-favored-nation trading status for many years. I have supported MFN for China for the past 3 years with the hope that the United States and China would both benefit from a cooperative relationship. In fact, the opposite has happened. China has engaged in unfair trade practices, pirated intellectual property, proliferated nuclear weapons, suppressed democracy, acted with belligerence toward Taiwan, smuggled arms into the United States, and engaged in human rights violations. Because of China's actions—I will regrettably oppose MFN status.

China has gladly profited from MFN while continually flaunting international agreements and standards of conduct. China sends more than one-third of its exports to the United States while only 2 percent of American exports can crack the Chinese market. The result: we now have a $34 billion trade deficit with China.

China's trade with the United States gives us leverage. We must use it—to further American interests—interests affecting trade, foreign policy, American exports, and American workers.

I applaud recent efforts to win an intellectual property agreement to protect American products from state-sponsored piracy in China. I hope it will yield results. But more than that, the IPR agreement demonstrates how the United States can and should use its enormous leverage to protect American interests and further a genuine global trading community.

The United States must not give China a pass on the tough issues. We need to use our trade laws to pressure China for greater access for American companies and goods. We need to take action when China knowingly aids in the proliferation of weapons and weapons technology. And we need to take steps to shield American workers from unfair and inhumane prison labor.

I am voting against MFN for China because it is time to send a message to the Chinese and to our trade leaders, and I emphasize our own trade leaders, that more of the same from China is not acceptable. If our Government wants support for free trade, then it must insist on fair and equal standards and compliance with our trade laws. When that happens—there will be broader support for MFN.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise in opposition to House Joint Resolution 182.

Perhaps no international relationship is more complicated than that of the United States with China. Our vastly different cultures and histories, and particularly China's appalling record on human rights and democratization make reaching out and understanding each other profoundly difficult.

Yet difficult as it is, it must be done. Profound economic change is sweeping China. This means not only jobs for Americans here at home. In 1995 alone more than $68 million in goods produced in Connecticut went to China. It also means improved living conditions, improved wages, and employee benefits for some Chinese, because of the practices introduced by American companies.

Like many of my colleagues, I believe that our policy toward China must go beyond MFN. Trade is only part of a larger dialogue. It is time to stop treating the annual debate on MFN as the lens through which we examine all facets of our relationship with China. Extension of MFN, in my view and in that of many of my colleagues, in no way condones China's policies. Instead, it is a way of keeping the window open and keeping the dialogue going.

Revoking MFN would significantly weaken our political and economic position. It would weaken our ability to improve human rights. It would weaken our efforts to promote fair world trade. And it would weaken our position in the world arena.

Revocation is simply the wrong message and the wrong action. I urge my colleagues to vote "no" on the resolution of disapproval.

Mr. BUNNING of Kentucky. Mr. Speaker, could you please give us the time remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Texas [Mr. ARCHER] has 15½ minutes, the gentleman from Florida [Mr. GIBBONS] has 17½ minutes, the gentleman from Kentucky [Mr. BUNNING] has 2½ minutes, the gentleman from California [Mr. ROHRABACHER] has 10 minutes, and the gentleman from California [Mr. STARK] has 13 minutes.

Mr. BUNNING of Kentucky. Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we have heard time and time again today several arguments in favor of keeping the current trade policy toward China. One is that if we change the trade policy that we currently have, that it is tantamount to walking away or tantamount to no trade at all, or tantamount to an embargo against China. I hope those who are listening, I hope those who are reading the CONGRESSIONAL RECORD, will note no one on our side of the aisle or our side of the debate, I guess I should say, especially myself, who is the author of the resolution, is advocating any of that. That is not what this debate is about. As far as I am concerned, that is not a legitimate part of the debate, although we hear it time and time again expressed. The fact is we are talking about the current trade status.

Now, those who are opposed to my resolution accurately say that we are not talking about most-favored-nation status because it sounds like it is something more than our current trade status, but what I am suggesting is our current trade status is immoral, it is wrong both economically and strategically for the United States; in other words, that it does not benefit the United States to have the current trade status.

Also let us note that during this debate, over and over again we have heard the other argument presented by the other side, which the main argument is that if we continue with our current trade status, it will mean a more prosperous China and a more prosperous china will be a freer and less threatening China. That is a theory. That theory has been proven, in reality for the last 9 years, to be absolutely 180 degrees opposite from what reality is. That theory is wrong, and I hope those people who are reading the CONGRESSIONAL RECORD will note that those making that argument are making it in the face of overwhelming evidence that it is wrong.

China is becoming more repressive and has become more repressive, has become more belligerent and more threatening to its neighbors even though we have the current trade policy and we have renewed it since the massacre at Tiananmen Square in 1989.

So the opposition to my suggestion that we change current trade policy is based on an incorrect analysis of reality, a theory that is not working and a straw-man argument that just does not hold water because that is not what we are advocating in terms of an embargo or walking away from China.

What we are suggesting is that the current trade relationship with China hurts the American people, first. It hurts the American people. It costs us jobs. The argument that there are 170,000 jobs created by our trade relationship with China, that holds some water until we realize that our trade relationship with China costs the American people hundreds of thousands of more jobs, that our trade relationship with China is an attack on the well-being of the American working people.

Now, certainly some major corporations benefit from our current trading relationship. There are some people making a profit, and there are some jobs being created. But clearly, but clearly when we talk about representing the interests of our people, the overall effect of our trading policy with China is to attack the well-being. We are putting our own people out of work by the hundreds of thousands so that a few corporate interests can make a big profit and a few other jobs will be created. So it is wrong, wrong, wrong economically.

We are supposed to represent the interests of our people. If we are not here to represent the interests of our people, who is? Who is going to argue their case?

Now, what does it represent as well economically? It means a $35 billion drain on capital from the United States which would be here for our people to build factories and such that now goes to China because they have a net benefit of $35 billion every year from their trade relationship with us. What do they do with that money? They spend that $35 billion producing a modern weapons arsenal that some day may be used to kill Americans. That makes absolutely no sense.

They are stealing our technology, they are belligerent against their neighbors, they are in fact the worst human rights abusers on the planet today, and we are giving them a trade relationship that nets them a $35 billion benefit every year. This makes no sense; it is insane.

And my last argument is it is morally wrong. As we celebrate our Fourth of July and as we celebrate those words of Thomas Jefferson and our Founding Fathers that put our country on a higher plane than just those people who would be making policy based on the self-interests of the economic elite of their country, we stand for freedom, we stand for liberty, and as long as we do, the people in China who will try to build a better China and try to build a more peaceful and prosperous China, they are being demoralized by our lack of respect for our own principles.

Let us change the trade policy with China. To vote for most-favored-nation status is a morally bankrupt position.

Mr. CRANE. Mr. Speaker, I include the following letter from 881 American companies and associations for the RECORD.

BUSINESS COALITION
FOR UNITED STATES-CHINA TRADE,
June 20, 1996.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Unconditional renewal of China's MFN trading status is in our nation's interest. We urge the Executive Branch and the Congress to work together on a bipartisan basis to ensure unconditional renewal of MFN and to defeat any legislation that would restrict or condition future expansion of U.S-China trade. We welcome recent statements by you and by former Senate Majority Leader Dole expressing support for unconditional renewal of MFN.

America's prosperity rests on our continued leadership in the global economy. In the last five years, China has become the fastest-growing market in the world for American exports.

In 1995, exports of U.S. goods and services to China rose by 26 percent, reaching nearly $14 billion annually. These exports support over 200,000 high-wage American jobs. Our exports were led by rising demand for U.S. aerospace products, computers, grains, chemicals, telecommunications technology, power generation equipment, electronics, and financial services.

Last year, China imported $2.6 billion of U.S. farm products, making it the sixth-largest market in the world for American agriculture. While many of our other leading farm customers are mature Asian and European markets, China has vast potential. To reap the historic promise of the "freedom to farm" bill, America's farmers need continued access to export markets.

U.S.-China trade also supports hundreds of thousands of jobs in U.S. consumer goods companies, ports, transportation firms, and retail establishments.

These exports and jobs would be put at risk if MFN is not renewed or if restrictions and conditions are imposed on future expansion of U.S.-China trade. America's reputation as a reliable supplier would be called into question again by our customers around the world if we revert to a failed policy of using U.S. trade as a foreign policy weapon.

In the last decade, China's market-oriented reforms, which U.S. trade and investment help to support, have contributed to vast improvements in the lives of hundreds of millions of Chinese by raising incomes, expanding economic freedom, improving access to information, and fostering increased support for the rule of law. Cutting off U.S. trade would end the positive influence of American companies in the Chinese workplace and set back the entrepreneurial forces that offer the best hope for freedom and democracy in China.

We have urged the Chinese Government to fully adhere to its negotiated agreements. We have also urged China to undertake the far-reaching commitments required to join the WTO on a commercially acceptable basis.

The ultimate goal of U.S. policy should be to move beyond the divisive annual struggles over China's MFN trading status to a stable and mature relationship that advances American jobs, prosperity, and security. We believe such steps are in our nation's interest. We look forward to working closely with you and the Congressional leadership in the coming weeks to achieve the goal of stabilizing and improving this vital bilateral relationship.

Sincerely,

3M Company; A & C Trade Consultants, Inc.; AAI Corporation; Aaron Ferer & Sons Co.; AATA International, Inc.; Abacus Group of America, Inc.; ABB, Inc.; Abbott Laboratories; ACCEL Technologies; AccSys Technology Inc.; Acme Foundry Inc.; ACTS Testing Labs, Inc.; adidas, AMERICA; Advanced Controls; Aero Machine Co. Inc.; Aerospace Industries Association of America, Inc.; Aerospace Products Inc.; Aerospace Services and Products; AES China Generating Co., The; AES Corporation, The; Agribusiness Assn. of Iowa; Agri-Chemicals Corp.; Agricultural Retailers Association; Agrifos L.L.C.; Air Products & Chemicals Inc.;

Airguage Company; Airport Systems International, Inc.; Albany International Corporation; Allen-Edmonds; Allied Signal Inc.; Alta Technologies Incorporated; Alto Findley Inc.; AM General Corporation; Amber, Inc.; Amer-China Partners Ltd.; American Accessories International, L.L.C.; American Applied Research; American Association of Exporters & Importers; American Automobile Manufacturers Association; American Bangladesh Economic Forum, The; American Chamber of Commerce—Korea, The; American Chamber of Commerce in Australia, The; American Chamber of Commerce in Guangdong, The; American Chamber of Commerce in Hong Kong, The; American Chamber of Commerce in Indonesia, The; American Chamber of Commerce in Japan, The; American Chamber of Commerce in Okinawa, The; American Chamber of Commerce in Taipei, The; American Chamber of Commerce in the Philippines, The; American Chamber of Commerce in Vietnam—Ho Chi Minh City Chapter, The; American Chamber of Commerce People's Republic of China—Shanghai, The; American Chamber of Commerce People's Republic of China—Beijing, The; American Crop Protection Association; American Electronics Association; American Express Company; American Farm Bureau Federation; American Financial Services Association; American Forest & Paper Association; American Home Products Corporation; American International Group, Inc.; American Malaysian Chamber of Commerce, The; American Pacific Enterprises Inc.; American President Lines, Ltd.; American Seed Trade Association; American Shorthorn Association; American Soybean Association; American Standard Inc.; American White Wheat Producers Assoc.; Ameritech International; Amiran Zaloom;

Amoco Corporation; AMP Incorporated; Amway Corporation; Andersen Worldwide; Anderson Roethle, Inc.; Andersons, Inc., The; Andros, Inc.; Angel-Etts of California, Inc.; Ann Taylor, Inc.; APEX Broaching Systems; Apoly Industrial Limited; Aptek, Industries; Arbiter Systems, Inc.; ARCO International; Argo Oil & Gas Corporation; Arizona Chamber of Commerce; Armstrong World Industries; ARR/MAZ PRODUCTS, L.P.; ASICS TIGER CORPORATION; Asmara Inc.; Associated Company Inc.; Association for Manufacturing Technology, The; Association of Business & Industry (Oklahoma State Chamber of Commerce); AT&T; ATC International, Inc.; ATSCO Footwear Inc.; Audre, Inc.; AXTOM Training Inc.; Axis Corporation, The; B & B Machine & Tooling Inc.; B&S Steel of Kansas, Inc.; B.H. Aircraft Co. Inc.; Baker & Daniels; Baker, Maxham, Jester & Meador; Bakery Crafts; Bandai America Incorporated; Barbara Franklin Enterprises; Barclays Bank PLC/New York; Baron-Abramson Inc.; Bartow Steel, Inc.; BBC International Ltd.; BCI; Bechtel Group, Inc.; Belk Brothers; Bell South Corporation;

Bennett Importing; Berelson & Company; Best Products Co., Inc.; Beta First Inc.; Beta/Unitex, Inc.; Black & Veatch International; Blue Box Toys, Inc.; BNL Corp.; Boatmans/Bank IV; Boeing Company, The; Bomamza Enterprises, Bombay Company, Inc., The; Bradbury Co., Inc.; Brahm & Krenz International Ltd.; Breslow, Morrison, Terzian & Associates; Bridgecreek Development Co.; Bridgecreek Realty Company; Bristol-Myers Squibb Company; Brite Voice Systems; Brittain Machine, Inc.; Brookstone, Inc.; Brown & Root, Inc.; Brown Shoe Company; Broyhill Inc.; Brunswick River Terminal, Inc.; Budd Company, The; Buffalo Technologies Corporation; Bunge Corporation; Burnett Contracting & Drilling Co., Inc.; Business Roundtable, The; BUTLER GROUP, THE; C&J CLARK AMERICA; C.J. Bridges Railroad Contractor, Inc.; Cadaco, Inc.; Caldor Corporation, The; California Chamber of Commerce; California Microwave, Inc.; California R & D Center; California Sunshine Inc.; Caltex Petroleum Association; Cape Cod Chamber of Commerce; Capital-Mercury Shirt Corp.; Caplan's; Cargill Detroit Corporation; Cargill Fertilizer, Inc.;

Cargill Flour Milling; Cargill, Inc.; Carroll, Burdick, McDonough LLP; Carson Pirie Scott & Co.; Caterpillar Inc.; The Cato Corporation; Celestair, Inc.; Cels Enterprises; Center Industries Corp.; Central Maintenance & Welding, Inc.; Central Purchasing of China, Inc.; Centurion International Inc.; Cessna Aircraft Company; CF Industries, Inc.; CHA Industries; Chadwick Marketing, Ltd.; The Chamber of Commerce of Hawaii; Chance Industries; Chapin, Fleming & Winet; Charles Engineering Inc.; The Chase Manhattan Corporation; Chemical Manufacturers

Association; Chevron Corporation; Chief Industries, Inc.; China Products North America, Inc.; China Trade Development Corp.; China-American Trade Society; Chrysler Corporation; The Chubb Corporation; CIGNA Corporation; Citicorp/Citibank; Clark Manufacturing Inc.; Claude Mann & Associates Inc.; Clubhouse Marketing; Coalition of Service Industries; Coastcom; The Coca-Cola Company; Coffeyville Sektam Inc.; Coleman Company, Inc.; Colorworks; Commonwealth Toy & Novelty Co., Inc.; Compaq Computer Corporation; Compressed Air Products, Inc.; Computalog, USA; Computer & Communication Industry Association;

Computing Devices International; ConAgra, Inc.; Conoco; Continental Grain Company; Coopers & Lybrand L.L.P.; Corn Refiners Association; Cornhusker Bank; Corning Incorporated; Coudert Brothers; Countrymark Cooperative Inc.; CPC International, Inc.; Craft Corporation; Crate & Barrel; Creative Computer Solutions; CSX Corp.; CSX Transportation; CTL Distribution, Inc.; Cumberland Packing Corp.; Cybercom; Daggar Group Ltd.; Daisy Manufacturing Co., Inc.; Dale C. Rossman, Inc.; Daniel Valve Co.; DAN-LOC Corporation; Darling International Inc.; Dawahare's, Inc.; Dayton Hudson Corporation; Deere & Company; Dekalb Chamber of Commerce; Diamond V. Mills, Inc.; Digital Equipment Corp.; Direct Selling Association; D-J Engineering Inc.; Dodge City Chamber of Commerce; Donnelley & Sons Company; Dothan Area Chamber of Commerce; The Dow Chemical Company; Dow Corning; DPCS International; Dresser Industries, Inc.; DuPont Company; Duracell International Inc.; Dynasty Footwear; E.S. Originals; Eagle Eyewear Inc.;

Eaglebrook, Inc.; Easter Unlimited/Fun World; Eastman Chemical Company; Eastman Kodak Company; Eaton Corporation; Ebisons Harounian Imports; Eckerd Corporation; Ed Wheeler & Associates; Eden L.L.C.; Edison Brothers Stores, Inc.; Edison Mission Company; Edison Mission Energy; EDS; EG&G, Inc.; Elan-Polo, Inc.; Electronic Industries Association; Eli Lilly and Company; Elicon Endicott Johnson; Emergency Committee for American Trade; Emeritus, Holland & Knight; Emerson Electric Co.; Empire of Carolina, Inc.; Endicott Johnson Corporation; Enercon Industries Corporation; Epperson & Company; Erie Chamber of Commerce; Ernst & Young L.L.P.; The Ertl Company, Inc.; Essex Group, Inc.; Everbrite Inc.; Excel Manufacturing Inc.; Excelled Sheepskin and Leather Coat Corp.; Export Specialists, Inc.; Exxon Corporation; Family Dollar Stores; Farmland Hydro, L.P.; Farmland Industries, Inc.; Federated Department Stores, Inc.; Feizy Import and Export Company; The Fertilizer Institute; Fife Florida Electric Supply, Inc.; FILA USA; Fingerhut Companies, Inc., First Chicago NBD Corporation; Firstar Bank;

Fischer Imaging Corporation; Fisher-Price, Inc.; Flight Safety International; Florida Phosphate Council; Flour Daniel, Inc.; FMC Corporation; FMC-Crosby Valve Inc.; FMH, Inc.; FOOTACTION USA; Footwear Distributors and Retailers of America, Inc.; Ford Motor Company; Forec Trading Inc.; Forte Cashmere Company, Inc.; Forte Lighting, Inc.; Foster Wheeler International; Foxboro Company; Frank L. Wells Company; Freeman International Inc.; Freeport-McMoRan Inc.; Frio Machine Inc.; GT Sales & Manufacturing Inc.; G.A. Germenian & Sons; Galamba Metals Inc.; Galt Sand Co.; Galveston-Houston Company; Gap, Inc., The; GEC Precision; Genencor International, Inc.; General Dynamics Corporation; General Electric Co.; General Motors Corporation; GENESCO, Inc.; George Giocher, Inc.; Gingles Department Stores; Global Construction; Global Group; Global Rug Corp.; Goodyear Tire and Rubber Company; Gordy International; Gottschalks, Inc.; Graham & James LLP; GRAND IMPORTS, INC.; Great American Fun Corp.; Great Eastern Mountain Investment Corp.; Great Plains Industries;

Great Plains Manufacturing; Great Plains Ventures, Inc.; Greater Hartford Chamber of Commerce; Greater North Fulton Chamber of Commerce; Greater Omaha Chamber of Commerce; Greater Pittsburgh Chamber of Commerce; Guardian Industries Corporation; Gulfstream Aerospace Corporation; Gund Inc.; Halliburton Company; Hallmark Cards, Inc.; Hallum Tooling Inc.; Harlow Aircraft Manufacturing; Harris Company, The; Harris Corporation; Harris Laboratories Inc.; Harry Sello & Associates; Harsco Corporation; Harvest States Cooperatives; Hasbro, Inc.; Hays Area Chamber of Commerce; Heart Care Corporation of America; HEICO Corporation; Henry Company; Hercules Incorporated; Hewlett-Packard Company; Hill and Knowlton Public Affairs Worldwide Co.; Hills & Company; Hills Pet Nutrition; Hoechst Celanese; Holland Pump & Equipment; Holland Pump MFG, Inc.; Holt Company, The; Homecrest, Inc.; Honeywell; HSQ Technology; Hub Tool & Supply Inc.; Hufcor, Inc.; Hughes Electronics Corporation; Hurd Millwork Company, Inc.; Hydril Company; IBM; IBM Greater China Group; IBP, Inc.; IES Industries Inc.;

IMC Global Inc.; IMC-Agrico Company; Imperial Toy Corporation; Indiana Agribusiness Assoc.'s; Infra-Metals Co.; Ingelbert S. Corp.; Ingersoll-Rand Co.; Interconnect Devices, Inc.; Interex Computer Products; International Development Planners; International Mass Retail Association; International Sea Star, Inc.; International Seaway Trading Corp.; International Trade Services; INTER-PACIFIC CORP.; Intertrade Ltd.; Iowa Beef Packers; Irving Shoes; Irwin Toy; ISCO, INC.; ITOCHU International Inc.; ITT Corporation; ITT Industries; J. Baker, Inc.; J.C. Penney Company, Inc.; J.H. Ham Engineering, Inc.; Jacobs Engineering Group Inc.; Janco Corporation; Janex Corporation; Japan & Orient Tours, Inc.; JBL International; Jerry Elsner Company, Inc.; JIMLAR CORPORATION; Johnson & Johnson; Johnson Worldwide Associates; Jolly U.S.A. Inc.; Jonathan Stone, Ltd.; J-TECH ASSOCIATES; Juice Tree Inc.; JuNo Ind Inc.; K Mart Corporation; K X Metal Inc.; Kalaty Rug Corporation; Kamen Wiping Materials Inc.; Kansas Association for Small Business;

Kansas City, KS Area Chamber of Commerce; Kansas Farm Bureau; Kansas Livestock Association; Kansas State Chamber of Commerce & Industry; Kansas State University; Kansas World Trade Center; Karman, Inc.; Kasper Machine Company; Kids International Corp.; Knitastiks; Koch Materials; Kohler Company; Koll Asia Pacific; KSK INTERNATIONAL; K-SWISS, INC.; L & M Enterprise; L & S Machine Co., Inc.; L D Supply Inc.; L.A. GEAR; LAIRD, LIMITED; Lampton Welding Supply Co., Inc.; Lane Piping & Equipment Company; Lear Corporation; Learjet; Learning Curve Toys; Leather Apparel Association; LeFebure; Leo A. Daly Company; Lewis Galoob Toys, Inc.; Liberty Classic, Inc.; Lillian Vernon Corp.; Limited, Inc., The; Lindsey Manufacturing Co.; Liquidynamics, Inc.; Litton Engineering Laboratories; Litton Systems & Guidance Control; Livernois Engineering; Liz Claiborne, Inc.; LJO, INC.; Local Knowledge; Lockheed Martin Corporation; Loctite Corporation; Lone Star Steel Company; Lorenzo, Inc.; Louis Dreyfus Corporation;

Lubbock Chamber of Commerce; Lucas-Milhaupt, Inc.; Lucent Technologies; Lyons Manufacturing Company; M.W. International, Inc.; Magnatek National Electric Coil; Mandarin Pacific Bridge; Manitowoc Equipment Works; Manley Toys USA Ltd.; Marcella Fine Rugs; Marjan International Corp.; Marriott Lodging, International; Mars, Incorporated; Martin-Decker/Totco Instrumentation, Incorporated; Masco Corporation; Matlack Systems, Inc.; Mattel, Inc.; May Company Stores, The; McClurkans; McDermott/Babcock & Wilcox; McDonald & Pelz; McDonald Construction Corporation; McDonnell Douglas Corporation; McGraw-Hill Companies, The; Mead Corporation; Melder International Trade Inc.; Meldisco; Memcon Corporation; MEPHISTO, INC.; MERCURY INTERNATIONAL; Meritus Industries Inc.; Mesa Laboratories, Inc.; Metal Forming Inc.; Metalcost Inc. of Florida; M-I Drilling Fluids L.L.C.; Michaelian & Kohlberg; Micro Motion, Inc.; MIDAMAR CORPORATION, Mid-Central Manufacturing Inc.; Middle East Rug Corporation, Midland Chamber of Commerce; Midland Furnigant Company, Inc.; Midwest of Cannon Falls; Mighty Star, Inc.; Millers' National Federation;

Milling Precision Tool Inc.; Mine & Mill Supply Company; Mini-Mac Inc.; Mires Machine Company, Inc.; Mize & Company; Mizuno Corporation of America; Mobil Corporation; Momeni Inc.; Monsanto Company; Montgomery Ward & Co., Inc.; Morgan Stanley Group; Motorola; Mount Sopris Instruments; Moussa Etessami & Sons Corp.; Mulberry Motor Parts, Inc. (NAPA); Mulberry Phosphates, Inc.; Mulberry Railcar Repair Co.; Mustang International Groups Inc.; MWI Corporation; NAK, Corp.; National Association of Chain Drug Stores; National Association of Manufacturers; National Association of Purchasing Managers; National Barley Growers Association; National Broiler Council; National Corn Growers Association; National Cottonseed Products Association; National Council of Farmer Cooperatives; National Foreign Trade Council, Inc.; National Grain and Feed Association; National Grain Sorghum Producers; National Grain Trade Council; National Nuclear Corporation; National Oilseed Processors Association; National Plastics Color; National Retail Federation; National Sporting Goods Association; National Sunflower Association; National Turkey Federation; Natur's Way, Inc.; Natural Science Industries, Ltd.; Nazdar; Nebraska Corn Growers Association; Nebraska Farm Bureau Federation; Nebraska Soybean Association;

Nebraska Wheat Board; New Basics, Inc.; New England Securities; Nexus Corp.; NIKE, Inc.; Nikko America Inc.; Norand Corporation; Nordstrom Valves, Inc.; Norman Broadbent International, Inc.; Normart Enterprises, Inc.; NORTEL (Northern Telecom); North American Export Grain Association Incorporated; North Shore Chamber of Commerce; Northridge Travel Service; Northrop Grumman Corporation; Northwest Horticultural Council; Norton McNaughton; Notations, Inc.; NOURISON; Nylint Corp.; NYNEX Corporation; Ohio Art Company, The; Ohsman & Sons Company; Oil Capital Limited, Inc.; Oil States Industries Inc.; Oklahoma Fertilizer & Chemical Association; Oklahoma Grain & Feed Association; Oklahoma State Chamber of Commerce; OLEM SHOE CORP.; Orchid Holdings, L.P.;

Orient Express Rug Co.; Oriental Rug Importers Association, Inc.; Overland Park Chamber of Commerce; Owens Corning; Pac Am International; Pacific Bridge, Inc.; Pacific Northwest Advisors; Pacific Rim Resources, Inc.; Pacific Tradelink Inc.; PAN PACIFIC DESIGNS; Panamax; Parisian, Inc.; Parker Majestic Inc.; Paul Harris Stores; Payless ShoeSource, Inc.;

PC LTD.; PCS Phosphate—White Springs; PE/Koogler & Associates; Peebles, Inc.; Peninsular Group, The Pennfield Oil Company; Pepsico Food & Beverage Int'l.; Perigee Technical Services, Inc.; Petroleum Equipment Suppliers Association; Pfizer, Inc.; PhF Specialists Inc.; Philip Morris International; Phillips Petroleum Company; Phoenix Products Company, Inc.; Phoschem Supply Company; PIC'N PAY STORES, INC.; Pick Machinery; Pico Design, Inc.; Pioneer Balloon Company; Piscataway/Middlesex Area Chamber of Commerce; Pizza Hut; Plastic Fabricating Co., Inc.; Play-Tech, Inc.; Polaroid Corporation; Polk Equipment Company, Inc.; Polk Pump & Irrigation Co. Inc.; Porta-Kamp Manufacturing Co. Inc.; Portman Holdings; Power Link Inc.; PPG Industries, Inc.; Praxair, Inc.; Precision Manufacturing Inc.; Pressman Toys; PREUSSAG Int'l Steel Corp.; Price Waterhouse LLP; Processed Plastic Co.; Procter & Gamble; PROFESSIONAL Machine & Tool; PTX-Pentronix Inc.; Puritan-Bennett Aerospace Systems; Quality Petroleum Corporation; Quality Tech Metals; Quantum International; Racine Federated Inc.; RACKESdirect;

Rail Safety Engineering; Rainbow Technologies; Rainfair, Inc.; Ralston Purina International; Rays Apparel, Inc.; Raytheon Aircraft Company; Raytheon Appliances, Inc. (Amana); Raytheon Company; Reebok International, Ltd.; Regal Plastics Company; Regent Intl. Corp; Reid & Priest LLP; Reliance Steel & Aluminum Co.; Renaissance Carpet; Revell-Monogram, Inc.; Reynold's Bros., Inc.; Richfield Hospitality Services, Inc.; Riggs Tool Company Inc.; RIGHT STUFF, THE; Robin International; Robinson Fans; Rockwell; Rohm and Haas Co.; Ross Engineering Corp.; ROTO-MIX; Rubbermaid Speciality Products, Inc.; Russ Berrie and Company, Inc.; RXL Pulitzer; Ryan International Airlines; S. Rothchild & Co., Inc.; S.R.M. Company, Inc.; Safari Ltd.; Salant Corporation; Salina Area Chamber of Commerce; SALLAND INDUSTRIES LTD; Samad Brothers, Inc.; Samsonite Corporation; Sand Livestock System, Inc.; Sansei Hawaii, Inc.; Santa Barbara International Film Fest; Sauder Custom Fabrication Inc.; SBC Communications Inc.; Scarbroughs; Scarlett/Dalil Fashions; Schering-Plough Corporation;

Scienfic Design Company, Inc.; Scranton Corp.; Sea-Land Service, Inc.; Sears, Roebuck and Co.; Security DBS; SEEMA International, Ltd.; Semiconductor Industry Association; Shanghai Centre; Shanghai Industrial Consultants; SHONAC CORP.; Smith Bros. Oil Company; SmithKline Beecham; SMS Group Inc.; Snap-on Tools; Soilmoisture Equipment Corp.; Soleimani Rug Company; Southwest Paper Co., Inc.; Southwestern Bell; Sperry Sun Drilling Services; Spiegel, Inc.; SPM Flow Control; Standard Parts & Equipment; STRIDE RITE CORP., THE; Strombecker Corporation; Suman Technology International; Sundstrand Aerospace; Superior Coatings, Inc.; Sweeney; Sweepster Inc.; Symbios Logic; Tacoma-Pierce Co. Chamber of Commerce; Tai-Pan International, Inc.; Takenaka & Company; Tampa Armature Wks; Tampa Electric; Tampa Port Authority; Teck Soon Hong Trading Inc.; Tekra Corporation; Telecommunications Industry Association; Teledyne, Inc.; Tennessee Association of Business; Terra Industries Inc.; Texaco Inc.; Texas Instruments; Texas Pup, Inc.;

Textron Inc.; Thom McAn Shoe Company; Thomas H. Miner & Associates; Time Warner Inc.; Tomy America Inc.; TOPLINE CORPORATION, THE.; Toy Biz, Inc.; Toy Manufacturers of America. Inc.; Toys 'R' Us; TRADE WINDS.; Tradehome Shoe Stores. Inc.; Trans-Ocean Import Co., Inc.; Trans-Phos, Inc.; TRI-STAR APPAREL, INC.; Triumph Controls, Inc.; TRW Inc.; Tube Sales Inc.; Tuboscope Vetco International Inc.; Tucker Manufacturing Co., Inc.; Turner Electric Works; Tyco Preschool; Tyco Toys, Inc.; Tystar Corp.; U.S. Agri-Chemicals Corp.; U.S. Association of Importers of Textiles and Apparel; U.S. Canola Association; U.S. Chamber of Commerce; U.S. Council for International Business; U.S. Feed Grains Council; U.S. Sprint; U.S. Trading & Investment Company; Uneeda Doll Co. Ltd.; Union Camp Corporation; Union Carbide Corporation; Union Pacific Railroad; Unirex Inc.; Unison International; United Fresh Fruit & Vegetable Association; United Machine Co. Inc.; United Parcel Service; United Retail Group, Inc.; United States-China Business Council, The; United Technologies Corp.; USA Rice Federation; US-China Industrial Exchange, Inc.;

USX Engineers & Consultants, Inc.; Varian Associates; Vector Corporation; Venture Stores; VICPOINT (USA) LIMITED; Virginia Crop Production Association; VTech L.L.C.; Vulcan Chemicals; W.H. Smith Group (USA), Inc.; Waldor Products, Inc.; WAL-MART; Walnutron Industries, Inc.; Waltham West Suburban Chamber of Commerce; Warnaco; Warner-Lambert Company; Weatherford Enterra; Weaver Manufacturing Inc.; Weaver's Inc.; Web Systems. Inc.; Wellex Corporation; Western Atlas Inc.; Western Digital; Western Resources; Westinghouse Electric Corp.; WESTVACO CORPORATION; Weyerhaeuser Company; Whirlpool Corporation; Whittaker Corporation; Wichita Area Chamber of Commerce; Wichita Machine Products Inc.; Wichita State University; Wichita Tool; Wichita Wranglers; WiCON International Ltd.; Wilson The Leather Experts; Windmere Corporation; Wippette International Inc.; Wisconsin Agri-Service Assn, Inc.; Wisconsin Fertilizer & Chemical Association; WJS Inc.; Wm F. Hurst Co., Inc.; Wm Wrigley Jr. Company; Woodward-Clyde International; Woolworth; World Trade Center Denver; World Trade Center of New Orleans; World Trade Center, Sacramento; Worldports, Inc.; Xerox Corporation; Yuan & Associates; Zero Zone, Inc.; Zond Corporation.

Mr. CRANE. Mr. Speaker, I yield 1 minute to my distinguished colleague the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Speaker, I come here as a Representative of thousands of small people that the last speaker missed. Those people are the farmers of America to whom trade with China is extremely important. It is indeed the fastest growing market.

My colleagues may think that just serves American farmers. It does not. I firmly believe that when we are involved in China, we can improve conditions in China.

I also know when we are growing corn here in America to send to China, they are not pawing up sensitive, environmentally sensitive, land and putting it to production.

My colleagues, there are many good reasons why we need trade with China, and we must defeat this resolution. But it is good for jobs in America, it creates thousands of jobs in the heartland, it is good for our agricultural economy, it is good for our trade balance, it is good for the environment.

Vote "no" on this resolution.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I really appreciate my colleagues on the other side of this issue starting off by kind of putting on the table that China is a country that massacres its own people, that tortures its own people, that puts them in slave labor camps, that proliferates nuclear, chemical, and biological weapons. Put that all aside; this is a good deal for America.

Let us go to the good deal for American part.

We lose 700,000 jobs in our trade with China. It is a net loss of 700,000, a minimum.

Now let us take a look at specifics. I come from the State of Connecticut. We used to have a city outside my district called the hardware capital of the country. They still call it Hardware City. Guess what? They do not make those products in New Britain any more. Why? Because somebody in New Britain wants a dollar for what a Chinese worker will do for 2 cents or gladly make in jail.

Remember the film with Harry Wu, when Harry asked the Chinese official, "How do you maintain quality when you got workers in prison?"

The Chinese officials said, "We beat them, we beat them."

That is who my colleagues want to give MFN to, not a normal country with normal practices, a tyrannical power that oppresses its own people.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I stand her today to voice my opposition to the disapproval resolution for MFN. Once again, the House is going through it annual summer ritual of debating MFN for China. Each year this is a difficult decision for me. I decided last Congress that we should renew MFN and continue to pursue other course of action to improve human rights in China. I continue to believe at this time it would not be the right approach for the United States to revoke MFN for China.

The relationship between United States and China is complex and involves many issues: human rights and democracy, nonnproliferation, Taiwan, Tibet, trade and intellectual property rights. This relationship is very fragile and a balance needs to be struck. This relationship is like walking a tightrope. One missed step could throw the entire relationship off balance permanently.

A sound relationship with China is in our national interest. China is the world's largest country. Years ago, we tried to isolate China and that policy failed. We should not repeat mistakes of the past. Engagement with China is the best solution. We cannot isolate China. We need to continue engaging China in a dialog to promote our interests, especially human rights.

The behavior of China in the past few months has been far from exemplary. Human rights abuses continue. Commitments to intellectual property enforcement were broken. Aggressive military actions toward Taiwan occurred. Communist military, Chinese military industries attempted to sell AK–47 rifles to United States law enforcement officers conducting a sting operation. These are important issues that should be addressed in another manner than revoking MFN.

Revoking MFN would punish the United States more than it punishes China. Revoking MFN would harm our security, political and economic interests. American exports and jobs depend on decent relations with China. In 1995, $12 billion in exports to China supported 170,000 high-wage United States jobs. Many of China's most prominent dissidents including leaders of the prodemocracy movement at Tiananmen Square do no support revoking MFN for China.

Recent actions by China made many of us angry, but revoking MFN is a knee-jerk reaction which might provide instant gratification, but over the long run we would regret our actions. The repercussions of revoking MFN are great.

President Clinton stated:

> We have to see our relations with China within the broader context of our policies in the Asian Pacific region. I am determined to see that we maintain an active role in this region . . . I believe this is in the strategic interest, economic, and political interests of both the United States and China . . . I am persuaded that the best path for advancing freedom in China is for the United States to intensify and broaden its engagement with that nation.

I completely agree with the President's statement, United States interests are best served by a secure, stable, open and prosperous China. We need to encourage China to embrace international trade and proliferation rules. We need to pursue improving human rights through diplomatic contacts and with the assistance of the United Nations Human Rights Commission. The Clinton administration issued voluntary principles for the conduct of American business globally, including those conducting business in China. The Clinton administration has pressed for the release of political dissidents and religious prisoners. These are the type of actions we need to be taking.

We need to improve our relationship with China. Complex areas of the United States-China relationship can and should be addressed. House Joint Resolution 461 offered by Mr. COX provides an opportunity for these issues to be addressed by the House. Revoking MFN would make this impossible. Engagements is our best approach.

Mr. Speaker, these are issues that cannot be swept under the rug, but the question is how best to resolve them, how best to speak to them, and that is to engage the Chinese.

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Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. BURTON], a champion of liberty.

Mr. BURTON of Indiana. I thank the gentleman for yielding time to me.

Mr. Speaker, I would just like say to my colleague who just spoke, he made my case. He made my case. They thumb their nose at the rest of the world. They sell chemical biological weapons to the rest of the world, they sell military equipment to street gangs in the United States of America. They violate the security of Taiwan by trying to interfere in their elective process, by starting war games.

There are 10 million people, count them, 10 million people in Communist gulags that are slave laborers, that are making products they are selling to the rest of the world, and we are concerned about the almighty dollar to such a degree that we say, oh, we are not going to pay any attention, we are going to grant them MFN.

Mr. Speaker, we need to send Communist China a message and let the rest of the world know very clearly that those kinds of actions will not be tolerated by this country. If they want to do business with the free world, they have to act like a democratic society.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to my colleague and neighbor, the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Speaker, every day millions of Americans get up, pack their lunch, send their kids off to school, and go to work. Denying normal trade relations with China hurts these families. These Americans have no idea the products they make end up in China. Denying normal trade status for China jeopardizes the long-term survivability of these high-paying jobs.

For example, in addition to 600 Neons shipped directly from Belvidere, IL, to China, Chrysler Corp. purchased $1.3 million in parts from six automotive parts makers spread throughout the 16th District of Illinois to supply their Jeep plant in Beijing.

Sunstrand Corp. and Woodward Governor sell industrial and aerospace products to China. Ingersoll Milling Machine of Rockford sells electrical generating machines to China worth $3.5 million. Honeywell in Freeport expects to sell 5 percent of their total production to China by the year 2004. Motorola of Schaumburg sold roughly 1.2 billion dollars' worth of goods to China in 1994. They are building a factory in the district I represent that will employ 5,000 new people making cellular phones to ship to China.

It is not just large companies. RD Systems of Roscoe landed a $1.7 million contract to build four machines for a Chinese manufacturer of cell phone batteries. That is 30 percent of the business for a company with only 30 employees. The list goes on. T.C. Industries of Crystal Lake supplies blade tips to Caterpillar.

Mr. Speaker, MFN for China means jobs for America.

Mr. Speaker, every day millions of Americans get up, pack their lunch, send their kids off to school, and go to work. Denying normal trade relations with China hurts these families. These Americans are forgotten in this debate. They have no idea that the products they make end up in China. Denying normal trade status for China jeopardizes the long-term survivability of their high-paying jobs.

For example, in addition to 600 Neons shipped directly from Belvidere, IL, to China, Chrysler Corp. purchased over $1.3 million in parts from six automotive parts makers spread throughout the 16th District of Illinois to supply their Jeep plant in Beijing.

Sundstrand Corp. of Rockford and Woodward Governor sell industrial and aerospace products to China.

Ingersoll Milling Machine of Rockford sell electrical generating machines to powerplants in China worth $3.5 million each.

Honeywell in Freeport expects to sell 5 percent of their total production to China by 2004.

Motorola of Schaumburg sold roughly 1.2 billion dollars' worth of goods to China in 1995. Their rapid expansion in Asia is one reason why Motorola is building a 5,000 employee factory in Harvard, IL, to manufacture cellular telephones for the iridium system.

And, it's not just large businesses. RD Systems of Roscoe landed a $1.7 million contract to build four machines for a Chinese manufacturer of cell phone batteries, representing one-third of the total annual sales for their 30 employee company.

T.C. Industries of Crystal Lake supplies blade tips to Caterpillar tractor, which has a vast interest in China. Clarcor of Rockford has a joint venture in China to manufacture heavy duty engine filters for heavy equipment. Reed-Chatwood sells textile machinery directly from Rockford to China.

And Illinois farmers are jumping at the opportunity to sell agriculture products to China. In 1995, United States agricultural sales to China doubled from the previous year to $2.6 billion.

It is expected that China will account for 37 percent of the future growth in United States exports. Thus, trade with China is a cornerstone for resolving the most pressing problem in the minds of the forgotten American—stagnant wages and job growth.

Mr. STARK. Mr. Speaker, I am happy to yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. BUNNING of Kentucky. Mr. Speaker, I also yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from South Carolina [Mr. SPRATT] is recognized for 2 minutes.

Mr. SPRATT. Mr. Speaker, I oppose most-favored-nation status for China. It is not in the best interests of China, not its people nor its despotic rulers, not in the best interests of the United States.

I oppose MFN for China for three reasons. First, China has no sense of trade reciprocity. It accounts for the second largest share of the U.S. trade deficit, the largest export of textiles and apparel to the United States. But what did China do with its $34 billion surplus last year? They used our $34 billion of hard currency to buy capital and consumer goods from Europe and Japan and the rest of Asia, not from the United States.

No country enjoys more open access to our textile and clothing markets than Japan, than China, and last year they sold us $9 billion in clothing and fabrics. Despite this liberal access to our markets, they egregiously cheated. They mislabeled and transshipped up to $44 billion in goods through other countries in order to avoid our quotas. By voting against MFN, we are telling China that we do not favor countries that flout the rules of fair trade with us.

Second, China denies its people the human rights which we regard as fundamental to a civilized society. We have a moral role here, to say to China: You have to pay a price for treating your people so oppressively.

Third, China brazenly sells nuclear and missile technology to non-nuclear nations. They know they are in violation of the law. There is ample evidence that the PRC has helped nations such as Pakistan and Iran develop weapons of mass destruction.

I know that many countries enjoy MFN status, so many that it means a lot less than the name implies, but I take the name literally. I bristle at the notion of calling a country like China, guilty of abuses we all acknowledge, a most favored nation.

Mr. Speaker, I realize this resolution is likely not to pass, but by voting for it we can send a stern message to China and we can stiffen the resolve of our administration to resist China's accession to the World Trade Organization without major reforms in the way China deals with its own people, its neighbors like Taiwan, and its trading partners.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Speaker, I rise today to express my support for continued normal trade relationships with China. I have been amazed by some of the comments by some of the opponents of China MFN. One speaker earlier said that granting China MFN poses a threat to the industrialized world. What nonsense. The truest threat to the industrialized world is in fact to adopt the trade policies of the opponents of China MFN. The truest threat to the industrialized country of the United States, the truest threat to the jobs which are so dependent on international trade in the United States, is once again to adopt a trade policy that builds walls around this country.

History has taught us that improving the human condition of people, enhancing the human freedoms of people, is best achieved by improving the economic condition of people. That is what we are doing by maintaining normal trade relations with China. China represents a great potential market for United States exports. China has 1.2 billion consumers who are living in a country that has experienced a GDP growth rate of 10 percent over the last 4 years. It is the United States who is accessing a lot of that increased market share. We have seen a rise of over 200 percent in the United States exports of telecommunications equipment to China. As a representative of one of the major agricultural regions in the country, I can state that we are benefiting greatly in the agriculture sector. We have seen it increase 175 percent of United States agriculture sales to China. China MFN is good economic policy for this country, and is in the best interests of the Chinese people.

Mr. BUNNING of Kentucky. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. COX].

Mr. ROHRABACHER. Mr. Speaker, I yield an additional 2 minutes to my colleague, the gentleman from California [Mr. COX], who is on the short list for Vice President.

The SPEAKER pro tempore. The gentleman from California [Mr. COX] is recognized for 3½ minutes.

Mr. COX of California. Mr. Speaker, I thank both of my colleagues for yielding time to me.

Mr. Speaker, much of the debate has centered around whether most-favored-nation trade status is capable of addressing issues beyond trade. The implicit notion is that once we stop talking about things like theft of intellectual property, once we stop talking about facts, such as that the average tariff levels on United States goods maintained by Communist China are more than 15 times higher than United States tariffs on Communist Chinese imports to our country, that we have gone beyond trade qua trade, that we therefore have extended into the realm of something else; perhaps national security, perhaps international relations, but surely not MFN.

Mr. Speaker, it is true that we do have a great deal of concern with China's policies that apparently deal not with trade but other things, like the torture of religious figures. Chen Zhuman was hung upside down in a window frame as his personal torture. The brutal occupation of Tibet is not apparently about trade. The fact that Communist China is a one-party state which is capable of imprisoning for 28 years now a democracy activist like Wei Jing Sheng is not, I suppose, technically about trade.

Maybe even the Laogai forced labor camp system, the Chinese gulag that comprises over 3,000 such camps, maybe that is not technically about trade. Maybe the live shelling of Taiwan's shipping lanes earlier this year when Communist China sought to intimidate the nascent democracy on Taiwan, which was then holding the first Presidential election, democratic Presidential election, not only in Taiwan's history but in 4,000 years of Chinese history, maybe that was not exactly about trade.

Maybe even the sale of M-11 missiles illicitly, capable of delivering unclear warheads, to Pakistan, or the sale to the same country of ring magents for the purposes of enriching uranium, or of selling the ingredients for chemical weapons to Iran, maybe that is not trade, although clearly it is trade in illicit arms.

But in fact, Mr. Speaker, we are not talking about trade in the usual sense. We think of trade as independent commercial entities acting with a profit motive and responding to market forces. The People's Liberation Army is not such an independent entity, but the People's Liberation Army is engaged in trade. How much? The People's Liberation Army controls, according to not just the China Business Review, which printed this, but the Defense Intelligence Agency of our country, over 50,000 companies, commercial fronts generating moneys for the largest armed forces on Earth. They are into pharmaceuticals, real estate, bicycles, cleaning supplies. When we trade with these entities, we are in fact benefiting the very Peoples Liberation Army that is responsible for the internal oppression and the external proliferation of nuclear and chemical weapons.

This is not trade, it is not commercial activity. It is off-budget financing for the Peoples Liberation Army. So MFN is not just about trade, either. It is about financing communism. Let us stop pretending otherwise.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Arizona, Mr. MATT SALMON, the only colleague in this body who is fluent in Mandarin Chinese and who did 2 years of missionary work in China before coming here.

Mr. SALMON. Mr. Speaker, I do not think this phrase was ever more appropriate than it is now: So much to say, so little time. This is probably the most gut-wrenching issue that I have faced since I have been in Congress just a short tenure of almost 2 years.

When I served a mission in Taiwan from 1977 to 1979, I got to know and to love the Chinese people deeply. I got to know several people who had escaped from China and escaped the persecution there several decades ago. When the Chinese started launching missiles in the Taiwan Strait earlier this year, there was nobody in this Congress that was more angry than me, that wanted to stand by Taiwan's side more than me, because I have loved ones and friends there that I was deeply concerned about and fearful for their lives.

Clearly, the impassioned messages against human suffering and misery are heartfelt and sincere, and the leaders in the opposition to MFN, the gentleman from California, DANA ROHRABACHER, the gentlewoman from California, NANCY PELOSI, the gentleman from New York, JERRY SOLOMON, and on and on, they really care deeply about the issues they talk about. Nobody will question that. We all want the evil to stop.

But let us not confuse our tactics with our objectives. It is for precisely the same reasons that they care about these issues that we have to preserve MFN. Let us think about it. If we cut off MFN, what is the next likely thing that will happen? Trade relations will deteriorate. We will have trade wars. Diplomatic ties are severed. What is the end result? A cold war. Then what kind of influence do we have? Do we think those countries like France, Germany, Japan, that will jump in and fill that niche, do we think they will be raising those objectives, those issues? They never have before.

If we really care about the human suffering and misery, we will continue engagement. But we are not silent about the things we care so deeply about. Let us continue to use every other sanction we possibly can. Let us continue to look for other opportunities, but let us not completely take ourselves away from the table. Let us be smart about this.

That is why the people that really understand this, people like Martin Li, are saying we have to keep it. Talk to the people who have much more of an axe to grind than we do. We are righteously indignant about what is happening there, rightly so, but how about the people who stand to lose a lot more, their lives and freedom and everything they hold dearly? What about people like Martin Li, who have led the opposition to the violation of human rights in Hong Kong, and who was the father of the Bill of Rights for Hong Kong? He wrote us a letter yesterday and said the absolute worst thing we could do would be to revoke MFN.

☐ 1445

Listen to what the dissidents said, listen to what people like Teng-hui Li, the President of Taiwan said; he has more of a stake in this than anybody. It would be foolish to revoke MFN. It will hurt the things that we care about.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, we are going to hear a lot of speeches about why we should not have trade relations, MFN with China because of the poor relations on trade where we would lose $34 billion a year in terms of trade revenues.

On proliferation, on the idea that the Chinese are out selling weapons of nuclear destruction, of mass destruction to enemies of this country such as Iran where we see them selling nuclear technology to the Pakistanis. We are going to hear arguments about human rights in China and about the denial of the ability of individuals to stand up for freedom in that country.

However, I do not think that this is an issue about just China. I think that this is an issue about the United States of America. It is an issue that allows the people of this Chamber to stand up and talk freely about the issues that we are concerned about, and it is about the fact that this country has been the leader of the free world. Yes, other countries will move in and try to take advantage of this country's stand for those principles of freedom.

The truth of the matter is that, if the Germans and the Japanese or other countries want to move in and take advantage, I say that the people of the world will recognize the leadership, the fundamental moral leadership that this country stands for. As a result of that, as a result of what this country means to people throughout the rest of the world, this country will continue to be able to thrive economically and socially.

We should not abandon the principles that let blood of our brothers and sisters and our parents bleed on the face of this planet because the principles of democracy go by the wayside for the principles of the almighty dollar and Chinese trade.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I rise in strong support of MFN for China. Changing China's human rights policy is going to be like turning a blimp around in an alley. It is going to be very difficult, very slow, very painful. The process is going to take idealism and commitment to human rights. It is not going to be done by the Japanese; it is not going to be done by the South Koreans or the Europeans. It is going to be done by the United States of America. We have that commitment. We have those beliefs. We can help in small ways change the policy in China.

Now, what is the cost if we do not do this? What is the cost if we do not do this in the best economic interests of the United States? The cost is probably, one, China starts to build on their already biggest standing army in the world; there is more volatility in this region of the world; the United States spends more and more on our defense. We lose jobs in this country, the deficit continues to go up. There is a real cost for the United States not to do this.

What do some people say about the answer? Pat Buchanan says, let us build walls. Not a Great Wall in China, let us build walls across the United States so that Indiana can trade with Arizona.

I say to the people of this body, that is not the answer. If we believe in the American dream, if we believe we have the best workers, if we believe we make the best products, if we believe we stand up for human rights, do what is right, not for the Chinese, do what is right for America and support MFN.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in opposition to the resolution of disapproval.

Mr. Speaker, all of us share the same fundamental goals with respect to China. We all want to see China develop not only as an economic force, but also evolve in its views on human rights and the value of free and open democratic government. We just need to pursue these goals in the ways most likely to produce success.

And although I agree that China has pursued policies which are not in the best interests of the United States and other Pacific Rim nations, we must ask ourselves: does the proposed policy, to revoke China's trade status, the correct policy prescription?

While it may feel good in the short term to try to force China to change; ultimately it is counterproductive. Revoking normal trade relations, or MFN, would merely kick the legs out from under those in China we seek to support, the hard reality is that revoking China's trade status is unlikely to mitigate China's behavior and will harm American businesses as they are replaced in China by other companies.

The best way for us to encourage democratization, free enterprise, and respect for human rights, is by maintaining as close contact with the Chinese as possible. A policy of engagement helps maintain a constructive environment within which to influence Chinese policy.

It would also be damaging here at home. The State of Iowa—as with many others—exports billions of dollars worth of products to China each year. Even more is sent to China through Hong Kong. China is also projected as one of the most important growth markets for U.S. agriculture.

Mr. Speaker, I urge all Members to take the responsible, constructive approach today for the United States and China, for the advancement of democracy and human rights, and for our constituents.

Please vote down this resolution.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, when the House considered most-favored-nation status for China last year, supporters of cutting off MFN privileges were told over and over again, be patient, that things in China would get better if we were just patient. Basically we were urged to adopt a wait-until-next-year philosophy, familiar to fans of losing sports teams everywhere.

Wait until next year, we were told, and China will stop selling nuclear weapon-related equipment to the world's troublemakers. Wait until next year and China will stop choking off America's imports and running up a massive trade deficit. Wait until next year and China will stop prosecuting and persecuting its own people.

Well, Mr. Speaker, next year has arrived, and China has not only failed to improve its nonproliferation trade and human rights record, but the Chinese behavior in each one of these areas has deteriorated since last year.

First is nuclear weapons proliferation. Earlier this year the CIA confirmed that China sold to Pakistan nuclear-capable M–11 missiles and equipment which is important in the production of nuclear weapons. Over the last decade it has been demonstrated that China has a nuclear rap sheet as long as our arms. Let us not kid ourselves about their attitude about selling nuclear weapons-related materials into the global economy. China has sold cruise missiles to Iran and is cooperating with the Iranians on their civilian nuclear programs which our arms control and disarmament agency believes is just a cover for Iran's efforts to develop nuclear weapons.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. speaker, there are deeply felt reasons to vote for this disapproval resolution. Issues of human rights, issues, for example, and important ones of trade. China presents vital questions on how America competes with a low-wage economy. But I have asked myself, where would a vote for disapproval lead?

First of all, it would be vetoed. Second, even more importantly, even if it were to become law, what would we do next? What issues would we negotiate with the Chinese? What would our demands on each of these issues be? What would we settle for?

In a word, I have concluded we need a policy, not a protest. We need to go beyond an annual skirmish over an action we are unlikely to take. We need to do the difficult work of hammering out a year-round policy, and Congress needs to participate. We have to engage ourselves, which we have not done, year round. We have to engage our legislative counterparts in Asia and in Europe. We need to have an active role in the question of China's accession to the World Trade Organization, and we in this country need to develop allies in Europe and Asia so we simply do not go it alone on all of these issues.

The administration deserves credit for its recent success in the issue of intellectual property piracy, and I favor the use of sanctions against China. But it is time for all of us in both the Government and the private sector to put these endeavors in the context of a larger long-range blueprint. I want not a message but a program. I am going to vote against disapproval.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I rise in support of the engagement with China and against the resolution of disapproval.

Mr. CRANE. Mr. Speaker, I yield 1 minute to our distinguished colleague the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Speaker, as the chairman of the Subcommittee on Telecommunications and Finance of the Committee on Commerce in this Congress, the person charged with developing and promoting telecommunication policy in this country, I rise in strong support of most-favored-nation trading status for China.

I have been to China on four occasions. Each time I have seen significant and positive change. I believe that our positive engagement in the business sector is enhancing this positive change. This change is occurring because we have been a friend and not just strictly a critic.

When I was there in April, Vice Premier Li-teh Hsu said American telecommunications companies are late, and he paraphrased a Chinese proverb saying sometimes those who are late actually do better.

Mr. Speaker, we will do better with telecommunication trade and, with that, we will have a more positive engagement with the Chinese. Trade is positive, information technology is liberating. I urge my colleagues to support most favored trading status for the Chinese.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, my colleagues who support extending most-favored-nation status to China claim that the importance of trade should be the only issue considered.

While I would also look at the murder of 1 million Tibetans, the selling of missile technology to rogue nations, the human rights atrocities committed against Chinese citizens, and the military intimidation of Taiwan, I will only discuss trade-related reasons why we should not extend MFN.

First and foremost, MFN for China isn't working. In 1995 our worldwide trade deficit was $111 billion. Almost one-third of this amount was our growing deficit with China. In addition, they are notorious for printing American intellectual property. Last year United States companies lost $2.4 billion because China refused to enforce its intellectual property laws.

Mr. Speaker, China's crimes against humanity and against America's business interests can no longer be tolerated.

China does not deserve, and has not earned most-favored-nation status.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Speaker, I find myself in significant agreement with the distinguished gentleman from Michigan [Mr. LEVIN]. This is a confused and misleading concept, MFN. It certainly implies no approval; otherwise, we would not have extended it to 184 nations, including such paragons of virtue as Syria and Burma.

It is true that this is an important economic relationship to my State of Oregon. It means thousands of jobs in areas like technology and agriculture. But I do view China as being a threat to the world, primarily in a war on our environment, a war on the environment that frankly we in Oregon and in this country are poised to help the Chinese wage to protect it by the sale of products and services.

□ 1500

Mr. Speaker, 33,652 Americans lost their lives in the Korean war in no small measure because we misjudged the Chinese and their intentions.

I cannot agree more strongly with the gentleman from Michigan's hope that this is the last year we go through this exercise, and instead we work to manage our relationship with the world's most populous nation in a thoughtful and constructive fashion. The disapproval of this resolution and the continuation of MFN is an important step in that direction.

The SPEAKER pro tempore. The Chair would advise Members that the gentleman from Illinois [Mr. CRANE] has 8½ minutes remaining; the gentleman from Florida [Mr. GIBBONS] has 8½ minutes remaining; the gentleman from Kentucky [Mr. BUNNING] has no time remaining; the gentleman from California [Mr. ROHRABACHER] has 2 minutes remaining; and the gentleman from California [Mr. STARK] has 6½ minutes remaining.

To close, so Members will know, the gentleman from California [Mr. ROHRABACHER] will begin, followed by the gentleman from Florida [Mr. GIBBONS], followed by the gentleman from California [Mr. STARK], and the chairman of the committee or his designee will have the final close.

Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, after a great deal of thought I have come to the conclusion that today I will oppose the extension of China's current most-favored-nation trading status.

Fundamentally, I do believe that trade with China helps encourage private enterprise there, providing the citizens of China with a level of financial independence that lessens the power of their government. Ultimately, there is an effective argument to be made that it is trade and other contact with the outside world, rather than seclusion, that will propel China toward the freedoms and observance of international law that we all support.

In that light, I would frankly have preferred to support strong but targeted sanctions against China, as opposed to denying most-favored-nation status. For example, H.R. 3684, a bill introduced by Representative GILMAN to disallow the importation of products made by the People's Liberation Army, makes a great deal of sense to me. The PLA operates much of China's industrial capacity, and H.R. 3684, which I have cosponsored, represents strong and appropriate punishment.

Unfortunately, we will not have the opportunity to vote on H.R. 3684 or similar legislation today. This is very troubling to me, because I have become so concerned about many of the Chinese Government's practices that I can no longer look the other way when they pursue unacceptable behavior.

This behavior includes China's weapons sales, including the sale of nuclear technologies, to rogue regimes in clear violation of China's international commitments; its gross violations of human rights, including the brutal practices it has pursued in Tibet, the detention or pro-democracy activists and imposition of forced labor upon them in its prison system, and coercive abortion policies; its repeated violations of intellectual property agreements; its belligerent and indefensible actions toward Taiwan; and most recently, the illicit sale of Chinese weapons in our country.

Last year I supported passage of H.R. 2058, which put China on notice that the Congress could not countenance continued misbehavior on China's part. In so doing, we gave China the opportunity to correct its unacceptable practices. Nothing, however, has changed, and in fact, an argument can be made that China's misdeeds have gotten more severe.

Under the circumstances, I think a strong message must be sent today. The targeted sanctions that I would most prefer are not an option available to the Congress today. Accordingly, I will oppose MFN this afternoon.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Speaker, this debate is not just about human rights in China, it is also about jobs in America and the conditions under which the United States does business with the undemocratic nations of the world. After a decade of engagement with China, what do we have to show for it?—forced abortions, human rights violations, flouting of our intellectual property rights, violation of nuclear nonproliferation accords * * * the list goes on and on.

MFN is about trade and jobs. Whose jobs? Over one-third of China's exports are sold in the United States, but only 2 percent of United States exports are sold in China. Our trade deficit is now at $34 billion. Why? Because China does not reciprocate the trade benefits we grant to them with MFN. It continues to issue high tariffs and nontariff barriers, and insists on production and technology transfer—all of which hurt American jobs.

There are only four tools of peaceful diplomacy available to us: providing U.S. aid, opening U.S. trade, international opinion, and denying U.S. aid and trade. We have tried the first three, and yet, China is resilient to change. The time has come to do the right thing. The only thing this regime understands is power. We have great power—the power of the American purse.

I urge my colleagues to disapprove MFN for China. Let's send a clear and unmistakable message to the Chinese leadership—the United States will not stand for discriminatory and predatory trading practices. We will not stand for violations of international agreements. Most important, we will not stand idly by while people are exploited. We will stand up for human rights, freedom, and democracy.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, I take second to no one in this Chamber in my concern for human rights and the feeling that many of the abuses in China are as abysmal, as threatening to the human condition as events happening anywhere in the world at any time.

I also will take second to no one in my concern about what the Chinese are doing to the island of Taiwan in terms of their missile launches over the straits of China prior to the election, a clear violation of international law. I was supportive, along with most Members of this body, in terms of trying to prevent that activity.

Even with those statements, we as this Congress have a choice of how to try to change those policies. It really is a choice of one or two things. We have a choice of engagement, of normal trading relations. As has been pointed out on this floor, trading relations, that we trade with rogue nations, nations whose human rights conditions are on par with China, whether it is Syria or Burma or Indonesia. We can find abuses in many locations around the world that we, in fact, grant what is inappropriately described as most-favored-nation status.

We have that choice before us today, whether we want to engage China or whether we want to isolate China. Unfortunately, I think history tells us that by isolation the results of the change in human rights and other things will not occur. I urge the defeat of the resolution.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Speaker, there are people with pure motives and different ideas on both sides of this issue. However, I rise in opposition to the resolution of disapproval.

I have worked in the trade field before, and I can tell my colleagues that this is not the way to improve our trade imbalance and it is not the way for use to try to change China. MFN, as we have heard time and again, is the basis for trade. It allows our companies, our farmers, our businesses, our people to be able to engage and build long-term relationships with China. That is what MFN is allowing us to be able to do.

If we are worried about the trade imbalance, we should force them to lower their tariffs and open their borders through other trade negotiations or as they seek to join the World Trade Organization, and force them to abide by international trade rules. If we are worried about human rights, as all of us are, we should keep engaged and encourage them through that engagement to do the right thing as they grow as a country, and not go in an isolationist mode.

For those reasons I urge disapproval of the resolution.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, supporters or MFN for China are trying to portray this debate in very simple terms: Are you for or are you against free trade?

That, I might say, is a false choice. This debate is not about free trade. It is about fair trade. It is about whether or not we are going to use the leverage we have as a nation to open up markets in a way that is fair to American workers and fair to American jobs.

Supporters of MFN for China are asking American workers to compete not on the quality of the products we trade with China but in many ways on the misery and suffering of the people who make them.

Henry Ford was right. If you want to sell products, you have to pay people enough so that they can buy the products that they make. Seventeen cents an hour is no way to build a trade relationship. If we continue to turn our backs on the abuses in China today, the China market will never live up to its potential as a American trading partner.

Free trade does not exist in this kind of world, and protectionism offers us no solution either. We have got to be able to find a middle ground that promotes our values at the same time that it promotes our products.

Today we are running a $34 billion trade deficit with China. China accepts just 2 percent of United States exports and routinely puts tariffs of 30 to 40 percent on our products.

Let us not kid ourselves. China needs America's markets. We always seem to underrate our potential as a market in our trading relationships. Not only are we one-third of China's export market, we buy more products from China than anyone else.

We must let China know that MFN is not a gift to be awarded. It is a privilege that must be earned. China has not earned the right to receive special treatment from the United States.

Let us work together to find a middle ground but let us not pretend that countries like China, who control their own markets, who ravage their environment, who abuse their workers and who ignore international calls for human rights practice free trade. Because we all know, there is nothing free about it.

I urge my colleagues, insist on freedom, insist on democracy, insist on human rights, insist on fair trade, and support my colleagues, the gentlewoman from California [Ms. PELOSI], the gentleman from Virginia [Mr. WOLF], the gentleman from California [Mr. ROHRABACHER], and others, who have stood up on this floor and urged us as country to engage in free trade and fair trade.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas, Ms. EDDIE BERNICE JOHNSON.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I have very, very respected colleagues on both sides of this issue. I am certain that there might be questions about why I would stand here firmly in support of MFN. I ask my colleagues to oppose the resolution before us.

Many Members of the House are concerned about the human rights record of the People's Republic of China, and rightfully so. Clearly I have many concerns about human rights. The questions for those of us with these concerns is how can we improve the situation in China?

Mr. Speaker, I believe that a policy of engagement in China gives us the best opportunity to influence the Chinese Government and the Chinese people in a positive manner. Ideals of freedom will be experienced by the common man in China. Free trade encourages interaction between the Americans doing business in China and their Chinese counterparts. Additionally free trade with China will allow the average Chinese citizen to develop more of his or her own wealth, and the accumulation of personal wealth is the only way people can be independent. An improved standard of living in China will encourage free market principles in that nation and will assist the citizens of China in their effort to gain more freedom.

JUNE 24, 1996.

Representative EDDIE BERNICE JOHNSON,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE JOHNSON: I write to thank you for your support of President Clinton's decision to renew MFN for China this year. On my recent trip to Washington, I met with a number of your congressional colleagues to explain the threats to democratic institutions, human rights and the rule of law in Hong Kong and to urge them not to unintentionally compound the difficulties for Hong Kong in their efforts to punish China for failure to adhere to international norms in a wide range of areas, particularly human rights.

I am grateful to Congress for its continued interest in Hong Kong and for the deep concern members have expressed about human rights violations in China. I too have serious concerns about the human rights situation in China and the prospects for safeguarding human rights in Hong Kong after 1997. However, as an elected representative of Hong Kong people, I cannot ignore the damage to Hong Kong that will occur if China's MFN status is not renewed. Because the United States and China are our two largest trading partners, disruptions in trade have a direct impact on Hong Kong's own economy. In the best of times it would be difficult to ride out the storm of a trade dispute between our two largest trading partners, but with the transfer of sovereignty barely a year away, the revocation of China's MFN status would deal an even more serious blow to our economy.

Many of Hong Kong's friends in the international community are gravely concerned about China's recent decisions to abolish Hong Kong's elected legislature and replace it with an appointed one, to effectively repeal Hong Kong's Bill of Rights and to erode the independence of our judiciary and civil service. Indeed, many who wish to help Hong Kong by promising China through MFN, were unaware of the devastating effect nonrenewal of MFN would have on Hong Kong's economy—at a time when confidence in Hong Kong is already badly shaken.

When explaining the effect of non-renewal of China's MFN status on Hong Kong, I often give the example of a father beating a child. Your first instinct may be to stop such brutality by punching the father in the nose. But when you approach, the child stands in the way, defending father. Do you knock over the child to teach the father a lesson? Hong Kong is like that child. Revoking MFN would hit Hong Kong first—and badly. At a time when Hong Kong people could least recover from such a blow.

As you and your congressional colleagues debate China's MFN status in Congress, I hope you will take Hong Kong into account. I thank you once again for your consideration and continuing support for Hong Kong.

Sincerely yours,

MARTIN LEE,
Chairman, The Democratic Party.

Mr. CRANE. Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, I have sat here patiently and attentively and listened to this discussion today and I frankly have heard nothing new.

I went to China in the 1970's. I was shocked at what I saw, appalled, and knew it would be extremely difficult to ever integrate China into the world community of nations. I do not condone anything that is going on in China today that has been pointed out here as being shocking to my sensibilities and to my sense of fair trade. But I do say we have made progress and we will continue to make progress unless we make the mistakes we have made in the past again.

China came out of 100 years of degradation at the hand of the Europeans or the Japanese. About 50 years ago here in this body, we began to isolate ourselves from the Chinese who wanted to be friends of ours and wanted to work with us. What has been the result of all of that? China turned inward. China became a very mean nation. China doubled its population in that period of time.

□ 1515

China, frankly, educated all its people in what I would think are hostile environments of the USSR and of Eastern Europe. They escaped all of the better things that we think they would have gotten from our civilization had we stayed engaged with them.

Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the Chinese dictatorship knows that it is getting a $35 billion net surplus from their current trade relationship with the United States. That is $35 billion worth of jobs that they have got here that we do not have because they have got it over there. They know that they have got that $35 billion surplus because they flood our markets with all kinds of goods, putting our people out of work because we charge them a 2-percent tariff under the current rules of trade and they charge our products a 30 and 35-percent tariff as we send our goods over there. Thus, our people lose their jobs and they gain $35 billion to build their military to repress their people.

This current trading relationship is a sham. It is not to the benefit of the

United States of America. Do not expect those bloody-fisted tyrants in Beijing to listen to us about human rights or listen to us about not threatening their neighbors if we do not have the guts to change that relationship that puts $35 billion of hard currency in their pockets.

Mr. STARK. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, we are going to lose the vote, but to those Members who are going to give MFN to China, do what our colleagues say: Be engaged. Be engaged. When the Christians are arrested next week and all this next year, be engaged. When they come into town, meet with them. When the human rights groups come here, be engaged, meet with them. When the business community does nothing, speak out, send Dear Colleague letters. All I see is a handful of Dear Colleague letters. Be engaged all year. Do not just be engaged for 2 weeks up to the vote. Be engaged all year. If we vote to give the evil group of people MFN and our colleagues are going to win, then do what the Members said all during this debate. Be engaged. Meet with the Catholic church. Meet with the Tibetans. Meet with the human rights people. Meet with Asia Watch, meet with Amnesty International. Prod the business community. Do not be afraid to criticize a business group in your area. Speak out.

Our colleagues are going to win. I just want to know that they are going to be engaged, they are going to do everything they said. Be engaged all year, not just for 2 weeks before the vote.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, Thomas Jefferson said, two thinking individuals can be given the exact same set of facts and draw different conclusions.

I would like to say that I have very high regard, of course, for my full committee chairman, the gentleman from New York, Mr. SOLOMON, and for the gentlewoman from California, Mrs. PELOSI, and the gentleman from California, Mr. STARK, and others and, of course, the gentleman from California, DANA ROHRABACHER, and the gentleman from California, CHRIS COX, and those who have opposed this. I have to say that it has been great to work in a bipartisan way with my very good friend, the gentleman from California, BOB MATSUI, and the gentlewoman from Texas, EDDIE BERNICE JOHNSON, and the gentleman from Indiana, TIM ROEMER, and others and, of course, with the gentleman from Illinois, Chairman CRANE, who has done a great job on this. And the gentleman from Arizona, MATT SALMON, and so many who are committed to this.

The fact of the matter is, it seems to me we need to do everything possible to ensure that we proceed with recognition and strong support for China. We have come to the point where we as a nation are in fact the beacon of hope and opportunity.

Last Monday we had a very difficult weather day here, and I was stuck in Pittsburgh and got on an airplane to fly into Washington. I happened to sit next to a man who was a civil engineer, a professor from Iowa, and he lived through the terror, the terror of the Cultural Revolution in China.

He looked to me as I was reading some information about China, and he said, my family is still there and I am regularly talking with them about how things are improving in China. Things are improving. They are not perfect.

Everything that has been discussed here is very important for us to address. Human rights violations are horrible. Weapons transfers, horrible. We must, as my friend the gentleman from Virginia, FRANK WOLF, said, maintain engagement. I and many others here are regularly and consistently engaged in this issue throughout the year.

But we cannot simply do what makes us feel good. We must do good. We must do the right thing. There are jobs that are being lost to China, but guess where they are coming from. Not the United States of America. We know they are coming from Taiwan, from South Korea, from Singapore, from Malaysia, from Hong Kong, other nations in the Pacific ripple. That shift is taking place. So we are not losing jobs here, as the people who are supporting this disapproval motion have been claiming.

We, in fact, as a Nation, stand for freedom and opportunity, and I am convinced that the free market is the strongest possible force for change in this century. It has been in China. Trade promotes private enterprise which creates wealth, which improves living standards, which undermines political repression. The Cultural Revolution was a horrible time. The great leap forward was a horrible time. A million people were killed during the Cultural Revolution—60 million people starved under Mao Tse-Tung. The Tiananmen Square massacre was a horrible, horrible day for the entire world.

I take a back seat to no one on the issue of human rights. I marched up to the embassy to demonstrate my outrage obvious that issue. But I came to the conclusion that disengaging will, in fact, hurt the people we want to help most. That is why it is very important for us to do everything that we possible can to maintain that association. Vote "no" on this resolution of disapproval.

Mr. GIBBONS. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. MATSUI].

Mr. Speaker, may I say that no one in this Chamber has been more diligent and more constructively helpful in this engagement that we have here than the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, I would like to thank the gentleman from Florida, really, truly one of the outstanding leaders in America on the issue of international trade, and one who we will miss when he leaves the Congress at the end of this year, and I thank him for all the expertise he has imparted to me and other Members of this body over the years.

Of course, to all my colleagues who oppose the continuation of MFN, I know how sincere they are and how strongly they feel about this issue, but I think as the gentleman from California, DAVID DREIER, has said, we who favor the continuation of MFN are just continuing the bipartisan support we have had to engage the Chinese since Richard Nixon opened up China in 1978.

In fact, all the Presidents since Richard Nixon favor the continuation of MFN. Every Secretary of State, every Secretary of Commerce, every United States Trade Representative favors the continuation of most-favored-nation status with China.

We have heard a lot of horrible things that the Chinese and the Chinese Government have done, and many of it and much of it is true. But the fact of the matter is, China, China is 22 percent of the world population. Almost one out of every five persons on this Earth lives in China and can claim Chinese citizenship; one out of every five.

Do our colleagues think for a minute that we can isolate the Chinese? Do we think for a minute that cutting off MFN status, which is tantamount to a declaration of war, will further the cause of human rights, intellectual property, trade? Of course not.

In fact, the great fear that all of us have with respect to China is the fact that the Chinese may decide to become the most powerful military country that this world has ever known. Should they do that, the Japanese, the South Koreans, the Indonesians with 180 million people, they will begin to rearm, and then Asia will become a tinder box in 5 or 6 or 10 years from now.

We have to do this for our children and our grandchildren. This is not an issue of trade. This is an issue of international security and peace in our country and our world.

I would like, however, to talk a little bit about the trade issue because that has been brought up and up and up by many of my colleagues, the $33 billion trade deficit with the Chinese. First of all, in the last 24 months, the last 2 years, much of the deficit has been because of transshipment to Hong Kong. In fact, the Commerce Department has said that about 40 percent of the $33 billion is due to transshipment, and therefore the trade deficit is somewhat inflated.

In addition, the four tigers, Hong Kong, Singapore, South Korea, and

Taiwan, they are moving much of their production offshore back into China, and as a result of that, the trade deficit with those four countries has gone down while the trade deficit with China has gone up. So we have not lost all those jobs that the opponents of MFN have stated.

But, most importantly, and in conclusion, Mr. Speaker, what is really important here is for the United States to stabilize our relationship with the Chinese. We are attempting to do that now. We made progress on the issue of the ring magnet sale to Pakistan. We made progress on the piracy of the Chinese of our intellectual property. But it is going to take time. China is 3,000 years old and it is going to take time.

But for the sake of the world, for the sake of our people, for the sake of this great Nation, we have an obligation to deal and to engage the Chinese.

Mr. STARK. Mr. Speaker, I yield the balance of my time to the gentlewoman from California [Ms. PELOSI] who has worked so hard for human rights and open trade throughout the world.

Ms. KAPTUR. Mr. Speaker, pursuant to rule XXX, I object to the Member's use of the exhibit.

The SPEAKER pro tempore. The question is: Shall the gentlewoman from California [Ms. PELOSI] be permitted to use the exhibit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. KAPTUR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 419, nays 0, answered "present" 1, not voting 13, as follows:

[Roll No 283]

YEAS—419

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

LaHood

NOT VOTING—13

Collins (IL)
Davis
Diaz-Balart
Flake
Gephardt
Hall (OH)
Lewis (GA)
Lincoln
McDade
Moran
Peterson (FL)
Stockman
Wilson

☐ 1547

Mr. LIPINSKI and Mrs. CUBIN changed their vote from "nay" to "yea."

Mr. EVANS changed his vote from "present" to "yea."

So the gentlewoman was permitted to use the exhibit in question.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Speaker, during rollcall vote No. 283 on House Joint Resolution 182 I was unavoidably detained. Had I been present, I would have voted "Yes."

The SPEAKER pro tempore. The Chair would advise Members that the gentlewoman from California [Ms. PELOSI] has 1½ minutes remaining, and the gentleman from Illinois [Mr. CRANE] will close the debate with 4½ minutes remaining.

Ms. PELOSI. Mr. Speaker, we have a very important choice to make here today. But that choice is not between engagement or isolation. Certainly we will continue engagement with China. But that engagement must be constructive.

The current engagement called constructive engagement is neither constructive nor true engagement. It has produced a situation where each of us is being asked today to put our good name, our seal of approval on the status quo with China. That status quo includes very serious repression, which continues in China. In fact, it has worsened in recent years, the status quo includes very dangerous proliferation of nuclear missile, biological, and chemical weapons to Pakistan and rogue states like Iran and, on the issue of trade, includes a situation where we have very little market access, a huge trade deficit and theft of our intellectual property.

Some Members say we should not mix trade and proliferation and human rights. On the basis of economics and trade alone, the lack of reciprocity on the part of the Chinese says that we should not grant most-favored-nation status to China. Of course, they will get it.

But the vote today for Members of Congress is to say to the President, use the tools at your disposal. Bring down the great wall of China's high tariffs to products made in America, reduce this huge trade deficit. Give us opportunity for our products to go there. Stop the theft of our intellectual property and really stop it and, most importantly, stop the technological transfer which is undermining our economy.

China, it has been said, is a huge country. It is, indeed, very populous. China is a big country. It will be a great power. All the more reason for us to want it to be free. But in terms of the trade issue alone, there is no reciprocity of the Chinese to the United States.

What we have to decide and what we will have to answer to our constituents for is how we address this trade deficit, which is a job loser for the American people. China is a big country, as we have said. Because of the trade barriers, the theft of intellectual property, the transfer of technology, which is a couple hundred billion dollar problem, the use of prison labor and the fact that China refuses to play by the rules. We will have to answer for this vote China is going down a path that is a threat to the economies of the industrialized nations of the world.

This debate is about nothing less than our national security, our democratic principles and our economic future.

Mr. Speaker, I urge my colleagues to vote "yes" on the Rohrabacher resolution and thank them for their attention.

Mr. CRANE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in support of MFN for China.

MFN simply provides China the same trade status possessed by other nations. There is nothing most-favored or preferential about MFN status. MFN is the normal trading status.

The United States must maintain a policy of engagement with China—lest one day we find ourselves forced into a policy of containment. Whether and how we engage China today will have enormous consequences for United States national interests in the future.

Denying normal trade relations would undermine U.S. economic interests for trade is crucial to the growth of our economy, good jobs for our people, and international prosperity. United States exports to China, growing at a rate of 20 percent a year, support 170,000 American jobs. Chinese retaliation would seriously threaten these jobs and United States companies expanding in China.

Market economies naturally evolve into democracies. Entrepreneurship and invention, breed personal confidence, individualism, and the values that underlie democracy in the evolutionary process in Taiwan.

China is one of the fastest growing economies in the world—with a population of 1.2 billion—and past growth rates in the double digits. Since establishing relations in 1979—trade between the United States and China has risen from $2 billion in 1978 to nearly $60 billion last year making China our 6th largest trading partner.

Normal trade relations promote human rights. Should MFN be denied, the influx of democratic political and economic ideals would cease.

Normal trade relations promote environmental reforms. Working with China on sustainable development in areas of pollution prevention, agriculture, and energy will greatly benefit the global environment.

Normal trade relations better the lives of the Chinese people. By providing higher wages, opportunities for travel and study abroad, and other basic benefits, American companies in China open Chinese society from within.

Mr. CRANE. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise in very strong opposition to House Joint Resolution 182. Because of the tragic human rights situation in China, it is very easy to stray from the central question of what is the most effective policy to achieve what we all want for the Chinese people—a better, more humane life. This resolution, however, would set up a policy of unilateral confrontation with the Chinese Government in which our Government would disengage from a leadership role in the region. That is not the answer to China's problems, and it will serve only to worsen the condition of the Chinese people. One has only to recall the cultural revolution and the widespread famine of the 1970's in China to understand that an isolated Chinese Government is the most dangerous.

It is a proven fact that business plays a positive role in exposing the Chinese people to ideas and skills necessary to succeed in a free market, to the opportunities of economic liberalization, and to the promise of expanded political freedom. Simply put, prosperity and expanded contact with American citizens is the best way to nurture the growth of democracy in China.

Motorola, one of my constituents, is a prime example of the importance of improving the conditions in China by setting a good example in several ways. Motorola has generously volunteered to develop grammar schools throughout China, giving children opportunities that they would not have otherwise had. In addition, Motorola has established a program permitting its Chinese employees to own their own apartments after a period of time.

The performance of this one company is ample proof that the presence of American business in China has had a positive influence on the Chinese people it touches by fostering and encouraging the values we embrace so strongly. I challenge proponents of this resolution to show me a United States-owned firm in China that is not far out in front of its competitors in promoting health and safety standards, workers' compensation, and nondiscrimination in the workplace.

We also cannot ignore the fundamental fact that under the repressive Chinese regime flourishes one of the world's largest and most rapidly growing economies. If my colleagues would ask their constituent firms about the future of U.S. trade policy, and what our priorities should be, as I did at a hearing I held in my Illinois district earlier this year, they will emphasize the strategic importance of developing the Chinese market, over any other trade issue.

Illinois exports to China grew 25 percent last year. What is striking is the fact that these exports came predominately from small and medium-sized firms employing 500 people or less. These firms realize that competing successfully in China and Pacific Rim countries makes them strong. We know that job security in terms of tenure and job turnover is much higher in exporting firms. Levels of job creation in plants that produce for export is 17 to 18 percent higher than in plants that do not. According to new research, pay in companies competing in the world market place is 15 percent higher, and benefit levels, a remarkable 37 percent higher.

Rest assured, I would agree that China is one of the most protectionist countries with which we trade. For example, securing access to China's services market, adherence to fair phytosanitary rules for the agriculture products, and elimination of a wide range of restrictive import quotas are key United States objectives. But this positive agenda, I am afraid, is disabled by the annual exercise of condemning the Chinese Government and society on a wholesale basis through the MFN process. Instead, developing solid, negotiated solutions to targeted market access problems is the best way to deal with these issues.

The disapproval resolution we are considering today would set back all the progress that the United States and our businesses are making in China. Such a policy of unilateral confrontation must be rejected in favor of a strategy that preserves United States leadership in Asia and maintains our commitment to the people of China, Hong Kong, and Taiwan. I urge my colleagues to vote a strong "no" on this resolution.

Mr. POSHARD. Mr. Speaker, I approach the podium today ready to support the continued extension of most-favored-nation [MFN] status to the People's Republic of China. However, I want to be clear from the outset that my vote should not be construed as an endorsement of the current Chinese regime. I doubt if there is a Member of this body that is not appalled by some aspect of China's record on human rights. It is not acceptable. There is no doubt that the Chinese are overly protectionist in their trading practices, have been lax in enforcing agreements on the protection of intellectual property, and have exported nuclear technology. These situations also are not acceptable. The question before us is, how do we best change these unacceptable scenarios? How does the greatest country in the world help educate the Chinese on internationally accepted norm of behavior? By not sharing the traditions and institutions that have made the United States the beacon of hope for oppressed peoples everywhere? I do not think so. By keeping an American presence in this equation we can continue to make a difference. I believe we must embrace this Nation—embrace the people that have gained a greater sense of prosperity, decency, and Western values with every passing day since their leadership began to implement economic reforms in 1978.

And let there be no mistake that the United States has played a vital role in this transformation. We speak of human rights, but we must not ignore the inescapable fact that the life of the average Chinese citizen is better due to economic reform, and that there is a commitment from the Chinese to pursue this path further. The continuance of this relationship is critical to segments of the American economy, such as agriculture. Earlier this year Congress passed a farm bill that promised America's farmers the ability to compete on a global scale. How can we then, barely 3 months later, deny them access to the world market with the largest potential? My home State of Illinois ranks second in the Nation in commodities exports to China, first in feed grains and soybeans. MFN for China is a necessity for these hard-working farm families that represent the backbone of our country. Likewise, the estimated $750 billion in needed infrastructure improvements in China will enable American manufacturers to create high-paying jobs here in the United States for our workers, in fields such as nuclear energy, and electrical machinery.

However, the benefits to America of MFN for China must not overshadow the essential improvements that must be made in our existing trade relationship. We must continue to insist on the dismantling of trade barriers and that the use of prison labor ceases. I have taken a strong stand on Chinese dumping practices, pressuring their bicycle industry to disavow this behavior while endorsing retaliatory United States responses. I urge my colleagues to do the same. We must stand firm in this endeavor, and that means tailoring different means to meet this challenge other than the blunt instrument of MFN. For this reason, I endorse the Cox resolution that will seek more efficacious ways to achieve our goals in regard to the Chinese. We must do all we can to make sure this relationship is working for the best interests of the United States, while not crippling important domestic interests in the process. For all of these reasons I will vote for the continued extension of MFN to China, but at the same time we must remain vigilant in pressuring the Chinese to meet their commitments.

Mr. HOYER. Mr. Speaker, I rise today in support of House Joint Resolution 182. I want to commend the efforts of my good friends, Ms. PELOSI and Mr. WOLF, who have worked tirelessly since the Tiananmen Square massacre in 1989 to focus this body on the human rights atrocities in China, which continue today.

While it is true that most-favored nation status is nothing more than the normal trading scheme that we have with most nations throughout the world, let me suggest that China is not typical of America's normal trading partners. In fact, despite the arguments of my colleagues who insist that engagement with the Chinese is the best policy to achieve improvements in human rights, nuclear nonproliferation, and intellectual property rights, China has been unrelenting in its defiance of international law and bi-lateral trade agreements with the United States.

Mr. Speaker, it is extremely troubling to me that each year since 1989, China MFN supporters have come to the floor and insisted that the status quo and continued normalized trade with China will address our many areas of concern.

Despite the continued and very admirable efforts of the Clinton administration to address many of these issues on an individual basis, the Chinese have continued to send the United States and the world a very clear message: Despite the rhetoric, the Chinese Government doesn't want to be a part of the global community, nor does it intend to abide by the very international agreements which set the standards that link hundreds of nations worldwide.

Each and every year, I take to the floor to discuss the conditions under which millions of children are forced to work in slave labor camps, the continued proliferation of nuclear-capable technology, and the violations of intellectual property rights. Many of my colleagues insist that there are alternative approaches to MFN revocation that would address these issues, yet another year has gone by and China continues to deny basic human rights to all of its citizens. Moreover, they continue to sell and transfer missile technology to Iran and Pakistan, and tighten their grip on freedom of speech, press, and thought in China and Tibet.

Over the past 3 years this Congress has been, in my opinion, lenient toward China and clearly, the time has come to send a clear and strong message to President Zemin and the National People's Congress that the United States will no longer participate in business as usual with a nation whose actions are contrary to internationally accepted norms.

The bill before us is very simple. It sends a very clear, strong message to the Chinese that it is time to back up the words that fill their statements and promises with action.

As we have learned in country after country in Europe, the United States develops its strongest alliances and ensures its lasting security when we stand firmly and unequivocally for the principles upon which our own Nation was founded.

Mr. Speaker, let me be clear. I agree that we must engage the Chinese. I recognize the billions of dollars of American exports to China and the thousands of American jobs associated with those products and services. However, our vision of a world focused on and committed to democracy must not be impaired by economic bottom lines.

We all recognize that the best China policy is one which advocates a prosperous, strong, and democratic China. However, despite over $4 billion in multilateral loans, $800 million in Export-Import Bank loans and guarantees, and relaxed controls on sensitive exports in the past year alone, there has been little, if any, progress in the many areas that we continue to press the NPC on.

Recognizing this fact, we must change our course of engagement with China. Mr. Speaker, I will also support House Resolution 461 today and I hope that the House will act quickly and decisively in implementing additional policies which seek to address the very serious and critical issues that we are discussing today.

Mr. Speaker, if China desires to be a true world power enmeshed in the global marketplace then they must lead responsibly and seek democratic reforms. Only then should we embrace China as a true global partner worthy of total and unrestricted United States engagement. I urge my colleagues to support House Joint Resolution 182.

Mr. BARCIA. Mr. Speaker, I believe that the best hope of encouraging democracy in the world's most populated country is by maintaining normal trade relations and exposing the Chinese people to American people and culture. Therefore, I have reluctantly voted in support of renewing most-favored nation status for the People's Republic of China.

Removing MFN from China will not address our trade deficit while we allow other countries in this world to undercut our companies by ignoring labor, health and safety and environmental standards, and offering starvation wages. Precipitating the expulsion of our companies from China will only open a vacuum hole into which our competitors from Europe and Asia will gladly step. This will hurt, not help, American workers.

That said, Mr. Speaker, I am very disappointed that the continued good faith and patience of the American people are rewarded by China's unequal and nonreciprocal treatment of our products, China's pirating of intellectual property, the proliferation of dangerous weapons of mass destruction and, of course, the Chinese dictatorship's abysmal human rights record. I am growing weary of this annual exercise in which we are forced to gain further assurances from the Chinese Government that their behavior will warrant its being recognized as a member of the civilized world, and worthy of a normal trade relationship with this country. MFN is a courtesy offered by the United States to all but a handful of the nations of the world. To remove it would represent the recognition that we have no hope of a productive relationship with the Chinese. This year, I am still unable to abandon hope that we can help the Chinese people. However, without significant improvements in the behavior of the Chinese Government on human rights, bilateral trade, weapons proliferation, and peace and stability in the Asia Pacific, I fear that I will be unable to support renewal next year.

I offer this, not as a threat to the Chinese, but as a plea for their Government's recognition of the rights of her people and the value of the relationship between our nations. Mr. Speaker, Americans are a giving and patient people. Our good will, however, is not open-ended and should not be taken for granted.

Mr. CAMP. Mr. Speaker, today, Congress is faced with an important question: How should the United States utilize its economic power and trade relations to influence other nations' policies. The question before us today is whether to extend most-favored-nation trading status to China or to withhold most-favored-nation status in hopes that China will change its ways. Opponents of MFN claim the United States should not place human rights second to economic benefit. Advocates of MFN claim that continued exposure to Western traditions and ideals will help promote democracy.

First, let's get the facts. Most-favored-nation treatment is far from most favored. In fact, only seven nations do not receive MFN. By extending MFN to China, we merely provide the same trading status enjoyed by nearly every other U.S. trading partner. The United States continues to enter into, and negotiate, bilateral and multilateral trade agreements, such as NAFTA and GATT, which provide signatory nations with preferential trade treatment. By extending MFN, the United States does not give up the right to impose sanctions on a nation or pursue other trade penalties. The United States would still have at its disposal a variety of options to punish rogue nations.

China's human rights record is poor. It has historically suppressed freedom of speech and expression and pursued policies of abortion and extermination. Today, they continue to implement policies that we as Americans loathe. But extending MFN is not an expression of approval of these policies, it is merely a vote to continue trade relations in hopes of strengthening ties between our nations so that we may improve China's human rights record. The economic power of the United States should be used as a light to expose China's violations. By turning our back on China, however, we turn off the light of exposure and allow China to continue its violations free of examination.

U.S. companies continue to export and invest in China. The Chrysler Corp. which has manufacturing plants in China, pays their employees nearly five times the average worker's wage, provides employees with housing, day care for their children, and training in Western management practices. By exposing Chinese citizens to Western ways, we provide the education and enlightenment for them to help change China's ways from within. We must use the powerful tool of public scrutiny to highlight China's transgressions and utilize our existing relationships to educate the Chinese people. Only through a policy of engagement, not isolation, can we help highlight China's human rights violations, educate its citizens about human rights and correct the egregious government policies.

Ms. HARMAN. Mr. Speaker, I rise in strong support of continuing most-favored-nation trading status for China.

Each year, the President of the United States must renew China's MFN status. And each year, some Members of Congress, motivated by a desire to punish China for bad behavior, attempt to block this renewal.

Mr. Speaker, I too believe China must change. China must respect the human rights of its citizens, respect intellectual property rights, and respect the sovereignty of its neighbors. As a member of the National Security Committee, I am particularly concerned about China's role in contributing to nuclear and missile proliferation.

But the sledgehammer approach of denying MFN to China is not the answer. In the first place, most favored nation is a misnomer: MFN simply indicates normal trade relations. Every country in the world except Afghanistan, North Korea, Cuba, Laos, and Vietnam enjoys MFN status. We even grant MFN to Iraq, Myanmar, and Libya. Putting the world's largest nation in the same category as a few rogue states is folly.

Second, revoking MFN won't work, and is likely to backfire. Terminating MFN will be perceived by the Chinese as an entirely confrontational policy, negating the economic and diplomatic ties which allow us to influence their behavior. Removing MFN will devastate the American commercial presence in China, ending the exposure of the Chinese people to American values of democracy and freedom.

Third, American jobs, including thousands in my district, depend on trade with China. California exported over $1.5 billion worth of goods to China last year. And jobs related to trade with China don't just come from exports. Imports provide jobs at airports and seaports; in my district, trade to and from China already represents over 13.7 percent of the Port of Los Angeles's business, and trade with China is growing rapidly. Denying MFN would sacrifice these jobs for the sake of a largely symbolic and ineffective policy. I have often remarked that the next century will be the Asian century as China, the world's largest underdeveloped economy, takes off. American companies need to gain footholds in this market early. Our foreign competitors are poised to take advantage if we retreat.

Mr. Speaker, I firmly believe that MFN for China should be made permanent, so that we can end this annual ritual, and instead focus on more effective and positive ways to influence China's behavior. I urge my colleagues to look to the long term and reject this resolution.

Mr. RICHARDSON. Mr. Speaker, I rise in support of the renewal of China's most-favored-nation [MFN] status. I am deeply concerned about China's human rights record, but I feel the only way to work toward improving human rights in China is to have an open dialogue between our two countries. Ending most-favored-nation status is an empty gesture that would sever political and economic relations between Washington and Beijing and ensure no improvement in human rights.

Now is a crucial time in Chinese history. We must support China's emerging market. We can help China to continue to make progress toward an open market and adoption of international norms and laws, or we can isolate China and watch as they become an increasingly destructive force in the world community. In truth, trade teaches the skills which are crucial to an open market and a free society. How can we expect the Chinese to adopt our democratic ideals if we dissolve our political relationship?

Ending most-favored-nation status means a loss of U.S. jobs and increased expenses for American families who rely on inexpensive Chinese products. Over 170,000 Americans jobs are dependent on trade with China and hundreds of thousands more and indirectly supported by our trade relationship. Chinese retaliation would endanger these jobs and would exclude American companies and workers from one of world's most dynamic markets.

In the past few months, China has shown initiative by closing 15 plants which were violating international property rights and turning them over to the police force to make sure they stay closed. Furthermore, China has created a special task force to deal with intellectual property rights violations. Both of these are steps in the right direction. We must not forget that our Government would never have been able to sit down with Beijing to discuss the issue of intellectual property if we had dissolved our political ties by ending MFN.

In short, revoking MFN would lead to a political standoff between Washington and Beijing which would hurt the American people and do nothing to help the Chinese victims of human rights violations. Instead of making an empty gesture by revoking MFN, lets sit down with the Chinese and use MFN as leverage to improve their human rights record.

I agree with President Clinton's rationale which is contained in the attached letter.

THE WHITE HOUSE,
Washington, DC, June 27, 1996.

DEAR MEMBER OF CONGRESS: I am writing to express my strong support for unconditional renewal of Most-Favored-Nation (MFN) trade status for China. I favor renewal because—like every other President who has faced this issue—I believe that it advances vital U.S. interests. When it comes time to cast your vote, I hope you will support renewal of MFN.

Far from giving China a special deal, renewal of MFN confers on it a trading status equal to that enjoyed by most other nations. Simply put, it gives China normal trade status.

I favor renewal because it is in the best interests of the United States. China is at a critical turning point. How the United States and the world engage China in the months and years ahead will help shape whether it becomes a destabilizing or constructive force in Asia and in the world. Revoking MFN would raise tariffs on Chinese imports drastically, effectively severing our economic relationship and seriously undermining our capacity to engage China on matters of vital concern, such as non-proliferation, human rights, trade and Taiwan relations. MFN renewal is critical to our ability to engage China to promote vital U.S. interests. Revocation of MFN would reverse three decades of bipartisan China policy and would seriously weaken our influence not only in China, but throughout Asia.

Revoking MFN would also undermine America's economic interests. U.S. exports to China support over 170,000 American jobs and have been growing at a rate of 20% a year. Chinese retaliation would imperil or eliminate these jobs, exclude American companies and workers from one of the world's most dynamic markets and give an open field to our competitors.

Revoking MFN would not advance human rights in China. Continued engagement with China, including through renewal of MFN, is a major engine of change, exposing the country to democratic values and free market principles. Revoking MFN would cut those links and set back a process that is feeding China's evolution for the next century.

Revoking MFN would have a serious adverse impact on Hong Kong, as Governor Patten and Martin Lee have explained during their recent visits. It would also harm Taiwan's economy.

Engagement does not mean acquiescence in Chinese policies and practices we oppose. We must remain prepared to use sanctions and other means at our disposal to promote America's interests, whether it is protecting U.S. intellectual property rights, combatting the proliferation of weapons of mass destruction or promoting human rights. These are the right tools to use in advancing U.S. interests. Revocation of MFN is not.

This vote is about what approach best promotes U.S. interests. It is not a referendum on China's policies. We disagree with many Chinese policies. The issue is whether revoking MFN is the best way to serve U.S. interests. I believe it is not. When you cast your vote, I ask you to vote for America's interests by voting against the resolution of disapproval.

Sincerely,

BILL CLINTON.

Mr. UNDERWOOD. Mr. Speaker, I rise today in reluctant opposition to House Joint Resolution 182, a resolution to deny most-favored-nation [MFN] status to the People's Republic of China.

I am mindful of and sympathetic to the concerns raised by proponents of the resolution. There is no disputing that China has an abysmal record on the protection of human rights, the sale of nuclear and missile technology and the protection of intellectual property rights. Furthermore, China's aggressive military spending and posture against Taiwan and in the Spratly Islands is disturbing. China's record on any one of these issues is reason to be concerned and outraged. These are serious issues that merit careful consideration by this Congress.

We all want greater democracy and political freedom in China, but it is not clear that revoking MFN is an effective tool in this process. Many will argue that it is exactly opposite.

As Congress begins debate on this issue once again, it has become clear that using MFN to affect China's behavior is ineffective. Since 1980, China's MFN status has been continuously maintained through waivers to the Jackson-Vanik amendment. For every year since the Tiananmen Square incident in 1989, Congress has threatened to withdraw, substantially limit or make conditional China's MFN status. When Congress first threatened to revoke China's MFN status, the threat was credible and China responded with limited concessions and released some political prisoners.

I believe Congress needs to consider the consequences of such an action and ask ourselves what our goals are in a China policy and how we want to achieve those goals. It is not altogether clear what the specific consequences of revoking China's MFN status would be. One concern is that it could strengthen hard-liners who are opposed to economic and political reforms and those in favor of taking a stronger military posture toward the United States. This could in fact result in greater restrictions on personal, political and economic freedoms. With such considerations, the potential consequences of revoking China's MFN are too serious to ignore.

What then is the alternative to revoking MFN? What other tools does the United States have to achieve our desired goals?

It has been reported that one of the biggest fears of the Chinese leadership is that a "peaceful evolution" will take place in China. This phrase refers back to an expression developed a few decades ago. In the 1950's, Chinese officials were convinced that the United States was plotting to undermine the regime through exposure to American culture and democratic ideas. Reportedly, such an evolution is still of serious concern to PRC leaders.

Some have said that Taiwan is an example of the results of a "peaceful evolution." Over a decade ago, Taiwan was experiencing an economic miracle with phenomenal economic growth and investment. Some of the concerns about Taiwan at the time mirror today's debate on China. We must only look to the most recent election in Taiwan, the first fully democratic Presidential election in its history, to see how far Taiwan has come on its reforms.

China is slowly following a similar path that moves from economic freedom to political openness. President Lee Teng-hui of Taiwan could not have put it more succinctly than he did in an interview earlier this year. President Lee argued:

> Vigorous economic development leads to independent thinking. People hope to be able to fully satisfy their free will and see their rights fully protected. And then demand ensues for political reform * * * The fruits of the Taiwan experience will certainly take root on the Chinese mainland. In fact, the mainland is already learning from Taiwan's economic miracle. The model of [Taiwan's] quiet revolution will eventually take hold on the Chinese mainland.

A more constructive approach than simply revoking china's MFN status would be to target sanctions at some of the specific problems. The Clinton administration proved the merits of this approach with the recent agreement on intellectual property rights [IPR]. A similar approach could be tailored toward other problems such as China's sale of nuclear and missile technology and sanctions against products produced by the People's Liberation Army. Each of these sanctions would be targeted toward the specific problems and, as the recent agreement on IPR demonstrates, be much more effective.

Addressing China's human rights violations through sanctions is a little more problematic. While political freedom in China has improved at the margins, gross violations continue to occur. I am not so convinced that engagement without other forms of pressure will improve China's record on human rights. Engagement by itself has not produced the degree of improvement that we have sought. Perhaps engagement combined with diplomatic pressure could result in a more effective outcome.

However, the solution proposed through House Joint Resolution 182 could have an adverse impact on our goals. Revoking MFN for China will not necessarily improve human rights and may perhaps worsen the situation. The unforeseen consequences of revoking China's MFN status is too great a concern to me to support this resolution today.

Mr. MCDERMOTT. Mr. Speaker, I rise today in opposition to House Joint Resolution 182. Businesses succeed in China when they first develop a good relationship with their Chinese counterpart before discussing the details of the transaction. It is time for the United States to do the same. In what is becoming an annual ritual, every summer the House of Representatives has this debate over renewal of China's most-favored-nation trading status. I think everyone's time would be better spent developing a China policy that establishes a constructive framework for dialog and includes permanent extension of MFN. Annual grandstanding and political bickering over this issue does nothing to improve our relations with China. Threatening withdrawal hurts our credibility with the Chinese on other issues, and if carried out, would hurt our economy and turn China into an enemy.

Today, MFN trading status is a pillar in the United States trading relationship with China. Without continued MFN, United States firms will be denied opportunities to sell and invest in China and in turn prevented from bringing United States values and United States ways of doing business to China. The involvement of United States businesses in China not only provides numerous benefits for the United States economy, but it has also brought improved health, safety and training standards to the Chinese firms and people with whom American companies do business.

My State, Washington, has benefitted enormously from trade with China. Washington State ranks first among the 50 States in exports to China. In 1994, Washington State exports accounted for almost a quarter of total United States exports to China. China is the single most important and exciting market for the Pacific Northwest for the foreseeable future. Trade with China is beneficial not only to large companies located in my State, but also to hundreds of small companies in the State whose China trade accounts for an ever-growing portion of their business.

Cutting off China's most-favored-nation status, which will immediately result in Chinese retaliation on American exports, is neither sound nor effective policy. The strategic implications of removing MFN from China and isolating it from the United States are serious and against our interests. Our relationship with China in not perfect. I would like to see improved human rights in China. But isolating China is not the way to achieve our goals. The United States need to take the step which is in the best interests of our country and renew MFN for China.

Mr. KIM. Mr. Speaker, I rise today in opposition to House Joint Resolution 182, legislation that would disapprove the President's decision to renew most-favored-nation [MFN] status for the People's Republic of China [PRC].

My reason for doing so is simple: While I share my colleagues' concerns about the Chinese Government's actions regarding human rights, missile proliferation, and other bilateral matters, I do not believe that these issues should be linked to the basic foundation of trade between the United States and the PRC.

I believe that there are more appropriate and effective means to address these important non-economic concerns.

The People's Republic of China [PRC] has been denied permanent MFN trading status since 1951, when Congress revoked MFN status for all Communist countries. However, under the provisions of the Trade Act of 1974, the United States can grant temporary MFN status to China if the President issues a so-called Jackson-Vanik waiver.

In June of this year, President Clinton exercised this option—as he has in each of the previous years of his administration—and extended the Jackson-Vanik waiver for China for an additional year. In considering House Joint Resolution 182, we must now decide whether to exercise our Congressional prerogative to disapprove this waiver—and deny MFN status for China. Following this debate, I hope Congress can move forward on the consideration of granting permanent MFN status for China and putting an end to this annual source of Sino-American tension.

In making this important decision, there are two questions that we must answer: First, is it in our national economic interest to continue MFN for China? Second, how does extending MFN for China influence our efforts to effectively address human rights and other bilateral problems between the United States and China?

The answer to the first question is unequivocally yes. Extending MFN to China would clearly yield substantial economic benefits to the United States.

China is our Nation's fastest growing major export market. America exported $9.8 billion worth of goods to China in 1994, an increase of 5.9 percent over 1993. These exports supported approximately 187,000 American jobs, many of which are in high-wage, high-technology fields.

But these benefits are only the tip of the iceberg. With a population of more than a billion people—and a GNP that has grown at an average rate of 9 percent since 1978—the future export potential of the Chinese market is enormous. In industries such as power generation equipment, commercial jets, telecommunications, oil field machinery, and computers, China represents a virtual gold mine of economic opportunity for American businesses.

The importance of such a market is hard to understate: In a world where most existing major markets are saturated or are quickly maturing, it is critical that we find new and expanding markets for American products. China is just such a market. In fact, it represents one of the last reservoirs of raw economic potential left for American businesses to tap.

In short, if cultivated properly, a vigorous trading relationship with China could be a badly-needed cornerstone of American export growth—and overall economic growth—over the next few decades.

Denying MFN for China, however, would put that relationship at risk. To understand why this is true, it is important to realize that MFN is a misnomer. MFN is not preferential treatment—it is equal treatment. By denying MFN for China, we would be denying China the same trading status that all but six of our trading partners have been granted.

How would China be expected to respond to such a punitive action? There's no way to know for sure * * * but I suspect that the Chinese would retaliate by quickly closing their market to American goods and would take their business elsewhere—an event that our international competitors, especially the Japanese and the EC, would note with glee.

And, even if a full-fledged trade war with China is avoided, there is still the risk of destroying all of the progress made so far on other United States-China trade issues.

For example, the United States has recently reached an historic accord with the PRC on protection of intellectual property rights and market access. The accord contains a commitment on the part of the Chinese to "crack down" on piracy and to enforce intellectual property laws. It also would require China to finally open its markets to United States audio-visual products. And, if China fails to live up to this agreement, there are more effective IPR-related trade actions that could be taken instead of revoking MFN.

In short, rescinding MFN for China would undermine the progress we have made so far, and would eliminate any possibility of future progress on other trade related issues—such as full enforcement of the 1992 bilateral agreement prohibiting prison-made goods.

The fact is, MFN provides that basic foundation to negotiate with China on trade issues. Without MFN, there is no trading relationship-and no reason for China to work with us to guarantee fair market access for American products.

In other words, denying MFN for China can only have negative consequences for the United States. At a minimum, rescinding MFN would destroy the progress we have already made and would jeopardize future progress towards establishing an equitable trading relationship with the PRC. At maximum, denying MFN would cause a full fledged trade war in which the Chinese market would be closed to American products.

Either way, the end result would be that American companies would effectively be shut out of one of the most rapidly expanding export markets in the world—sending hundreds of billions of dollars of future American exports down the drain.

This scenario is easily avoidable. By continuing MFN status for China, we can take the next step towards promoting a strong economic relationship with this important trading partner—and put ourselves in position to reap the economic benefits that the Chinese market offers.

So it is clear, that renewing MFN for China is in the best interests of the United States economy. Opponents of MFN for China argue, however, that our economic interests should not be our sole concern in deciding whether to extend China's MFN status. They argue that we should use MFN status as leverage to punish China for its abysmal record on human rights and regional security issues—and to force China to change its ways.

Let me say that, in part, I agree with those who would make this argument. Almost no one would argue that China's record on human rights and other issues is unacceptable—and that inducing change in these areas should be a priority of United States foreign policy. I believe that the United States has a responsibility to do whatever it can to promote human rights and democracy in the PRC.

In short, I don't disagree with the goals of MFN opponents. I just disagree with their methods.

The premise of the MFN opponents' argument is simple: That full access to the United States market can somehow be used as a tool to force China to act responsibly. Unfortunately, this view simply does not reflect reality.

The fact is, China simply cannot be bludgeoned into submitting to the will of the United States. As I am sure my colleagues are aware, China is a powerful, proud and independent nation. The idea that such a nation would undertake massive internal reforms because of economic threats from the United States is ludicrous. It is more likely that, in response to the hostile act of denying MFN, China would simply write off the United States market, close off its own markets to United States products and turn its attentions elsewhere in the world—like our competitors in the EC and Japan.

If that happens, what would we have accomplished? We will not have made any progress on human rights or regional security issues. In fact, we might make things worse by reducing the flow of Western values and ideas into China and undercutting those in the Chinese Government who support closer ties to the West.

In short, we would have accomplished nothing—and thrown billions of dollars in U.S. exports—and thousands of U.S. jobs—down the drain in the process. To me, this makes no sense.

Fortunately, there is an alternative approach to bringing about change in China: Positive engagement. I believe that a strengthening—not undermining—our economic relationship with China is the best way to make progress on the many issues of bilateral concern between the United States and the PRC. In the end, it will be economic interdependence—not hostile threats—that creates the incentive for China to work with us on human rights, regional security and other issues.

In fact, this approach has already borne fruit: Chinese cooperation has already yielded significant progress in key areas, such as stopping aid to the Khmer Rouge, helping curtail the activities of North Korea, and securing a commitment from China not to export certain ground-to-ground missiles. These accomplishments are in addition to the progress we have made on important trade issues, such as intellectual property rights. And, while I agree that more progress is needed, they are certainly a good start.

In sum, Mr. Chairman, we are deciding today between two very different policy approaches in dealing with China. The choice is clear: We can deny MFN and adopt a policy of saber rattling and hostile threats. Or, we can engage China and attempt to use the leverage provided by mutual economic interest to bring about real—albeit slow—change.

I believe that we should choose the latter and renew MFN for China. The fact is, engaging China through international trade is the only chance we have to make a difference in how China treats its people and how China interacts with the world community. Conversely, denying MFN might make us feel good about ourselves in the short run—but in the long run we will have failed to make any difference in how China treats its people or how it behaves in the world community. And, we will have cost American jobs in the process.

For these reasons, I urge my colleagues to vote "no" on the resolution of disapproval.

Mr. DINGELL. Mr. Speaker, it is with concern that I cast my vote in favor of most favored nation status for China. Without MFN, I believe much would be lost, not only in the area of trade, but in our ability to continue to coerce China to address its labor and human rights violations. For this reason, I will be following China's progress in the coming year. If advancements are not made by China in these areas, I will be considerably less likely to vote as I did today.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in opposition to this resolution of disapproval revoking normal trading relations with China. The extension of most-favored-nation trading status with China simply provides China the same trade status possessed by other nations. There is nothing most-favored or preferential about MFN status.

The discontinuation of normal trade relations will only subvert our capacity to influence Chinese policy, including trade, weapons proliferation, and other security matters. Our actions today will be a key factor in Chinese calculations about their future. Asia is one of the most dynamic regions of the world and the one with the greatest potential to threaten world peace. Stability in this region is most likely if China and the United States participate constructively together. The United States cannot send mixed signals regarding its commitment to regional and global stability. Rather, this is precisely the time when a clear, consistent American policy is needed. The United States must maintain a policy of engagement with China lest one day we find ourselves forced into a policy of containment. Whether and how we engage China today will have enormous consequences for United States interests in the future.

Moreover, denying normal trade relations with China will undermine United States economic interests. With a population of 1.2 billion, and past growth rates in the double digits, United States exports to China support 170,000 American jobs. Since establishing relations in 1979, trade between the United States and China has risen from $2 billion in 1978 to nearly $60 billion last year making China our sixth largest trading partner.

Market economies promote a better standard of living by evolving into democracies. Through normal trade and diplomatic relations, the United States can continue moderating and influencing Chinese actions. Normal trade relations promote human rights. Should MFN be denied, the influx of democratic political and economic ideals would cease. Normal trade relations promote environmental reforms. By working with China on sustainable development in areas of pollution prevention, agriculture, and energy, United States companies operating in China influence Chinese environmental policy. Normal trade relations significantly better the lives of the Chinese people. By providing higher wages, opportunities for travel and study abroad, and other basic benefits, American companies open Chinese society and influence it from within.

I urge my colleagues to oppose this resolution of disapproval. Only through continued normal trading relations will the United States be capable of influencing future Chinese actions.

Mr. CUNNINGHAM. Mr. Speaker, I rise in opposition to extending most-favored-nation [MFN] status for China. In the past, I have been supportive of extending MFN for China. Many companies in my district do business with China, and have urged me to support continuing normalized trade relations with them.

This has been a very difficult decision for me to make. But, in making my decision, I simply asked myself this question: What will best serve the interests of the American people?

The answer: Protecting this country's national security will best serve Americans. China's actions have threatened our national security, and this must stop. All Americans should be concerned over China's sales of nuclear ring magnets to Pakistan, sales of cruise missiles to Iran, nuclear processing technology transfers to Iran and Pakistan, chemical weapons technology transfers to Iran, and the testing of missiles in the seas off Taiwan just before Taipei's historic election. These are not minor matters. Most of them directly violate several international arms control agreements. Terrorist countries are acquiring weapons of mass destruction through their deals with China.

Nor must we ignore China's record of violations of the human rights of China's people. The Clinton administration's policy against china is not advancing human rights in China. Chinese children die in orphanages because they are not fed or given proper medical care. China's one-child policy results in forced abortions and sterilizations. Forced labor thrives. Christians are persecuted.

Nor has China honored its commitments under intellectual property rights agreements, a grave concern for many employers in California. It is crucial that copyright-based industries, such as software and entertainment, are treated fairly by all participants in the global marketplace. This cannot be accomplished when China continues piracy.

The Clinton administration has failed to lead with a realistic China policy. Its weakness and vacillation turns a blind eye to communist Beijing's disregard for freedom, for peace, and for fair trade. The burgeoning American trade deficit with China can and should be laid at President Clinton's feet, which have never even once touched the soil of the world's most populous country.

What we can do is revoke MFN for China. I encourage my colleagues to join me in sending a strong message, and change United States policy toward China for the better, for America, and for the Chinese people.

Mr. PORTER. Mr. Speaker, the human rights and other abuses perpetrated by the Government of the People's Republic of China comprise a series of ongoing and outrageous assaults on international comity and basic human decency. China's unacceptable behavior has been, and continues to be, egregious as measured by any reasonable standard of international conduct. Perhaps of greatest concern, China shows no sign of abating in its misdeeds but, rather, seems compelled to follow a course of worsening behavior. China's actions are so egregious that they cry out for a response.

Day after day we hear reports regarding Chinese human rights abuses. Last December, after being under arrest for 21 months without charge, prodemocracy activist Wei Jingsheng was sentenced to 14 years in prison despite repeated international pleas for his release. The imprisonment of those who attempt to freely express themselves is common practice in China. In January and February, worldwide outrage turned on China when it became public knowledge that innocent children in Chinese orphanages were routinely starved to death as part of a program to rid society of its unwanted, and most fragile citizens.

China's aggressive and harsh policies have extended beyond the mainland. This past fall, when Hong Kong voters demonstrated their commitment to democracy by repudiating most legislative candidates allied with Beijing and handing an overwhelming victory to advocates of democracy, China responded by vowing to dismantle the Hong Kong Legislature upon Hong Kong's return to Chinese control on July 1, 1997. When Taiwan's voters went to the polls to freely and fairly elect their leaders, China once again tried to thwart democratic advancement and fired missiles across the Straits of Taiwan in an act of blatant intimidation and raised tensions to an unprecedentedly dangerous level. And if we ever thought of looking to China to help promote peace and cooperation in Asia, we should look again. China, by engaging in the illegal sale of nuclear weapons to the Government of Pakistan and fostering nuclear proliferation elsewhere, shows no commitment to reducing the number of nuclear weapons worldwide. China's blatant interference with the selection of Tibet's Pachen Lama, and its ongoing efforts to repress the reasonable aspirations of the Tibetan people, represent one of the most egregious examples of religious repression on the globe.

In addition, China continues to dump products at below cost on the United States marketplace, in violation of United States and international trade law. This dumping undermines other developing nations that are playing by the rules and endorsing free market and free government principles. Countries such as the Philippines and India suffer greatly when they lose United States market share to Chinese manufacturers who do not play by the rules.

To all of this, our President has said to this Congress and the American people only what he will not do—he will not rescind most-favored-nation treatment for China. I am basically in agreement with the President in this assessment. MFN is an extremely blunt instrument by which to attempt to influence Chinese policy. Its greatest weakness is that it harms those within and without the People's Republic whom we are most desirous of helping, especially Hong Kong and the emerging markets of Guangdong Province. For that reason, I essentially do not favor retracting MFN status for the People's Republic of China.

The great and troubling difficulty with this is that, to the immense frustration of the American people and many Members of Congress, the President has utterly failed to articulate what he will do about China's outrageous conduct. There is an extremely disturbing failure on the part of this administration to provide any leadership in speaking out against, and acting against, fundamental violations of human rights, international comity and democratic principles by China. We know only what this administration will not do. In this regard, I find it extremely disappointing that the administration provides little support for Radio Free Asia.

And, it is distressing to note, that this seems to be a pattern with this administration that goes well beyond our bilateral relations with China. In other areas of the world, this administration's response to human rights abuses and disregard for norms of civilized conduct is simply lacking. The Turkish Government wages a military campaign against its Kurdish minority. This war has taken the lives of more than 20,000 people including women and children, displaced more than 3 million civilians, and destroyed more than 2,650 Kurdish villages. And what is the United States Government's response—to provide the Government of Turkey with United States military equipment so that they may continue waging this 12-year conflict. Too often, our administration talks a big game but fails to follow through on its rhetoric with action. In Cyprus, former Ambassador Holbrooke promised to make 1996 the year of the "big push on Cyprus." Yet, half way through 1996 there has been no effort. I fear we will never see a resolution to the Cyprus situation. In Bosnia our administration admits that conditions do not exist for the holding of free and fair elections, but tells us that elections will nevertheless be held this September. What type of results can we expect from elections that we know will be corrupt?

The absence of United States leadership in the face of ongoing human rights abuses in the People's Republic of China undermines the values and democratic principles that we as American hold dear. The difficulty that this nonpolicy presents is that it gives those of us in the Congress who object vociferously to Chinese behavior but are uncomfortable with denying MFN no choice. All options become unacceptable in the absence of Presidential leadership and the failure of this administration to articulate a China policy that amounts to anything more than acquiescence. We can only either support MFN for China or attempt to vent our outrage through support of the resolution of the Gentleman from California [Mr. ROHRABACHER].

I will therefore support the resolution to disapprove MFN for China. But it is a poor substitute for an articulate, proportionate, and aggressive administration policy toward China that Members of Congress can support. And In doing so, I recognize and understand that the final outcome of this process is that China will without question continue its MFN status. And Beijing will interpret this result as tacit United States approval of its current course. To me however, China must understand that its behavior must change and, in the absence of an administration willing to forcefully drive that message home, I feel compelled to express this in the only way I can.

Mr. BARRETT of Nebraska. Mr. Speaker, as agricultural subsidies decline, we must allow and encourage expansion of markets for U.S. agricultural commodities. MFN to China leaves important trade avenues open, benefiting family farms, ranches, and businesses.

China has the potential to becomes the largest importer of American agricultural products. Currently, China is the largest importer of American wheat. During 1995, agricultural sales to China totalled $2.6 billion, more than double the 1994 sales.

Mr. Speaker, we all detest China's notorious human rights record. But, if we don't extend MFN to China, we may lose all positive leverage we now have. As well, United States companies in China set a high standard of management practices—benefiting their employees as well as changing the management strategies of other companies competing in the labor market.

If we don's extend MFN to China nobody wins. United States farmers, ranchers, and businesses lose, and the people of China lose as well.

Mr. VENTO. Mr. Speaker, free and fair trade is an important element in the global economy and in U.S. trade relations with other countries. Benefits flow from most-favored-nation status [MFN], and we must acknowledge that the Chinese market represents a tremendous trade opportunity. But our trade relations also reflect American policy, values, and principles, both nationally and internationally. On many fronts, we have followed the policy of engagement with China but have seen few changes in return. Whether due to human rights abuses, unfair trade practices, the proliferation of technology for non-nuclear and nuclear weapons or theft of intellectual property, the United States should not grant MFN status for China. China does not merit such status as China has repeatedly misrepresented and violated both the spirit and letter of almost all accords related to these fundamental issues. I oppose efforts to grant MFN status to China.

Regarding human rights, the Chinese people are repeatedly denied the opportunity to voice their views on labor abuses or exercise political rights. Documented cases of child and prison labor indicate that conditions are not improving in China. The abuse of Tibet and war games around Taiwan raise serious questions. The U.S. State Department in its 1995 report on human rights indicates the absence of elemental rights and the unwillingness of the Chinese leaders to abide by international norms.

Even when negotiations lead to agreement, China hesitates to implement such measures. China has failed to live up to its obligations under the 1995 intellectual property rights agreement with the United States. Pirate factories continue to produce illegal copies of software, CD's, and video recordings—costing the United States billions of dollars annually in lost sales. How can we extend MFN status to a country that fails to honor its obligations?

Destabilizing international actions by the Chinese Government indicate their unwillingness to cooperate in the global community. Whether sabre-rattling to influence democratic elections in Taiwan, selling nuclear and missile technology to Pakistan and Iran, or illegally smuggling assault weapons into the United States, Chinese actions illustrate the gulf between their words and their deeds.

As if the lack of performance wasn't enough, the predictable result in dollars and cents is negative. In 1995, the United States trade deficit with China topped $33 billion. I have serious concerns about this growing deficit and where our current trade policy may lead. China maintains high tariffs and numerous nontariff barriers. The situation in Japan has shown how difficult overcoming protectionist policies and reducing trade deficits can be. It is in our interest to avoid similar problems with China, which potentially will represent a far larger market than Japan or the European Union. It needs to be corrected now.

I support actions which send a strong message to China that current Chinese policies are not acceptable and will not be tolerated by the United States. During the Bush years these problems were left to flourish, now the task to resolve them is more difficult but imperative to address. The best way to send this message is to vote "yes" on this resolution denying MFN status for China.

Ms. PRYCE. Mr. Speaker, I thank the distinguished chairman of the Rules Committee for yielding me this time, and I congratulate him for his leadership in crafting a fair and balanced rule that carefully addresses both sides of the MFN issue.

First, let me say that I am a strong proponent of extending MFN trade status for China, and that I intend to oppose the disapproval resolution. But having said that, I think even the strongest proponents of renewing MFN recognize that there are problems in China.

During this debate, we will hear accounts of egregious human rights abuses, proliferation of nuclear technology, intimidation of Taiwan, and piracy of intellectual property. That is why the companion measure to be offered by our colleague from California is so important.

Under this fair rule, Members can vote to renew MFN and at the same time send a strong signal to Beijing that Congress will not turn a blind eye to China's trade practice, human rights record, and other very legitimate concerns.

But while the Cox resolution is sure to put pressure on China, I continue to believe that an even stronger, more effective tool to induce change in China can be found in a trade policy that engages China. Why? Because market forces promise the kind of economic freedom that gives birth to lasting democratic reforms.

Our own economic and national security interests also require us to maintain a productive relationship with China. We cannot ignore that country's potential as the world's most populous nation, as a member of the U.N. Security Council, and as a regional power with nuclear technology. And, let's not forget our friends in Taiwan and Hong Kong who would most certainly be hurt by the revocation of China's MFN status.

The bottom line is that we cannot write off a market with 1.2 billion people. We have to stay engaged and we have to work to see that our policy concerns are addressed productively—and that means leaving MFN in place.

So again, I congratulate our chairman for his efforts in writing a balanced rule that allows us to achieve both objectives—a clear vote on renewing MFN and a clear vote that sends a strong message to the Chinese Government. I urge a "yes" vote on the rule and support for the extension of MFN for China.

I yield back the balance of my time.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise in opposition to House Joint Resolution 182, the resolution disapproving the continuation of most-favored-nation trading status for the People's Republic of China.

Mr. Speaker, I believe to cancel MFN for China would be a penny-wise, pound-foolish measure to take.

First, as a Representative from Connecticut, one of our Nation's leading exporting States, I know of the high rate of employment that our trade with China creates. Mr. Speaker, the $12 billion of goods and services we sell in our trading relationship with China provides for over 200,000 high-paying jobs, nationwide, while thousands of other jobs and also supported by our business with China indirectly.

Yet, Mr. Speaker, opponent of our present trading status with China would have us dissolve MFN, thus throwing these good, high-paying, quality jobs out the window. Mr. Speaker, are we so naive to think that if we dissolve MFN, the Europeans and the Japanese will not try to move in and take this business. I do not think so, but the opponents of MFN for China need to realize that by abandoning MFN trading status with China, we will, in effect, be abandoning our workers who depend on these exports for their livelihood and we would be surrendering this large, fertile market to our global competitors.

Mr. Speaker, there are those Members of the House who claim that we must dissolve MFN because of various incidents of misconduct perpetuated by China. But I ask you, Mr. Speaker, if we now cut off MFN from China, what likelihood will there be that we can promote a better way of life to the Chinese? If we nip our trading relationship with China in the bud, thus stunting the growing Chinese private sector, what leverage will we have in creating social change? The answer to both questions is none.

Mr. Speaker, the simple fact is, if we are going to change China for the better, we need to economically engage her. Economic engagement means we can help nurture China into a freer, more market-oriented society which depends less on her centralized government and more on her burgeoning private sector.

Mr. Speaker, the bottom line is that there are great advantages to maintaining our MFN status for the People's Republic of China. We need to defeat this resolution and continue the endeavor of discourse and interaction with China for the benefit of the peoples of both nations.

Mr. ABERCROMBIE. Mr. Speaker, today I rise to speak out against granting most-favored-nation status to China. Many of my colleagues have discussed the various aspects of China's MFN status; I am going to concentrate on the issue of exporting forced labor manufactured products to the United States. The Chinese Government has not complied with the memorandum of understanding on prison labor between the United States and China also known as the MOU.

In the MOU, the Chinese acknowledged that exporting forced labor products to the United States is illegal. Key provisions of the MOU state that China will promptly investigate companies or enterprises suspected of violating relevant regulations; they will furnish available evidence and information regarding suspected violations; and they will allow United States officials to visit the respective enterprises or companies.

This violation should be important to any working American. Importing products made by convicted, forced or indentured labor in Chinese prison camps takes jobs away from Americans. The United States should not continue granting MFN status to China while it is exporting prison labor products. There are many examples of Chinese and United States companies deliberately violating the law.

For example, the Customs Bulletin and Decisions published in the Federal Register on April 23, 1996, reports that certain iron pipe fittings are made using prison labor at the Tianjin Malleable Iron Factory also known as the Tianjin Tongbao Fittings Co., also known as the Tianjin No. 2 Malleable Iron Plant, also known as the Tianjin Secondary Mugging Factory, also known as the Tainajin No. 2 Prison. I'm sure you noticed that the prison goes by many names and is only one example of how the Chinese Government tries to mislead companies and countries on where exported manufactured products are being made.

The March 1996 State Department report entitled "China Human Rights Practices," states that cooperation with United States officials has stalled since mid-1995. "As of the end of 1995, the authorities had not granted access to a prison labor facility since April 30th. * * * As in many Chinese workplaces, safety is a low priority. There are no available figures for casualties in prison industry."

Another example of exported prison labor can be found by examining the Chinese expandable graphite exports. The only mine in China which produces expandable graphite for export is a forced labor camp called the Beishu Laogai Detachment, also known as the Shandong Province Beishu Prison, the Shandong Province Beishu Shengjian Graphite Mine, the Beishu Graphite Mine, and recently the Qingdao Graphite Mine. Producing expandable graphite is dangerous because it involves the extensive use of sulfuric and chromic acid. Shipping records from 1992 to 1995 show that two major customers of the expandable graphite in the United States were the Asbury Graphite Company and China Enterprises.

Let me refresh some of my colleagues' memories in the case they don't remember watching the June 1995 Tom Brokaw interview with Steven Riddle, CEO of the Asbury Graphite Co. in New Jersey. During the interview, Mr. Riddle admitted that his company was purchasing expandable graphite from Qingdao Mines, a forced labor camp. In addition, Mr. Riddle admitted that he sometimes worried that his company, Asbury Graphite was violating the law, but "everybody tends to look the other way." We need to stop looking the other way. United States companies should not feel comfortable purchasing forced labor products from China. The U.S. Customs Agency needs to put its foot down and enforce the law.

An interesting side note: The Beishu Laogai Detachment was unexpectedly visited on Christmas Day, 1994, by a reporter from the London Sunday Times, named Nick Rufford. He reported that "Evidence of the use of forced labor was abundant. Inmates marched in double file. Trucks with 'Beishu prison' stenciled on the sides in Chinese characters were parked inside the factory gates. Behind the plant stood a walled compound with watchtowers and guards." Mr. Rufford reported 3,500 tons of graphite from the mine was shipped to Britain last year.

As many of my colleagues know, Amnesty International and other sources have provided ample documentation of the cruel and abusive practices common in Chinese prisons. That abuse, the restricted journals clearly show, is translated directly into hard currency earned in the export trade.

For example, in a journal whose readership is restricted to prison officials, a writer laid out the brutal logic of using prison labor for export production: "Prisoners have become commodity producers. they are cheap and concentrated. They produce labor intensive products." It is precisely the goods which fall into the labor intensive category that form the bulk of Chinese exports to the United States.

The article also shows that it is common practice in China to forcibly retain so-called labor reform prisoners for indefinite periods beyond the expiration of their terms. the industrial advantages are explained clearly to prison administrators: "Prisoners retained for in-camp employment * * * can not join labor unions, do not enjoy retirement benefits when they become old, and their wages and living standards are low."

These abuses seal the case against granting China MFN status. China does not play by the rules. China does not reciprocate the trade benefits we grant to them. Despite the fact that over one-third of China's exports are sold into the United States market, China's high tariffs and non tariff barriers limit access to the Chinese market for United States goods and services. Only 2 percent of United States exports are allowed into China. The result is a $34 billion United States trade deficit with China in 1995. This doesn't include any of the stolen intellectual property of the illegally smuggled guns. I strongly urge my colleagues that we no longer reward China's constant violations of agreements. Vote against granting MFN status to China.

Mr. SMITH of New Jersey. Mr. Speaker, when the People's Liberation Army massacred, maimed, and incarcerated thousands of peaceful pro-democracy activists in June 1989, the well intentioned but wishful thinking that, somehow, the People's Republic of China was turning the page on repression was shattered.

The brutal crackdown on the reformers was not the end, however, it was the beginning of a new, systematic campaign of terror and cruelty that continues still today.

Each year since Tiananmen Square the savagery has gotten worse and the roster of victims grows by the millions.

It is my deeply held conviction that in 1989 and by the early 1990's, the hardliners in Beijing had seen enough of where indigenous popular appeals for democracy, freedom, and human rights can lead. The Communist dictatorships in control in Eastern and Central Europe—and even the Soviet Union—had let matters get out of hand. And Beijing took careful note as, one by one, tyrants like Nicolae Ceausescu of Romania, Erich Honecker of East Germany, and Wojeiech Jeruzelski of Poland were ousted.

Everything Beijing has done since Tiananmen Square points to a new bottom line that we ignore and trivialize at own peril and that is democracy, freedom, and respect for human rights won't happen in the PRC any time soon. The dictatorship's not going to cede power to the masses especially when we fail to employ the leverage at our disposal. We are empowering the hardliners.

Accordingly, stepped up use of torture, beatings, show trials of well known dissidents, increased reliance on the hideous, and pervasive practice of forced abortion and coercive sterilization and new, draconian policies to eradicate religious belief, especially Christianity, have been imposed. Genocide is the order of the day in Tibet. Repression on a massive scale is on the march in the People's Republic of China.

Some have argued on this floor that conditions have improved, citing the excesses of the Cultural Revolution as the backdrop to measure improvement. But that's a false test. The depths of depravity during that period has few parallels in history and the Chinese leaders knew themselves that such extreme treatment of its people could not be sustained.

But the real test is the post-Tiananmen Square reality—and the jury is in—China has failed miserably in every category of human rights performance since 1989.

Mr. Speaker, I chair the International Operations and Human Rights Subcommittee. Since the 104th Congress began my subcommittee has held nine hearings on human rights in China and an additional half dozen hearings, like a hearing on worldwide persecution of Christians, where China's deplorable record has received significant attention. I have led or co-led three human rights delegations to the People's Republic of China. On one trip, Representative FRANK WOLF of Virginia and I actually got inside the Laogai Prison Camp and witnessed products being manufactured for export by persecuted human rights activists.

Mr. WOLF and I met with Le Peng, who responded to our concerns with disbelieving contempt and arrogance.

Mr. Speaker, each representative of the most prominent human right organizations made it quite clear—things have gotten worse in China and current United States policy has not made a difference for the better and has sent the wrong message to the Chinese Government and other nations in the region and around the world.

Last week at my subcommittee's hearing Dr. William Schulz, the executive director of Amnesty International testified that "the human rights condition in China has worsened since the delinking of human rights and MFN. Despite rapid economic changes in recent years in China, which has led to increased freedom and some relaxation of social controls, there has been no fundamental change in the Government's human rights practices. Dissent in any form continues to be repressed."

While Amnesty International takes no position on MFN, it is significant to note, Mr. Speaker, that Dr. Schulz reported that "the delinking has given a clear signal to the Chinese Government that trade is more important than human rights considerations" and that "the message is clear, good trade relations in midst of human rights violations is acceptable to the U.S."

Nina Shea, the director of the Puebla Program on Religious Freedom at Freedom House testified that "China ranks at the bottom of the 1996 Freedom House Freedom in the World survey among the '18 Worst Rated Countries' for political and civil liberties."

And if I might be allowed one more example of what my subcommittee heard, Mr. Speaker, Mike Jendrzejczyk, the Washington Director of Human Rights Watch/Asia testified that "in recent months, Chinese authorities have ordered increased surveillance of so-called 'counter-revolutionaries' and 'splittists' (Tibetans, Uighurs and other national groups) and given even harsher penalties for those judged guilty of violating its draconian security laws. China has silenced most, if not all, of the important dissent communities including political and religious dissent, labor activists, and national minority populations. Their members have been exiled, put under house arrest, 'disappeared,' assigned to administrative detention, or subjected to economic sanctions and systematic discrimination in schooling and employment. Dissidents also continue to suffer criminal charges, long prison sentences, beatings and torture."

Mr. Speaker, I've met with Wei Jingsheng in Beijing—before he was thrown back into jail—and was deeply impressed with his goodness, candor, and lack of malice toward his oppressors. it is unconscionable that this good and decent democracy leader is treated like an unwanted animal by the dictatorship in Beijing.

Mr. Speaker, the Clinton administration's celebrated delinking of most-favored-nation status from human rights in 1994 was a betrayal of an oppressed people of breathtaking proportions. Unfortunately, it was only the worst example of a broader policy, in which the U.S. Government has brought about an almost total delinking of human rights from other foreign policy concerns around the globe. As a candidate, Bill Clinton justly criticized some officials of previous administrations for subordinating human rights to other concerns in China and elsewhere. He called it "coddling dictators." But the Clinton administration has coddled as few have coddled before.

Each year, as the time approaches for Congress and the President to review the question of most-favored-nation status for the Government of the People's Republic of China, members of Congress are approached by representatives of business interests to support MFN. Their argument is that constructive engagement is the best long-term strategy for promoting human rights in China.

The biggest problem with this strategy is that it has not yet succeeded in the 20 years our Government has been trying it. Our Government has been embroiled in a 25-year one-way love affair with the Communist regime in Beijing. There is no question that increased contact with the West has changed China's economic system, but there is little or no evidence that it has increased the regime's respect for fundamental human rights.

I have made an honest effort to try to understand why this is, if, as we Americans believe, human rights are universal and indivisible, then perhaps the extension of economic rights should lead to inexorable pressure for free speech, democracy, freedom of religion, and even the right to bring children into the world. And yet it has not worked. One possible reason is that although there has been economic progress in China, this has not resulted in true economic freedom. In order to stay in business, foreign firms and individual Chinese merchants alike must have government officials as their protectors and silent or not-so-silent partners. Yes, there is money to be made in China, and every year at MFN time, we in Congress get the distinct impression that some of the people who lobby us are making money hand over fist, but this is not at all the same as having a free economic system. Large corporations made untold millions of dollars in Nazi Germany. Dr. Armand Hammer made hundreds of millions dealing with the Soviet government under Stalin. Yet no one seriously argues that these economic opportunities led to freedom or democracy. Why should China be different?

For 20 years we coddled the Communist Chinese dictators, hoping they would trade communism for freedom and democracy. Instead, it appears that they have traded communism for fascism. And so there is no freedom, no democracy, and for millions of human beings trapped in China, no hope.

Another reason increased business contacts have not led to political and religious freedom is that most of our business people—the very people on whom the strategy of "comprehensive engagement" relies to be the shock troops of freedom—do not even mention freedom when they talk to their Chinese hosts. After the annual vote on MFN, the human rights concerns expressed by pro-MFN business interests often recede into the background for another 11 months.

During those 11 months, Mr. Speaker, the United States trade deficit with China continues to grow. In 10 years China rose from being our 70th largest deficit trading partner to our second largest. The deficit has grown from $10 million to over $33 billion. One-third of all of China's exports come to the United States and are sold in our markets. If China did not have the United States as a trading partner they would not have a market for one-third of their goods. China needs us, Mr. Speaker, we do not need China.

Our State Department's own country reports on human rights conditions for 1995 make it clear that China's human rights performance has continued to deteriorate since the delinking of MFN from human rights in 1994. In each area of concern—the detention of political prisoners, the extensive use of forced labor, the continued repression in Tibet and suppression of the Tibetan culture, and coercive population practices—there has been regression rather than improvement. And every year we find out about new outrages, most recently the "dying rooms" in which an agency of the Beijing government deliberately left unwanted children to die of starvation and disease.

Since February 1994—just 1 month into the Clinton administration—the United States has been forcibly repatriating people who have managed to escape from China. Some, although not all, of these people claim to have escaped in order to avoid forced abortion or forced sterilization. Others are persecuted Christians or Buddhists, or people who do not wish to live without freedom and democracy. Still others just want a better life. For over 3 years now, over 100 passengers from the refugee ship *Golden Venture* have been imprisoned by the U.S. Government. Their only crime was escaping from Communist China. In the last few months, several dozen of the *Golden Venture* passengers have been deported to China—some by force, some voluntarily because they were worn down by years in detention.

A few days ago I received an affidavit signed by Pin Lin, a *Golden Venture* passenger who through the intervention of the Holy See has been given refuge in Venezuela. He has received information from families of some of the men who have returned. The Chinese Government had promised there would be no retaliation. Contrary to these promises, the men who returned were arrested and imprisoned upon their return to China. Men who had been mentioned in U.S. newspapers or who had cooperated with the American press were beaten very severely as an example to others. The men and women remaining in prison—the men in York, PA, and the women in Bakersfield, CA—are terrified by these reports. And yet they are still detained, and they are still scheduled for deportation to China.

I ask the Clinton administration, please, let these people go. They have suffered enough. And I hope this House will send a strong message today—to the totalitarian dictatorship in Beijing, to the enslaved people of China and Tibet, and to the whole world—that the time has come to say enough is enough. It is clear that most-favored-nation status and other trade concessions have not succeeded in securing for the people of China their fundamental and God-given human rights. Now we must take the course of identifying the Beijing regime for the rogue regime that it is, a government with whom decent people should have nothing to do.

Mr. Speaker, the time has come for us to send a clear and uncompromising message to China and to the rest of the world: Human rights are important, human lives are more valuable that trade, the people of the United States do care more about the people of China than we do about profit. Now is the time to disapprove MFN.

Mr. LAZIO of New York. Mr. Speaker, debates over how to deal with China have raged in this House for better than a century, and this year is no exception. The challenge of defining a relationship with this Asian giant has frustrated American policymakers for over a century.

The issue before us is not the record of the Chinese regime but whether the denial of MFN is the appropriate vehicle for influencing Chinese behavior. Of course, we continue to be troubled by China's human rights abuses, its failure to adhere to intellectual property agreements and its practice of violating international standards of nuclear non-proliferation. But denying MFN will not solve these problems.

The denial of MFN will significantly limit our economic interaction with China and in so doing will limit our ability to influence Chinese behavior. To be able to change China, we must maintain a significant and sustained trade relationship. A country the size and strength of the PRC is difficult enough to influence at our current level of trade. To deny MFN would be to eliminate any opportunity to modify Chinese behavior.

The most appropriate and effective way to exert influence is through consistent diplomacy and military preparedness. America must remain a visible beacon on the Chinese horizon. It is only through maintaining a strong and stable presence in Asia that we will be able to promote democratic reforms in China and in Asia generally.

We have much at stake in China. The Chinese alone sold China nearly $711 million in goods, with an additional $1.5 billion going to Hong Kong, which will become a part of China next year. Importantly, some 180,000 United States jobs rely on exports to China.

A United States unilateral trade embargo on China will not have the effect we desire. But it will cost American jobs because Japanese and European companies will quickly move to fill the void. Already there is talk in Brussels and Tokyo of playing the "China card" against the United States.

MFN simply is not the way to influence China. And that government should not feel that renewing MFN is a reward for its behavior. We must keep the pressure on all fronts to push for democratic reform. The pathway to democracy is through free and open markets, and renewing China's MFN status makes sense. We must not hold our trade policy hostage to the vehicle of MFN.

Ms. ESHOO. Mr. Speaker, the House of Representatives today will decide whether to extend most-favored-nation status on China. There are grave issues to be considered relative to this decision.

Trade.—On a strictly trade-for-trade basis, China does not reciprocate the benefits we grant to them with MFN. Only 2 percent of United States exports are allowed into China and the result is a $34 billion United States trade deficit with China in 1995. Ten years ago this figure was $10 million.

Piracy of U.S. Intellectual Property.—This issue represents a cost to the U.S. economy of $2.4 billion in 1995 alone, and does not include the loss to our economy from Chinese production and technology transfers which hurt our workers and diminish our economic future.

Proliferation.—China continues to transfer nuclear, missile and chemical weapons technology to unsafeguarded countries including Pakistan and Iran in violation of international agreements.

There is more. Human rights violations, the smuggling of AK–47's and other weapons into the United States by the Chinese military, the pointing of missiles at the democratic elections of Taiwan, and the occupation of Tibet.

While it can be said that these issues are not technically about trade, we must, in my view, work to resolve them as we trade. With this heavily weighted case against the Chinese, what we need today more than ever before is a policy, not a protest.

There must be a stiffening of the resolve of the administration to address the imbalance of trade and the balance of trade tariffs.

The private sector together with the Government must speak up and help forge not just a message but a policy.

My vote today to extend MFN is cast with the concern for the dangers of isolationism. One billion two million people cannot be ignored or isolated.

We paid, in my view, an enormous price in dollars and decades by isolating the Soviet Union.

I cast this vote with reservations—strong reservations which I've stated.

My hope is that the next time an administration seeks congressional approval of MFN status for China, that a policy will have been stated and carried forward, that China's record will be one of fairer trade, a freer political climate and a safer world.

Mr. SKAGGS. Mr. Speaker, we all want to see a China that cooperates in regional and global peacekeeping. We all want to see a China that follows international proliferation and trade rules. And we all want to see a China that respects human rights.

We can all agree on these goals.

The question is—How do we best reach them?

We have two China measures before us today. One measure, introduced by Mr. COX of California condemns China and instructs several House committees to hold hearings and to prepare legislation that will address serious and growing concerns with Chinese human rights abuses, nuclear and chemical weapons proliferation, illegal weapons trading, military intimidation of Taiwan, and trade violations.

This is a constructive measure which I will support.

A second measure seeks to isolate China. By disapproving renewal of so-called most-favored-nation [MFN] trading status for China, it would at best severely damage the already-troubled economic and political relationship between the United States and China. I call it "so-called most-favored nation status" because MFN simply confers on China the same trading status we give to all but seven other countries. MFN is not a special deal for China.

I will not support this measure, because I believe it would be counterproductive. Cutting off MFN would hurt the Chinese economy and put thousands of Chinese out of work. Given recent Chinese behavior in several areas, I admit there's a certain emotional appeal to this consequence. But, cutting off MFN would also hurt our economy and put thousands of Americans out of work. And it would also forfeit one element of leverage—however modest and problematic—we now have to influence the behavior of the Chinese Government.

If I thought revoking MFN would effectively bring the kind of change we want to see in China, I'd come down differently. But I don't believe it would.

Cutting off MFN would all but shut the door on the exchange of goods and services between the United States and China. It would subject Chinese imports to tariff levels set by the Smoot-Hawley Tariff Act just before the Great Depression. Tariffs would rise up to 70 percent on some Chinese goods. This would cost American consumers up to $29 billion per year. (Alternatively, other low-wage countries would take over in sectors where the Chinese were priced out.) The Chinese would certainly retaliate cutting off our imports and costing the jobs of perhaps 200,000 Americans currently making goods sold in China.

Cutting off MFN means that we lose the opportunity we now have to expose China to free market principles and values. China cannot participate in the global trading system without being increasingly integrated into the international community. To finance their expanding trade, the Chinese need foreign capital and foreign investment. This will eventually compel China to accept an international framework based on accepted rules. Yes, it's painful and often offensive to live through the period until that occurs. But that has to remain the objective.

Cutting off MFN also means that we will lose many of the person-to-person contacts that exist between American and Chinese businesspeople, diplomats, and students. These contacts are the most direct way we have to influence the way China evolves.

Finally, cutting off MFN means that we will take away the tools that the United States Government now has to deal with Chinese actions that harm our national interests. Just this month, the Clinton administration got the Chinese to enforce an intellectual property rights agreement by threatening sanctions of $2 billion of targeted Chinese exports. Earlier this spring, the administration used diplomatic pressure and the threat of economic sanctions in the ring magnets case to secure a commitment by China not to assist unsafeguarded nuclear facilities. In both instances, admittedly, the proof will be in long-term adherence to commitments. But, again, I believe it would be a worse and more dangerous relationship to deal with absent MFN, when these initiatives to shape Chinese behavior in a more positive way would not have been possible.

China's human rights record is still an abomination. But we do nothing to improve the situation by isolating China. I have long advocated improved human rights in China. After the 1989 massacre in Tiananmen Square, I organized a protest march of more than 2 dozen Members of Congress who walked across Washington from the U.S. Capitol to the Chinese embassy, where we met with their ambassador and presented in the strongest possible terms our view that the Chinese Government needed to change its ways.

Since that time progress has been far too slow. Chinese repression in Tibet, arbitrary detentions, forced confessions, torture and mistreatment of prisoners, along with restrictions on freedom of speech, of press, of religion, and of assembly, remain unacceptable. We must continue to expose Chinese atrocities and to demand expansion of universally recognized human rights. I hope that the resolution introduced by Mr. Cox will contribute to this goal.

To date, we have pursued our human rights interests in China largely through bilateral diplomatic contacts. It will not be possible to pressure the Chinese Government to release political dissidents and religious prisoners and to expand civil rights if we initiate a trade and diplomatic war by voting to disapprove MFN renewal.

Engagement does not work as quickly as we would all like. It will take time for trade, investment and foreign enterprise to break down the iron grip of power that the Chinese Communist Party holds over its people. But American trade and the products we send to China—fax machines, televisions, satellite dishes, cellular telephones, computers, books, movies—carry the seeds of change. Ultimately, China cannot sustain the economic liberalization supporting its trade with the United States without seeing an inevitable erosion of its political isolation and its authoritarian regime.

Mr. Speaker, I urge a "yes" vote on the Cox measure and I urge a "no" vote on the measure to disapprove MFN status for China.

Mr. FAZIO of California. Mr. Speaker, I rise today in opposition to the disapproval resolution of most-favored-nation [MFN] status for the People's Republic of China.

Opponents of MFN have legitimate grievances with China, and I share them. But quite simply, despite having the right reasons, this is the wrong tool.

I do not dispute the fact that China has a poor track-record on human rights. I cannot overlook that China has sold nuclear ring magnets to Pakistan. Moreover, the $33 billion trade deficit with China is undisputable.

Many of my colleagues believe that denying MFN status will send a strong signal to the Chinese Government that America is ready to play hardball. Quite frankly, I think the whole idea behind annual review of MFN status needs to be re-evaluated. Only six countries in the world—including Cuba, North Korea, and Vietnam—do not enjoy MFN status. Even Iran, Iraq, and Libya are considered Most-Favored-Nations.

Targeted trade sanctions are the best way to get the attention of the Chinese—not the hollow-threat of revoking MFN.

Recent trade negotiations by Ambassador Barshefsky to stop the production of pirated software and compact discs prove that the threat of sanctions is the way to wrest compliance from the Chinese. Had MFN not been in force, she would never have had the opportunity even to address the problem.

There is too much at stake to throw away our 25-year investment in building a United States-China relationship by declaring a trade war. Trade with China is too important for the American economy—last year, over $1 billion worth of wheat and cereal were exported to China. In fact, China is the world's second largest importer of rice and the sixth largest market for grain.

Trade with China is too important to Californnia and my congressional district. California has exported over $1.4 billion worth of goods to China, and 25,000 jobs directly attributed to exports.

I urge my colleagues to oppose this disapproval resolution if they are concerned about China. We cannot expect the Chinese to listen to the concerns of the international community if we drive them away. It is only by engaging in constructive communication can we address the many grievances that exist between our two countries. China is poised to become an economic and military rival in the next century—continued dialog between Beijing and Washington is vital to protect our national interests.

Mrs. LOWEY. Mr. Speaker, I rise in opposition to the resolution.

Today we are confronted with a very difficult decision.

China is one of our Nation's most important trading partners. China contains one-fifth of the world's population and is the fastest growing market in the world for American goods and services. Trade with China creates jobs here at home and stimulates economic growth in the United States.

Yet we also know that the Chinese Government abuses the civil rights of its citizens. It violates international trade laws. And China continues to harass Taiwan and violate nuclear proliferation treaties.

Our Government must never tolerate these actions. We must hold the Chinese Government responsible for its behavior and convince them to change it. We must continue to pressure China to improve its record.

Mr. Speaker, revoking China's MFN status will not accomplish these goals.

In fact, I believe that continuing our free trading relations with China is the best hope we have of bringing real progress there. If we cut ourselves off from China we lose any leverage we have over the Chinese Government. The United States must remain engaged in China to promote our ideas, to promote democracy, and to promote human rights. Renewing MFN allows us to shine a flashlight on China's problems and change them.

And approaching China with a policy of engagement also has rewards for United States foreign policy beyond the borders of China. China has played an active and constructive role in securing the Asia Pacific Economic Cooperation forum's commitment to free trade and investment in the entire Asia Pacific region. China has also played critical roles in United States efforts to secure a nuclear-free Korean peninsula and the historic four-party peace proposal announced by Presidents Clinton and Kim in April.

Mr. Speaker, MFN does not extend any special treatment for China. Indeed, all but six nations in the world have MFN status. Rather, MFN is about engagement. MFN status will pressure China to improve its behavior and encourage China's integration into the world economy through exposure to United States values. The United States must also continue to pressure China through diplomacy and ongoing trade talks. We can get results from the Chinese without revoking their MFN status.

Of course, revoking MFN would also jeopardize thousands of American jobs and billions of dollars in United States exports to China.

At least 170,000 American jobs are supported by United States exports to China, and that number rises every year. Exports to China increased 27 percent last year alone, bringing total United States exports to nearly $12 billion. My home State of New York alone sent over 368 million dollars' worth of machinery, transportation equipment, fabricated metal products, and other goods to China last year.

Mr. Speaker, the debate over China's most-favored-nation status cannot bear the weight of the entire bilateral relationship between the United States and the People's Republic of China. We have serious disagreements with China, but we cannot turn our back on the world's most populous nation. Cultivating and engaging trading partners must be the cornerstone of our economic and foreign policies. I urge the resolution's disapproval.

Mr. REED. Mr. Speaker, the issue of most-favored-nation [MFN] status for China comes at a time when we are seeking to define the future of our relationship. While we are searching for ways to further a mutually beneficial relationship to inspire a more open China, we are also becoming increasingly more anxious. Like many of my colleagues and constituents, I have become increasingly disturbed with China's contentious conduct. Nuclear proliferation, expropriation of our intellectual property, smuggling of assault weapons, and China's huge trade surplus with the United States are reasons for serious concern and contemplation about our future relations with this nation. However, revoking MFN would not directly address these issues. Rather, it would result in the exclusion of American companies and workers from this rapidly growing market, sour our economic relationship with China, and severely diminish our ability to work for reform in other areas. Thus, I rise in opposition to House Joint Resolution 182, which express disapproval of MFN status for China.

We must initially recognize that MFN is a misnomer. MFN status is not a gift we bestow upon our most illustrious friends and neighbors. It is the normal trading status that is accorded to most other nations. So when we talk about extending MFN to China, it is the same status that we extend to a host of other regimes including Iran and Iraq. Thus, MFN is not a great favor from the United States that we reserve for only our traditional allies. Consequently, revocation is not a truly effective tool when trying to balance United States interests against those of China.

And make no mistake about it, substantial U.S. interests are at stake. In order to make the trade balance with China more equitable, we need to break down barriers and start producing and selling in China, and renewal of MFN is the best way to achieve this goal. United States exports to China have grown from $2 billion in 1978 to nearly $60 billion in 1995.

This is not to say that we can tolerate the illicit trade and commercial activity that China perpetrates. There is no excuse for ripping off our businesses' copyrights, and we need to take proper retaliatory action. I supported the President's proposal to increase tariffs on 2 billion dollars' worth of goods, as well as the recent accord that was reached with China. China must play by the rules of our other trading partners.

The United States also needs to counter proliferation issues with the procedures that are readily available. I wrote to the President months ago urging him to invoke sanctions under the nonproliferation treaty. I was sadly disappointed the administration chose to accept the excuse that China's actions were not sanctioned by the state, and, therefore the United States could not invoke these sanctions. The administration should press much harder and put the burden of proof on the Chinese Government.

I am no apologist for China's abysmal human rights record—it must be improved. Yet, experience has shown that this issue is a tricky point of leverage. Revoking MFN status for China is not an effective way of persuading the Chinese Government to improve its record in this area. A better way is to unleash free markets in China. We need to stay engaged with China and not only make it more open to our markets but also our ideas and principles. The power of ideals and symbols should never be underestimated. That is what happened in Eastern Europe and the former Soviet Union: people reached a point where they could communicate their common desire for freedom, and the old, authoritative regime had no more legitimacy.

We must recognize that remaining engaged in China will help us address issues of mutual concern, such as fighting proliferation. We have found that a policy of engagement with other nations works. Indeed, the collapse of the Soviet Union was not a result of disengagement. I believe that we must refocus our efforts in addressing the above issues with China, not by taking the pressure off but by picking our shots.

We should move beyond the debate of MFN status. There may be more potential leverage in the issue of China's admittance into the World Trade Organization [WTO]. China is pressing hard to get into the WTO and they are trying to agitate for special exceptions as a developing country. This would be unacceptable. While China might argue that it is a Third World country and it has a lower standard of living, there are not many Third World countries that have a $30 billion trade surplus with us, persistently rip off United States products, and threaten our friends in the area with nuclear weapons.

The United States must continue to pressure China to meet the standards that the international community expects of a mature, regional power of the first order. We must draw a line with China, but MFN is not that line. Revocation of MFN would only hinder our ability to influence China on issues of concern, and possibly undermine the progress we have made with China. Mr. Speaker, I urge my colleagues to oppose House Joint Resolution 182.

Mr. KENNEDY of Rhode Island. Mr. Speaker, a year ago I heard and heeded the arguments of those who claimed that by maintaining MFN we would have the leverage to force change in China. In light of what has transpired over the last year, I find it difficult to reconcile the benefits of MFN with China, with China's refusal to obey international law regarding the proliferation of weapons of mass destruction and its continued abuses of human rights. My hopes for change as a result of engagement through MFN were dashed.

The record of China over the past year merits a strong and unequivocal message of protest from this body. On every issue that is central to United States-China relations we have witnessed a steady and serious deterioration over the past year. In the critical areas of human rights, weapons proliferation, trade, and military aggression we have seen retreat, not progress.

I fully recognize the benefits of trade with China, and have held out the hope that by maintaining that relationship we could achieve progress in these critical areas. Therefore, I supported renewal of MFN last year. My hopes proved elusive, however, and the price of our forbearance has been an escalation in the threats to the security of the United States, both economic and strategic. I cannot stand by and watch China engage in practices that threaten the security of our Nation. If we are going to create a more secure place for the United States in the future, we must take the right actions today which will ensure that goal tomorrow.

The greatest threat to the United States and world security is the proliferation of weapons of mass destruction. In the hands of rogue nations, in the hands of nations that support terrorism, in the arsenals of nations with simmering disputes that stand the risk of erupting any day, chemical and nuclear weapons are a threat, not just to the United States but to the world.

In recent years, contrary to the promises made by the Chinese, China has increased both the quantity and the quality of its arms transfers. Not only has China transferred missile technology, but now China has transferred nuclear and chemical weapons technology to nonsafeguarded nations. Protests have produced promises, but what we have gotten in return for our indulgence and patience is continued defiance of international law. A record of broken promises is not strong enough to support renewal of MFN.

The human rights abuses of China are almost too numerous to mention. Time and time again, we have been promised that reforms would be enacted. But once again, there was not progress this year.

For these reasons, I cannot in good conscience support MFN renewal this year. I hope that in the future China reforms its practices, and demonstrates through meaningful, positive reforms its desire to join the international community. The door is open for a China that obeys treaties and respects the rule of law. There is no place for a China that behaves with the disrespect for international law which China has exhibited in the past year. There is a need to send a message to China when their behavior so endangers our national security. Therefore I will oppose MFN this year.

□ 1600

The SPEAKER pro tempore (Mr. LAHOOD). All time for debate has expired.

Pursuant to House Resolution 463, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 286, as follows:

[Roll No. 284]

AYES—141

Abercrombie
Baker (CA)
Barr
Barton
Boehlert
Bonior
Borski
Brown (OH)
Bunning
Burr
Burton
Cardin
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Costello
Cox
Coyne
Cummings
Cunningham
Deal
DeFazio
DeLauro
Dellums
Diaz-Balart
Doolittle
Dornan
Duncan
Durbin
Ehrlich
Engel
Ensign
Evans
Everett
Fields (LA)
Forbes
Fowler
Frank (MA)
Frisa
Funderburk
Gejdenson
Gephardt
Gillmor
Gilman
Goodling
Gordon
Greene (UT)
Gutierrez
Hastings (FL)
Hayes
Hefley
Hefner
Heineman
Hinchey
Hoke
Horn
Hoyer
Hunter
Hutchinson
Inglis
Jackson (IL)
Jones
Kaptur
Kennedy (MA)
Kennedy (RI)
King
Kingston
Klink
Klug
Lantos
Lewis (GA)
Lewis (KY)
Lipinski
Longley
Markey
McInnis
McKinney
Menendez
Miller (CA)
Mink
Molinari
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Pombo
Porter
Rahall
Riggs
Rivers
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Sabo
Sanders
Scarborough
Schroeder
Seastrand
Sensenbrenner
Sisisky
Slaughter
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stokes
Stupak
Taylor (MS)
Taylor (NC)
Thompson
Torres
Torricelli
Traficant
Velazquez
Vento
Visclosky
Walker
Wamp
Waters
Waxman
Wolf
Woolsey
Wynn
Yates

NOES—286

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clement
Clinger
Coleman
Combest
Condit
Conyers
Cooley
Cramer
Crane
Crapo
Cremeans
Cubin
Danner
Davis
de la Garza
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
English
Eshoo
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Ford
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gekas
Geren
Gibbons
Gilchrest
Gonzalez
Goodlatte
Goss
Graham
Green (TX)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hyde
Istook
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kelly
Kennelly
Kildee
Kim
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McIntosh
McKeon
McNulty
Meehan
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Pomeroy
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Reed
Regula
Richardson
Roberts
Roemer
Roth
Roukema
Roybal-Allard
Rush
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Stenholm
Studds
Stump
Talent
Tanner
Tate
Tauzin
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Towns
Upton
Volkmer
Vucanovich
Walsh
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—6

Flake
Hall (OH)
Lincoln
McDade
Peterson (FL)
Stockman

☐ 1619

Mr. DICKEY changed his vote from "aye" to "no."

Mr. STUPAK changed his vote from "no" to "aye."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

REGARDING THE PEOPLE'S REPUBLIC OF CHINA

Mr. COX of California. Mr. Speaker, pursuant to House Resolution 463, I call up the resolution (H. Res. 461) regarding United States concerns with human rights abuse, nuclear and chemical weapons proliferation, illegal weapons trading, military intimidation of Taiwan, and trade violations by the People's Republic of China and the People's Liberation Army, and directing the committees of jurisdiction to commence hearings and report appropriate legislation, and ask for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 461

Whereas the People's Republic of China has long enjoyed most favored nation trading status with the United States notwithstanding significant policy and security issues in our bilateral relationship;

Whereas, despite the positive influence that United States trade with the People's Republic of China has had in encouraging the abandonment of state control over all aspects of the economy by the Communist government, serious human rights, trade, security, and weapons proliferation issues have remained and often worsened during the period of this trade policy;

Whereas this experience has made clear that of itself, the extension of most favored nation trading status (and the potential of its annual non-renewal) has been inadequate to address the many policy and security issues that characterize our bilateral relationship;

Whereas these policy and security issues include, with regard to the economic activities of the People's Liberation Army—

(1) according to the Defense Intelligence Agency, the People's Liberation Army of Communist China is in fact engaged, through controlled enterprises, in government-controlled and subsidized trade overseas;

(2) the General Staff Department of the People's Liberation Army owns and operates Polytechnologies, which is the weapons trading arm of the People's Liberation Army. Polytechnologies has a representative office in the United States;

(3) the General Logistics Department of the People's Liberation Army owns and operates a large international conglomerate known as Xinxing Corporation, which has a representative office in the United States;

(4) the People's Armed Police, which is partially controlled by the People's Liberation Army, is responsible for the occupation and suppression of dissent in Tibet and the execution of prisoners throughout China, provides guards for the forced labor camp system in Communist China, and owns and operates China Jingan Equipment Import and Export, which has a representative office in the United States;

(5) the export of products by these entities allows the People's Liberation Army to earn hard currency directly, which in turn can be and is used to modernize its forces without being reflected in official reports of military spending;

(6) consumers in the United States are ordinarily unaware that revenues from the products they are purchasing from or through such entities contribute to the financial benefit of the People's Liberation Army;

(7) trade with the People's Liberation Army effectively is a subsidy of military operations of the People's Republic of China that is inconsistent with our national security; and

(8) free trade in world markets is based on the assumption that the import and export of goods and services are conducted by independent enterprises responding to profit incentives and market forces, and commercial activities by the People's Liberation Army are fundamentally inconsistent with these precepts;

Whereas, with regard to Communist Chinese military activity and weapons proliferation—

(1) it has been reported that United States intelligence has estimated that Communist Chinese military industries have become a leading supplier of illicit precursor chemicals for use in Iran's chemical weapons program;

(2) in contravention of Communist China's commitment to the Treaty on Non-Proliferation of Nuclear Weapons (NPT), the China National Nuclear Corporation, a Communist Chinese military industry, sold materials critical to the production of enriched uranium to a non-NPT signatory, Pakistan;

(3) China National Precision Instrument Import-Export Company, a Communist Chinese military industry, sold nuclear-capable missiles to Pakistan;

(4) China Great Wall Industry Corporation, a Communist Chinese military industry, sold nuclear-capable missiles to Pakistan;

(5) Poly Group, a People's Liberation Army owned company, sold $1,200,000,000 worth of arms to the military rulers of Myanmar (Burma);

(6) In contravention of the United Nations embargo, China North Industries Corporation (Norinco), a Communist Chinese military industry, sold chemicals critical to the manufacture of nuclear weapons to Iraq;

(7) Poly Group and Norinco, Communist Chinese military industries, attempted to sell 2,000 AK 47 rifles, 20,000 AK 47 bipods, 4,000 30 round ammunition magazines, and 2 machinegun silencers, and offered for sale 300,000 silenced machineguns and "Red Parakeet" missiles (stingers), RPGs (rocket propelled grenades), 60mm mortars, and handgrenades to United States law enforcement authorities conducting a so-called "sting" operation;

(8) according to the May 21, 1996, United States Customs Service affidavit against the Communist Chinese representatives of Norinco and Poly Group, at paragraph 96, one of the Communist Chinese representatives bragged that a "Red Parakeet" missile—which he was offering for sale in the United States—"could take out a 747";

(9) these and other enterprises owned by the People's Liberation Army and the Communist Chinese military industries regularly export a variety of products to the United States, including clothing, toys, shoes, hand tools, fish, minerals, and chemicals;

(10) the People's Liberation Army implemented an unprovoked, dangerous, and aggressive campaign to intimidate Taiwan in July of 1995, and again before Taiwan's first direct presidential election in March of 1996, with military maneuvers, live-fire exercises, and missile tests in close proximity to that island democracy; and

(11) the People's Liberation Army seized territory claimed by the Philippines and threatened the United States Navy's right of free passage in the South China Sea;

Whereas, with respect to human rights—

(1) according to the United States Department of State's Country Reports on Human Rights for 1995, the Government of Communist China "continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming both from the authorities' intolerance of dissent and the inadequacy of legal safeguards for basic freedoms. Abuses included arbitrary and lengthy incommunicado detention, forced confessions, torture, and mistreatment of prisoners. . . . The Government continued severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, movement, and worker rights";

(2) in April 1996, the Communist Chinese Government launched a major anticrime campaign called "Strike Hard" carried out nationwide by the Public Security Bureau (PSB), and in Tibet and Xinjiang (East Turkestan) also by the People's Armed Police, which has included large scale arbitrary arrests, detentions with minimal legal protection, and swift executions;

(3) the current anticrime campaign has targeted political, religious and labor activists in addition to common criminals in Tibet, Xinjiang, and in the whole of Communist China;

(4) the Communist Government has ordered a crackdown on unofficial religious believers by the Religious Affairs Bureau and the Public Security Ministry, requiring all local congregations to register with the Religious Affairs Bureau or risk the legal dismantling of the congregation and official harassment, fines and arrest;

(5) according to Asia Watch, the Communist Chinese authorities in Tibet have launched a repressive campaign against religious practice and the Public Security Bureau and PLA have been involved in violent suppression of dissent in Tibet and Xinjiang, resulting in the death or imprisonment of over one thousand Tibetans and Uighurs this year;

(6) the Ministry of Public Security has imposed new regulations to strengthen controls over Internet use, the State Council must approve "interactive" networks, and the official Communist Chinese news agency (Xinhua) has been put in charge of supervising all foreign wire services selling economic information to Communist China, censoring their reports for "false economic news and attacks on Communist China";

(7) Wei Jingsheng, the leading Chinese pro-democracy activist, was sentenced on December 13, 1995, to a second 14-year prison term, after a sham trial in which he was denied access to counsel of his choice and given access to the actual charges against less than two days before trial;

(8) on November 21, 1995, the Government of the People's Republic of China announced the arrest of Wei Jingsheng and its intention to try him for "attempt[ing] to overthrow the government";

(9) the government had previously imprisoned Wei from 1979 until 1993 on a charge of "spreading counterrevolutionary propaganda" for his peaceful participation in the Democracy Wall movement;

(10) during his long imprisonment Wei was subjected to torture and other ill treatment which left him in extremely poor health;

(11) far from advocating an "overthrow" of the Government of China, Wei has been a strong advocate of nonviolence and a peaceful transition to democracy; and

(12) Wei was regarded as a leading contender for the 1995 Nobel Peace Prize, having been nominated by parliamentarians throughout the world, including 58 members of the United States Congress;

Whereas, with respect to Communist Chinese trade and economic policy—

(1) the United States Trade Representative's 1996 National Trade Estimate Report on Foreign Trade Barriers notes that "China continued to use standards and certification practices which the United States and other trading partners regard as barriers to trade";

(2) the report indicates that "Despite its commitment under the 1992 market access Memorandum of Understanding to publish all laws and regulations affecting imports, some regulations and a large number of directives have traditionally been unpublished, and there is no published, publicly available national procurement code in China";

(3) the report finds that "China's market for services remains severely restricted";

(4) these practices limiting American access to Communist China's market have contributed to an increase in the United States trade deficit with China from $10 million in 1985 to $33,807,000,000 in 1995, according to the United States Department of Commerce;

(5) these unfair trade practices and tariff and non-tariff barriers result in lost opportunities for American companies and lost jobs for American workers, and harm the United States economy;

(6) the failure of Communist China to stop the piracy of intellectual property, including music, videos, books, and software required by the January 16, 1992, agreement on intellectual property rights, is evidenced by the necessity of further agreements (signed on March 11, 1995 and June 17, 1996), and the threat of over $2,000,000,000 in sanctions as a means of achieving as yet hoped-for compliance with the agreements;

(7) according to the United States Trade Representative's 1996 National Trade Estimate Report on Foreign Trade Barriers, investment restrictions by Communist China are "abundant";

(8) under so-called "export performance requirements," Communist Chinese authorities frequently force foreign manufacturers operating in Communist China to export 50 to 70 percent (and sometimes more) of their goods to other markets, as a condition of approving the investment;

(9) two-thirds of Communist China's exports are, in fact, manufactured by foreign firms operating in Communist China;

(10) the export performance requirements imposed on foreign investment by the Communist Chinese government serve to undercut domestic producers employing millions of Americans;

(11) Communist China has failed to liberalize its foreign exchange market, and to make the Yuan fully convertible;

(12) Communist China maintains two exchange rates for the Yuan, an official rate for Chinese citizens and a swap rate for foreigners, and regularly manipulates the exchange rate to the advantage of domestic exporting industries;

(13) even with the establishment of currency swap markets, this gap between the official and swap rates serves as (a) a subsidy for Communist China's exporters to the United States, totaling nearly $15,000,000,000 in 1993, and (b) a nontariff barrier to United States exports, artificially raising the price of exports in Communist China's market;

(14) Communist China received over $4,000,000,000 in multilateral loans from the World Bank and the Asian Development Bank;

(15) the United States is the largest shareholder in these banks, and thus can exercise considerable leverage over loans to Communist China; and

(16) Communist China has continued to insist that Taiwan not be admitted to the WTO unless it is admitted simultaneously, notwithstanding the differences in the status of their compliance with the criteria for WTO membership;

Whereas given the number and gravity of these issues, the debate over Communist China's most-favored-nation trade status cannot bear the weight of the entire bilateral relationship between the United States and the People's Republic of China; and

Whereas these issues should be promptly addressed by appropriate legislation: Now, therefore, be it

Resolved, The Committee on International Relations, the Committee on National Security, the Committee on Ways and Means, and the Committee on Banking and Financial Services will each hold hearings on the matters described in the preamble to this resolution insofar as those matters fall within their respective jurisdictions and, if appropriate, report legislation addressing these matters to the House of Representatives not later than September 30, 1996.

The SPEAKER pro tempore. Pursuant to House Resolution 463, the gentleman from California [Mr. COX] and a Member opposed each will be recognized for 30 minutes.

Mr. GIBBONS. Mr. Speaker, I rise to claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GIBBONS] will be recognized for 30 minutes in opposition.

The Chair recognizes the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a result of the vote we have just taken, the question we are faced with is, if not MFN, then what? What is our policy? Our current policy towards China, if it can be called a policy at all, is woefully out of date. Blind tolerance of Chinese communism comes from an era of Richard Nixon and Leonid Brezhnev, when the Government of the United States played the China card as a check against Soviet communism. Embracing communism in China was a superior alternative, because Chinese communism in that era was not expansionist. It did not have global designs.

But today the Soviet Union is no more. In place of the generals who served under Brezhnev, we have General Alexander Lebed, who says that he would permit Chechen independence, who says that NATO expansion is not a threat to Russia, who says that he would not oppose the United States assisting Taiwan in constructing an antimissile defense to protect against attack from Communist China. Where is the policy for a Lebed instead of a Brezhnev? Where is the policy for a newly expansionist China that has arisen in the wake of the collapse of the Soviet Union?

Mr. Speaker, since we voted "yes", I did not, the House did, to continue most-favored-nation status for China, is our intended message that this is a reward for China's Communist rulers? Is the message that, on balance, their offenses against human rights, global peace and security, and the international norms of behavior are tolerable? Or, to put it the other way, if we had just now denied MFN, would we even then have believed that our security problems are solved, that the Communist government would permit a free press all of a sudden; that they would stop brutalizing Tibet; or perhaps, because we were to deny MFN, they would let the Tibetans select their own Panchen Lama, in accordance with religious custom and law?

Maybe then we might think they would honor their agreements on nuclear nonproliferation, on trade tariffs and trade barriers, on the theft of intellectual property. But I do not think so. I do not think, independent of how we might vote here on MFN, that the result would cause the Communists in Beijing to let Wei Jing Sheng go free, or in any way to permit democracy in place of a one-party state. I do not think that they would renounce the use of force against Taiwan.

A carefully tailored policy toward China, suited to the 1990's and to the next century, must do more than simply turn on the light switch of MFN, a binary choice, yea or nay, on or off, we love you—we hate you. We should reward progress and resist military aggression, trade violations, and human rights abuses.

For example, if Taiwan is merely part of China, then we should reward that part of China for ending its human rights abuses, for permitting a free press, for holding free and fair and democratic elections for Parliament and for President, and for lowering its tariff barriers.

Taiwan should be admitted to the World Trade Organization forthwith. They are willing to meet its requirements. Keep in mind that membership in the WTO does not connote sovereignty. Hong Kong is already a member of the WTO, and when it is absorbed by Communist China next year, it will retain its independent membership, because it was admitted only as a special customs region, the same basis on which Taiwan is now applying.

The People's Republic of China, which does not meet the requirements for WTO admission and is not near to doing so, should not be allowed to keep Taiwan out. Another example, we should end the charade of so-called trade with the People's Liberation Army. We all know that the Peoples Liberation Army is the largest military force on Earth. Communist China's military budget has more than doubled since the collapse of the Soviet empire. They have been buying SS–18 intercontinental ballistic missiles from Moscow. They have fired nuclear-capable missiles toward Taiwan, seizing territory from the Philippines, and expanding into the South China Sea.

Where does the money come from for all of this military expansion? It comes from what the Washington Post has referred to as "PLA, Inc."; the People's Liberation Army, Inc.: over 50,000 companies controlled by the Peoples Liberation Army as commercial fronts, with combined earnings in excess of 5 billion U.S. dollars annually.

If the People's Liberation Army were judged in this capacity as a commercial enterprise, it would fit neatly into the top fifth of the Fortune 500. Money from huge illegal arms deals is laundered by PLA commercial fronts which are subsidized by the Communist government, in violation of every rule of free trade, to make more money through nominally commercial enterprises for even more off-budget financing for more threatening arms for the People's Liberation Army.

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This is not defense conversion, my friends. This is not turning swords into plowshares, this is turning swords into golf clubs and shoes and circuit boards so that the People's Liberation Army can make more money to buy more weapons. The two most notorious are the People's Liberation Army's commercial fronts, Poly Technologies and Norinco. Poly Technologies, you remember, has sold over 1 billion dollars' worth of arms to the military thugs who dictate Burma. Norinco has sold the chemicals necessary to construct chemical weapons to Saddam Hussein in Iraq, and in my home State of California these two outfits, Poly Technologies and Norinco recently had their representatives indicted for seeking to smuggle into the United States not just AK–47's, as we read, but also over 300,000 silenced machine guns, 60-millimeter mortars, hand grenades, and heat-seeking missiles capable of taking out of the sky a 747.

The United States should not embrace money laundering by the People's Liberation Army. We should pass the Gilman bill, sponsored by the chairman of the Committee on International Relations, and end this dangerous policy of so-called trade with commercial fronts of the Communist Chinese military.

We should pass the Solomon bill that would end United States taxpayer subsidies for China through the World Bank and the Asian Development Bank until the so-called loans to China no longer subsidize the arms buildup that I have just described.

Finally, we should enunciate an explicit and clear vision for our policy toward China. We should state clearly and the President should state clearly that we oppose communism in China. We seek an end to Communist one-party rule, and an institution of democracy, a restoration of human rights, an observation of the rules of free enterprise.

This we can do. When we pass this resolution, the committees of jurisdiction, not just Ways and Means, but Banking, International Relations, and National Security will be instructed to hold immediate hearings on the issues that I have raised and all of the issues spelled out in this resolution, and to report out responsible legislation promptly; in any event, no later than September 30, so that we can deal with these problems directly on the House floor.

It may well be that today's vote marks a watershed. Yes, we have once again permitted MFN to go forward, but this time the debate will not stop there. This time, in recognition of the fact that MFN can no longer bear the weight of all our policy disagreements in our bilateral relationship with the People's Republic of China, we will move on and do the right thing and create a new China policy for the next century.

Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the Cox amendment, but reluctantly so. I want to commend the gentleman from California [Mr. COX] for his thoughtful approach to the dilemma that the United States faces. It is a big challenge. I wish that this resolution was amendable, because there are many things that need to be added to it to make it a workable resolution and to give it depth and to give it direction. However, under the circumstances, I must oppose it.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding me this time. I applaud my colleague from California [Mr. COX], and I stand in support of his amendment and for offering this resolution, calling for hearings on China's trade policies, human rights record, military policy, and arms sales.

I was one of those that voted for most-favored-nation status a while ago, and I think that was the correct vote. I do not want to go back to the dark ages. I remember the time when the United States did not recognize China. I remember the time that we ignored them. I do not know how you ignore 1.2 billion people. We need to do everything we possibly can to bring about improved relations. I have always believed all of my life on a personal basis, professional basis, political basis, do not fight with anyone that has nothing to lose.

Well, if China keeps prospering and keeps getting stronger economically, it will bring about better relations among people, and I think that is what we want, because we do not want to go through another terrible war like we did with World War I and World War II.

Congressional hearings, diplomatic negotiations, and threatening sanctions are the way to handle our differences with China, not revoking MFN. Rest assured, I will continue to encourage the administration and China to continue to work together for fair, ethical, and increased trade.

The best way to change China is to continue to engage China, not to deny most-favored-nation status. Denying normal trade relations is to undermine U.S. economic interests and jeopardize the jobs of thousands of hard-working Americans.

Mr. Speaker, please look at the big picture. I firmly believe that without MFN human rights abuses will worsen and the dream of achieving democracy in China will dim. Denying MFN status to China would be the equivalent of throwing the baby out with the bath water. Vote "yes" for House Resolution 461.

Mr. COX of California. Mr. Speaker, I yield 4 minutes to the distinguished chairman of the Committee on International Relations, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in support of the resolution, House Resolution 461. I commend my good friend, the gentleman from California [Mr. COX] for his stellar work in crafting this legislation, along with the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules, for acting swiftly in bringing it before us at this time.

The Clinton administration's China policy has been a failure. It has failed to stop Communist China's proliferation of weapons of mass destruction to such rogue nations as Iran and Iraq. It has failed to stop Communist China's unfair trading practices and piracy of intellectual property rights. It has failed to stop Communist China's persecution of Catholics, of Protestants, of Tibetans and human rights activists.

During the past year since President Clinton delinked trade to human rights and refused to adequately respond to Beijing's weapons proliferation, trade and human rights violations, things have become much worse in all of those areas. Just 2 weeks ago, Chinese Government officials were named in a Customs Department sting operation trying to sell 2,000 fully automatic machine guns, machine gun silencers, and stinger-type missiles to the Los Angeles street gangs.

How does the administration respond to these attacks? Instead of admitting something is radically wrong, it makes excuses for Communist China's behavior, and deflects criticism by trying to kill the messenger. We are told that any firm response would isolate or contain China and that we must remain engaged as if holding a party to a treaty that they signed is some sort of an unforgivable breach of ethics.

The administration's smokescreen has been designed to duck the hard questions of how to deal pragmatically and effectively with the totalitarian regime, a regime that is causing havoc on our economy, on our national security interests, and among our democratic friends and allies. Japan, Hong Kong, Taiwan, Thailand, and Australia are all duly concerned by China's sword rattling and the building up of its military personnel. Just last week Communist China refused to grant the German foreign minister a visa into China unless his nation would forbid a conference on Tibet from being held on German soil. How arrogant can a nation become?

Beijing invades and occupies a country much like Russia invaded and occupied Latvia, Lithuania, and Estonia and then tells other nations that the invasion is an internal matter and must not be discussed. Tibet, a country the size of Western Europe, remains the only nation still occupied by foreign Communist military forces.

If Communist China signs an agreement on weapons proliferation, or trade or human rights and then violates those agreements, then we must respond in such a manner that causes them not to violate agreements again and again. Because the administration appears incapable of even admitting to a problem, it is important now that the Congress step forward and take appropriate measures.

Accordingly, I am urging my colleagues to support this resolution directing the Congress to conduct hearings in the appropriate committees and to report proper legislation back to the Congress by September 30.

Mr. GIBBONS. Mr. Speaker, I yield 4 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, I will put my record on the line for standing up for America's workers against anybody in here. I voted against NAFTA because I thought it was a bad deal. I voted against the GATT treaty because I thought that the World Trade Organization presented too many problems and not enough benefits. But I rise today to support continuing most-favored-nation status for China, but, an important but, while at the same time guaranteeing stricter congressional monitoring.

Yes, I am aware of the problems that China presents. Nuclear proliferation, arms sales to hostile nations, military incursions, including spurious claims on the Spratly Islands and other areas of the Asian continent, human rights violations, unfair trade practices, whether in intellectual property or in other areas such as child labor.

Yes, I am aware of all of these, but I notice something very basic, that we have to remember also what most-favored-nation status connotes. It is not some kind of glorified treatment, it is not some kind of special privilege, it is simply saying to China as we have said to 100, at least, other nations around the world, of all stripes and colors, you only get a seat at the table. It does not guarantee you what you get, it just gets you in the door.

We have to remember this, that the United States, even by giving most-favored-nation status, does not give up its most basic punitive measures. We still have section 301 sanctions that we can impose unilaterally, such as almost occurred 2 weeks ago on China, where you can put tariffs on their goods when they are not engaging in free trade. We can deny China what it most wants, and that is entry into the World Trade Organization. That is the key, the golden key that the Chinese want, and we stand in the way of that until they comply with basic standards.

Now, what does cutting off MFN status do? What it would mean, cutting off most-favored-nation status with China is simply saying, we are going to step out and meanwhile permit all of our competitors, our Asian competitors, our European Union competitors, all of our competitors to take that market without us there. They are not making the same statements about human rights and military concerns and unfair trade practices. So what we will do is to abandon 1.2 billion people, that field to our competitors; we will not be engaged, they will.

Instead, I think a better policy is to be involved in bringing them along. The fact of the matter is that until Japan, until Germany, until Great Britain, until France, until a lot of other nations recognize the concerns that China presents to them, we do not have to worry as much about the Pacific rim as Japan does, as those ASEAN nations have to. Until they realize the concerns to them and we can engage in a concerted approach, that is the answer with China, and then China understands it has to come around.

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Mr. Speaker, there are some areas of hope. The German Bundestag just recently passed a resolution deploring Chinese human rights violations in Tibet. That is the first sign that we have seen from a nation in that direction. There are others as well.

Granting most-favored-nation status only lets us get to the table but it does not guarantee us any results. We are going to keep engaged, but we have got the clubs in the closet to use when we need to. That is why I support the Cox resolution that says we will grant most-favored-nation status but there will be congressional review with a timetable for reporting back on human rights violations, on military arms sales, and other matters of great concern about China.

Once again, we are with most-favored-nation status only continuing a practice that has been in effect for a number of years. We are still engaged but we are letting them know that we have the clubs in the closest and, yes, we have to be willing to use those, but staying engaged with China at this point is a lot better than staying away. That is why I support most-favored-nation status but with tight congressional monitoring.

Mr. COX of California. Mr. Speaker, I yield 2 minutes to my distinguished colleague the gentleman from San Diego, CA [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, unlike the last speaker that voted against NAFTA and GATT, I voted for them because I believed that they had a lot of interest and that if this country does not get involved in trade in the future, I think we are going to be in big trouble. But I think that under both Republican and Democrat administrations, that the week link in our trading policy has been our State Department. I do not believe that either Republican or Democrat State Departments have had the spine to enforce the policies with our trading nations.

A very famous gentleman once said that we need to walk softly and carry a big stick, but our policy in the past is to walk softly and give our trading partner the stick. In every case, whether it is an Ak–47 or a Stinger missile or 300,000 machine guns that are silenced being sold to our inner cities, and I ask my colleagues on the other side, the things that we have fought against, assault weapons, here is a country that is dumping assault weapons and Stinger missiles into our country, into our inner cities.

Habeas corpus reform and the death penalty, some do not believe in capital punishment. I do. But China has no problem with that. They just shoot people. And habeas corpus reform, there is not any.

Look at every issue. How many of this Nation's problems has China helped us with in Haiti, in Somalia, in Bosnia? None. Yet we are bending over backwards to help them, and they hit us with that stick every time.

All the gentleman from California [Mr. COX] is asking for is to set forth a policy that protects our workers, protects our system, and sets a policy where U.S. workers in this country would benefit for a change. Let us speak from a strong position, not a weak position, with China.

I remember with my mom and dad, I used to be afraid when the light would go off and I would do anything, clean my room even, if they would leave that light on. I was much more willing after they turned that light off to do those things. I think sometimes we maybe need to turn that light off for a little bit with China.

Mr. GIBBONS. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I come to this podium with a slightly different perspective. I respect the position of the gentleman from California [Mr. COX]. I would hope as I rise to support his resolution that we would recognize that our approach to China is not a Congress versus the President or a President versus the Congress. It is the American people standing up together to acknowledge both their disdain and outrage for human rights violations.

We recognize what China is today, 1.1 billion citizens, an object, an entity that cannot be ignored. However, we do a disservice to point accusatory fingers at an administration which is struggling and a Congress which has struggled as well. We must seize new economic opportunities, but we must also exercise responsibility of a world leader collectively, this Congress, this body, and this administration. We must find common ground on affirming human rights and pursuing economic prosperity.

Our Nation was founded upon the democratic ideal of freedom of speech and the right to petition your government for the redress of grievances. As we debate this issue, the People's Republic of China continues to hold numerous prisoners without reason, estimated by human rights organizations to be several hundred thousand. Arbitrary detention in China can be politically, religiously or, increasingly, economically motivated. Officials have detained Chinese nationals and foreigners alike for perceived personal affronts to a determination to prevent political or economic leaks. And, yes, imported or smuggled AK–47's continue to assault our youth and children by killing citizens in America.

Hearings, yes, Mr. Speaker. I think it is important that we say to China that we have a backbone and we have a memory, and that we review the trade imbalance, review the question of military balance so that as Taiwan struggles to be a neighbor to China, threatening military maneuvers are not utilized to intimidate. And certainly human rights, the whole question that wraps itself around the flag of the United States of America, emphasizing that we all are created equal.

Yes, we must recognize that isolationism is not the right direction on many occasions. That it is important, to recognize China's economic role in this country, the enormous amount of jobs, 19,000 in the State of Texas, $1.3 billion goods produced in Texas exported to China. Considering the fact that China represents such a sizable economic opportunity.

But the almighty dollar should not be our guide, and we must stand with a sense of equality and we must have a consistent and singular policy for China. We must work with the United Nations and other countries to monitor and improve human rights conditions in China and set a target of deadlines for that progress. Human rights hearings will help us do that.

We must help China stick to legal reforms that are to be implemented in January 1997, especially presumption of innocence, improved access to legal counsel, and more stringent limits on time and detention before formal arrest. Continue to work on a case-by-case basis, as done by the U.S. Trade Representative, and next year when the time comes to review MFN for China we should hold them accountable to a higher standard. We should have our facts, we should know what is going on, we should have a unified policy between the administration and the Congress.

We are Americans. We believe in the dignity of humankind. yes, we must dwell on the issue of our economic viability, and we must open the doors to China in an extension to say, "We are ready to help you change," but we should never forget those who are in need of our backbone to ensure that human rights is held up to the standard which we have come to respect and acknowledge.

Mr. Speaker, I rise today with mixed feelings about the difficult choice that we have before us. We must seize new economic opportunities but we must also exercise the responsibility of a world leader. We must find common ground on affirming human rights and pursuing economic prosperity. Our Nation was founded upon the democratic ideal of freedom of speech and the right to petition your Government for redress of grievances. As we debate this issue, the People's Republic of China continues to hold numerous prisoners without reason—estimated by human rights organizations to be several hundred thousand. Arbitrary detention in China can be politically, religiously, or increasingly, economically motivated, and officials have detained Chinese nationals and foreigners alike for perceived personal affronts to a determination to prevent political or economic leaks. In addition the continued insult of smuggling in AK–47 assault weapons to kill more of our citizens.

International attention has been most clearly focused on cases such as Wei Jingsheng, currently serving a 14-year term for speaking out on democracy and human rights during the brief 6 months of freedom he had between September 1994 and April 1995, or on Boa Tong, a senior Chinese official Released in May 1996 after serving an unwarranted 7-year term and immediately redetained in a so-called government guesthouse. But businesspeople, bankers and Chinese representatives of overseas firms are increasingly becoming victims of the arbitrary exercise of power and the absence of rule of law.

The Chinese Government's new crackdown on crime or strike hard campaign that began in April has already resulted in more than 500 death sentences and executions across the country. This kind of crackdown is nothing new. The Chinese Government has periodically engaged in anti-crime campaigns that sweep up tens of thousands in their wake. Intended to instill a sense of security in a public concerned about the crime that has accompanied economic growth, these campaigns often result in the unlawful arrest and wrongful execution of large numbers of people.

In addition to showing little regard for the civil and human rights for people within its borders, China has made Asia, the Middle East and indeed the entire world less safe by continuing to transfer nuclear, missile, and chemical weapons technology to unsafeguarded countries, including Iran, Iraq, Libya, and Pakistan, in violation of international agreements. And as the recent seizure in California reminds us, the Chinese Government has been involved in selling AK–47's and other military assault weapons on American streets, often ending up in the hands of violent street gangs.

During recent elections in Taiwan, China fired missiles and practiced military maneuvers in the Strait of Taiwan as forms of intimidation in order to disrupt Taiwan's free and open political process. And the Chinese Government has already taken several steps to curtail or threaten civil liberties in Hong Kong just a year before the territory returns to Chinese rule.

As I list this long litany of human rights concerns, the question remains whether these problems prevent us from renewing the most-favored-nation trade status with China. Let us examine the other side of the issue. China is an immense country with over 4,000 years of continuous history and a deep sense of cultural identity and pride. China is a nation of deeply entrenched social, economic, and administrative and political institutions developed over the millennia and profoundly reshaped during three decades of Marxist-Maoist rule before 1979. How can we hope to affect change in such a vast and complex society through a policy of isolation?

The simple truth of the matter is that we are already involved economically in China. Since 1979, American business has become a major player in China, both as a leading source of foreign direct investment and a major trading partner.

In 1995 China was the 13th largest destination for United States exports. Between 1992 and 1995, United States exports to China grew nearly 57 percent, reaching $11.7 billion in 1995, which does not include the approximately 8 billion dollars' worth of goods and services exported first to Hong Kong then into China. In 1995 my home State of Texas exported over $1.785 billion of goods and services to China and Hong Kong.

Considering that approximately $1 billion in trade is equivalent to 19,000 jobs in the Untied States, this is not just a one-way street. Stripping China of most-favored-nation trading status will result in reciprocal action by the Chinese, increasing tariffs and trade barriers on American products in China, thus greatly reducing, if not eliminating American exports and jobs relating to China.

Many critics will point to our unfavorable balance of trade with China as a negative. However, the products we import from China, such as low-end clothes and footwear, have not been produced in the United States for 30 years. Five years ago, we imported these from Taiwan, 10 years ago from Japan. If we did not get these products from China, we would buy them elsewhere at a higher cost.

The opportunity for involvement in China has by no means peaked. China's expanding aviation industry could purchase as much as 100 billion dollars' worth of jetliners over the next 20 years. China needs and wants to expand its power production capacity by 15,000 megawatts per year through the early 21st century. This will require technology and equipment imports that could total between $6 to $8 billion annually.

All this economic involvement has exported more than goods and service to China. Seldom mentioned in press reports are the many nonbusiness activities United States companies pursue at the local level in China, much as they do in any country in which they set up operations. These firms bring with them fundamental American ethical and operational views that shape the way they run their factories and officers, interact with employees, and join in local community activities. For example, on average, United States companies with facilities in China pay their employees at least 20 percent more than local standards. A number of U.S. firms have established profit-sharing plans or voluntary savings plans, in which companies match employee contributions.

Many U.S. companies provide medical facilities and free or subsidized medical care on site for employees. Typically, United States companies go above and beyond Chinese Government requirements by adhering to the workplace standards of the United States Food and Drug Administration and Occupational Safety and Health Administration [OSHA].

Where do we go from here? I argue that Congress should be on record with recommendations for improving human rights in China. Reducing intellectual property rights violations, and eliminating Chinese sale of nuclear and chemical technology if the Congress decides to affirm the President's decision to continue most-favored-nation trading status with China. These recommendations should include:

First, work with the United Nations and other countries to monitor and improve human rights conditions in China, and set target deadlines for progress;

Second, help China stick to legal reforms that are to be implemented in January 1997, especially presumption of innocence; improved access to legal counsel; and more stringent limits on time in detention before formal arrest;

Third, continue to work on case-by-case basis, as done recently by the Unites States Trade Representative, to improve enforcement of intellectual property rights in China, and

Fourth, next year, when the time comes to review MFN for China, we should hold them to a higher standard of review with respect to human rights and monitor carefully how the transfer of Hong Kong to China is proceeding.

This resolution should help be the underpinnings for a real China policy that lifts the human rights crisis to the level it should be, where ultimately China will understand without doubt the real importance Americans, businesses, and citizens alike place on the human dignity for all humankind. If China continues as is, more than its MFN may be at stake—China should pay heed.

Mr. COX of California. Mr. Speaker, I appreciate the support of the gentlewoman from Texas.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER], the distinguished chairman of the Congressional Human Rights Caucus.

Mr. PORTER. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, the resolution that was just rejected—that would have cut off MFN for China—will be interpreted in Beijing to say that it is OK to threaten free elections in Taiwan; that it is OK to undermine the elected legislature and the free press of Hong Kong; that it is OK for the Chinese to commit cultural genocide in Tibet; that it is OK to sell nuclear armaments to Pakistan; that it is OK to dump products in the

United States on our markets that take away the markets from those countries that have been friendly to the United States, like the Philippines and India. The people in Beijing will interpret that it is OK to continue to torture, to continue to crush dissent, to engage in slave labor, to starve orphans, to tell their people how many children they can have.

Mr. Speaker, I do not want to cut off MFN because I know that if we can make certain that economic freedom proliferates in China, that ultimately it will in fact lead to political freedom. But, Mr. Speaker, I voted for the Rohrabacher resolution because I did not want to send those messages that Beijing would interpret that way, because it is not OK to do those things because in this world we are our brother's and sister's keepers.

The American people value—and the Chinese people must understand this—human rights perhaps above all else, value democracy and human freedom like no other country on Earth. We believe that China today ranks with countries like Sudan, Nigeria, and Burma, and Turkey, among the worst human rights abusers in the world. If China wants a solid relationship with the United States, these things must change.

Unfortunately, this administration gave this Congress absolutely no alternative. They said, "We do not want to use the MFN lever. We want to encourage economic freedom and economic growth in China." But they said nothing else.

Mr. Speaker, I want to say right here and now that this administration has been absolutely bankrupt in supporting human rights around the world, like perhaps no administration we have seen in a long, long time. They have not given us an alternative to MFN, but the gentleman from California [Mr. COX] is giving us some alternatives and I commend him for doing so.

We need to send a strong message to the people in Beijing that these things are not OK, and that we must see progress on human rights matters and democracy in China and if they are going to go the opposite way, they will never have a solid relationship with this country. Mr. Speaker, I encourage the Members to vote for the Cox resolution.

Mr. GIBBONS. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I feel like the old saying about closing the door after the cow has run out of the barn. The real vote was taken a few moments ago. With that vote, the flame of liberty and the flame of democracy and the flame of human rights that we set forth in the world, the beacon that we send forth from the Statute of Liberty and from our Constitution, from our Declaration of Independence, from this body and our system of government, all grew a little bit dimmer for those nations who look to us for leadership.

As the gentlewoman from California [Ms. PELOSI] said in her closing statement, one of the real questions we have to ask ourselves and that we will be held accountable for with respect to our constituents with the vote just taken was whether or not China plays by the rules. The record today is overwhelming and compelling that they do not play by the rules.

They do not play by the rules of most of the rest of the international community, and they certainly do not play by the rules that we believe should be in place with respect to free trade and fair trade, with respect to human rights, to the promotion of democracy, to the protection of intellectual properties and ideas, nuclear proliferation, and how important that is to the future of this world, to the stealing of people's technology, of nations' technologies. No, they do not have to play by those rules. That fact was ratified in the previous vote.

In fact, what we told them is they can continue to play by a very different set of rules, a set of rules that they design, that they ratify and that they invoke on their own citizens and on their trading partners, rules that suggest that over the short time we have had this relationship, America continues to lose.

☐ 1700

America's workers continue to lose. Our trade deficit continues to lose. Our self-esteem about what we stand for continues to lose and be eroded. Unfortunately, this administration and now this Congress have been the great enablers of this policy, because we have always suggested that tomorrow, tomorrow we would have resolve about Tibet. Tomorrow we would have resolve about the trade deficit. Tomorrow we would have resolve about use of slave labor. Tomorrow we will get tough. That is why they have a 12-step program; because you have to deal with it today.

Now, unfortunately, we are left with this good-faith effort by the gentleman from California [Mr. COX], but wrong with respect to the problem; that is, if we were doing our job and this administration was doing its job, what would the verdict have been over the last year? But if we ignore these issues, if we turn the other way when they threaten democracy, if we turn the other way and enter into agreements where it is done on a wink and a nod, what they did not say, what we can say publicly they did say, they did not say but we will say they did say, how does that ensure people's rights? How does that keep nuclear weapons from going to people who threaten us as a Nation?

No, this is a very sad day. It is a very sad day for the people of China who aspire to democracy, to freedom, and it is a very sad day for the people of this Nation who pride ourselves that we send forth that beacon of fair play and democracy and liberty.

Mr. Speaker, I am very sad that the House chose to say tomorrow. Perhaps the President and many Members of this House should try out for the Play Annie, because tomorrow, only tomorrow will they deal with China in the serious and constant and engaged way that is demanded if, in fact, we are going to have a reliable partner for the future of this world, for the future of our trade, for the future of democracy, and the future in terms of national security. But that was not accomplished here today.

The SPEAKER pro tempore. The Chair would announce the gentleman from California [Mr. COX] has 11¾ minutes remaining, and the gentleman from Florida [Mr.. GIBBONS] has 15½ minutes remaining.

Mr. COX of California. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona, [Mr. KOBLE], a member of the Committee on Appropriations and the Committee on the Budget, and a distinguished member of the policy committee.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me the time. I rise in support of the resolution offered by the distinguished gentleman from California [Mr. COX], my friend and the chairman of the policy committee on which I serve.

Mr. Speaker, I would take some issue with some of the language that is in this resolution. I would disagree with some of the clauses. I might question whether some of the issues raised in this resolution have been substantiated. But I think the important point is that this resolution begins us down a path that we should be taking; a path we should have been taking a long time ago. That is, it specifically directs the committees of jurisdiction, the Committee on Ways and Means, the Committee on International Relations, the Committee on the Judiciary, and other committees that have jurisdiction in this area, to focus on ways in which we can change the behavior of China, to determine how we can truly begin to deal with problems of market access; to focus on the tremendous human rights abuses which we all know and which we all deplore; to deal with the problems of nuclear proliferation which threaten the security of the world; and to deal with the other regional security issues. It directs these committees to hold hearings to look for the kinds of tools, the kinds of legislation, the kinds of resolutions that can actually change China and bring them into the family of nations.

What this resolution recognizes, in the context of the vote we just had, is that the MFN, the most-favored-nation trade status, is not the way to bring about those changes. Most Americans, maybe even many in this body, would be surprised that we grant MFN status to Iran, to Iraq and some of the countries that my friend, the gentleman from Illinois, Mr. PORTER, mentioned: Burma, Turkey, and Sudan. All of those countries have MFN status with the United States. But what we have found is there are other ways to deal with the problems of Iran and Iraq, and we deal with them on a multilateral basis with our other allies and those using the kinds of techniques that work. We have used selective embargoes. We have worked with our partners to try to secure the kinds of changes that we want to bring about in those countries.

So what we are saying here today is let us begin this process. With this resolution, we tell China we do not condone their policies, we do not accept their human rights abuses, but we do intend to begin an engagement with China on these issues that are so important to our relationship. I urge support of the Cox resolution.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know of no one in this Congress who has worked harder on this subject than the gentlewoman from California [Ms. PELOSI]. She is very intelligent and a very fine person, and I know that she feels these things very deeply, and I join her in many of her feelings. I think if we have any differences, it is just on how we solve this problem, not about the problem but how we solve it. So it is with great pleasure that I yield to her, and I know her and respect her for what she stands for.

Mr. Speaker, I yield 7 minutes to the gentlewoman from California [Mr. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the ranking member for recognizing me, giving me this time, and for his kind words.

This is probably our last MFN fight together, Mr. Chairman. As I said on the day we had our special order for the gentleman, he is truly a gentleman from Florida and we have all benefited greatly by his service here. Thank you, Mr. Chairman.

Mr. Speaker, I rise in support of what the gentleman from California [Mr. MILLER] referred to as the well-intentioned resolution presented by the gentleman from California [Mr. COX]. I call it the fig leaf. I said if there were ever a national flower specific to the Congress of the United States, it would be the fig tree, because we just have fig trees all over the place. It is beginning to be Mediterranean around here. This fig leaf is even a transparent one, but it could be something if everyone has the resolve of the gentleman from California. Mr. COX has been a great leader on human rights throughout the world and on this China issue. If the leadership of this House is serious about this resolution and it is not just using it as a fig leaf, it is a fig leaf until it is something else in my view, then this could make the real difference, I would say to the gentleman. Once again, he will have provided a service.

One of the joys of working on the most-favored-nation status with China, human rights issues in China, trade, proliferation, et cetera, is the bipartisan coalition that we have formed, the relationships that have developed to help us solve other problems as well in the House. And the gentleman from California [Mr. COX], the gentleman from New Jersey [Mr. SMITH], I see over there, and you know the list, the gentleman from New York [Mr. GILMAN], the gentleman from Virginia [Mr. WOLF], the list goes on and on, it has been my pleasure to work with all of these gentlemen.

I want to make a few comments, Mr. Speaker. Of course I support the amendment of the gentleman from California [Mr. COX] and I think we have to make sure that it has teeth and it is real. But the fact is that those of us who have been working together all this long time on this issue did not start with using MFN as a tactic. We started with World Bank loans, we started with conditional renewal or targeted sanctions or every possible kind to relationship that we have with China in a financial institution or a financial relationship. So it would be interesting to see what the committees of jurisdiction come up with, which has not already been rejected over and over again by this House.

Mr. Speaker, I do hope that the focus will be on a prohibition on products made by the People's Liberation coming into the United States, or raising the tariffs at least on those products. The People's Liberation Army occupies Tibet, crushes dissent in China and Tibet, proliferates nuclear, biological, chemical, and missile technology to rogue countries. The PLA has been for many years selling and now smuggling AK-47's and all kinds of other more dangerous weapons into the United States for use here or to be transshipped to other countries.

With all due respect to those who have talked about human rights here today, and with great respect, as I have said, for the gentleman from Florida [Mr. GIBBONS], he said he knows I feel very strongly and he shares some of those feelings. Yes; I feel strongly, but I think about it a lot, too, and I make a distinction there. This is not about feeling. It is about analyzing what our options are and giving them priority. Yes; we all care about human rights. Let us stipulate to that. Who cares enough to give it some priority? Who cares enough to say to a country like China, repressing its people, and that repression has increased since President Clinton delinked trade and human rights, that this is important in our relationship.

The administration does not really talk about it much anymore. They talk about larger issues. In fact, the more time goes by, the older their thinking is on how we deal with China. We must insist that in all of our relationships we make the trade fairer, the political climate freer, and the world safer. The Clinton policy is doing just the reverse.

I also want to make a comment about our colleagues who have said well, we give MFN to Iran and Iraq. We have an embargo on Iran and Iraq. We do not trade with them. Not only that, we have a secondary boycott on countries that would invest in petroleum in Iran. So this whole thing of we give MFN to everyone, so why not China. If we have a special situation as China is, where the President must request a waiver, and that is what gives us standing on the floor, and that country represses its people, violates our trade relationship, does not allow, by and large, most of our products in, does not play by the rules, uses prison labor for export, steals our intellectual property, misappropriates our technology and copyrighted items for use for manufacture to their own, industries with our copyrights. If a country does all of this, and at the same time has a $35 billion trade deficit with us, that is an opportunity where we can use our leverage.

To those who say well, some of that trade deficit came from other countries, those jobs used to be in other Asian countries, well, they are in China now and that is why we have leverage. It does not matter where they were before, it is where they are now. The Chinese Government cannot afford to lose 10 million jobs that spring from United States trade. They cannot afford to lose $35 billion, trade surplus that will be over $40 billion this year.

In my final minute, Mr. Speaker, in putting some of these thoughts on the RECORD, I do want to put a couple letters in the RECORD. One is a letter from Adam Yauch. Adam is with the Beastie Boys. He has been working very hard, lobbying Members to vote against MFN for China. A couple of weeks ago in San Francisco, he had 100,000 people gathered to support Chinese and Tibetan human rights and to oppose the brutal oppression of the Chinese Government. Maybe the leadership of this House is afraid of what is going on out there, that people are catching on to this issue.

In closing, Mr. Speaker, I want to mention as we go into the Fourth of July, a great champion of human rights and of liberty, hopefully inspired by the United States, certainly his thinking is in line with our Founding Fathers', Mr. Wei Jingsheng. Nothing drives the Chinese crazier than our talking about Wei Jingsheng, because he speaks the truth. He served a 14-

year sentence. They let him out for a few months because they wanted the Olympics. As soon as he spoke up again, they arrested him for another 14 years.

And here is what he said to get arrested:

> From the moment he is born, a human being has the right to live and the right to strive for a better life. These are what people call God-given rights, for they are not bestowed by any external thing. They are bestowed by the fact of existence itself. Without equality, human rights must lose their real meaning. Without the protection of human rights, equality can only be an empty slogan.

In the spirit of our Founding Fathers, as we approach the Fourth of July, I want to commend to our colleagues the plight of Wei Jingsheng and hope that one of our priorities is to tell the Chinese that we insist upon his freedom. I thank the gentleman from Florida for his leadership.

Mr. Speaker, I include for the RECORD the letter referred to previously.

The information referred to is as follows:

> JUNE 26, 1996.
>
> DEAR MEMBER OF CONGRESS: I am currently in Washington, DC where I have been lobbying Congress not to renew Most Favored Nation trading status with China.
>
> Last weekend I participated in the Tibetan Freedom Concert where over 100,000 people gathered to support Chinese and Tibetan human rights and to oppose the brutal oppression of the Chinese government. Twenty of America's most influential bands took the cause to heart and spoke about it on stage. 30,000 of the participants signed a letter to President Clinton demanding that he not renew Most Favored Nation status to China. The concert also helped to spread the word of a rapidly growing boycott of all Chinese goods. This boycott is endorsed by over 150 organizations including the AFL-CIO. This is a small example of a rapidly growing awareness amongst youth about our US government and US corporations' direct involvement and perpetuation of human rights abuses by continuing to trade with the Chinese. By investing US money we are financing the Chinese government's continued genocide of the Tibetan people.
>
> As world leaders your responsibility is to all of humanity, not just your constituency, not just the Republicans or the Democrats, not the people from your state, not even just all Americans. You represent and affect all of humanity and are thereby responsible for your actions. It is your responsibility to cut through the bureaucratic rhetoric that has perpetuated the most unimaginable suffering and human rights violations that are still occurring today.
>
> Because the Tibetan struggle is non-violent it exemplifies the most clear-cut distinction between brutal violence and compassion that exists in the world. We must all join together and use the freedom that we have as American citizens to bring freedom to the rest of the world.
>
> The lies that having US business in China will help to change their policies on human rights have gone on too long. Many people are asking the question if the US takes a stand will other countries follow us. It is our responsibility to act first and other countries will follow. Regardless of what other countries do we must act in the interest of humanity and not our greed motivated corporations. We the people of America call on you as our world leaders to act now. Do not renew Most Favored Nation status to China.
>
> ADAM YAUCH—BEASTIE BOYS.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I rise in strong support of the resolution offered by the gentleman from Newport Beach, CA [Mr. COX], my friend. By an overwhelming bipartisan majority, better than 2 to 1, 286 to 141, the House has gone on record stating what I have been arguing for the past 7 years, and that is the annual debate on trying to cut off MFN with the People's Republic of China is not the way to deal with the very serious problems that are outlined in this resolution.

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What this resolution calls for is our looking into, through this process of hearings, the serious problems that we have discussed over the past several hours: Human rights violations, O-ring transfer, the saber rattling with Taiwan, the treatment of Tibet, intellectual property rights violations, those very serious things.

That is why I believe the right thing for us to do is to continue trade, obviously, and this House has made that statement, but to move ahead with this resolution that will call for committees to look into the very serious questions that we all very much want to address.

As a strong supporter of most-favored-nation trading status with the People's Republic of China, I join in supporting this resolution and urge my colleagues to vote "yes."

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. COX of California. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HUNTER].

The SPEAKER pro tempore (Mr. HOBSON). The gentleman from California [Mr. HUNTER] is recognized for 3 minutes.

Mr. HUNTER. Mr. Speaker, I thank my friends for yielding me this time, and I also want to rise in support of this resolution and commend the author, the gentleman from California [Mr. COX], one of our brightest and most eloquent Members.

This is a very, very important resolution from my perspective as a Member of the Committee on National Security, because I, along with my friend, the gentleman from California, DUKE CUNNINGHAM, and other members of the committee, received testimony from the Clinton administration representatives with respect to China and its participation in arms sales and the sales of chemical weapons components to nations which may be in some cases unstable and in other cases are considered to be adversaries of the United States.

We have just now started, really, this investigation. And when we asked the representatives of the Clinton administration whether or not there had been sales of the M-11 missiles to, for example, Pakistan, the answer was it appears that that did take place. When we asked about the ring magnets in open session, systems that are used to enrich uranium for the nuclear weapons construction process, the answer was yes, that probably did take place. It appears that also there have been transfers of chemical weapons components to Iran. That has taken place.

So we see a couple of things happening. We live in an age of missiles right now, in which a number of Third World nations are acquiring missile technology, the ability to deliver a payload to another country 300, 400, 500 miles away, and also to develop the warhead components that may be nuclear components or they may be biological or chemical components.

We see China now taking a very important role in that proliferation of deadly technology to other nations, and we do not see any hesitancy on their part as a result of America's entreaties to stop it. We have asked them to stop it. They will not stop it just because we have talked to them.

We do need to acquire points of leverage, that was the point we made in the MFN debate, that we missed an important point of leverage, but in the ensuing months we will work in the Committee on National Security, and I know the chairman, the gentleman from South Carolina, [Mr. SPENCE], finds this to be an important issue, and we will try to develop both the facts as to what China is doing with respect to proliferating mass destructive components and weapons to Third World nations and what we can do in the United States to stop it.

I want to thank the gentleman from California [Mr. COX] and thank the gentleman from Florida [Mr. GIBBONS] for giving me this time, and I look forward to working on this very important project.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, if the Federal Trade Commission had jurisdiction over our legislative processes, I think that this would probably be cited as a bait and switch proposition.

I read the resolution and it consists largely of a number of very good reasons why we should not do favors for and make concessions to and trade on these terms with the Chinese People's Republic. It is a long list of the great grievances which we have against the Chinese People's Republic. Then we come into the last page, in which, having shaken our fist at them and listed all the terrible things we do, we unleash our weapon: Hearings.

Now, I appreciate the fact that hearings can sometimes be a nuisance if you are the Secretary of an American Cabinet department. The notion that we are going to have hearings might be a problem. but the threat of hearings in this situation seems to me to be of quite minimal effect on the Chinese.

So I would have to say, and I will yield to the gentleman if he would yield me some of his time, because I only have 2 minutes and he had 8 and some odd minutes left, but at this point I would say it does appear to me that any resemblance between this and a serious piece of legislation is entirely coincidental.

The notion that the Chinese, having compiled this very long record of violating agreements and abusing people and getting the better of us economically, would really be upset because we are going to have hearings seems to me to be quite minimal.

If the gentleman wants to yield some time, I will be glad to have a colloquy with him, but apparently he does not, so I will simply say that this may ease the conscience of those who voted for MFN. If in fact Members agree with everything in this resolution, I do not know how they could have voted to give the Chinese Most-Favored-Nation treatment.

There is certainly nothing, I will say in closing, in the behavior, in the record, in the composition of the People's Republic of China that ought to give anybody the slightest inclination to believe that the Chinese will pay any more attention to this than they have anything we ever did before.

Mr. COX of California. Mr. Speaker, I yield myself such time as I may consume to say in response to my colleague and friend from Massachusetts, who normally is one of the most attentive during debate, that he must have missed the debate earlier on this because no one who has spoken in favor of this resolution, from the gentlewoman from California [Ms. PELOSI] to the gentleman from California [Mr. MILLER] to myself, in any way meant for this resolution to be a substitute for the previous vote.

To the contrary, I voted, as perhaps did the gentleman, I do not know how he voted, but certainly as did Ms. PELOSI and Mr. MILLER, and the others who have spoken, as did the chairman of the Committee on International Relations, as did the chairman of the Committee on National Security, and that is to be serious in the one and only way we were given an opportunity to be serious, and that is with the resolution offered by the gentleman from California, Mr. ROHRABACHER.

What we now have an opportunity to do, having faced obvious defeat on the scoreboard, having seen the vote tally, is what we have not done before, and that is to go beyond the jurisdiction of the Committee on Ways and Means, to the Committee on National Security, to the Committee on International Relations, to the Committee on Banking and Financial Services, and again to the Committee on Ways and Means, and have not only hearings, because that is not all this resolution says, but also legislation dealing with the very topics laid out in the resolution so that we are on the floor here no later than September 30.

I have spoken personally with the chairmen of these committees, and this is not just a hortatory injunction resolution. These chairmen are committed to bringing legislation forward. The chairman of the Committee on National Security was himself here on the floor, the chairman of the Committee on International Relations was himself here on the floor.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I want to commend the sponsor of this resolution, the gentleman from California [Mr. COX]. It is a good strong step in the right direction and I strongly support it.

Mr. Speaker, having just extended MFN for Communist China for the 17th year in a row, it is time for the advocates of MFN to step forward and promote a viable alternative for dealing with the problem of Communist China, and they can start by supporting the Cox resolution. This resolution directs four committees of this House to study this issue and allows them to come up with these alternatives.

If we pass this resolution, the onus will be on those committees and the advocates of MFN to propose only substantive proposals, not just mere words of condemnation. Why? Because, for years, we have pursued a policy of unmitigated appeasement of Communist China, and as we know from history, appeasement doesn't work.

Mr. Speaker, it is truly breathtaking the degree to which every instance of Communist Chinese duplicity or misbehavior is dismissed, explained away, ignored or apologized for. We can't even enforce our own nonproliferation laws! They are in violation of every one of them. It's a joke!

And just listen to this: In addition to 17 years of MFN and a free pass on our sanctions laws, look what else China gets from us: $4 billion a year in taxpayer funded loans from multilateral development banks, and $800 million in loans and guarantees from the Export-Import Bank in 1995!

We can shut this taxpayer ripoff down, Mr. Speaker, right here in this Congress.

And then we have the unrestricted access to our market for companies owned and operated by the Communist Chinese military.

Why are we trading with the Chinese military, when they are building up their defense, threatening Taiwan, and attempting to acquire missiles that can destroy American cities? We can shut this down as well, Mr. Speaker, by passing legislation that embargoes Chinese military companies. The committees named in this bill have the jurisdiction to tackle these matters, and they should.

Mr. Speaker, the era of appeasement of the rogue Communist regime in Beijing has got to end. We know it can only lead to disaster. In the 1930's Hitler was appeased, and the result was World War II and the Holocaust. During the war, Stalin was appeased and the result was the enslavement of Eastern Europe and the cold war.

In the 1970's, we appeased the Soviets with detente and the result was their running amok in Africa, Central America and Afghanistan. Now appeasement of Communist China has led to today's outrageous and dangerous situation, chronicled here today by so many of my colleagues.

Mr. Speaker, in the 1980's we reversed appeasement and pursued Ronald Reagan's policy of peace through strength. For those who haven't noticed, it worked.

The Cox resolution is a place to start us back on the road to peace through strength.

I urge adoption of the measure.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GIBBONS] is recognized for the balance of his time, which is 2¾ minutes, as I announced before.

Mr. GIBBONS. Mr. Speaker, we have a lot of work ahead of us as far as bringing the Chinese people and their government into the modern world. A lot of mistakes have been made in the past. As I see our mistakes, the biggest mistake we have ever made so far as dealing with China is to disengage from them. And to the extent that the gentleman from California [Mr. COX] seeks to reengage with them, I support what he is trying to do.

I think his time limitation on this makes it a futile effort. The Chinese are far different than we are. They have a far different set of guiding stars on which they guide as far as principles are concerned. We are going to have to help change them and to bring them into a more modern frame of reference. That is going to require quite some effort on the part of the United States. Mr. COX is aiming in the right direction, but he does not give himself nearly enough time to accomplish what his goal is.

First of all, I think every Member of this Congress should visit China as soon as they can and stay as long as they can and try to learn something about the Chinese, not that we want to emulate them, but we ought to know who we are dealing with and the problems that they face in trying to bring themselves into a more modern time.

Second, we are going to have to make some sacrifices. We are going to have to do some things, positive things, about engaging the Chinese.

Now, if we look at the resumes of most of the Chinese leaders, we will find that they were either educated in Chinese schools or they were educated in Russian schools or Eastern European schools. Most of them missed all opportunity to have any education in the Western ideas. We should be offering them that opportunity and encouraging them to participate, to bring their students here and to give them an opportunity to learn about what the modern world is all about.

Third, we should be sending our people there to try to teach in their own institutions something about what we stand for. We should engage them at every point. I do not like their trade practices, I do not like the fact that they discriminate against us, but they do and we are going to have to work with them and confront them all along the way, just as we recently confronted them on the piracy of intellectual property, and we were able to be successful in that because we had some leverage and we used it.

We must continue to do all that with the Chinese. So my real concern with all of this is I do not want to see America back off and disengage again. We did it once, it was a terrible mistake, we are paying the penalty for it now, and let us not repeat that bad history again.

Mr. COX of California. Mr. Speaker, I yield the balance of my time, 7 minutes, to the gentleman from New Jersey [Mr. SMITH], the distinguished chairman of the Helsinki Commission on Security and Cooperation in Europe, the chairman of the Subcommittee on International Operations and Human Rights, who has held nine hearings on China's abuse of human rights and the national security issues that the military buildup by the Communist Chinese poses to the United States.

Mr. SMITH of New Jersey. Mr. speaker, I want to thank the gentleman from California [Mr. COX] for yielding me this time and for the privilege of closing debate on this extremely important legislation that he has offered today. Mr. COX is deeply committed to human rights and has fashioned an approach today that will lead to meaningful sanctions.

Mr. Speaker, the Clinton administrations absolute delinking of trade from human rights in 1994 was a betrayal of an oppressed people of breathtaking proportions. The Clinton administration flip-flopped on promoting human rights in China. After issuing a comprehensive Executive order that laid out a number of threshold items that had to be reached in order to confer MFN on China. The bottom line was performance—"significant progress in human rights" was the clear standard that had to be met. When the Chinese regressed and human rights violations increased, the President turned tail and backed down. The dictatorship won. And the courageous Chinese democracy advocates were sold out and abandoned.

I led a human rights trip to China midway through the Executive order review period and met with numerous leaders of the dissident community. I met with business leaders. I met with high government officials. And every single Chinese Government official told me and our delegation that human rights would be delinked from trade. It was astonishing. They believed the Clinton order to be bogus. They were totally cynical about it and viewed it as a joke. They thought it was window dressing, appealing to a domestic audience rather than a sincere effort to try to really rein in on the abuses of the People's Republic of China.

Unfortunately, the Clinton policy is only the worst example of a much broader policy in which the U.S. Government has brought about an almost total delinking of human rights from other foreign policy concerns around the globe.

I think Members will recall that as a candidate, Bill Clinton justly criticized some officials of previous administrations for subordinating human rights to other concerns in China and elsewhere and he called it coddling dictators. I would submit to you this evening that Bill Clinton has coddled as few have coddled before.

The important legislation offered by my good friend and colleague from California, Mr. COX, provides us with a sincere opportunity to seriously reconsider our trading relationship with the People's Republic of China in light of their deplorable human rights record and their ongoing and flagrant empowerment of rogue regimes with weapons of mass destruction.

In the coming weeks, the PRC should be put on notice, this Congress is going to insist on scrutinizing China's record as never before. Yes, over the last 18 months my subcommittee held numerous hearings on China's human rights practices. The full committee has held hearings on nuclear proliferation. Others have held hearings on the Senate side. But now, four major committees of the House of Representatives will draw a bead and bring blazing light to bear on these deplorable practices. And I hope, we will leave no stone unturned in our probe.

Last week, Mr. Speaker, I held a hearing on the human rights consequences of Mr. Clinton's misguided policy. Human Rights Watch, Freedom House, Amnesty International, and Harry Wu—among others—all testified how abuses had actually increased since delinking MFN and human rights. Amnesty International testified, that the Clinton administration's human rights policy towards China is "confusing and weak". The administration is "aggressive only in a trade war with China. Amnesty International is unaware of any human rights war waged by this administration despite the worsening human rights situation in China."

Amnesty also testified that the human rights conditions in China, had "worsened since the delinking of human rights and MFN in 1994."

Mr. COX's legislation gets us back into the ballgame. A bipartisan group of lawmakers will produce legislation, and I do believe that the various committees of Congress, including the one that I serve on, International Relations, will come forward with new policy proposals. Mr. GILMAN's bill is a good place to start. In the coming weeks, we will craft legislation—perhaps a hybrid designed to mitigate these egregious abuses. It's time to plan hardball.

Let me also point out that Amnesty testified, that so-called economic progress in China has not resulted in observance or respect for human rights. That's really not that surprising. After all the Fascists in Italy made the trains run on time. The Nazis knew how to run a factory. Like those dictatorships, there is no evidence whatsoever to suggest that the Chinese dictatorship has been tamed by economic growth. It has only become a glutton for more power and control. As a matter of fact, the evidence suggests that the PRC dictatorship is today stronger, more repressive, and more determined to retain the reins of power.

The Clinton policy is empowering a repressive military by feeding it, gorging it, with dual-use-capable items and sophisticated technology. Our businesses are beefing up two PLA's offensive capabilities and making them more effective in controlling the people—and neighboring countries.

Amnesty told our committee that despite rapid economic changes in recent years in China, there has been "no fundamental change in the Government's human rights practices."

Mr. Speaker, the Cox legislation suggests that with the revocation of MFN no longer a viable option, for this year at least, that other means of registering our utter disgust with the dictatorship's cruel mistreatment of its own citizenry will be forthcoming, and we have a date certain by the end of September to produce those proposals and enact them.

We have leverage, I say to my colleagues, we need to use it and use it prudently and wisely. For those, my friends and colleagues who advocate the status quo and no linkage, I have a simply question: Is there anything a government, in this case a cruel dictatorship could do, is there anything so gruesome, so barbaric that the United States should say enough is enough. In light of China's barbaric and cruel treatment to its people can we pretend we just don't see and go on as if it is business as usual? Consider the inhumane practices of the Beijing Government that are ongoing, pervasive, and getting worse by the day. The use of slave labor—or the laogai—the prison camps—where many of our products that find their way on the shelves in our stores are being produced by prisoners of conscience. The statement of the status quo say, no problem, the United States and China signed a memorandum of understanding during the previous administration. The MOU looks splendid on paper. But it's a farce. The Chinese contrive to obstruct and prohibit access to prison camps and have erected so many barriers so to make the MOU meaningless.

In the early 1990's Congressman FRANK WOLF and I got into one gulag after much persistence and tough negotiations. We discovered that Beijing prison No. 1 contained more than 40 dissidents from the Tiananmen Square crackdown. We were witnesses to the making of girls jelly shoes and socks for export by convict labor. One of the problems with the MOU is that the U.S. side has to give significant advance notice prior to an inspection. The U.S. side has to demonstrate cause for the inspection to occur—another difficult hurdle in a closed society. And then there is a long time period from the request to when our Customs people make a visit—and there have been very few visits. And you know what happens then? U.S. personnel inspect the prison camp and are shown a Potemkin village—sanitized and free of any possible violation of the MOU.

Let me also say that my subcommittee had the first hearing in the Congress ever on the laogai or prison camp system in China. We heard from six survivors, including Harry Wu, that great, courageous defender of human rights and former prisoner of conscience. We heard chilling testimony from Katharine Ho and from a Buddhist monk who demonstrated how the Chinese torturers inflict pain on religious and political prisoners with cattle prods. He told us how they used these terrible implements to force compliance and to break a prisoner's will and resolve.

Mr. Speaker, civilizations can be judged by how they treat women, children, old people and strangers. Vulnerable people bring out the kindness in every society, but also regrettably the cruelty. Every so often they do become the object of practices so violent they cause people to recoil in horror across the centuries. One such practice is the practice of forced abortion.

The Government of China routinely compels women to abort their "unauthorized" unborn children. The usual method is intense "persuasion" using all of the economic, social and psychological tools a totalitarian State has at its disposal. When these methods fail, the woman is taken physically to the abortion mill. Forced abortions are often performed very late in pregnancy, even in the ninth month. Sometimes the baby's skull is crushed with forceps as the baby emerges from the birth canal. Other times the baby gets an injection of formaldehyde or some other poison into the baby's cranium. Either the woman or her husband is then forcibly sterilized.

Forced abortion was properly considered a crime against humanity at the Nuremberg war crimes tribunal. It is employed regularly with chilling effectiveness and unbearable pain upon women in the People's Republic of China. Women in China are required to obtain a birth coupon before conceiving a child. Chinese women are hounded by the population control police and even their menstrual cycles are publicly monitored as one means of ensuring compliance.

The New York Times has pointed out in an exposé recently that the authorities, when they discover an unauthorized pregnancy, an "illegal child," normally apply a daily dose of threats and browbeating. They wear the women down. Eventually, if the woman does not succumb to the abortion, she is physically forced to submit.

The central government also issued a law on eugenics which is now taking effect and which nationalizes discrimination against the handicapped. In a move that is eerily reminiscent of Nazi Germany, the Communist Chinese Government is implementing forced abortion against handicapped children and forced sterilization against parents who simply do not measure up in the eyes of the State. Despite all of this, the United Nations Population Fund continues to provide funds, materiel, people on the ground and what no money could buy, the sort of shield of respectability that the PRC program so desperately wants.

I would just say parenthetically that the head of the UNFPA, the U.N. Population Fund, time and time again has defended the program in China as totally voluntary. This is unmitigated nonsense and a big lie. Degrading a few men, women and children may be of no great matter for the Chinese Communist regime which has long regarded homicide and torture as among the basic tools of statecraft.

The Cox legislation represents hope. I truly believe that this Congress will work hard to fashion legislation designed to mitigate China's egregious abuses. We have a moral obligation to help our suffering friends in the PRC.

I urge strong support for the Cox bill.

Mr. BEREUTER. Mr. Speaker, this Member rises in support, but somewhat reluctant support, for House Resolution 461. This Member voices reluctant support not because he opposes the notion of articulating United States concerns with the People's Republic of China. Indeed, it is extremely important to convey in specific detail the objections the United States has regarding PRC behavior with regard to human rights, proliferation, and questionable trade practices.

However, when this body raises concerns, it must be careful to speak with a high degree of accuracy. While the distinguished gentleman from California [Mr. COX] did yeoman's work in compiling a list of concerns on extremely short notice, there unfortunately are a number of inaccuracies in the legislation. For example, on the whereas clauses related to commercial trade, the United States did not conclude, as alleged in House Resolution 461, a formal agreement with the People's Republic of China on intellectual property rights on June 17, 1996. Instead, the United States merely decided not to impose sanctions.

Also, regarding the convertability of the People's Republic of China's currency, House Resolution 461 is outdated and does not recognize recent reforms.

In addition, the legislation states that the current anticrime programs has targeted political, religious, and labor activists in addition to common criminals in Tibet, Zinjiang, and in the whole of Communist China. In information available to me indicates, Mr. Speaker, that the campaign seems to have targeted only ordinary criminals.

The resolution also states that actions by the People's Liberation Army in the South China Sea have threatened the United States Navy's right of free passage in those waters. But the right of free passage of the U.S. Navy has never been challenged by anyone, either the PLA or the forces of other nations vying for control of the disputed islands and atolls.

To the extent that this body is not wholly and completely factual in its representation of events, our message is undermined. It is quite possible that the People's Republic of China will react to House Resolution 461 simply by pointing to the inaccuracies. If that happens, they will be able to subvert the important message that their overall international and domestic behavior must improve.

Mr. Speaker, this body should be very cautious in considering legislation critical of any nation; we must be as accurate as possible. That is the reason that under normal legislative practice this body moves legislation through committees with specific expertise. When this body uses the existing committee structure as designed, it is far less likely that inaccuracies will find their way into legislation. Mr. Speaker, while this Member will vote for House Resolution 461, it is essential that this body can return to the practice of permitting the committees and subcommittees of jurisdiction to exercise their rightful role in the legislative process. By passing the authorizing committees, even to provide a last minute tandem resolution to assure the defeat the Rohrabacher resolution to deny normal tariff status to the People's Republic of China is not a good practice.

Mr. COYNE. Mr. Speaker, I oppose renewing most-favored-nation status [MFN] for China at this time.

I have supported MFN for China in the past. My support has been predicated upon the assumption that there would be certain improvements in China's conduct as a member of the international community.

The County Reports on Human Rights Practices for 1995 published by the U.S. Department of State states that "During the year the Government continued to commit widespread and well documented human rights abuses, in violation of internationally accepted norms, stemming both from the authorities intolerance of dissent and the inadequacy of legal safeguards for basic freedom". This statement comes 7 years after the 1989 crackdown in Tiananmen Square.

Further, we have a trade deficit with China of $34 billion that suggests less than an open Chinese market to United States goods. In 1986 the United States had a trade deficit of $1.7 billion with China; that deficit now stands at $33.8 billion. We hear from representatives of three important sectors of the United States economy that China's policy in the auto, aerospace sector, and steel are working against the interest of the United States.

Representatives of three unions, the International Union, UAW, the International Association of Machinists, and the United Steel Workers state that their worker realize that there is a relationship between international trade and improvement of living standards. These representatives state however, that

> . . . this will not occur while Chinese workers are prevented from exercising basic rights and the Chinese government uses discriminatory policies to keep out the world class products made by (U.S. workers).

In April 1996, the United States Trade Representative designated China as a priority foreign country for failing to implement an agreement on intellectual property rights, This problem goes back at least to August 1991, and it did not end with the recent agreement between China and the United States.

The United States has other problems with China that are enumerated in great detail in House Resolution 461 and I do not intend to enumerate them again here. However, the action called for in the resolved clause of the resolution should be implemented before we renew MFN to China, or under the present circumstances, we should extend conditional MFN to China contingent upon action by the committees of jurisdiction as called for in House Resolution 461.

Mr. WELDON of Pennsylvania. Mr. Speaker, as we move ahead into the post-cold-war world, we find ourselves increasingly challenged to better understand the People's Republic of China which remained for so long closed to us, and to foster new relationships that will enable us to ensure our economic and national security.

The United States has greatly enhanced its trade, cultural ties, and influence on this once closed society. In fact, United States trade with China has increased from $4.8 billion in 1980—when we first extended most favored nation trading status to China—to $57.3 billion in 1995. These numbers reflect growing American economic influence on China—a stabilizing factor to a nation whose government has frequently demonstrated erratic, extreme, and inexcusable behavior.

It is in our interest to build on our relationship with PRC. We want to encourage increased trade for our own economic benefit, and we want to bring the benefits of our thriving and open society to the Chinese people. While we should strive to foster stronger relations, we should never do so at the expense of our own national interests.

There is no need to provoke disputes just for the sake of flexing national muscle, but we cannot continue to ignore China's egregious violations in the area of arms control and basic human rights. If we want agreements and accepted international standards to have any teeth, we must be willing to risk dispute when our resolve is tested.

In the case of China, that has unfortunately happened on too many occasions. Perhaps the most compelling example of this is the repeated transfer of M–11 missiles and technology to Pakistan, despite China's repeated pledge to adhere to the Missile Technology Control Regime. China has also sold cruise missile technology to Iran in violation of MTCR and transferred chemical weapons production equipment there in violation of its commitments to the Chemical Weapons Convention. Then there's the transfer of ring magnets to Pakistan for the purpose of uranium enrichment, which is a violation of the Nuclear Nonproliferation Treaty.

Compounding the problems posed by these transfers, the administration refuses to sanction China for the violations. Each time China pledges not to sell missile technology, the administration claims credit for a breakthrough. Then, China again proceeds to sell the forbidden items. And the administration ignores—or when too much evidence piles up. downplays—the transfer and refuses to sanction China. And what does China learn? That arms control agreements can be violated with impunity.

Sadly, this administration's arms control policy is like a movie set facade: It looks great from afar, but once you get behind it there's nothing inside to back it up. While the bill before us today will not ensure arms control compliance and enforcement, we would be remiss if we did not note the violations and insist on accountability from China and when necessary, the administration. Fortunately, there are appropriate mechanisms outside of the MFN process that allow the administration to deal with the violations, and we must insist that they do so.

As we proceed with MFN, we must raise these concerns. House Resolution 461 recognizes the flaws in current United States-China policy and it seeks to adjust them by developing the precise legislation needed to influence China's inadequacies in trade practices, its terrible human rights record, its erratic military policy, and its proliferation of weapons of mass destruction. House Resolution 461 calls on the House Committees on Banking and Financial Services, International Relations, Ways and Means, and National Security to commence hearings and report appropriate legislation by September 30, 1996 to address these concerns.

In the past, I have consistently opposed extending MFN for China because I did not agree with Chinese policy on many different fronts. While I am still committed to changing China's ways, I believe MFN is not the best tool to influence Chinese policy. I feel that with the guidance of House Resolution 461, legislation can be tailor-made to bring about these long sought-after changes in Chinese policy.

As Chairman of the House National Security Subcommittee on Research and Development, and as cochairman of the Congressional Missile Defense Caucus, I will be diligent in formulating ways that we can make China comply with international nuclear test-ban and nonproliferation agreements. Meanwhile, we must continue to foster new economic opportunities that will give them the tools and resources that support alternative export opportunities for China. I believe that passage of MFN will do just that, and I urge others to join me in support of its passage.

Mr. OXLEY. Mr. Speaker, I rise in support of engagement with China, in support of China MFN, and against the resolution of disapproval.

As I have said on this floor on other occasions, Ohio is one of America's top exporters of manufactured goods. China is not only the world's most populous country, but also one of the world's most rapidly expanding marketplaces. In fact, Ohio Governor George Voinovich has established a permanent office in Beijing to support the State's commercial interests there.

Ohio's farmers, especially the corn and soybean farmers found in my district, are exporting to China and hope to increase their presence in this burgeoning market. Ohio employers such as Whirlpool, the Limited and Harris Corp. have contacted me in support of MFN treatment. Indeed, numerous United States companies have joint ventures in China and are using cooperative efforts to gain access to China and other Asian markets.

Mr. Speaker, MFN merely gives China the same trade status possessed by the vast majority of nations. Frankly, the phrase "most-favored" is something of a misnomer, which opponents of engagement use to distort the nature of our trading relationship with the People's Republic of China.

Ending normal trade relations with China would undermine United States economic interests in China and the rest of Asia. It would cost American jobs and sacrifice a great opportunity for American business interests.

If United States farmers and United States companies are denied the chance to do business with China, other countries—many with a weaker commitment to human rights and democracy—will gladly fill the void. A great deal will be lost, and nothing, in my view, will be gained.

The subcommittee I chair held a hearing on May 9 in which we heard testimony regarding the importance for our economy and our citizens of opening the world's markets to international telecommunications services. It is critical that we bring China into this process.

Failing to grant MFN status will send China an inconsistent signal in terms of our dedication to opening markets and breaking down tariff and nontariff barriers in international telecommunications.

China is a critical market for American telecommunications companies. There are over a billion Chinese, but relatively few have telephones. This is the world's largest potential market for telecommunications equipment, line construction and services.

The United States is a leader in telecommunications technology. We cannot afford to miss out on the hundreds of thousands of high-tech, high-pay telecommunications jobs the construction of the Chinese information infrastructure will create.

I urge all my colleagues to support American workers and U.S. interests in Asia and oppose the resolution of disapproval.

Mr. FALEOMAVAEGA. Mr. Speaker, I want to commend all of my colleagues, regardless of position, for their heartfelt commitment on the issue of most favored nation [MFN] trade status renewal for China—clearly the most pressing issue now facing relations between Washington and Beijing.

Although I have the greatest respect for those Members in Congress that sincerely believe that denial of MFN is necessary to prod China into complying with its international obligations and for progress in human and political rights, I feel that they are misguided. Thus, I reluctantly urge my colleagues to oppose adoption of House Joint Resolution 182 and to support House Resolution 461.

I have long been a supporter of maintaining broad and comprehensive ties with the Peoples' Republic of China—a policy of China engagement that has been upheld in a bipartisan fashion by five previous administrations.

It is in America's national interest to have a productive relationship with a China that is strong, stable, open and prosperous—a China that is increasingly integrated into the international community and global marketplace as a responsible and accountable partner.

Over the past two decades, we have seen tremendous strides forward in China on several fronts. Although China still has significant problems in several areas—such as human rights, nuclear and missile proliferation, and fair trade—can anybody seriously question whether today's China is fundamentally different from the Communist China that existed before President Nixon's triumphal opening.

Due to vigorous trade and the concomitant expansion of contacts with the West, China has evolved into a more open society with a government that is increasingly sensitive to international opinion. It is absolutely vital that the United States support the continued opening of China to the world via the medium of trade—not close the door.

Denial of MFN to China achieves nothing while forcing American businesses to unnecessarily pay a great sacrifice. Moreover, the inevitable trade war to erupt between China and the United States over MFN denial would also adversely impact all of the economies of the Asia-Pacific nations. Is it any wonder that Hong Kong, Taiwan, and other Asian governments have begged the United States not to deny China MFN—a unilateral economic sanction that is clearly useless without multilateral support. Mr. Speaker, we cannot isolate China by applying trade sanctions but, ironically, that action would result in the isolation of America, both economically and politically.

Mr. Speaker, I would urge our Members to support renewal of MFN trade status for China, as it is in America's national interest to maintain productive and positive relations with China—a nation that is destined to be the leader of Asia in the 21st century. United States engagement with China. Oppose adoption of House Joint Resolution 182 and support House Resolution 461.

Mr. ARCHER. Mr. Speaker, House Resolution 461, the Cox resolution concerning China, outlines a number of bilateral problems with China and expresses the sense of Congress that the committees of jurisdiction should examine these issues closely and report, if appropriate, legislation to address these matters. This nonbinding resolution will allow us to examine appropriate mechanisms, outside of the context of the annual review of the most-favored-nation relationship with China, to assure that our trade agreements are effectively implemented and new market opportunities are created for United States firms and workers.

The Committee on Ways and Means has always been willing and ready to address these difficult issues, especially improvements in economic relations and the enforcement of our bilateral agreements. The committee also intends to work closely with the administration concerning China's accession to the World Trade Organization to assure that accession takes place only upon commercially acceptable terms, when it is ready to take on the obligations of the multilateral trading system.

Mr. Speaker, I support this nonbinding resolution and urge my colleagues to express their concerns about certain unacceptable practices of the Chinese Government by voting "yes" on House Resolution 461.

Mr. POMEROY. Mr. Speaker, I rise today in opposition to House Resolution 461, a measure to revoke most-favored-nation [MFN] trade status for the People's Republic of China.

Mr. Speaker, I could not more strongly agree with the objectives of the sponsors of this resolution, but I disagree with the means they propose to achieve them. The vital United States interests at stake in our relationship with China are clear: to curb weapons proliferation, increase respect for human rights, protect our allies on Taiwan, promote fair trade practices, advance political reform, and reduce the United States trade deficit. However, revoking MFN, effectively terminating our economic relationship with China, advances none of these objectives and, in fact, seriously damages United States economic and security interests.

If the United States were to revoke MFN, the average tariff on Chinese imports would increase from 5 to 40 percent. The Chinese, of course, would respond in kind by erecting prohibitive tariffs on United States goods. The result would be not only a screeching, grinding halt to United States-China trade but also a deep freeze in Sino-American relations.

The choice facing the House today is whether to pursue United States interests in China through a policy of engagement or a policy of isolation. Our recent experience with Chinese behavior during a period of isolation from the world community should be instructive. Before the economic and diplomatic opening of the late 1970's, most of the current problems in the Sino-United States relationship were worse than they are today: the regime was more abusive of human rights, even less tolerant of dissent, more aggressive toward Taiwan and other neighbors, and more determined to oppose United States interests at every opportunity. The spotlight of international engagement has advanced, albeit haltingly, United States interests in China.

What are the consequences of revoking MFN? Without question, revoking MFN would damage the Chinese economy, but what effect would it have on our own economy? With regard to agriculture, I can tell you that this resolution of disapproval is one of the most important pieces of farm legislation that Congress will consider this year.

We must promote American agriculture through increasing world food demand and exports. China represents a perfect example of a growing market hungry for quality American food products. As the Chinese diet continues to improve they will demand high-value agricultural products like meats, fruits, and vegetables—commodities American producers are eager to export.

United States agricultural exports to China reached record levels again last year with nearly $2.6 billion in total sales. The USDA projects 1996 exports to reach $2.9 billion. Included in the 1995 export total is over $500 million in wheat, a 200-percent increase over 1994. Agriculture exports not only benefit farmers but also support the schools, hospitals, and small businesses that are the backbone of rural communities in North Dakota and across the country.

The Congressional Research Service has estimated that without MFN and the ability to export wheat to China, wheat prices will fall by 23 cents per bushel by 1998. That price drop translates into a $10,000 hit to the average North Dakota wheat farm. Once that market is lost American producers may never have the opportunity to reclaim it as other suppliers would certainly move in to fill the void. Why would we now want to shut off our farmers from the world's largest market? Disapproving MFN strikes at the heart of rural America and the American farmer.

Extending MFN to China serves the economic and security interests of the United States. I urge my colleagues to oppose the resolution of disapproval.

☐ 1730

The SPEAKER pro tempore (Mr. HOBSON). Pursuant to House Resolution 463, the previous question is ordered.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COX of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 411, nays 7, answered "present" 3, not voting 12, as follows:

[Roll No. 285]

YEAS—411

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss

Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—7

DeFazio
Johnson (CT)
McDermott
Murtha
Pickett
Stark
Velazquez

ANSWERED "PRESENT"—3

Frank (MA)
Scarborough
Slaughter

NOT VOTING—12

Brewster
Chapman
Flake
Gibbons
Graham
Hall (OH)
Lincoln
McDade
Peterson (FL)
Stockman
Torricelli
Weldon (PA)

☐ 1759

Mr. MURTHA changed his vote from "yea" to "nay."

Mr. BEREUTER and Mr. ABERCROMBIE changed their vote from "nay" to "yea."

Ms. SLAUGHTER changed her vote from "yea" to "present."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF CONCURRENT RESOLUTION PROVIDING FOR ADJOURNMENT OF HOUSE AND SENATE FOR INDEPENDENCE DAY DISTRICT WORK PERIOD

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 465 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 465

Resolved, That upon the adoption of this resolution it shall be in order, any rule of the House to the contrary notwithstanding, to consider in the House a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Florida [Mr. DIAZ-BALART] is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 465 provides for the consideration in the House of a concurrent resolution providing for the adjournment of the House and Senate for the Independence Day district work period. All points of order are waived against the resolution and its consideration.

Because of the many open rules that have been granted by this Congress' Rules Committee—60 percent have been open or modified open—which have led to many vigorous but lengthy debates and amending processes on the floor, the House has not yet been able to complete action on all of the appropriations bills and reconciliation legislation. Therefore, while adjournment resolutions are usually privileged, a rule is needed to waive the point of order that could be raised against the Fourth of July district work period resolution on the grounds that it violates sections 309 and 310(f) of the Budget Act. These sections prohibit the House of Representatives from adjourning for more than 3 days in July unless the House has completed action on all appropriations bills and any required reconciliation legislation.

In addition, it should be noted that adjournment resolutions are not debatable, and upon adoption of this rule, the House proceeds to a vote on the adjournment resolution itself without further debate.

Mr. Speaker, the House has completed as many of the appropriations bills as possible, and we are over halfway there. The House has approved the appropriations measures for military construction, foreign operations, Agriculture, Defense, Interior, and VA-HUD and tonight, we will work on the transportations bill, and the remaining appropriations and reconciliation measures are to be considered in a timely matter after next week. We have certainly made progress with the administration during this year's appropriations cycle over last year's process, and I am confident that the House will continue to make appropriate spending decisions after the Independence Day district work period.

Independence Day is a time to be back in our districts, celebrating the birth of this great Nation, and listening to what our constituents have to say about the issues that are important to them.

The Congress has very important spending decisions to make, with limited funds, and time spent in our districts listening to the priorities of our constituents will be very worthwhile. Therefore, Mr. Speaker, I feel that it is totally reasonable that the House return to our districts for the Independence Day work period, to reflect together with our constituents on the principles put forth by our Founding Fathers in 1776 that form the basis of our limited, representative Government.

I urge adoption of the resolution, and I reserve the balance of my time, Mr. Speaker.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to make something perfectly clear, we are voting on this recess rule because, once again, the Republicans have not done their job.

This rule will waive provisions of law that require the Congress to get its work done before it recesses for July 4.

So, Mr. Speaker, my Republican colleagues barely managed to fulfill their responsibility last year and it looks like they might not get it done this year either.

Congress' primary responsibility is to pass 13 appropriations bills so that the Federal Government can function.

Section 309 of the Budget Act says the House cannot leave for July 4 until all 13 appropriations bills are passed. But, since my Republican colleagues have spent their time cutting Medicare and education to pay for tax breaks for the very rich, they haven't finished all of the appropriations bills.

Mr. Speaker, after last year's budget fiasco I hoped my Republican colleagues would have learned their lesson.

After Speaker GINGRICH closed the Government not once, but twice. After Speaker GINGRICH had to pass an unprecedented 13 continuing resolutions last year in order to buy time, I had hoped my Republican colleagues would decide to join us in putting families first this year.

But it looks like we're not there yet.

Last year the Contract on America was holding things up. Now, despite the contract's fizzling out, my Republican colleagues have only finished 7 of the 13 appropriations bills they were supposed to finish.

That is not the way Congress is supposed to run, Mr. Speaker.

And that's not the way the Democrats ran things.

During the last session in which the Democrats were in charge, 12 appropriations bills had passed the House by June 29. The last bill passed the House 2 weeks later.

And, contrary to what some may assert, the inability of the Republicans to get their job done has nothing to do with open or closed rules. This year, 60 percent of the rules have been restrictive. We haven't been spending time openly discussing and amending legislation.

Instead, my Republican colleagues have made enormous cuts in education, Medicare, and environmental protection, most to pay for tax breaks for the very rich.

Mr. Speaker, that's not what the American people want. They want their needs to be given priority over the needs of the special interests, and they want Congress to stay until it gets the job done.

I urge my colleagues to join me in opposing this rule. My Republican colleagues should do the work they were sent here to do.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am reminded that in one of his essays, George Orwell wrote that "Hypocrisy is the British vice." Our distinguished friend, the gentleman from Massachusetts, seems to adamantly wish to replicate that trait in this House. I went back just three Congresses, Mr. Speaker, three Congresses, 6 years, in reviewing the record on this issue of the Fourth of July break. Not once, not once during those 6 years, not once were all 13 appropriations bills passed at the time of the July recess.

Mr. Speaker, do Members know how many times we, when we were in the minority, failed to grant the majority unanimous consent on this issue? Not once. So I maintain that George Orwell's trait, when he referred to it as a British trait is being replicated at this point at this time in this House.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentleman for yielding time to me.

Mr. Speaker, it is a shame we have to be here wasting an hour on this adjournment resolution. I have never in my 18 years here heard such crybabies. What do the very rich have to do with this adjournment thing? On that side of the aisle, they seem to think that anybody with a job is very rich. Do Members know what I think? I think many of the Members who have never run a business ought to resign and ought to go out and meet a payroll. Then I do not think we would hear this "very, very rich" business anymore.

Let me just reinforce what my colleague on the Committee on Rules has just pointed out. That is that the Democrats have no grounds for complaints about this Fourth of July, Independence-Day-adjournment resolution, given their own track record.

Let us look at the facts. Our earlier studies show that not once in the last 6 years of the Democrat-controlled Congress in this House did they meet the July recess deadline for completing action on the 13 appropriation bills; as the gentleman just said, not once. So what are they standing up here crying for, and making all these absurd statements?

Since I thought that might be unfair to the Democrats to only go back 6 years, today I had the staff go back at least 10 years. We can go back 40, if Members want to. Sure enough, in one of those years, 1988, they actually did complete House action on all 13 appropriation bills by the July recess, once, back in 1988. Did the Members remember that? I was here, I remember it. I see the gentleman's hand go up, he remembers it. In all fairness to the Democrats, they did meet the deadline under the Budget Act at one time in their last decade in control of this House. That is a fact, Mr. Speaker.

How does that compare to the Republican 104th Congress? While the average number of appropriation bills the Democrats passed by the July recess in their last 10 years was 6.2, our average, counting today's transportation appropriation bill, which will finish about midnight tonight because of the wasted time here on this foolish bill, we have completed 7 last year, 6 this year. That averages out to more than they did over all those years, gentlemen.

So notwithstanding the fact that we still are rather new at all this, we have only been at it about 18 months now, we are still doing better than those guys did all these years. Mr. Speaker, what is really disturbing is the Democrats would take the time of this House of forcing this matter into the Committee on Rules for a special rule, just so they can say they are making some kind of an issue here.

□ 1815

Our survey of the last 10 years of Democratic control shows that in each year of that decade, the Republican minority, that was us then, permitted these resolutions to come up on the floor under a unanimous-consent statement. We did not waste all of this body and paying all of this overtime to all of these people on this foolish resolution. We acted instead in the spirit of bipartisan cooperation. That is comity. Remember what it used to sound like?

We used to have some comity in this body. So it is indeed sad that the Democrats have stooped to this to make a partisan issue on this Independence Day.

I am going to tell my colleagues something. I live up in the Hudson Valley. I represent the Catskills and the Adirondack Mountains. That is where the Revolutionary War was fought, Independence Day, July 4. I want you to come up and see where General John Burgoyne surrendered to Horatio Gates. That was the turning point. That was the battle that made this the greatest, freest Nation on earth.

What are we fooling around here for? All of us pack up our bags and let us go home. Let us see what it is really like back home, and let us stop talking very, very, very much. I never heard such goings-on. I will back up with fact this study, Mr. Speaker.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, the reason I bring that up is because the Republicans said they were going to run the Committee on Rules completely different. They were going to run the

Congress completely different. And they have not. That is why 60 percent of the rules have been closed and they have not brought the appropriation bills forward. So they are not doing what they said they would do.

Mr. Speaker, I yield 9 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member on the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I would like to not talk so much about the past but about the present and the future.

The situation, as this chart shows, is that, if we take a look at what has happened to each of the 13 appropriation bills that we are supposed to be passing this fiscal year, so far 7 of them, those in red that reach this line here, 7 of them by the end of the day will have passed the House. Only one will have passed the Senate. There are three more which are moving their way through the Committee on Appropriations, and there are three which have not yet begun the move through the Committee on Appropriations. So that means that 7 out of the 13 will be passed through the House by the end of the day.

That is absolutely not the fault of the gentleman from Louisiana [Mr. LIVINGSTON] or the leadership of the Committee on Appropriations. But I do think we need to look at what the problems are so that we can try to deal with them.

The problem, the main problem is that, first of all, the budget resolution was 2 months late. Because of that, the Committee on Appropriations has been forced to do in approximately 3 weeks time what ordinarily would take about 10 weeks to accomplish. That is in my view the price that was paid for the extremism that was reflected in the general budget resolution. Even the Republican majority in the Senate could not take the extremism represented by the House-passed budget resolution, and they demanded substantial changes. It took a long time to get them. That put us behind.

Second, we also have what I would describe as the "my-way-or-no-way" mentality, which still apparently dominates the majority party caucus in this House on a number of these appropriation bills. Example: Just last night we had an effort made by the gentleman from Ohio [Mr. STOKES] to offer an amendment which would have repaired the problems on the VA-HUD bill.

The subcommittee chairman, Mr. LEWIS, graciously recognized that we had a problem and tried to deal with it, but he was overcome by the extremists in his own caucus. So they would up refusing to provide the major fix-ups that everybody knows are going to be necessary in that VA-HUD bill if the bill is ever going to become law. If those fix-ups are not made, we are simply going to have a bill that goes nowhere.

Just this morning in the Committee on Appropriations on the Treasury, Post Office bill, accommodation was reached on several items. But it has been made quite clear by the Treasury Department and by the Committee on Ways and Means, for instance, if I could add that, that the committee is insisting on extreme actions with respect to dictating how the IRS goes about modernization. They are insisting on taking actions which the Republican leadership on the Committee on Ways and Means says will lead to a loss of revenue. And if you have a loss of revenue, you are going to have an addition to the deficit. Yet when efforts were made to try to fix that problem, they were all rejected. So it is "our-way-or-no-way."

Again, it is quite clear from my conversations with Treasury that that bill will not see the light of day. It will never become law unless it is repaired so that we do not damage the ability of the IRS to collect the taxes that are due under law.

The Interior appropriation bill, because of the extreme allocation provided, has already been put on the veto list. In addition to that, the Labor HEW bill, because of the woefully inadequate allocation winds up providing $2.5 billion less for education alone than the President is requesting. That is going to mean a long stalemate unless we have a much more flexible attitude exhibited by the majority party in this House.

Mr. Speaker, I want to correct a little bit of history here. The last year that our party controlled this House, I chaired the Committee on Appropriations. We passed every single appropriation bill before the end of the fiscal year, every single one. Now, we did not do that because of any peculiar wisdom on my part. We did it because my party leadership allowed me to cross the aisle, go to the Republican leadership on the committee and work out a bipartisan allocation under the 602 budget process under which we agreed on a bipartisan basis how much money would go into each of those 13 spending bills. Because we had reached bipartisan agreement, we were able to pass all 13 of those appropriation bills on time.

The leadership of the Committee on Appropriations was never allowed to do that this year because of the extreme agenda already referred to by the gentleman from Massachusetts, which requires that we squeeze every last dollar out of education and every last dollar out of job training in order to fund tax cuts for people making $200,000 a year. That is the problem. Until that is gotten over by the majority party in this House, it is not going to be possible to pass these bills, and we risk running into the same kind of chaos that we had last year.

I would remind by colleagues that there are only 31 working days left before the end of the fiscal year. Can anybody tell me they really believe we are going to be able to finish all 13 appropriation bills, half of which are not yet through the House, only one of which is through the Senate, unless we get a far more flexible and a far more bipartisan attitude on the part of the majority than we have gotten to date?

Now, I know that the leadership of the Committee on Appropriations has tried everything possible to get their bills done on time, but they cannot be expected to perform legislatively impossible acts. When the leadership on the majority side does not understand the realities of passing appropriations legislation, then they put the leadership of the Committee on Appropriations in an impossible situation; and no matter how hard they try, they cannot deliver on an impossible set of orders.

So I would suggest, I know there is plenty of goodwill on the part of the majority on the Committee on Appropriations, and I know that people are used to being workhorses on the committee. They are used to trying to work things out in ways which make reasonable accommodations to people who happen to sometimes disagree with them. We had to do it when we were in control of the House. I would suggest that the majority party needs to understand that we had to do it when we were in the House if we wanted to get things done on time and if we wanted to get things done in a way which brings credit to this House.

So I think it is essential that we have a more reasonable attitude demonstrated by the majority leadership in this House. I think it is essential that we recognize that there are going to have to be major changes in the budget allowances provided these bills, because the President is not going to accept and the country is not going to accept short sheeting education, short sheeting job training, short sheeting other programs that are needed by middle class working people in order to provide $11 billion more than the President and the Pentagon are asking for, and in order to salt away money for tax cuts for high-income people. That just is not going to happen.

So if my colleagues want to know what is in store for us, recognize we are only halfway home in passing the bills through the House. Our principal obligation under the Constitution in this Congress is to pass our appropriation bills. I plead with my colleagues, we cannot get that done unless there is a much more flexible attitude on the part of the top party leadership in this House so that we can reach reasonable bipartisan accommodation and get the job done the way the country expects us to get the job done.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think it is important to realize the longer we take discussing this rule, the longer it will be until we can get to the seventh appropriation bill, the seventh appropriation bill, which we want to pass tonight.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Colorado [Mr. MCINNIS] of the Committee on Rules.

Mr. MCINNIS. Mr. Speaker, I thank the gentleman from Florida for allotting me the time to address some of the statements that have been made previously.

First of all, I think we should start out with the preceding speaker, who keeps using on a routine basis the word short cheating. I am not sure what short cheating is, but I can tell the previous speaker that shortchanging is exactly what he is doing to the American people by continuing to frivolously argue a procedural motion. This is a motion that, when we were in the minority for at least the 6 years that we have researched, we never had a debate like this. We did it on a unanimous resolution.

Let me give my colleagues the history of what we have here, the criticism we are receiving. Let us first of all talk about what it is we are debating. What we are debating is a very simple management procedure, and that is to put this House in adjournment so that the Members of this House can go back to their districts on July 4 and work in their districts. Very simple. Very noncontroversial. Every year except now. All of a sudden it is a golden opportunity to whine about the majority.

Well, let us look at what we did, when we were in the minority and they were in the majority on the July 4 resolution for adjournment.

In the 99th Congress, the first session, did they have a special rule for this? No. We did it on unanimous consent. Did they have their appropriation bills passed? No. The 99th, second session. Did we require a special rule? No. Did they have their number of appropriations bills passed? No. On the 100th, for the first and second session both, did we require a special rule? No. Did they have their appropriations passed? No. The same thing for the 101st. The same thing for the 102d. The same thing for the 103d.

Why are my colleagues trying to stall this? This is not a game. We need to get to work.

Last night Members on both sides of the aisle in this House worked until 2 o'clock. Tonight, especially the way it is going right now, we will probably be here until 2 o'clock again. These people need to get back to their districts. This is not a controversial issue.

What has happened is, some Members have captured this as an issue to cry about being in the minority, to stand up and whine and whine. Frankly, we are not accomplishing anything.

Let us make a couple of points of clarification. The gentleman preceding me is a very good speaker. He brought up a nice chart, it looks great. He talked about how when he was on the Committee on Appropriations, when he was chairman of the Committee on Appropriations, why they were able to pass all of these bills by the end of the fiscal year.

Well, we are not talking about the end of the fiscal year on July 4. That comes on September 30. That is still several months away. We need to compare apples to apples. When we compare apples to apples, we find that the minority cooperated, and that is a word that we ought to use around here, cooperated with the majority when we were in the minority for the July 4 adjournment so that Members could go back to their districts for the July 4 holiday, although, as all of us know, it is not really a holiday because we participate in parades and we want to work our districts, and I think we should work our districts.

□ 1830

I think it is also very important to note, and I hear it again from the preceding speaker, about on one hand the gentleman says we need to have more cooperation around here. On the other hand, taking a look at the record of the gentleman's comments, probably every fifth sentence he turns around and calls it extreme positions, the extremists over here, the short-cheating, these kind of verbal attacks. That is not going to get us anywhere. Let us cooperate. We have got a lot of work left yet to do tonight and I think we need to focus on that work. I think we would much better spend our time dealing with issues of substance instead of arguing about a simple management procedural resolution.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin [Mr. OBEY], the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I would simply note for the gentleman's attention that three Members of your own caucus have described what you did on the budget last year as being silly extremism and I agree with them.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I am stunned genuinely to hear the last speaker refer to whining, to refer to crying. I find even more stunning the comments of the distinguished chair of the Rules Committee referring to crybabies. I had thought that would be an incident that our Republican colleagues would just as soon forget, because all America knows there was only one crybaby involved in all this and that is what finally led to the Government shutdown last November.

Mr. Speaker, I think that America can look at what is happening here tonight and can say in short, "Been there, done that." We had your hurry-up-and-stop approach to government all of the last year. Where did it lead America? It led us down the road to two very costly Government shutdowns, and when all was said and done and we followed your path, the American taxpayer got a bill for $1.5 billion of wasted taxpayer money because you did not do your job and then a crybaby came along and pouted and we ended up with a Government shutdown and no budget.

The law on this is very clear. You are such revolutionaries apparently you would believe in flouting the law instead of following the law. The law does not say anything to prevent Mr. SOLOMON from going to upstate New York and talking to all the other revolutionaries that he might want to talk to. It says you can take 3 days and have your watermelon and your apple pie and make your Fourth of July speech but if you do not have your work done, come back to Washington and get it done.

The only reason that you are having to offer this resolution is you do not want to do that work. You do not want to follow the Budget Act that is written into our law. If you did that, you would not need this resolution. You profess so much concern about the budget, about getting it balanced, about protecting future generations. I share that concern.

Mr. Speaker, it is unique that the gentleman from Cleveland would ask me to yield. He is the one who raised the crybaby point last November when a crybaby did lead to the problems that we have in this country.

Mr. HOKE. Will the gentleman yield since he used my name?

Mr. DOGGETT. On your time I will yield for the full 30 minutes but on my time I want to talk about the way you are flouting the law, flouting the Congressional Budget Act. If you think that act is inappropriate, then change the law, but it is on the books.

Tonight we find that only half of the appropriations bills have been passed, and we further find that our Republican colleagues, including those who have asked me to yield, have boasted of the fact that they do not plan to complete their work, never planned to complete it, because, purely for political advantage, they have decided to wait until September, not until July as the law requires but to wait until September to even bring up the last reconciliation act, so they plan to provide us the same old kind of brinksmanship that led to the Government shutdown, that led to the crybaby incident, that produced the failure of the last Congress. I think America does not want a repeat of that kind of failure. It cost us too much before, and it resulted in a great deal of pain and anguish for millions of American citizens. I know it takes you time to get this job done, especially when you want to cut Medicare and you want to cut education and you want to put all these restrictions on enforcing our environmental laws. It takes a lot of time to figure out how to do it. But it is wrong and you ought to stay here and get your job done.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I listened with wonder to the other side, I thought it was the water for a while, but no, Mr. Speaker, it is the political calendar. And what marvelous, weird things the political calendar can do. Not once over the last 6 years did they finish their appropriations bills, and we always gave them unanimous consent. Now at least the distinguished former chairman of the Rules Committee, the distinguished ranking member said, "Well, we thought that they would be different."

The reality of the matter is we are different because we are balancing the budget. At least we expected them to be in one way similar to how we were, and, that is, in essential courtesy. But they did not grant us unanimous consent.

Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I heard with great dismay the other side of the aisle, some of the previous speakers, talk about the Republican extreme agenda. I want to talk about the Republican agenda and respond to their comments. I have heard that, I hope, for the last time. They talk about Republican proposed changes in education, in job training, environment, and welfare. I want to talk about my perspective and how I came here and what I saw and what we tried to do.

First of all, let us look at education. We did not propose any cuts over the next 7 years in education. We actually proposed an increase in expenditures of $24 billion. It is not just how much money you spend on education or any other program. We are spending more money, billions of hard earned taxpayers' dollars on education, we are spending more on programs for education. The question is how you spend the money and what results you get.

Let us look at the results. Our children have diplomas they cannot read. I have 71 percent of my students in central Florida in one community college requiring remedial education upon entry. Is that success? We are paying for metal detectors in our schools instead of teachers. We have built an administrative bureaucracy, starting in Washington, in Atlanta, in Tallahassee, where we are paying administrators and we do not have money to pay teachers. Teachers and students are our last priority. It is this bureaucracy that we have built and we are supporting that the American people do not want.

Job training. Here is an article from several weeks ago in my local paper. This is a State of Florida report. State and Federal governments spend about $1 billion a year on vocational job programs in my State. Less than 20 percent of those who enter the job training program ever complete it. Of that, 19 percent get a job.

This is what the argument is about here. This is what it is about. We are spending incredible amounts of money, our people are out busting their buns sending taxpayer dollars here, and the job training programs in my State, one State, $1 billion, a total failure.

This is what the argument is about. This is what the shutdown was about, because for 40 years they did it their way, and this is the result. I have students that cannot read. You try to employ someone and get them with basic skills and you cannot do it.

The environment. We had a debate here yesterday about the environment. Superfund, supposed to clean up hazardous waste sites. What has it done? The money has gone for attorneys and studies. In Florida, we have one hazardous waste site that has had six project managers. One of the project managers came back and is now a consultant.

I sat on the committee that oversees the EPA, and you will find that the people that work now as consultants are former EPA employees, about 80 to 90 percent of them. An incestuous relationship.

A GAO study last year said that the sites that they picked to clean up, the few that they clean up, are not the sites that pose the most risk to our children's health and our public safety.

Is what we are doing with your dollars, your taxpayer dollars in the environment, what we have done, what we have set up, is it effective? The answer is no. You are paying more and getting less. Forty years of tax-and-spend. They tried taxing you even more here.

I submit the reason the American people feel like they have less is because they have less, because they have taxed you more in the past 3 years. You have less, you have less opportunity, and you have less left over in your paycheck, whether you are a senior citizen and they taxed your Social Security, whether they gave more money to those who wash up on our shores illegally than they gave in benefits to our veterans.

That is what this is about. It took shutting government down. And then the President tried to embarrass us. He was as guilty as anyone in the process. He did not want to work together. He wanted to make political advantage of it. This is what it is about.

Then Medicare. They destroyed Medicare. They are watching it die on the vine and they do not care about it. I have family members who are senior citizens that depend on Medicare. We want to save Medicare. We want to protect Medicare. They want to destroy it.

Mr. MOAKLEY. Mr. Speaker, would the Chair tell me how much time the gentleman from Florida [Mr. DIAZ-BALART] and I have remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Massachusetts [Mr. MOAKLEY] has 12½ minutes remaining, and gentleman from Florida [Mr. DIAZ-BALART] has 11½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I am delighted to hear the gentleman who just spoke talk about how it took shutting the Government down. It was their deliberate action to shut the Government down twice, and to provide the American people with the pain that they felt in the United States Government being shut down. By their own admission, they deliberately shut the Government down.

As for withering on the vine, we know whose quote that is. The Speaker of the House has talked about Medicare withering on the vine, that "We cannot go after it in this round, but we go after it next year, so in fact it will wither on the vine," destroying Medicare for the people today and tomorrow who depend on the Medicare system.

Also the gentleman from Florida spoke of Republicans balancing the budget. Well, my friends, on the contrary, the exact opposite is true. Republicans passed the budget in this House 2 weeks ago that in fact increased the deficit for each of the next 2 years by $40 billion.

By their own admission, the Republican freshmen revolted. They said they did not come here to increase the deficit, that in fact they came here to balance the budget, and they revolted. However, some of them had their arms twisted so that in fact the Republican majority could pass a budget that increases the deficit over the next 2 years. Let us get the facts straight.

Mr. Speaker, the adjournment resolution has been made necessary by the majority's failure to make the progress required under the Budget Act. This resolution is the perfect commentary for a Congress whose legacy is a failure to live up to its fiduciary responsibility to tend to the public interest. Half of the annual appropriations bills have not been passed by this Chamber.

□ 1845

The Speaker and the Republican majority, they want to go home for a Fourth of July vacation. They shut the Government down again by their own admission today, and they had to do it.

Mr. Speaker, last year Speaker GINGRICH shut down the Government, went home for Christmas vacation, and now the Republican majority wants us to pass this resolution. It is a little bit like getting a note from home, letting them off the hook because they have not done their homework.

This is the Republican revolution, and when will these revolutionaries grow up and take their responsibilities to the American people seriously? Commerce, State, Energy and Water, Treasury, Postal, Labor, Health and Human Services, and Education, the list of unfinished business goes on and on and on for the last 20 months. They have not fooled the American public where they have said that what they truly want to do is to cut Medicare, Medicaid, education and the environment to pay for tax breaks for the wealthy. That is what the last 19 months has been about, and in the last month, they capped it off with passing a budget that increases the deficit.

Mr. Speaker, I call on my colleagues, vote against this resolution. Let us stay on the job until the people's business is done in the people's House.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we want to get back to work. We never, when we were in the minority, took up an hour on this procedural motion. Obviously, they have the procedural right to do this if they so wish, and they are doing it. It is a shame because we want to get to work on the seven appropriations bill which we have to ready for consideration in the House, the transportation appropriations bill.

But not all Members on the other side of the aisle want to refuse to go to work. As a matter of fact, I would like to recognize for a couple of minutes at this point the distinguished gentleman from the other side of the aisle but who wants to go to work, the gentleman from Ohio [Mr. TRAFICANT], for 2 minutes.

Mr. TRAFICANT. Mr. Speaker, I do not want to get in the middle of a balanced budget debate. Quite frankly, I do not think either party is going to balance the budget. I think people are going to be looking for jobs in Mexico the way things are going around here.

I have been here a number of years, and I think there was only 1 year under Jim Wright where we had all of these appropriation bills done by July 4th. The American taxpayers and workers have to work till July 3 to pay for Federal taxes, State taxes, local taxes, and for the regulatory burden they have; July 3.

We have staff around here that is burned out. Democrats very rarely finish their programs by the Fourth of July. I dearly love the ranking chairman, the former chairman of the Committee on Rules. This is no slight to the chairman. I am going to vote for the rule. I am going to vote for the resolution. I am going to vote to adjourn. The Republican Party is at least working on these particular issues. I think we have gone an hour on this. Quite frankly, I have never seen this happen before. Now, my last recollection was 1998, Jim Wright, we had all these appropriation bills done on time. We have set no record ourself. I am going to vote for the rule, and I am going to vote for the resolution.

I think as a body we should consider the staff that works here. Sometimes they go till 3 in the morning, get back at 7, and I think we should be a little more considerate.

Mr. MOAKLEY. Mr. Speaker, I yield 6 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, there are times when we are in our office working away and we hear one of the speeches on the floor coming over that C-SPAN channel and we are compelled to set the record straight. It is indeed this feeling of being compelled to set the record straight that brings me forward to address the rule before us.

While my preceding speaker, my colleagues and friend, the gentleman from Ohio [Mr. TRAFICANT], acknowledged that it may be unusual to have all the appropriations bills done by this point in time, I would make the point that we have never, ever seen such a debacle with the handling of appropriations bills that we saw in the first year of this 104th Congress.

This House of Representatives has never, ever shut the Federal Government of this country down because it could not, would not get work done. That is the sorry legacy of the 104th Congress, and I do not think it is too much to expect that they would therefore try to get it done by the time the law says it has to be done, not have to come to the floor, ever chomping at the bit to climb on some airplane and fly home and waive the law, waive the completion requirement for getting the appropriations business done.

In light of the record of this Congress, we have got to wonder, I think the American taxpayers have to wonder, just what is coming, what can they expect. Another shutdown when at the end of the fiscal year the work has yet to be completed?

There are some fact issues that have been egregiously misrepresented. Those include funding for education and training. In fact, I heard a preceding speaker allege that any suggestions that reductions in education funding simply are false statements. Well, let me tell my colleagues, those statements are the false statements. In fact, overall education and training budget authority is $60 billion below the President's plan for 1996 through 2002. The Republican funding cut for fiscal year 1996 through 2002 is $58 billion in real terms, or 19 percent below the 1995 enacted level. Nineteen percent below the 1995 enacted level. Nineteen percent below the 1995 enacted level, and we have a suggestion that there has been no reduction in education funding. Hogwash. There is a record here, and a record some of our colleagues might want to deny, but the fact of the matter is a record very firmly established, and the record is there have been cuts to education.

Medicare, oh, we are going to hear a lot in the next few months about people's concern about Medicare, but the fact of the matter is there was a resolution that passed this Congress that cut Medicare $270 billion. Our colleagues say it had to do with fixing the trust fund. Well, we know what it had to do with. It had to do with funding a $245 billion tax cut, disproportionately benefiting the wealthiest people in this country. It is a record, a record of the 104th Congress and, if I was in the majority, not a record to be very proud of.

There are a number of other examples. The reduction in earned income tax credit, the proposed $17 billion tax increase to working families. All of these have constituted the record of this Congress.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, all of this, with all of those failures, all those attempts to wreck education, to wreck Medicare, what they call reconciliation, which was the right name for that bill that they did that it, all of that and then they have come, have they not, this year and they are actually increasing the budget deficit with the bills that they have proposed and not passed, they are going to increase the budget deficit this year after we had it on the path the last 4 years coming down every single year under Democratic leadership.

This year they have passed a bill to increase the deficit this year, then to do it again next year. Maybe that is why they want to go home: they are not too proud of the increases that they proposed this year and next year.

Mr. POMEROY. Reclaiming my time, I think the gentleman's point is well taken.

As we know, they barely passed that budget resolution, and now we read in the Washington Post today the Speaker has convened a team of Pentagon officers on loan to do an after-action review, military jargon for "how come it was such a close call?" I could tell the Speaker if he would just call me. It was a close call because it did not drop the deficit toward a balanced budget, it raised the deficit. The Speaker is going to send home Members of his own caucus; the only record they will have in advancing toward a balanced budget is the deficit going up on their watch. That is why the Speaker barely passed his budget.

Mr. DOGGETT. If the gentleman will continue to yield, I believe that the more the American people find out about these failures of this Congress that some of these folks are going to have an opportunity to go home for a lot longer than 3 days.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for his question.

Mr. DIAZ-BALART. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Appropriations Committee.

Mr. LIVINGSTON. Mr. Speaker, being one of those Members who just happened to walk in, having been one of those Members who happened to be back in his office watching C-SPAN and being compelled to come to the floor to respond to the last speaker and his comments, I have to say that I am compelled to set the record straight.

We have just completed six bills in the appropriations cycle. We are going to complete the seventh tonight, the seventh, I remind the Members, before the July 4 recess.

And how interesting it is I have in my hand a record of the last five Congresses. I have to say the gentleman who preceded me might have been right; in the 103d Congress, both sessions, they did exceed the number of bills that we have had, but in the 102d, second session, the Democrats only passed six bills out of the House before the July 4 recess. In the 101st Congress, they missed in both sessions. In the second session, it was only three. In the first session it was only one.

Now, they did it all right in the 100th Congress, in the second session. But in the first session, they only passed six. And my goodness, in the 99th Congress, if I do recall correctly, the Democrats controlled not only the 99th but the 98th and the 97th all the way back for 40 years, and they had had a lot of practice. They had had a lot of practice, but they only passed one single appropriation bill in the second session and guess how many in the first session. I am shocked: zero. Zero appropriation bills before the Fourth of July.

Let us hear about this appalling record. In not only the 103d, the 102d, the 101st, all the way back, do my colleagues know that since World War II, they only balanced the budget about three times, three single years? And all those other years they spent more than they received, sometimes as much as $100 billion a year, sometimes as much as $200 billion a year, sometimes as much as 300 or more billion dollars a year. And they aggregated about $5 trillion worth of debt.

Now, did they do anything about it? Did they sit in their office and feel compelled by their viewing of C-SPAN to come to the floor and condemn a record that accumulated $5 trillion worth of debt? Did they feel compelled to scream out about the $20,000 debt imposed upon every man, woman, and child in America? No, of course not. They would pass another program. They would establish another agency. They would create another department. They would go home for the Fourth of July and say, "Look what I have done for you with your money. We are going to borrow more money." That is what they accomplished. They accomplished a record of profligate spending unparalleled by any nation in the world. What they have accomplished is giving our children a legacy that they will not be able to repay.

Now, this July 4, we can go home because of the record of the 104th Congress and we can say we passed a series of rescission bills in the spring of 1995 that cut $20 billion from what was appropriated by the previous Democrat Congress. In the fall, yes, the process took a long time, and I am sorry that it made all of us work so hard, and I am sorry that the President vetoed three bills, and I am sorry that the Democrats filibustered the biggest bill, the Labor-Health bill in the Senate. But the 1996 process saved the American people another $23 billion. We are midway through the 1997 process, and I hope we are going to save another $15 to $20 billion.

So below what was appropriated by the Democrats in the last Congress in which they had control, we have saved the American taxpayer some $60 billion. If you look at the budget projected by the President, had he had that spendthrift Congress, we have saved about $80 billion. That is a record.

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That is a record on which we can be very, very proud for the Fourth of July.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process.

I would like to point out that 60 percent of the legislation this session has been considered under a restrictive process.

Mr. Speaker, I include the following extraneous material for the RECORD:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
PROCEDURE IN THE 104TH CONGRESS 2D SESSION				
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.
H.R. 3662	Interior Appropriations FY 1997	H. Res. 455	Open	N/A.
H.R. 3666	VA/HUD Appropriations	H. Res. 456	Open	N/A.
H.R. 3675	Transportation Appropriations FY 1997	H. Res. 460	Open	N/A.
H.J. Res. 182/H.Res 461	Disapproving MFN Status for the Peoples Republic of China	H. Res. 463	Closed	N/A.
H. Res. 465	Making in order a Concurrent Resolution Providing for the Adjournment of the House over the 4th of July district work period.	H. Res 465	Closed	N/A

*Contract Bills, 67% restrictive; 33% open. All legislation 1st Session, 53% restrictive; 47% open. *** All legislation 2d Session, 60% restrictive; 40% open. All legislation 104th Congress, 56% restrictive; 44% open. ***** NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. PQ Indicates that previous question was ordered on the resolution. Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. OBEY], the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, let me simply say that in the wake of the last speech, I was not aware that we were supposed to be cheerleaders at what sounds like a high school football game.

Keep going. It is in character.

Mr. Speaker, I hope this does not come out of my time, but I hope you would educate Members of the House that they have an obligation to not speak unless they are in the well or at the microphone.

Mr. Speaker, this is a serious problem, and we ought to discuss it in a rational way. Members may not like what I said when I spoke earlier, but I think if they review the text of what I said, that I was exceedingly fair to the leadership of the Committee on Appropriations on that side of the aisle.

I tried to analyze what the problems were as they existed now. I am not really interested in debating what happened yesterday. I do not think the America public is very much interested in that. But I will simply take 1 minute to note that in spite of everything said by the gentleman from Louisiana, in 19 of the past 20 years, that terrible Democratic controlled Congress appropriated less dollars than we were asked to appropriate by Presidents of either party; we spent some $20 billion less than the Presidents asked us to; we never had a deficit larger than $74 billion until the Reagan budget passed in 1981, then it exploded to over $300 billion.

If it were not for the additional debt above that level, which was accumulated in the 1980's with the passage of the Reagan budgets, our budgets would be balanced today and everyone knows that if they have studied the situation.

The issue is not yesterday, it is what are we going to do about today. Of course, this is going to have to be waived. I understand that. But the fact is that we face the prospect of having at least four major appropriations bills vetoed unless we have a different mindset coming from that side of the aisle.

If the Republicans want to see these appropriations bills passed, they must reach bipartisan accommodation with people who do not share every opinion that they think is inviolate. They have to recognize that in a democracy it is essential to make concessions, at least over small things, in order to get people with differing views together.

We are supposed to find common ground. We are not supposed to do what they did last night, when, after their own committee leadership tried to put together a bipartisan compromise, they walked away from it. Now, I do not know what the reasons were, but when the gentleman from Ohio [Mr. STOKES] and the gentleman from California [Mr. LEWIS] worked yesterday trying to reach a bipartisan accommodation, the hard-heads in their caucus said, "No, they did not want it".

That is the kind of conduct the country has come to expect from the Republicans, but it is not the kind of conduct we can afford if these appropriation bills are going to pass, if they are going to be signed, and if we are going to wind up not having a repeat of the disgraceful performance of last year when the Government was shut down twice.

So I would simply urge Members to quit shouting like they were attending a high school cheerleading session, grow up, recognize their responsibility, try to work in a bipartisan way and get those bills passed; and to the gentleman from Arizona—every time somebody says something you don't like, you open your mouth and you start shouting from your seat. . . .

PARLIAMENTARY INQUIRY

Mr. HAYWORTH. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will state it.

Mr. HAYWORTH. Mr. Speaker, is it within this Member's domain to ask those words to be taken down? It is a personal attack and grossly unfair, and I would ask that those words be taken down in this House.

The SPEAKER pro tempore. Does the gentleman from Arizona demand that the words be taken down?

Mr. HAYWORTH. Mr. Speaker, with all due respect to the sanctity of this House, I demand those words be taken down.

The SPEAKER pro tempore. The Clerk will report the words.

☐ 1915

PARLIAMENTARY INQUIRY

Mr. GEJDENSON. Mr. Speaker, I have parliamentary inquiry.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will state it.

Mr. GEJDENSON. Mr. Speaker, I guess my question goes to the matter of what are the House precedents as far as a Member who is speaking and when there are Members in the Chamber who are acting disrespectful towards that Member? What is the proper procedure for a Member to take?

The SPEAKER pro tempore. The Chair will ask the gentleman to suspend until a ruling is made on the words taken down. Then the Chair will address the gentleman's question.

For what purpose does the gentleman from Wisconsin [Mr. OBEY] rise?

Mr. OBEY. Mr. Speaker, with the understanding that the Chair will admonish Members not to interrupt Members who are speaking, I ask unanimous consent to withdraw the last sentence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. DELAY. Mr. Speaker, reserving the right to object, I hope I do not have to object. I hope that this interlude has calmed down some of the heat that has been on the floor, and I remind Members that if we can get through this, maybe we can finish our business tonight. I rise under my reservation to find out if the gentleman intends to apologize to the gentleman from Arizona?

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, as I said, I would, as I have informed the Speaker, I would be very happy to apologize to the gentleman for calling him impolite, if the gentleman would have apologized to me for interrupting me while I was speaking. He declined to do that.

Mr. DELAY. Mr. Speaker, I object.

The SPEAKER pro tempore. The Clerk will report the words objected to.

The Clerk read as follows:

> And to the gentleman from Arizona, every time somebody says something you don't like, you open your mouth and you start shouting from your seat. You are one of the most impolite Members I have ever seen in my service in this House.

The SPEAKER pro tempore. In the opinion of the Chair, the last sentence of the gentleman from Wisconsin constitutes a personality in violation of clause 1 of rule XIV.

Without objection, the last sentence uttered will be stricken from the RECORD. There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman from Wisconsin may proceed in order.

Mr. DELAY. Reserving the right to object, Mr. Speaker, I ask once again of the gentleman that in order to bring comity to this floor, and this is a very serious matter and we all understand how serious this matter is, normally under the precedents of the House, if a gentleman's words have been found to be out of order, of the regular order of this House and the Chair has ruled that the gentleman's words were out of order, under comity of the House the gentleman should apologize.

☐ 1930

Under my reservation, Mr. Speaker, I would be glad to yield to the gentleman from Wisconsin for that apology.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, as I said, I would be very happy to apologize to the gentleman from Arizona [Mr. HAYWORTH] for calling him impolite if he would apologize for being impolite to me.

Mr. DELAY. Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. LAHOOD). Objection is heard.

PARLIAMENTARY INQUIRIES

Mr. VOLKMER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Missouri will state his parliamentary inquiry.

Mr. VOLKMER. Mr. Speaker, what are the actions that a Member who has the floor and is speaking on the floor, and other Members speak up to interrupt him repeatedly, and the Chair takes no action against those Members speaking; what actions can the Member who has the floor then take under the ruling? Absolutely none; I will answer the question under the ruling; so, therefore, we can do the same thing.

The SPEAKER pro tempore. If a point of order is made, the Chair would rule on it, and the Chair did rule on it, and the Chair has tried to maintain decorum and comity throughout for those Members who were in the Chamber.

During the debate of this resolution comity has been maintained.

The Chair recognizes the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Speaker, I have a parliamentary inquiry.

The gentleman will state his parliamentary inquiry.

Mr. GEJDENSON. Mr. Speaker, I would like to commend the Speaker pro tempore (Mr. LAHOOD) because I think the gentleman did make a noble effort throughout, and the many times that he has held the Chair he has made a noble effort in trying to maintain comity on the floor.

But there is a serious question at hand here, and my question is this: that if a Member is speaking on the floor, and another Member is acting in a way that is disruptive——

The SPEAKER pro tempore. The gentleman from Connecticut is making a statement.

Mr. GEJDENSON. The parliamentary inquiry is: What actions can the House take against an individual, what are the parliamentary avenues available to a speaker when an individual, either verbally or through motions, is disrupting his time in speaking on the floor; because, Mr. Speaker, where we find ourselves is in the situation that when an individual tries to take his time on the floor there is often conversation. But this went beyond conversation, and I just need to know for future parliamentary situations what avenues an individual ought to take if a Member is sitting in the first row trying to, by motions or statements, disrupt the speaker.

The SPEAKER pro tempore. The Chair will take the initiative to maintain order in the Chamber when Members are speaking.

Mr. GEJDENSON. So, it is my conclusion then that the proper course would be to stop speaking; that would not shorten one's time; and then ask the Chair to establish order?

The SPEAKER pro tempore. The Chair would enlist the assistance of all Members in maintaining the spirit of mutual courtesy and comity that properly dignifies the proceedings of the House. Members who are under recognition should not be disrupted by other Members.

Mr. ROBERTS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Kansas will state his parliamentary inquiry.

Mr. ROBERTS. Mr. Speaker, in this case would it not be appropriate for the Chair to rule to invoke paragraph 365, or in similar instances of Jefferson's Manual, in which it is stated:

> Nevertheless if a Member finds that it is not the inclination of the House to hear him and that by conversation or any other noise they endeavor to drown his voice, it is his most prudent way to submit to the pleasure of the House and sit down, for it scarcely ever happens that they are guilty of this piece of ill manners without sufficient reason or inattention to a Member who says anything worth their hearing.

Would that not apply in this particular instance?

The SPEAKER pro tempore. The Chair will not rule on that.

(By unanimous consent, Mr. HYDE was allowed to speak out of order.)

APOLOGIES SUGGESTED

Mr. HYDE. Mr. Speaker, I was seated with the gentleman from Arizona [Mr. HAYWORTH] when this incident occurred, and there was provocation. A high-spirited gentleman from Arizona gets caught up in the heat of the moment, and believe me there was heat. On the other hand, the gentleman from Wisconsin [Mr. OBEY] is essential if we are going to do the transportation bill this evening. He is the ranking member on the Committee on Appropriations. Both are reluctant to apologize to each other. I would.

Please. I would suggest that both gentlemen, both gentlemen, express regret that this incident happened, and then we can get on with the business of the evening.

(By unanimous consent, Mr. HAYWORTH was allowed to speak out of order.)

CALLING FOR APOLOGY AND RESUMPTION OF THE BUSINESS OF THE HOUSE

Mr. HAYWORTH. Mr. Speaker, because I have the utmost respect for my colleague from Illinois [Mr. HYDE], although I might have a slightly different interpretation of the events as he portrayed them in front of this body, and because I realize that there is a schedule to be kept and that Members have many obligations, and taking into account the sensitivities of some other Members, I would be happy to say now that I am certainly prepared to move ahead this evening, and to those who misinterpret my actions as somehow being disrespectful, when, in fact, of course, we have the utmost of respect for differences of opinion. and differences in styles of speaking, and different personalities, and different points of view in this Chamber, I would say that I regret the interpretation of the incident.

I still lament the words of my colleague from Wisconsin [Mr. OBEY]. I would hope he would apologize for those words and that we can move along to complete the people's business in this House, for the people's business should supersede any personalities, personal ambitions, or personal affronts.

(By unanimous consent, Mr. OBEY was allowed to speak out of order.)

APOLOGIES

Mr. OBEY. Mr. Speaker, let me say that, like the gentleman from Arizona [Mr. HAYWORTH], I regret the incident that just occurred, and I will take the gentleman's comments as an apology.

I would likewise extend an apology to the gentleman for the comments which he found troublesome.

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. OBEY] be allowed to proceed in regular order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The Chair would advise Members that the gentleman from Florida [Mr. DIAZ-BALART] has 3 minutes remaining on the debate on the rule, and the gentleman from Florida is recognized.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have before us House Resolution 465. We next week will be able to reflect together with our constituents on how to move forward in the perfection, the implementation of the principles put forth by our Founding Fathers over 200 years ago that form the basis of our limited representative government, and we are ready this evening to get to work on another appropriations bill.

Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 248, nays 166, not voting 19, as follows:

[Roll No. 286]

YEAS—248

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Ehlers
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox

Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)

Molinari
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—166

Abercrombie
Andrews
Baldacci
Barcia
Becerra
Bentsen
Bishop

Blumenauer
Bonior
Borski
Browder
Brown (CA)
Brown (FL)
Brown (OH)

Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn

Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gonzalez
Green (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson

Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Nadler
Neal
Oberstar
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)

Pelosi
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—19

Ackerman
Brewster
Davis
Ehrlich
Flake
Gibbons
Greenwood

Hall (OH)
Jacobs
Lincoln
McDade
Oxley
Peterson (FL)
Smith (TX)

Stockman
Torricelli
Towns
Weldon (PA)
Whitfield

☐ 1959

Mr. GUTIERREZ changed his vote from "nay" to "yea."

So the resolution was agreed to.

A motion to reconsider is laid upon the table.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM THURSDAY, JUNE 27, 1996, OR FRIDAY, JUNE 28, 1996, TO MONDAY, JULY 8, 1996, AND ADJOURNMENT OR RECESS OF THE SENATE FROM THURSDAY, JUNE 27, 1996, FRIDAY JUNE 28, 1996, SATURDAY, JUNE 29, 1996, OR SUNDAY, JUNE 30, 1996, TO MONDAY, JULY 8, 1996

Mr. DIAZ-BALART. Pursuant to House Resolution 465, I send to the desk a concurrent resolution (H. Con. Res. 192) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 192

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative days of Thursday, June 27, 1996, or Friday, June 28, 1996, pursuant to a motion made by the Majority Leader or his designee, it stand adjourned until noon on Monday, July 8, 1996, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, June 27, 1996, Friday, June 28, 1996, Saturday, June 29, 1996, or Sunday, June 30, 1996, pursuant to a motion made by the Majority Leader or his designee in accordance with this resolution, it stand recessed or adjourned until noon on Monday, July 8, 1996, or until such time of that day as may be specified by the Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—INSTRUCTING COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO IMMEDIATELY TRANSMIT REMAINING CHARGES AGAINST SPEAKER GINGRICH TO OUTSIDE COUNSEL

Mr. JOHNSTON of Florida. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 468) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 468

Whereas the Constitution of the United States places upon the House of Representatives the responsibility to regulate the conduct of its own Members;

Whereas the House has delegated that responsibility, in part, to the Committee on Standards of Official Conduct, which is charged with investigating alleged violations of any law, rule, regulation or other standard of conduct by a Member of the House;

Whereas the Committee on Standards of Official Conduct has failed to discharge that duty with regard to serious allegations of wrongdoing by the Speaker of the House;

Whereas, although an outside counsel has been appointed to investigate the Speaker, the Committee has failed to allow that outside counsel to investigate serious charges concerning the Speaker's political action committee, GOPAC, and its relationship to several tax-exempt organizations;

Whereas a formal complaint concerning these charges has been languishing before the Committee for more than six months;

Whereas new evidence of violations of federal tax law—in addition to the information contained in the formal complaint—has also been recently reported by investigative journalists around the country;

Whereas the failure to take action on these matters has raised serious questions about the impartiality of the Committee on Standards of Official Conduct: Therefore, be it

Resolved, That the Committee on Standards of Official Conduct is hereby instructed to immediately transmit the remaining charges against Speaker Gingrich to the outside counsel for his investigation and recommendations.

The SPEAKER pro tempore. The resolution constitutes a question of the privileges of the House.

PRIVILEGED MOTION OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore. The Clerk will report the privileged motion.

The Clerk read as follows:

Mr. ARMEY moves to lay the resolution on the table.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion to table offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JOHNSTON of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 170, answered "present" 9, not voting 25, as follows:

[Roll No. 287]

AYES—229

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—170

Abercrombie
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Chapman
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gonzalez
Gordon
Green (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thurman
Torres
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn

ANSWERED "PRESENT"—9

Cardin
Gephardt
Goss
Hobson
Johnson (CT)
McDermott
Pelosi
Sawyer
Wilson

NOT VOTING—25

Ackerman
Brewster
Bryant (TX)
Clay
Ehrlich
Flake
Gibbons
Gutierrez
Hall (OH)
Jacobs
LaFalce
Lincoln
McDade
Oxley
Peterson (FL)
Portman
Smith (TX)
Stockman
Taylor (NC)
Thornton
Torricelli
Towns
Velazquez
Weldon (PA)
Yates

□ 2022

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Speaker, because of an unforeseen conflict, I was not in attendance for one recorded vote, rollcall vote No. 287.

Had I been in attendance, I would have voted "yea" on rollcall vote No. 287.

QUESTION OF PERSONAL PRIVILEGE

Mr. DORNAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER pro tempore (Mr. LaHood). The gentleman has called the Chair's attention to the press account he claims gives rise to the question of personal privilege.

The gentleman from California [Mr. Dornan] is recognized for 1 hour.

Mr. DORNAN. Mr. Speaker, I will be showing no charts or pictures of the principal focus of my discussion tonight, because of a discussion I have had with staff and leadership and references to a prior battle over photographs that we were funding by a young Catholic man named Robert Mapplethorpe who had died of AIDS and we were using tax dollars to defend some of the cruder photographs of this very, very gifted photographer. But we were told that it would hurt the decorum of the House to show what taxpayers are being asked to pay for. I accept that. But I have them here to remind American citizens watching on C–SPAN, Mr. Speaker, that there is a level of hypocrisy in this country and a moral decline that we may be the last Chamber in the world to have a decorum while all else melts around us.

The man, and my friend Newt Gingrich knows this, who I would have supported for minority whip back in 1989, and if he had won, he would be the Speaker today, and the gentleman from Georgia, [Mr. Gingrich] knows this, is the man I most respect in this House, Henry Hyde of Illinois.

Henry just gave me some brotherly advice, that, Mr. Hyde, I would dearly love to take. He said, "My friend, Bob, I love you like a brother. Go in the well and say that one of our own colleagues called you a hater, a bigot and a liar. Simply say, I am not a hater, I am not a bigot and I am not a liar, and I forgive anybody who used those words against me, and take a walk." He says, "You will be a hero. Everybody likes to be a hero."

So I showed him my remarks, I mentioned Moses, I mentioned that in God we trust, I mentioned Abraham, I mentioned a few lines from the end of Cecil B. DeMille's classic 10 Commandments "and they did give themselves up to vile affections," and I showed him what I had slaved over. I told him I begin it with the words that my school teachers told me years ago:

"If you want to have everything going for you, just say, Come, Holy Spirit."

I showed Henry a letter. I said, "How about if I open with this letter and then take your advice?"

"That's good, do that."

Well, I will open up with the letter, and, so help me God, Mr. Hyde, I will then make up my mind.

Here is a letter from this month, June 7, about a speech I made on AIDS on D-day, the night before. It was about my 200th speech. The gentleman from Wisconsin [Mr. Gunderson] has made about seven, eight speeches in 16 years. I am about to break 200 tonight, I think, warning about the spread of the world's greatest health problem, at least in this country, particularly because it involves young men in the prime of their lives.

This is from a young man dying of AIDS. His name is John R. Gail, Jr. He is from Centerville, OH. It says:

> Mr. Dornan, I caught your speech on AIDS yesterday over C–SPAN. I must commend you. I am a 29-year-old hemophiliac who was infected with HIV in 1983. Last September I was diagnosed with my first opportunistic infection cryptosporidia, an intestinal virus which causes severe stomach cramping, chronic diarrhea, and the wasting syndrome.
>
> I have already lost nearly 40 pounds and I am on long-term disability from work. Obviously this infection, after 13 years of being asymptomatic, has made me another AIDS statistic.
>
> Mr. Dornan, above being a hemophiliac or having AIDS, I am a Christian. And I must tell you, it is refreshing to hear the truth being told about homosexuality and the homosexual agenda, as you did last night. Not many representatives would stand up and say the things you did yesterday, which I applaud.
>
> I am not a bitter person and have forgiven the man who infected me. I can forgive a homosexual, but not their sin. It was a homosexual's perverse actions, polluting the blood supply, which will, without God's intervention, bring about my untimely death.
>
> I am asking you, Congressman, to inquire about the status of the Richard Ray Relief Fund which could compensate the hemophiliac HIV-positive community for the wrongdoings of the pharmaceutical companies, the Red Cross, the CDC, the FDA and the National Hemophilia Foundation. The fraud and negligence perpetrated by these organizations was, and I am sure you are well aware, documented by the IOM in July of 1995. The bill has over 230 cosponsors, I think it is up to 240 now, but it seems to be stalled by the hand of a Republican. Please help us move H.R. 1023. I hope you are on it.
>
> I have been on it for months.
>
> I appreciate your attention to this great matter of importance to me and thousands of innocent hemophiliacs infected with the HIV virus. God bless you. John R. Gail, Jr.

□ 2030

Now, look, a lot of you folks tease me about my memory. I hate war, but I am fascinated by people that will put their lives on the line and die for our freedom of speech. I know that being a combat-trained fighter pilot, never tested in combat, that I have an extra, extra respect and affection for those like Duke and Sam, Pete Peterson, who were called upon, just by the year of their birth, to put their lives and their freedom for 6 and 7 years, in two of those cases, on the line for my freedom of speech.

Because of my affection for the military and the fact that my father won three Purple Hearts, they were called wound chevrons then in World War I, two for poison gas, I have memorized some statistics, and it has absolutely torn me up over AIDS. Listen to my words, please. If somebody is watching on TV, Mr. Speaker, I hope they take this down.

World War II, biggest killing in all of history; 292,131 combat killed-in-action deaths. Two hundred ninety-two thousand, one hundred thirty-one. AIDS, as of the 30th of this month, 360,000 dead and counting, including 4,000 children.

How about our war between the States, the Civil War? Combat deaths, not the 30,000 or more that died of pneumonia, Andersonville prison camp. Civil War combat deaths, 215,000 is the round figure, but to be precise, 214,938. AIDS, 360,000 dead and counting, 4,000 children; 4 million children worldwide in just 3 years.

How about all the other seven wars put together? Revolutionary War, War of 1812 with Mexico, with Spain, skipping over the Civil War, my dad's war, Vietnam that still torments us, and Korea, how about that total of all the other seven wars? It's 146,346; 143,346. AIDS, 360,000 and counting.

My motives are pure. I want to stop this death toll. In those 200 speeches, maybe I was not caring or Christian enough to tell you that we have got to work on this and get more money for care, of course. In Africa and Asia, millions of people are going to die alone, nobody holding their hand, no rabbi, minister or priest at their side, no loving parents ashamed of not embracing them instantly when they were first infected.

How many of you knew honestly till this moment, till I tell you now that by the turn of the century, and what a ghastly way to go into the third millennia, 60 million people will be infected, 12 million with AIDS, and millions dead including those 4 million children I mentioned.

Mr. HYDE, I have got to go on, HENRY. I dedicate this speech to John Gail.

Mr. Speaker, I rise to claim my privilege under House rule 9 to address the House and reply to some, it says scurrilous but I will soften it, pretty tough attacks on my honor. We just spent 40 minutes tonight talking about the word "impolite," my friend David, my friend J.D. back and fourth. Forty minutes on "impolite." "Impolite" is not up there with hater, bigot and prejudiced person, smear artist. No, no, this is different.

Mr. GUNDERSON's attacks on me from this very lectern May 14 have worked their way throughout the national media. He compounded his insults by telling a stringer for the Washington Post, according to her puff piece printed on June 2, that I am "full of prejudice and hatred." That is so far over the line, Mr. Speaker, it would necessitate usually a 40-cannon broadside. I will try to be a little more gentle than that.

It is worth noting that in 16 years of service together, Mr. GUNDERSON and I have never exchanged a cross word off this floor. We have never been impolite, discourteous, or uncivil toward each other, not once. Mr. GUNDERSON will confirm this, just ask him. In fact, ask anyone around here, and if they are honest, these are the adjectives of my staff and my wife and kids. Ask anyone. If they are honest, they will tell you I am one of the most cheerful, optimistic, enthusiastic, upbeat, irrepressible, good natured, and affable Members with whom they serve, discounting this area right here. And loyal.

Yes, for certain I am passionate at times and, yes, unrelenting in my deep concern about the deterioration of our culture, and that concern is sometimes dismissed in a negative way by a few adversaries and quite often in the liberal press. They sometimes have a problem with objective truth and motivations about a lot of us around here.

As I pointed out occasionally to supportive friends who have asked me about the passion, I have told them it is only unusual, even in this historic Chamber that has weathered a civil war and civil rights battles, only unusual here, because today so many Members of Congress, like so many American citizens, lack passion about anything, in spite of that violent world out there.

The Khobar housing area comes to mind. And because there are so many here, while aspiring to be nobles, I know we have all seen "Brave Heart," while aspiring to be nobles have no heart, let alone a brave one, and turn a deaf ear to William Butler Yates' warning that everywhere the ceremony of innocence is being drowned. First, a tiny prolog.

The trigger for Mr. GUNDERSON's point of privilege against me was a "Dear Colleague" letter. I did not want to discuss this stuff on the floor. I did not want to read the Moreno report on the floor. I circulated a factual report on a so-called homosexual circuit party of more than 2,000 bumping and grinding partiers misusing the largest Federal auditorium in our capital.

On Thomas Jefferson's birthday, April 13, to celebrate licentious and lewd behavior at a mockingly called event, Cherry Jubilee. The ads would show you it has nothing to do with our blossoms, cherry blossoms.

Mr. Speaker, after a fair evaluation of all the facts, I can unequivocally state, I have been down to the Mellon twice, the auditorium, that the report issued by journalist Mark Moreno, who was not alone, had another journalist with him, that it was true and accurate. Let me repeat that, contrary to Mr. GUNDERSON's second-hand defense of the 9 hours which he said he did not attend at the majestic Andrew W. Mellon Auditorium, the eyewitness, multicorroborated by even some homosexual journalists in the Washington Times the day after Mr. GUNDERSON's point of personal privilege. They were waiting with their evidence for somebody to trigger it. They thought I would do it with a special order. Mr. GUNDERSON did it.

So Mr. Speaker, I now step out into the minefields of political correctness, evil minefields, I believe, alone, but I hope and pray alone not for long. Come, Holy Spirit.

On May 2 last month, here in our awe-inspiring Rotunda, which is our secular cathedral nave, this 104th Congress, at a very, very moving ceremony, awarded our congressional gold medal to the Reverend Billy Graham and his wonderful, devoted wife of 53 years, Ruth. During that inspiring ceremony, while thanking us and addressing Vice President AL GORE and his beautiful wife Tipper and all of our leadership, Mr. GINGRICH, Bob Dole, our former Senate leader, and his wife Elizabeth, and Messrs. ARMEY, GEPHARDT, DELAY, BONIOR briefly, Senators LOTT, DASCHLE, all the Senate leaders and dozens of Members of both Houses. I see some of the faces here that were there.

Reverend Billy Graham stated with great emotion, great emotion, "We are a Nation on the brink of self-destruction." He was not talking about most-favored-nation status for China. He was not talking about another B-2 bomber, and he was not talking about a 4.3-cent gasoline tax. He was not even really talking about the budget deficit, the debt, which is immoral to do this to our children yet unborn. We know what he was talking about, partly the subject matter that brought me to the floor tonight, I repeat, Dr. Graham, "America is a Nation on the brink of self-destruction."

A national poll last month stated that 76 percent of our fellow Americans believe that our country is in spiritual and moral decline. This Member agrees; I am one of the 76 percent. I love my country. Who here does not? Who here could not? And I am sick at heart at its lack of direction in moral matters, in State and civic affairs involving character. No references tonight to any other parts of this town.

I beg my colleagues to read carefully this cover article in the June 17 edition of the Weekly Standard. It is titled, "Pedophilia Chic: The Norming of Foul Perversion, Child Molestation." It seems that no longer is there any conduct considered a flat-out evil. In our Hollywood-type popular culture, there are hardly any taboos that remain. The words "objective disorder" fall on deaf ears at the networks and at the New York Times.

It was just 12 days after Reverend Graham's warning that Mr. GUNDERSON rose on the House floor. In a "Dear Colleague" and at this lectern, he repeatedly called me a liar, of course using other words, impugned my character with the direct use of words like "smear," "lies," "biased conduct" and "an international effort to personally destroy."

Here is one quote: "The gentleman from California has no right to misrepresent the facts in this, his latest attempt to smear the homosexual community."

Of course he used the adjective "gay" as a noun, in place of the perfectly neutral nonpropaganda noun "homosexual." Seven times he said "misrepresent the facts". Mr. GUNDERSON's words or variations thereof were in the Washington Times, the Post, Congress Daily, Associated Press; moved to slander from sea to shining sea. In my home county, a young reporter embellished on the slander and put words in his mouth. Said he called my effort a character assassination. Then the reporter went on repeat the obnoxious charge that I was out to "smear the homosexual community".

Mr. Speaker, I think it is kind of lowlife, this tact. I know Mr. GUNDERSON was prodded to do it. He said in his opening that he was going to let sleeping dogs lie, or words to that effect, and I think I am entitled, the "impolite" cost us 40 minutes tonight, then I think I am entitled to make my case for my motivation.

So let the facts speak for themselves. He says that I and others unfairly used stereotypes when analyzing conduct. Well, just what would be considered typical versus stereotypical conduct? Being fired from a Federal job for a tryst with a secretary. Excuse me, with the chief of staff. How about a 1991 public report of drink-throwing at an inside-the-Beltway bar that was about to be closed and was closed for pornographic pictures on its wall? How about another more recent drink-throwing rerun at a sodom and masochism bar December 16, last December, 6 months ago. Again, the altercation created sleazy newspaper stories involving a Congressman. Is that considered classy conduct? Does it diminish the integrity of our House as a whole? You bet it does. What would happen to an officer of the military involved in similar squabbles? Is this stereotypical behavior or just typical?

Mr. Speaker, no one believes that any Member of Congress is risking his or her life by serving in this Senate or House. Out in the field, yes, sir. Leo Ryan comes to mind, Larry McDonnell. No, we do risk our lives. I flew on the aircraft that killed Ron Brown and 34 other people, with SONNY CALLAHAN and two or three Members I see here tonight, four flights less than a month before that killing took place, that terrible accident. But there are people who serve under us that we make adhere to a tougher standard that do risk their lives. A slim majority of Members of Congress, eight people, swing four either way, sent thousands of troopers of our 1st Armored Division by Clinton into harm's way in Bosnia. And yet Congress is going to ignore this cherry romp of hedonism right down here on Constitution Avenue?

□ 2045

Our toleration of low standards here in Congress over the years that I have observed is at the core of my challenge today, Mr. Speaker. Our Federal buildings, and I have been told today they are going to do it again next April for the third time, our Federal buildings must never, never be used to facilitate, if not glorify, immorality.

We in Congress are culpable for any immorality taking place on public citizen-owned property in Washington. And if we fail as custodians of these beautiful citizen-owned buildings, you bet, culpable. And what dangerous policy are we following if we dismiss the consequences of glorifying homosexuality right here in our Capitol?

My colleagues need only reflect on the lives of those Members of Congress, past and present, who found or still find alluring, if not addictive, this lifestyle. I say this with no joy. Three of our Members have died from AIDS, another barely escaped expulsion.

I will leave the rest for the written record because it involved a child, a 16-year-old teenage page, in Spain. I never heard of a page going on a domestic CODEL. How do you get to go on an overseas congressional delegation and lose your innocence? Another Member was dishonored with a very severe House reprimand; involved a pimp/prostitute. A lot of pity from people from a West Point sense of honor. Leave the rest for the record.

Then we saw two other Members have their careers ended by election defeats after they were discovered trolling for teenagers at so-called hot action bars. One of them, a friend of mine, was the father of three teenagers. The other, first Republican in 100 years in his seat, looked like a brother of mine, redhead, busted by our Capitol Hill police in one of the men's rooms in the Longworth Building. Sad. At a porno theater, where people were diving out of windows, some died, and eventually died himself of AIDS.

Now, there is another word, Mr. Speaker, that I learned in preparing for tonight. It is a Greek word. Ephebephilia. E-p-h-e-b-e-p-h-i-l-i-a. It means someone who targets 18- and 19-years-olds. I guess in some of our Appalachian Mountain States, where the age of consent is 15 or 16, you target that narrow band, kind of the way Hugh Hefner does with heterosexual baby faced young girls for his centerfolds who look younger than their 18 that they have to be legally. He has been caught twice using a minor.

Now ephebephilia, like pedophilia, is a mortal sin of seduction, a transgression in Greece against 18 and 19-years-olds. Why do you not study the decay of classical Greek culture, my colleagues? Whether it is ephebephilia or pedophilia, in God's eyes it is all the same.

There are a lot of Members who stay in privacy. I respect that. It is just when they are using it to advance an agenda, trying to have it all ways, kind of like truth in advertising that I got upset once on this floor. I am going to leave the rest for the record.

I have a Member on our side, could be a chairman of a major House committee next year. Given today's tragic loss, one of my best friends in the cloakroom, who, by the way, told me to do this. Bill Emerson told me to do this. I swear to God he told me to do this. This list does not include Members who keep privacy. Credit to their good judgment. One of our Members claims they are all Republicans. Quite a bloodhound, I guess. Tends to occasionally to take away their privacy; uses the word "out." And I hope he never does it. I thought there was one code that was unbroken in the homosexual community, and that is everybody gets to make their own call in privacy.

My colleagues, homosexuality is not this adjective "gay." At least in this Chamber, where people's careers have brought them to this pinnacle, it has been very sad, not happy. I would like to know how I, a God fearing American, a very lucky husband of 41 years, a father of 5 stalwart God loving children, adults all, a grandfather of 10, No. 11 in the hanger, and a very hard working double House chairman, who is trying his very best to slow the AIDS toll, how could I possibly smear activists, as Mr. GUNDERSON accused me, given what they have done, and many continue to do, to themselves?

In that June 12 Post Magazine story, "Mr. GUNDERSON asserts DORNAN is full of prejudice and hatred." That one quote alone, as the parliamentarians told me, entitled me to an hour. And in the same breath he used "Is Dornan dangerous? Sure, because he can use passion to intimidate and to roll over those who are unwilling or unable to stand up to him."

That is pathetic. I know this is going to sound patronizing, but I mean it from the bottom of my heart. I pray for STEVE GUNDERSON and all others who like my colleague live on the edge. But I must fight back here tonight. I must fight back. These charges have their intent to destroy not my reputation only, but it brands my work in Congress as driven by the twin evils of hatred and bigotry.

It is not going to work. It is not in my nature to allow something like that to go unanswered. I went through jet pilot training to serve in peacetime, ready to defend our freedom of speech. I went through that pilot training when Mr. GUNDERSON was 2 years old. I marched with Dr. Martin Luther King when Mr. GUNDERSON was 12. The next year, in 1964, I had FBI people tell me the Ku Klux Klan has a contract out on this Republican's head in a beautiful state because I was putting my life on the line against bigotry, registering to vote African-Americans.

Mr. Speaker, in the 1880's, when immoral dueling was commonplace, this would not have happened. Never would I have had my honor assaulted this way. I will leave out the line.

Mr. Speaker, the impact of casual sex propaganda and mainstreaming and, in some cases, romanticizing of AIDS is having a deadly effect upon our young, and lately upon our very young. I will tell you some quotes from Dr. Fauci up at NIH later, and that is why I circulated the facts about that circuit party.

It is also my intent to reassert the truth of what happened at that dance, and we are not talking ballroom dancing here, Mr. Speaker. So that no one will be misled, Mr. GUNDERSON, in his assault, associates me with two honorable journalists, one of them a courageous African-American writer, the other an excellent investigative reporter. And he attacks both of them as motivated by hate and prejudice, the journalism of hate, bigotry and prejudice.

In his attack he invited the two writers to come and visit the victims of the AIDS disease. I checked with the other two; we have all done that. And he said we should learn that these are not some faceless pretty corpses but rather sons, brothers, uncles, lovers and friends, and, in increasing numbers, also mothers, sisters, and daughters. Strangely, he left out dads and aunts, and in the case of two of our Congress who are dead from AIDS, their prior important roles as husbands and fathers.

It should comfort the gentleman from Wisconsin to know, if his real goal is the truth, that this Congressman has forgotten more about the worldwide medical impact of AIDS than the Member from Wisconsin has ever known. And I might add, as some of my colleagues claim, that I forget little, if anything.

According to that June 2 article, Mr. GUNDERSON said he has had four of his closest friends waste away and die from AIDS and another is HIV positive. What a gut-ripping, heartbreaking experience. But maybe he has kept these tragedies within his circle. I do not recall him publicly warning anybody, young or adult, not from this lectern, that the wages of promiscuity, for heterosexuals, too, is now death.

Does he defend the Magic Johnson rationale: I am simply an innocent victim and we are all in this together; it is really an innocent disease? Or, rather, champion what I think is the more honorable approach of heavyweight prize fighter Tommy Morrison, who stated through tears, it is my fault, my conduct, my immoral behavior. If I can save one young person from doing what I did and save them from becoming infected with this killing disease, then my suffering will not have been in vain. No coming back to the boxing ring for one short season. As that big beautiful smile, and the most incomparable smile I have ever seen in my life on Magic Johnson gave us for a while on the basketball court.

And where was Mr. GUNDERSON or any other Member in 1986, when I pleased with my colleagues, mostly on my side, come to Paris with me to visit the Louis Pasteur Clinic to investigate this explosion of this pandemic. Where were they when I went to Geneva later that year, with my wife Sally, to learn all we could about this health nightmare by getting extensive briefings at the World Health Organization? How about visits to the Centers for Disease Control? I never saw anybody sign in down there except NEWT GINGRICH. It is in his district, or was. How many times has any Member, to gain AIDS knowledge, visited the National Institutes of Health, just a short 15, 20 minute drive from Capitol Hill up to Bethesda? Well, I have made all these informative trips several times over the last decade.

And what did Mr. GUNDERSON do with his unjustified, now illegal, Jim Wright-initiated 2 years of congressional pay raise 1989 and 1990? Well, my 2 years of those raises went to AIDS hospices.

Mr. Speaker, I do not know what my colleague does in his free time to educate himself about the worldwide aspects of this, but I have been carefully tracking this nightmare for 13 years. Just last month I visited the Armed Forces Medical Intelligence Center at Fort Detrick where I received a startling and tragic update about the exponential spread of AIDS worldwide.

In just 3½ years from now, I told you this, 60 million will be infected, 12 million full-blown AIDS. Sadly, most of them with little or not health care. And dead? Nobody really can track the dead worldwide. No one knows for certain how many millions by 2000 in the year of our Lord will be gone.

I also learned the following stunning, shocking medical fact. The military forces of Zimbabwe were 75 percent infected. Not 7.5, not 17. Three out of every four of that officer corps, their sergeants and their kids are infected with AIDS. You know what this did? Because of this, their forces are rejected permanently by the U.N. for any future peacekeeping assignments. And at least six more nations are going to be stigmatized any day now on a no-go list with unacceptable for peacekeeping duty.

Zimbabwe peacekeepers brought the specter of AIDS infection and death to Somalia. How sad. Death in the name of peace. Make love, not war. That means more pressure on our American infection-free forces to travel worldwide on peacekeeping missions? Is that not obvious, Mr. Speaker? It is a powerful reason to keep our own military mercifully 100 percent HIV-AIDS infection free.

A 100 percent non-AIDS infected military is my proper goal as the chairman of Military Personnel. And I take a lot of, to quote a four-star, bovine scatology from the homosexual lobby for my perfectly logical and fair legislation and a lot of that scatology from the other body.

Where was Mr. GUNDERSON or any other Member of the 99th Congress back in 1985 when I gave the first of almost 200 of my floor speeches warning about how our blood supply was contaminated and was beginning to spread the epidemic that year at a ferocious rate? Who came to this floor anywhere and discussed unsanitary promiscuous behavior or debated using infected needles and the cross contaminating of both cohorts? Where have the homosexual activists been over the last 15 years?

Well, there are now thousands of homosexuals who are working tirelessly and heroically to comfort and, yes, love the ill with a pure philos love, a Christian love, a Judeo-Christian love, and God bless them. But other than telling us we are all culpable, these are the leaders, and all at risk, for some it has been just business as usual. Trying to get money out of us, which we give most generously, and I have been there 100 percent, and they still push, some of them, public relations mumbo-jumbo instead of tried-and-true solid public health policy.

Mr. Speaker, anybody can tell my colleague from Wisconsin that I have spoken with more young men before they died of AIDS than most that serve here. When a person grows up and has lifelong roots in Manhattan, New York, and Beverly Hills, CA, as I did and as I do, you will see in 10 years more tragedy involving drug abuse and fast track heterosexual casual sex than you will see in the wholesome dairylands of Wisconsin in 100 years, at least until these not so gay 90s'.

In fact, Mr. Speaker, it is interesting to know over the last 10 years, Mr. GUNDERSON has spoken on this floor about AIDS about eight times. Unbelievable for a self-proclaimed person who is involved. If you do not count a one-sentence in passing mention of AIDS in 1989. Then, amazing as this seems, his very first speech, and a short one at that, was his annoying, at least to me, Christian second-to-none speech, and that was only 2 years ago.

□ 2100

I, on the other hand, addressed this Chamber on the subject of AIDS, I repeat, about 200 times. That is Mr. GUNDERSON's rate times 24. This speech tonight alone contains more references to AIDS both in quantity and quality than Mr. GUNDERSON's eight short speeches over 16 years all run together.

I repeat, in 1985, I offered a successful and nearly unanimous amendment in this House, 11 years ago, to close those disease-infested, unsafe-sex-with-multiple-strangers bathhouses, the aforementioned anvils from hell that broke and slowly killed so many midnight cowboys in New York City and San Francisco.

Frankly, given the contrast and the attention we both have given to this tragic retrovirus nightmare, the widely used homosexual protest bumper sticker "silence equals death" has a special resonance, don't you think. I have never been silent because I truly believe in tough love. Meaningful compassion demands positive action.

When Mr. GUNDERSON attacks my belief system on what constitutes serious sin and what constitutes the corruption of youngsters through bad example, he also attacks my religion. The Catholic Church and Pope John Paul II are unrelentingly slandered by the top and the middle management of the homosexual food chain, to see the disgusting, apocryphal scene in Berlin with stark naked people throwing blood red paint on the holy father's vehicle. Main driving force is this issue to that atrocity. However, thanks to God's unrelenting love, and I have seen this when death is near, it is back to the arms of holy mother church, Dominus vobiscum.

What does Mr. GUNDERSON really know about my love for the dying or my empathy for human suffering or my work with the families of our missing in action in Vietnam and now Korea where he left hundreds behind under a Republican hero, a five-star general, President Eisenhower? What does he know about my empathy for human suffering? Jesus died for sinners, actually for each individual sinner.

I am a sinner. Most of us around here commit at least little, small sins on a pretty regular basis, do we not. Every one of us, every day with every suffering person can and should say, there but for the grace of God go I. My motives are based on compassion and on love for my fellow man and a pure desire to defend innocent youth and children.

I resent anybody out there hiding behind the facade of caring, thinking about other things. Does every Member truly grasp the enormity of the suffering that was involved with those 360,000 Americans slowly wasting away, and counting. I can't absorb the enormity of that level of suffering. Who but a handful among us in Congress, I repeat, even knew that 60 million are going to be infected at the turn of the century. What a way to enter that millennium, I repeat. And the calamity is behavior-driven, conduct-driven in the main. No ifs, ands or buts about that harsh argument.

Notwithstanding the pandemic nature of this worldwide plague, the truth is, and honest reporters have known this for years, AIDS simply is not, not everyone's disease. Is it a plague? Of course it is. Is it an epidemic, an international pandemic? Beyond question, but it simply is not everybody's disease.

Read the May 1 story which will be in my full remarks in the Wall Street Journal. Almost everybody in this room has a better chance of being hit by their own personal lightning bolt, a direct message from God to come home as fast as you can, a lightning bolt, before they have a chance of becoming HIV positive.

Let us apply some logic. Two thoughtful leaders from AIDS Project LA in my office last night told me that if AIDS is everybody's disease, then it is nobody's disease. They just do not want it to be called totally, to use their words, a gay disease. They say it is not everybody's disease. Is AIDS your disease, Mr. Speaker? I did not mean to single you out. No. Is it my disease? No.

How about all of the floor staff and clerks around us? Of course, probably not. How about the entire membership of Congress, all 435 of us? Okay, here is where we pick up a few at risk. I was told a long time ago that there were some HIV positives between the House and the Senate; the person is long gone who told me that. He said that only about 50 Members had even been tested.

So if we include all of our staffers, about 30,000, we would probably pick up a handful who are infected. That is also because government, like Hollywood, like Broadway, like big cities, it attracts a disproportionate number of homosexuals who want to work here for their country beyond the 1 or 2 percent estimates nationwide.

I am sure you get my point, Mr. Speaker. But if you say that this group or that group is a high risk, you have just stigmatized a small percentage of our population as high risk for venereal disease. The only fatal sexually transmitted disease in the United States is AIDS. So by accepting logical truth, you can be called a bigot, a hater, or prejudiced.

Those are the vile words hurled at me, at an African-American columnist, at a hard-working reporter, and my good friends at the Family Research Council and at you who instinctively believed Mark Morrano's report about illegal conduct at the Mellon auditorium.

By the way, would it not be equally scandalous to rent out this architectural showpiece, the Mellon auditorium, for a Hustler, Penthouse, or Playboy, no-holds-barred celebration of free love with centerfold models, as the bartenders were on April 13, in neon day-glo underwear. That is all they had on, with or without the drug use, with or without the half-naked gyrating, with or without the crude name like Screw Alley for the beautiful arched carriage entrance on the east side of the courtyard, without anything like that, we are going to give that place to Hustler or to Guccioni's Penthouse? I don't think so, the kids would say.

Now, if I can have an animus towards the promotion of fornication and adultery that is promoted in Hustler, why can I not have an animus toward glorifying homosexuality, particularly circuit parties. I refer you to the U.S. Supreme Court decision, I have my eye on the clock, Romer versus Evans, May 20, just last month, most timely and very instructive. Pro-family folks, especially you in Colorado who crafted that, do not be discouraged by what I am about to say. But sadly, Colorado's amendment 2 was imprecisely written and its exact wording is what allowed six justices to choose process over substance with that majority decision.

Let me explain at this key point, Mr. Speaker, what I am about to say, brightly illuminated by this Supreme Court decision, will lend itself to a resolution of the question before us today. That is, Mr. GUNDERSON questioning my motives, my character. For the purposes of law, you could debate this for days. There is no such thing as homosexual orientation in law. It does not exist. In law, homosexuality is no more nor less than a sex act. Loving friends living together for years can be bonded by philos love with never even a thought of eros love. So under the law, you cannot be H-O-M-O without the S-E-X-U-A-L, any more than under law you can be hetero without the sexual.

This is a crucial distinction in the law. Why? Because laws and public policies are based on human actions, not the penumbra of orientation, inclinations, tendencies or temptations never acted upon.

President Jimmy Carter comes to mind. That is what you get for giving an interview like Bill Buckley to Playboy. What goes on in the thought processes of the human brain, that is not law. Law involves conduct, behavior and, yes, sometimes, rarely, speech, such as treason, libel or yelling fire and in a crowded enclosure.

There are no laws against what a man or woman thinks not will there ever be in a truly free country. In the eyes of the law, thoughts do not rape or molest. Desires do not sexually exploit another person or spread disease. Only human actions can do those things. All of the consequences pertaining to the behavior of male homosexuality center on sex acts. In James Carvillean-speak, it is the conduct, stupid.

Unfortunately, Colorado's amendment 2 carried the term orientation. It allowed Justice Kennedy and five others to perpetuate the myth of some kind of innate homosexual personhood. I do not have to tell you, Mr. Speaker, how ridiculously inane that notion is.

Imagine, if you will, some of these beautiful babies, occasionally held in their parents arms or in our cloakroom of late, imagine those babies. Can anyone really make a scientific case that somehow those parents are holding budding little bisexuals, cross-dressers or pedophiles just waiting for puberty to reveal their true orientation?

Such arguments are made regularly, usually by homosexual priests or homosexual scientists or homosexual doctors and are rarely, if ever, exposed as mostly psychobabble and pseudoscience, certainly not by my friends at Newsweek, Time or the other liberal weeklies, including in the law concepts of orientation and class of persons like amendment 2, it spawned the death of that amendment.

But the argument with which I took the greatest exception in the flawed Kennedy-written majority decision and the focus that is most relevant to this question of privilege here tonight, Mr. Speaker, is Kennedy's use of the words animus and animosity to describe the motivation of the framers of amendment 2, 53 percent of Colorado's voters who voted for the amendment, and the beliefs of the polling of the overwhelming majority of Americans.

Animus, this is the same charge that Mr. GUNDERSON has leveled at me, using rougher language. In that long reviewing June 2 Post magazine puff piece, to be specific again, he said that my effort in exposing the truth about this weekend was just my latest attempt to smear the homosexual community. That I am motivated by hatred, a much nastier word for animus, not by a sincere desire to protect Government property from scandal or abuse and, of course, not by sincere conviction that all Members of Congress should prevent our Congress from giving bad example to the youth of our Nation by sending them the destructive message that promiscuous sex, hetero, homosexual, bi-, tri- or commune sex is normal and healthy and regularly allowed to showcase itself in our taxpayer-owned buildings.

I repeat, we have learned the hard way that the wages of that sinful message is death, 360,000 and counting.

So Mr. GUNDERSON tells this Chamber and, through C–SPAN, the Nation that I am out to smear.

I read to you, Mr. Speaker, what Justice Scalia said in his dissenting opinion about this animus. Scalia writes in his opinion that Coloradans are entitled to be hostile toward homosexual conduct and that the court's portrayal of Coloradans as a society fallen victim to pointless, hate-filled gay bashing is so false as to be comical. Comical, he writes.

Mr. Speaker, Justice Scalia thought his opinion to be so important he took the time to read it in its totality aloud to the Supreme Court, and it was much longer than the majority decision. Please reflect on Justice Scalia's words, Mr. Speaker. He is saying that you and I and all Coloradans are entitled, he even italicized that word in his opinion, entitled to be hostile toward conduct, not hostile toward any person but hostile toward the conduct.

Only craven, cowardly bullies hurt or bash individuals, and they should be severely punished with the full force of the law. A law-abiding citizen does not even physically abuse a guilty drunk driver at an accident scene involving the death or injury of a child, and that is a pretty tough provocation. He makes a citizen's arrest and grits his teeth and cries and waits for the police.

So let me state for the RECORD again, Mr. Speaker, before a million or so people at this time of night watching, and I am not referring to any individual in particular. It is the conduct, stupid, or it is the conduct, sweetheart.

Mr. GUNDERSON knows in his heart of hearts, I hope, that, if he were being physically assaulted out there on the street, BOB DORNAN would be one of the very first, if not the first, to defend and protect him even at the risk of my life, even limping all the way. And if you doubt that, just ask Congressman CUNNINGHAM, Congressman MORAN and about a half dozen of our Capitol Hill Police Officers.

I, like most Americans, I am sorry, I do have an animus toward homosexual conduct and at that ostentatious, in-your-face conduct that was exhibited at the Cherry Jubilee group grope.

In his floor statement, the gentleman from Wisconsin attempts to portray the homosexual conduct at that stately building as, quote, a gift of love, not a weekend of illegal activity. Even the remotest touch of common sense is going to tell any American, Mr. Speaker, that the 8,160 foot square foot Mellon auditorium, this beautiful hall is only 7,600, Senate Chamber 4,300, 8,160. When filled with 2000-plus writhing, bumping and grinding dancers, hundreds of them half naked, that is anything but a gift of love.

I would like to show you that nonoffensive picture in color there, blowup of one of the slides, unless of course you define lust as love, which is kind of similar to a Member of Congress using love as an excuse to responding to an ad in a homosexual newspaper which was signed off by "hot bottom."

□ 2115

That is not love, that is lust.

Just why would I have animus and not a homosexual jamboree? Fair question, easy answer.

The gentleman from, Mr. GUNDERSON, claimed the Cherry Hop raised about $50,000. Forty-five; I have just talked to the Whitman-Walker Clinic. Again he claimed, or he said that, and think about this, Mr. Speaker, $45,000. If just one person after a night of, quote, copping feels; that is the description by an anonymous homosexual columnist reporting on the hop for the homosexual metro weekly paper quoted in the Times after Mr. GUNDERSON's remarks, after a night of copping feels on the dance floor, if just one human being after furtively sharing a little cocaine, and it is all in the report, with an all too friendly drug tripper in a latrine stall, if only one person after that gala back in a motel or a hotel shared the virus that keeps on giving, the fatal AIDS virus, then that mere $45,000 raised is but a drop in the bucket. It is not even half a year.

For one person who does not even have AIDS yet, if they are in one of our hopeful Government programs, they would not even cover the fraction of the cost that one single AIDS patient would require through his medical decline and death.

I hope you get that because the head of the Whitman-Walker Clinic, Jim Graham, in a very pleasant conversation tonight, did not get it. He said it is not where you get, it is if you got it. You come together in a Federal building and one person gets it, there goes all the money from the whole event, and Mr. GUNDERSON said they spent $14,000 on the lights alone, just on the lighting. You should have seen the place that night. All those six massive door columns lighted with the lights of the rainbow.

Now, God demands compassion and prayers for the infected patient and for the dying. Jesus commands it. What you do for these the least among you, do for me. Every AIDS victim lying in a bed is Jesus Christ. Every little finger you lift to help them, you are helping Jesus. It is right there. Of course we have to have love and compassion, but focused animosity is logical when it is directed at the behavior of arrogant risk takers. Jim Graham agreed with me on this. Those hell-bent for leather put lust before long life, folks, and therefore they overload, if not bankrupt, their whole systems.

Dr. Tony Fauci told me just a few weeks ago up at NIH—I met some of the lucky patients up there, they called themselves lucky; I had to wince at that one—he told me that there are now many young homosexuals becoming HIV-positive because of mere frustration, mere annoyance, at having to avoid AIDS with less risky sex. So mentally exhausted with safer sodomy, they succumb to high-risk lust for this inevitable fate.

Mr. GUNDERSON says we must not lecture one another if there is to remain any element of mutual respect, unquote. Well, if lecturing is out, fine. Then I simply plead with young Americans at risk stop hurting one another, stop killing one another, stop the promiscuity. This goes for young heterosexuals: Stop the dangerous and the unhealthy conduct. Stop holding up homosexual conduct or heterosexual sleeping around before the youth of our country as wholesome and normal and healthy.

Yes, there should not be hostile Roscoe—I am sorry, using the first name on military bases—thank you for that amendment. I think it is going to survive.

Let me turn around another Gunderson insult. He accused me of trying to personally destroy those with whom I might disagree. Well, those of us who truly believe that we are our brother's keepers, and I thought that is why we all ran for election here, to help our brothers and sisters. I am not trying to destroy your risk-takers; trying to save your immortal souls and your mortal lives in the measure.

Mr. Speaker, the gentleman from Wisconsin, [Mr. GUNDERSON], said I had a large hand in intentionally misrepresenting facts and falsifying information. He repeated that 6 times. For the record, these salacious advertisements—I was going to show them—at my side are exactly what I am talking about when I criticize the melee at the Mellon. Cherry Jubilee consisted of three inclusive events.

Mr. Speaker, I will put in the RECORD the 3 phases of this weekend. I will call to people's mind the Tailhook incident; as ugly as that was, the outrageous double standard that we tolerate, given the code of honor that we Americans demand from our military, how pathetically low our standard of ethics is here and in the Senate. Even Packwood avoided being expelled for over a year. Then he quit, among tearful goodbyes:

Goodbye, Mr. Abortion, good bye, Mr. Womanizer, good riddance.

I talk about the second event, the main event, talk about my going down there, talking to this wonderful lady who has had the main stewardship under the GSA, not, as Mr. GUNDERSON said, Commerce, the GSA how they balked at her asking him to wrap it up at midnight. Then she tried to compromise, 1 o'clock, and finally it was 9 hours till 6 a.m., on the Lord's day.

Then I talk about the recovery brunch; that is their name; supposedly at the Longworth. I guess the gentleman from Wisconsin, [Mr. GUNDERSON], realized he needed a bigger venue, violated all of our House rules about nothing in the courtyard at Rayburn till 4:00, started at 1:00. They blocked the reporter, Marc Morano, from going in.

I stood in front of that Mellon; this is where I tried to have a joint House-Senate session for Mr. Gorbachev. No dictator had ever spoken there where Churchill and MacArthur stood. So I knew this Mellon years ago; was 87, and yet I stopped, I was the lead man, with a little help from Mr. GINGRICH and Mr. WALKER—to be truthful, not much help; it was my show. I stopped Gorbachev. I did not want him here. Some of my colleagues yelled to me in the elevator, "Well, I want to hear what he has to say, Bob." I said, "Good. You ever heard of the Mellon Auditorium?" This is 9 years ago. "Let's go down there; it's bigger than the House floor."

Well, I went down there, and this lovely lady told me, and I do not want to get her in trouble, that the next day was a pig sty, that the floor was covered with a slime from mixed drinks. It was a whole bigger floor than this. She says they called the Whitman-Walker Clinic; he admitted this to me on the phone today. He said, "Well, we cleaned it up; didn't we?" And it is Sunday at triple time, out of AIDS money that has been raised, triple time. They had to go down there and clean it while 600 of the 2,000 of the partiers were recovering in our Rayburn courtyard.

And that Mellon is straight across from the National Museum of American History, on our No. 1 boulevard, Constitution. I paced it off, 106 paces to the north wall of the American History Museum, and guess what is on the other side of that wall? Old Glory, the Star Spangled Banner, the original that Francis Scott Key wrote. It is 30 by 34 feet. It is on the wall facing the Mellon. And what did he write in the Star Spangled Banner? "In God we trust." There are the words up there: "In God we trust." It is Constitution Avenue; as my colleagues know, along with Philadelphia, Pennsylvania Avenue, it is the No. 1 boulevard for this country.

Put the rest in the record here.

Continues the description of that whole wild night. Sad.

And Mr. Graham told me they are going to do it again next April in one of our Federal buildings. Think Tailhook. The careers of four-star admirals, one of them with 400 combat missions in the most dangerous air environment in the history of mankind, had his career ended.

"No sink back for you, war hero, and you weren't even at the event."

Well, we do not think you were tough enough on it, and that is 5 years ago, when we are still destroying the careers of people who put their lives on the line to die for freedom of speech. But nobody pays attention to this majestic auditorium down there.

Eyewitnesses. Boy, Mr. Speaker, I have got a great close here about Abraham, Moses, a couple of lines from, as I said, the Ten Commandments. It will all be in the RECORD tomorrow. I hope some of my colleagues assign a staffer to read it if they are too busy to. It lays out the whole case with other eyewitnesses, and then it comes to STEVE'S words, that this was the love of God personified. Wow. That is not my American tradition, to paraphrase him, or my American family. It sure as hell and heaven is not my Judeo-Christian ethic or code of ethics. This does not represent the God of Abraham or Moses up there in the central place of honor, full-faced, marbled, looking right at me right now.

He is looking at you too, Mr. Speaker. This does not represent the God of love, certainly not the Father of Jesus or love in any faith I have ever heard of. This is pagan in every sense of that word. This is a bad rerun of worshiping Mailik and Baal.

Mr. Speaker, the tension between me and three of our colleagues here, I guess, is a reflection of the national debate on our moral spiritual decline. It is a debate that seems to have been, temporarily, I pray, stifled, if not snuffed out, in the great Democratic Party, very much alive in my Republican party. Some people rub their hands waiting for a big fight in San Diego, but there can be no compromise in this struggle.

Members in this institution, a lot of them, on all the moral issues, even partial-birth infanticide to go away; there are some even more laid back, if not cowardly, who say, so what? That is a Carvillean quote, I guess, "So what?" And I pity the children in the love department with people who say, "So what?"

Unfortunately, a struggle over the virtue, the future of our Nation as a land of godly people, can only subside when one side wins and the other loses, and history tells us that the battle will wax and wane until the Second Coming.

I know what I am doing by getting out of here, I know the danger it holds for me and my large family. I will finish in an hour special order next week. Enjoy your Fourth of July, and I welcome anybody to come over and debate me and see if we can slow down the death of 360,000 and counting.

Mr. Speaker, I rise to a question of personal privilege.

Mr. Speaker, I rise to claim my privilege under House Rule IX, section 1, to address the House in reply to the scurrilous attacks on my honor, my truthfulness, and my motives by the retiring Member from Wisconsin's Third District, Mr. GUNDERSON.

His verbal attacks on me last May 14, from this very lectern, have worked their way throughout the national media. He compounded his insults by telling a stringer for The Washington Post, according to her puff piece on him, printed on, Sunday, June 2, that I am, quote, "full of prejudice and hatred." That's so far over the line, Mr. Speaker, that it necessitates a 40-cannon broadside in response.

Mr. Speaker, it's worth noting, that in more than 16 years of service together, Mr. GUNDERSON and I have never exchanted cross words off this floor, nor have we ever been impolite, discourteous, or uncivil toward each other—not once. Mr. Gunderson will confirm this. Just ask him. In fact, ask anyone around here and, if they're honest, they will tell you that I am one of the most cheerful, optimistic, enthusiastic, upbeat, irrepressible, good natured, and affable Members with whom they serve. And loyal. Yes, for certain, I'm passionate at times, and, yes, unrelenting in my deep concern about the deterioration of our culture. And that concern is sometimes dismissed in a negative way by a few adversaries around here, and often spun negatively by doctrinaire liberals in the media who care little about objective truth or the real intent of a heart that even some detractors have called a braveheart. As I've pointed out occasionally to supportive friends, my passion is only seen as unusual, even in this historic debate chamber that's weathered a civil war, because today so many Members of Congress lack passion about anything, in spite of that violent world out there. Also because there are so many here, who, while aspiring to be nobles, have no heart, let alone a brave one, and turn a deaf ear to William Butler Yeats' warning that "everywhere the ceremony of innocence is drowned."

First, a brief prolog. The trigger for Mr. GUNDERSON's point of personal privilege was my "Dear Colleague" letter, circulating a factual report on a so-called "homosexual circuit party" of more than 2,000 bumping and grinding partyers misusing the largest Federal auditorium is our capital on April 13 to celebrate licentious and lewd behavior, at the mockingly named "Cherry Jubilee."

Mr. Speaker, after a fair evaluation of all available facts, I can unequivocally state that the report issued by journalist Marc Morano is true and accurate. Let me repeat that. Contrary to Mr. GUNDERSON's absurd, secondhand defense of the 9 hour display of hedonism at the majestic Andrew W. Mellon Auditorium, the eye-witness, multi-corroborated account of reporter Marc Morano is unassailable. And to ensure that there are no misunderstandings about the substance and accuracy of Mr. Morano's report, I am going to read that vivid account for you now.

"An all night homosexual 'circuit' party called Cherry Jubilee' 'Main Event' took place in Washington, D.C. on April 13, 1996. The dance party featured public nudity, illicit sexual activity and evidence of illegal drug use. The sponsors of the homosexual festivities included a GOP congressman and a host of corporations. A federal building the Andrew W. Mellon Auditorium, played host * * * and was the backdrop for the illegal activity. The sponsors included * * * American Airlines, Snapple, Miller Lite Beer, Starbucks Coffee, and Ben & Jerry's Ice Cream. The 'Main Event' was followed by a 'Capitol Hill Recovery Brunch' in the Rayburn House Office building. Representative Gunderson secured the Rayburn building for the 'recovery brunch.'

"The Mellon Auditorium is a taxpayer owned and federally operated building complete with classical ornate Doric columns directly across the street from the Museum of American History on Constitution Avenue. The 'Main Event' was being described by the City Paper as a 'New York style homosexual circuit party * * * usually drug infested.'

"Main Event' tickets were very hard to come by. The event sold out, which left a scramble for ticket scalpers outside the entrance. Two thousand men attended, most between the ages of 25–35 years old. Many of the men who attended were of obvious affluence. Limousines and even a Rolls Royce lined Constitution Avenue as the party goers arrived.

"The clothing was trendy with skin tight black jeans and tanktops. The bartenders wore bright neon underwear and nothing else. Many of the men arrived with leather and rubber pants and neon rubber loin cloth underwear only. Most of the shirts came off as the men headed for the dance floor.

"Body piercing was ubiquitous with piercing in nipples, navels and ears. Chains and dog collars were also prevalent. Cross dressing was common sight, as a heavy presence of transvestites and other 'transgendered' men attended. Men with wigs and dresses in heavy make up strolled through the auditorium. Several pairs of lesbians attended as well, parading in very skimpy clothing.

"Most attendees greeted each other with open mouth kisses. No fights or altercations * * * the men were generally very neat, with meticulous hair and clothing. There were few if any men who could be described as overweight.

"As the constant thump, thump, thump of the techno music heated the crowd, the dancing became increasingly lewd and suggestive. As the night wore on, the dancers began simulated sexual gyrations. The dance floor became a torrent of intense groping and stroking. Some couples dancing on table tops, mimicked anal sex through their clothing while others pantomimed oral sex. At one point while dancing on a table top, one of the lesbians lifted her bra and exposed her breasts. Meanwhile, several inflated condoms were batted about like volleyballs.

"At about 4 am, two men proceeded engage in illicit sexual behavior in the main auditorium. One man lowered his head (onto the crotch of another man and began to perform oral sex). This act occurred just off the dance in full view of the crowd. No one seemed to be fazed by it one bit.

"The restroom stalls at the Mellon Auditorium were constantly being occupied by two men at a time. (Gropes and groans) could be heard emanating from the stalls with double occupancy. Stall doors would open and two men would nonchalantly exit.

"Every conceivable isolated spot became a dilemma for security. Security officers had to diligently watch the outside side courtyard stairwell in the smoking area. The steps led down to a dark basement alley way on the side of the building where many of the men were congregating. The progression of couples heading into the darkness eventually forced security to intervene. Orange cones were placed to close the area off, as a security officer was assigned to stand watch. Public urination was common as the men relieved themselves outside and even in front of the stately building facing Constitution Avenue. * * *

"Despite signs posted everywhere stating, 'Use or possession of illegal substances strictly forbidden,' evidence of illegal drug use was present. Snorting could be heard throughout the evening in the restroom stalls. At one point a straw fell on to the bathroom floor from inside a stall. There was also clandestine exchanges of money and substances in dark corners of the dance floor throughout the night.

"Despite the flaunting of public nudity, illicit sexual activity, and illegal drug use at both of these homosexual events, (April 1993 and April 1996) law enforcement never intervened. Contrast this with the controversy that inevitably follows when someone attempts to celebrate Christmas with a nativity scene in a public building or park (or the Tailhook scandal which took place in a private Hilton Hotel).

"* * * The April 1996 Cherry Jubilee weekend proves that the homosexual agenda is advancing in Washington. The use of two federal buildings during the Cherry Jubilee weekend in Washington, D.C. reveals how successful the homosexual lobby has been in 'mainstreaming' their agenda. Voters, consumers and stockholders should hold the government and corporations such as American Airlines accountable when they underwrite events like Cherry Jubilee. The voters need to ask which side of the 'culture war' the Republican Party is on and what real change the so-called 'GOP Revolution' has wrought. The GOP leadership on Capitol Hill needs to explain how an event which featured illicit sexual activity, public nudity and evidence of illegal drug use was allowed to occur in a federal building on the 253rd anniversary of Thomas Jefferson's birthday."

Now, ironically, Mr. Speaker, this disgraceful misuse of taxpayer-owned property might never have happened if I had come to this well and alerted Congress to a growing phenomenon of misuse of Federal facilities to advance homosexuality, and exposed a prior outrage at the majestic Andrew W. Mellon Auditorium back on April 25, 1993, when an all day, sadism freak show defiled the auditorium and our Capital City. I also should have alerted Congress to a June 1995 abuse of the impressive headquarters building of the Department of Interior. I was diverted from reporting on this latter outrage by the pace of House voting, the Presidential race, and my chairmanship of two very active subcommittees.

Last year, throughout the month of June, in the impressive lobby of the Interior Department, there was an in-your-face display glorifying homosexuality. A large, lavender painted, free-standing billboard praised, with large photographs, four homosexuals high in our Government and held them up as role models. One, a female, is no longer in Washington having left to lose an election in San Francisco. Another is still an Assistant Secretary at the Patent Office. And the other two are male homosexuals serving here in Congress. Unfortunately, the short bios under the Congressmen's photos were lies. The bios deceptively stated that both Congressmen courageously came out of privacy and voluntarily, with great pride, revealed their homosexuality here on the floor of Congress. Of course, the truth is quite different, Mr. Speaker. One of them was censured by this House for his statutory rape of a 16-year-old boy, one of our pages, and Secretary of the Interior Bruce Babbitt knows that; and the other Member was severely reprimanded by the House for conduct unbecoming a Congressman because of his involvement with a male prostitute-pimp who was running a full service procurement operation out of the Member's D.C. apartment, that and much more. The eccentric Bruce Babbitt also knew that ugly tale. Babbitt authorized the homosexual propaganda display knowing that neither Member of Congress came out of secrecy freely, but were brought out of privacy by crimes. This outrage at the Interior Department building went unchallenged here in Congress, and therefore went unknown to American taxpayers. If I had protested those prior abuses of taxpayer-owned facilities, just maybe, 10 months later, a similar outrage wouldn't have taken place on Constitution Avenue, again at the beautifully gilded Mellon Auditorium.

Better late than never.

So Mr. Speaker, I now step out into the minefields of evil political correctness, alone, but I hope and pray, not alone for long. Come Holy Spirit. On May 2, last month, here in our awe-inspiring Rotunda, America's secular cathedral nave, this 104th Congress, at a very, very moving ceremony, awarded our Congressional Gold Medal to the Rev. Billy Graham and to Ruth Graham his devoted and wonderful wife of 53 years. During the inspiring ceremony, while addressing Vice President GORE and his wife Tipper, Speaker NEWT GINGRICH, former Senate Leader Bob Dole and his wife Elizabeth, and all of our congressional leaders including Mr. ARMEY, Mr. GEPHARDT, Mr. DELAY, Mr. BONIOR, Senators LOTT and DASCHLE and all of the other Senate leaders, and dozens of Members of both Houses, Rev. Billy Graham stated with great emotion, "We are a nation on the brink of self-destruction." I repeat Dr. Graham: America is "a nation on the brink of self-destruction." A national poll last month stated that 76 percent of our fellow

Americans believe that our country is "in spiritual and moral decline." This Member of Congress agrees. I am one of the 76 percent.

I love my country and I'm sick at heart at its lack of direction in moral matters, in state and civic affairs involving character. For example, I beg my colleagues to read carefully this cover article in the June 17 edition of the Weekly Standard. It's titled "Pedophilia Chic." The norming of foul perversion. It seems that no longer is there any conduct considered a flat out evil. In our liberal popular culture, hardly any cultural taboos remain. The words "objective disorder" fall on deaf ears at the networks and at the New York Times.

On May 14, 12 days after Rev. Billy Graham's warning, Mr. GUNDERSON rose on this House floor to a question of personal privilege. In a "Dear Colleague" and at this lectern, Mr. GUNDERSON repeatedly called me a liar—using other words—and impugned my character with the use of words such as "smear," "lies" and "biased conduct" and "an intentional efforts to personally destroy." Specifically, Mr. GUNDERSON claimed that "the gentleman from California has no right to misrepresent the facts, in this, his latest attempt to smear the homosexual community." Unquote. Of course, he used the adjective "gay" as a noun in place of the neutral, nonpropaganda noun "homosexual." Seven times he used the phrase "misrepresent the facts."

Mr. GUNDERSON's words or variations thereof were repeated in many news stories throughout America including the Washington Times, the Washington Post, Congress Daily, and the Associated Press which moved his slanders from sea to shining sea. In my home county newspaper, the Orange County Register, a reporter embellished on the slander, "Gunderson * * * called the Dornan effort a character assassination" and the Register reporter repeated Mr. GUNDERSON's absurd and obnoxious charge that I am out to, quote, "smear the homosexual community."

Mr. Speaker, this is all so low-life, this attack on my honor, that I am entitled to discuss the reliability of how Mr. GUNDERSON deals with the truth and with facts and how he reports events and how I deal with facts and my reputation for dealing with the truth. Mr. GUNDERSON said here that I, quote, "sought to question [his] integrity." Well, I did not on the House Floor. But now, let the facts speak for themselves.

Let's start with Mr. GUNDERSON's reporting skills. He reports that nothing illegal took place at a frenetic party he did not even attend. By comparison, let's analyze his anonymous report to the Washington Post of a meeting of seven Republicans that he did attend. The relevancy to my point of privilege will be self-evident, Mr. Speaker.

Let me defend our Speaker, my friend Mr. GINGRICH from a vicidusly exaggerated, self-serving tale that the front page.

Here is the January 18, 1996, edition of the Washington Post. Look at this front page story. Preferred position—first story, upper left, two columns, lead title "Inside the Revolution," I quote the largest headline, "Stung and Beset, Speaker Breaks Down and Weeps," by Michael Weisskopf and David Maraniss. Maraniss is the author of the incendiary book "Inside the White House."

This supposed news story, that purportedly was about the dropping of wildly obscure ethics charges against the Speaker, I soon learned was exaggerated to the point of grotesque untruth. Quote, "An old congressional ally who had stopped by the office to talk about farm issues rose from his chair and hugged them both (the Speaker and his wife). Gingrich could no longer hold back his emotions. "He began sobbing uncontrollably." the Post reports.

Now, whom do you think that old congressional ally was, Mr. Speaker? That so-called "ally" who went to the Washington Post and grossly distorted private emotion in the Speaker's office was none other than STEVE GUNDERSON. The truth was twisted, much to Speaker GINGRICH's detriment, and the distortion did damage to the Speaker's reputation, his manliness, and raised the question of his emotional stability. That's some ally, Mr. Speaker. And it wasn't even true.

Obviously, "sobbing uncontrollably" is not the John Wayne image a leader hopes to maintain in order to lead 435 men and women of very strong wills, many with very single minded dispositions.

A supposed ally ratting out a leader, as a blubbering softie, would by itself be disloyal in the extreme, but when it's not even true that is indicative of an ally who is "integrity challenged." Mr. GUNDERSON's problem, as a volunteer informant for a liberal newspaper, was that there were other eyewitnesses in the Speaker's office during the nonsobbing, such as Representative and soon-to-be Kansas Senator, PAT ROBERTS, and my hard charging colleague from California, RICHARD POMBO.

Both Congressmen told me directly that yes, that day there were some tears of justifiable frustration. "Weeping?" No way. "Sobbing uncontrollably?" Absolutely not. Mr. Roberts' final statement to me just a few days ago: "There was no uncontrollable sobbing."

So much for Mr. GUNDERSON's reporting skills, and of course, his loyalty.

Mr. GUNDERSON whines that straight Members, such as I, unfairly use, quote, "stereotypes," unquote, when analyzing homosexual conduct. Well, Mr. Speaker, just what would be considered typical versus stereotypical conduct? How about getting fired from your very first Federal job for an office morale-destroying, homosexual tryst with the chief of staff? How about a 1991 public news report of a drink-throwing squabble at an inside-the-beltway homosexual hangout, which was about to be closed because of the pornographic pictures on its walls? How about a more recent drink throwing rerun at an S/M bar, that's a sadism bar, on December 17, 1995? That's last December, just 6 months ago. Again the barroom altercation created sleazy newspaper stories involving a U.S. Congressman. Is that considered classy conduct? Does it diminish the integrity of our Congress as a whole? You bet it does. What would happen to an officer in the U.S. military involved in similar bar squabbles? Is this stereotypical behavior or just typical?

And don't you just loathe the "typical" double entendre names of some of these homosexual watering holes? "The Green Lantern." What's that mean? Come and get it, all systems are green and go! "The Badlands"—do they really know in their hearts that trolling bars is "bad" for them? How about the bars with hot tubs and private two-man cubicles in upper rooms and side chambers—the same types of bathhouses I helped to close with near unanimous legislation on this floor back in 1985—those non-Glory Holes had particularly offensive names such as: "The Mineshaft," "The Anvil," and worse. Are those bathhouse dives typical or stereotypical?

Mr. Speaker, since Mr. GUNDERSON said I questioned his integrity, let us thoughtfully analyze this word "integrity." In the May 13, 1996, edition of one of our military newspapers, the following powerful thoughts were expressed by a four star leader in an article on "integrity." His article also covered "honesty" and "courage" and "professionalism."

I want to quote a few germane paragraphs for this reason: the so-called Tailhook Scandal, still bedeviling and ripping our great U.S. Navy, is 5 years old, 5 years old, and it is still destroying careers. Imagine for a moment, Mr. Speaker, if the out-of-control homosexual romp that we judge today had happened on any U.S. military base or post anywhere throughout the world. What would the repercussions have been? Batten down the hatches. That thought gives new, sickening meaning to the words "double standard." But, first, those powerful words from a real leader, a four-star, combat-tested Chief of Staff. Apply his challenging thoughts to U.S. Congressmen and Senators.

"The majority of our members understand well that integrity is essential in [military] an organization where we count on fellow members and that honesty is the glue that binds the members into a cohesive team.

"And they easily take responsibility for their actions and exhibit the courage to do the right thing.

"Yes, most [Air Force] professionals place service before self and willingly subordinate personal interests for the good of their unit, [the Air Force] and the Nation and, if called upon, are willing to risk their lives in defense of the United States.

"Furthermore, professionals in our service strive to excel in all that they do, always understanding that our responsibility for America's security carries with it the moral imperative to seek excellence in all our [military] activities.

"* * * Because of what we do, our standards must be higher than those that prevail in society at large. (Shouldn't this mean Congress, Mr. Speaker?) The American people expect this of us, and rightly so. In the end, our behavior must merit their trust, respect and support.

"[Air Force] leaders [commanders] and supervisors must ensure that their colleagues [troops] understand the requirements of our [military] profession—and measure up to them. * * *

"* * * when an individual exhibits personal negligence, misbehavior (or disobedience), this is not a mistake! That is a crime, and crimes are matters of serious concern for superiors.

"In short, if a service member willfully ignores standards, falsifies reports, engages in inappropriate off-duty behavior, then we must immediately take appropriate disciplinary action"—certainly that would include hitting on teenage pages?

"'* * * as a force, we must insist on disciplined and principled behavior.

"When an individual fails to meet the higher standards expected of [military] professionals, then we must hold him or her accountable and document the offense in their records * * *." And revisit it if provoked again.

"Ours is not a 'have it your way' kind of service. Members cannot be allowed to pick and choose which aspects of our [Air Force] standards, [Air Force] instructions, Defense Department directives or the Uniform Code of Military Justice laws they will comply with.

"That would undermine the good order and discipline that is so crucial to any outfit. If you are unwilling—to comply with our [Air Force] standards; to embrace the values of our profession; to meet the unique requirements of [military] service; or to accept the resulting limits on individual behavior—then get out!

"Our responsibility for safeguarding America is far too important and too critical to allow it to be jeopardized by those unwilling to measure up."

Mr. Speaker, I will revisit in my closing words three of those powerful sentences and identify the flag officer who delivered them. Mr. Speaker, no one believes that any Member of Congress is risking his or her life by serving in the Senate or the House, so how dare we live by a lower, a much lower, standard of ethics and professionalism than we demand of our younger military men and women who serve under our jurisdiction, and who do risk their very lives. A slim majority of Members of Congress allow thousands of troopers of our 1st Armored Division to be sent by Clinton into harm's way in Bosnia, and yet our Congress ignores garbage like this "Cherry romp" of hedonism right here down on Constitution Avenue. Our toleration of low standards here in Congress is at the core of my challenge today. Our Federal buildings must never, never be used to facilitate and glorify immorality. We in Congress are culpable, for any immorality taking place on public property in Washington, if we fail as custodians of these beautiful citizen owned buildings. And what dangerous path are we following if we dismiss the consequences of glorifying homosexuality here in Washington, DC, our capital.

My colleagues need only reflect on the lives of those Members of Congress, past and present, who found, or still find, homosexuality alluring, if not addictive. Three of our Members have died from AIDS. Another barely escaped expulsion while suffering the dishonor of a severe House censure for seducing a minor, *i.e.*, the statutory rape of that teenage page sent here by his parents in our care. And, by the way, that young page was seduced on a codel to Spain. How was that outrage put together? I've never heard of a page traveling with a domestic congressional delegation let alone with an overseas congressional delegation.

Another Member was dishonored with a severe House reprimand for sponsoring and using a pimp and is pitied by those who have a West Point sense of honor. Both Members should have been expelled so as to maintain the world's respect for our U.S. Congress, not to mention the Nation's respect. Two other Members saw their careers ended by election defeats after they were discovered trolling for teenagers at so-called hot action bars, one of them a father of three teenagers. Even if they had only hit on 18, 19, or even 20-year-olds, that is still ephebephilia. Look the word up, Mr. Speaker. Ephebephilia, like pedophilia, is a mortal sin of seduction, a transgression against teenage youths 18 and 19 years old. Study the decay of classical Greek culture. Then there are four Members who stay in privacy but can never aspire to run for higher office because the political leaders in their States know their secret.

And then there was the Hill staffer who was fired from his very first Federal job in 1979 for a homosexual affair with an administrative assistant, his AA, bringing about the expected and usual collapse of office morale due to favoritism. Their liaison even included a mock honeymoon to Jamaica. This staffer returned a year and a half later as an elected Congressman and had a 16-year run until his double life became known. Now, although 15 years from retirement age, he can't run for reelection, although he yearns to do so and would have ended up as chairman of a major House committee.

This list does not include several Members who are deep in privacy, probably a credit to their good judgment. One of our Members from New England claims they're all Republicans. He's quite a bloodhound, this Member. And he periodically threatens to expose—out he calls it—these 4 or 5 Members—actually he claims 12 or more, if they don't vote the way he insists on certain security risk issues. He also threatens to out them if Chairman DORNAN dares to hold hearings on whether people are a security risk if they conceal scandalous personal secrets such as alcoholism, financial chicanery, adultery, or bisexuality. Isn't that a form of not-so-subtle blackmail, Mr. Speaker?

Yes, my colleagues, homosexuality is sad, not happy or gay, even when someone's career has brought them to these hollow Chambers.

And why do we fear discussing, here in Congress, what spreads the AIDS virus? How many will have died by mid-year 1996? Dr. C. Everett Koop advises us to include AIDS death statistics about 20,000 individuals who succumbed to AIDS in the early eighties and whose physicians, attempting to understandably avoid family embarrassment, reported those deaths as the result of final condition such as cancer or pneumonia, rather than report them as AIDS-related deaths. If we tally those 20,000 in the aggregate total, then in just a few days, by June 30, 1996, 360,000 Americans, including more than 4,000 defenseless children, will have died a horrible death brought about by an infectious fatal venereal disease known by the bland sounding acronym, AIDS. Mr. Speaker, World War II total combat deaths, total killed in action, were 292,131; U.S. AIDS deaths toll 360,000 and counting. U.S. Civil War combat deaths, both sides, North and South because all combatants were Americans, our War Between the States killed in action, 214,938; U.S. AIDS 360,00 and counting. And all seven of our other wars from the Revolutionary War, the War of 1812, war with Mexico, with Spain, World War I, Korea through Vietnam, total killed in action, 143,346. That's 7 wars of KIA, 143,346; U.S. AIDS, 360,000 dead and counting. And the death toll is far worse in Asia and Africa—worldwide over 5 million dead, and counting. And this unparalleled killer has been driven, in the United States, in the main, by homosexual behavior. Except for those 4,000 defenseless children and the innocent victim recipients of infected tissue or infected blood products, such as hemophiliacs, it's conduct driven. And, except for, sadly, the innocent victims of lying philanderers, who callously infected their unknowing partners in the name of love. It's conduct driven.

Mr. Speaker, how can I, a God-fearing American, a very lucky husband of 41 years, a father of 5 stalwart, God-loving adult children, a grandfather of 10—No. 11 is in the hanger—and a very hard-working double House chairman who is trying his best to slow the AIDS death toll, how could I possibly smear homosexual activists, as Mr. GUNDERSON accuses, given what they've done and continue to do to themselves?

In that June 2 Washington Post Magazine story, Mr. GUNDERSON asserts, "[DORNAN is] full of prejudice and hatred." That one quote alone would justify my point of personal privilege. And in another Post attribution, apparently in the same breath, Mr. GUNDERSON muses, and I quote, "Is [DORNAN] dangerous? Sure. Because he can use passion to intimidate and to roll over those who are unwilling or unable to stand up to him." Pathetic, Mr. Speaker. I pray for STEVE GUNDERSON, and all others who like my colleague, live on the edge, but I must fight back. Mr. GUNDERSON's scurrilous charges have as their intent the destruction of my reputation by branding my work in Congress as driven by the twin evils of hatred and bigotry. Well, it won't work, because it's not in my nature to allow lies to go unanswered. I went through jet pilot training when Mr. GUNDERSON was 2 years old. I marched with Dr. Martin Luther King when Mr. GUNDERSON was 12, and the next year, 1964, I put my life on the line against bigotry. Mr. Speaker, in the 1800's, when immoral dueling was commonplace, Mr. GUNDERSON would never have assaulted my honor with such vile language. It's beyond butch, to coin a phrase.

Mr. Speaker, the impact of casual sex propaganda and the mainstreaming and in rare cases even the romanticizing of AIDS have had a deadly effect upon our young, lately upon our very young, and that's why I circulated the facts about the so-called circuit party weekend of April 12, 13, and 14.

As a point of fact, Mr. Speaker, the use of the word "cherry" has nothing to do with our beautiful and famous blossoms, but rather it's used for its sexual connotation as shown in these soft-core pornographic ads for the 34 events. And take notice, in shock I hope, of the large commercial, public shareholder corporations contributing to this sexual license and gross irresponsibility—American Airlines, Starbucks Coffee, Snapple, Miller Lite Beer, and Ben & Jerry's Ice Cream. I pray to God, literally, that these corporate giants innocently followed the lead of the Whitman-Walker Clinic, which, if it continues its propaganda and irresponsibility, should be denied their steady diet of our tax dollars.

Also, the use of the religious word "jubilee" is blatant sacrilege. A jubilee is a 50-year celebration of forgiveness in the Hebrew faith, and a "jubilee" is a 25-year celebration of joyful prayer in my Catholic faith, that same Catholicism that is the No. 1 target of Actup, the homosexual gestapo. No act of hatred or desecration is beyond the pale for Act Up, including blasphemy and desecration of the Holy Eucharist, inside churches.

It is also my intent to reassert the truth regarding the April 13 Saturday dance, and, Mr. Speaker, we're not talking ballroom dancing here, so that the real facts will not remain in question by anyone misled by Mr. GUNDERSON about what really went on.

Of course, this was not the first time this historic Federal building has been desecrated during Clinton's tenure, as Mr. GUNDERSON briefly conceded in his attack. When he referred to April 25, 1993, he twice used the letters "S and M," without explaining what the letters stand for. What Mr. GUNDERSON referred to was a sadism and masochism all-day freak show inside the stately Mellon. Someone, maybe some Clinton toady, had authorized an all day leatherman, S and M open house, with multiple displays of perversion including hard care pornography slide shows promoting unsafe sodomy, maximum unsafe sodomy. Most of this bizarre deviancy is quite foreign to average Americans. And all of that 1993 S and M madness was on a day when the Tailhook scandal tribulations were expanding.

During his May 14 attack, Mr. GUNDERSON associates me with two honorable journalists, one of them a courageous African-American writer, the other an excellent investigative reporter. Then he attacks both of them as motivated by "hate and prejudice" and by the journalism of "bigotry and prejudice." In his attack, Mr. GUNDERSON invited the two writers and me "to come visit the victims of this (AIDS) disease"—we've done that—so that we might, quote, "learn that these are not some faceless pretty corpses," but rather "sons, brothers, uncles, lovers, and friends * * * and in increasing numbers also mothers, sisters, and daughters." Strangely, he left out dads, aunts, and, in the cases of two of the Congressmen dead from AIDS, their prior roles as husbands and fathers.

It should comfort Mr. GUNDERSON to know, if truth is his real goal, that this Member from California has forgotten more about the worldwide medical impact of AIDS than the Member from Wisconsin has ever known. And I might add, my colleagues say, I forget little, if anything. According to the June 2 Post article, Mr. GUNDERSON has had four of his six closest friends waste away and die from AIDS and another is HIV positive. That's heartbreaking, but obviously he has kept these tragedies within his inner circle and has never once publicly warned anybody, young or adult, that the wages of promiscuity is death. He certainly never warned anyone from this lectern. Does he defend the Magic Johnson rationale that "I'm simply an innocent victim, and we're all in this together, it's everybody's disease" or rather champion the honorable approach of heavyweight prizefighter Tommy Morrison, who stated through tears, "It's my fault. My conduct. My immoral behavior. If I can save one young person from doing what I did and stop them from becoming infected with this killing disease, then my suffering will not be in vain."

Where was Mr. GUNDERSON or any other Member in 1986 when I pleaded with colleagues to come to Paris with me to visit the Louis Pasteur Clinic to investigate the exploding AIDS pandemic? Where were they when I went to Geneva that year with my wife Sallie to learn all that we could about this health nightmare by asking for extensive briefings at the World Health Organization? How about visits to the Centers for Disease Control in Atlanta? How many times has any Member, to gain AIDS knowledge, visited the National Institutes of Health, just a short 20-minute drive north from Capitol Hill to Bethesda, MD. I have made these informative trips several times over the last decade, another to NIH just last month.

What did Mr. GUNDERSON do with his unjustified, Jim Wright-initiated, 2 years worth of congressional pay raise back in 1989 and 1990? Which would now be illegal, by the way, since we passed James Madison's 27th Amendment. Well, my 2 years of those raises went to AIDS hospices.

Mr. Speaker, I don't know what Mr. GUNDERSON does in his free time to educate himself about the worldwide spread of AIDS, but I have been carefully tracking this health nightmare for 13 years. Just last month I visited the Armed Forces Medical Intelligence Center at Fort Detrick where I received a startling and tragic update about the exponential spread of AIDS worldwide.

In just 3½ years from now, 60 million people will be HIV infected and 12 million will be suffering with full-blown AIDS; sadly most of them will die with little or no medical care. And dead? No one knows for certain how many millions by 2000 A.D. I also learned the following stunning, shocking medical fact: the military forces of Zimbabwe are 75 percent infected. That means three out of every four soldiers, three out of every four officers—will die of AIDS. Because of this, Zimbabwe's forces are rejected permanently by the United Nations for any future peacekeeping assignments, with at least six more nations to be stigmatized any day now on a no-go list as, quote, "unacceptable for peacekeeping duty." Zimbabwe peacekeepers brought the specter of AIDS infection and death to Somalia. How sad, death in the name of peace, make love not war. That means more pressure on our American, infection-free forces, to travel worldwide on peacekeeping missions. Isn't that obvious, Mr. Speaker? And it's a powerful reason to keep our military 100 percent HIV/AIDS infection free, right, Mr. Speaker? A 100 percent no-AIDS infected military is my proper goal as the chairman of Military Personnel, and I take a lot of bovine scatology from the homosexual lobby for my perfectly logical and fair legislation.

Just 3 weeks ago I met once again with Dr. Toni Fauci, our hard-working Immunology and Infectious Diseases Institute chief and one of our very best researchers at NIH, to discuss a new, advanced HIV treatment involving IL2, Interluken 2. It looks promising, Mr. Speaker, just like proteus inhibitors, but it means more gutwrenching, extremely tedious research with infected volunteers, who incidently told me they felt lucky to be in this super expensive, but promising, life-extending government research program. It won't be a cure however, but life extending only. It's tragic how the networks constantly keep using the word cure. Dr. Fauci says this is cruel and builds false hope. We pray for a vaccine breakthrough, but a cure for someone once they're infected—never. The micro-microscopic HIV stays inside the helper T-cells until death.

Where was Mr. GUNDERSON or any other Member of the 99th Congress back in 1985 when I gave the first of almost 200 of my floor speeches warning about the conduct that had contaminated our blood supply and was beginning to spread the AIDS epidemic that year at a ferocious rate?

Has Mr. GUNDERSON ever publicly discussed anywhere, unsanitary, promiscuous behavior, or ever debated using infected needles and the cross-contaminating of both cohorts? Where have these homosexual activists been over the last 15 years? Other than telling us we're all culpable, and all at risk, it's been business as usual. And there was no behavior modification to speak of until the killing virus went pandemic. Even then, many homosexual activists pushed, and still push, public relations mumbo-jumbo instead of tried and true solid public health policy. Thank God, that in the final care stage, and during the prior "stage three" phrase, there are now thousands of homosexuals who are working tirelessly and heroically to comfort and, yes, love, the ill, with a pure philos love, a Christian love. God bless them.

Mr. Speaker, you can tell my colleague from Wisconsin that, like him, I've spoken with more young men before they died from AIDS than most who serve here. When a person grows up and lifelong roots in Manhattan and Beverly Hills, as I did and as I do, you will see in 10 years more tragedy involving drug abuse and fast-track, casual sex, than you'll see in the wholesome dairylands of Wisconsin in 100 years. At least until these not-so-gay-nineties.

Now this District of Columbia is another story. Mr. GUNDERSON said that the District has the largest concentration of HIV/AIDS positive people in the country. True. Where was his voice of warning over the last 16 years to stem or slow that AIDS growth right here where we work? Since 1981, his first year in Congress, coincidently the year NIH discovered and defined AIDS, he has offered no coherent public advice to slow this plague. No tough love—mostly silence. No support for heavyweight fighter Tommy Morrison's prayerful, humble plea for morality in behavior. A call for abstinence? Hardly.

In fact, Mr. Speaker, it's interesting to note that over the last 10 years Mr. GUNDERSON has spoken on this House floor about AIDS only eight times! Unbelievable for a self-proclaimed compassionate and caring man. If you don't count a one-sentence-passing mention of AIDS in 1989, then, amazing as it seems, his very first speech, and a short one at that, was his annoying March 24, 1994, "Christian-second-to-none" speech. That's only 2 years ago. BOB DORNAN, on the other hand, has addressed this Chamber on the subject of AIDS just under 200 times. That's Mr. GUNDERSON's rate times 24. This speech today alone contains more references to AIDS, both in quantity and quality, than Mr. GUNDERSON's eight short speeches over his 16 years—all run together. And I repeat, in 1985 I offered a successful and nearly unanimous amendment in this House—1985, Mr. Speaker—11 years ago—to close disease-infested unsafe-sex-with-multiple-strangers-bathhouses—those aforementioned "Anvils" from hell that broke and slowly killed so many midnight cowboys in New York City and San Francisco. Frankly, given this contrast in the attention that we've both given to this tragic retro-various nightmare, the widely used homosexual, protest bumper sticker "Silence Equals Death" has special resonance. I have never been silent because I truly believe in "tough love." Meaningful compassion demands positive action.

When Mr. GUNDERSON attacks my belief system on what constitutes serious sin and what constitutes the corruption of youngsters through bad example, he also attacks my religion. The Catholic Church and Pope John Paul II are unrelentingly slandered by the top and the middle management of the homosexual food chain. However, thanks to God's unrelenting love, when death is near, its back to the arms of Holy Mother Church. Dominus vobiscum. Just what does Mr. GUNDERSON really know about my love for the dying or my empathy for human suffering? Jesus died for sinners, actually for each individual sinner. I'm a sinner—95 percent of us commit at least small sins on a pretty regular basis. Every one of us, every day, with every suffering person can and should say, "There but for the grace of God go I." My motives are based on compassion and on love for my fellow man, and a pure desire to defend youth and children. I resent anybody out there who hides behind a facade of "caring" just to fend off revelations exposing a narrow special interest agenda. That's hypocrisy to the *n*th power.

Just a few weeks ago in The Hill newspaper there was a brief story about how some AIDS organization has made me their number one legislative target for defeat this November. I wonder if these special interest lobbyists bothered to check my voting record on AIDS research and medical care funding.I know they did, and they found that I have a 100-percent record in support of AIDS funding for research and care. So what could this AIDS group be thinking in targeting me? It's obvious. There agenda does not have fundraising for AIDS as its primary concern. Their priorities are driven by the activist homosexual agenda. They can't stand it when I or anyone else tells the truth about the public policy issues surrounding homosexual activism. The AIDS lobby rates the votes of Members on bizarre issues like acceptance of this phoney spin-off "bisexuality," or total acceptance of homosexuality in every facet of American life from adopting to scouting to Big Brothers, Inc., to the sacrament of matrimony.

Does every Member really truly, grasp the enormity of the suffering that was involved as 360,000 Americans slowly wasted away with AIDS? I can't fully absorb the enormity of that level of suffering. Who but a handful among us in Congress, until my remarks today, knew that worldwide, in just 3 years, 60 million people will be infected with the AIDS virus? What a ghastly way to begin the third millennia! And this calamity is behavior driven, conduct driven, no ifs, ands, or buts about that harsh truth.

Mr. Speaker, does any Member of this body know how much it costs to care for an AIDS victim throughout their sickness from the first HIV positive test until their death? In our advanced country, on the low end, it's $119,000, and that's if they survive only 3 years or less. But for several hundred patients in special government programs, it's over $100,000 per year to fend off the beginning of full blown AIDS! And Mr. GUNDERSON's friends claim the all-night scene at the Mellon Auditorium raised a mere $50,000, actually $45,000? That's one-half of 1 year of care for just one government patient who is only HIV positive. Not much to brag about when the homosexual partying cost over an admitted $80,000! And again, according to Mr. GUNDERSON, $14,000 was for the lighting alone. I wonder did that include the multicolored rainbow lighting of those magnificent Mellon Auditorium Doric columns along Constitution Avenue?

By the year 2000, the AIDS plague will have cost our national economy about $107 billion. It has already cost us over $75 billion, about $35 billion of that in research. Since 1986, insurance claims involving AIDS have increased more than 400 percent totaling an estimated $9.4 billion! Children orphaned by AIDS will reach 4 million youngsters worldwide by the year 2000—80,000 in the United States alone. That's 4 million innocent babies, toddlers and other precious children of tender age left without both parents!

And homosexual publications like the Blade or the Advocate question my motives—my passionate concern. How arrogant.

Mr. Speaker, some of us read on the front page of the May 1st Wall Street Journal many enlightening facts. Let me read one to you:

> A major study that was just being completed [in 1987] put the average risk from a one-time heterosexual encounter with someone not in a high-risk group at one in five million without use of a condom, and one in 50 million for condom users.

That's beyond the odds of being struck by a lightning bolt. Let that sink in—Most of us are more in danger of being hit by lightning than being zapped by AIDS.

I continue quoting the Wall Street Journal:

> Homosexuals, needle-sharing drug users and their sex partners, however, were in grave danger. A single act of anal sex with an infected partner, or a single injection with an AIDS tainted needle, carried as much as a one in 50 chance of infection. For people facing these risks, it was fair to say AIDS was truly a modern-day plague.

There it is again, behavior is the driving malignant constant with this plague.

Mr. Speaker, let me repeat that Wall Street Journal conclusion, "For people facing these risks, it was fair to say AIDS was truly a modern-day plague." For what people? For, quote, "homosexuals, needle-sharing drug users and their sex partners." The truth is, and honest reporters have known this for years, AIDS simply is not, not, everyone's disease. Is it a plague. Of course it is. Is it an epidemic, an intercontinental pandemic? Beyond question. But it simply is not everyone's disease.

Mr. Speaker, let's apply some single logic. A thoughtful leader from AIDS project Los Angeles told me just this week that if AIDS is everybody's disease, it's nobody's disease! Is AIDS your disease? No. Is AIDS my disease? No. How about all of the floor staff and clerks around us? Most, probably not. How about all the entire membership of Congress, all 535 of us? Now here's where we pick up a few at risk. I was told some time ago that between the House and Senate there are HIV infections, and that was with only about 50 or so Members ever having been tested. If we include all of our staffers, about 30,000 on the Hill, we'd probably pick up another handful or so who are infected. And that's mainly because government work and big cities like the District of Columbia attract to work here a disproportionate number of homosexuals beyond the 1 percent to 2 percent estimates nationwide.

Mr. Speaker, I'm sure you get my point. But what you may not realize is that in making this point you have just stigmatized a small percentage of our population as "high-risk for venereal disease," including AIDS, the only fatal sexual transmitted disease. Yes, my friend, by accepting logical truth you too can be called a bigot, a hater, or prejudiced. Those are the vile words which were hurled at me, at an African-American columnist, at a hard working reporter, at my friends at the Family Research Council, and at those who instinctively believed Marc Morano's report about the illegal conduct at the Mellon Auditorium.

By the way, wouldn't it be equally scandalous to rent out this architectural showpiece for a Hustler, Penthouse, or Playboy no-holds-barred celebration of free-love with centerfold models in neon underwear as bartenders * * * with or without the drug use, and with or without the half naked gyrating, and with or without a crude name, Screw Alley, for the arched, carriage entrance, east side courtyard?

If I can have an animus toward the promotion of fornication and adultery that's promoted in Hustler, why can I have an animus toward homosexual glorification? I refer you to the Untied States Supreme Court decision, Romer v. Evans, May 20, 1996. It is most timely and very instructive.

The decision didn't go the way I expected. Naturally, I stand with Justice Scalias brilliantly logical and hard hitting dissent. Anthony Kennedy's six Justice to three Justice opinion represents just a part of the raging debate that involves DORNAN and GUNDERSON and that is not ricocheting around our Nation * * * a nation Rev. Graham says is "on the brink of self-destruction."

For example, homosexual pedophilia has cost my Catholic religion, a faith I dearly love, over one and a half billion * * * billion * * * dollars and counting. Those are tithing dollars, God's money, spent trying to ease the pain and stem the outrage of the victims of clerical homosexual pedophilia. Who is to blame? Besides the molesters themselves to whom Jesus would take this belt to drive them from His Father's house? Well, try the liberal rectors of Catholic seminaries who decided years age to reject common sense and accept homosexuals who merely promised to be good, or promised to try to be good. And how the same type of prideful social experimenters are constantly shopping for liberal judges trying to force homosexual acceptance on our military forces.

Pro-family folks, especially those in Colorado who crafted their amendment 2, ought not to be discouraged by what I am about to explain, but, sadly, Colorado's amendment 2 was imprecisely written and its inexact wording is what allowed six Justices to choose process over substance in handing down their majority opinion.

Amendment 2 unfortunately used modern homosexual terminology. It stated.

> No Protected Status Based on Homosexual, Lesbian, or Bisexual Orientation. Neither the State of Colorado, through any of its branches or departments, nor any of its agencies, political subdivisions, municipalities or school districts, shall enact, adopt or enforce any statute, regulation, ordinance or policy whereby homosexual, lesbian or bisexual orientation. conduct, practices or relationships shall constitute or otherwise be the basis of or entitle any person or class of persons to have or claim any minority status, quota preferences, protected status or claim of discrimination. This Section of the Constitution shall be in all respects self-executing.

The problem with language, Mr. Speaker, is the use of the terms "orientation" and "class of persons." And let me just say at this key point, Mr. Speaker, that what I am about to explain, brightly illuminated by this current Supreme Court decision, will lend itself a resolution of the question before us today—that is, Mr. GUNDERSON questioning of my motives and his attacks on my character.

For the purposes of law, there is no such thing as homosexual orientation. In law, it doesn't exist. In law, homosexuality is no more and no less than a sex act. Loving friends living together for years can be bonded by Philos love with never even a though of Eros love. So under the law, you can't be H–O–M–O without the S–E–X–U–A–L any more than under law you can be hereto without the sexual. This is a crucial distinction in the law. Why? Because laws and public policies are based on human actions, not the penumbra of orientations, or inclinations, or tendencies, or temptations never acted upon * * * Not what goes on in the thought processes of the human brain. Law involves conduct * * * behavior * * * and, yes sometimes speech such as treason, libel, or yelling fire and in a crowded enclosure.

There are no laws against what a man thinks, nor will there ever be in a truly free country. In the eyes of the law, thoughts don't rape or molest. Desires don't sexually exploit another person or spread disease. Only human actions can do those things. All of the consequences pertaining to he behavior of male homosexuality center or sex acts. In James Carvellian speak, it's the conduct, stupid.

Unfortunately, Colorado's amendment 2 carries the term "orientation" which allowed Justice Kennedy and five other Justices to perpetuate the myth of some kind of innate homosexual personhood. I don't have to tell you, Mr. Speaker, how ridiculously inane that notion is. Imagine, if you will, some of the beautiful little babies occasionally held in this parents arms up there in our gallery. * * * Can anyone really make a scientific case that somehow those parents are holding budding little bisexuals or cross dressers or pedophiles just waiting for puberty to reveal their true sexual desires. But such arguments are made regularly, usually by homosexual scientists or homosexual doctors, and are rarely, if ever, exposed as mostly psychobabble and pseudoscience—certainly not by Newsweek or Time and the other liberal weekly news magazines.

Of course, the concept of orientation within amendment 2 led to the inclusion of the expression "class of persons." I shouldn't have to spend too much time explaining this notion because the Supreme Court has pointed out clearly through precedent that homosexual behavior is not a protected class of activity. To fairly assume protected status, homosexuality would have to be broadly viewed as politically powerless—which is absurd—and immutable and unchangeable—equally absurd given that a person can go from heterosexuality to homosexuality and everything in between all in the timeframe of just one Cherry Jubilee Weekend, even calling himself bi- or tri-sexual, or he can use the offensive and corrupt new term "transgenerational." And, lastly, homosexuality would have to be viewed as a "protected status" which usually means economically disadvantaged—this is perhaps the most patently absurd concept of homosexuality, certainly in the United States or in Europe.

Including in the law the concepts of "orientation" and "class of persons" spawned the legal death of Colorado's amendment 2. But the argument with which I took greatest exception in the flawed Kennedy-written majority decision, and the focus that is most relevant to this question of privilege today, is his use of the words "animus" and "animosity" to describe the motivation of the framers of amendment 2 and the 53 percent of Colorado voters who voted for the amendment—and the beliefs of an overwhelming majority of Americans.

Animus—this is the same charge that Mr. GUNDERSON has leveled at me using rougher language in his floor speech, his "Dear Colleague," and the long, revealing, June 2 Washington Post Magazine puff piece. To be specific again, he said that my effort in exposing the truth about the "Cherry Jubilee Weekend" was just my "latest attempt to smear the homosexual community," that I'm motivated by hatred, a nastier word for "animus," not by a sincere desire to protect government property from abuse and, of course, not by a sincere conviction that all Members of Congress prevent our Government from giving bad example to the youth of our Nation by sending them the destructive message that promiscuous sex, hetero-homo-bi-tri or commune sex, is normal and healthy and regularly allowed to showcase in our public buildings. I repeat, we have learned the hard way that the wages of that sinful message are death—360,000 deaths and counting.

So Mr. GUNDERSON tells this Chamber, and the whole country through C–SPAN, that my sole motivation is to smear. Let me read to you, Mr. Speaker, what Justice Antonin Scalia wrote in his dissenting opinion about this animus supposedly expressed by voters in Colorado who hold traditional Judeo-Christian beliefs. Please apply all of the clarity of Justice Scalia's thoughts to my situation here today.

> The Court's [majority] opinion contains grim, disapproving hints that Coloradans have been guilty of "animus" or "animosity" toward homosexuality, as thought hat has been established as Un-American. Of course it is our moral heritage that one should not hate any human being or class of human beings. But I had thought that one could consider certain conduct reprehensible—murder, for example, or polygamy, or cruelty to animals—and could even exhibit "animus" toward such conduct. Surely that is the only sort of "animus" at issue here: moral disapproval of homosexual conduct, the same sort of moral disapproval that produced centuries-old criminal laws that we held constitutional in *Bowers* [the 1986 case upholding Georgia's sodomy law and what is still law in half of our states and in our Armed Forces' "Uniform Code of Military Justice."].

Justice Scalia continues by writing in his opinion that "Coloradans are ...entitled to be hostile toward homosexual conduct" and that the "Court's portrayal of Coloradans as a society fallen victim to pointless, hate-filled 'gay-bashing' is so false as to be comical." Unquote. Comical, Scalia wrote. Mr. Speaker, he thought his opinion to be so important that he took the time to read it aloud to the U.S. Supreme Court, to read aloud his entire dissenting opinion which was much longer than the majority opinion.

Mr. Speaker, please reflect on Justice Scalia's carefully chosen words. He is saying that you and I, and all Coloradans, are entitled—he italicized this word in his opinion—"entitled to be hostile toward homosexual conduct..." Not hostile toward any person, but hostile toward the conduct. Only craven, cowardly bullies hurt or bash individuals and they should be severely punished with the full force of law. A law abiding citizen doesn't even physically abuse a guilty drunk driver at an accident scene involving an injured child—and that's a tough provocation. He makes a citizen's arrest and waits for the police.

So let me state for the record again, Mr. Speaker, before the million plus interested citizens watching on C–SPAN, and not referring to any individual in particular, . . . It's the conduct, stupid. And Mr. GUNDERSON knows in his heart of hearts that if he were being physically assaulted out on the street, BOB DORNAN would be one of the very first, if not the first, to defend and protect him even at risk of my own life. If you doubt that, just ask Congressman CUNNINGHAM and about half dozen of our Capitol Hill police officers.

I, like most Americans, do have animus towards homosexual conduct . . . and at the ostentatious in-your-face conduct that was exhibited at the Cherry Jubilee group grope. In his floor statement, Mr. GUNDERSON attempts to portray the homosexual conduct at the stately Mellon Auditorium as a "gift of love, not a week-end of illegal activity." Even the remotest touch of common sense will tell any American, Mr. Speaker, that the 8,160 square foot Mellon Federal auditorium, which is bigger than the 7,600 square footage of this House chamber and almost twice as big as the 4,300 square foot Senate chamber, when filled with 2,000-plus writhing, bumping and grinding, homosexuals, hundreds half-naked, is anything but a "gift of love" . . . unless, of course, you define lust as love—which is similar to a Member of Congress using love as an excuse for responding to a male pimp's sex ad in the homosexual Blade newspaper, an ad which was signed off by "Hot Bottom" . . . face it, that's lust, not love.

Just why would I have animus about a sleazy homosexual jamboree? Fair question with a very easy answer. Again, Mr. GUNDERSON claimed the Cherry Hop raised about $50,000. The truth is that it raised only $45,000. But think about this, Mr. Speaker, if just one person after that night of quote "coping feels"—that's the term of an anonymous columnist reporting on the hop for the homosexual Metro Weekly newspaper and cited in The Washington Times—. . . after a night of "coping feels" on that dance floor, if just one person, after furtively sharing a little cocaine with an all-too-friendly same-sex tripper in a latrine stall, if only that one person after the gala, back at a motel or hotel shared the virus that keeps on giving—the fatal AIDS virus . . . then . . . that mere $45,000 raised is but a drop in the bucket. Why? Because it won't even cover a fraction of the cost that one single AIDS patient will require throughout his medical decline and death.

God demands compassion and prayers for the infected patient and for the dying patient. Jesus commands it . . . "What you do for these, the least of mine, you do for me." Yes, of course, love and compassion. But focused animosity is logical when directed at the behavior of the arrogant risk-takers, those hell-bent-for-leather to put lust before long life and therefore overload, if not bankrupt, our health systems. Dr. Tony Fauci told me 3 weeks ago at NIH that many homosexuals now become HIV positive because of mere frustration, mere annoyance at having to avoid AIDS with less risky sex. So, mentally exhausted with safer sodomy, they succumb to high risk lust with its inevitable fate. Mr. GUNDERSON says that we "must not lecture one another," quote, "if there is to remain any element of mutual respect." Unquote. Well if lecturing is out, then I simply plead with young Americans at risk: Stop hurting one another. Stop killing one another. Stop the promiscuity. Stop the dangerous and unhealthy conduct. And stop holding up homosexual conduct before the youth of our country as wholesome and normal and healthy.

Let met turn around another GUNDERSON insult: He accused me of trying, quote, "to personally destroy those with whom (I) might disagree" . . . we, who truly believe we are our brother's keeper, . . . are not trying to destroy you risk-takers, we're trying to save your immortal souls, and your mortal lives in the measure.

Mr. Speaker, let's address the central allegation of Mr. GUNDERSON's May 14 floor speech; that I had a large hand in intentionally "misrepresenting the facts" and intentionally "falsifying information" surrounding the "Cherry Jubilee Weekend." I repeat, he actually used those false words "misrepresenting the facts" six times.

For the record, Mr. Speaker, these salacious advertisements at my side are exactly what I'm talking about when I criticize the melee at the Mellon.

The Cherry Jubilee Weekend consisted of three inclusive events; First, a Friday, April 12, Welcome Party held primarily for this homosexual circuit party's out of town guests, as the promoters at Friends Being Friends have explained. The Welcome Party was advertised as being held in two locations, or as the promoters say, two of Washington's popular local hangouts, the homosexual bars Trumpets and JR's. Mr. Speaker, I have here advertisements for these bars as printed in the city's premier homosexual newspaper The Washington Blade. Note, Mr. Speaker, alongside the ad with this naked male model is another ad with a male homosexual dressed in women's lingerie for the bar Trumpets. These bars were the starting point of Mr. GUNDERSON's gift of love and love thy neighbor as yourself weekend. Mr. Speaker, please think again at this point about Tailhook and the outrageous double standard that we tolerate, especially given the code of honor we Americans demand from our military, and the pathetically low standard of ethics enforced here and in the Senate. Even Packwood avoided being expelled for over a year, then he quit amid tearful goodbyes. Bye, bye, Mr. Abortion.

The second event of the Cherry Jubilee Weekend was the Main Event held Saturday night and which ran until dawn Sunday morning. This was the so-called dance at the surrealistically lighted Mellon. Mr. Speaker, remember that the event's sponsors claim they spent $14,000 just on lighting—not the bright lights of a debutante's ball as suggested by Mr. GUNDERSON—but the hypnotic, psychedelic lighting so befitting the hedonism that it was partially illuminating?

The third event comprising the package weekend was the Sunday Recovery Brunch hosted by Mr. GUNDERSON in our House Rayburn Courtyard. This function was initially advertised as being held in Mr. GUNDERSON's, quote, "unique Agriculture Committee Room located inside the Longworth House Office Building." I assume Mr. GUNDERSON decided a much larger site was needed.

The Washington Blade newspaper wrote a post-mortem of these events, quote, "Cherry Jubilee kicked off Friday, April 12, with a 'Welcome Cocktail Party' at Trumpets"—that's the 17th St. bistro advertised here, Mr. Speaker, with this cowboy dressed in women's underwear. Back to the Blade, "This was followed by a "Welcome Dance Party" at Diversite, a 14th Street club. (The Washingtonian Magazine says it's D.C.'s "best bar for the scene.") The 'Main Event,' an all-night dance attended by over 2,000 people, took place at the historic Andrew W. Mellon Auditorium" (note that even they say "historic" . . . and it's straight across from the National Museum of American History on America's number 1 boulevard, Constitution Ave. And, Mr. Speaker, the Mellon's impressive front doors are exactly 106 paces across Constitution, I personally paced it off, from the mammoth 1814 original "Star Spangled Banner," the actual thirty foot by thirty four foot Ft. McHenry flag that inspired Francis Scott Key to write our National Anthem, including the words, ". . . And this be our motto: In God we trust!" Back to the Blade, quote, "The weekend wound down with the 'Capitol Hill Recovery Brunch' held at the Longworth House Office Building foyer and patio from 1 to 6 pm," unquote. (Actually the Rayburn Courtyard.)

The Blade continued its description of the weekend, "Cherry Jubilee attracted people from as far away as Switzerland and San Francisco." Mr. Speaker, that's a reference to the traveling bi and homosexual so-called "circuit party" crowd. One of the weekend's sponsors crowed, I quote, "Pretty much someone from every city came"

That was a description of the weekend from one of their very own newspapers, so let's be honest concerning what we're describing. And, let's be very clear about something else . . . Most of Mr. GUNDERSON's point of personal privilege was spent in criticizing and contradicting the written report and video record of journalist Marc Morano, who was an eyewitness of the Saturday night event. Accompanying Marc was another reporter named Jerry. This character assassination of Mr. Morano is phony and transparent from the start given that Mr. GUNDERSON admitted early on that he, GUNDERSON, was nowhere near Saturday night's "Main Event" of hedonism.

Contrary to what Mr. GUNDERSON speculated about Mr. Morano sneaking in, Morano not only bought one ticket at the door, but actually bought another ticket from a scalper for his assistant Jerry, who is obviously a corroborative eyewitness. Why, Mr. GUNDERSON asks, didn't Mr. Morano just proclaim up front why he was there with a video camera? Obviously, he would have been thrown out, just as he was blocked from even entering Mr. GUNDERSON's soiree in our Rayburn Courtyard the next day. As it was, Marc was only able to shoot limited footage. Again, the lighting was purposefully dim, as you can plainly see in this single video still frame that I've had blown up from Mr. Morano's video report just for inquiring minds and honest journalists.

Parenthetically, Mr. Speaker, do you know what scene this blow up reminds me of? The final scenes from the movie "The Ten Commandments." I can hear that unique voice-over narration of Cecil B. DeMille as he paraphrased Exodus Chapter 32 with a touch of Leviticus. Mr. Speaker, you may apply these words, if you choose, to the lapses of dignity at the Tailhook disgrace, but they fit more accurately, times 100, the degradation that disgraced our Capital at the Mellon Auditorium—twice—April 1993 and April 1996.

The narration picks up after the Bible tells us Aaron "Let the people run wild." With reverent foreboding, C.B. DeMille narrates:

> They were as children who had lost their faith. They were preverse and crooked and rebellious against God. They did eat the bread of wickedness and drank the wine of violence. And they did evil in the eyes of the Lord.

On screen the young girl being sacrificed pleads, "Have you no shame?" We hear that word "shame" applied to Christians quite often by homosexual activists. How perverse.

Scene up on Mount Sinai, God orders Moses, "Go, get thee down, for thy people have corrupted themselves."

DeMille:

> And the people rose up to play. They were as the children of fools and cast off their clothes. The wicked were like a troubled sea whose waters cast up filth and dirt. They sank from evil to evil and were viler than the earth. They had become servants of sin. And there was manifest all manner of ungodliness and works of the flesh. Adultery and lasciviousness, uncleanness, idolatry, and rioting, vanity and wrath. And they were filled with iniquity and vile affections and Aaron knew that he had brought them to shame.

Remember that Time magazine cover, "What Ever Happened to Shame?"

By the way, Mr. Speaker, I know I speak for most Members when I state that the only

Moses we like to hear about on this House floor is our Moses of Exodus, the Moses up there in the center place of honor on our north wall, Moses in marble relief looking down on us. Hopefully to inspire us. Moses the lawgiver, Moses of the Ten Commandments, commandments, Mr. Speaker; not suggestions about matters like infanticide and adultery and sodomy. Moses the Prophet. I am beyond annoyance hearing on this floor about Herb Moses or Rob Morris. Why must we hear about 45-year-old and fiftyish boy friends? I only know the first names of about 20 spouses, and not the single maiden name of a Member's spouse. Enough already with Rob and Herb's family values.

Mr. Speaker, an important point. Mr. GUNDERSON was adamant that there were no orange cones put out to stop public sodomy, but only to warn of construction hazards. Well, Mr. Morano told me, and I personally confirmed this on a visit to this impressive building, that the outside orange construction cones were not for hazard warning of construction work as Mr. GUNDERSON asserted, but were indeed to ward off hard partyers seeking the remote and dark refuge of an outside dead-end stairwell that they themselves dubbed "Screw Alley." Again, I personally observed that it is not an alley, but an elegant arched side carriage entrance and courtyard—there is a courtyard carriage entrance with handicap ramps on each side of the magnificent auditorium. This is where much of the reported public urination was taking place, right there next to our historic Constitution Avenue. The two-carriage entrance courtyards were also the smoking sections for multi-risk fastlaners. One eyewitness said that so many people were up and down the dark stairwells that orange cones were set up by an APEX rent-a-cop, to quote, "detour the traffic," unquote. Mr. Speaker, there was no construction work outside and certainly nothing "constructive" going on inside.

In the course of his floor statement, Mr. GUNDERSON said, quote, "Mr. Dornan uses an article to portray a recent series of events held in this town, in Government buildings, as a party of numerous illegal activities. Nothing could be further from the truth." Unquote.

So, to again use Mr. GUNDERSON'S very words, "It's time to set the record straight."

The very day after he delivered his statement, the Washington Times, May 15, corroborated the charges of illegal drug activity independent of reporter Marc Morano and his associate's eyewitness accounts. Illegal drugs were used at the taxpayer-owned and GSA-operated historic Andrew W. Mellon Auditorium. And, by the way, Mr. Speaker, Mr. GUNDERSON kept saying the Commerce Department runs the Mellon. Another of his misstatements. It's run by the General Services Administration. This proves again that community lawyers or Whitman-Walker wrote his May 14 protestation.

I met personally with the very professional lady who has been the principal GSA supervisor there for over 10 years. She told me when she came to the Mellon Sunday morning it was filthy, with mixed-drink-sticky-slime covering most of the auditorium floor. She demanded and got Whitman-Walker to pay for a cleaning crew on Sunday, at a triple overtime rate.

As for displays of public sex—who among the participants would come forward and incriminate themselves? As for the one off-duty officer, still unidentified and probably nonexistent, and the six APEX rent-a-cops—wouldn't you expect six or seven people to be overwhelmed by 2,000-plus undulating and mock-humping revelers? And the fact remains that, for many homosexuals, the attraction to partners who are strangers for public sex is pathological. Here is a book, published by homosexual press, for the sole and explicit purpose of leading willing participants to semisecret hot spots across the Nation for public, homosexual sex. This thick magazine is titled "Steam", Mr. Speaker. It says that there is a European locations edition.

And look at this thick magazine of depraved classified ads spun off from the homosexual Advocate magazine, Mr. Speaker, most are offensive ads for soliciting sex with strangers. The Advocate spun off this AIDS-spreading depravity into a separate slick magazine so they could attract political interviews like the one with Clinton this very month. A very creepy mailed-in interview, by the way. Par for his course.

No person in their right mind believes that 2,000 upscale homosexuals gathered together in one place for all-night revelry, in such an elegant, taxpayer-owned edifice, weren't pairing up for later action.

Just listen to Mr. GUNDERSON's own words, quote, "The sponsors intentionally took steps to prevent even an atmosphere conducive to illegal activity." Unquote. This is definitely not standard party protocol at your American Legion Hall dance or at any NCO Club dance or a Kiwanis or Rotary Club night out. How about our own Capitol Hill Club? Think Tailhook again, Mr. Speaker, and the price paid by heroic combat pilots who have lost their careers. Why would Mr. GUNDERSON have to tell us all of this, if these so-called homosexual circuit parties, drawing thousands, weren't traveling, lust-liaisons known for their illegal drug activities? Why would they need, as he describes it, quote, "strategically placed security personnel,"? Or why would they need, as Mr. GUNDERSON says, quote, "Three-foot-by-four-foot posters placed throughout the auditorium and throughout the restrooms with the message: 'The possession or use of illegal substances is strictly prohibited.'" Again, the infamous Tailhook mess did not require signs posted around the Vegas Hilton. Why would these posters be needed to control partyers described by Mr. GUNDERSON as—and the Speaker knows that I'm not making this up, check the May 14th RECORD—"the love of God personified" (pause) and a people whom, quote, "every conservative and every Republican should applaud." How Mr. GUNDERSON kept a straight face through all of these sacrilegious comparisons I'll never know.

It reminds me of their new and equally offensive gambit of referring to an obsession with an unnatural sex act as a "gift from God." What small "g" god would that be, the god pan? What sacrilegious, errant nonsense. This transparent propaganda is usually advanced by homosexual clerics and phoney sex therapists of the "if-it-moves-mate-with-it" school.

Here's Mr. GUNDERSON's next claim: quote, "My sole role was to serve as the congressional host for the Sunday Brunch by requesting a space in my name." Unquote.

In press accounts, my self-appointed adversary repeatedly points out that he was not a sponsor of the Cherry Jubilee Weekend. But just as Justice Scalia writes about homosexual orientation versus homosexual conduct, use of the words "host" versus "sponsor" is a "difference without a distinction."

Again, as advertised, the Cherry Jubilee Weekend was three events in one. To buy one ticket was to buy a Weekend Ticket, or a ticket to all events. Not to mention that to buy a ticket, for whatever purpose, was to give your money to the entire weekend's activities. Similarly, and a clever politician such as Mr. GUNDERSON knows this, to host one event—in other words, to let your name be officially used—is to lend your name to the entire weekend "Jubilee" and to this offensive, pagan advertising that you see beside me.

Further, Mr. GUNDERSON left out some very interesting information that our House Oversight Committee should look into. There are mandatory House rules which specifically guide the use of Federal property on this Hill—in this case, the Rayburn Courtyard where Mr. GUNDERSON's April 14 "Sunday Recovery Brunch" was held. That was it's actual name, a "Recovery Brunch." And isn't it fair to ask, "recovery" from what? Could it be—oh I don't know—that devilish all night partying at the palatial Mellon Auditorium, lasting for 9 hours from 9 p.m. until 6 a.m. in the morning on the Lord's day?

House regulations governing the use of our taxpayer-owned meeting rooms state that these rooms, or space such as the Rayburn Courtyard, "shall not be used for fundraising." Well, Mr. GUNDERSON stated in his words that fundraising was the entire purpose for the "Jubilee" which included his Recovery Brunch, all on one E-ride ticket. Nor are our rooms to be used for "entertaining tour groups." Again, the "Cherry Jubilee Weekend" was reported in the Washington, DC, city paper as part of a traveling "homosexual circuit party." Would that be a tour group, Mr. Speaker? What do you think, Mr. GINGRICH?

And groups using our rooms are not permitted to charge an "admission fee." Mr. GUNDERSON stated in his floor speech that the Recovery Brunch cost $25 per person. That's interesting, because one ticket for the "Jubilee," entitling a participant to brunch at Mr. GUNDERSON's recovery, cost $100, not $25. Do you think, Mr. Speaker, that Brunch sponsors were collecting last minute unofficial admission fees at the door that Sunday afternoon? Who ran the accounting for that money collection?

Do you also think for a moment that if someone did not pay the admission fee for the brunch they would have been allowed in, Mr. Speaker? It simply does not compute.

A guest list is required to be submitted by the sponsor of any event when held during "off-hour periods," such as Sundays. And events in the Rayburn Courtyard are not allowed before 4 p.m. Was a list of attendees submitted, Mr. Speaker? I doubt it. And why was the event allowed to begin at 1 p.m., 3 hours before the authorized hour of 4 p.m.? Was Mr. GUNDERSON given a waiver to go around the rules this way? I doubt it. But if so, by whom?

To those Members who may be toying with the thought that I'm splitting hairs, let me remind you, Mr. Speaker, of the nature of the procedural question of privilege involved here. Mr. GUNDERSON over and over accused me of being the primary distributor of false information and deliberate untruths.

If the chair will recall, there was a previous Dornan-Gunderson dust up here on the House floor 2 years ago. It was prompted by his self-serving comment that he places himself among the Christian avatars in Congress, and these are his exact words, quote, "I'm second-to-none-in-quote-unquote, advocating Christian values around here" * * * here meaning Congress. Some may recall my-truth-in-advertising response to Mr. GUNDERSON'S words. And now, in this latest go-round, here he is again invoking Christianity, but this time implying that I am somehow un-Christian, and implying that I and others were attacking defenseless individuals whom Mr. GUNDERSON describes as "those in need of these services"—meaning AIDS services.

Specifically, he stated—and Mr. Speaker, I hope everyone will take note of his exact words—"Cherry Jubilee represented the best of this American tradition." Then "Cherry Jubilee represented the best of the American family." And, a few sentences later, "Cherry Jubilee represented the best of America's Judeo-Christian ethic." Excuse me? Give us struggling believers a break. I repeat his most offensive statement. Mr. GUNDERSON states that the participants at Cherry Jubilee "became the love of God personified." "The love of God personified"! How outrageously offensive! How sacrilegious! These odious comparisons make the next weird comparison a belly laugh . . . . the half naked dancers and prancers were, quote, "Newt's shining lights on a hill." Unquote. Are NEWT'S lights anything like Governor Winthrop's "shining city on a hill"? I wonder if Winthrop is still spinning in his grave? He probably hasn't stopped spinning since that infamous 1983 censure of the Member from Plymouth Rock.

Mr. Speaker, as I said I'm a grandfather who treasures the innocence of American youngsters and I happily accept our "in loco parentis" role with our idealistic young pages, so I will refrain from discussing reporter Marc Morano's roughest descriptions of the so-called "love of God personified." But this picture gives us a tiny, tiny hint.

And this still-frame from Marc Morano's video camera was taken very early on the night of April 13. All I can say is, this is not my American tradition or my American family. And this is sure as hell and heaven not my Judeo-Christian ethic or code of ethics. This does not represent the love of God, certainly not fear of the God of Abraham, the Father of Jesus, or love in any faith that I've ever heard of. This is pagan in every sense of that word. This is a bad rerun of worshiping Molech and Belial.

Mr. Speaker, the tension between me and the three revealed-by-conduct homosexuals in this House is a reflection of the national debate on our moral and spiritual decline. A debate that has tragically been stifled, if not snuffed out completely, in the Democratic party. Fortunately, it is still very much alive within my Republican Party and it's raging white hot in many communities throughout our land. There can be no compromise in this struggle * * * that is why so many faint-of-heart Members in this institution want all moral issues, even partial-birth infanticide abortions, to just go away! Even lazier and more cowardly are those shallow fools who say, so what! I pity their children in the love department. Unfortunately, a struggle over virtue and the future of our Nation as a land of Godly people can only subside when one side wins and the other side loses. And history tells us the battle will wax and wane until the Second Coming.

Mr. Speaker, I know what I am doing by upping the ante in this hellacious fight. I know the danger it holds for me and for my very large family, both politically and personally. But the stakes are to high for anyone to remain on the sidelines who makes claim to a fighters heart that is I pray brave. The stakes are thousands of human lives at jeopardy * * * at jeopardy to the ravages of an irreversible, fatal venereal disease and * * * far more heart-breaking, there are the souls in jeopardy * * * the immortal souls. The stakes are also * * * our beloved America, as we know it.

One of our cockiest Members is fond of whining in exasperation "what do all of these extremists have to fear from two people of the same sex who love each other?

Given that he undoubtedly is including me among his designated "extremists," I have an answer for him, from a pro-homosexual book, an observation that both sides in the struggle should be able to accept.

"Homosexuality impinges on such questions as what it means to be male or female, what can be considered sexual pathology, what the purposes of sexuality are * * * thus homosexual relationships challenge the moral and emotional basis for the way our culture deals with sexuality." Pretty straightforward, Mr. Speaker.

I would further add that there are many other reasons to oppose the norming of the abnormal. Reasons such as respect for the desires of the God of both the Old and New Testaments * * * or respect for the course of nature itself or what Jefferson's Declaration calls "nature's God," or for the survival of the traditional family of one man and one woman bound together in mutual respect and love, sacrificing their selfish interests to procreate, nurture, and maintain what our founders called "posterity," i.e., all of our innocent children yet unborn. This is a legacy that has been time-tested, for millennia, and by its very success it is undeniably the proven path.

The difference between philos love, which is the non-sexual bonding of dear friends, and homosexuality is that the latter is grounded in a sex act, and variations on that eros theme, in conduct that is defined in that dictionary behind me as "sodomy," and sodomy can never be anything but a selfish, hedonistic, and impotent ritual that bears only the lifeless fruits of disease and emotional distress. I pray for all those, Mr. Speaker, who continue to chose a lifestyle and conduct, so sad and so devoid of true happiness, of true gaiety, which is the joy of life * * * joie de vivre * * * the gaiety that flows from God's love.

Mr. Speaker, to our traditional friends who may be listening right now—those who are often maligned and ridiculed in liberal media for their constancy and courage in defending decency and virtue—Remember that our forefathers paid a terrible price to win their liberty * * * our liberty. It cost most their fortunes or and many their very lives, but never their honor. Every tiny segment that we give up of our standard of decency hastens the demise of our very basic freedoms. Remember, we traditionalists fight to protect the entire spectrum of moral living. Therefore, each political compromise forced upon us—each traditional virtue that we surrender or even compromise—is a loss of something we treasured and thus we are weakened for the next inevitable confrontation. In the culture war in which we are engaged, we must remind ourselves over and over that only a virtuous people can be a free people. Remember Alexis de Tocqueville's insightful prediction, "As long as America is good, America will be great." Our Founders knew that well. It is the nature of this struggle that we will always be on the defensive. Do not feel discouraged or downhearted because we refuse to be "positive" about sodomy or abortion-on-demand just to please liberal reporters. The hard reality is that in this decency battle, the hedonists win something every time we compromise, and the rest of us lose a bit more of our virtue, another one of the foundations of our freedom. Mr. Speaker, the unrelenting chipping away at moral tradition by our adversaries succeeds only when we are complacent or when we continue our delusionary trips to that big three-ring circus tent, a tent that some want to be so large that it will allow practitioners of any perversion to slither in and even be welcomed. Today the Ephebephiles, heterosexual ephebephiles or homosexual ephebephiles, tomorrow, Hello Pedophiles! Come on in, it's a very big tent.

We, who know what objective truth is, must make a firm commitment every day * * * to never, ever compromise in this intense conflict to preserve a culture that is not just safe for children but for their families * * * a culture with virtue, a culture that pleases God.

And what possible claims can homosexual activists make toward Christian loyalty. A true Christian must be able to say with believability, "I try to walk in the footsteps of my Savior Jesus Christ." For someone to claim without shame, that the disgusting display of hedonism at the majestic, publicly-owned Andrew W. Mellon Auditorium had anything to do with Jesus Christ or his followers is to exercise raw evil egotism. Dr. Billy Graham had it exactly right. We are "a nation on the brink of self-destruction." But we need not self-destruct nor commit national suicide. Honest Abe Lincoln, at only age 38, warned us to steel ourselves against national self-destruction.

Mr. Speaker, let me repeat those words from a four-star general that I used in my opening, "we must insist on disciplined and principled behavior. * * * The majority of our members understand well that integrity is essential in an organization where we count on fellow members and that honesty is the glue that binds the members into a cohesive team.

"And they easily take responsibility for their actions and exhibit the courage to do the right thing.

"Yes, most professionals place service before self and willingly subordinate personal interests for the good of their unit, the Air Force and the Nation and, if called upon, are willing to risk their lives in defense of the United States."

Thank you, General Ron Fogelman for inspiring me in a period when I certainly find myself on a solo deep-strike recon mission.

Mr. Speaker, true love will always protect the innocent. I will always challenge the child corrupters, my shield is always the chastening and fearful words of Jesus Christ in Matthew 18:6, "Whosoever shall cause one of these little ones who believe in me to sin, it were better for him that a millstone were hanged about his neck, and that he were drowned in the depth of the sea". . . . I will do a post mortem on these matters, if I have to, in a Special Order, so as to clear up, with the truth, any late breaking developments. Thank you for your attention, Mr. Speaker, and may God truly bless and watch over our bountiful land. I yield back the balance of my time, but I will never yield my sense of decency.

REPORT ON H.R. 3734, WELFARE AND MEDICAID REFORM ACT OF 1996

Mr. KOLBE, from the Committee on the Budget, submitted a privileged report (Rept. No. 104–651) on the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, which was referred to Union Calendar and ordered to be printed.

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the further consideration of H.R. 3675 and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Virginia?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3675.

□ 2127

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. BEREUTER in the chair.

The Clerk read the title of the bill.

□ 2130

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 26, 1996, all time for general debate had expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

The amendment printed in section 2 of House Resolution 460 is adopted.

During consideration of the bill for further amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $53,816,000, of which not to exceed $40,000 shall be available as the Secretary may determine for allocation within the Department for official reception and representation expenses: *Provided,* That notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received in user fees established to support the electronic tariff filing system: *Provided further,* That none of the funds appropriated in this Act or otherwise made available may be used to maintain custody of airline tariffs that are already available for public and departmental access at no cost; to secure them against detection, alteration, or tampering; and open to inspection by the Department.

Mr. DAVIS. Mr. Chairman, I move to strike the last word.

Mr. CHAIRMAN, I have an amendment printed in the RECORD, which I will not offer if I can engage the chairman of the subcommittee in a colloquy.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I would be pleased to engage in a colloquy with my friend, the gentleman from Virginia.

Mr. DAVIS. I thank the chairman.

I would tell the gentleman, Mr. Chairman, I have received assurances from the administrator of the Federal Highway Administration that he intends to undertake, on behalf of the District of Columbia, a comprehensive transportation needs assessment for the District. Such a study is desperately needed by the District, and it would benefit the entire Washington area, because of the interconnection of all of our transportation systems. This study will be paid for with Federal funds.

The administration is willing to conduct this study for the District because of the serious impact on traffic of the closure of Pennsylvania Avenue. I seek assurance from the chairman of the committee that he will work with the Federal Highway Administration to ensure that this study is conducted, that Congress and the District of Columbia government are consulted on the parameters of the study, that we are able to review the results before they are final, that it will be as comprehensive as necessary, and that it will be finished within a year.

Mr. WOLF. Mr. Chairman, I thank my colleague for his concern on this important matter. Indeed it is a matter of regional importance, and I share his interest. I want to commend him for bringing this to the committee's attention.

I will tell him and guarantee him that I will work with him, the District, the Federal Highway Administration, and anybody else we have to work with to make sure it is done. I understand the Federal Highway Administration may take anywhere from 6 to 12 months and it will cost up to $1 million, but it is a great idea, and I am really glad the gentleman brought it to the attention of the committee.

Mr. DAVIS. I thank the chairman for his assurances. I too understand that this is a major undertaking that may take as much as a year and $1 million to complete. That is why I wanted to raise this matter on the floor. Again, I thank the chairman of the committee for his assurances and assistance.

Mr. PORTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to enter into a colloquy with the subcommittee chairman.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I would be happy to engage the gentleman from Illinois [Mr. PORTER] in a colloquy.

Mr. PORTER. Mr. Chairman, in the 1993 Congress we passed the Swift Rail Development Act, which directed the Secretary of Transportation to prescribe regulations regarding the sounding of train whistles or horns when trains approach and enter public highway-rail grade crossings. This authority has been delegated to the Federal Railroad Administration.

Mr. Chairman, railroad safety is of the utmost importance to me and to all Members of Congress. At the same time, it seems clear that the FRA is expected to take into consideration the quality of life concerns of affected communities in developing and implementing regulations.

Mr. WOLF. Yes, safety is of paramount importance to me as well, and we would expect the FRA to take such concerns into consideration.

Mr. PORTER. Mr. Chairman, this would include an expectation that the FRA would document the impact on communities of any new requirements for the sounding of train whistles or horns at highway-rail grade crossings, and that in exercising its statutory authority to provide for exceptions to the horn sounding requirement, the FRA would consider the safety records of individual highway-rail grade crossings and provide exceptions where there is no significant history of loss of life or serious personal injury.

And further, this would include FRA's consideration of comprehensive local rail safety enforcement and public education programs as supplementary safety measures, and that, where it is determined that new physical supplementary safety measures are necessary, that the particular characteristics of each crossing and the views of the affected community would be considered in determining the practicality of a proposed supplementary safety measure.

Finally, I would understand that this would include an expectation that the FRA would work in close partnership with communities affected by this law and provide such communities with technical assistance.

Mr. WOLF. Yes, Mr. Chairman, the gentleman is correct. It is the committee's intent that the FRA should incorporate the gentleman from Illinois's recommendation.

Mr. PORTER. Mr. Chairman, I thank the subcommittee chairman.

Mr. SHUSTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to compliment the distinguished chairman of the subcommittee, as well as the distinguished chairman of the full committee and the ranking Members, the gentleman from Wisconsin [Mr. OBEY], and the gentleman from Texas [Mr. COLEMAN], for the high level of consultation and cooperation with our Committee on Transportation and Infrastructure in developing this bill. Our committee's concerns have been addressed in a very fair manner, and I want to thank the distinguished chairman of the subcommittee.

Mr. Chairman, I rise in support of the fiscal year 1997 Transportation Appropriations Bill.

First and foremost, I want to thank Mr. LIVINGSTON, Mr. WOLF, and Mr. COLEMAN, and their staff for the high level of consultation and cooperation with the Transportation and Infrastructure Committee in developing this bill. The committee's concerns have been addressed in a very fair manner.

Overall the bill balanced the need for a strong Federal role in transportation safety with the need to continue to invest in our Nation's infrastructure. At the same time, the committee had to develop a bill in a climate of tight budgets. They have done an admirable job and should be commended.

For the Federal-Aid Highway Program, the funding level is being kept at the fiscal year 1996 level. The obligation limitation is kept to $17.5 billion—the highest level ever enacted but not at the ISTEA authorized level of $18.3 billion. There is no change to the exempt highway programs.

Despite this level of funding, in fiscal year 1997 outlays from the highway account of the trust fund will still be $700 million below tax receipts. As I have repeatedly stated, it is unethical for us to collect dedicated user fees and not use them for their intended purpose.

For the transit program, the overall level is also kept at the fiscal year 1996 level of $4 billion. This program helps modernize, and maintain our transit systems. It also helps build new systems. Good transit has an important role to play, especially in our large and congested cities. This bill will continue the Federal role in this mode of transportation.

I want to clarify that nothing in the provisions contained on lines 1–9 on page 27, under the heading "Formula Grants" in any way amends, supersedes, or alters the existing current law, which prohibits funding any transit operating expenses that may be incurred under any programs funded under this heading, including operating expenses from the section 18 non-urbanized area formula program, for the mass transit account of the highway trust fund. Under current law, transit operating expenses may only be funded from the general fund.

In permanent law when ISTEA was enacted was the authority to make expenditures from the mass transit account "for capital or capital-related expenses", section 9503(E)(3) of the Internal Revenue Code of 1986. Read together, the ISTEA authorization and the expenditure authority limitation from the mass transit account enable the capital-eligible activities under the section program to be funded from the mass transit account, and any operating expenses incurred as part of that program to be funded exclusively from the general fund.

For aviation, the bill funds an increase of $254 million for operations. This increase will fund important safety functions and initiatives. The bill also provides funds to continue the modernization of the air traffic control system—a critical safety issue.

Unfortunately, due to budget constraints, the committee cut funding for airport grants by 10 percent. I believe that there continue to be significant needs for additional investment in our airports for both safety and capacity reasons.

For the Coast Guard the committee has ensured that there are sufficient funds to continue all its missions. We strongly support the Coast Guard's important role in drug interdiction. This is a vital Coast Guard mission that affects every community across this country. The bill also fully funds the State boat safety grant program which is critical to improving safety among recreational boaters.

Unfortunately, funding for Amtrak has been reduced substantially. This reduced funding could jeopardize Amtrak's future and highlights the critical need for the reforms embodied in H.R. 1788, which was passed by the House last November. We continue to look forward to working with the Senate on this much-needed legislation. In addition, I hope when we consider a conference report we will provide additional funds.

This is a good bill. Put together under difficult circumstances. I commend the gentleman from Virginia for his work in developing this bill.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I thank the gentleman for his comments. The relationship has probably been as good or better than it has ever been, so I appreciate the gentleman's comments. I hope we can continue this relationship for many more years.

Mr. ARCHER. Mr. Chairman, as the House takes up consideration of the fiscal year 1997 transportation appropriations bill (HR 3675), I want to explain the current law provisions governing expenditures from the Mass Transit Account and to clarify that HR 3675 does not amend current law with respect to those Trust Fund expenditures.

By way of background, the Committee on Ways and Means has jurisdiction over provisions which amend the Internal Revenue Code Trust Funds, including the Mass Transit Account within the Highway Trust Fund. The Committee's jurisdiction is not limited to the financing of the Trust Funds. The Committee's jurisdiction includes the expenditure purposes of the Trust Funds. The role of the Committee on Ways and Means over the expenditure purposes of the Trust Fund Code acknowledges the long-standing agreement that Trust Fund spending purposes should be approved by the Committee responsible for raising dedicated revenues.

The statutory provisions governing expenditures from the Mass Transit Account within the Highway Trust Fund were established in the 1982 Surface Transportation Assistance Act. The Trust Fund expenditure purposes have been revised subsequently to reflect the purposes contained in authorizing legislation, most recently in the Intermodal Surface Transportation Efficiency Act of 1991.

The expenditure purposes of the Mass Transit Account are found in the Internal Revenue Code section 9503(e)(3) which provides that "(A)mounts in the Mass Transit Account shall be available, as provided by appropriation Acts, for making capital or capital-related expenditures before October 1, 1997—including capital expenditures for new projects—in accordance with * * * [the 1991 Act and specified sections of Title 49] * * * as such Acts are in effect on the date of the enactment of the Intermodal Surface Transportation Efficiency Act of 1991." (Emphasis added.)

As my colleagues will note, the Internal Revenue Code is very clear that expenditures from the Mass Transit Account are limited to capital and capital-related purposes. Interpretations of current law or proposed law which would expand expenditure purposes of the Mass Transit Account to include transit operating expenses under the Section 18 Rural Assistance program are without statutory authority or Congressional intent. Finally, any new expenditure purposes from the Mass Transit Account would necessitate a conforming Internal Revenue Code amendment with the consent and approval of the Committee on Ways and Means.

Mr. PACKARD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask to have the privilege of entering into a colloquy with the chairman of the subcommittee.

Mr. Chairman, as an early supporter of efforts to eliminate the Interstate Commerce Commission and to deregulate the motor carrier industry, I am committed to eliminating needless regulatory and paperwork burdens on that industry. As we know, last year Congress passed and President Clinton signed into law the Interstate commerce Commission Termination Act, which eliminated virtually all economic regulations to the motor carrier industry. The Subcommittee on Transportation of the Committee on Appropriations played an important role in that process by eliminating the funding for outdated and unnecessary regulatory functions.

However, I am concerned that one burdensome and costly element of the old regulatory regime remains: the requirement for financial reporting. The original requirement for financial reporting was to facilitate the ICC's statutory obligation to review and approve a motor carrier's rates. That function, rate regulation, no longer exists, and consequently, there is no longer a need to file this data for regulatory purposes.

Federal law requires all trucking companies to have insurance or be approved as a self-insurer following a detailed financial review by USDOT. Neither of these provisions would be affected by eliminating financial reporting.

It is my understanding that the insurance companies do not rely on these reports because they are able to get more current and useful information through their policy application process.

Mr. Chairman, while it would be my preference that we eliminate the requirement for financial reporting, I understand that the Department of Transportation currently is reviewing a number of reporting requirements, including financial reporting, with an eye toward streamlining those requirements.

Mr. Chairman, I hope we can direct the Department of Transportation to move expeditiously on that review, and to provide the Congress with justification for any continued requirement to provide financial information.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I share the interest of the gentleman from California. However, I am concerned that streamlining these reports could jeopardize or change the current levels of safety. As the gentleman knows, safety has been personally my number one and the number one issue for the gentleman from Texas [Mr. Coleman]. I believe the Department should include this aspect in its review, and the committee looks forward to receiving the information from the Department of Transportation and working with the gentleman from California.

Mr. PACKARD. I appreciate very much the gentleman's willingness to work with us.

Mr. HASTERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would say to the chairman of the Subcommittee on Transportation of the Committee on Appropriations, I appreciate his acceptance in allowing this colloquy or short discussion.

I would also like to personally thank the chairman of the committee, the gentleman from Virginia, [Mr. Wolf] for his, at the outset, agreeability to looking at an issue that is very, very important to many people on this floor. It is also very important to our children and our grandchildren. That is the problem of illicit drugs coming into this country, both through our southwest border and through the Caribbean transit area through Puerto Rico and the Virgin Islands.

We also understand that the Coast Guard plays a very important role in the interdiction effort, and I would like to continue to work with the chairman to find ways we can increase efforts in interdiction; that the Nation must again identify and properly fund an effective drug interdiction effort, and especially in the Caribbean transit zone, as well as in the southwest portion of this country, and to look at the Coast Guard, how we can better work together and find those solutions.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I pledge I will give it every serious consideration. I commend the gentleman for his interest in this. I think Congress ought to know that the number of high school kids that are using drugs is probably much higher than we actually think. We had a drug conference in my district this past weekend with General McCafferey and a number of other people. In some of the schools, the use of drugs is up to 60 and 65 percent. Drugs are running rampant in this country.

I do not know what the gentleman said is the best idea, but I will give it every consideration. I think the Congress, though, in dealing with this issue, ought to also look at the possibility of setting up strike forces which will go down into South America, into Bolivia, into Colombia, and into Peru, and seize the leaders of these drug cartels and bring them back to the United States, and put them on trial.

But I commend the gentleman for his efforts, and the effort of the gentleman from New Hampshire, [Mr. Zeliff]. As the gentleman knows, we did note some of his concern and included certain items in the committee report. I will give this serious consideration.

Mr. HASTERT. Mr. Chairman, I thank the gentleman. The statistic is since 1992 to present there has been a 100-percent increase of teenagers that are on, for instance, just cocaine. I think it would be behoove everybody to study what is happening in some of the South American countries, and where there are successes and where there are not.

Mr. WOLF. Mr. Chairman, if the gentleman will continue to yield, he is exactly right. One study showed that when asked, in one area there were 34 percent of the children using drugs, and their parents were asked did they think drug use was around, and only 14 percent though drug use was around. So it is coming back big time, and spiking up. I thank the gentleman for raising this issue.

Mr. STUPAK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I seek to engage in a colloquy with the gentleman from Virginia [Mr. Wolf], chairman of the Subcommittee on Transportation of the Committee on Appropriations.

Due to an inadvertent error, the table on page 149 in the committee report indicates that funds allocated for Kalkaska, MI, are to be used for buses.

Will the gentleman agree that the committee in fact intended that the funds be used for an intermodal facility?

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I agree with the gentleman that the funds provided for Kalkaska are to be used for an intermodal facility. I do agree with that.

Mr. CASTLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to thank the gentleman from Virginia [Mr. WOLF] for his really fine work on this appropriations bill. I would like to take this time to voice my concerns regarding Amtrak's funding levels. Perhaps we can discuss it for a minute.

I am very disappointed with Amtrak's funding levels included in the House transportation appropriations bill. If enacted, these cuts in the operating capital funding for fiscal year 1997 will force Amtrak to close a number of routes and curtail infrastructure investment. Such drastic cuts will not allow Amtrak to reach its goal of self-sufficiency. To successfully accomplish this goal of self-sufficiency, while preserving the national passenger rail system, Amtrak must be provided with a secure and reliable source of capital funding.

My colleague, the honorable gentlewoman from Connecticut, NANCY JOHNSON, has introduced H.R. 2789, the Intercity Passenger Rail Trust Fund Act, of which I am a cosponsor. This bill would establish a dedicate trust fund which would allow Amtrak to decrease its reliance on Federal operating capital more rapidly. This trust fund is not a new tax, nor would it contribute to the deficit. Instead, H.R. 2789 would redirect one-half cent from the existing gasoline tax in the mass transit account of the highway trust fund into a dedicated capital fund for Amtrak.

Without a dedicated funding source, Amtrak will be completely dependent upon the less than certain actions of Congress. This uncertainty hampers the corporation's ability to enter into long-term contracts and move towards fiscal self-sufficiency.

□ 2145

In order to enhance safety, increase reliability, and reduce operating costs, Amtrak must be able to rely on consistent funding.

It is clear we all agree that Amtrak should be free of operating support and should have less dependence on Congress for its funding. However, without adequate capital funds or an alternative funding source now, Amtrak will forever be dependent on Congress and the taxpayers.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, the gentleman is right, and just to make a couple of comments. We, the gentleman from Texas [Mr. COLEMAN] and I, working in a bipartisan way, the number one issue again that we dealt with was safety, safety whether it be Amtrak or safety whether it be the FAA.

Second, we did not fund the Northeast Corridor because Amtrak has about $466 million that they have not used.

The gentleman raises a very good point, though, and I want to just put it on the record and maybe to go even a little further than the gentleman did. Amtrak will not make it unless there is a dedicated revenue source, and I agree with the gentleman.

There is one thing, though, that I would caution on, and I have not looked at that legislation. There ought to be a half penny, a half cent for Amtrak, but it ought not be in competition coming out of mass transit. If we begin to do that, we are then going to be pitting the gentleman from Philadelphia, Mr. FOGLIETTA, and New York, and Chicago, and L.A., and San Francisco, and Houston, et cetera, et cetera, against Amtrak. So if we are going to have a half a cent dedicated, it has to be done in such a way that it does not come out of mass transit.

There is the opportunity for the one-half cent, but without a dedicated revenue source, Amtrak will not be able to rely on the appropriation process and it is going to fail. So if there is not one-half cent, Amtrak is going to do under.

Mr. CASTLE. Mr. Chairman, I appreciate the gentleman's caution about the half-cent source, and I do not disagree with that. I also appreciate the gentleman's great concern with this particular issue. I think it is going to take the efforts of all of us to come to the rescue, and in particular circumstance as we change away from operating to doing the capital funding. I think it can be done if we work together, and I absolutely believe it is a worthwhile cause. So I appreciate the gentleman's support.

Mr. WOLF. I thank the gentleman.

Mr. LoBIONDO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage the distinguished chairman of the subcommittee, the gentleman from Virginia [WOLF] in a colloquy.

Mr. Chairman, there is currently a provision in the bill which could allow the United States Coast Guard to sell property in Wildwood, NJ, currently used for the Electronic Engineering Center. This would be devastating for Wildwood, because the property represents one of the last remaining undeveloped areas of natural coastline in southern New Jersey and maybe in the entire State and is very environmentally sensitive.

My community is very upset about even the potential of the Coast Guard selling this property. I understand it was proposed by the Coast Guard merely in order for them to help meet their budget targets.

While I understand that the Coast Guard has budget concerns, I am committed to finding a solution which is acceptable to the community as a whole and protects the normal government service administration real property disposal procedure, which offers the property to other Federal agencies first and is environmentally sound.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. LoBIONDO. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I appreciate the gentleman from New Jersey [Mr. LOBIONDO] bringing this to our attention. Coming originally from Philadelphia, I spent all of my summers down in Wildwood. The fact is I worked as a beach boy selling umbrellas in Wildwood one year, and I also worked in the amusement park in North Wildwood there, so I know the area that the gentleman is talking about. I appreciate him bringing this to my attention.

This year we are going to vacation, though, in Avalon. But the language that was included in the budget request is a way to save money. We were not made aware of the local opposition to the coast Guard's proposal until the gentleman brought it to my attention.

I understand the serious consequence of the proposal. I want to assure the gentleman that I will do whatever is necessary to address this problem in a manner that protects the normal GSA property disposal procedure and is satisfactory to the local community by the time this bill comes out of conference with the Senate.

I thank the gentleman for his hard work on this matter. In fact, if it were not for the gentleman bringing this to our attention, this could have sailed by. Without his intervention, I am sure the Coast Guard proposal would have received little scrutiny or analysis. Now that we are aware of the problem, we will work over the coming weeks with the gentleman and his staff to satisfy the community's concern as we work toward a final solution.

I would tell the gentleman, when he gets to Avalon, the best bake shop in Avalon is Kohler's. And if he gets a chance, stop by Kohler's.

Mr. LoBIONDO. I know the location well. I thank the gentleman, Mr. Chairman, for the assurance to do what is necessary to correct this problem. I look forward to working with the gentleman on this matter in a way which addresses the serious concerns of my constituents.

Mr. BUYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think there are many here in this body who did not know that the proposed regulation in the Federal Hazardous Materials Transportation Act in the 103d Congress will most likely cost the average farmer in America approximately $3,200. The overall impact of the regulation could exceed $7 billion.

The Department of Transportation has proposed a regulation that would supersede every State exception grant to the agricultural industry in transferring of agricultural production material from either retail to farm or farm to farm.

Besides the regulatory burdens of such a mandate, the enforcement is even less practical. Please note that most farmers take training classes to be certified every 5 years to even use many of these chemicals. Most States have had in place for years exceptions that allow retailers and farmers to transport regulated agrichemicals to the farms without having to placard their trucks, carry shipments, documents, and provide a 24-hour emergency response phone number.

The rural local transportation of agrichemicals under these exceptions has allowed agribusiness and the farmers to move product efficiently and safely during the farming seasons. In fact, most of these chemicals are transferred during a short 2- to 4-week period. Without the same exceptions that have been granted to the industry in the transfer of such chemicals in the past, farmers will have had to abide by time-consuming, burdensome and costly regulations. Such regulations will not make our rural roads safer, but only increase the cost of doing business, cause confusion and require useless paperwork.

The penalty for not abiding by the regulations can run between a $2,500 to a $10,000 fine per violation.

Today I was going to offer an amendment that would simply have retained the current intrastate exceptions by limiting the use of such funds appropriated. The one-size-fits-all approach fails to recognize the unique seasonal and real nature of these businesses.

Second, by States already allowing such exceptions, they have weighed the concerns and found the risks to be minimal.

Finally, my amendment would have allowed each State to determine if they want to continue the exception for the transfer of such chemicals from retail to farm and from farm to farm if they so decide.

To those in this business, it is just another bureaucratic nightmare that the cost of such a proposed regulation outweights the benefits. To me, this is a bigger and more intrusive government. We eliminated the Interstate Commerce Commission and deregulated the areas of the trucking industry. Now we must continue our efforts to lessen the regulations on farms who transfer these agricultural production materials 2 to 4 weeks a year.

I will be back to offer this amendment in a more appropriate vehicle and hope that my colleagues in the future will join in this endeavor to reduce the burdensome regulation from the Federal level. I look forward to working with the gentleman from Virginia [Mr. WOLF] and the gentleman from Texas [Mr. COLEMAN] on this measure.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $5,574,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, and development activities, to remain available until expended, $3,000,000.

TRANSPORTATION ADMINISTRATIVE SERVICE CENTER

Necessary expenses for operating costs and capital outlays of the Transportation Administrative Service Center, not to exceed $124,812,000, shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Transportation Administrative Service Center without the approval of the agency modal administrator: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

PAYMENTS TO AIR CARRIERS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred for payments to air carriers of so much of the compensation fixed and determined under subchapter II of chapter 417 of title 49, United States Code, as is payable by the Department of Transportation, $10,000,000, to remain available until expended and to be derived from the Airport and Airway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs in excess of $10,000,000 for the Payments to Air Carriers program in fiscal year 1997: *Provided further*, That none of the funds in this Act shall be used by the Secretary of Transportation to make payment of compensation under subchapter II of chapter 417 of title 49, United States Code, in excess of the appropriation in this Act for liquidation of obligations incurred under the "Payments to air carriers" program: *Provided further*, That none of the funds in this Act shall be used for the payment of claims for such compensation except in accordance with this provision: *Provided further*, That none of the funds in this Act shall be available for service to communities in the forty-eight contiguous States that are located fewer than seventy highway miles from the nearest large or medium hub airport, or that require a rate of subsidy per passenger in excess of $200 unless such point is greater than two hundred and ten miles from the nearest large or medium hub airport: *Provided further*, That of funds provided for "Small Community Air Service" by Public Law 101–508, $28,600,000 in fiscal year 1997 is hereby rescinded.

PAYMENTS TO AIR CARRIERS

(RESCISSION)

Of the budgetary resources remaining available under this heading, $1,133,000 are rescinded.

RENTAL PAYMENTS

For necessary expenses for rental of headquarters and field space not to exceed 8,580,000 square feet and for related services assessed by the General Services Administration, $127,447,000: *Provided*, That of this amount, $2,022,000 shall be derived from the Highway Trust Fund, $39,113,000 shall be derived from the Airport and Airway Trust Fund, $840,000 shall be derived from the Pipeline Safety Fund, and $193,000 shall be derived from the Harbor Maintenance Trust Fund: *Provided further*, That in addition, for assessments by the General Services Administration related to the space needs of the Federal Highway Administration, $17,294,000, to be derived from "Federal-aid Highways", subject to the "Limitation on General Operating Expenses".

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of direct loans, $1,500,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $15,000,000. In addition, for administrative expenses to carry out the direct loan program, $400,000.

MINORITY BUSINESS OUTREACH

For necessary expenses of the Minority Business Resource Center outreach activities, $2,900,000, of which $2,635,000 shall remain available until September 30, 1998: *Provided*, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; $2,609,100,000, of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That the number of aircraft on hand at any one time shall not exceed two hundred and eighteen, exclusive of aircraft and parts stored to meet future attrition: *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further*, That the Commandant shall reduce both military and civilian employment levels for the purpose of complying with Executive Order No. 12839.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $358,000,000, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund; of which $205,600,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2001; $18,300,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 1999; $39,900,000 shall be available for other equipment, to remain available until September 30, 1999; $47,950,000 shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 1999; and $46,250,000 shall remain available for personnel compensation and benefits and related costs, to remain available until September 30, 1998: *Provided*, That funds received from the sale of the VC–11A and HU–25 aircraft shall be credited to this appropriation for the purpose of acquiring new aircraft and increasing aviation capacity: *Provided further*, That the Commandant may dispose of surplus real property by sale or lease and the proceeds of such sale or lease shall be credited to this appropriation: *Provided further*, That the property in Wildwood, New Jersey shall be disposed of in a manner resulting in a final fiscal year 1997 appropriation estimated at $338,000,000: *Provided further*, That none of the funds in this Act may be obligated or expended to continue the "Vessel Traffic Service 2000" Program.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSIONS)

Of the available balances under this heading provided in Public Law 104–50, $3,400,000 are rescinded.

Of the available balances under this heading provided in Public Law 103–331, $355,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $21,000,000, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $16,000,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55) $608,084,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; $65,890,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $19,000,000, to remain available until expended, of which $5,020,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

Mr. WOLF. Mr. Chairman, I ask unanimous consent that the bill through page 10, line 20, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Are there amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

For payment of necessary expenses incurred for recreational boating safety assistance under Public Law 92–75, as amended, $35,000,000, to be derived from the Boat Safety Account and to remain available until expended: *Provided*, That, notwithstanding any other provision of law, $5,000,000 is available only for the Coast Guard to establish a discretionary boating safety grant program.

POINT OF ORDER

Mr. COBLE. Mr. Chairman, I have a point of order against the language beginning with the colon on page 10, line 25 through "program" on page 11, line 3.

The CHAIRMAN. The gentleman will state his point of order.

Mr. COBLE. Mr. Chairman, this provision sets aside $5 million of the appropriation for recreational boating safety for the new discretionary boating safety grant program. This is not authorized by law and is contrary to the distribution of funds under existing law and, therefore, is in violation of clause 2 of rule XXI of the Rules of the House.

Mr. WOLF. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, I can concede the point of order. The provision is legislation on an appropriations bill. However, I would like to explain that the committee feels strongly that the Coast Guard should be more active in using this grant program to promoting safety, rather than simply sending checks out by formula, as is currently the case.

I understand that this program must be reauthorized next year, and I would ask that the gentleman from North Carolina [Mr. COBLE] take a look at the establishment of the discretionary grant program which will receive strong consideration by the subcommittee next year going to reauthorization. Such a program will not cost any more money, and it could improve boat safety, because it would put money where the problem is.

Again, as the gentleman from Texas knows, we increased boat safety money by over 50 percent in this bill. We thought this way it would get the Coast Guard more involved to be much more aggressive working in the boat safety area.

Mr. COBLE. Mr. Chairman, I will be happy to engage in continuing that dialogue with my friend from Virginia on this issue.

Mr. WOLF. I thank the gentleman.

The CHAIRMAN. The point of order is conceded. The point of order is sustained. The provisions subject to the point of order are stricken.

Mr. WALSH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the distinguished chairman of the Transportation Subcommittee, the gentleman from Virginia [Mr. WOLF].

Mr. Chairman, I noted with interest that the report accompanying H.R. 3675 refers to the vessel traffic service system, a VTS 2000. The committee denied the fiscal year 1997 funding request for the VTS 2000 and disallowed the use of the unallocated fiscal year 1996 funds to continue developmnt of the program.

This is a program in which government and industry have made significant investments. However, the system as now envisioned was not favorably considered by the committee. Nevertheless, the committee did suggest that the Coast Guard develop a follow-on program as soon as possible to avoid further delay in bringing this valuable technology to the Nation's ports and waterways.

I would hope that the distinguished chairman would favorably consider allowing the Coast Guard to use prior year funding to facilitate this effort.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I appreciate my distinguished colleague's remarks. The safety of our ports and waterways is of extreme importance, and this committee has always placed the highest priority on achieving a higher degree of safety. I note the gentleman's concern and assure him that the conference will weight it carefully in its deliberations.

Mr. WALSH. I thank the distinguished chairman for his kind consideration of this matter.

The CHAIRMAN. The Clerk will further read.

The Clerk read as follows:

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities and the operation (including leasing) and maintenance of aircraft, and carrying out the provisions of subchapter I of chapter 471 of title 49, United States Code, or other provisions of law authorizing the obligation of funds for similar programs of airport and airway development or improvement, lease or purchase of four passenger motor vehicles for replacement only, $4,900,000,000, of which $1,642,500,000 shall be derived from the Airport and Airway Trust Fund: *Provided*, That notwithstanding any other provision of law, not to exceed

$30,000,000 from additional user fees to be established by the Administrator of the Federal Aviation Administration shall be credited to this appropriation as offsetting collections and used for necessary and authorized expenses under this heading: *Provided further*, That the sum herein appropriated from the general fund shall be reduced on a dollar for dollar basis as such offsetting collections are received during fiscal year 1997, to result in a final fiscal year 1997 appropriation from the general fund estimated at not more than $2,127,398,000: *Provided further*, That the only additional user fees authorized as offsetting collections are fees for services provided to aircraft that neither take off from, nor land in, the United States: *Provided further*, That there may be credited to this appropriation, funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities and, for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificate, or for tests related thereto, or for processing major repair or alteration forms: *Provided further*, That funds may be used to enter into a grant agreement with a nonprofit standard setting organization to assist in the development of aviation safety standards: *Provided further*, That none of the funds in this Act shall be available for new applicants for the second career training program: *Provided further*, That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: *Provided further*, That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United States: *Provided further*, That none of the funds derived from the Airport and Airway Trust Fund may be used to support the operations and activities of the Associate Administrator for Commercial Space Transportation.

Mr. WATTS of Oklahoma. Mr. Chairman, I move to strike the last word and engage the Chairman of the Transportation Subcommittee in a colloquy.

Mr. Chairman, the FAA's Mike Monroney Center in Oklahoma City is the Nation's premier air traffic controller training center. The FAA recently rewarded a contract to the University of Oklahoma, under an open competitive process and open evaluation procedure, to conduct air traffic controller training at the Monroney Center.

At a time when the public is particularly concerned about air traffic safety standards and the procedures that support those standards, I would like to confirm, Mr. Chairman, that the 1997 transportation appropriation includes sufficient funds to fully implement this FAA contract, and that this much-needed training can go forward at the Monroney Center.

□ 2200

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. WATTS of Oklahoma. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I thank the gentleman for bringing this to our attention. The air traveling public relies to a great extent on the quality of the training of our air traffic controllers.

I assure the gentleman from Oklahoma I will work with him to assure that the final appropriation level provides adequate funding for this contract, while not undermining support for the MARC program in Minnesota. I believe this can be accomplished, and I will work with the gentleman to achieve that goal as we go through the process. I appreciate the fact that he was alert and caught this. I thank him very much. We will work together to solve the problem.

Mr. WATTS of Oklahoma. Mr. Chairman, I thank the chairman for that assurance and I appreciate his efforts.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. WATTS of Oklahoma. I yield to the gentleman from Oklahoma.

Mr. LUCAS. I thank my colleague for yielding.

Mr. Chairman, I rise to compliment the gentleman from Oklahoma [Mr. WATTS] for bringing up this matter, and I thank Chairman WOLF for allowing the colloquy. I would like to associate myself with the remarks made by Mr. WATTS, and would like to reiterate my support for retaining the $1.7 million for the academy in Oklahoma City. I hope this can be addressed during conference and that Members will the language in last year's conference report.

Mr. RIGGS. Mr.Chairman, I move to strike the last word.

Mr. Chairman, I seek this time to bring to the attention of the distinguished subcommittee chairman a matter of great concern to many of my constituents.

First of all, I would like to say I am a supporter of the mission of the Coast Guard. They do good work. They have saved many lives and prevented injuries to people and prevented property damage by their fine efforts. However, I believe the Coast Guard has overreached in one area, that is, its efforts to enforce the Commercial Fishing Vessel Industry Safety Act.

Specifically, Mr. Chairman, the Coast Guard has issued regulations which are totally inflexible. They do not distinguish between large, deep water boats that operate all year and boats that are 50 feet or less in length, carry three or fewer people, stay 12 to 50 miles offshore, and operate only in the less dangerous summer fishing season.

These regulations are so complex and extensive that compliance is virtually impossible. One particularly egregious example is the requirement that these vessels be equipped with a life raft, sold only by 1 manufacturer, that is extremely costly.

I also question, Mr. Chairman, the way in which these regulations are being enforced. Coast Guard personnel on the West Coast have harassed law-abiding commercial fishermen by conducting armed safety inspections at sea.

This show of force is, in my view, unnecessary—and that is as a former police officer and deputy sheriff—and places an unproductive burden on these individuals who are already having a hard time making a living. One alternative approach apparently not given serious consideration by the Coast Guard is voluntary dockside inspections with fix-it type tickets instead of fines.

Mr. Chairman, the important commercial fishing industry along California's north coast is suffering already from a downturn in the industry and, in my view, overregulation by the Federal Government. I call this to your attention so that the chairman and his subcommittee can be aware of how some of the Coast Guard's resources are being applied.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I appreciate the gentleman bringing this to our attention. As the committee proceeds in its oversight of the Coast Guard's budget, we will review the practices that he highlighted.

Mr. RIGGS. Reclaiming my time, I thank the chairman for his concern.

Mr. Chairman, I submit for the RECORD two news items reflecting the problems that commercial fisherman are facing, and which I discussed in this colloquy with the distinguished subcommittee chairman this evening:

[From the Times Standard, May 21, 1996]

COAST GUARD BACKS AWAY FROM FACEOFF WITH FISHERMAN

SANTA CRUZ.—The U.S. Coast Guard backed away from its standoff with a fisherman who claimed a routine boat inspection would violate his constitutional rights.

The case was turned over to the Justice Department and the Coast Guard took no action against Jim Blaes of Atascadero, who had refused to allow a safety inspection of the 36-foot Helja.

"Our latest tactic is that we are going to leave him alone and let the Justice Department handle it." Coast Guard Chief Warrant Officer Jerry Snyder said Monday afternoon. "The boats are breaking off right now."

The bizarre face-off between the Coast Guard and Blaes began Sunday afternoon, in clear sight of beachgoers crowding the Santa Cruz boardwalk.

Blaes refused to allow Coast Guard officers aboard for the inspection, saying he viewed his boat the same way he felt about his home ashore and insisting the Coast Guard needed a warrant.

"Just because I make my living at sea doesn't mean I give up my constitutional rights," he said. "I have never been in trouble. I'm not holding anybody hostage or anything."

Blaes piloted the Morro Bay-based Helja out of the harbor Monday morning with the

Coast Guard cutter Chico and a smaller boat trailing.

I just want to be left alone and have them stay out of my face," Blaes said in one of a number of cellular telephone interviews with area reporters.

Blaes said he had a handgun aboard, but said it was for protection from sharks. He said he was "absolutely" not a member of a militant group.

"I will not allow my civil rights to be violated," Blaes said earlier in a call monitored by reporters. "I think enough of the Constitution of the United States to give up my life for it. If you think enough of it to give up your life to violate it, then come ahead."

[From the Times Standard, May 23, 1996]

LOCAL FISHERMEN SAY COAST GUARD PESTERS THEM IN INSPECTIONS

(By David Anderson)

EUREKA.—The standoff between a Morro Bay salmon fisherman and the Coast Guard reflects long-standing frictions between fishermen and the federal government, fishing industry spokesmen say.

But a Coast Guard officer said the Santa Cruz incident, in which fisherman Jim Blaes refused to let a Coast Guard boarding party on his boat earlier this week, was an irrational response to a routine situation. Boarding rights are long established in law, the officer said, and are necessary to the Coast Guard's law enforcement rule.

Officials of the Pacific Coast Federation of Fishermen's Associations, in Eureka, on Tuesday, disagreed.

"Most of the fishing fleet is fed up with the bureaucracy and the regulations they encounter almost daily," federation President Pietro Parravano said. "We understand the need for and support measures necessary to protect our fish stocks and regulations essential to safety at sea.

"But it is frustrating when the government is all over our boats looking for the slightest infraction of any kind."

Zeke Grader, executive director of the fishermen's federation, said the boarding of fishing vessels has long been a sore spot. Fishermen contend that their boats should enjoy the same Fourth Amendment protections against warrantless searches as private residences.

Grader compared the boarding of a fishing boat to conduct safety inspections with an intrusion of firemen into a home to inspect smoke alarms.

"It really doesn't matter whether they're courteous or not, or whether fire prevention is a laudable goal," Grader said. "The fact is, there are intruders in your house and your privacy has been violated."

Coast Guard Cmdr. John Miko said vessels at sea never have or could have the immunity from search that private residences enjoy. Laws dating back to the 1790s, constantly upheld in court rulings, affirm that the Coast Guard has the right to stop, board and search any vessel in U.S. waters and any U.S. vessel on the high seas. The Coast Guard does not require court-issued warrants or "probable cause" to believe a crime is being committed, he said.

All maritime nations have similar laws, Miko noted.

"Without that right, there's no way law could be enforced at sea," he said. "That's been recognized by courts throughout history."

The Coast Guard is charged with preventing smuggling of illegal immigrants, drugs and other contraband; enforcing fishing regulations; conducting safety inspections; and other law enforcement duties, he said. All these require boarding and inspecting boats.

Jimmy Smith, president of the Humboldt Bay Fishermen's Association, said his members' disagreements with the Coast Guard are at the national, not the local level.

"The guys at the Humboldt Bay station are terrific," Smith said. "We have a great relationship with them and they really extend themselves to help us. Our problems are all with Washington."

Smith said the fisherman's federation has proposed alternatives to safety inspections at sea, but that the Department of Transportation—which includes the Coast Guard during peacetime—rejected them.

Boat owners can volunteer for safety inspection in port, Miko said, but a boat is only required to have safety equipment when it's at sea.

"You can't cite someone for not having it when they're tied up at the docket," He said.

Fishermen also question the necessity and efficacy of some of the safety equipment they are required to carry, Smith said.

The equipment is recommended by a national fishing vessel safety committee on which safety equipment manufacturers are represented, but not small-boat owners, he said.

The committee has declined to consider less-expensive methods of improving safety at sea, Smith said. The equipment the committee recommended, which is now required, is invariably expensive and doesn't always work well, he said.

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr. OBERSTAR: Page 11, line 17, before ", of which", insert the following: "(increased by $1,000,000)".

Page 36, line 23, after the dollar amount, insert the following: "(decreased by $1,000,000)".

Mr. OBERSTAR. Mr. Chairman, this amendment would take $1 million from the $40 million appropriation the bill provides for the Office of Inspector General of the Department of Transportation and transfer that $1 million to the Operations account of the Federal Aviation Administration to increase the funding for FAA training of its inspector work force. This amendment responds to concerns expressed by the Inspector General herself, it responds to concerns and alarms expressed nationwide in the aftermath of ValuJet and to concerns that I expressed over 2 years ago about the adequacy of FAA's inspector work force in inspecting new entrant carriers.

The President's budget for the Inspector General's office included $1.9 million for that office to contract out with other government agencies to conduct audits of DOT programs. The Appropriations Committee bill cut the President's request for the Inspector General by $321,000 and, concurrently, prohibited the Inspector General from contracting for audits. The Appropriations Committee instead directed DOT's various operating units to pay the cost of these contract audits out of their own funds. The result is that the Committee on Appropriations has relieved the IG of expenses totaling $1.9 million for audit contracts but they reduced the IG's funding by only $321,000. The net effect is that the office of the IG has $1.6 million in excess funding over what the administration requested. This excess amount, $1 million of it, is what I target in this amendment to be transferred to a function that the IG's office itself, the General Accounting Office, and our Committee on Transportation and Infrastructure in our hearings in this Congress and the previous Congress have identified as crucial.

I was astonished when I looked closely at the IG's office to find that they have 440 full-time equivalent employees. That is more, by almost 100 employees, than the entire National Transportation Safety Board has. I question the need for such a large staff when DOT and its various modal administrations are already under scrutiny and oversight by the National Transportation Safety Board, by the General Accounting Office, and by the Congress.

An internal watchdog agency certainly is necessary within the Department to keep all modal administrations on the straight and narrow. We need to have adequate funding for that function, and provide effective oversight. But in these times of fiscal constraints, when money is being shifted very tightly among accounts, where we have to come in, we in the authorizing committee, and identify needs that require more funding and then take it from the existing pot, here is a piece of the existing pot that has an excess amount of money, no purpose for it has been identified, and shift that money to where it will do an enormous amount of good.

The committee has already made a number of increases in the funding for the account, the operations account of FAA, but not for this training function. The need is real. I want to take a moment to just explain how real and how important.

Over the last 10 years, GAO, the Inspector General's office, internal FAA groups, and our own Committee on Transportation and Infrastructure have focused on needs for technical training within the FAA, training for its inspectors.

In 1989 and in 1992, GAO and the IG respectively reported that inspectors who did not have appropriate training or current qualifications were doing flight checks of pilots. An operations inspector asked for Airbus 320 training when a carrier he was responsible for training began using that aircraft. He did not get that training until 2 years after that air carrier went out of business.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. OBERSTAR] has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Another maintenance inspector responsible for overseeing air carriers and repair stations that operate 737s, 757s, 767s, and McDonnell Douglas MD–80s said he had not received a course on maintenance and electronics in 5 years. There are rampant training deficiencies that exist because they do not have enough money to do that training. This $1 million is only a part of the $8 million that GAO said is needed to meet the unfunded training needs for the FAA.

All of us fly in this body. All of us take aircraft, whether major airlines or commuters or regional carriers. We all want to know that those carriers are being inspected carefully, responsibly and effectively and that those aircraft are safe and that they are being maintained in a safe manner.

Members who believe that ought to support this amendment, to shift the money where it will do a great deal of good into the training function, provide adequate training and recurrent training for maintenance and avionics inspectors in the FAA to oversee those air carriers, especially the new entrant carriers. That is where the need is. That is where the contracting out of maintenance is being done and where it is not being adequately supervised with people who have adequate training. A modest $1 million out of this excess amount in the office of IG will address this vital funding deficiency. I urge support for my amendment.

Mr. WOLF. Mr. Chairman, I rise in strong opposition to this amendment.

First of all it does not put the money in training. It can be used for coffee, cokes, travel, or anything else.

Second, it would viewed as a way of punishing the inspector general for giving the opinions that Congress may not like. I have not always agreed with the IG's of the Department. But if they start doing that and we do not like what they have done, it looks like we are punishing the IG for their opinions which could be a grave mistake. We ask for them to be impartial, we ask for them to be independent, we ask for tough opinions, and then if we punish them, the political process stands this whole ethical thing upside down. This would undermine the IG process, not only in this department but governmentwide. It would send a devastating message to IG's everywhere. They would say, "Uh-oh. We give a report, they don't like it, we better be careful, we're going to get a budget cut. It would be very, very bad. Don't rock the boat. They're going to offer an amendment. They're going to cut my appropriations."

If we adopt this amendment, we are punishing the IG who raised the whole issue of ValuJet. Maybe the FAA should have listened to here before they did it. You recall Secretary Peña got up and said ValuJet is wonderful. They went on and on. this IG is the one who brought this to our attention.

Second, this is the IG that brought out the training problems which ended up in Gregory may, New Age cult-like, going to jail. This IG, for those of you who fly, is the one who found out and raised the issue of bogus parts, that are now being used in major airlines which may very well result in airplanes crashing. This IG is the one that came out with the diversion of money from airports around the country.

I just think it would be sending a message to the American people that here is an IG that the gentleman, and I know he does not mean this in a mean-spirited way, does not agree with her, maybe there are times that I will not agree with her, but just because they come up with this idea, you punish them.

The IG's budget is not fat. In fact over the past 3 years the IG has taken a 40-percent reduction in administrative staff, more than any other part of the Department of Transportation. Let me just say it again. The IG has taken a bigger hit than any other area of the Department of Transportation. They have taken an overall cut of 11 percent in staffing. Again, more than any other area. They have met the President's downsizing goals 3 years ahead of schedule. In fact, this administration, some may say, has been unfair to the IG. This is what she said during the hearings:

> We led the department in meeting the Vice President's reinventing government downsizing goals. Instead of being rewarded for that, we were on many cases heaped with more cuts. We think those additional cuts were unfair because we willingly, and quite in advance of the rest of the department, took those cuts that the rest of the government was supposed to be taking. Unfortunately, it only worked to our disadvantage.

It is lean, it is careful, the appropriation is already 2 percent below last year's level, 1 percent below the administration's request.

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Keep in mind, OMB already reduced the IG's request for the internal budget process by $1.4 million. I know what the gentleman is trying to do, or at least I think I do, but this would be chilling. If this were to pass, no IG in the government could ever honestly and legitimately feel that they could give an honest opinion, because then they know that when their budget comes up, that if somebody were angry at them, that they were going to cut their budget.

Mr. Chairman, I strongly oppose the amendment. We can almost argue that this is a major safety issue. This is a safety amendment, in some respects. The gentleman's amendment does not put it in training. It can be used for bonuses, it can be used for anything else. This IG's office has been the one on ValuJet, the one on bogus parts and on many others, and I urge the defeat of the amendment because we do not want to punish anybody for being honest and courageous and candid.

Mr. LIPINSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the amendment offered by the ranking member of the Committee on Transportation and Infrastructure, Mr. OBERSTAR.

Tuesday, the House Aviation Subcommittee held an 8-hour hearing on issues raised by the crash of ValuJet flight 592. In preparing for the hearing, we took a long look at the FAA and its inspection program. We recognize that there is a need for improvements in the system, and this amendment is intended to give the FAA the resources it needs to make those improvements.

The amendment offered by the gentleman from Minnesota increases the appropriation for FAA operations by $1 million, and our expectation is that this additional funding will be dedicated to airline safety inspector training.

This $1 million increase for inspector training will be possible through a reduction in funding for the Department of Transportation inspector general's budget from $40 million to $39 million. The Office of the Inspector General has publicly stated the need for improved inspector training. This amendment makes that possible.

Currently, the IG's office is funded at a level to provide 440 full time equivalent employees. Compare this figure with the 350 full time equivalents currently at the National Transportation Safety Board. While I recognize the important work done by IG's in every Federal agency, it seems excessive to me to have almost 100 more employees in the IG's office at DOT than are employed at the NTSB.

Mr. Chairman, the inspection program at the FAA needs to be adequately funded to do its critical work. This slight increase in funding today may well save lives tomorrow. If you believe that the FAA's inspectors should have training, you should support this amendment.

Mr. Chairman, while I have the floor, I would like to take a moment to call to the attention of my colleagues some of the inspector general's statements at Tuesday's hearing. In the course of her remarks, she left the strong impression that Secretary of Transportation Peña was the subject of a criminal investigation relative to the ValuJet accident. Even when my good friend Chairman Duncan warned her that she might be giving a false impression and gave her the opportunity to clear it up, she simply said that she could not say anything more.

Mr. Chairman, creating the impression that the Secretary of Transportation is criminally culpable, is a very serious action, and anyone who falsely does so should be held responsible. As you would expect, the impression left in fact turned out not to be correct. Later that day, the deputy inspector general and the assistant inspector general for investigations, both long-time career officials, issued public statements that the Secretary of Transportation is not, and has not been, a subject of investigation.

It is one thing to call public attention to safety problems with the FAA. It is entirely another thing to make outrageous, exaggerated claims about a public official. There were plenty of other examples from our hearing of what I find to be unconstructive comments by the inspector general, but I felt this one should be highlighted for all the Members of this body.

Mr. Chairman, I also would like to mention the fact that I personally asked her to name the other airlines that she felt were unsafe. She refused to do so; even when I asked her to protect the American flying public that she owed that answer, she refused to do so. The great concern she had about ValuJet she failed to communicate to the head of the FAA, to the Secretary of Transportation.

I believe that, unfortunately, we are dealing with someone here who is making charges but refuses to back up the charges and does not really carry out her duty, and I think this $1 million reduction in her budget moving to the FAA is definitely warranted.

Mr. COLEMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me only echo some of the statements made by the chairman, the gentleman from Virginia [Mr. WOLF]. We have a good deal of concern in our committee that, as I know all appropriation subcommittees do and all authorizing committees do, that all inspectors general retain their independence, maintain their capability to give reports to those who ask for them in an honest and straightforward way.

My understanding of the Oberstar amendment was not in any way directed toward this specific inspector general to suggest that there should be some form of punishment. I think the chairman alluded to use the word "punishment" of an individual or of a specific office because we might not like her report. I hope that is not the case.

Mr. Chairman, I yield to the gentleman from Minnesota [Mr. OBERSTAR] so that he could clarify that point if he would like.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to make it very clear, this is not punishment. This is not chilling. There is $1,900,000 more than the President's request in this account, a $321,000 cut, a net of $1.6 million not identified, not targeted, no explanation, no justification, and over here on the other side is the FAA with a need for training.

The chairman knows that under the rules of engagement in the appropriation process, I cannot identify a specific account in designating this $1 million and shifting it. So that is why we are having this dialog, to make it very clear that this money goes for training of those inspectors who are the very ones charged with the responsibility of overseeing new-entrance carriers and who need training in those specific areas that I mentioned.

If one is trained on DC–9's and is suddenly assigned to inspect aircraft or airlines that are flying 737's, or 757's or 767's, one needs training in that arena. This account does not have that kind of funding. In fact, it is $8 million short, by GAO standards, of the amount of training needed for those inspectors.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I just want the body to know, though, that this is the IG that broke the story that was in Business Week 3 weeks ago showing that many of the major airlines unknowingly are using bogus parts that are potentially very dangerous. What if she did not have the money to do that and we did not know and an airplane crashed?

This is the IG that has been the subject of raising very valid issues with regard to ValuJet. I take the gentleman at his word, but having been a Government employee, having worked for the Government for a number of years, believe me, it would be chilling if one were a Government employee.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, on that score, it was the Subcommittee on Aviation and prior to that the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation that uncovered the bogus parts issue in great depth and had documentation on it, brought it up with the IG who said, "Oh, we are on to this issue also. We have some criminal investigations underway." This is over 2 years ago. Three years ago prior to that our committee was onto this issue.

I cast no aspersions on the IG, but much of what the IG's office has uncovered and has taken credit for the appropriate and responsible committees of the house and the Senate have already been focused on.

Mr. COLEMAN. Reclaiming my time, let me only suggest that in any event, should the Committee of the whole make a determination that we wanted to shift $1 million from one account to another, I think all of us would agree that the goal of the House of Representatives is to do what this amendment seeks to do, and that is to provide the necessary dollars to get the necessary training in the new technologies for those personnel that we ask to be certified in order to get the additional training for FAA certification.

So I would hope that the Members, whether they agree to shift this $1 million from the accounts that the author of the amendment would suggest or not, understand that and I know it will be the intention of the gentleman from Virginia [Mr. WOLF] and me in the conference. We do not know, of course, what any Senate numbers are and what they will be of the other body. So I think that we will certainly be looking to do all that we can possibly do in trying to get the kind of certified staff the training they need to ensure their competence in new technologies.

I hope that the minority in this House will help enhance the safety of the traveling public by adopting the Oberstar amendment. As I say, in conference, whether we do or we do not make this shift from the IG's office is not really of paramount importance.

Mr. MENENDEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from Minnesota [Mr. OBERSTAR].

It promotes safety. It does so by shifting only about 2.5 percent of the IG's budget to a side of the budget that clearly, both in the ValuJet hearings and at other times, have been raised as a real concern, which is the training of safety inspectors and what that means to the traveling public.

Mr. Chairman, I think that he is right on point in that regard, and I associate myself with his remarks and those of the gentleman from Illinois, [Mr. LIPINSKI] the ranking member of the subcommittee on aviation. But I think having heard some of the comments, it is often a good trial tactic to raise questions about chilling effects, and anybody's budget who is cut or somehow altered can claim that they are going to have a chilling effect.

It was interesting to me to hear the IG come before the committee and in her comments say, "Well, I hear that I am here because Members want to get a piece of my hide," and in doing that, it is sort of like chilling the members of the committee not to raise certain questions or, in this case, chilling the members of this body not to consider a serious and well-though-out amendment.

During the hearings on safety issues raised by the ValuJet accident, and I am sure that the body is aware of the allegations made by the Inspector General of the Department of Transportation, this individual stated that the

Everglades crash was preventable and that the DOT IG office had made six reports which pointed out the problems. The testimony to me sounded heroic and prophetic.

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But under scrutiny it was merely the verbal tricks of a false profit. Under questioning from me and others, I asked the IG if she had ever raised these questions with Secretary Pena or Administrator Hinson. The answer was no. No.

Would any Member of this body in possession of information that would have prevented an airplane crash hesitate to raise this issue and call for a meeting? There were no meetings because there were no unheeded predictions. The notoriety of the IG is based on vague generalizations that could have applied to any accident. It is an old trick to boldly assert the vague and then take credit for special insight when anything remotely related occurs.

If that was not bad enough, the DOT IG then relied on the tactics of the witch hunter by making vague references of criminal investigations and by innuendo casting a false light on Secretary Pena and the FAA. This IG then demonstrated, I think, the most blatant attempt for Congress by refusing to elaborate because of the pendency of an alleged criminal investigation.

Well, let us talk about the facts. The fact is that Inspector Generals are not empowered to make criminal investigations. They have no independent criminal prosecutorial authority. They can make recommendations when the have evidence of waste, fraud or abuse, just like any other citizen can, but they have no special privilege to refuse to answer congressional inquiries.

Fact. Subsequently, the Assistant IG for Investigations of the DOT issued a clarification that "The Secretary is not and has not been a subject of the investigation."

I think that the carnival atmosphere that we saw in the committee and this whole way the person who we believe should be the voice of investigating has created around the ValuJet has a downside. Given the pendency of litigation related to the grounding, I think the injudicious remarks of the DOT IG may have totally compromised and prejudiced the case, hardly the result a true investigator or a guardian of the public's safety and want.

I believe the Committee on Transportation and Infrastructure should compel the IG's testimony that she refused to give us. She has made a lot of broad statements. I think we should see the specifics. But until such time as the committee acts to get answers, I believe the Oberstar amendment is totally appropriate by providing the resources to airline safety inspector training that clearly was identified as one of the major issues, whether it be ValuJet or a problem of the FAA in general. And that is the essence of his amendment and, in fact, we should proceed forward with it.

Mr. COLLINS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MENENDEZ. I yield to the gentleman from Georgia.

Mr. COLLINS of Georgia. Mr. Chairman, I thank the gentleman for yielding. Was it not true within the hearings, irregardless of what the IG insinuated or what others may have insinuated, the preliminary report by the National Transportation Safety Board clearly states that they do not think it was the fault of ValuJet for the accident that happened in the Everglades, but that of a mistake of an out source contractor?

Mr. MENENDEZ. Mr. Chairman, reclaiming my time, it certainly appeared, although the National Transportation Safety Board has not given a final answer, it certainly appeared from the testimony that was elicited this was not a question per se, on this specific incident, of the question of the safety issues but rather a question of the canisters put on board.

Mr. Chairman, I think we should be supporting the Oberstar amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WOLF. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR] will be postponed.

The point of no quorum is considered withdrawn.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I move to strike the last word.

Mr. Chairman, Amtrak is an essential part of our National Transportation System, providing 22 million inner-city passenger trips per year with over 500 destinations in 45 States. Last year the Congress and the administration agreed that Amtrak must reduce its reliance on Federal funding.

The budget resolution and the authorization directed Amtrak to operate without Federal funding support by the year 2002. However, as you are aware, the funding recommendations in this bill are below the authorization levels that is in the budget resolution and the level Amtrak says it needs to stay on the path to operating self-sufficiency.

Between 1995 and 1997, Amtrak received $1.2 billion less than their proposed transition plan called for. Unfortunately, next year's capital funding level is again drastically cut and inadequate to sustain Amtrak's capital expenditures.

To facilitate Amtrak's transition off Federal assistance I have introduced H.R. 2789, creating a dedicated funding source for Amtrak which would allow it to make the necessary capital infrastructure investments during this period of transition.

H.R. 2789 does not create a new tax, does not increase the deficit, and does not cut any other programs. With an estimated $4 billion needed for capital improvements, H.R. 2789 will allow Amtrak to improve its rolling stock, upgrade its maintenance facilities and prevent the deterioration of track and signal equipment. These improvements will cut Amtrak's cost to customers, to consumers, reduce air pollution, fuel consumption, highway congestion, and urban parking problems.

We can make Amtrak self-sufficient, but only if we adhere to our budget plan transitioning Amtrak off Federal assistance and only if we create a temporary capital funding source for investment.

On a final note, Mr. Chairman, the Senate recently passed a sense of the Senate resolution in support of this proposal. I bring it up here tonight on the floor of this House because in this transportation bill the capital funding for Amtrak is so significantly cut that Amtrak will be unable to make the transition to self-sufficiency.

If working cooperatively with the appropriation in this bill this Congress can pass the Amtrak capital fund, then we can, over years, enable Amtrak to become completely independent of Federal funding and be a first class rail service for passengers in America.

Mr. Chairman, I thank the chairman, the gentleman from Virginia [Mr. WOLF], for his concern and his interest in Amtrak and for his work with me on this important issue, and I understand perfectly the problems that he has faced in this appropriations bill. I only ask that he and my colleagues help me in this effort to develop a capital fund for Amtrak to enable it to achieve our goal and its goal of independence of Federal funding.

Mr. WOLF. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, the gentlewoman raises a very good point. As I said earlier when the gentleman from Delaware [Mr. CASTLE] asked me the question, unless there is a dedicated revenue source for Amtrak in the next several years, Amtrak will not make it.

So the gentlewoman is exactly accurate. as we consider the proposal, though, we have to be careful not to take money from the mass transit account. The gentlewoman makes an excellent point.

Mrs. JOHNSON of Connecticut. Mr. Chairman, reclaiming my time, I thank the gentleman. As we work through this transportation appropriations bill, I hope my colleagues will recognize that we have another piece of it to come forward.

Mr. NADLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I simply want to express my appreciation to the chairman of the subcommittee for his recognition of the essential need for a source of capital funding for Amtrak and for his support of the concept of a dedicated revenue stream and to also express my agreement with the gentlewoman from Connecticut when she talks about the necessity for adequate capital funding for Amtrak.

This country went through a long period of time in which we left railroads, in which we were heavily subsidizing the highway system and leaving railroads to their own devices, and when we subsidize one form of transportation and not another, and it is not a level playing field, we end up with an imbalanced transportation system.

What we need in this country is a balanced transportation system in which people who want to go from one city to another do not have a choice only between a car or an airplane. We need trains, we need airplanes, we need Amtrak, we need cars, we need all of it. We need rail freight efficiency, we need a good highway system, and we have been very imbalanced.

I hope that we can, working together, develop an adequate capital funding stream for Amtrak, because otherwise it will deteriorate. It has already been deteriorating. The routes are fewer than they have been. Many cities are being cut off, and we ought to have an adequate passenger rail transportation system. It ought to have a dedicated capital funding stream. It ought to have a dedicated operating funding stream.

I support the efforts of the chairman and of the gentlewoman from Connecticut, and I hope we will in the ensuing months pay more close attention to this than we have in the past, because a healthy rail transportation system both for freight and for people, a healthy AMTRAK, is essential to the efficient operation, the efficient operation of the economy of this country and the economic growth of this country, not to mention the well the well-being of its citizens.

Mr. WOLF. Mr. Chairman, I ask unanimous consent that the bill, through page 26, line 24, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. FILNER. Mr. Chairman, reserving the right to object, I ask the gentleman from Virginia [Mr. WOLF], would that still give me the chance to offer an amendment at page 23?

Mr. WOLF. If the gentleman would yield, that is correct.

Mr. FILNER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request to open up that portion of the bill?

There was no objection.

The text of the bill from page 13, line 10, through page 26, line 24 is as follows:

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized under part A of subtitle VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this head; to be derived from the Airport and Airway Trust Fund, $1,800,000,000, of which $1,583,000,000 shall remain available until September 30, 1999, and of which $217,000,000 shall remain available until September 30, 1997: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, $185,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1999: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and for noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations, $1,500,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $1,300,000,000 in fiscal year 1997 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 47117(h) of title 49, United States Code.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program for aviation insurance activities under chapter 443 of title 49, United States Code.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

None of the funds in this Act shall be available for activities under this heading during fiscal year 1997.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, including motor carrier safety program operations, and research of the Federal Highway Administration not to exceed $510,981,000 shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That $214,698,000 of the amount provided herein shall remain available until September 30, 1999.

HIGHWAY-RELATED SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402 administered by the Federal Highway Administration, to remain available until expended, $2,049,000 to be derived from the Highway Trust Fund.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $17,550,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1997.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $19,800,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

RIGHT-OF-WAY REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

None of the funds under this head are available for obligations for right-of-way acquisition during fiscal year 1997.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 31102, $74,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $77,425,000 for "Motor Carrier Safety Grants".

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under part C of subtitle VI of title 49, United States Code, and chapter 301 of title 49, United States Code, $81,895,000, of which $45,646,000 shall remain available until September 30, 1999: *Provided*, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect.

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under 23 U.S.C. 403 and section 2006 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240), to be derived from the Highway Trust Fund, $50,377,000, of which $27,066,000 shall remain available until September 30, 1999.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 153, 402, 408, and 410, chapter 303 of title 49, United States Code, and section 209 of Public Law 95–599, as amended, to remain available until expended, $167,100,000, to be derived from the Highway Trust Fund: *Provided*, That, notwithstanding subsection 2009(b) of the Intermodal Surface Transportation Efficiency Act of 1991, none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 1997, are in excess of $167,100,000 for programs authorized under 23 U.S.C. 402 and 410, as amended, of which $127,700,000 shall be for "State and community highway safety grants", $2,400,000 shall be for the "National Driver Register", $11,000,000 shall be for highway safety grants as authorized by section 1003(a)(7) of Public Law 102–240, and $26,000,000 shall be for section 410 "Alcohol-impaired driving counter-measures programs": *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That not to exceed $5,268,000 of the funds made available for section 402 may be available for administering "State and community highway safety grants": *Provided further*, That not to exceed $150,000 of the funds made available for section 402 may be available for administering the highway safety grants authorized by section 1003(a)(7) of Public Law 102–240: *Provided further*, That the unobligated balances of the appropriation "Highway-Related Safety Grants" shall be transferred to and merged with this "Highway Traffic Safety Grants" appropriation: *Provided further*, That not to exceed $500,000 of the funds made available for section 410 "Alcohol-impaired driving counter-measures programs" shall be available for technical assistance to the States.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $16,469,000, of which $1,523,000 shall remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further*, That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $51,407,000, of which $2,476,000 shall remain available until expended: *Provided*, That notwithstanding any other law, funds appropriated under this heading are available for the reimbursement of out-of-state travel and per diem costs incurred by employees of state governments directly supporting the Federal railroad safety program, including regulatory development and compliance-related activities.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $20,341,000, to remain available until expended.

HIGH-SPEED RAIL TRAINSETS AND FACILITIES

For the National Railroad Passenger Corporation, $80,000,000, to remain available until September 30, 1999, to pursue public/private partnerships for high-speed rail trainset and maintenance facility financing arrangements.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1997.

NEXT GENERATION HIGH-SPEED RAIL

For necessary expenses for Next Generation High-Speed Rail studies, corridor planning, development, demonstration, and implementation, $19,757,000, to remain available until expended: *Provided*, That funds under this head may be made available for grants to States for high-speed rail corridor design, feasibility studies, environmental analyses, and track and signal improvements.

TRUST FUND SHARE OF NEXT GENERATION HIGH-SPEED RAIL

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For grants and payment of obligations incurred in carrying out the provisions of the High-Speed Ground Transportation program as defined in subsections 1036(c) and 1036(d)(1)(B) of the Intermodal Surface Transportation Efficiency Act of 1991, including planning and environmental analyses, $2,855,000, to be derived from the Highway Trust Fund and to remain available until expended.

RHODE ISLAND RAIL DEVELOPMENT

For the costs associated with construction of a third track on the Northeast Corridor between Davisville and Central Falls, Rhode Island, with sufficient clearance to accommodate double stack freight cars, $4,000,000 to be matched by the State of Rhode Island or its designee on a dollar for dollar basis and to remain available until expended: *Provided*, That as a condition of accepting such funds, the Providence and Worcester (P&W) Railroad shall enter into an agreement with the Secretary to reimburse Amtrak and/or the Federal Railroad Administration, on a dollar for dollar basis, up to the first $10,000,000 in damages resulting from the legal action initiated by the P&W Railroad under its existing contracts with Amtrak relating to the provision of vertical clearances between Davisville and Central Falls in excess of those required for present freight operations.

DIRECT LOAN FINANCING PROGRAM

Notwithstanding any other provision of law, $58,680,000, for direct loans not to exceed $400,000,000 consistent with the purposes of section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) as in effect on September 30, 1988, to the Alameda Corridor Transportation Authority to continue the Alameda Corridor Project, including replacement of at-grade rail lines with a below-grade corridor and widening of the adjacent major highway: *Provided*, That loans not to exceed the following amounts shall be made on or after the first day of the fiscal year indicated:

Fiscal year 1997	$140,000,000
Fiscal year 1998	$140,000,000
Fiscal year 1999	$120,000,000

Provided further, That any loan authorized under this section shall be structured with a maximum 30-year repayment after completion of construction at an annual interest rate of not to exceed the 30-year United States Treasury rate and on such terms and conditions as deemed appropriate by the Secretary of Transportation: *Provided further*, That specific provisions of section 505(a)(b) and (d) shall not apply: *Provided further*, That the Alameda Corridor Transportation Authority shall be deemed to be a financially responsible person for purposes of section 505 of the Act.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation authorized by 49 U.S.C. 24104, $462,000,000, to remain available until expended, of which $342,000,000 shall be available for operating losses and for mandatory passenger rail service payments, and $120,000,000 shall be for capital improvements: *Provided*, That funding under this head for capital improvements shall not be made available before July 1, 1997: *Provided further*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, $41,367,000.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For necessary expenses to carry out 49 U.S.C. 5307, 5310(a)(2), 5311, and 5336, to remain available until expended, $460,000,000: *Provided*, That no more than $2,052,925,000 of budget authority shall be available for these purposes: *Provided further*, That of the funds provided under this head for formula grants, no more than $400,000,000 may be used for operating assistance under 49 U.S.C. 5336(d): *Provided further*, That the limitation on operating assistance provided under this heading shall, for urbanized areas of less than 200,000 in population, be no less than seventy-five percent of the amount of operating assistance such areas are eligible to receive under Public Law 103–331; *Provided further*, That in the distribution of the limitation provided under this heading to urbanized areas that had a population under the 1990 census of 1,000,000 or more, the Secretary shall direct each such area to give priority consideration to the impact or reductions in operating assistance on smaller transit authorities operating within the area and to consider the needs and resources of such transit authorities when the limitation is distributed among all transit authorities operating in the area.

AMENDMENT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: On page 27, line 4, strike "$460,000,000" and insert "$490,000,000".

Mr. WOLF. Mr. Chairman, this is a technical amendment to ensure that the mass transit account of the Highway Trust Fund is used solely for capital and capital-related expenses in the transit formula of the grant program.

It simply increases the general fund in the transit formula program while decreasing the trust fund share of the program each by $30 million. The amendment does not change the amount available for transit operating nor does it change the outlays scored against the bill. The intent of the amendment simply corrects an inadvertent estimating error by the Federal Transit Administration, and it has the support of the chairman of the authorizing committee, and I ask that the amendment be adopted.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. COLEMAN. Mr. Chairman, we have had a chance to inspect the amendment. It is a technical amendment, and we have no objection. We believe it should be adopted, and we urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Without objection, the gentleman from California [Mr. FILNER] may offer his amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FILNER: On page 23, line 16, insert the following after the word "made": "in excess of $490,000".

Mr. FILNER. Mr. Chairman, I rise today to introduce an amendment that is absolutely critical to the economic development of the city of San Diego and its surrounding communities. In effect, what my amendment does is add $490,000 to the section 511 railroad loan guarantee program in order to leverage approximately $10 million in private sector loan guarantees that are necessary to reestablish the San Diego and Arizona Eastern Railroad. I repeat this is a loan guarantee which leverages 20 times that amount of private sector funding.

Now, the lack of a direct rail link to the East is hampering the real growth potential of the San Diego economy. Currently, San Diego's few commercial rail shipments must first make a several hundred mile detour.

□ 2245

Ships which would otherwise use the port of San Diego are therefore forced to go elsewhere in search of faster rail routes to inland markets. As a result, our communities lost out on business opportunities, and our port suffers from serious underuse. Reestablishment of the San Diego & Arizona Eastern Railroad is on the top of everyone's priority list in San Diego and enjoys wide bipartisan support. The city of San Diego, the county board of supervisors, the San Diego Association of Governments, the Port of San Diego, the Greater San Diego Chamber of Commerce, and the San Diego Economic Development Corporation, all of whom's leadership comes from the other side of the aisle, I might point out, all of these organizations agree that reestablishing this rail link is the area's highest priority for economic development.

Many of our Nation's regional and shortline railroads, like the San Diego & Arizona Eastern, find it difficult to obtain private financing for railline improvements because of short-term and high interest rates. Government assistance in the form of loan guarantees often becomes the only viable means to rehabilitate these vital links to our transportation infrastructure.

I believe that the section 511 program, because it is not a grant program, because it is not even a loan program but a loan guarantee to leverage private sector loans, is precisely the type of public-private partnership this Congress ought to encourage.

Last year the chairman of the transportation appropriations subcommittee, the gentleman from Virginia [Mr. WOLF] joined me and several of my colleagues in a colloquy in support of this very program.

If the gentleman will remember, in that colloquy that we had 1 year ago he stated that, and I quote:

> I concur that these loan guarantees have proven to be reliable and can be a cost-effective and wise use of Federal transportation dollars.

I am going to quote the gentleman:

> I can assure you that I am sensitive to the needs of our regional shortline railroads, and I will certainly consider funding the 511 guarantee program, if it is brought before a House-Senate conference.

Unfortunately, this important program did not receive any funding in 1996. And although a bipartisan group of Members joined me in writing to the Subcommittee on Transportation urging that funds be appropriated for this program, it is not proposed for funding in 1997.

Mr. Chairman, the economy of San Diego cannot wait for another year. Because the appropriation subcommittee has not recommended funding for this section 511 program, I offer this amendment to directly fund it. I do so with the knowledge that San Diego interests will apply for a loan, private interests will apply for a loan to reestablish this railroad. I have the support of the Regional Railroads of America in this effort. Further, it is our understanding that this request is within the necessary budget authority and outlays.

What I am addressing here, Mr. Chairman, is the absolute critical importance of the rehabilitation of this railroad to our community. It is critically important that we fund this line. We can get this train up and running with a modest $490,000 investment, a $490,000 loan guarantee which, as I said before, leverages 20 times that amount in private sector loans.

I hope the distinguished chairman of the subcommittee will remain consistent to his view stated last year that these loan guarantees are a reliable, cost-effective and wise use of our Federal transportation dollars.

I hope that my colleagues can support this investment in economic growth in southern California.

Mr. WOLF. Mr. Chairman, I rise in opposition to the amendment. I tell the gentleman, we did look at it. We later found out that 90 percent of this is in Congressman HUNTER's district.

Second, we looked into the whole issue. And one of the reasons for opposing it is that it provides funding for loan guarantees. However, there is not appropriation made to administer the program. It is a technical law which may violate the Credit Reform Act.

Third, there is the hope that the funds would be used for a local project in San Diego, when the project does not have local consensus, because I understand Mr. HUNTER opposes it and I believe the gentleman from California, Mr. PACKARD, opposes it.

Under the section 511 loan guarantee program, if railroads are unable to repay these loans, the Federal Government is responsible. If the railroad cannot pay for them, the Federal Government is responsible for paying for them. I do not favor placing the Federal Government at risk.

Finally, although the loan guarantees are portrayed as inexpensive, Members should be aware that if the railroad defaults on a loan, the costs could be very, very high. So the area is divided. It is mainly in Mr. HUNTER's district. We did look into it. It is a loan guarantee program. A default means that everybody in the country pays. And, therefore, I strongly oppose the amendment.

Mr. FILNER. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from California.

Mr. FILNER. Mr. Chairman, I know this is a debatable issue. I just want to make sure that my colleagues understand, this program has been used before in the past. It has never, a loan has never not been repaid in this program. The authorization is in the generic act—90 percent of the line is not in Mr. HUNTER's district. It is shared between our two districts and between two nations, in fact, Mexico and the United States. So with those corrections, I understand the gentleman's opposition.

Mr. WOLF. Reclaiming my time, there has been a default. There has been one. Second, we know absolutely nothing at all about the railroad, absolutely, positively, categorically nothing.

Mr. FILNER. Mr. Chairman, the gentleman knows nothing about what?

Mr. WOLF. About the railroad.

Mr. FILNER. This goes into the generic program authorized by law and would have to be applied for for the loan guarantee and would not be given unless all the due diligence was done by the railroad administration.

Mr. WOLF. But if we do not know the profitability, we do not know whether or not it could default. Therefore, if it defaults, as it happened one other time, everybody is obligated.

Mr. Chairman, I strongly oppose the amendment.

Mr. PACKARD. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I am not opposed to the project. I have discussed this at length with San Diego people. I think that it is a good project. The rail line, this San Diego & Arizona Eastern rail corridor at some point in the future, I hope, will be open. I simply feel that this is not the future, I hope, will be open. I simply feel that this is not the proper way to proceed with the funding for it.

The opening of this railroad would benefit the San Diego region. It would provide a more direct and less costly route for freight shipment from all parts of the United States to the Port of San Diego. But I do believe that there are other ways to do it. Certainly we ought to pursue that.

But the bill does not fund the loan guarantee program. There are no funds in the loan guarantee program. If this amendment passed, there are many projects that would apply for this loan guarantee funds. It would not just be the San Diego project. It would be many. And they would have to compete for those funds. It would be very limited and, thus, I think that there is certainly no assurance that these funds would go to the San Diego rail corridor.

There is another factor I think that ought to be mentioned. That is that the reason that there was no funds put into this loan guarantee program was because there was simply not sufficient funds to fund all of the other programs that this subcommittee and the subcommittee that I serve on had to support. There are budget constraints and I think that is good, the reasons why that this whole program was not funded this year.

I hope that we will find ways of funding this project, because I do support the innovative way of building through private moneys these kinds of projects. But I think that this is not the time to do it and not the way to do it.

Mr. FILNER. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I yield to the gentleman from California.

Mr. FILNER. Mr. Chairman, I appreciate my colleague from San Diego and the northern part of our county's support for the project. We have searched, as you know, for 2 years now for other kinds, for the funding to get this started. You said this is not the way. I would ask my friend if there was any other way, let us do it. This is the only way, this is a cost-effective way. This leverages 20 times what the appropriation is. I cannot think of a better way to get private-sector funding into it.

Mr. PACKARD. Mr. Chairman, there are two things, in response, if I can reclaim my time. First, is we have required offsets for every transfer of funds. This amendment is not accompanied by offsets. Second, I recognize that this is a good way to fund these kinds of projects. But we simply have not got funds in that program, and if we put these funds in that the gentleman is requesting in his amendment, there is no assurance that the San Diego project would be able to receive them.

Mr. FILNER. Mr. Chairman, if the gentleman will continue to yield, that would then meet the objection of the distinguished subcommittee chairman in that there would be competition for these funds. We are assured that because of the amount of work that has been done on this line and the support from the local governments and the studies that have been made, that this would be a top priority.

Mr. PACKARD. Reclaiming my time, it simply would mean that there was no assurance that San Diego would get these funds or have them accessible for a loan guarantee. Second, if it was competitive and thus divided among many projects, it would help no project. There simply would not be enough.

Mr. FILNER. I wish the gentleman would work with me to find the method to get this project going.

Mr. PACKARD. I very reluctantly oppose the amendment.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to thank my colleague for the nice presentation that he has made in support of this railroad, but let me tell my colleagues what this involves. This is a railroad that once existed between Imperial County, which is east of San Diego County some 100 miles or so, almost to the Arizona border. It is a railroad that runs from San Diego into Mexico, travels a number of miles in Mexico, goes up some steep canyons and finally rereemerges in the United States in my district in what is known as East San Diego County and travels about 70 miles through my district in San Diego County into Imperial Valley, almost to the Arizona border.

This railroad was knocked out of commission many, many years ago. It has not been in operation for a number of years. There is an issue here that is a very important issue to everybody in the country, and that is border patrol. Let me just tell my colleagues what I am concerned about, Mr. Chairman.

There were articles in the Boston Globe, the Los Angeles Times, the San Diego Union, the last headline of which said, Robbers Ride the Rails. And they were headline stories about the enormous number of robberies of American trains in New Mexico, for example, some 600 robberies of Southern Pacific, in one year with an enormous criminal base, basically endangered by this train robbing operation. Those were trains that are in the United States. They do not even go into Mexico.

We propose at a time when our border in southern California is totally out of control and totally in the hands of criminal aliens and there is a massive flow of cocaine coming across the border both in the urban areas and now in the suburban areas, and incidentally I have 60 miles of farm families and ranch families who right now are being held prisoners in their homes by armies of illegal aliens and drug smugglers marching north through East San Diego County who have not concurred in the chamber of commerce recommendation, who have not concurred in the port authority's recommendation and who have real concerns.

So, Mr. Chairman, there have been no studies whatsoever as to what effect this train is going to have on the smuggling of illegal aliens. And thousands of illegal aliens have been smuggled on the border trains in New Mexico. We have had no studies. On the prospective robberies, southern border trains have been robbed at the rate of some 600 robberies per year, per line in New Mexico. We have had no studies on the effect on cocaine smuggling. If we have a border which is out of control, which we have right now in southern California, our primary goal now is to control the border.

I like the chamber of commerce. I like the boosters. I am reminded that all of them pushed the port at San Isidro and the accelerated means of bringing in traffic from Mexico with goods. They all promised that the cocaine problem is going to go away but it did not go away. Because we did not accompany that port of entry with a right type of controls, we have a cocaine freeway right now through San Diego County. Nobody in the chamber of commerce or the port authority has come forward to say, we are sorry we made a mistake.

I am going to offer my colleagues and, Mr. Chairman, a little while later an amendment that asks that, before we fund any such program, we do a study with respect to the effect it will have on exacerbating illegal immigration, exacerbating drug smuggling, narcotics smuggling and creating a base of railroad robberies such as the one that has existed for some time now in the area around the border between New Mexico and Mexico.

Mr. Chairman, I rise in strong opposition. From my calculations, I do have about 90 percent of this railroad in my district. I think we need to have this type of information before we blindly move ahead because we have a lot of governmental entities that like this project.

Mr. COLEMAN. Mr. Chairman, I move to strike the requisite number of words.

Let me say that I understand and recognize the efforts of the gentleman from California [Mr. FILNER]. I understand the concerns of my colleagues also from San Diego, CA, representing a border district.

I would note and would suggest to the gentleman from California [Mr. HUNTER], that perhaps his idea concerning the kinds of restrictions and requirements on loan guarantees need to be applied not just in terms of border regions with respect to documentation or ideas about the numbers of robberies, the numbers of undocumented persons but indeed what, after all, we do when we provide for capitalization projects.

□ 2300

I would point out to this House that in last year's, in this 1996 year of fiscal operations, we have in the current operations a $10 million grant that was not included in the President's budget to the Alaska Railroad for capital improvements. We did not do that in the House. That was as a result of coming out of conference, but we voted for final passage of the legislation when it came back from conference. So we, in fact, have already approved a project much like this. This is not a first-impression move.

In fact, what the amendment offered by the gentleman from California [Mr. FILNER] does, of course, is not even make a direct grant. Mr. FILNER's amendment only provides loan guarantees.

I think that it is a good amendment in that it helped provide a small amount of assistance in the form of those guarantees to regional railroads which need assistance for capital improvements, so I do not think that we should reject out of hand the efforts by our colleagues who want to provide this kind of funding. I think it is one way to look at ways in which we can be innovative in order to provide the funding that is necessary for good operations, for good businesses, and I would rise in support of the amendment.

Mr. FILNER. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from California.

Mr. FILNER. Mr. Chairman, I thank the gentleman, and I thank my colleague from along the border with me, the gentleman from California [Mr. HUNTER], for raising the concerns he has, and he has been the leader of this House in getting control of the border, and we have a lot to thank him for, and we have worked together to do that. I would not offer this amendment, Mr. HUNTER, and he knows that, if I thought this would worsen that situation. I believe that the economic development on both sides of the border is the key for us getting control of that border, and this is a cooperative venture between two nations that would actually raise the quality of life for working people in my district, in the gentleman's district, in Mexico, and, in fact, in many communities around our region. This is what we should be doing.

Yes, let us study the possible effects on the drug trade; yes, let us study the possible consequences of banditry, but let us not be scared off. I mean I see the gentleman from California [Mr. DORNAN] standing beside the gentleman. He can tell us that if Americans were scared off in making this country economically beneficial by threats of banditry or by letting a few people scare us off from making economic gains, then we would not be the country we are today.

That is what this railroad is all about. Let us make the economic development of this border area really work, and I look forward to working with the gentleman to do that. I did not quite get the amendment he thought about offering. If it is in conjunction with mine, let us do it. If it is in place of mine, I prefer that we try to get the funding in place.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. FILNER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FILNER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from California [Mr. FILNER] will be postponed.

Mr. WOLF. Mr. Chairman, I ask unanimous consent that all debate on each amendment to the remainder of the bill, and any amendments thereto, be limited to 10 minutes, equally divided, with the exception of the amendment of the gentleman from Georgia [Mr. COLLINS] for 20 minutes and the amendment of the gentleman from New Jersey [Mr. ANDREWS] for 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia.

There was no objection.

Mr. WOLF. Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 55, line 15, be considered as read, and printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The text of the remainder of the bill through page 55, line 15, is as follows:

UNIVERSITY TRANSPORTATION CENTERS

For necessary expenses for university transportation centers as authorized by 49 U.S.C. 5317(b), to remain available until expended, $6,000,000.

TRANSIT PLANNING AND RESEARCH

For necessary expenses for transit planning and research as authorized by 49 U.S.C. 5303, 5311, 5313, 5314, and 5315, to remain available until expended, $85,500,000, of which $39,500,000 shall be for activities under Metropolitan Planning (49 U.S.C. 5303); $4,500,000 for activities under Rural Transit Assistance (49 U.S.C. 5311(b)(2)); $8,250,000 for activities under State Planning and Research (49 U.S.C. 5313(b)); $22,000,000 for activities under National Planning and Research (49 U.S.C. 5314); $8,250,000 for activities under Transit Cooperative Research (49 U.S.C. 5313(a)); and $3,000,000 for National Transit Institute (49 U.S.C. 5315).

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(a), $1,920,000,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That $1,920,000,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's formula grants account.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $1,665,000,000 in fiscal year 1997 for grants under the contract authority in 49 U.S.C. 5338(b): *Provided*, That there shall be available for fixed guideway modernization, $666,000,000; there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities, $333,000,000; and, notwithstanding any other provision of law, except for fixed guideway modernization projects, $10,510,000 made available under Public Law 102–240 and Public Law 102–143 under "Federal Transit Administration, Discretionary Grants" for projects specified in those Acts or identified in reports accompanying those Acts, not obligated by September 30, 1996; together with, notwithstanding any other provision of law, $744,000 funds made available for the "New Bedford and Fall River Massachusetts commuter rail extension" under Public Law 103–331; together with, notwithstanding any other provision of law, $47,322,000 funds made available for the "Chicago Central Area Circulator Project" in Public Law 103–122 and Public Law 103–331, shall be made available for new fixed guideway systems together with the $666,000,000 made available for new fixed guideway systems in this Act, to be available as follows:

$66,820,000 for the Atlanta-North Springs project:

$10,260,000 for the Baltimore-LRT Extension project;

$40,181,000 for the Boston Piers-MOS–2 project;

$5,500,000 for the Canton-Akron-Cleveland commuter rail project;

$25,000,000, notwithstanding any other provision of law, for transit improvements in the Chicago downtown area;

$3,000,000 for the Cincinnati Northeast-Northern Kentucky rail line project;

$10,000,000 for the DART North Central light rail extension project;

$12,500,000 for the Dallas-Fort Worth RAILTRAN project;

$1,000,000 for the DeKalb County, Georgia light rail project;

$3,000,000 for the Denver Southwest Corridor project;

$9,000,000 for the Florida Tri-County commuter rail project;

$2,000,000 for the Griffin light rail project;

$40,590,000 for the Houston Regional Bus project;

$15,300,000 for the Jacksonville ASE extension project;

$1,500,000 for the Kansas City Southtown corridor project;

$90,000,000 for the Los Angeles-MOS–3 project;

$1,500,000 for the Los Angeles-San Diego commuter rail project;

$27,000,000 for the MARC Commuter Rail Improvements project;

$1,000,000 for the Miami-North 27th Avenue project;

$2,000,000 for the Memphis, Tennessee Regional Rail Plan;

$10,000,000 for the New Jersey Urban Core/Hudson-Bergen LRT project;

$105,530,000 for the New Jersey Urban Core/Secaucus project;

$1,000,000 for the New Jersey West Trenton commuter rail project;

$8,000,000 for the New Orleans Canal Street Corridor project;

$2,000,000 for the New Orleans Desire Streetcar project;

$35,020,000 for the New York-Queens Connection project;

$500,000 for the Northern Indiana commuter rail project;

$5,000,000 for the Orange County transitway project;

$2,000,000 for the Orlando Lynx light rail project;

$90,000,000 for the Portland-Westside/Hillsboro Extension project;

$6,000,000 for the Sacramento LRT Extension project;

$20,000,000 for the Salt Lake City-South LRT project, of which not less than $10,000,000 shall be available only for high-occupancy vehicle lane and corridor design costs;

$20,000,000 for the St. Louis-St. Clair Extension project;

$35,000,000 for the San Francisco Area-BART airport extension/San Jose Tasman West LRT projects;

$3,000,000 for the San Diego-Mid-Coast Corridor project;

$9,500,000 for the San Juan Tren Urbano project;

$375,000 for the Staten Island-Midtown Ferry service project;

$2,000,000 for the Tampa to Lakeland commuter rail project; and

$2,500,000 for the Whitehall ferry terminal, New York, New York.

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(b) administered by the Federal Transit Administration, $2,000,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For necessary expenses to carry out the provisions of section 14 of Public Law 96–184 and Public Law 101–551, $200,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, including the Great Lakes Pilotage functions delegated by the Secretary of Transportation, $10,037,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, $23,929,000, of which $574,000 shall be derived from the Pipeline Safety Fund, and of which $7,101,000 shall remain available until September 30, 1999: *Provided*, That up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: *Provided further*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, $30,988,000, of which $2,528,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 1999; and of which $28,460,000 shall be derived from the Pipeline Safety Fund, of which $15,500,000 shall remain available until September 30, 1999: *Provided*, That in addition to amounts made available for the Pipeline Safety Fund, $1,000,000 shall be available for grants to States for the development and establishment of one-call notification systems and shall be derived from amounts previously collected under section 7005 of the Consolidated Omnibus Budget Reconciliation Act of 1985.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 1999: *Provided*, That none of the funds made available by 49 U.S.C. 5116(i) and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, $39,450,000: *Provided*, That none of the funds under this heading shall be for the conduct of contract audits.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, $12,344,000: *Provided*, That $3,000,000 in fees collected in fiscal year 1997 by the Surface Transportation Board pursuant to 31 U.S.C. 9701 shall be made available to this appropriation in fiscal year 1997: *Provided further*, That any fees received in excess of $3,000,000 in fiscal year 1997 shall remain available until expended, but shall not be available for obligation until October 1, 1997.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $3,540,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902), $42,407,000, of which not to exceed $2,000 may be used for official reception and representation expenses.

TITLE III—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902).

SEC. 302. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by title VIII of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 7701, et seq., for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 305. None of the funds in this Act shall be available for salaries and expenses of more than one hundred seven political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 308. The Secretary of Transportation may enter into grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity in execution of the Technology Reinvestment Project authorized under the Defense Conversion, Reinvestment and Transition Assistance Act of 1992 and related legislation: *Provided*, That the authority provided in this section may be exercised without regard to section 3324 of title 31, United States Code.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 310. (a) For fiscal year 1997 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1996, no State shall obligate more than 25 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 12 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State;

(2) after August 1, 1997, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 103(e)(4), 104, and 144 of title 23, United States Code, and under sections 1013(c) and 1015 of Public Law 102–240; and

(3) not distribute amounts authorized for administrative expenses and funded from the administrative takedown authorized by section 104(a), title 23 U.S.C., the Federal lands highway program, the intelligent transportation systems program, and amounts made available under sections 1040, 1047, 1064, 6001, 6005, 6006, 6023, and 6024 of Public Law 102–240, and 49 U.S.C. 5316, 5317, and 5338: *Provided*, That amounts made available under section 6005 of Public Law 102–240 shall be subject to the obligation limitation for Federal-aid highways and highway safety construction programs under the head "Federal-Aid Highways" in this Act.

(d) During the period October 1 through December 31, 1996, the aggregate amount of obligations under section 157 of title 23, United States Code, for projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, sections 131(b), 131(j), and 404 of Public Law 97–424, sections 1061, 1103 through 1108, 4008, and 6023(b)(8) and 6023(b)(10) of Public Law 102–240, and for projects authorized by Public Law 99–500 and Public Law 100–17, shall not exceed $277,431,840.

(e) During the period August 2 through September 30, 1997, the aggregate amount which may be obligated by all States shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104 and 144 of title 23, United States Code, and 1013(c) and 1015 of Public Law 102–240, and

(2) for highway assistance projects under section 103(e)(4) of title 23, United States Code,

which would not be obligated in fiscal year 1997 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized.

(f) Paragraph (e) shall not apply to any State which on or after August 1, 1997, has the amount distributed to such State under paragraph (a) for fiscal year 1997 reduced under paragraph (c)(2).

SEC. 311. The limitation on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation under the discretionary grants program.

SEC. 312. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 313. None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 314. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport aid program, airport development aid program or airport improvement program grant. The FAA shall accept such equipment, which shall thereafter be operated and maintained by the FAA in accordance with agency criteria.

SEC. 315. None of the funds in this Act shall be available to award a multiyear contract for production end items that (1) includes economic order quantity or long lead time material procurement in excess of $10,000,000 in any one year of the contract or (2) includes a cancellation charge greater than

$10,000,000 which at the time of obligation has not been appropriated to the limits of the government's liability or (3) includes a requirement that permits performance under the contract during the second and subsequent years of the contract without conditioning such performance upon the appropriation of funds: *Provided*, That this limitation does not apply to a contract in which the Federal Government incurs no financial liability from not buying additional systems, subsystems, or components beyond the basic contract requirements.

SEC. 316. None of the funds provided in this Act shall be made available for planning and executing a passenger manifest program by the Department of Transportation that only applies to United States flag carriers.

SEC. 317. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under "Federal Transit Administration, Discretionary grants" for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 1999, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 318. Notwithstanding any other provision of law, any funds appropriated before October 1, 1993, under any section of chapter 53 of title 49 U.S.C., that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 319. None of the funds in this Act shall be available to implement or enforce regulations that would result in the withdrawal of a slot from an air carrier at O'Hare International Airport under section 93.223 of title 14 of the Code of Federal Regulations in excess of the total slots withdrawn from that air carrier as of October 31, 1993 if such additional slot is to be allocated to an air carrier or foreign air carrier under section 93.217 of title 14 of the Code of Federal Regulations.

SEC. 320. None of the funds in this Act may be used to compensate in excess of 335 technical staff years under the federally-funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 1997.

SEC. 321. Funds provided in this Act for the Transportation Administrative Service Center (TASC) shall be reduced by $10,000,000, which limits fiscal year 1997 TASC obligational authority for elements of the Department of Transportation funded in this Act to no more than $114,812,000: *Provided*, That such reductions from the budget request shall be allocated by the Department of Transportation to each appropriations account in proportion to the amount included in each account for the transportation administrative service center.

SEC. 322. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's "Limitation on General Operating Expenses" account, the Federal Transit Administration's "Transit Planning and Research" account, and to the Federal Railroad Administration's "Railroad Safety" account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 323. None of the funds in this Act shall be available to prepare, propose, or promulgate any regulations pursuant to title V of the Motor Vehicle Information and Cost Savings Act (49 U.S.C. 32901, et seq.) prescribing corporate average fuel economy standards for automobiles, as defined in such title, in any model year that differs from standards promulgated for such automobiles prior to enactment of this section.

SEC. 324. None of the funds in this Act may be used for planning, engineering, design, or construction of a sixth runway at the new Denver International Airport, Denver, Colorado.

SEC. 325. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to the provisions of section 6006 of the Intermodal Surface Transportation Efficiency Act of 1991, may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: *Provided*, That such funds shall not be subject to the obligation limitation for Federal-aid highways and highway safety construction: *Provided further*, That in addition to amounts otherwise provided in this Act, not to exceed $3,100,000 in expenses of the Bureau of Transportation Statistics necessary to conduct activities related to airline statistics may be incurred, but only to the extent such expenses are offset by user fees charged for those activities and credited as offsetting collections.

SEC. 326. The Secretary of Transportation is authorized to transfer funds appropriated in this Act to "Rental payments" for any expense authorized by that appropriation in excess of the amounts provided in this Act: *Provided*, That prior to any such transfer, notification shall be provided to the House and Senate Committees on Appropriations.

SEC. 327. None of the funds in this Act may be obligated or expended for employee training which: (a) does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties; (b) contains elements likely to induce high levels of emotional response or psychological stress in some participants; (c) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluations; (d) contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N-915.022, dated September 2, 1988; (e) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or (f) includes content related to human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

SEC. 328. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation: *Provided*, That this shall not prevent officers or employees of the Department of Transportation or related agencies funded in this Act from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

SEC. 329. None of the funds in this Act may be used to support Federal Transit Administration's field operations and oversight of the Washington Metropolitan Area Transit Authority in any location other than from the Washington, D.C. metropolitan area.

SEC. 330. None of the funds made available in this Act may be used for improvements to the Miller Highway in New York City, New York.

SEC. 331. Not to exceed $850,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 332. Notwithstanding any other provision of law, the Secretary may use funds appropriated under this Act, or any subsequent Act, to administer and implement the exemption provisions of 49 CFR 580.6 and to adopt or amend exemptions from the disclosure requirements of 49 CFR part 580 for any class or category of vehicles that the Secretary deems appropriate.

SEC. 333. No funds other than those appropriated to the Surface Transportation Board shall be used for conducting the activities of the Board.

SEC. 334. None of the funds made available in this Act may be used to construct, or to pay the salaries or expenses of Department of Transportation personnel who approve or facilitate the construction of, a third track on the Metro-North Railroad Harlem Line in the vicinity of Bronxville, New York, when it is made known to the Federal official having authority to obligate or expend such funds that a final environmental impact statement has not been completed for such construction project.

SEC. 335. Section 5328(c)(1)(E) of title 49, United States Code, is amended—

(1) by striking "Westside" the first place it appears;

(2) by striking "and" after "101-584,"; and

(3) by inserting before the period at the end the following: ", and the locally preferred alternative for the South/North Corridor Project".

SEC. 336. Notwithstanding any other provision of law, of the funds made available to Cleveland for the "Cleveland Dual Hub Corridor Project" or "Cleveland Dual Hub Rail Project," $4,023,030 in funds made available in fiscal years 1991, 1992, and 1994, under Public Laws 101-516, 102-143, 102-240, 103-122, and accompanying reports, shall be made available for the Berea Red Line Extension and the Euclid Corridor Improvement projects.

SEC. 337. Notwithstanding any other provision of law, funds made available under section 3035(kk) of Public Law 102-240 for fiscal year 1997 to the State of Michigan shall be for the purchase of buses and bus-related equipment and facilities.

SEC. 338. In addition to amounts otherwise provided in this Act, there is hereby appropriated $2,400,000 for activities of the National Civil Aviation Review Commission, to remain available until expended.

SEC. 339. Section 423 of H.R. 1361, as passed the House of Representatives on May 9, 1995, is hereby enacted into law.

TITLE IV—MISCELLANEOUS HIGHWAY PROVISIONS

SEC. 401. Notwithstanding any other provision of law, semitrailer units operating in a truck tractor-semitrailer combination whose semitrailer unit is more than forty-eight feet in length and truck tractor-semitrailer-trailer combinations specified in section 31111(b)(1) of title 49, United States Code, may not operate on United States Route 15 in Virginia between the Maryland border and the intersection with United States Route 29.

SEC. 402. Item 30 of the table contained in section 1107(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2050), relating to Mobile, Alabama, is amended in the second column by inserting after "Alabama" the following: "and for feasibility studies, preliminary engineering, and construction of a new bridge and approaches over the Mobile River".

SEC. 403. Item 94 of the table contained in section 1107(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2052), relating to St. Thomas, Virgin Islands, is amended—

(1) by striking "St. Thomas,"; and

(2) by inserting after "the island" the following: "of St. Thomas and improvements to the VIPA Molasses Dock intermodal port facility on the island of St. Croix to make the facility capable of handling multiple cargo tasks".

SEC. 404. The Secretary of Transportation is hereby authorized to enter into an agreement modifying the agreement entered into pursuant to section 336 of the Department of Transportation and Related Agencies Appropriations Act, 1995 (Public Law 103-331) and section 356 of the Department of Transportation and Related Agencies Appropriations Act, 1996 (Public Law 104-50) to provide an additional line of credit not to exceed $25,000,000, which may be used to replace otherwise required contingency reserves; provided, however, that the Secretary may only enter into such modification if it is supported by the amount of the original appropriation (provided by section 336 of Public Law 103-331). No additional appropriation is made by this section. In implementing this section, the Secretary may enter into an agreement requiring an interest rate, on both the original line of credit and the additional amount provided for herein, higher than that currently in force and higher than that specified in the original appropriation. An agreement entered into pursuant to this section may not obligate the Secretary to make any funds available until all remaining contingency reserves are exhausted, and in no event shall any funds be made available before October 1, 1998.

SEC. 405. Public Law 100-202 is amended in the item relating to "Traffic Improvement Demonstration Project" by inserting after "project" the following: "or upgrade existing local roads".

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Traficant: Page 53, after line 10, insert the following new section:

SEC. 340 (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a-10c).

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States, that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

The CHAIRMAN. Pursuant to the unanimous consent agreement, the gentleman from Ohio [Mr. TRAFICANT] and a Member opposed will each be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. Chairman I yield myself such time as I may consume.

Mr. TRAFICANT. Mr. Chairman, I want to thank the gentleman from Virginia [Mr. WOLF] for his fairness, I want to thank him for his fairness in placing funds in here for a study that may help to reintroduce some rail service to northeast Ohio and western Pennsylvania. On behalf of all of those people I want to thank him, and I want to thank the gentleman from Texas [Mr. COLEMAN]. I also want to congratulate him. This is the last time he will be handling this bill; he is retiring.

Mr. Chairman, he has been a great Member. I want to thank him personally for all he has done to help my area and a lot of people in this country.

I would also just like to say that my amendment is a Buy American amendment. It is simple and straightforward. It would provide a notice to those people who get funds in the bill wherever possible to buy American products, and it would limit using false labels on imported products and trying to deceive the procurement process.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Virginia.

Mr. WOLF. We accept the amendment. I thank the gentleman from Ohio [Mr. TRAFICANT] for the amendment. I think it is a good amendment.

And let me also say I want to congratulate the gentleman from Texas [Mr. COLEMAN] on his retirement and thank him for his friendship and a good working relationship, and also for the staff.

Mr. TRAFICANT. I want to thank the both of the gentlemen again for that study.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished ranking member, the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. We, of course, have also reviewed the amendment. We in the minority are in agreement and urge its adoption.

Mr. Chairman, I thank both gentlemen for their kind remarks.

Mr. TRAFICANT. With that Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GUTKNECHT: Page 55, after line 15, insert the following new section:

SEC. 406. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

The CHAIRMAN. Under the earlier unanimous-consent agreement, the gentleman from Minnesota [Mr. GUTKNECHT] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman I yield myself as much time as I may consume.

Mr. Chairman, earlier we heard from people on both sides of the aisle, but we were particularly criticized a few weeks ago when this House adopted the conference committee report on the budget, and it was widely reported, and correctly so, that for the first time in 4 years we are going to allow the budget deficit to actually go up.

I and a number of my colleagues were very frustrated to learn that, and as a result after the passage of that budget agreement many of us went back to try to decide what we could do to help the House recover this fumble because, as I have said on previous amendments that I have offered on appropriation bills, I think that the general public sent a very clear message in November 1994 that they wanted us to make the Federal Government live within its means and they wanted us to help balance their budget.

But this year we are increasing spending by about $4.1 billion over what we said we were going to spend just last year. I think that is a terrible mistake from a policy standpoint, and I think it makes it even more difficult for us to say that we are going to actually reduce spending in the outyears.

In fact, what I said last night was, how in the world can we say in good conscience to our constituents that we cannot cut an additional $4.1 billion worth of spending this year and yet somehow miraculously in 3 years we are going to have the discipline to cut $47 billion worth of spending?

I think it a mistake, and, as I say, as a result of that we came up with a very simple amendment that we are going to offer to every single appropriation bill from this point forward to simply trim 1.9 percent from each appropriation bill in discretionary domestic spending so that if all of those amendments were passed, it would at least get us back to the promise that we made just last year.

But as I looked at this transportation appropriation bill, I must be honest that we find that the gentleman from Virginia [Mr. WOLF] and his committee have done a very good job, and, as a matter of fact, their appropriation bill is $338 million less than the 602(b) allocations. And unfortunately, around this place, altogether too often no good deed goes unpunished, and so as we looked at this, essentially we came to the conclusion that this is one committee that has already met the challenge which we laid out in terms of trying to recover that $4.1 billion.

So as a result, Mr. Chairman, if I could engage in a brief colloquy with the gentleman from Virginia [Mr. WOLF], I think we can resolve this matter and move forward to the next order of business. I ask the gentleman:

It is true that under this bill, H.R. 3675, the gentleman proposes to spend $338 million less than the budget authority allocated in the transportation subcommittee by the full committee?

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, the gentleman is correct.

Mr. GUTKNECHT. Would it be the gentleman's intention to continue to try and save $338 million should this bill go forward into the conference committee with the Senate?

Mr. WOLF. Yes, it is my intention to see that the conference report reflects the priorities and funding levels of the House, and also I might say that if the Senate tries to put any highway demos in, we will make sure that they are not in, and I hope that the people of our body will help us to make sure they are not in, it, but there are no highway demonstration projects in this bill.

Mr. GUTKNECHT. The amendment that I am offering would save approximately $232 million and obviously a savings of $338 million is greater than 232. So in light of this fact, I commend the chairman of the subcommittee, the gentleman from Virginia [Mr. WOLF] and the full committee for the work that they have done and foregoing the extra mile in terms of trying to preserve the American dream for our kids.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Minnesota [Mr. GUTKNECHT] is withdrawn.

AMENDMENT OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ANDREWS: Page 55, after line 15, insert the following new section:

SEC. 406. (a) LIMITATION ON USE OF FUNDS FOR CERTAIN SURFACE TRANSPORTATION PROJECTS.—None of the funds made available in this Act may be used to provide, or to pay the salaries or expenses of Department of Transportation personnel who provide, to a State more than $50,000 in Federal assistance from the Highway Trust Fund (other than the Mass Transit Account) for any surface transportation project except when it is made known to the Federal official having authority to obligate or expend such funds that—

At least 30 days before entering a contract or agreement with a private business entity for the performance of work usually performed by employees of a State under which the State will obligate more than $50,000, the State has conducted and submitted a cost-benefit analysis of the project;

(2) the cost-benefit analysis includes a detailed description of—

(A) the costs of labor;

(B) the costs of employer-provided fringe benefits;

(C) the costs of equipment or materials, whether supplied by the State or private contractor;

(D) the costs directly attributable to transferring the work being performed by State employees to a private business entity;

(E) the costs of administering and inspecting the contracted service; and

(F) the costs of any anticipated unemployment compensation or other benefits which are likely to be paid to State employees who are displaced as a result of the contracted services; (3) the cost-benefit analysis includes an analysis of whether it is more cost effective to use employees of a private business entity than to use State employees to perform the work required;

(4) the cost-benefit analysis is accompanied by an analysis of the State's finances and personnel and an analysis of the ability of the State to reassume the contracted service if contracting of the service ceases to serve the public interest;

(5) in the case of a contract or agreement described in paragraph (1) that will result in a decrease in the amount of work assigned to State employees, the cost-benefit analysis demonstrates that—

(A) the contract or agreement will result in a substantial cost savings to the State; and

(B) the potential cost savings of contracting of services are not outweighed by the public's interest in having a particular function performed directly by the State;

(6) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a past performance history of the private business entity contract or agreement, which includes—

(A) work performed for the State under contracts and agreements described in paragraph (1) in the 5-year period ending on the 45th day before the date of entry into the contract or agreement;

(B) if no work was performed for the State under such contracts and agreements during such 5-year period, then any work performed for other States under contracts and agreements described in paragraph (1) in such 5-year period;

(C) with respect to each contract or agreement to which subparagraph (A) or (B) applies, the amount of funds originally committed by the State under the contract or agreement and the amount of funds actually expended by the State under the contract or agreement; and

(D) with respect to each contract or agreement to which subparagraph (A) or (B) applies, deadlines originally established for all work performed under the contract or agreement and the actual date or dates on which performance of such work was completed;

(7) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a copy of any performance bond or any similar instrument that ensures performance by the private business entity under the contract or agreement or certifies the amount of such bond;

(8) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a political contribution history of the private business entity with whom the State is entering into the contract or agreement, which political contribution history lists all political contributions the private business entity has made to political parties and candidates for political office in the 5-year period ending on the 45th day before the date of entry into the contract or agreement; and

(9) not later than 5 days after submission of the cost-benefit analysis and other documents under this section, the public has been notified of the availability of the cost-benefit analysis and other documents for public inspection, an the analysis and other documents have been made available for inspection upon request.

(b) EXCEPTIONS.—The limitation established by subsection (a) shall not apply to any surface transportation project when it is make known to the Federal official having authority to obligate or expend the funds that—

(1) the project is a pilot project for a particular type of work that has not previously been performed by the State and is being undertaken to evaluate whether contracting for that particular type of work can result in savings to the State; or

(2) the analysis of the State's finances and personnel under subsection (a)(4) demonstrates that the State cannot perform the work with existing or additional departmental employees because the work would be of such an intermittent nature as to be likely to cause regular periods of unemployment for State employees.

The CHAIRMAN. Under the earlier unanimous-consent agreement, the proponent and the opponent each will control 10 minutes for the amendment offered by the gentleman from New Jersey [Mr. ANDREWS].

The Chair recognizes the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume.

The purpose of this amendment is rather simple and straightforward, and it is that the taxpayers that we represent have a right to know how and where their money is being spent. This is a phenomenon that is happening across our country right now. State governments, in an attempt to save money, are laying off public employees by the score. People are losing their jobs, they are losing their careers, they are losing many of the things they depend on for their families. These are longtime, hard-working public employees.

The justification that is offered time after time for this contracting out and for these employees losing their jobs is that it saves money.

This amendment simply says to a local government using Federal taxpayer dollars in transportation projects, it says to that local government:

> If you want to lay off public employees, if you want to take away the jobs of people who have been on the payroll for a long time and done their job as they have been asked, then you have to show us, you have to show the public, that the savings of money that you assert are there are, in fact, there.

Here is the way it works:

When a local government using Federal funds from the transportation trust funds decides to contract that work out, if the work is work that has been traditionally done by public employees, traditionally done by public employees, if they decide to contract the work out, this amendment requires the local government to go through a cost-benefit analysis. It requires a local government to weigh the costs and benefits of contracting the work out versus the costs and the benefits of keeping the work in-house and being done by public employees. The record of that analysis is then spread before the public, and that is it.

Mr. Chairman, let me tell my colleagues what the amendment does not do. The amendment does not require that work that has been done by the private sector for years be changed. If, as in most States, the actual construction of these projects is done in the private sector and not by public employees, this amendment does not apply. It applies only to work traditionally done by public employees. It does not create a massive and new bureaucratic gauntlet for State governments to run.

I would hope that every State and local government that is spending the hard-earned tax dollars of our constituents is already doing this. I hope they are already sitting down and saying what would option A cost to contract the work out versus what would option B cost to keep the work inside. This really simply requires then to disclose what I hope they are already doing.

Finally, this amendment does not, does not, require that there be some new obligation placed upon States or that some new category of work be kept in house that would otherwise be contracted out. This is common sense. It even says, Mr. Chairman, that after the cost benefit analysis has been done, if the State still decides to contract the work out, there is nothing in this amendment that precludes them from doing so.

□ 2315

It protects the right and discretion of States and local governments. This, Mr. Chairman, is a truth-in-government amendment. It simply says if a local official, using Federal taxpayer dollars, if a State official using Federal taxpayer dollars, decides to lay people off the public payroll because they claim that it saves money, they have to show that it saves money. That is all. It is a truth-in-government amendment. I believe it deserves broad support, and I would ask that it receive that support.

Mr. Chairman, I reserve the balance of my time.

Mr. WOLF. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. WOLF] is recognized for 10 minutes.

Mr. WOLF. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I oppose the amendment. Also, the American Consulting Engineers Council, the American Road and Transportation Builders Association, the Associated General Contractors of America, the American Institute of Architects, The National Society of Professional Engineers, the American Society of Landscape Architects, the Council of Federal Procurement of Architectural Engineering Services, the American Congress on Surveying and Mapping, the National Utility Contractors, they all urge a no.

Mr. Chairman, let me tell Members what AASHTO says. AAHSTO says the amendment is sweeping and would include everything from engineering and design and management, consultant contractors, and at the low threshold of $500,000 it would mean that most activities carried out by the State would not be effective.

They said implementation of the amendment would require a whole array of procedures at the State and Federal level which would impose significant costs and delays in project development. It would make it impossible to utilize private sector resources. It is opposed by the State departments of New York, New Jersey, Texas, Illinois, Indiana, Massachusetts, Wisconsin, and Montana, and others.

Mr. Chairman, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, if each of the associations that my friend from Virginia cites are opposed to the bill, it does not surprise me. Taxpayers are in favor of this bill, because all it really says is if you are really saving money, you ought to prove it.

Mr. Chairman, I yield 2 minutes to my friend, the gentleman from California [Mr. FILNER].

Mr. FILNER. I thank the gentleman for his amendment, Mr. Chairman, because as I read it, it would simply replicate at the State level the procedure that is followed by the Federal Government to require cost comparisons before a contract could be given to private entities. The gentleman's amendment will ensure the prudent use of taxpayer moneys by requiring cost comparisons when in-house expertise is available. State governments frequently have trained competent public employees. Having State workers perform design and engineering work on highway projects will often save taxpayers' money because the job can be done quicker and cheaper.

This amendment is a major step toward protecting the American taxpayer and ensures their tax dollars will be well spent. Too often private contractors are given sweetheart contracts in return for financial and political support. The best interests of the American people are not served. This practice is egregious when the result is the displacement or underutilization of public workers. I think this amendment sets politics aside and brings back into focus the interests of American taxpayers.

Mr. WOLF. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN], a member of the committee.

FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Andrews amendment for several reasons: First, it imposes an unfunded mandate on the States, like our own State of New Jersey. We already have enough unfunded mandates now.

Second, it violates States rights. States should be able to make transportation decisions without any further Federal interference.

Third, Mr. Chairman, it removes the flexibility that States currently enjoy to address their unique transportation needs. In our State our State has particular transportation needs because of our population density.

Fourth, it swells State bureaucracies that many Governors, like our own State of New Jersey Governor, Christine Todd Whitman, were trying to control costs, so why would we need to swell the bureaucracy with more employees paid for by Federal dollars?

Fifth, it invites lawsuits, totally unnecessary lawsuits.

Sixth, it hurts minority and start-up small businesses who already have problems competing in a complex situation in terms of transportation projects.

Seventh, it delays highway projects. In a State with as many problems as we have, we do not need any more delays.

Lastly, Mr. Chairman, it hurts the private sector, who is perfectly capable, who has a wonderful track record of designing and working on construction projects.

For these reasons and many others, I oppose this amendment.

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey. The amendment is straightforward and requires that before Federal funds are used to contract out highway work, the locality must determine whether the benefits of contracting out, including the costs of the contract, the costs of terminating public employees, the costs of administering and supervising the contract, and the costs of the projected unemployment, outweigh the anticipated benefits.

This should not be controversial. Small businesses and middle-class homeowners do this all the time. They want to get the best deal for their money. The taxpayers have a right to demand that their governments should treat their tax dollars with the same care and respect.

I know that privatization is very popular these days. I know some of our colleagues like to point to situations in which privatization saved the government money. I know in some circles, putting people out of work simply because they committed the unpardonable sin of devoting their energies to serving their communities as public servants, is politically popular. That may be right, it may be wrong in a given case, but it is not too much to ask that before a State rushes forward and begins contracting out, it take the trouble to find out whether it would be getting a good deal.

Some have complained we have no business telling the State governments to comparison shop. I disagree. This is not a question of unfunded mandates. What is at issue here is a fundamental question of accountability, accountability in the use of Federal tax dollars. Demanding accountability, making sure that contracting out really will save money, is not simply local politicians giving some goodies to the old boys' network. It is not an abuse of our authority. It is a fundamental exercise of our responsibility as legislators and as stewards of the taxpayers' funds.

It does not matter whom we send this money through, it is our responsibility to ensure that the tax money we appropriate today is spent wisely. That is what accountability is all about. That is our first obligation, and that is why I urge adoption of this amendment.

Mr. WOLF. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SHUSTER], chairman of the Committee on Transportation and Infrastructure.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from New Jersey, [Mr. ANDREWS]. This amendment is not merely a limitation on funds for fiscal 1997, it requires States to perform six pages of new specific criteria, creates new requirements out of whole cloth that have never been present in the last 40 years of Federal highway programs. This provision virtually rewrites the highway bidding and contracting process, and it does so without any hearings or any debate as to whether such a revolutionary change should be adopted. This amendment has sparked broad-based opposition, including the States of New York, New Jersey, Illinois, Texas, Massachusetts, Wisconsin, Indiana, and Montana, the American Consulting Engineers Council, the American Road and Transportation Builders, and the Associated General Contractors.

I am informed by the Federal Highway Administration and the American Association of State Highway and Transportation Officials that, if adopted, this provision would nearly be impossible to implement for several reasons. The amendment requires the States to perform burdensome and costly cost-benefit analysis. The cost-benefit analysis mandated by this amendment is a wolf in sheep's clothing, and bears little relationship to the meaningful analysis of costs and benefits.

By tying its requirements to work that is usually performed by State employees, the amendment would create 50 separate rules for the Department of Transportation to administer. All States currently have different contracting practices. This amendment would freeze in place these different State practices.

This amendment stacks the deck against private work in order to increase the State bureaucracies. It would hurt the private sector design and engineering firms in all of the 50 States. In sum, this provision is unworkable, would increase the burdens on the States, would lower quality and prevent States from building the best assets, so I strongly urge my colleagues to oppose this amendment.

Mr. ANDREWS. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. COLEMAN], the ranking member of the subcommittee, who has been an excellent mentor and friend on this.

Mr. COLEMAN. Mr. Chairman, I would say to my colleague, the gentleman from Pennsylvania, oh, for heaven's sakes. I thought you all liked my cost-benefit analysis to be done on regulation. What in the world is wrong with us doing that when we are using Federal tax dollars at the State level? Nothing is wrong with that. It is called good management, good government. There is absolutely nothing wrong with us requiring it in this amendment. It needs to be conducted on preconstruction activities for federally funded highway projects prior to them being contracted out.

What is wrong with that? Do the taxpayers not have a right to know that? I know all of you and all of us have agreed we need cost-benefit analysis on regulations. Let us do it when we are spending Federal dollars.

Mr. WOLF. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I rise in strong opposition to the amendment offered by my good friend, which I think is misguided.

The speakers on the other side of the aisle have referred to this as a cost-saver. I think it is more appropriately called a big government bill, very simply, because it adds an additional step to the contracting process on surface transportation projects. Any project above $50,000 will henceforth, if this amendment passes, have an additional step on it which will require more State workers and more salaries paid to State workers.

Mr. Chairman, as we know, the Joint Economic Committee, of which I am Vice-Chair, this year has produced numerous studies that show that when government grows, the economy slows. That is a very simple concept.

So my friends on the other side of the aisle who are interested in voting tonight for more big government, for more State spending, and more Federal spending, this is just their vote. I do not mean that, I do not say this to be smart. That is exactly what it is.

What we have tried to do here in the last year and a half is to set the stage for smaller government, government that will permit the private sector to grow and to continue to provide opportunities in the free enterprise system for Americans to work and prosper. This amendment goes exactly in the opposite direction, and I urge all Members on both sides of the aisle to vote "no."

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in opposition to this amendment. It would add unnecessary delays and added costs to almost every highway project across the country. More importantly, it would go very much against one of the leading recommendations of the most recent White House Conference on Small Business, which adopted as one of its main planks this statement: At the Federal, State, and local levels, laws, regulations, and policies should prohibit direct government-created competition in which government organizations perform commercial services. That hits right at the heart of this amendment. This amendment goes against that leading recommendation. It would be very harmful to small business, it would be very costly to the taxpayer, and I urge the defeat of this amendment.

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume.

In urging my colleagues to vote with this amendment, I would like to deal with some of the misconceptions put forward about the amendment. People say they want smaller government. What we are doing here would not give us smaller government, if we oppose this amendment, it would give us dumber government, because government would be taking taxpayers' money and not necessarily getting the best deal for it.

□ 2330

We hear it is a violation of States' rights. Not so. This simply says the State needs to go through a justification process, but the decision as to what to do remains with the State. We hear this is unworkable. Any State that is spending tens or hundreds of millions of Federal taxpayer dollars without doing this is running their projects in an unworkable way.

We hear that privatization has been a great success, and since my friends from New Jersey raised New Jersey, let me raise New Jersey. New Jersey, as I understand it, laid off the custodians at the State Capitol, the people who clean the State capitol building in the name of saving money. We have a problem with the Capitol building not being clean and we find out that the firm that was hired to do the work has hired illegal aliens to do the work, so I am not sure that that was a success.

When our constituents, Mr. Chairman, go out and shop tonight for an air-conditioner or a TV set, they look for the best deal. We should do the same thing with their money. I urge my colleagues to support the amendment.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, I was in local government for 15 years. This is not true cost-benefit at all; this is a presumption on one side of the ledger sheet and creates a presumption that somehow the public sector delivers this better. It is an unfunded mandate; it is an economic study for every Federal highway program over $50,000.

This amendment will delay projects, and when you have short construction seasons in some cases, it is going to kick it over, sometimes over a year's delay getting that project costed and that ends up delaying costs and I doubt that even goes into the cost-benefit analysis. This makes it very difficult to contract out and utilize the private sector resources available.

The cost and the delays in undergoing these studies are deterrent to bidding these programs out and using private sector forces. This does not save money, it is anticompetitive, it ends up costing money with the delays, and it diverts dollars from pavement and bridges and it puts them into the bureaucracy and bureaucratic studies. I think despite its good intentions, this does not cut the mustard, it does not do the job. I urge its defeat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. ANDREWS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ANDREWS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from New Jersey [Mr. ANDREWS] will be postponed.

AMENDMENT OFFERED BY MR. HUNTER

Mr. HUNTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUNTER: Page 55, after line 15, insert the following new title:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. (a) LIMITATION ON NEW LOAN GUARANTEES FOR CERTAIN RAILROAD PROJECTS.—None of the funds made available in this Act may be used for the cost of any new loan guarantee commitment for any railroad project, when it is made known to the Federal official having authority to obligate or expend such funds that such railroad project is an international railroad project of the United States and another country, or a railroad project in the United States in the vicinity of the United States border with another country.

(b) EXCEPTION.—Subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a comprehensive study has been conducted after the date of the enactment of this Act regarding criminal activities that have occurred on existing railroads of such type, including—

(A) the use of such railroads to facilitate the smuggling of illegal aliens and illegal drugs into the United States, and the impact of such smuggling on the total number of illegal aliens, and the total amount of illegal drugs, entering the United States; and

(B) the commission of robberies against such railroads; and

(2) a detailed report setting forth the results of such study has been issued and made available to the public.

Mr. HUNTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLEMAN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Texas [Mr. COLEMAN] reserves a point of order.

Pursuant to the unanimous consent agreement of earlier today, the gentleman from California [Mr. HUNTER] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, very simply, this amendment affects the proposal that the gentleman from California [Mr. FILNER] made on the border train, which lies mainly in my congressional district, and I brought up to my colleagues the problems that we presently have on the southern border of California with overwhelming out of control illegal immigration. It has become a cocaine highway in San Diego and Imperial Counties, and the problem with this train is that a border train, which does not even go into Mexico, in New Mexico was robbed 600 times last year, according to headline stories in the Boston Globe, the L.A. Times and the San Diego Union.

So you have an issue of border control and what effect this border train that weaves in and out of Mexico will have on that situation. Will it become an illegal alien express? Will it be robbed? Will it build up a base of banditry along the southern border?

What my amendment does very simply is it asks for a study. It says, we cannot fund any funds under this section until and unless a study is done that addresses the effect of existing border trains on illegal immigration, cocaine smuggling, and the prospects for banditry which have taken place in great numbers in New Mexico.

So we need information on this proposal, and this amendment asks for a report that gives that information, and certainly I cannot see any proponents wanting to deny the House information that would let us make a reasoned judgment on this border train.

Mr. Chairman, I reserve the balance of my time.

Mr. COLEMAN. Mr. Chairman, I rise in opposition to the amendment, mainly so that I could inquire of the author of the amendment, and we could be able to divide some time perhaps so that I could inquire. The language of the amendment is that none of the funds are made available in this act and my understanding is that there are no funds made available in this act for the cost of any new loan guarantee commitment for any railroad project, and when it is made known to the Federal official having the authority to obligate or expend such funds that such railroad project is an international railroad project of the United States and another country, or a railroad project in the United States in the vicinity of the United States border with another country, meaning Alaska, the State of Washington?

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I would say to the gentleman, no, that does not mean Alaska, if the gentleman is asking.

This is what I would hope that we would do under this, is to look at the existing situation. It is similar to San Diego's, and that is the border train that borders New Mexico that has been robbed 600 times in the last year. The study would under this amendment, the intent of the author is that we would look at that situation.

Second, with respect to the gentleman's statement that there is no funds under this act, this is attached to this section of the bill on the presumption that if the Filner amendment did pass, there would be funds available in the act?

Mr. COLEMAN. Mr. Chairman, reclaiming my time, I think that is the issue. I mean if the Filner amendment does not pass, then of course this kind of language is not necessary to do that.

I know the gentleman wants to conduct a study, and I do not object to just doing a study, but I am afraid that the way the gentleman has crafted the amendment, we are going to do more than just a study. We may indeed be prohibiting any future use of any loan guarantee funds on behalf of any railroads just because they happen to be near a border, and I do not think that is fair, either. The gentleman represents a border, like I do.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Texas continue to reserve his point of order?

Mr. COLEMAN. No, Mr. Chairman, I think it is only a technical flaw and not subject to a point of order.

Mr. HUNTER. Mr. Chairman, I yield myself such time as I my consume.

Mr. Chairman, let me just say to my colleagues, for the proponents of this border train, the point of my amendment is that there are a lot of ramifications of this train that go far beyond simply linking up a couple of railheads with an existing port and expediting trade between nations. There are enormous problems along the southern California border. There are right now enormous problems among all of the southern border with enormous illegal immigration and all of the ramifications that come about as a result of that situation.

This amendment has asked for a study. It should not be mission impossible to get a study. Now, if the gentleman says, well, no monies can be spent until there is a study, well, that is easily taken care of by simply producing a study, and I think that INS, at least the people that I have talked to, Customs, Border Patrol, have got facts coming out of their ears with results of what has happened to border trains in the last few months.

So let us have this study, and then the gentleman from California [Mr. FILNER] can move ahead in an informed manner, and I can move ahead in an informed manner, and all Members of the House will know what the facts are. Let us do the study.

Mr. Chairman, I reserve the balance of my time.

Mr. COLEMAN. Mr. Chairman, I yield myself 30 seconds.

Again, I think the problem of trying to draft legislation on the floor of the House is evident by the fact that what we have in this particular amendment says that this would include a railroad project in the United States, in the vicinity of the United States border with another country. That is not just Mexico. Where does everybody get the idea that the border is only Mexico in the United States?

Mr. Chairman, I reserve the balance of my time.

Mr. HUNTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF], the subcommittee chairman.

Mr. WOLF. Mr. Chairman, I rise in support of the amendment. It was an issue that the gentleman from Illinois [Mr. HASTERT] raised with regard to drugs coming out of Mexico. Up to 75 percent of the marijuana is coming across the Mexico border. I think a study is a fair thing to do, so I strongly support the amendment.

Mr. HUNTER. Mr. Chairman I yield such time as he may consume to the gentleman from California [Mr. BILBRAY].

Mr. BILBRAY. Mr. Chairman, I appreciate my dear colleague from San Diego, both of my colleagues from San Diego, and I am going to get in the middle of this family feud. I would ask every Member here and every Member who is watching on C–SPAN, do you hear what is going on? We are talking about trying to have commerce in the good things that we all talk about everything in this country. But here you have two colleagues that have districts side by side, and because of the uncontrolled situation along our frontiers, because not all American soil seems to be created equally.

It does not appear to be by this Congress or other Congresses, because we are in a situation now to where a railroad is threatened because we do not have control of U.S. soil and we are not going to see the commerce and the prosperity that we should see in certain parts of this country, because America and the Federal Government has not taken care of a problem.

I would say to my colleague, the gentleman from California [Mr. HUNTER], does the gentleman know what I would like to see this study say? Not what is going to be the problems, but what can the greatest Nation in the history of the world that travels all around the world to defend and secure the national sovereignty of everybody else, what can we do to make the NAFTA train of the gentleman from California [Mr. FILNER] safe and prosperous? That is what our study should say.

I just ask every one of my colleagues as they go back to the July 4 recess, go back to your districts and think about the fact that the gentleman from California [Mr. FILNER] and the gentleman from California [Mr. HUNTER] are going to go back to their neighborhoods and their neighborhood is not as secure and as safe from foreign intrusion as everyone else in this country should be and presume to be.

Mr. COLEMAN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Chairman, I thank the gentleman. I wish all of us, the gentleman, Mr. HUNTER, and Mr. BILBRAY, myself our colleagues, would be working together for the economic development of our region. This amendment does not help any. It does not even apply to the funds that my amendment addressed.

The funds are not from this act. It is not a railroad project of the United States. I asked for loan guarantees for a private sector venture. The private sector is not going to invest $75 million in a railroad that has banditry problems, that has other problems.

This is a private sector venture that will transform the economy of San Diego. They are going to make the studies. Let us trust the private sector on that side of the aisle. This is what the project is all about, opening the economy, opening the port of San Diego. The private sector will make those studies. They are not going to invest that money if it is unsafe.

So I would say to the gentleman from California [Mr. HUNTER] let us get serious, let us solve the economic problems of San Diego and not just demagogue on this issue of immigration.

Mr. Chairman, I yield myself the balance of my time.

Mr. COLEMAN. Mr. Chairman, let me just close, if I might, and let me say that I think in terms of dealing with the issue of undocumented persons in America, the issue of dealing with the robberies, the crime that occurs, whether it be from undocumented persons who are foreign nationals or whether it be from legal immigrants or whether it be from United States citizens, those kinds of issues do need to be addressed by all of us in the area of law enforcement.

Indeed, we have in this country a structure and facilities capable of handling many of the illegal activities that do occur. We know along the U.S. Mexico border, for example, I am proud to represent a district directly on that border with a citizenship of nearly 2 million people on both sides of that border, we have incidents of crime and the rest of it just like everywhere else in America. But I can tell you that I do not think it is important for us to suggest that we must somehow stop the kind of progress that has been referred to by all of my colleagues from California and what they intend to do.

I am willing to study the issue, but if criminal or illegal activities have occurred, I know that Federal and State authorities have right now the ability to investigate all of those charges. If illegal activities are in play, we do not need to wait until a study is conducted. I mean after all, that is what the law enforcement officials that we fund, that your State funds, that your local communities fund, are there to do.

So Mr. Chairman, I would ask that my colleagues defeat the amendment offered by the gentleman from California [Mr. HUNTER] in this instance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HUNTER].

The amendment was agreed to.

□ 2345

AMENDMENT OFFERED BY MR. COLLINS OF GEORGIA

Mr. COLLINS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS of Georgia: Page 55, after line 15, insert the following new title:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds made available in this Act may be used by the National Transportation Safety Board to plan, conduct, or enter into any contract for a study to determine the feasibility of allowing individuals who are more than 60 years of age to pilot commercial aircraft.

Mr. COLLINS of Georgia (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Under the earlier unanimous-consent agreement, the gentleman from Georgia [Mr. COLLINS] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the report accompanying the Department of Transportation Appropriations Act contains language directing the National Transportation Safety Board to review and issue a report on the Federal Aviation Administration's "age 60 rule" which requires pilots to retire upon reaching the age of 60.

The amendment offered by the gentleman from Minnesota [Mr. OBERSTAR] and myself prohibits funding of this study based upon several reasons.

First, the NTSB is not the appropriate agency to undertake such a study. The chairman of the National Transportation Safety Board responded to an inquiry from the gentleman from Wisconsin [Mr. OBEY] just yesterday. The National Transportation Safety Board letter stated that the basic scientific research required by such a study is currently beyond the mission and capability of the Safety Board. In addition, the letter stated that such a study would require about 1-½ years of professional staff effort, and could replace or delay other safety studies already scheduled.

Mr. Chairman, I strongly believe that taxpayer dollars should be targeted to the mission of the National Transportation Safety Board, which is investigating accidents and helping to prevent their reoccurrences, and not diverted for projects for which the agency is not suited.

Second, the age 60 rule has been studied and restudied for decades by experts in the field. Congress ordered a major study in 1979. The National Institutes of Health, National Institutes of Aging, and National Academy of Sciences undertook an exhaustive study and concluded that while there may be individuals capable of flying after age 60, there was no way to make such a determination without constant examinations, which are completely impractical.

During the 1980's the issue was revisited in various forums without change, and in 1995 the Federal Aviation Administration, which has a medical component, undertook another extensive review, receiving thousands of comments. Not only did the agency conclude that a change in the retirement age was not warranted, but it applied the age 60 rule to commuter airlines which had been allowed to have pilots over the age of 60. I reiterate, this was just last year.

I believe that requiring the National Transportation Safety Board to do yet another study is not only unwarranted, it is not a wise use of taxpayers' dollars, and certainly not a wise use of the National Transportation Safety Board's already strained resources.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Virginia [Mr. WOLF] rise in opposition?

Mr. WOLF. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Virginia will control 10 minutes in opposition.

Mr. WOLF. Mr. Chairman, I yield myself 4 minutes.

If this bill said to raise the age to 60 or 61, I would not be for it. All it says is the National Transportation Safety Board should look at the issue. Fifteen other countries do it. We know what has happened. There has been some political pressure by one group who has come in and said, "Don't even look at it." We cannot put our head in the sand on this issue.

You can argue it is age discrimination. Should we have an amendment that every Member of Congress over 60 ought to bail out of here? That every surgeon ought to bail out of here? That every dentist ought to bail out of here? That every whatever ought to bail out of here? The answer is no. All it is is a study to see, because it may be a major safety issue. Let me just read a couple of things.

The NTSB at our hearing stated that there is data showing that flying skills, judgment, and seasoning in general do improve with experience. If you think back to the Sioux City accident, the United Airlines pilot who saved a lot of lives was able to avert a tragic accident at the last minute. That pilot was 59 years old and had to retire the following year. Another example that comes to mind is United Airlines 811 where the cargo door blew out, causing both engines on the left side of the plane to fail and placed large holes in the floor and the wall. The pilot, age 59, brought the plane to a safe landing in Honolulu and the NTSB cited his skill as the finest piloting job ever done under these circumstances.

In comparison, there are some vivid examples of young pilots who lack the seasoning and the skills to recognize the seriousness of conditions they are flying in and have caused tragic accidents.

Let me give an example. A recent accident is the American Eagle accident near Morrisville, NC that occurred because a young pilot, age 29, misinterpreted an engine-out light and lost his orientation, resulting in a perfectly good aircraft being flown into the ground. Another example is when a Henson Airlines pilot, using an incorrect navigation aid, flew the aircraft into a mountain near Grotto, VA. In this case the copilot was 26 years old, even younger and less experienced than the pilot.

I final example is a 1983 Air Illinois flight where a 32-year-old pilot took off at night, lost electrical power, and instead of turning the aircraft around for an emergency landing, he continued to fly the aircraft and he crashed it.

I do not say that the age out to be raised. I am not sure. If there were a vote today to raise the age, I would oppose it. But everything that we could do in this bill to make the airlines safer, we have done. Safety has been the number one priority. We put more money in this bill than the FAA even asked us for for safety. This side of the aisle and the gentleman from Texas [Mr. COLEMAN] can be proud, this is a safety bill. This may be a safety issue. When you walk in that aircraft, you may like to see a little gray on that pilot's hair.

If you vote for this amendment to knock this out, then maybe you ought to support an amendment that every Member of Congress over 60 ought to bail out and your dentist ought to bail out and your surgeon ought to bail out.

I do not know if it ought to be raised. I do not know. But what I do know is this was put in in 1959. Men are living longer since 1959. Some men work out and take care of themselves. Maybe we should take some pilots after they are 55 and maybe some that are 61. I do not know. But I want the NTSB to look at it, study it, come back and make a recommendation to the FAA. And whatever the FAA does, I will be happy with. But I cannot say we ought not even look at this.

Mr. Chairman, I strongly urge the defeat of this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. COLLINS of Georgia. I remind the gentleman, this is not the FAA. This is the NTSB.

Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I would simply like to rise in support of the amendment and note that if a Member of Congress has a heart attack or if a dentist has a heart attack, the public safety is not at risk. That is not the case in the occupation we are talking about here tonight.

I would also say that it is important to understand that the National Transportation Safety Board itself does not believe that it is qualified to conduct the study that it is being asked to conduct. When we asked them what they felt about it, they responded as follows:

> It is likely that the proposed study will conclude that significant new laboratory research on the effect of aging on tasks that are critical to safe performance as an airline pilot will be required. Basic safety research of this nature, of course, is currently beyond the mission and capability of the Safety Board.

After that letter was sent, I understand that they sent another letter to the gentleman from Virginia [Mr. WOLF], because I know how things work. When the subcommittee chairman says something, they respond. In the subsequent letter which the agency sent to the gentleman from Virginia, they indicated that they would conduct the study if they were asked to do so and if it was requested. But, I will repeat, they indicated that in their judgment such a study, while they would do it if told to by the Congress, is beyond the mission and the capability of the Safety Board.

So it seems to me that maybe this study ought to be conducted, but it certainly should not be conducted by an agency that itself believes it does not have the capacity to do it. I would urge that the gentleman's amendment be adopted.

Mr. WOLF. Mr. Chairman, I yield myself 30 seconds.

There was no pressure. I said to Mr. Hall, "You do the right thing, whatever the right thing is."

Second, I do not have the confidence in the FAA to do this study and I wanted the National Transportation Safety Board, which is above and beyond the pressure of politics and Cabinet secretaries of whatever administration, to evaluate all the data—as I said, 15 other countries do it—and make a report back. I tell the gentleman it is the Safety Board that would make the report back to the FAA and the FAA would do whatever.

Mr. Chairman, I reserve the balance of my time.

Mr. COLLINS of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia [Mr. COLLINS] and the ranking member of the full Committee on Transportation and Infrastructure, the gentleman from Minnesota [Mr. OBERSTAR].

I seriously doubt, Mr. Chairman, that the Federal Government needs another study. But if one is needed, then we should let the groups and the companies which are for and against this fund these studies. In addition, we can hold hearings on this without requiring the taxpayers to fund any new studies.

I know there are good and well-intentioned people on both sides of this issue, but this question has already been much studied since this rule was first imposed during the Eisenhower administration. As has been pointed out, National Transportation Safety Board Chairman Hall recently wrote that this study, "may replace or delay other safety studies scheduled for accomplishment during fiscal year 1997."

The Federal Aviation Administration, as a result of its studies and its one-level-of-safety initiative, concluded just this past December that the age 60 rule should not be changed and, moreover, the FAA has recently applied the age 60 rule to commuter pilots.

Mr. Chairman, I think this is a good amendment and I urge its support.

Mr. COLLINS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding me this time and for cosponsoring this amendment, for initiating it, in fact.

Mr. Chairman, I was very interested and pleased to hear that the chairman of the appropriations subcommittee mentioned the Sioux City, IA crash. People walked away from that crash for a couple of reasons: The seat strengthening that was required on all aircraft, to 18 G forces, that kept those seats in place and saved 110 lives; and for the skill of that pilot in managing this aircraft when he lost all control surfaces. Capt. Al Haynes, who flew that aircraft, is very strongly in support of the age 60 rule. I do not think it was the intention of the chairman to imply that he was opposed to the age 60 rule, but it is very clear that Capt. Al Haynes supports the age 60 rule and wants it to remain in place.

This issue has been studied to death. We do not need to waste more dollars and the precious resources of the National Transportation Safety Board on another study. In 1979 Congress directed NIH to study the age 60 rule. The Institute on Aging, the Institute of Medicine, the National Academy of Sciences conducted the research, prepared the report, completed it in 1981, and recommended keeping the age 60 rule and extending it to commuter pilots—1981. It took until this year, under the one-level-of-safety rule issued by the FAA, to extend that rule to commuter airlines and to standardize the age 60 rule for all of aviation.

The Academy of Sciences, the FAA, and the Civil Aeromedical Institute have conducted extensive studies on this issue. They all have come to the same conclusion after thousands of comments, after extensive review, public hearings, extensive debate over the 37 years this rule has been in place. Every entry pilot knows that age 20 or whatever it is when that pilot enters that cockpit, that at age 60 they are going to have to retire. They live by it and they know it.

□ 0000

This is a safety issue. Every entity that has studied it has come down on the side of retaining age 60 as a safety measure. Do not mess with something that is working, that is safe. Keep it in place.

Mr. WOLF. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, [Mr. DELAY], the majority whip.

Mr. DELAY. Mr. Chairman, I thank the chairman and ranking member for the hard work they have done on this bill. While I have the deepest respect for my friend from Georgia, I have to rise in opposition to his amendment.

Clearly great controversy exists regarding the age 60 rule. Therefore, I believe it is entirely appropriate for a study to be done by the NTSB to provide us with some hard data. So far the data that exists leads me to believe that this rule is totally out of date. The FAA's latest study released in 1993 showed that accidents declined to their safest level at age 55 and remained at that level until the age of 63. Now, that study also showed that the highest risk age category was from 24 years old to 39 years old, and it stated and I quote:

> In all of our analyses, we saw no hint of an increase in the accident rate for pilots of scheduled air carriers as they neared their 60th birthday.
>
> Further, accident data collected by the National Transportation Safety Board confirms that inexperience, not age, is the leading cause of aviation accidents.

When we really need to know what caused an accident, we do not call the FAA. We call the NTSB. They have worldwide respect in their knowledge of what causes accidents. So it is only natural to ask the NTSB to make this kind of study and report to the FAA and look at it. So why does the FAA insist so stubbornly on retaining this rule?

I think it is time to really fully examine the relationship between age and performance and explore alternatives to the age 60 rule. Our friends on the other side of the Atlantic are already moving in this direction. Additionally, foreign carriers are allowed to fly under less restrictive age rules through and into U.S. airspace in America. This is absurd. Vote "no" on the amendment.

The CHAIRMAN. The gentleman from Virginia, Mr. WOLF, has 3 minutes remaining and the right to close, and the gentleman from Georgia, [Mr. COLLINS], has 1 minute remaining.

Mr. COLLINS of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Texas, [Mr. COLEMAN].

Mr. COLEMAN. Mr. Chairman, I only wanted to say to my colleagues, the gentleman from Virginia [Mr. WOLF] has done what he should have done with NTSB. He has agreed to their reprogramming requests. Let me tell all of my colleagues why this amendment is important. The safety studies are already in progress by NTSB. They are not going to get any more money by doing this study. In progress, they have emergency evacuation of commercial aviation under aviation; under highways they have a child-passenger protection study; a study of passive grade-crossing study; effectiveness of school bus seat belt study; a fishing vessel safety study; evacuation damage prevention for pipeline safety; safety at passive grade crossings and rail safety.

In addition to that, at the moment they have 24 ongoing major accident investigations in all modes of transportation; 8 of them are in aviation. We are not going to give them more resources, but we are going to ask them more or less let us do another study. That is the reason I think the gentleman from Georgia's amendment is appropriate at this point in time. If we want to have people do more studies, we are going to have to pay for it. Is that not what we all said when we talk about a balanced budget? I think the gentleman from Georgia's amendment is a good one and I recommend it to my colleagues.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, let me make several points. There is nothing magic about the age 60. It is strictly an arbitrary age. We can pick 59, we can pick 50 or 70. It is arbitrary. People are living longer and more productive lives. All common carrier planes have to have at least two pilots. A heart attack will not cause the plane to go down and they also, most of them, have a flight engineer. No other profession requires the termination of their careers at age 60, not the railroad engineer, not a bus driver, not a truck driver, not a physician, a nurse. Age 60 is not consistent with the Age Discrimination in Employment Act which states that ability, not age, should determine an individual's qualifications for getting and keeping a job.

These pilots are willing to subject themselves to rigorous medical or physical tests in order to keep flying. That should be what determines whether they are qualified to fly or not is if they are physically capable of doing so. I urge my colleagues to oppose this amendment.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I reluctantly oppose the gentleman from Georgia's amendment. Let me tell Members why. I am not asking to let STORM THURMOND fly, but in my experience, I can name a dozen people that are flying in air shows right now at that age that are pulling minus 5 G's and positive 9 G's every day. And we go through a rigorous examination, an annual physical. They even check for drug and alcohol, for eye, for heart, for sonograms, and that picks out what it is. If my colleagues ask me, with my experience, what flying requires, if I am going to fly with a young pilot or an experienced pilot, I am going to take the experienced pilot because in the long run that is going to be safe.

Mr. Chairman, I do not believe, and I know Members have good intentions on this amendment, that age 60 should limit someone. When we talk about it is a wasted study, when we are talking about taking someone's livelihood, that is not proportionate to the safety exercised. I believe that is wrong and I oppose the amendment.

Mr. WOLF. Mr. Chairman, I yield to a Member who will be so convincing, the next Senator, the gentleman from Iowa [Mr. LIGHFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding me the time, and I hope I can meet up to our chairman's expectations.

Mr. Chairman, I rise in opposition to the amendment, based on a couple of reasons. First of all, my good friend from Minnesota said that we have studied this forever and we agree about 99 percent on what we need to do with the FAA. But the problem is, there is no data to study. We do not have any pilots in this country flying commercial airlines over the age of 60 because the law has prohibited it for 37 years. So it is very difficult to study the performance of people over the age of 60 if you do not let them fly in the first place.

So in order to reach some kind of a logical agreement, I agree with the gentleman from Virginia, [Mr. WOLF], the vote was tonight to raise the age limit. I think I would be opposed to it simply because we do not have the data available to do it. All that the chairman is asking us to do is to try to look at other countries that are allowing commercial airline pilots over the age of 60 to perform, to see how they meet the safety standards, to see how they stack up, to see what their accident rate is, and then perhaps the NTSB, working with FAA can make the proper decision.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. COLLINS.]

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COLLINS of Georgia. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 460, further proceedings on the amendment offered by the gentleman from Georgia [Mr. COLLINS] will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 460, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR]; the amendment offered by the gentleman from California [Mr. FILNER]; the amendment offered by the gentleman from New Jersey [Mr. ANDREWS]; and the amendment offered by the gentleman from Georgia [Mr. COLLINS].

The Chair will reduce to 5 mintues the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. OBERSTAR

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR], on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 193, noes 212, not voting 28, as follows:

[Roll No. 288]

AYES—193

Abercrombie
Andrews
Baesler
Baldacci
Ballenger
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Chabot
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Engel
English
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Geren
Gonzalez
Goodling
Gordon
Green (TX)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
LaHood
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McIntosh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Poshard
Quillen
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weller
Williams
Wilson
Wise
Woolsey
Wynn

NOES—212

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Coble
Coburn
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—28

Ackerman
Brewster
Bryant (TX)
Flake
Foglietta
Gephardt
Gibbons
Gutierrez
Hall (OH)
Hayes
Houghton
Jacobs
Lincoln
Linder
Martinez
McDade
Peterson (FL)
Smith (TX)
Solomon
Stark
Stockman
Taylor (NC)
Torricelli
Towns
Vucanovich
Weldon (PA)
Yates
Young (FL)

□ 0027

Mrs. SMITH of Washington and Messrs. HAYWORTH, FOLEY, FRANKS of Connecticut, RAMSTAD, STEARNS, and GREENWOOD changed their vote from "aye" to "no."

Mr. BALDACCI changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FILNER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. FILNER], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 162, noes 238, not voting 33, as follows:

[Roll No. 289]

AYES—162

Abercrombie
Andrews
Baesler
Barcia
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Boehlert
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gonzalez
Gordon
Green (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
LaHood
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Maloney
Manton
Markey
Mascara
Matsui
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Montgomery
Moran
Nadler
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Poshard
Rahall
Rangel
Reed
Richardson
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Traficant
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Whitfield
Williams
Wilson
Wise
Woolsey
Wynn

NOES—238

Allard
Archer
Armey
Bachus
Baker (CA)
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goss
Graham
Greene (UT)
Greenwood
Gunderson

Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Jones
Kasich
Kelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meehan
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Mollohan
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Talent
Tate
Tauzin
Taylor (MS)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Walker
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—33

Ackerman
Baker (LA)
Brewster
Bryant (TX)
Flake
Foglietta
Gephardt
Gibbons
Goodling
Gutierrez
Hall (OH)
Hayes
Houghton
Jacobs
Johnson, Sam
LaFalce
Lincoln
Linder
Martinez
McDade
Obey
Peterson (FL)
Smith (TX)
Solomon
Stark
Stockman
Taylor (NC)
Torricelli
Towns
Vucanovich
Weldon (PA)
Yates
Young (FL)

□ 0035

Mr. BARRETT of Wisconsin changed his vote from "aye" to "no."

Mr. BOEHLERT, and Mr. WHITFIELD changed their vote for "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ANDREWS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey [Mr. ANDREWS], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 123, noes 280, not voting 30, as follows:

[Roll No. 290]

AYES—123

Abercrombie
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bonior
Browder
Brown (CA)
Brown (OH)
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
English
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Frank (MA)
Frost
Furse
Gejdenson
Gonzalez
Gordon
Green (TX)
Hastings (FL)
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennelly
Kildee
Kleczka
LaFalce
Lantos
Levin
Lewis (GA)
Lowey
Manton
Markey
Mascara
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran
Nadler
Neal
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Rangel
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Schumer
Scott
Serrano
Slaughter
Stupak
Thompson
Thornton
Torres
Traficant
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Williams
Wilson
Woolsey
Wynn

NOES—280

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Ehlers
Ehrlich
Ensign
Eshoo
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manzullo
Martini
Matsui
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stenholm
Studds
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Upton
Volkmer
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—30

Ackerman
Brewster
Bryant (TX)
Flake
Foglietta
Ford
Gephardt
Gibbons
Gutierrez
Hall (OH)
Hayes
Houghton
Jacobs
Lincoln
Linder
Martinez
McDade
Peterson (FL)
Smith (TX)
Solomon
Stark
Stockman
Stokes
Taylor (NC)
Torricelli
Towns
Vucanovich
Weldon (PA)
Yates
Young (FL)

□ 0042

MESSRS. DINGELL, DOOLEY of California, and Mr. FRANK of Massachusetts changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COLLINS OF GEORGIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Georgia [Mr. COLLINS], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded

A recorded vote was ordered.

[Roll No. 291]

The CHARIMAN. This is a 5 minute vote.

The vote was taken by electronic device, and there were—ayes 247, noes 159, not voting 27, as follows:

AYES—247

Abercrombie
Andrews
Bachus
Baesler
Baldacci
Barcia
Barr
Barrett (WI)
Barton
Becerra
Bentsen
Berman
Bevill
Bishop
Blumenauer
Blute
Bonilla
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Buyer
Calvert
Camp
Campbell
Cardin
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Durbin
Edwards
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flanagan
Forbes
Ford
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Furse
Gejdenson
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Green (TX)
Gutknecht
Hamilton
Hastings (FL)
Hefner
Hilliard
Hobson
Hoekstra
Holden
Hostettler
Hoyer
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kleczka
Klink
LaHood
Lantos
LaTourette
Lazio
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Moakley
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Nadler
Neal
Ney
Norwood
Oberstar
Obey
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pombo
Pomeroy
Porter
Poshard
Quillen
Quinn
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roberts
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sawyer
Saxton
Schroeder
Schumer
Scott
Serrano
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Spratt
Stenholm
Stokes
Studds
Stupak
Tanner
Tate
Taylor (MS)
Tejeda
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walker
Ward
Waters
Watt (NC)
Watts (OK)
Weller
Williams
Wilson
Wise
Wynn
Young (AK)
Zimmer

NOES—159

Allard
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Bass
Bateman
Beilenson
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bono
Bryant (TN)
Bunn
Bunning
Burr
Burton
Callahan
Canady
Castle
Chabot
Chenoweth
Christensen
Chrysler
Coburn
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
DeLay
Dickey
Dornan
Dunn
Ehlers
Ewing
Fields (TX)
Foley
Fowler
Frank (MA)
Franks (NJ)
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hinchey
Hoke
Horn
Hunter
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kim
Kingston
Klug
Knollenberg
Kolbe
LaFalce
Largent
Latham
Laughlin
Leach
Lewis (CA)
Lightfoot
Livingston
McCollum
McCrery
McHugh
McInnis
McIntosh
Metcalf
Mica
Miller (FL)
Mink
Molinari
Morella
Myrick
Nethercutt
Neumann
Nussle
Olver
Oxley
Packard
Paxon
Petri
Pickett
Portman
Pryce
Radanovich
Regula
Riggs
Rogers
Rohrabacher
Royce
Salmon
Sanders
Sanford
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Skeen
Smith (WA)
Souder
Spence
Stearns
Stump
Talent
Tauzin
Thornberry
Tiahrt
Walsh
Wamp
Waxman
Weldon (FL)
White
Whitfield
Wicker
Wolf
Woolsey
Zeliff

NOT VOTING—27

Ackerman
Brewster
Bryant (TX)
Flake
Foglietta
Gephardt
Gibbons
Gutierrez
Hall (OH)
Hayes
Houghton
Jacobs
Lincoln
Martinez
McDade
Peterson (FL)
Smith (TX)
Solomon
Stark
Stockman
Taylor (NC)
Torricelli
Towns
Vucanovich
Weldon (PA)
Yates
Young (FL)

☐ 0050

Mr. PACKARD and Mr. PAXON changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read the final lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1997".

Mr. TORRES. Mr. Chairman, I rise in support of H.R. 3675, the fiscal year 97 Transportation Appropriations bill and would urge my colleagues to support its passage today.

I do, however, want to register my concerns about the omission from this bill of funding that would enable the NHTSA to conduct an audit of compliance by auto companies with the American Automobile Labeling Act [AALA]. The administration had requested $500,000 for the purpose of verifying the required labeling information. Periodic audits are necessary for us to convince the Japanese that we have the capability to verify their figures submitted under the AALA. These audits are necessary to assure the credibility of the AALA reports.

The AALA was enacted in 1994 as a means to provide consumers with information about the origin of motor vehicles and their parts, information they can take into account in their vehicle purchasing decisions. Thus, consumers who want to "Buy American", can do so. In this way, the Act promotes the jobs of American workers in the automotive industry.

It is my hope that as H.R. 3675 proceeds through the legislative process, there will be an opportunity to provide the funding requested by the Transportation Department and NHTSA for the audits of auto content under the AALA.

Ms. MCKINNEY. Mr. Chairman, I wish to thank the Chairman and the ranking member for their hard work on this bill. This year's funding level demonstrates our continued commitment to America's Transportation networks.

America's productivity and global competitiveness depends on our ability to move products and people in an efficient manner. At the current rate, highway passenger travel is expected to double in only 30 years. To prevent excessive congestion and pollution, we need alternative ways of transporting our people and products. Rail systems are a clean and efficient alternative.

Although this bill reduces funds for Amtrak and the northeast corridor, it increases funding for the next generation high-speed rail programs.

In short, investing in America's passenger rail lines ensures a more efficient, prosperous and environmentally sound future. I urge my colleagues to support this bill.

Mr. DIXON. Mr. Chairman, I rise in support of H.R. 3675, the fiscal year 1997 Transportation Appropriations Bill. Under current fiscal constraints, Chairman FRANK WOLF and ranking member RON COLEMAN should be commended for their efforts to craft a bill which seeks to balance the needs of transit systems, highways, and aviation. I want to extend my thanks to both of them and the subcommittee for their continued support of transportation infrastructure initiatives in my region and throughout California. I also want to extend my best wishes to Representative COLEMAN on the occasion of managing his final Transportation Appropriations bill as a Member of this body.

I rise today to highlight two programs of particular importance to the Los Angeles area. The bill includes funding to continue our partnership with the Federal Government on the metro rail redline subway—an integral component of our efforts to build a comprehensive transportation system. H.R. 3675 also includes essential Federal assistance for the Alameda Corridor Project, which promises to accrue substantial benefits not only to the Los Angeles area, but to the entire Nation.

The Transportation Appropriations bill provides $59 million for direct loans of $400 million over 3 years to be used for the construction of the Alameda Corridor under sections 505 of the Railroad Revitalization Act of 1976. This $2 billion project consolidate over 90 miles of rail with 200 at grade crossings into a single 20-mile grade separated system. The corridor will link the ports of Los Angeles and Long Beach with the National Railroad System and widen and improve the truck route paralleling the rail facility to expedite truck traffic.

The Alameda Corridor will mitigate traffic congestion and pollution, enhance the competitiveness of the San Pedro ports, bring jobs to a hard-pressed region, and enhance redevelopment along the corridor. These are important local benefits. But it is essential that Members not from California understand the national significance of the Alameda Corridor Project.

The current value of trade traveling through the San Pedro Bay ports is estimated today at $116 billion annually. Nationally, this trade generates 2.5 million jobs, $14 billion Federal taxes, and over $5 billion in State and local revenues. One need only look at some of the regional figures included in those estimates to understand the significance of the corridor project to the Nation.

The estimated value of Atlantic seaboard region trade traveling through the San Pedro ports totals $14.9 billion; in the Great Lakes region $16.6 billion; in the South East region $5 billion. Jobs related to these trade figures number in the hundreds of thousands, and State and local revenues in the hundreds of millions.

Forecasts of the projected growth of U.S.-Pacific rim trade consistently project a doubling of trade volumes over the next 15–20 years. We cannot take full advantage of this expanded growth by depending on freight traveling at speeds of 5 miles an hour—as it now is apt to do along the Alameda Corridor. This situation will be exacerbated as train traffic along the corridor grows from its current 29 trains per day to an expected 97 trains by the year 2020.

It is seldom that we encounter a project that makes greater sense from a local, State, and national standpoint.

The Transportation Appropriations bill also includes $90 million for further design and construction of segment 3 of the metro rail red line. While this is significantly less than the Federal Transit Administration's recommendation and the Los Angeles Metropolitan Transportation Authority's [MTA] request, we recognize that a number of worthy projects are competing for tight Federal dollars. I am also well aware of the committee's concern about a number of matters associated with metro rail construction. I am gratified by the committee's continued support of the Los Angeles subway and its expectation that, under new leadership, any outstanding problems facing the project will be overcome.

A broad-based bipartisan coalition of elected officials, and business and community leaders support the L.A. MATS's efforts to implement our comprehensive transportation plan. That plan includes combining heavy-rail subway, at grade light-rail, commuter rail, and improved bus service. The People of Los Angeles have levied a one-cent sales tax on themselves to improve transit in our area. This source of revenue, which totals approximately $750 million per year, coupled with State and Federal funds, is partially used to fund the Los Angeles metro rail project—a 23.4 mile, heavy-rail subway, which will act as the spine of our transit network.

Extensions from the metro rail spine include the 22 mile light-rail blue line—from Long Beach to downtown Los Angeles; the blue line extension, north to Pasadena; and the green line which intersects the blue line from the Los Angeles international airport area. These are all locally funded projects built without Federal assistance. In addition, Los Angeles has continued to seek a 50-percent Federal share for construction of the metro rail project, well below the maximum 80 percent allowed by law.

Segment 3 of the metro rail red line MOS-3 will add an additional 11.6 miles to the metro system upon completion. This segment is particularly important to those of us who represent economically and ethnically diverse constituencies. The mid-city segment, East Los Angeles and North Hollywood extensions, will provide services to an ethnically and economically diverse community comprised of African American, Asian, and Latino residents traditionally dependent on public transit.

Residents of these communities have the same, if not greater, transit needs as our more affluent neighborhoods, but lack significant transportation options. Access to metro rail will not merely enhance the daily lives of these residents, it will also enable many to easily travel to other job rich areas of Los Angeles County.

With the Los Angeles area continuing to recover from a stubborn recession, L.A.'s metro rail also provides thousands of needed jobs to residents of the area, with Federal dollars leveraging local and private funding vital to expansion of the local economy. Last year, 15,000 jobs were created through metro rail construction, and the MTA estimates that over 100,000 jobs will be created by the time the metro rail is complete.

The Alameda Corridor and the metro rail system are essential to improving the quality of life in the Los Angeles and to providing economic stimulus and security to the region, as well as the entire Nation. Statistics pointing to dramatic increases in the future population of the State and region, as well as the lessons learned from the transportation upheavals in the aftermath of the 1994 Northridge earthquake, demonstrate that it is essential that we continue to move ahead aggressively on our plans for a comprehensive intermodal transportation network. I commend the committee for acknowledging the importance of the Federal role in achieving that goal and urge support for the bill.

Mr. WISE. Mr. Chairman, I would like to take a few minutes to draw my colleagues attention to funding for Amtrak. We are at a critical stage with regard to our national rail passenger policy as we attempt to transition Amtrak from Federal financial support. However, are we being penny wise and pound foolish?

We are all aware that the budget resolutions for the last 2 years have put Amtrak on a glide path off of operating support. Additionally, after months of hearings and deliberations, the Transportation and Infrastructure Committee brought a bill before the House to reauthorize Amtrak last year, which passed the House by a vote of 406 to 4. The House-passed bill also constructs a gradual phase out of Amtrak's operating support by 2002. Moreover, Amtrak's own business plan also eliminates the need for Federal assistance by 2002. Essentially, we all made an agreement with Amtrak. We told them to do what no other national passenger railroad in the world has been able to do: be free of operating support. This is indeed a major accomplishment and one that Congress should encourage. In return, we offered Amtrak a structured funding phaseout and passage of cost saving legislation.

Yet, from 1995 to 1997, Amtrak's funding levels are $1.2 billion less than what they requested and what they told us was necessary for operating self-sufficiency. In fact, this year the Northeast Corridor Improvement program will receive no funding. The President requested $200 million and in fiscal year 1996 it was appropriated $115 million. Amtrak's capital budget also took a severe hit. It is appropriated $120 million, which is $176.5 million less than the President requested and $110 million less than the fiscal year 1996 level. How can we expect them to operate our national railroad passenger system given these deep cuts?

Congress has deviated from the plan we set forth in the budget resolution and the House-passed reauthorization bill. Without adequate capital funds during this critical transition period, Amtrak will not be able to make the necessary investment to survive once Congress ceases its financial support. Additionally, the Senate has failed to pass their vision of the Amtrak reauthorization bill, thus, Amtrak does not benefit yet from any of the cost savings contained in that bill.

A railroad is a capital intensive enterprise. Since Amtrak came into existence 25 years ago, Congress has never provided it with adequate funding. Consequently, Amtrak has not been able to modernize its locomotives and purchase more reliable and fuel-efficient engines. Many of their maintenance shops are still from the engine era and need to be upgraded. The electric wires that are used on the Northeast Corridor are the same ones the Pennsylvania Railroad first strung in 1933. We will never get them to a legitimate point of self-sufficiency, if we do not give Amtrak the ability to reinvest now.

Mr. Chairman, let us not forget that if Amtrak becomes insolvent, the liability to the Federal Government is going to be a far greater cost to the taxpayer than giving Amtrak the funds they need to successfully transition into self-sufficiency.

I ask my colleagues to weigh carefully what we are doing here and ask ourselves if the end justify the means.

Mrs. MORELLA. Mr. Chairman, I feel that it is appropriate for me to rise at this time to express my concern about funding for Amtrak. It is my understanding that this bill includes $542 million for fiscal year 1997. This is well below the $922 million assumed for Amtrak in the 1997 Republican budget resolution.

Amtrak is our national passenger railroad. It has been in existence for more than a quarter of a century, built on a commitment by Congress. Amtrak is a cross-country passenger system that services the commuter and travel needs of Americans. This passenger railroad relieves congested highways while reducing pollution. This intercity railroad is a necessary component of a balanced transportation system.

Amtrak will not be able to continue its present level of service under the funding levels in this appropriations bill. The railroad would be forced to discontinue a number of routes and many workers would lose their jobs. Amtrak employs more than 25,000 people. The taxes on the salaries of these workers and on sales of supplies to Amtrak exceed congressional funding. Drastic cuts in Federal funding of Amtrak will result in the decline and the eventual elimination of this railroad system.

Amtrak meets the transportation needs of many small communities that are poorly served by buses and air services. Trains are an important travel option for senior citizens, the disabled, and for persons with medical conditions that prevent them from flying.

Amtrak's goal is to operate an efficient rail passenger system that does not have to depend on Federal dollars, and it has a business plan to accomplish this goal by the year 2002. Until that time, Amtrak needs Government support in order to successfully achieve its goal. By cutting Amtrak's budget in half over the past 2 years, we are putting America in jeopardy of losing its national passenger railroad and the essential services it provides to its citizens.

Ms. HARMAN. Mr. Chairman, I rise today in strong support of H.R. 3675, the Transportation Appropriations bill for fiscal year 1997. I would like to commend Chairman FRANK WOLF and his entire subcommittee colleagues for their bipartisan work on this legislation.

I am particularly pleased that the bill funds the Alamenda Corridor project in Southern California. The Alameda Corridor will facilitate the nationwide movement of goods from the ports of Los Angeles and Long Beach, which already account for 25 percent of all U.S. waterborne international trade. The bills $59 million appropriation will be used to finance a $400 Federal loan for the project. This Federal component will be leveraged against an additional $1.4 billion in non-Federal funds from the ports, local municipalities and railroad users.

The Alameda Corridor is about the economy, not politics. Members from both sides of the aisle have fought hard for the program in the Democratically-led 103d Congress as well as in the Republican-led 104th. The administration has also made the Corridor a priority by including the project in the President's fiscal year 1997 budget request. The Alamenda Corridor is proof positive that we can make sound policy as long as we work together on a bipartisan basis.

In addition to funding the Corridor, this bill provides much needed Federal support for the L.A. County Metropolitan Transportation Authority. By funding the Metro Rail Red Line, the legislation helps ensure that Southern California residents will soon be able to break free of their cars in favor of dependable mass transit. By financing the Advanced Technology Transit Bus—also known as the "Stealth Bus"—the bill guarantees that defense technology will play an important role in our Nation's developing advanced transportation industry.

Mr. Chairman, investments in transportation are investments in our future. I urge my colleagues to join me in supporting this bipartisan legislation to do just that.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to H.R. 3675, the Transportation Appropriations Act for fiscal year 1997. As we debate this measure it is particularly important for Members to focus on assuring that Federal policy continues to help address the mounting infrastructure needs and transportation priorities of major cities such as Chicago.

It is the opinion of this Member that the minuscule increases offered by the Gingrich-Armey budget simply do not keep pace with the Nation's transportation needs. And that, Mr. Chairman, is very disheartening.

Furthermore, it is outrageous that this Republican budget rescinds funding for surface transportation demonstration projects at a time when our urban centers are in their greatest need for such projects. In the city of Chicago, for example, at least 237 bridges need substantial rehabilitation and maintenance work; the city's arterial street network is in need of major rehabilitation, and resurfacing and other improvements are desperately needed.

This Republican proposal which is nearly $170 million below the administration's request is flawed. It is asking States and municipalities to do a whole lot more with a whole lot less.

America's major urban centers are maxed-out. Our cities cannot continue bearing the heavy economic burden of attracting residents back to our urban areas without the continued assistance of the Federal Government.

In the Chicago metropolitan area the funding of several important transportation initiatives such as improvements to the Chicago Transit Authority's bus and rail fleet and other street and road repair projects would go far in increasing the economic base of the area. This requires a lot more assistance than what this funding proposal offers. And that Mr. Chairman, is why I urge my colleagues to vote no on H.R. 3675.

Ms. DELAURO. Mr. Chairman, funding America's transportation needs is absolutely essential to the viability of our nation's business and industry. And for the most part, the House 1997 transportation spending bill recognizes this national priority for economic expansion and job creation. While the bill is $50 million below President Clinton's request for 1997, and more than $1 billion below 1995 levels, this bill does represent an increase of about $150 million from current year levels.

Yet despite this significant increase, this bill eliminates funding for one of the most important and successful transportation projects in this country. Amtrak's Northeast Corridor Improvement Project will speed travel between Washington and Boston; alleviate airport and highway congestion and the associated environmental problems; and create jobs.

The Transportation Committee recommended the elimination of Amtrak corridor improvement funds for 1997 because of the belief that Amtrak had a backlog of unspent funds due to unavoidable project slowdowns. Yet these funds will be expended by the end of the year. If this happens, Amtrak will not have money to complete Northeast corridor projects needed to bring high-speed rail to America.

We'll have the opportunity to fix these cuts when the House and the other body meet to work out differences between our respective transportation spending bills. But the cuts in the House bill are harmful to America's workers, harmful to consumers, and harmful to business. Nearly every Member of the House of Representatives, myself included, supported Amtrak's efforts to end Federal operating subsidies for Amtrak by the year 2002. Yet these cuts are $1.2 billion below what Amtrak needs for operating self-sufficiency until the phase-out of subsidies. We cannot expect them to continue to operate a national system given these deep cuts.

Amtrak needs to invest in order to strengthen future business prospects. Creating the high-speed corridor in the Northeast is just one example of how Amtrak can run more like a private business and create jobs and economic growth in this country.

Let's give them what they need to get the job done so that they can operate more like other businesses. Let's not be shortsighted in our obligation to ensure that Americans have the best transportation system in the world.

Ms. McKINNEY. Mr. Chairman, Metropolitan Atlanta is the fastest growing major metropolitan area in the nation. DeKalb County, a major part of metropolitan Atlanta, is the second most populated county in the State of Georgia, with 577,877 residents in 1994 and a projected growth to 719,761 residents by the year 2010. This growth is bound to exacerbate current stress on the county's increasingly insufficient public transportation system.

Regarding the modes of transportation used in DeKalb County, 75 percent of commuters drive alone and only 8 percent use public transportation to reach their work on a daily basis. Moreover, almost half the county's residents work within the county. Clearly these present factors contribute to the daily traffic jams that occur throughout the populated communities of DeKalb County.

While the Metropolitan Atlanta Rapid Transit Authority's [MARTA] rail system serves the city of Atlanta, only two lines are dedicated to serve DeKalb County, and the vast number of rail stations exists outside DeKalb County.

For these reasons, I requested $1 million to be included in H.R. 3675 to conduct a study exploring the feasibility of a light-rail line in DeKalb County. This study will examine the impact of the line and its effect on the surrounding communities. Among the institutions and communities that will benefit from the MARTA extension are the Emory community that is home to the university, the Center for Disease Control, several other prominent health institutions, and the residential area of South DeKalb. One excellent possibility would be a rail line connecting the Lindbergh Station on the current North-Northeast-South Line nexus with the East Line at East Lake Station and extending into Southern DeKalb County to DeKalb College South Station. Such a line would be a vital connection between these important areas.

Thus, to ensure the future vitality of Metro Atlanta, we must continue to explore new ways of transporting its residents. I commend the chairman and the ranking member for their work on this bill, and for their efforts to meet the transportation needs of America's fastest growing metropolitan area.

Mr. MARKEY. Mr. Chairman, I rise in opposition to H.R. 3675, the Transportation appropriations bill for fiscal year 1997. I am particularly concerned about the drastic cuts that are proposed for Amtrak. Under H.R. 3675, the Northeast corridor improvement program would receive no funding for fiscal year 1997. In addition, Amtrak's capital assistance and operating assistance budgets would be cut by a total of $173 million compared to last year. This will have a devastating impact on railroad service in the Northeast corridor and, therefore, on travelers in New England.

It should be clear by now that Congress intends Amtrak to be self-sufficient by fiscal year 2002. Last year, the House of Representatives approved a reauthorization bill for Amtrak which gradually phases out financial support by the year 2002. In addition, the fiscal year 1997 budget resolution places Amtrak on a glidepath toward self-sufficiency. However, with the proposed level of funding for fiscal year 1997, Congress has moved away from the blueprint envisioned in the budget resolution and in last year's reauthorization bill. Amtrak's funding levels from 1995 to 1997 are $1.2 billion less than what they indicated was necessary for operating self-sufficiency.

Railroads are capital intensive operations, and yet Congress has kept Amtrak on a slimfast capital diet for the better part of its 25-year existence. Without adequate capital funds during this critical transition period, Amtrak cannot make the essential investments necessary to survive once Congress has provided its last dollar of operating support. Amtrak will need to modernize its locomotive fleet by purchasing more reliable and fuel-efficient engines. In addition, many of their maintenance shops, which date to the steam era, need to be upgraded, and the electric wires on the Northeast corridor, which are the same ones the Pennsylvania Railroad first strung in 1933, also need to be replaced. If we do not give Amtrak the ability to reinvest now, we will never get them to a legitimate point of self-sufficiency.

We are at a pivotal time with regard to our national passenger rail policy. We have told Amtrak to do what no other national passenger railroad in the world has been able to do—to be free of operating support. This is a major accomplishment and one that Congress should encourage. However, without adequate capital funds now, Amtrak will forever be dependent on Congress to meet its operating needs. Should Amtrak become insolvent, the liability to the Federal Government is going to be a far greater cost to the taxpayer than giving Amtrak the funds needed to successfully transition to self-sufficiency.

Mr. FRANKS of New Jersey. Mr. Chairman, today I rise in strong support of H.R. 3675, the Fiscal Year 1997 Transportation Appropriations Act. For the second consecutive year, Chairman WOLF and the House Transportation Appropriations Subcommittee have produced an excellent bill that builds America's infrastructure while helping to balance the Federal budget.

While there are many fine provisions contained in this bill, there is one provision of particular concern to my constituents. The provision to which I am referring is a $1 million appropriation for the West Trenton Line in New Jersey. This appropriation is a major step forward in restoring commuter service on this line.

The West Trenton Line would provide transit service to southern and central Somerset County as well as the northern and western portions of Mercer County. It is expected to provide service to 1,750 commuters a day by 2015. The service would be offered from West Trenton to Bound Brook. The train would then joint the Raritan Valley Line and terminate at Newark. Passengers traveling south could board SEPTA trains to Philadelphia or other points in Pennsylvania. In fact, there are plans to have future coordination with the Pennsylvania Department of Transportation to eventually extend the line into Bucks County.

I believe restoring the line makes sense for a number of reasons. First, it would provide cost-effective relief from traffic congestion along Routes 31, 27, 1, 206, and 22. Somerset County's highway system is already overburdened and building new roads or expanding existing ones is a costly and potentially difficult proposition. Additionally, the line would help the state meet its Clean Air Act mandates, and improve the current 1.08 average vehicle occupancy for this area—which is the lowest in the State.

While a large number of residents in this area go to work everyday to Philadelphia, Trenton, Newark, or New York, there is no scheduled public transportation. This was not always the case. The West Trenton Line was established in the 19th century and continued under various owners until 1982. Unfortunately, service was forced to terminate in 1982 because of declining ridership due to old equipment, poor on-time performance, and infrequent service. The line is now used by Conrail as a freight line.

Much has changed since the line stopped carrying passengers 14 years ago. The population has soared, which has resulted in increases of traffic congestion on both State and local roads. The township of Hillsborough alone has experienced a 51-percent increase in population from 1980 to 1990. According to NJ transit, the government entity which would operate this line, a total of 104,000 people now reside in the West Trenton corridor.

This project enjoys the support of many groups, including: the Union County Transportation Advisory Board, the Lower Bucks County Chamber of Commerce, the Somerset County Planning Board, the Greater Princeton Transportation Management Association, the Mercer County Chamber of Commerce, the Somerset County Chamber of Commerce, the Somerset County Environmental Stewardship Council, RideWise of Raritan Valley, the West Trenton Coalition, and the Middlesex County Planning Board. Moreover, I thank Mayor Ken Scherer of Hillsborough, NJ, and Barbara Roos, president of the Somerset County Chamber of Commerce, for coming to Washington to testify before Congress in support of this project. I believe their testimony was crucial in finally getting this project off the ground.

Mr. Chairman, I support this project because of its positive benefits regarding economic cost effectiveness, energy efficiency, congestion mitigation, and safety. I urge my colleagues to vote "aye" on this important bill.

Mr. QUINN. Mr. Chairman, I rise to express my congratulations to Chairman LIVINGSTON, Subcommittee Chairman WOLF, and the entire Appropriations Subcommittee on Transportation for the tremendous job they have done on this legislation. I do however, wish to express two concerns that I have in the hope that they may be resolved as this process moves forward.

First, I would like to express my deep concern regarding a provision in the fiscal year 1997 transportation appropriations legislation that will undermine the implementation of an important consumer rights program. As written, this legislation weakens the American Automobile Labeling Act [AALA] which is administered by the National Highway Traffic Safety Administration [NHTSA].

The AALA was enacted in 1994 and simply requires new motor vehicles to contain a label providing basic information regarding domestic and foreign content.

The purpose of the act is to give consumers vital information about the origin of motor vehicles and parts and for thousands of consumers. This information plays an important role in their decisions on which automobile to purchase. The act enables consumers who wish to buy American to do so, knowing that the information displayed on automobiles regarding domestic content is accurate and reliable.

This helps to promote American jobs in the assembly of vehicles and in the production of auto parts.

Under this program, suppliers are required to provide information about the origin of the equipment they supply. In order to comply with the labeling provisions, the vehicle maker must know about the origin of each part or item of equipment used during assembly.

The act requires NHTSA to implement the program to ensure compliance, including a procedure to verify the accuracy of labeling information.

To that end, NHTSA has requested $500,000 in funding to conduct audits related to the enforcement of the requirements of the act. Without these audits, this program will not fulfill its important objectives as mandated by Congress.

Unfortunately, the fiscal year 1997 transportation spending bill denies NHTSA's request for resources needed to properly enforce the AALA program. Unless this modest funding request is granted, the intent of the AALA program will be severely weakened at the expense of consumers.

As this legislation moves through the legislative process, I strongly urge Congress to reverse this action and take into account the important goals embodied in the AALA vehicle labeling requirements.

AMTRAK FUNDING

Second, while I realize that Congress is addressing many difficult budget challenges, I would like to express my strong support of Amtrak. I believe that a safe, convenient, and effective National Passenger Rail System is not a luxury, but a basic component of our economy and society. The United States should not become the only major industrial country in the world without this service.

Amtrak plays a vital role in the national economy and it offers a viable alternative to congested highways and air travel.

I rise today to voice my disappointment with the Amtrak funding levels included in this legislation. These funding levels will make it impossible for Amtrak to operate its current system. Funding Amtrak at the levels in this legislation will force Amtrak to discontinue a number of routes and curtail infrastructure investment.

The House authorizing Committee on Transportation and Infrastructure, of which I am a member, has passed legislation that will move Amtrak toward privatization on a set schedule, with appropriate funding levels, to give the railroad the best chance to survive as a private entity. I believe deviating from that schedule by appropriating funds lower than what the authorizing schedule calls for would be devastating to Amtrak.

If we allow the funding levels to remain at this level, Amtrak will go from the promise of succeeding in privatization to extinction.

I believe Amtrak deserves a fighting chance at survival and this Congress should continue to fund the National Rail Passenger System until it reaches it's projected privatization date in the year 2002.

Once again, I commend Mr. LIVINGSTON, Mr. WOLF, and the Appropriations Committee on the excellent work they have done with this legislation. I look forward to working with them to make the necessary adjustments to these two small problems to make this great bill even better.

Mr. OBERSTAR. Mr. Chairman, I greatly regret the $110 million cut in Amtrak capital funding for fiscal year 1997, from the $230 million level for the current fiscal year.

It is clear that this Congress and this administration want Amtrak to be free of operating assistance by fiscal year 2002.

The budget resolution passed this year for fiscal year 1997 and the one passed last year put Amtrak on a glide path of operating support declining to zero. Our Transportation and Infrastructure Committee brought a bill to the House to reauthorize Amtrak last year, which passed by a vote of 406 to 4. This legislation also constructs a gradual phaseout of Amtrak's operating support by 2002. Amtrak's own business plan also eliminates the need for Federal support by 2002. In other words, with the funding plan in our budget resolution and passage of reform legislation, we have made a pact with Amtrak. We have told them to do what no other national passenger railroad in the world has been able to do: Be free of operating support. This is a major accomplishment and one that Congress should encourage. In exchange, we offered a structured funding phaseout and passage of cost saving legislation.

The fact is that from 1995 to 1997, Amtrak's funding levels are $1.2 billion less than what they requested and what they said was necessary for operating self-sufficiency. We cannot expect them to continue to operate a national system with such deep cuts.

Instead, with this funding level for Amtrak, Congress has moved away from the blueprint envisioned in the budget resolution. Without adequate capital funds during this critical transition period, Amtrak cannot make the essential investments necessary to survive once Congress has provided it with its last dollar of operating support. Also, while the House did pass reauthorization legislation, the Senate has failed to do so. Therefore, Amtrak does not benefit yet from any of the cost savings contained in that bill.

It is clear, and we all agree, that Amtrak should be free of operating support and should have less dependence on Congress for its funding. However, without adequate capital funds now, Amtrak will forever be dependent on Congress to meet its operating deficits.

A railroad is a capital intensive enterprise. It's fair to say that Congress has kept Amtrak on a Slim-Fast capital investment diet for the better part of its 25-year existence. As a result, Amtrak has not been able to modernize its locomotive fleet by purchasing more reliable and fuel-efficient engines. Their maintenance shops date, in many cases, to the steam era and need to be upgraded. The electric wires that are used on the Northeast corridor are the same ones the Pennsylvania Railroad first strung in 1993. If we don't give Amtrak the ability to reinvest now, we will never get them to a legitimate point of self-sufficiency.

This is a pivotal time for a national passenger rail policy. It's like the old saying: "Pay me now or really pay me later." Should Amtrak become insolvent, the liability to the Federal Government is going to be a far greater cost to the taxpayers than giving Amtrak the funds needed to successfully transition to self-sufficiency.

Literally, it will cost more money to put Amtrak out of business than to keep it in business.

Mr. COYNE. Mr. Speaker, I rise in support of the work of the House Transportation and Related Agencies Appropriations Subcommittee in crafting a fiscal year 1997 Appropriations Committee Report that includes a directive to the National Highway Traffic Safety Administration [NHTSA] to more vigorously promote bicycle safety and training. The subcommittee's report included a specific mention of the important field of human factors research relating to bicycle safety measures. To this end, I wish to draw attention to the ground-breaking research underway at the Children's Hospital of Pittsburgh in Pittsburgh, PA, in collaboration with the Carnegie Mellon University in Pittsburgh.

As I stated in testimony before the House Transportation and Related Agencies Appropriations Subcommittee in February, there are over 580,000 bicycle injuries each year in the United States. Of this amount there are approximately 800 fatalities and between 20,000 and 50,000 bicycle injuries serious enough to require hospitalization or rehabilitation. Children between the ages of 5 and 14 are the most common victims of bicycle injury head trauma since they spend a lot of time riding bicycles and often lack on-road bicycle experience. Greater efforts are necessary to insure that children are trained to be safe bicyclists and that the bicycles they ride are appropriate for their ages and abilities.

Safe operation of a bicycle arguably requires more skill, knowledge, physical ability, coordination, and judgment than the operation of a motor vehicle. Taking into consideration the multiple factors necessary for bicycling—motor skills, strength, coordination, vision, hearing, personality, intelligence, neurologic development, experience, and training—more extensive human factors research directed toward answering several key questions is needed: At what stage of development is a child able to perform the necessary tasks and make the proper judgments to safely operate a bicycle? What are the characteristics that differentiate safe from unsafe bicyclists? Can we train children to be safer bicyclists? Should bicycle designs vary depending on the skill and maturation of the child bicycle rider?

As the subcommittee noted in its fiscal year 1997 report, a recent national bicycling and walking study resulted in a recommendation to reduce the number of bicyclists and pedestrians killed or injured by 10 percent. I am pleased to say that the cooperative efforts of Children's Hospital of Pittsburgh and the Carnegie Mellon University will involve the use of state-of-the-art technology and will result in: First, effective prevention programs to reduce traumatic injuries and deaths; second, the introduction of virtual reality as a new means of studying trauma; and, third, the development of new approaches and products for trauma prevention, a national issue, that will provide scientific, intellectual and financial benefits to the Nation.

Mr. Speaker, I strongly support the effort of Children's Hospital of Pittsburgh, in collaboration with Carnegie Mellon University, to pursue in the near future a partnership with the National Highway Traffic Safety Administration to address the critically important issue of preventing bicycle accidents—especially those involving children. I am pleased that the committee favorably responded to the efforts of Children's Hospital of Pittsburgh and Carnegie Mellon University in urging the National Highway Traffic Safety Administration to collaborate with institutes that are conducting human factors research relating to bicycle safety. I believe that the pioneering research to be undertaken by Children's Hospital of Pittsburgh and Carnegie Mellon responds to the committee's recommendation and will provide significant benefits to the administration's ongoing work in bicycle safety.

The CHAIRMAN. If there are no further amendments to the bill, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. PETRI] having assumed the chair, Mr. BEREUTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3675), making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 460, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule IV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 403, nays 2, not voting 29, as follows:

[Roll No. 292]

YEAS—403

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
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Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
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Kim
King
Kingston
Kleczka
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Lewis (CA)
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Millender-McDonald
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NAYS—2

Beilenson
Schroeder

NOT VOTING—29

Ackerman
Blute
Brewster
Bryant (TX)
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Gephardt
Gibbons
Gutierrez
Hall (OH)
Hayes
Houghton
Jacobs
Lincoln
Martinez
McDade
Peterson (FL)
Smith (TX)
Solomon
Stark
Stockman
Taylor (NC)
Torricelli
Towns
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Waters
Weldon (PA)
Yates
Young (FL)

□ 0108

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 1880. An act to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building".

H.R. 2704. An act to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue, Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building".

H.R. 3364. An act to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse".

H. Con. Res. 192. Concurrent resolution providing for an adjournment of the two Houses.

JOURNAL

The SPEAKER pro tempore (Mr. PETRI). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause I, rule I, the Journal stands approved.

SETTING THE RECORD STRAIGHT

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. DORNAN. Mr. Speaker, my colleague who just spoke from Connecticut is married to one of the best pollsters in this country. When she tells us that our ratings are at an all-time low for this century, I listen. I said: Stan is one of the best pollsters in this country; when you say our ratings are at an all-time low, I listen. It is a compliment. It is a compliment.

Mr. Speaker, in the middle of the afternoon at some point, the majority leader has just approved it, I will rise to a question of personal privilege for 1 hour to discuss the truth over a Member of this Chamber on our side calling me a liar, a bigot, and a hater.

I will set the record straight on one of the key reasons this Chamber is held in such low esteem. I will put into the record an editorial that tells us that the homosexual movement in this country does not want just tolerance; they want total acceptance.

While we are trying to get through no same-sex marriage, how do we give spouse cards and pins to three male boyfriends in their forties and fifties?

I am against giving China most-favored-nation status.

Mr. Speaker, this excellent challenging report is from Lamda Report.

SILENCE-DEFEAT

In this election year, we feel compelled to call attention to an emerging political blunder we hope can still be averted. It is about a political silence that's getting so loud we suspect by the Fall it will be deafening.

What is this resounding silence? The lack of thoughtful criticism within the conservative movement and GOP circles of the "gay rights" agenda. Although homosexual activism continues to rub most Americans the wrong way—and shows no signs of abating—we sense Republicans are running away from the issue faster than Madalyn Murray O'Hair from a revival meeting. There is a good chance the GOP will largely ignore as a campaign issue President Clinton's extensive pro-homosexual record, including his recent endorsement of intrusive legislation that would inject "sexual orientation" into employers' hiring and firing decisions. Even the Christian Coalition, we fear, may not use its influence to make Clinton's pro-homosexual record a major campaign issue in the upcoming election.

Compounding the problem is a skillful homosexual propaganda strategy that labels anyone who opposes "gay" activism an "extremist" or a "bigot." It is no accident that the pro-gay group PFLAG has targeted Christian Coalition founder Pat Robertson with its $625,000 ad campaign linking Christian leaders with heinous violence and suicidal youth (see page 8). And now the Human Rights Campaign, a homosexual lobby, has proclaimed that three GOP presidential contenders—Buchanan, DORNAN, and Gramm—are "HRC-designated extremists". (page 12)

Let's see: Phil Gramm, anti-gay extremist. Can there be any doubt such reckless hyperbole is meant to intimidate critics and stifle debate?

We are hardly shocked that the homosexual lobby would attempt to marginalize its foes, but it is telling that even some "pro-family" leaders would stigmatize those intent on countering "gay" activism, or are at least shying away from this critical issue. Two years ago, Bill Bennett sent an ominous signal when (speaking at a Christian Coalition convention) he chastised conservatives who "obsess" on homosexuality. The much respected Bennett was dead wrong in this case. What he did was the political equivalent of scolding pro-life groups for fixating on the fetus. Yet his putdown spoke volumes about the way Washington insiders, versus everyday Americans, perceive this troubling issue.

We understand why Bennett, like many Washington politicos, would rather downplay homosexual-related matters. Unfortunately, gay activists aren't so accommodating. In fact, they are spending millions to, in effect, normalize the homosexual lifestyle. A decade ago, their call was for tolerance. Now, as Candace Gingrich puts it, "Tolerance is not enough!" Gay leaders—including the Log Cabin Federation of gay Republicans—are uniting begin a massive campaign to legalic homosexual "marriage." In the face of such resources and dedication, and a "cultural elite" eager to promote homosexuality at every turn, it is utter folly for conservatives to ignore the issue. Worse yet are those GPO leaders like Mary Matalin and Jim Pinkerton who are actually championing "gay" causes (p.5).

In politics, the side that is willing to champion its cause confidently is the side with momentum, the side headed for victory. By that standard, gay activists surely have the Big Mo. Misguided as their mission is, at least they believe in it enough to defend it with gusto. In contrast, many on the Right seem to wish the "gay" issue would just go away. It won't. We see a parallel with abortion politics. In recent elections it seemed "pro-choice" candidates were always willing to boast of their position, while "pro-life" politicians often hid theirs or avoided the issue. Silent support is better than nothing, but if GOP leaders fail to engage the issue intelligently now, they will be unprepared when the ultimate "gay rights" battle—"marriage"—beats up.

We sympathize with groups like Christian Coalition for not wanting to appear like they are "bashing" homosexuals, but rather are reacting defensively to homosexual activist demands. Unfortunately, it seems like some important groups are not even playing solid defense—much less doing anything to seriously thwart homosexual activist goals. Witness the pallid response of the pro-family movement to the judiciary's rush to bless homosexual adoptions. And Big Tent or no Big Tent, it certainly didn't bode well when Log Cabin's Rich Tafel praised Ralph Reed's "Contract with the American Family" as a "step in the right direction" (it ignored gay issues).

Truth, is many homosexual activists regard anything against their agenda as "gay bashing." Of course, most religious conservatives are not "bashers"; they merely oppose the promotion of homosexuality—by the state, in schools, or in the culture. To profoundly disagree with an agenda, especially on religious grounds, is not to HATE. So, conservatives: get over your misplaced guilt and face up to this movement that is on the verge of radically altering two pillars of American society: marriage and family.

Bill Clinton is the most—indeed, the only—pro-homosexual president in U.S. history. His most unpopular act among voters was his attempt to allow homosexuals in the military. If Republicans fail to make his pro-gay record a part for the '96 campaign, or carefully avoid discussing the H-word, they will not only miss a political opportunity but they will have helped enshrine the "gay" political agenda—including "marriage"—into U.S. law.

EULOGY FOR THE LATE HONORABLE BILL EMERSON

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.

Mr. ROBERTS. Mr. Speaker, today, in the Cape Girardeau First Presbtyerian Church, in very emotional but appropriate services, the loving family, friends, colleagues, and constituents of Bill Emerson bade farewell and paid tribute to our dear friend and colleague.

Mr. Speaker, just 2 days ago, Member after Member of this body rose in an outpouring of personal tribute to our late colleague; the comments diverse in content but uniform in affection, appreciation, and sense of personal loss. A veteran member of this House observed the tribute to Bill was the most far reaching in terms of both time and members that has been witnessed in recent times.

Mr. Speaker, the American Heritage Dictionary defines "eulogy" as a public speech or tribute extolling the virtues or achievements of a person and honoring one recently deceased. The eulogy for Bill was given by his longtime friend and trusted assistant, Lloyd Smith, and in his remarks, Lloyd provided all of us a life portrait of Bill so fitting to our celebration of his life. In behalf of the Speaker and all of those present, we thank Lloyd for his most fitting, appropriate and comforting tribute.

I commend to my colleagues and to the citizens of his beloved Eighth Congressional District and this country that he served so well, the eulogy in behalf of our friend, the Honorable Bill Emerson, Congressman from the Eighth Congressional District of Missouri.

The eulogy referred to is as follows:

Marie, Jo Ann, Liz, Abby, Tori, Kathryn, Mr Speaker, Colleagues and the many friends of Bill Emerson, both here in this beautiful sanctuary and around the area, today I have the distinct honor and pleasure to share a few words about the life journey of our friend Bill Emerson. This extraordinary journey makes this day a day of celebration.

Even in his passing Bill had the last word. Now, why should that be different? Because in my 15 years of working for him, he always had the last word.

You know, I'm doing this today because Bill dictated it in a memo, and I always did what Bill told me to do—(particularly if it was in writing). Bill's biography is known to most, and although it is well know, in rereading it I found a grievous error. The Committee assignments were correct, both Agriculture and the Committee on Transportation and Infrastructure—but the first line in the second paragraph reads—"Bill's political career began at the age of 15 when he was appointed a Page in the U.S. House of Representatives." Now folks, that is simply not the fact. Bill's career began on the knee of a sage politician in Jefferson County. Bill's political career and life's journey began when he listened to Associate County Judge Bill (Fritz) Reinemer tell stories about political battles. Mr. Reinemer, Marie's father (and Bill's grandfather), was the strongest political influence in Bill's life. He urged young William (along with Marie's teaching guidance) to read newspapers, 2 or 3 a day, "because you never know which one is distorting the facts."

As a Mayor and county school board member, Grandpa Reinemer taught little Billy to *listen* to *people—to listen to people*. So, the beginning of Bill Emerson's political journey was on his Grandpa's knee.

Most people think that his Page experience was his first trip to Washington, DC. It wasn't. He had previously traveled there with his Mom and Margaret Kelly, our State Auditor, and her mom.

He may have caught the national political fever on that trip. Because his next journey to DC was in January 1953, to see Ike (the beloved General) inaugurated as the 34th President of the United States. He traveled by train alone at 15 years of age, and with only one brown suit.

While there Congressman Tom Curtis tracked Bill down and offered him a Page position in the House of Representatives. The problem was the job started in two days and Billy didn't have a blue suit. He bought one and some black shoes and called his Mom and told her the news. Marie had sent her 15-year old son to Washington, DC alone on a train, and now her only child had been appointed a Page in the U.S. House. Marie cried, and old Judge Reinemer went straight to a Republican Township meeting and celebrated and told them Billy wasn't with him because he had gone to help Ike run the country—and even better, the Republicans were in the majority in Congress. The journey continued.

While in Page school, Bill met Paul Kanjorski, who is here today and they were not only roommates and Pages in the Congress, they also served together as Members. Bill and Mr. Kanjorski were there when the Puerto Rican Nationals shot up the House of Representatives from the gallery. They helped carry Members from the chamber. Following this incident, the journey would continue and would lead to graduation from the House Page School, Westminster College, and the University of Baltimore. The next part of his life's journey included working with Congressman Bob Ellsworth of Kansas and Congressman Senator Mac Mathias of Maryland, and many corporate jobs. Along this early way, Bill married and had two wonderful children, Liz and Abby—and then the journey really got exciting for Southeast Missouri.

In 1979 Bill came home a 6th generation Missourian and threw caution and his corporate career to the wind. He ran for *and* won a seat in the U.S. House of Representatives by defeating a 6-term incumbent (no one could believe it—since the seat had not been held by a republican in years). His journey mates in 1980 were his wife Jo Ann, and his new daughter Tori, as well as Liz and Abby. Jo Ann, a politician in her own right, pounded the streets and campaigned with Bill side-by-side. The journey which had begun at his granddad's knee now had come again to the U.S. House of Representatives, but now Bill was a Member of the institution he loved.

His campaign manager in 1980 was Peter Kinder, now a MO State Senator. His political consultant was Al Sikes—who is with us today.

Bill won with a coalition of conservative democrats and republicans, and he continued to win because he never forgot his grandfather's admonition to listen to the people. With Bill, there were no democrats or republicians—only constituents. (Newspaper editorial—Emercrats)

He said yes to his constituents with expanded services and answering the mail (he loved signing those letters and catching those mistakes).

On numerous occasions he would ask if every "t" had been crossed and every "I" dotted. He personally wanted to make sure the right envelope was with the right letter—even after we started using window envelopes.

Bill was, in the words of our junior U.S. Senator, John Ascroft, "of the people." To quote the old saying he "danced with those what brung him."

His journey of service to the 8th district included touring farms, the National Forest, the clear running Ozark streams, and his beloved Mississippi River all across our 26 country district. Bill would often comment that our Congressional District is 5000 square miles larger than the country of Switzerland. He loved the people and we loved him. His staff, whom he loved and encouraged, is a legacy to Bill. Numerous of the staff and volunteers have gone on to elective offices and stellar careers. Although he trusted his staff, in certain cases when the final decision was made—it was always his decision. As he reminded us many times—"you know I am the Congressman."

The journey included a deep love of family. He could name his first, second and third cousins, and all his aunts, uncles and great aunts and uncles by name. His love and deepest pride was for his daughters. He cherished his time with them and would brag about Tori's grades and softball finesse; Kathryn's soccer success and her outstanding oboe playing abilities. He rejoiced with each new career advancement of Liz and Abby. He loved them all and only regretted he had not spent more time with them. And, that's why today the family should know that the journey included them in a very important way. Marie, Jo Ann, Liz, Abby, Tori, and Kathryn, shared Bill with this District. His accomplishments are their accomplishments as well.

Whether it's new bridge here at Cape, a new Highway 60, providing food for the starving in Somalia or the hungry here at home, or helping the disabled person, you were a part of the journey. You shared with half a million people, the most precious resource—your son's, your husband's and your father's time. You allowed Bill's journey to include all of us and we consider you family—just as he considered us family.

Probably the pinnacle of his Congressional career was chairing the House of Representatives on opening day of the 104th Congress, the institution he loved. A man "of the people," the journey had bridged the Republican 83rd Congress of 1953, and the Republican Congress of 1995. We all rejoiced with him.

There was another part of the life journey of Bill Emerson—the spiritual side. He loved his Lord, and in recent years and months, had been heavily involved in the Thursday Morning Prayer Breakfast and also a small chapel group that met each Tuesday. It seems to me that after chairing the National Prayer Breakfast in 1993, his spiritual journey became his mainstay—whether it was helping those that had substance abuse problems or spreading the gospel to places such as the former Soviet Union—he, indeed, felt "a calling to spiritually reach out to his fellowman." He loved uplifting music and sometimes driving down the highway we would strike up a gospel favorite. An ongoing joke was that we needed to keep the windows rolled up because we could be charged with noise pollution.

One of our favorite scriptures was Isaiah 40:30–31—

"Even youths grow tired and weary, and young men stumble and fall: but those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint."

Last Saturday the journey on this earth for Bill ended, but I know, and the family knows, that Bill soared on wings like eagles, and he now runs and is not faint.

In your program is Bill's favorite Theodore Roosevelt quote:

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly; who errs, and comes short again and again, because there is not effort without error and shortcoming, but who does actually strive to do the deeds, who knows the great enthusiasms, the great devotions, who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

Bill's journey into the arena of life touched many of us. One staff member, in a note to Bill on Saturday, wrote "I am honored to have been a part of your team on earth and one day we will be on the same team again."

Today, Bill's journey on this earth will end at the place it began—in the small community of Hillsboro, at his grandfather's side. But his eternal journey has already started, and the hymns he's singing now in glory, exceed his beloved Mormon Tabernacle Choir. To his family and friends he would state the Prince of Wales quote as he sent the troops into battle—"Be strong to endure and resolute to overcome." Another Emerson handwritten note to a departing staff member read: "I'm sorry I missed you, but I'm not good at saying goodbye, and besides it's not goodbye—just altered circumstances."

Thank you Bill Emerson for taking us on this journey with you. Remember, it is not "goodbye—just altered circumstances."

God Bless the family and all of you.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1462

Mr. POSHARD. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1462.

Mr. Speaker, I would also like to second the comments made by my dear friend, the gentleman from Kansas, about the services for Bill Emerson.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DESIGNATION OF THE HONORABLE CONSTANCE A. MORELLA TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH MONDAY, JULY 8, 1996

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC
June 27, 1996.

I hereby designate the Honorable Constance A. Morella to act as Speaker pro tempore to sign enrolled bills and joint resolution through Monday, July 8, 1996.

NEWT GINGRICH,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to.

There was no objection.

HOUR OF MEETING ON TUESDAY, JULY 9, 1996

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, July 8, 1996, it adjourn to meet at 12:30 p.m. on Tuesday, July 9, 1996, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JULY 10, 1996

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, July 9, 1996, it adjourn to meet at 9 a.m. on Wednesday, July 10, 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON WEDNESDAY, JULY 10, 1996, FOR THE PURPOSE OF RECEIVING IN JOINT MEETING HIS EXCELLENCY, BINYAMIN NETANYAHU, PRIME MINISTER OF ISRAEL

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, July 10, 1996, for the Speaker to declare a recess, subject to the call of the Chair, for the purpose of receiving in joint meeting his Excellency, Binyamin Netanyahu, Prime Minister of Israel.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 10, 1996

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 10, 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO EXTEND AND REVISE REMARKS IN CONGRESSIONAL RECORD

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that for today all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled "Extension of Remarks."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AUTHORIZING SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, July 8, 1996, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION FOR COMMITTEE ON SMALL BUSINESS HAVE UNTIL WEDNESDAY, JULY 3, 1996, TO FILE REPORT ON H.R. 3158, PILOT SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM EXTENSION ACT OF 1996

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that the Committee on Small Business be permitted to file its report on H.R. 3158, the Pilot Small Business Technology Transfer Program Extension Act of 1996, before 4 p.m. on Wednesday, July 3.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE GRAY WHALE SHOULD BE PROTECTED, NOT HUNTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF: Mr. Speaker, I am pleased to announce that the Makah Tribe's proposal to hunt five gray whales a year in the Pacific Northwest has been put on hold for at least 1 year. It is my hope that it will eventually be put on hold permanently.

Today, the Clinton administration's delegation to the International Whaling Commission meeting in Aberdeen, Scotland withdrew its request for Makah whaling rights, but has indicated it will renew the request at the IWC meeting next year.

Mr. Speaker, I strongly believe that Congress needs to hold public hearings, so we can give the Clinton administration direction on this issue.

Opposition to this proposal cuts across ideological and political lines. Environmentalists, Republicans, Democrats, and even seven Makah elders question the tribe's need to renew whaling.

Yesterday, my distinguished colleague from the other side of the aisle, Mr. MILLER of California, joined with me in introducing a resolution in the Resources Committee opposing the Clinton administration's support for the gray whale hunt. The resolution passed unanimously.

Let me give some background on this issue.

For centuries, the Makah Indians, who live on the Olympic Peninsula, hunted the gray whales that migrated past their villages. Seventy years ago, the hunts were abandoned when the whale population plummeted.

Only 2 years ago, gray whales were removed from the endangered species list, and since that time, a number of native groups in both the United States and Canada have eyed the hunting of the gray whale as a lucrative commercial venture.

Makah tribal leaders say they want to start hunting the gray whale again as a way of reviving their culture. They insist that the whales would be used for ceremonial and subsistence purposes—but they have also reserved the right to commercial whaling in the future.

In fact, seven elders of the Makah Tribe strongly oppose the proposal. They question the need for resuming the hunting of gray whales, and some of them have questioned the motives of the tribal officials making the request, fearing the hunt will become a commercial enterprise.

According to the June 19 edition of the Seattle Post Intelligencer, one gray whale could fetch as much as $1 million in Japan. Norwegian whaling interests have offered the tribe harpoons and a boat.

Another factor is that 13 native groups in Canada have already indicated their intention to resume whaling if the Makah Tribe is given a green light by the IWC. The Makah Tribal leaders say they want to kill only five whales a year, but if they start, how many more would be taken by other native groups? Where would it stop, once it started?

In addition to supporting the Makah request, the U.S. delegation to the IWC also supported a request by Russia to allow whaling of the endangered bowhead whale by a native group. Meanwhile, that same delegation opposed Japan's request for a small-scale whale hunt for scientific research. Mr. Speaker, it is plainly clear the Clinton administration has no real whaling policy.

This lack of a coherent policy is why we definitely need to hold congressional hearings on the Clinton administration's support of renewing commercial whaling under the guise of Native American hunting rights.

As a member of the Fisheries, Wildlife and Oceans Subcommittee and the Subcommittee on Native American and Insular Affairs, I intend to do everything in my power to stop this tragedy before it gets started.

I would like to close by quoting from an editorial which appeared in the June 23 Seattle Times:

> By supporting the Makah bid to the IWC, the U.S. sets up an untenable double standard—Native American whaling is legitimate but Japanese whaling is not. It will get worse; tribes from Washington to the Bering Sea are sharpening their harpoons, waiting for the Makahs to get the go-ahead.

The Seattle Times editorial continues:

> As creatures that routinely migrate the globe, whales demand a coherent and consistent international policy. If the world community approves the Makahs' whale hunt, then Japan deserves the same. But the long, grim history of commercial whaling points to a tougher response: No more harpoons. Whales are for watching.

Mr. Speaker, I have the good fortune occasionally to observe gray whales from my home on Whidbey Island. The Gray Whale should be protected, not hunted.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HALL of Ohio (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mr. YATES (at the request of Mr. GEPHARDT), for today, after 8 p.m., on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. POSHARD) to revise and extend their remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. WATTS of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. RIGGS, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, today.

Mr. LARGENT, for 5 minutes, today.

Mr. BARR, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2437. An act to provide for the exchange of certain lands in Gilpin County, Colorado.

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

□ 0115

ADJOURNMENT TO MONDAY, JULY 8, 1996

Mr. WATTS of Oklahoma. Mr. Speaker, pursuant to the provisions of House Resolution 192, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. PETRI). Pursuant to the provisions of House Concurrent Resolution 192 of the 104th Congress, the House stands adjourned until noon on Monday, July 8, 1996.

Thereupon (at 1 o'clock and 16 minutes a.m.), pursuant to House Concurrent Resolution 192, the House adjourned until Monday, July 8, 1996, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3860. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Almonds Grown in California; Order Amending the Order (FV93-981-1) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3861. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Spearmint Oil Produced in the Far West; Order Amending the Order (FV95-985-4) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3862. A letter from the Under Secretary for Food, Nutrition, and Consumer Services, Department of Agriculture, transmitting the Department's final rule—Food Stamp Program: Automated Date Processing Equipment and Services; Reduction in Reporting Requirements (Food and Consumer Service) (RIN: 0584–AB92) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3863. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Notification Procedures for Pesticide Registration Modification (FRL 5372-8) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3864. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Worker Protection Standard; Language and Size Requirements to Warning Sign (FRL–5358-7) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3865. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Worker Protection Standard; Language and Size Requirement for Warning Sign (FRL–5358-8) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3866. A letter from the Administrator, Farm Service Agency, transmitting the Agency's final rule—Tobacco-Tobacco Loan Program (RIN: 0560–AE41) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3867. A letter from the Acting General Sales Manager and Acting Vice President, Commodity Credit Corporation, Foreign Agricultural Service, transmitting the Service's final rule—Commodity Credit Corporation Supplier Credit Guarantee Program (RIN: 0551–AA30) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3868. A letter from the Under Secretary of Defense, transmitting the Department's report on nonmajor acquisition programs, pursuant to 10 U.S.C. 2220(b); to the Committee on National Security.

3869. A letter from the Under Secretary of Defense, transmitting the Department's report on payment of restructuring costs under defense contracts, pursuant to 10 U.S.C. 2324 note; to the Committee on National Security.

3870. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Operating-Differential Subsidy for Bulk Cargo Vessels; Maintenance and Repair Subsidy (Maritime Administration) (RIN: 2133–AB27) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

3871. A letter from the Deputy Secretary of Defense, transmitting the Department's report entitled "Effect of Closure of Fitzsimons Army Medical Center on Provision of Care to Military Personnel, Retired Military Personnel, and their Dependents," pursuant to Public Law 104–106, section 747(a) (110 Stat. 387); to the Committee on National Security.

3872. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96-35: Determination Under Section 2(b)(2)(D) of the Export-Import Bank Act of 1945, as Amended: People's Republic of China; to the Committee on Banking and Financial Services.

3873. A letter from the Assistant Secretary of Education, transmitting notice of final priority and limitation on use of funds; Elementary School Mathematics and Science Equipment Program for the fund for the improvement of education, pursuant to 20 U.S.C. 1232(f); to the Committee on Economic and Educational Opportunities.

3874. A letter from the Assistant Secretary, Department of Education, transmitting Final Priority—Postsecondary Education Program for Individuals with Disabilities, pursuant to 20 U.S.C. 1232(f); to the Committee on Economic and Educational Opportunities.

3875. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on postsecondary education programs for individuals with disabilities, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Economic and Educational Opportunities.

3876. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Reorganization, Renumbering, and Reinvention of Regulations (RIN: 1212–AA75) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3877. A letter from the General Counsel, Department of Energy, transmitting the Department's final rule—Federal Energy Management and Planning Programs; Methodology and Procedures for Life Cycle Cost Analyses [Docket No. EE–RM–95–501] (RIN: 1991–AA80) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3878. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's "Major" final rule—Regulation of Fuels and Fuel Additives: Certification Standards for Deposit Control Gasoline Additives (FRL–5528-5) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3879. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—General Procedures to Opt out of the Reformulated Gasoline Requirements; Removal of Jefferson County, Albany and Buffalo, New York; Twenty-eight Counties in Pennsylvania; and Hancock and Waldo Counties in Maine from the Reformulated Gasoline Program (FRL 5528-6) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3880. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Withdrawal of Final Test Rule for Mesityl Oxide (FRL–5363-2) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3881. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Flutolanil; Pesticide Tolerance (FRL–5369–7) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3882. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Potassium Citrate; Tolerance Exemption (FRL–5381–5) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3883. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Folpet; Revocation of Pesticide Tolerances (FRL–5382–1) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3884. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pentaerythritol Stearates; Tolerance Exemption (FRL–5381–2) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3885. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Rule Concerning Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under The Energy Policy and Conservation Act (16 CFR Part 305) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3886. A letter from the Administrator, Health Care Financing Administration, transmitting the Administration's report entitled "Evaluation of the Grant Program for Rural Health Care Transition," report to Congress 1996, pursuant to 42 U.S.C. 1395ww note; to the Committee on Commerce.

3887. A letter from the Chairman, Securities and Exchange Commission, transmitting the annual report of the Securities Investor Protection Corporation for the year 1995, pursuant to 15 U.S.C. 78ggg(c)(2); to the Committee on Commerce.

3888. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Jordan for defense articles and services (Transmittal No. 96–45), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3889. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report of enhancement or upgrade of sensitivity of technology or capability for Japan (Transmittal No. E–96), pursuant to 22 U.S.C. 2776(b)(5)(A); to the Committee on International Relations.

3890. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Jordan (Transmittal No. 14–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3891. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Jordan (Transmittal No. 13–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3892. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Oman (Transmittal No. 21–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3893. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 22–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3894. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 23–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3895. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to the United Nations for use in Rwanda (Transmittal No. 20–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3896. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification that the Department of Defense has completed delivery of defense articles, services, and training on the attached list to the Dominican Republic, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

3897. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed issuance of export license agreement for the transfer of defense articles or defense services sold commercially to Belgium (Transmittal No. DTC–34–96), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3898. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting text of agreements in which the American Institute in Taiwan is a party between January 1 and December 31, 1995, pursuant to 22 U.S.C. 3311(a); to the Committee on International Relations.

3899. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Narcotics Traffickers, and Blocked Vessels (Office of Foreign Assets Control) (31 CFR Chapter V) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3900. A letter from the NARA Regulatory Policy Official, National Archives and Records Administration, transmitting the Archive's final rule—Audiovisual Records Management (RIN: 3095–AA18) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3901. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Tuna Fisheries; Annual Quotas and Effort Controls [Docket No. 960416112–6164–02; I.D. 030896D] received June 29, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3902. A letter from the Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Coastal Zone Management Program Regulations [Docket No. 960126015–6165–02] (RIN: 0648–AI43) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3903. A letter from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Service's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic [Docket No. 960313071–6169–022; I.D. 050996D] received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3904. A letter from the Administrator, Federal Aviation Administration, transmitting the report on the effectiveness of the Civil Aviation Security Program for the period January through December 1994, pursuant to 49 U.S.C. app. 1356(a); to the Committee on Transportation and Infrastructure.

3905. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Jetstream Model 4101 Airplanes [Docket 96–NM–129–AD] (RIN: 2120–AA64) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3906. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Jetstream Model 4101 Airplanes [Docket No. 95–NM–159–AD] (RIN: 2120–AA64) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3907. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 95–NM–231–AD] (RIN: 2120–AA64) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3908. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 mark 0100 and 0070 Series Airplanes [Docket No. 95–NM–224–AD] (RIN: 2120–AA64) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3909. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to redesignate the title of the National Cemetery System and the position of the Director of the National Cemetery System; to the Committee on Veterans' Affairs.

3910. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Statement of Procedural Rules (RIN: 1512–AB53) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3911. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Taxpaid Distilled Spirits Used in Manufacturing Products Unfit for Beverage Use (RIN: 1512–AA20) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3912. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Extension of the Paso Robles Viticultural Area (93F–026T) (RIN: 1512–AA07) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3913. A letter from the General Counsel, Department of Treasury, transmitting a draft of proposed legislation to amend section 304 of the Tariff Act of 1930 concerning the country of origin marking of certain imported articles and containers of a NAFTA country, and for other purposes; to the Committee on Ways and Means.

3914. A letter from the Assistant Secretary for Employment and Training, Department of Labor, transmitting the Department's final rule—Work Incentive (WIN) Programs for AFDC Recipients; Removal of Obsolete Work Program Regulations (RIN: 1205–AB12) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3915. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Regulations Under Section 1502 of the Internal Revenue Code of 1986; Limitations on Net Operating Loss Carryforwards and Certain Built-in Losses and Credits Following an Ownership Change of a Consolidated Group (RIN: 1545–AU36) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3916. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Consolidated Returns—Limitations on the use of certain losses and deductions (RIN: 1545–AU35) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3917. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Modifications of Debt Instruments (RIN 1545–AR04) received June 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3918. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Part III Administrative, Procedural, and Miscellaneous (Revenue Procedure 96–37) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3919. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Regulations Under Section 382 of the Internal Revenue Code of 1986; Application of Section 382 in Short Taxable Years and With Respect to Controlled Groups (RIN 1545–AU37) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3920. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Extensions of Time to Make Elections (RIN: 1545–AU41) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3921. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Part IV—Items of General Interest—Processing of Returns Filed by Exempt Organizations to be Centralized in the Ogden Service Center (Announcement 96–63, 1996–29 I.R.B.) received June 27, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3922. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's fiscal year [FY] 1997 budget request; jointly, to the Committees on Commerce and Appropriations.

3923. A letter from the Secretary of Health and Human Services, transmitting the Department's report on the development of relative value units for the full range of pediatric physicians' services, pursuant to Public Law 103–432, section 124(b)(2) (108 Stat. 4413); jointly, to the Committees on Ways and Means and Commerce.

3924. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting the Department's March 1996 "Treasury Bulletin," pursuant to 26 U.S.C. 9602, 26 U.S.C. 9602(a), 26 U.S.C. 9505, 42 U.S.C. 10222(e)(1), 16 U.S.C. 1606a(c)(1), 31 U.S.C. 331(b), 42 U.S.C. 2297(g), and section 9633(b)(1) of CERCLA; jointly, to the Committees on Ways and Means, Transportation and Infrastructure, Economic and Educational Opportunities, Commerce, Agriculture, and Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ARCHER: Committee on Ways and Means. H.R. 361. A bill to provide authority to control exports, and for other purposes (Rept. 104–605, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. Fraud and Abuse in Medicare and Medicaid: Stronger Enforcement and Better Management Could Save Billions (Rept. 104–641). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on National Security. H.R. 3308. A bill to amend title 10, United States Code, to limit the placement of U.S. forces under United Nations operational or tactical control, and for other purposes (Rept. 104–642, Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2560. A bill to provide for conveyances of certain lands in Alaska to Chickaloon-Moose Creek Native Association, Inc., Ninilchik Native Association, Inc., Seldovia Native Association, Inc., Tyonek Native Corporation, and Knikatnu, Inc. under the Alaska Native Claims Settlement Act; with an amendment (Rept. 104–643). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Agriculture. H.R. 2670. A bill to provide for the release of the reversionary interest held by the United States in certain property located in the County of Iosco, MI; with an amendment (Rept. 104–644). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Agriculture. H.R. 3387. A bill to designate the Southern Piedmont Conservation Research Center located at 1420 Experimental Station Road in Watkinsville, GA, as the "J. Phil Campbell, Senior Natural Resource Conservation Center" (Rept. 104–645). Referred to the House Calendar.

Mr. HYDE: Committee on the Judiciary. H.R. 2925. A bill to modify the application of the antitrust laws to health care provider networks that provide health care services; and for other purposes (Rept. 104–646). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. H.R. 3458. A bill to increase, effective as of December 1, 1996, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans (Rept. 104–647). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. H.R. 3643. A bill to amend title 38, United States Code, to extend through December 31, 1998, the period during which the Secretary of Veterans Affairs is authorized to provide priority health care to certain veterans who were exposed to agent orange or who served in the Persian Gulf war and to make such authority permanent in the case of certain veterans exposed to ionizing radiation, and for other purposes; with amendments (Rept. 104–648). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. H.R. 3673. A bill to amend title 38, United States Code, to revise and improve certain veterans programs and benefits, to authorize the American Battle Monuments Commission to enter into arrangements for the repair and long-term maintenance of war memorials for which the Commission assumes responsibility, and for other purposes (Rept. 104–649). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. H.R. 3674. A bill to amend title 38, United States Code, to clarify the causal relationship required between a veteran's service-connected disability and employment handicap for purposes of determining eligibility for training and rehabilitation assistance, to transfer certain educational assistance entitlements from the Post-Vietnam Era Educational Assistance Program to the Montgomery GI bill, and for other purposes (Rept. 104–650). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASICH: Committee on the Budget. H.R. 3734. A bill to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997 (Rept. 104–651). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 248. A bill to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes; with an amendment (Rept. 104–652). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Agriculture. H.R. 3665. A bill to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture; with amendments (Rept. 104–653 Pt. 1). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X The Committee on International Relations discharged from further consideration. H.R. 3308 referred to the Committee on the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPRATT (for himself and Mr. McCOLLUM):

H.R. 3730. A bill to take measures to protect the security of the United States from proliferation and use of weapons of mass destruction; to the Committee on National Security, and in addition to the Committees on International Relations, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CALVERT (for himself, Mr. FAZIO of California, Mr. BONO, Mr. BROWN of California, Mr. LEWIS of California, Mr. BOUCHER, Ms. RIVERS, Mr. HORN, and Mr. RIGGS):

H.R. 3731. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the transfer to State and local governments of certain surplus property for use for law enforcement or public safety purposes; to the Committee on Government Reform and Oversight.

By Mr. CAMP (for himself, Mr. UPTON, Mr. SMITH of Michigan, Mr. KNOLLENBERG, and Mr. CHRYSLER):

H.R. 3732. A bill to authorize the State of Michigan to implement the demonstration project known as To Strengthen Michigan Families; to the Committee on Ways and Means.

By Ms. PELOSI (for herself, Mrs. LOWEY, Mrs. MORELLA, Mr. HILLIARD, Mr. BOUCHER, Ms. VELAZQUEZ, Mr. BEREUTER, Mr. HINCHEY, Mrs. KENNELY, Mr. FARR, Mr. SABO, Mr. MCDERMOTT, Mr. LAFALCE, Mr. FRANK of Massachusetts, Ms. WOOLSEY, Mrs. CLAYTON, Mr. FALEOMAVAEGA, Mr. MARKEY, Mr. EVANS, Mr. ROMERO-BARCELO, Mr. HASTINGS of Florida, Mr. FROST, Mr. HORN, Mrs. JOHNSON of Connecticut, Mr. STARK, Mr. OWENS, Mr. DURBIN, Ms. WATERS, Ms. ESHOO, Mr. YATES, Mrs. MALONEY, and Ms. SLAUGHTER):

H.R. 3733. A bill to amend the Legal Services Corporation Act to prescribe an income rule for determining if a client who is a victim of domestic violence is eligible for assistance; to the Committee on the Judiciary.

By Mr. KASICH:

H.R. 3734. A bill to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

By Mr. BEREUTER (for himself, Ms. ROS-LEHTINEN, Mr. JOHNSTON of Florida, Mr. HOUGHTON, Mr. PAYNE of New Jersey, and Mr. HASTINGS of Florida):

H.R. 3735. A bill to amend the Foreign Assistance Act of 1961 to reauthorize the development fund for Africa under chapter 10 of part I of that act; to the Committee on International Relations.

By Mr. BLILEY (for himself, Mr. HYDE, Mr. COBURN, Mr. SAXTON, Mr. ZIMMER, Mr. KLUG, Mr. BARTON of Texas, Mr. INGLIS of South Carolina, Mr. WHITFIELD, Mr. KNOLLENBERG, Mr. UPTON, Mr. MCHUGH, Mr. COBLE, Mrs. SEASTRAND, Mr. BILBRAY, Mr. WOLF, Mr. HOKE, Mr. PICKETT, Mr. CONDIT, Mrs. MEYERS of Kansas, Mr. STOCKMAN, Mr. BALLENGER, Mr. BURR, Mr. GILMAN, Mr. HORN, Mr. OXLEY, Mr. GALLEGLY, Mr. SMITH of Texas, Mr. LAUGHLIN, Ms. MOLINARI, Mr. METCALF, Mr. STEARNS, Mr. COOLEY, Mr. BUYER, Mr. HAYES, Mr. MCKEON, Mr. CHAMBLISS, Mr. GREEN of Texas, Mrs. CHENOWETH, Mr. BARR, Mr. DAVIS, Mr. CALVERT, Mr. FRANKS of Connecticut, Mr. RIGGS, Mr. ROYCE, Mrs. MYRICK, Mr. FIELDS of Texas, Mr. SISISKY, Mr. PACKARD, Mr. TANNER, Mr. GOODLATTE, Mr. BAKER of Louisiana, Mrs. LINCOLN, Mr. BATEMAN, Mr. BILIRAKIS, Mr. WATTS of Oklahoma, Mr. BUNNING of Kentucky, Mr. DREIER, and Mr. HAYWORTH):

H.R. 3736. A bill to amend the Housing and Community Development Act of 1974 to terminate the availability of community development block grant amounts for States and localities within such States that allow recovery of damages for injuries suffered in the commission of a felony; to the Committee on Banking and Financial Services.

By Mr. BRYANT of Tennessee (for himself and Mr. CLEMENT):

H.R. 3737. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of educational grants by private foundations, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLISH of Pennsylvania:

H.R. 3738. A bill to reform the Federal unemployment benefit system; to the Committee on Ways and Means.

By Mr. FALEOMAVAEGA:

H.R. 3739. A bill to amend title 49, United States Code, to provide, without subsidy, for enhanced essential air service to remote insular areas; to the Committee on Transportation and Infrastructure.

By Mr. LAZIO of New York (by request):

H.R. 3740. A bill to consolidate the community and economic revitalization and affordable housing programs of the Department of Housing and Urban Development into two performance funds, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 3741. A bill to enhance the effectiveness of enforcement provisions relating to single family and multifamily housing, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 3742. A bill to increase the flexibility of and to streamline certain single family programs administered by the Federal Housing Administration, to reform the single family claims and property disposition procedures, and for other purposes; to the Committee on Banking and Financial Services.

H.R. 3743. A bill to establish a single authority under Title IV of the National Housing Act for rental and cooperative housing with five or more units and for health care facilities through consolidation of multifamily programs, authorization of risk sharing programs with private and public entities, and increased flexibility for FHA to establish program operations; to make changes to the multifamily housing programs designed for the elderly and persons with disabilities; to extend certain provisions of existing law; and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. MALONEY (for herself, Ms. BROWN of Florida, Mrs. CLAYTON, Mr. CLYBURN, Mr. DELLUMS, Mr. EVANS, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GUTIERREZ, Mr. HINCHEY, Ms. NORTON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LAFALCE, Ms. MCCARTHY, Ms. MCKINNEY, Mrs. MEEK of Florida, Mrs. MINK of Hawaii, Mr. NADLER, Mr. PAYNE of New Jersey, Mr. OLVER, Miss COLLINS of Michigan, Mrs. SCHROEDER, and Ms. VELAZQUEZ):

H.R. 3744. A bill to require the Attorney General to promulgate regulations relating to gender-related persecution, including female genital mutilation, for use in determining an alien's eligibility for asylum or withholding of deportation; to the Committee on the Judiciary.

By Mrs. MEYERS of Kansas (for herself, Mr. HOEKSTRA, Mr. CHRYSLER, Mr. MANZULLO, Mr. HILLEARY, Mr. BARCIA of Michigan, Mr. HEFLEY, Mr. BARTLETT of Maryland, Mr. COLLINS of Georgia, Mr. OXLEY, Mr. EHLERS, Mr. TAYLOR of North Carolina, Mr. BALLENGER, Mr. UPTON, Mr. ENGLISH of Pennsylvania, Mr. COBLE, Mr. KNOLLENBERG. Mr. CALVERT, Mr. CHAMBLISS, Mr. CRAMER, Mr. BARR, Mr. DEAL of Georgia, Mr. LINDER, Mr. EVERETT, Mr. SALMON, Mr. STUMP, Mr. BAKER of Louisiana, Mr. FLANAGAN, and Mr. QUILLEN):

H.R. 3745. A bill to amend title 18, United States Code, to minimize unfair competition for Federal contracting opportunities between Federal Prison Industries and private firms, especially small business concerns, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY of Massachusetts (for himself, Mr. BROWN of Ohio, Mr. OLVER, Mr. KENNEDY of Rhode Island, Mr. BARRETT of Wisconsin, Mr. GREEN of Texas, Mr. MASCARA, and Mr. STARK):

H.R. 3746. A bill to amend title IX the Public Works and Economic Development Act of 1965 to make the development of brownfield sites eligible for assistance; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL:

H.R. 3747. A bill to amend the Internal Revenue Code of 1986 to encourage economic development through the creation of additional empowerment zones and enterprise communities and to encourage the cleanup of contaminated brownfield sites; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself and Mr. MARKEY):

H.R. 3748. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, national origin, age, or disability; and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS (for himself, Mr. RIGGS, and Mr. HERGER):

H.R. 3749. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of crops destroyed by casualty; to the Committee on Ways and Means.

By Mr. THORNBERRY:

H.R. 3750. A bill to permit the interstate distribution of State-inspected meat under appropriate circumstances; to the Committee on Agriculture.

By Ms. VELAZQUEZ (for herself, Mr. OWENS, Mr. NADLER, Mr. CONYERS, Mr. HILLIARD, Mr. THOMPSON, Mr. EVANS, and Mr. JOHNSTON of Florida):

H.R. 3751. A bill to establish certain requirements for managed care plans; to the Committee on Commerce.

By Mr. YOUNG of Alaska:

H.R. 3752. A bill to preserve the sovereignty of the United States over public lands and acquired lands owned by the United States, and to preserve State sovereignty and private property rights in non-Federal lands surrounding those public lands and acquired lands; to the Committee on Resources.

By Mr. GUNDERSON (for himself, Mr. Poshard, Mr. Roberts, Mr. Stenholm, Mr. Bereuter, Mr. Bonilla, Mr. Bunn of Oregon, Mr. Hillard, Mrs. Johnson of Connecticut, Mrs. Lincoln, Mr. Payne of Virginia, Mr. Williams, Mr. Baker of Louisiana, Mr. Barrett of Nebraska, Mr. Boehlert, Mr. Boucher, Mr. Brewster, Mr. Clinger, Mr. Combest, Mr. Condit, Mr. Cooley, Ms. Danner, Mr. Ehlers, Mr. Evans, Mr. Fazio of California, Mr. Hall of Texas, Mr. Johnson of South Dakota, Mr. Klug, Mr. McHugh, Mr. Ney, Mr. Nussle, Mr. Peterson of Minnesota, Mr. Rahall, Mr. Ramstad, Mr. Sanders, Mr. Skelton, Mr. Stupak, Mr. Thornberry, Mr. Walsh, and Mr. Whitfield):

H.R. 3753. A bill to amend the Social Security Act and the Public Health Service with respect to the health of residents of rural areas, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DIAZ-BALART:

H. Con. Res. 192. Concurrent resolution providing for an adjournment of both Houses; which was considered and agreed to.

By Mr. DeLay (for himself, Mr. Ballenger, Mr. Boehner, Mr. Bliley, Mr. Burr, Mr. Chambliss, Mr. Clinger, Mr. Crapo, Mr. Cunningham, Mr. Ewing, Mr. Hoekstra, Mrs. Kelly, Mr. Knollenberg, Mr. Manzullo, Mr. McIntosh, Mr. Mica, Mrs. Myrick, Mr. Saxton, Mrs. Vucanovich, Mr. Gingrich, Mr. Barton of Texas, Mr. Kingston, Mr. Zeliff, Mr. Royce, Mr. Wicker, Mr. Sam Johnson, Mr. Pombo, Mr. Cox, Ms. Dunn of Washington, Mr. Roth, Mr. Barr, Mr. Hastert, Mr. LaHood, Mr. Packard, Mr. Allard, Mr. Heineman, Mr. Lewis of Kentucky, and Mr. Armey):

H. Con. Res. 193. Concurrent resolution expressing the sense of the Congress that the cost of Government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn; to the Committee on Government Reform and Oversight.

By Mrs. MORELLA:

H. Con. Res. 194. Concurrent resolution establishing a commission to study compensation and other personnel policies and practices in the legislative branch; to the Committee on House Oversight.

By Ms. Roybal-Allard (for herself, Mr. Matsui, Mrs. Myrick, Ms. Woolsey, Mrs. Morella, Mrs. Clayton, Mrs. Lowey, Ms. Lofgren, Mr. Hilliard, Mr. Kildee, Mr. Green of Texas, Mrs. Kennelly, Ms. Brown of Florida, Mr. Frank of Massachusetts, Mr. LaFalce, Mr. Farr, Mr. McDermott, Ms. Slaughter, Mr. Ackerman, Mr. Oberstar, Mr. Gonzalez, Mr. Romero-Barcelo, Mr. Olver, Mr. Frazer, Mr. Sanders, Mr. Abercrombie, Mr. Miller of California, Mr. Brown of California, Mr. Hinchey, Mr. Stark, Mr. Owens, Mr. Filner, Ms. Waters, Ms. Velazquez, Mrs. Maloney, and Mr. Gutierrez):

H. Con. Res. 195. Concurrent resolution to express the sense of the Congress that any welfare reform legislation enacted by the Congress should include provisions addressing domestic violence; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JOHNSTON of Florida:

H. Res. 468. Resolution relating to a question of the privileges of the House; which was laid on the table.

By Mr. BAKER of California (for himself, Mr. Calvert, and Mr. Lipinski):

H. Res. 469. Resolution to commend the patriotic citizens of Remy, France, who honorably buried Lt. Houston Braly after his heroic attack on a German munitions train on August 2, 1944; to the Committee on International Relations.

By Mr. GOODLING (for himself and Mr. McKeon):

H. Res. 470. Resolution expressing the sense of the Congress that the Department of Education should play a more active role in monitoring and enforcing compliance with the provisions of the Higher Education Act of 1965 related to campus crime; to the Committee on Economic and Educational Opportunities.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

231. By the SPEAKER: Memorial of the Legislature of Guam, relative to Resolution No. 432 (LS) relative to congratulating and commending Julita Cruz-Aviles for being the first Chamorro woman appointed as Associate Director of Policy, Office of the Under Secretary of Defense, U.S. Federal Government; to the Committee on National Security.

232. Also, memorial of the Senate of the Commonwealth of Pennsylvania, relative to Senate Resolution No. 138 memorializing Congress to approve legislative authorization states to restrict the amount of solid waste they import from other States; to the Committee on Commerce.

233. Also, memorial of the Legislature of the State of California, relative to Assembly Joint Resolution 58 illegal, undocumented alien prisoners; to the Committee on International Relations.

234. Also, memorial of the General Assembly of the State of New Jersey, relative to Assembly Resolution No. 99 requestion the President and Secretary of State of the United States to express disapproval of Norway for its commercial whaling policies and for the raising of its quotas on minke whales; to the Committee on Resources.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 145: Mrs. Chenoweth and Mr. Stockman.

H.R. 163: Mr. Vento.

H.R. 263: Mr. Wilson.

H.R. 324: Mr. McHale.

H.R. 387: Mr. Campbell.

H.R. 491: Mr. Gillmor, Mr. Diaz-Balart, Mr. Spence, and Mr. Weldon of Pennsylvania.

H.R. 777: Mr. LoBiondo.

H.R. 778: Mr. LoBiondo.

H.R. 779: Mr. Ganske.

H.R. 780: Mr. Ganske.

H.R. 820: Mr. Solomon, Mr. Frank of Massachusetts, Mr. Jefferson, and Mr. McNulty.

H.R. 858: Mr. Riggs and Mr. Kennedy of Massachusetts.

H.R. 895: Mr. Stump, Mr. Clinger, Mr. Fazio of California, Mr. Frelinghuysen, Mr. Hostettler, Mr. Weller, Mr. Weldon of Pennsylvania, Mr. Engel, Mr. Boucher, Mr. Sanders, Mrs. Thurman, Mr. Lipinski, Mr. Hoke, Mrs. Fowler, and Mr. Frisa.

H.R. 958: Mr. LoBiondo.

H.R. 1010: Mr. Fazio of California.

H.R. 1073: Mr. Condit and Mr. Sisisky.

H.R. 1074: Mr. Condit and Mr. Sisisky.

H.R. 1078: Mr. McCollum.

H.R. 1127: Mr. Shays.

H.R. 1226: Mr. Bereuter.

H.R. 1496: Mr. McCollum.

H.R. 1552: Mr. Zimmer.

H.R. 1656: Mrs. Schroeder.

H.R. 1950: Mr. Boehlert.

H.R. 2011: Mr. Bishop, Mr. Bonior, and Mr. Condit.

H.R. 2089: Mr. Horn and Mr. Manzullo.

H.R. 2185: Mr. Nadler, Mr. Faleomavaega, Ms. Slaughter, Mr. Montgomery, Mr. Davis, and Mr. Greenwood.

H.R. 2209: Mr. LaFalce, Mr. Pete Geren of Texas, Ms. Danner, Mr. Callahan, Mr. Ford, Mr. Berman, Mr. Jacobs, Mr. McNulty, and Mr. Hastings of Florida.

H.R. 2244: Mr. Herger.

H.R. 2247: Mrs. Johnson of Connecticut, Mr. Kleczka, and Mr. Sawyer.

H.R. 2270: Mrs. Kelly and Mr. Metcalf.

H.R. 2470: Mr. Lewis of Kentucky.

H.R. 2591: Mr. Bishop.

H.R. 2618: Mr. Dixon.

H.R. 2683: Mr. Skeen.

H.R. 2697: Mr. Cummings, Mr. Martinez, Mr. Manton, Ms. DeLauro, and Mrs. Morella.

H.R. 2740: Mr. Calvert.

H.R. 2748: Ms. McKinney, Mrs. Schroeder, Ms. Norton, Mrs. Kennelly, Mrs. Thurman, Mr. Levin, Ms. Eddie Bernice Johnson of Texas, Mr. Pallone, Ms. Velazquez, and Mr. Jefferson.

H.R. 2757: Mr. Spence, Mr. Wise, and Mr. Norwood.

H.R. 2849: Mr. Boehlert, Ms. Slaughter, and Mr. Serrano.

H.R. 2875: Mr. LoBiondo.

H.R. 2900: Mr. Nethercutt and Mr. Ehrlich.

H.R. 2911: Mr. Weldon of Pennsylvania.

H.R. 2925: Mrs. Lincoln.

H.R. 2951: Mr. Gutierrez and Mr. Yates.

H.R. 2976: Ms. Brown of Florida, Mr. Hefley, and Mr. Richardson.

H.R. 2984: Mr. Bartlett of Maryland.

H.R. 2985: Mr. Ewing, Mr. Walsh, Mr. Ney, Mr. English of Pennsylvania, and Mr. Weller.

H.R. 3012: Mr. Campbell, Mr. Boucher, Mr. Baker of California, Mr. Bliley, Mr. Baldacci, Mr. Metcalf, Mrs. Seastrand, Mr. Quillen, Mr. Foglietta, Mr. Stark, and Mr. Meehan.

H.R. 3077: Mr. Weldon of Pennsylvania, Mr. Hobson, and Mr. Moran.

H.R. 3083: Mr. Dornan, Mr. Cox, Mr. Radanovich, Mr. Royce, and Mr. Pombo.

H.R. 3114: Mr. GREENWOOD and Mr. SAWYER.

H.R. 3142: Mr. BARR.

H.R. 3173: Ms. NORTON, Mr. FAWELL, Mr. TORKILDSEN, and Mr. MEEHAN.

H.R. 3187: Mr. COSTELLO, Mr. DELLUMS, Mr. LAFALCE, and Mr. MCHUGH.

H.R. 3195: Mr. CHAMBLISS, Mr. KLUG, Mr. WILSON, Mr. DICKEY, and Mr. CAMPBELL.

H.R. 3199: Mr. THOMSPON, Mr. FRANK of Massachusetts, Mr. PARKER, Ms. NORTON, Mr. CHAMBLISS, Mr. MONTGOMERY, and Mr. LAHOOD.

H.R. 3211: Mr. DELAY, Mr. BEREUTER, and Mr. HOKE.

H.R. 3245: Ms. NORTON.

H.R. 3260: Mr. BARTON of Texas, Mr. DICKEY, and Mr. HAYES.

H.R. 3263: Mr. FOLEY.

H.R. 3292: Ms. PELOSI.

H.R. 3307: Mr. HEINEMAN, Mr. BUYER, and Mr. GALLEGLY.

H.R. 3337: Mrs. JOHNSON of Connecticut and Mr. BARRETT of Wisconsin.

H.R. 3338: Mr. STENHOLM and Mr. GILLMOR.

H.R. 3374: Mr. STARK.

H.R. 3395: Mr. GREEN of Texas.

H.R. 3396: Mr. PAXON.

H.R. 3449: Mr. BRYANT of Texas.

H.R. 3452: Mr. PETERSON of Minnesota.

H.R. 3486: Mr. HANSEN.

H.R. 3496: Mr. JEFFERSON, Mrs. MORELLA, Mr. HASTINGS of Florida, Ms. FURSE, Mr. BAKER of Louisiana, and Ms. WOOLSEY.

H.R. 3505: Mrs. MALONEY.

H.R. 3520: Mr. GORDON and Ms. ROYBAL-ALLARD.

H.R. 3566: Mr. STUPAK.

H.R. 3568: Mr. ENGLISH of Pennsylvania, Mr. BORSKI, Mr. WELDON of Pennsylvania, Mr. GOODLING, Mr. KLINK, Mr. KANJORSKI, Mr. DOYLE, Mr. MASCARA, Mr. MCHALE, Mr. MURTHA, and Mr. GREENWOOD.

H.R. 3580: Mr. SPENCE, Mr. HAYWORTH, and Mr. HASTINGS of Washington.

H.R. 3622: Mr. ROHRABACHER, Mr. WHITE, and Mr. PAXON.

H.R. 3645: Ms. NORTON, Ms. KAPTUR, Mr. ENGLISH of Pennsylvania, Mrs. CLAYTON, Mr. EHLERS, and Mr. KILDEE.

H.R. 3654: Mr. YOUNG of Alaska, Mr. GEPHARDT, MR. EVERETT, and Ms. DELAURO.

H.R. 3665: Mr. FARR.

H.R. 3688: Mr. LIPINSKI.

H.R. 3715: Mrs. MEYERS of Kansas, Mrs. MINK of Hawaii, Mrs. MALONEY, Ms. NORTON, and Mr. GUTIERREZ.

H.R. 3725: Mr. HAMILTON, Mr. DELLUMS, and Ms. MCKINNEY.

H.R. 3727: Mr. FIELDS of Louisiana, Mr. ROYCE, Mr. BLUTE, and Mr. VENTO.

H. Con. Res. 10: Mr. KILDEE.

H. Con. Res. 135: Mr. SAXTON, Mr. YATES, Mr. HORN, and Mr. MORAN.

H. Con. Res. 179: Mr. FALEOMAVAEGA, Mr. FUNDERBURK, Mr. DORNAN, and Ms. LOFGREN.

H. Con. Res. 184: Mr. FALEOMAVAEGA, Ms. NORTON, Mr. EVANS, and Mr. ENGEL.

H. Con. Res. 190: Mr. FROST, Mr. DOYLE, Mr. ZIMMER, and Mr. ROHRABACHER.

H. Res. 452: Mr. PACKARD.

H. Res. 461: Mr. BOEHNER, Mr. GILMAN, Mr. ROYCE, and Mr. SPENCE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII sponsors were deleted from public bills and resolutions as follows:

H.R. 1462: Mr. POSHARD.

H.R. 1972: Mr. LUTHER.

DISCHARGE PETITIONS

Under clause 3, of rule XXVII the following discharge petitions were filed:

Petition 13, June 25, 1996, by Mr. CONDIT on House Resolution 443, was signed by the following Members: Gary A. Condit, James A. Hayes, Wes Cooley, Norman Sisisky, Bill Baker, Calvin M. Dooley, Charles W. Stenholm, Collin C. Peterson, Doug Bereuter, George P. Radanovich, Howard P. "Buck" McKeon, Pat Roberts, Vic Fazio, Bill K. Brewster, Saxby Chambliss, John T. Doolittle, Charlie Rose, Frank Riggs, David L. Hobson, Andrea H. Seastrand, Bob Stump, Terry Everett, Scott McInnis, Bill Orton, Glenn Poschard, Pete Geren, Helen Chenoweth, Jim Lightfoot, Ken Calvert, Karen L. Thurman, Bob Barr, Mel Hancock, Nick Smith, Sanford D. Bishop, Jr., and Ike Shelton.

Petition 14, June 27, 1996, by Mr. TANNER on House Resolution 425, was signed by the following Members: John S. Tanner, Bill Orton, and L.F. Payne.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 12 by Mrs. SMITH of Washington on House Resolution 373: Rick White.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. .

(Labor, HHS, and Education Appropriations, 1997)

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 1: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act, when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) any portion of such funds is knowingly being used by such entity to provide services after March 31, 1997, to a minor, other than a minor who—

(A) is emancipated under applicable State law;

(B) has the written consent of a custodial parent or legal guardian to receive such services; or

(C) has an order of a court of competent jurisdiction to receive such services, based on—

(i) the court's assumption of custody over the minor; or

(ii) actions of a custodial parent or legal guardian that present a continuing threat to the health and safety of the minor and preclude the obtaining of consent under subparagraph (B); and

(2) The State in which such services are provided has not, after the date of the enactment of this section, enacted a statute that excludes the minor seeking a title X service from the parental consent requirements as to that particular service.

H.R. .

OFFERED BY MR. CAMPBELL OF CALIFORNIA

(Legislative Branch, Appropriations, 1997)

AMENDMENT NO. Before the short title at the end of the bill, add the following new section:

SEC. . (a) In addition to any other estimates it may prepare of any proposed change in Federal revenue law, a fiscal estimate shall be prepared by the Joint committee on Taxation of each such proposed change on the basis of assumptions that estimate the probable behavioral responses of personal and business taxpayers and other relevant entities to that proposed change and the dynamic macroeconomic feedback effects of that proposed change, and it shall include a statement identifying those assumptions. The preceding sentence shall apply only to a proposed change that the Joint committee on Taxation determines, pursuant to a static fiscal estimate, has a fiscal impact in excess of $100,000,000 in any fiscal year.

(b) In addition to any other estimates it may prepare of any proposed change in Federal revenue or spending law, a fiscal estimate shall be prepared by the Congressional Budget Office of each such proposed change on the basis of assumptions that estimate the probable behavioral responses of personal and business taxpayers and other relevant entities to that proposed change and the dynamic macroeconomic feedback effects of that proposed change, and it shall include a statement identifying those assumptions. The preceding sentence shall apply only to a proposed change that the Congressional Budget Office determines, pursuant to a static fiscal estimate, has a fiscal impact in excess of $100,000,000 in any fiscal year.

(c) Any report to Congress or the public made by the Joint Committee on Taxation or the Congressional Budget Office that contains an estimate made under this concurrent resolution of the effect that any legislation will have on revenues or spending shall rely upon Congressional Budget Office data and shall be accompanied by a written statement fully disclosing the economic, technical, and behavioral assumptions that were made in producing that estimate.

(d) In performing the tasks specified in subsections (a) and (b), the Joint Committee on Taxation and the Congressional Budget Office may, subject to the availability of appropriations, enter into contracts with universities or other private or public organizations to perform such estimations or to develop protocols and model for making such estimates.

EXTENSIONS OF REMARKS

THOUGHTS ON MOTHERHOOD

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. HYDE. Mr. Speaker, last Mother's Day, Terry Gnezda Peckham, the wife of Gardner Peckham, an assistant in the Speaker's office, wrote a beautiful and profound paper entitled "Thoughts on Motherhood."

Her statement is pure literature and I urge my colleagues to take the time to read it carefully. They will be enriched.

THOUGHTS ON MOTHERHOOD—MOTHERS' DAY 1996

(By Terry Gnezda Peckham)

When Father DeSilva asked me to speak today about motherhood, I was very honored to have the chance to share some of my feelings and experiences with you. I'm sure that I am not alone when I think of motherhood as probably the most treasured experience I will ever have. I'm also sure that all of you can remember, as I do, special moments when you have been overcome by the intensity and the beauty of the love you share with your children.

I can vividly remember a beautiful early Summer afternoon two years ago when my daughters were playing in our backyard. School had just ended and the girls seemed so carefree and happy. As I looked out the window that day at my two precious daughters, I thought, life is great! I felt so happy and proud that my husband and I could have given our daughters such a wonderful start in life. They had a nice house in a nice neighborhood, two healthy parents, and a safe, loving, and secure family. On that afternoon I felt so lucky and so overwhelmed with love for my girls, that all the ups and downs of motherhood were replaced with a sense of deep satisfaction and peace. I remember thinking that that was going to be an especially wonderful Summer for us.

Three weeks later, everything had changed when I found myself in the hospital confronting the fact that I was seriously ill. My doctors outlined a plan for several months of horrible and debilitating treatment that would end with extremely serious surgery.

I was terrified—terrified of the treatment, and terrified of what could happen to me if things didn't go as the doctors had planned. I didn't know how I would find the strength to get through it. But, no matter how uncertain my future was at that point, I knew I had to fight this illness—mostly because of my two girls; they were only 4 and 7 at the time, and we still had so much to share.

So, with support from my husband, my family and friends, and with God's help, I was able to find the strength I needed to get through my ordeal.

And, thankfully, things went as my doctors had planned, and I'm here—and I expect to be here for a long, long, time. But this experience, as awful as it was, has led me to a deeper understanding of many things, one of which is motherhood. It has also led me to an unquestionable respect for the power of God's love that flows between mothers and their children.

Ever since I was a little girl I wanted to be a mother. I used to love to go to Church on Sunday morning and watch all the young mothers with their babies. Sometimes I'd even take one of my dolls with me so that I could pretend that I, too, was a young mother. I couldn't imagine anything more wonderful than to have a house full of children. I dreamed about how much fun it would be to watch them all grow, sharing their interests and their dreams and bringing so much love and excitement to life.

I think I played with dolls longer than any of my friends, and I grew up in great anticipation of having children of my own.

Well, motherhood has turned out to be much, much more than I could have ever dreamed. I love being a mother and think it's just about the greatest gift that God has ever given me.

It's awfully hard to put into words what motherhood is really all about. Sometimes it seems too demanding, too tiring, and too overwhelming to cope with, and other times it is incredibly rewarding, very inspiring, and deeply satisfying. Motherhood pushes us to our limits, physically, emotionally, and often intellectually, as we and our children experience life together.

Through motherhood, we face every possible emotion with an intensity that is unparalleled in other aspects of life. When our children are happy, we are overjoyed, and when they're sad we ache inside, often because we feel powerless to take away the pain. This intensity of feeling brings such pride (the kind that makes you well-up inside with tears), it keeps us focused on our responsibilities, and leads us to so much uncertainty (and sometimes guilt) as we wonder if we're doing the right thing as we bring-up our children.

For—here is this person who needs parents for everything—for protection, for love, and for guidance—guidance to learn about the world, to learn about other people, to learn how to behave, and to learn about himself or herself.

And here we are, with our husbands, responsible for teaching this person all the things that we think are most important to provide a sound foundation to guide our child's life.

One of the most remarkable things that happens as a result of motherhood is that we learn a great deal about ourselves. It is through motherhood that we come closer to an understanding of who we are, and therefore, what God has given us to share with our children. In fact, I think motherhood brings us into the most intimate relationships that we will ever have with other human beings. And at the heart of this intimacy is honesty and love.

It's not hard to be honest with our children about what we think, feel, or believe, because most of the time it seems that they can see right through us, or at least they sense when something doesn't seem right. And it's a remarkable thing to be honest with our children about who we are, because it gives us the freedom to enjoy life with them in a wonderful way.

With our children, together, we realize that it's O.K. to be spontaneous or silly sometimes. It's good to have fun and laugh. It's also very important to cuddle and hug the people we love, and to trust that there is someone who accepts us as we are, loves us without question, and is always there.

But children must also learn that sometimes it's important to be serious, it's normal to be mad or sad, or disappointed, and fear and unhappiness are part of life, too.

And as we teach our children all of these realities of life, we must also show them the value of having a deep and enduring faith in God. For it is through God's love and his presence in all of us that we are able to celebrate our joys and endure our pain. With this knowledge, children can trust that they are never alone and that God will help them get through anything that life brings.

Together, the intimate relationships with parents, and an enduring faith in God help children to grow into people who accept themselves and others, and feel compassion toward all humanity.

So, motherhood is a monumental responsibility, but it is full of love, joy, and countless rewards. In fact, it is God's most important work.

And, even though I still dread making brown bag lunches for school every day, dislike the struggle over homework every night, and tire of reminding my girls to brush their teeth before they go to bed, I wouldn't trade those moments for anything, because they're part of it all.

And it's when they play together for hours on end singing so happily, or read to each other, cuddling closely on the sofa, or when they marvel at the shapes of the clouds or the colors of the sky—or even when they sit up in the middle of the night, fold their hands and pray that they won't have anymore nightmares—that's when motherhood really feels worthwhile. Or, when we get all those hugs that come out nowhere, or when they look up at us with such trust and love, or when they want to share every last detail of their day, that's also when motherhood feels worthwhile.

My girls are still in primary and elementary school, so I know we've got a long way to go together, but I have faith that the love we have for each other will get us through whatever the future brings, and I know that God will be there to help us.

And so, even though my girls are a little older now, I often wonder if when they were babies and I took them to Church on Sunday mornings, if maybe, just maybe, there was a little girl who dreamed, as I had so many years ago, about how wonderful it will be to be a mommy. To that little girl and all the other little girls here today, I hope you will keep dreaming, and that someday you, too, will be blessed with the gift of motherhood.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SUPPORT FOR SCHOLARSHIPS THROUGH PRIVATE FOUNDATIONS

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BRYANT of Tennessee. Mr. Speaker, today Mr. CLEMENT and I introduced a bill to help private foundations with educational scholarship programs. We should be encouraging greater partnerships between private groups, local communities, and aspiring students, but current IRS rules sometimes skew the roads to that goal.

Under current law, a private foundation formed primarily to provide scholarships or educational loans to employees of a particular company must meet a number of criteria to avoid severe Federal tax penalties. Those criteria are designed to assure that such foundations were not set up as tax shelters or to provide nonmonetary compensation or benefits to employees. I agree with the good intentions of the current law, however, one of the requirements stifles the ability of private foundations to design scholarships for particular purposes. I am referring to the "25-percent test."

Under current law, a private foundation—usually established and funded by a single individual or employer—can offer scholarships to only 25 percent of students who apply. That means three out of four applicants must be turned down, not because of lack of merit or lack of funds, but to satisfy Federal rules.

My bill would remove that requirement from Federal law, but keep in place the seven guidelines the IRS has drawn up to meet the law's "objective and nondiscriminatory" standard. That way, private foundations could design more focused programs without weakening the safeguards against using such organizations for tax benefits or as hidden compensation. It also removes current law's discrimination against small communities with a single large employer.

Our laws should not discourage support for higher education. Foundations, reflecting the demonstrated generosity of their financial supporters, should not be told by the Federal Government that they have to deny three out of four of the students who may need their help. Rather, the door should be open for expanding the opportunities available to individuals.

TRIBUTE TO BOB LEE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. MCINNIS. Mr. Speaker, I rise today to recognize a great community leader in my home State of Colorado, Mr. Bob Lee. Although Bob recently retired from Daniels and Associates, he remains active in and continues to be sought out for advice and guidance by everyone from his neighbors, to Presidents of the United States.

He is a dedicated conservative and has been an active member of the Republican Party. He was first elected Denver County Republican chairman in 1958, and was instrumental in implementing a statewide plan to build a solid organization.

Word of Bob's skills and his conservative convictions traveled rapidly around the country. While he never intended to give up his real state career in Denver, he was called upon to advise and direct numerous campaigns. At the request of Richard Nixon, he agreed to run a successful legislative campaign in New Jersey, resulting in the Republicans controlling both Houses there for the first time in 25 years.

Mr. Speaker, Bob Lee and his wife Bee recently celebrated their 57th wedding anniversary, and I know you will join me in congratulating them on their wonderful marriage. Together they have three children, five grandchildren, and two great-grandchildren. They are respected in their community, which they have given so much back to.

AMERICAN LAND SOVEREIGNTY PROTECTION ACT OF 1996

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. YOUNG of Alaska. Mr. Speaker, today I introduce legislation which will require the specific approval of Congress before any area within the United States is subject to an international land use nomination, classification, or designation. International land use designations such as World Heritage Sites, Biosphere Reserves and some other international land use designations can affect the use and market value of non-Federal lands adjacent to or intermixed with Federal lands. Legislation is needed to require the specific approval of Congress before any area within the United States is made subject to an international land use restriction. The rights of non-Federal landowners need to be protected if these international reserves are created.

This legislation asserts the power of Congress under article IV, section 3 of the U.S. Constitution over management and use of lands belonging to the United States; protects State sovereignty from diminishment as a result of Federal actions creating lands with international designations; ensures that no U.S. citizen suffers any diminishment or loss of individual rights as a result of Federal actions creating lands with international designations; protects private interests in real property from diminishment as a result of Federal actions creating lands with international designations; and provides a process under which the United States may when desirable designate lands for inclusion under certain international agreements.

Many Americans may be surprised by the expanse of our Nation's territory which is subject to various special international restrictions, most of which have evolved over the last 25 years. The most extensive international land use designations are UNESCO Biosphere Reserve Programs and World Heritage Sites. These international land designations have largely been created with minimal, if any, congressional input or oversight or public input. They are usually promoted as a type honorary title which will provide additional publicity resulting in increased tourist visits and a corresponding increase in economic benefits. Promoters at UNESCO Biosphere Reserves and World Heritage Sites say these programs are voluntary and nonbinding.

However, in becoming a party to agreements underlying international land use designations, the host government explicitly promises to undertake certain actions to protect these areas and limit or prohibit certain land uses. Honoring one of these agreements could force the Federal Government to choose between regulating surrounding non-Federal land uses to conform to the designated international use of breaking a pledge to other nations.

Federal regulatory actions could prohibit certain uses of non-Federal lands outside the boundary of the international designation, thereby causing a significant negative impact on the value of non-Federal property and on the local and regional economy. This legislation would compel the Congress to consider the implications of an international designation and protect non-Federal lands before the designation is made.

FDA APPROPRIATIONS

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BARTON of Texas. Mr. Speaker, I again note that the Appropriations Committee is recommending increased funding for the Food and Drug Administration. As chairman of the Oversight and Investigations Subcommittee of the Committee on Commerce, I commend the Committee on Appropriations for its strong support of the Food and Drug Administration, which plays an important role in protecting public health. In addition, I commend my colleagues on the Committee on Appropriations for their oversight activities regarding the Food and Drug Administration.

The Subcommittee on Oversight and Investigations has worked diligently in this Congress to identify shortcomings in FDA's performance of its important duties and work with the agency to correct those shortcomings. No problem in agency performance is as vexing as the systematic failure of FDA to meet its statutory duties to timely review various applications and petitions about food, drugs, and medical devices. Indeed, not only does the agency fail to meet its statutory duty for timely reviews, the agency refuses to acknowledge it. In testimony before the Committee on Appropriations, as well as the Committee on Commerce, Commissioner Kessler has boasted of meeting the goals of the Prescription Drug User Fee Act, alluding to objectives he identified and included in letters sent to Congress that were then made part of the legislative history of the Prescription Drug User Fee Act. However, Commissioner Kessler's testimony has consistently ignored the plain language of the Federal Food, Drug, and Cosmetic Act specifying review periods. Given Commissioner Kessler's legal training, one would expect that his testimony might be more mindful of the plain language of FDA's authorizing statute.

Timely review of applications and petitions is a matter of very real consequence. Witnesses who have come before the Oversight and Investigations Subcommittee have repeatedly told heart-wrenching stories of their inability to obtain in the United States safe and effective treatments that are available elsewhere. These patients, often fighting life-threatening diseases, are the very personal side of the grim statistics regarding the adverse effect on public health caused by excessive delay in approval of safe and effective drugs and medical devices. There are also economic consequences. Hearing records explain clearly that as approval of medical devices is excessively delayed in the United States, the developers of those devices, principally U.S. firms, are forced by economic realities to begin manufacture of those devices overseas where more timely approvals have been obtained. It is dark humor that a joke told at an international medical device conference observed that if a medical device is approved in the United States, it must be obsolete. These delays not only deny American patients the most safe and effective therapies, but also result in the loss of U.S. jobs.

Regrettably, these are not small shortcomings. I urge my colleagues to review a table that lists the statutory deadline for review of certain applications and petitions, as well as the average time that FDA takes to conduct these reviews, according to the latest published FDA reports.

I trust my colleagues will share my concerns that agency performance is woefully off the mark. The Committee on Appropriations is to be commended for directing FDA to meet its statutory duties for timely review. I ask unanimous consent that this statement be printed following my remarks.

Food Additive Petitions.—Within 180 days (6 months) after filing of a petition, FDA is required to publish a regulation authorizing the use of the food additive or deny the petition. 21 U.S.C. §348(c). Current "average time to approval"—48 months. "Agriculture, Rural Development, Food and Drug Administration, and Related Appropriations for 1996," Hearings Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations, House of Representative, Part 6, 104th Cong., 1st Sess., p. 664 (Mar. 28, 1995) (hereafter "FY 96 House Agriculture Appropriations Hearings").

Health and Nutrient Content Claim Petitions.—Within 190 days (6.25 months) after filing of a petition, FDA is required to propose regulations authorizing the use of the health or nutrient content claim or deny the petition. 21 U.S.C. §343(r)(4). Current average review time from filing to issuance of a proposed rule—10 months. 62 Fed. Reg. 296 (Jan. 4, 1996); 60 Fed. Reg. 37,507 (July 20, 1995).

Nutrient Content Claim Synonym Petition.—Within 90 days (3 months) after submission of a petition, FDA is required to approve the use of the synonym for nutrient content claims or deny the petition. 21 U.S.C. §343(r)(4). Current average review time from submission to approval—19.5 months.[1] FDA Docket No. 94P-0216 (Letter from F. Edward Scarborough, Ph.D., Director, Office of Food Labeling to Douglas C. Marshall, Darigold, Inc. (Oct. 30, 1995)).

New Human Drug Applications (NDAs).—Within 180 days (6 months) after filing of an application, FDA is required to approve the human drug or give the application notice of an opportunity for a hearing before FDA on the question of whether the application is approvable. 21 U.S.C. §355(c)(1). Current average time for "first action"—twelve months. Statement by David A. Kessler, M.D., Commissioner of Food and Drugs, Department of Health and Human Resources Before the Subcommittee on Health and Environment, Committee on Commerce, U.S. House of Representatives, p. 4 (May 1, 1996) (hereafter, "Health and Environment Subcommittee Hearing").

Abbreviated New Drug Applications (ANDAs).—Within 180 days (6 months) after initial receipt of an application, FDA is required to approve the drug or give the applicant notice of an opportunity for a hearing before FDA on the question of whether the applicant is approvable. 21 U.S.C. §355(j)(4)(A). Current average review time from receipt to approval—34.2 months. Department of Health and Human Services Fiscal Year 1997 Justification of Estimates for Appropriations Committees for the Food and Drug Administration," p. 65 (hereafter "FY 97 FDA Justification of Estimates for Appropriations Committees").

Medical Device Premarket Approval Applications (PMAs).—Within 180 days (6 months) after receipt of an application, FDA is required to approve the medical device or deny the application. 21 U.S.C. §360e(d)(1)(A). "Current average review time"—20 months. Health and Environment Subcommittee Hearing, pp. 9–10.

New Animal Drug Applications (NADAs).—Within 180 days (6 months) after filing of an application, FDA is required to approve the animal drug or give the applicant notice of an opportunity for a hearing before FDA on the question of whether the application is approvable. 21 U.S.C. §360b(c)(1). Current average review time from receipt to approval—39 months. FY 97 FDA Justification of Estimates for Appropriations Committees, p. 83.

Abbreviated New Animal Drug Applications (ANADAs).—Within 180 days (6 months) after initial receipt of an application, FDA is required to approve the generic animal drug or give the applicant notice of an opportunity for a hearing before FDA on the question of whether the application is approvable. 21 U.S.C. §360b(c)(2)(C). Current average review time from receipt to approval—31 months. FY 97 FDA Justification of Estimates for Appropriations Committees, p. 84.

CONGRATULATIONS EAST ORANGE WELFARE DEPARTMENT

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I urge my colleagues to join me in recognizing the outstanding work that is being done on behalf of women by the East Orange Welfare Department, in my district in New Jersey. For the past 10 years, the East Orange Welfare Department has dispel some of the negative stigmas associated with women and welfare and to recognize and applaud the achievements of women in the community.

Too often, women are the subject of the cruel realities of gender discrimination, sexism, sexual harassment, and the like in this historically male-biased society. The East Orange Welfare Department has taken on the responsibility of speaking out on behalf of the accomplishments of women, and glorifying rather than stigmatizing them. We must join the East Orange Welfare Department as they recognize the invaluable impact that women have had on every facet of our modern communities.

The East Orange Welfare Department has served to support its citizens by the coordination of fiscal, medical, and social services in the community and has been instrumental in providing an environment intent on fostering financial independence and self-sufficiency. Its recent call to honor women is simply another example of the department's firm commitment to not only help those in need, but to lend a voice to those too frequently unheard.

Mr. Speaker, please join me in commending the dedicated employees at the East Orange Welfare Department for their outstanding work in advancing the progress of women.

50TH ANNIVERSARY OF CDC

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mrs. MORELLA. Mr. Speaker, the Nation's prevention agency, the Centers for Disease Control and Prevention [CDC], will turn 50 on July 1. As co-chair of the Congressional Caucus for Women's Issues and a strong supporter of this agency's prevention mission, I would like to acknowledge the 50th anniversary milestone with a few examples of how CDC has effectively promoted women's health.

The CDC National Breast and Cervical Cancer Early Detection Program provides mammography screening and Pap smear services to low-income and underserved women. This program has been critical to the early detection of breast and cervical cancer in poor, elderly, and minority women.

CDC has been working toward the implementation of a national STD-related infertility prevention plan, and has awarded grants to university/health department consortia for chlamydia research. A chlamydia prevention program in region X between 1988 and 1994 has provided chlamydia screening in nearly every title X family planning clinic; the resulting rate of chlamydia has decreased from about 10 percent to below 5 percent. The CDC is currently working to implement this program throughout the country.

CDC has issued guidelines promoting voluntary HIV counseling and testing of pregnant women, recognizing that a voluntary approach is the most effective way of preventing perinatal transmission of HIV. The CDC guidelines will provide access to early interventions that will actually prevent perinatal transmission, and link them to HIV care and services. Preserving a patient-provider relationship of trust is essential to keeping women in the health care system.

CDC has implemented a long-term, comprehensive national strategy for reducing smoking among women. Cardiovascular disease is the No. 1 killer of American women, and smoking prevention must be a primary part of any strategy to address this women's health threat. CDC has awarded a number of grants to State health departments to implement effective tobacco prevention and control programs targeted to women.

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[1] To date, FDA has received only one synonym petition.

CDC has also funded community demonstration projects to prevent violence against women, another priority of the Women's Caucus.

I am particularly pleased to note the establishment, in 1994, of an Office on Women's Health at CDC, which has worked to ensure that women's health needs are adequately addressed in CDC's research projects and prevention programs. Indeed, promoting women's health is one of the five priorities of the agency, as articulated by its Director, Dr. David Satcher.

Again, I congratulate the agency and its dedicated scientists, epidemiologists, and public health personnel for their hard work and accomplishments, and wish them continued success in the next 50 years.

MANAGED CARE BILL OF RIGHTS FOR CONSUMERS ACT OF 1996

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Ms. VELÁZQUEZ. Mr. Speaker, I rise before you today to introduce a crucial piece of legislation—the Managed Care Bill of Rights for Consumers Act of 1996. I introduced this legislation in response to a repulsive and dangerous trend taking place in this country. Seven out of ten Americans are now in some form of managed care plan. Although this newest form of health care has been successful in cutting costs, it has done so at the expense of patient care. Working class people are falling victim to a cruel and vicious system that far too often puts profits before people.

Health care companies should make people healthy, not sick, yet enrollees with specific or rare diseases are not provided specialists to treat their illnesses. Even more alarming, HMO patients are routinely denied compensation for emergency room visits and managed care companies often include financial perks in the contracts of doctors who withhold patient services and lab reports in order to save money. So while ultra wealthy HMO's are making billion dollar profits, working class families are paying for those profits with their health and in some cases their lives.

My bill seeks to eliminate these problems and many more by ensuring that there is a wider variety of care providers to choose from and that providers are geographically accessible to patients. Moreover, my bill seeks to prohibit unhealthy HMO policies by allowing out of network options for specialists and emergency room care without prior approval.

I implore my colleagues on both sides of the aisle to join me in sponsoring this essential piece of legislation. Assist me in safeguarding the American citizens' access to quality, affordable health care.

DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION ACT OF 1996

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. SPRATT. Mr. Speaker, Dhahran is a grim reminder that terrorists today are not only insidious and stealthy but technically sophisticated. It is only a matter of time till they couple their unconventional tactics with unconventional weapons. Terrorists have already released chemical weapons in the Tokyo subways. Biological, and even nuclear weapons, are only a few steps removed, and well within their reach.

For that reason, I am pleased to sponsor in the House a bill that Senator NUNN, Senator LUGAR, and Senator DOMENICI offered in the Senate this morning as an amendment to the Defense authorization bill. Rep. BILL MCCOLLUM, who has a longstanding interest in counter-terrorism, joins me as a cosponsor.

In the Defense Against Weapons of Mass Destruction Act, we set forth a set of policies to respond to a threat that has emerged and grown with the end of the cold war. We can all be relieved that the risk of nuclear attack by Russia has receded. By the end of this year, Ukraine, Byelorussia, and Kazakhstan all should be free of deployed nuclear weapons. But the breakup of the Soviet Union has opened up a storehouse of destructive weapons and components to terrorist groups and nations hostile to the United States. So, ironically, while the risk of nuclear annihilation has become more remote, we find ourselves faced with a growing risk of attacks, albeit limited, by nuclear, biological, or chemical weapons.

We have spent considerable time in the House debating defenses against intercontinental ballistic missiles, and it is a pertinent debate about a serious threat. But our focus on ICBMs may have deflected our attention from a far more likely threat: a terrorist-type bomb, with a nuclear, biological, or chemical warhead. This technology is easier to develop than ICBMs, and as the chemical attack in the Tokyo subway makes clear, terrorist groups can and will use these weapons. In fact, they offer terrorists plausible deniability—they can use such weapons and leave the United States with no clear-cut enemy to retaliate against. Ballistic missiles, on the other hand, leave a return address written in several thousand degrees fahrenheit.

This bill will help shift attention to the everyday threats that proliferation is creating. Moscow has acknowledged that it has 40,000 metric tons of chemical weapons in its stockpile. There are about 80 facilities in the former Soviet Union that store weapons grade nuclear materials, and as the Center for Strategic and International Studies said in a report released this week, these poorly protected storage sites are patrolled by demoralized and underpaid guards. Russian law enforcement officials reported 54 cases of theft of fissile materials in 1993 and 1994, and both German and Czech officials have seized fissile materials originating in the FSU. In Project Sapphire, we airlifted 600 kilograms of highly enriched uranium-enough for a dozen bombs—from a facility in Kazakhstan that was protected by little more than a padlock. We cannot possibly bring all of the nuclear, chemical, and biological weapons and materials of the former Soviet Union here to the United States; we must help these nations secure these materials, and by doing so, help protect ourselves.

It is not just the FSU, of course, that we have to be concerned about. Libya is constructing a chemical weapons facility in Torhuna. North Korea probably possesses enough plutonium to make several nuclear weapons. China is assisting Iran in building a uranium hexafluoride [HEX] facility which converts uranium into a gaseous form so it can be diffused to produce highly enriched uranium. There are allegations that a Russian General helped smuggle binary nerve agents to Syria. All these incidents point to the possibility of a terrorist-type attack by some weapon of mass destruction at some point in the not-too-distant future.

The legislation Representative MCCOLLUM and I are introducing today addresses the problem in three broad ways:

First, stopping the spread of weapons of mass destruction and their components. The FSU offers terrorist groups and nations hostile to the United States their multiple chances to pilfer or acquire on an inchoate black market various weapons of mass destruction [WMD]. This bill will help the FSU tighten up security over these weapons and materials, and monitor and verify their status.

Second, making sure the United States can detect and interdict weapons of mass destruction and their materials. The United States has concentrated very little effort on how to detect weapons of mass destruction or their component materials if smuggled into this country, and we have done too little to learn how to disable these weapons safely, once discovered. This bill will help develop these capabilities.

Third, being prepared should the United States be the victim of a weapon of mass destruction. The United States is not equipped to deal with an attack by a weapon of mass destruction. The World Trade Center and Oklahoma City bombings were devastating, and the bombing in Dhahran shows just how vulnerable Americans are to terrorist attack—but these attacks pale in comparison to a nuclear, biological or chemical weapon attack. This bill will train Federal, State and local officials to act in a coordinated way in response to nuclear, biological, or chemical weapon attacks.

I am pleased to have Representative MCCOLLUM join me in introducing this legislation. He is a leader in the Congress on this and related issues of law enforcement. He was a member of the CSIS steering committee that produced The Nuclear Black Market study published earlier this week, which helped frame this legislation. And as Chairman of the Judiciary Committee's Subcommittee on Crime, Representative MCCOLLUM's support of this legislation will be critical in ensuring its adoption.

Representative WELDON weighed cosponsoring this legislation with Representative MCCOLLUM and me, but decided to take more time to consider specific parts of the bill. I understand that Representative WELDON may introduce a modified form of the bill sometime next month, and I hope to work with him on that. Representative MCCOLLUM and I likewise may modify or add to the bill before us, so this does not purport to be the last word on the subject, but it does represent a solid, bipartisan baseline from which to start. In dealing with threats like these, we do not need to divide along party lines. The bill received an enormous vote of support in the Senate this morning. I hope we can amass the same support in the House and move the bill swiftly to passage or include it in the Defense authorization conference report, so that we can begin implementing it in earnest.

DOROTHY AND DON BERO CELEBRATE 50TH WEDDING ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute and give congratulations to Don and Dorothy Bero on the occasion of their 50th wedding anniversary which will take place this Friday, June 29, 1996.

By joining themselves in marriage 50 years ago, Don and Dorothy made a commitment to sharing a life of love and respect for each other. It was a commitment they have kept to this day. Their strong marriage is a testament to this love and has provided an inspiration to all who have met them.

A famous theologian once said, "There is no more lovely, friendly and charming relationship, communion or company than a good marriage." The honest and unselfish love that Don and Dorothy Bero have demonstrated during the past 50 years strengthens the institution of marriage.

I ask my colleagues to join me today in congratulating the Beros and to extend these warm wishes to their daughters, Nancy and Sally, and their grandchildren, John, Corbin and Jane.

TRIBUTE TO MYRTLE FAUCETTE

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FILNER. Mr. Speaker, I rise today to honor a great friend and community leader who passed away last month, Myrtle O. Faucette. Those of us in the educational community know that Myrtle always worked to make life better for everyone, especially children.

Myrtle followed her father into the field of education and became a teacher and administrator in the San Diego Unified School District for more than 35 years. She served as a resource teacher and music teacher before being appointed an administrator. She was principal at Knox Elementary School for a decade before being disabled in 1995.

A 37-year resident of San Diego County, Myrtle was born in Greensboro, NC, the oldest of four children born to C.R.A. Cunningham, retired registrar of North Carolina A&T College, and the late Ida M. Cunningham.

Myrtle distinguished herself academically as a valedictorian of her high school class. She earned a degree in education at North Carolina A&T, graduating summa cum laude in 1956. Later she received an M.A. in education from United States International University. She moved to San Diego in 1959 after her marriage to Paul M. Faucette.

She worked closely with San Diego's Administrators Association, the Association of Black Educators, and Delta Kappa Gamma, a professional organization of women educators. She was on the board of education of St. Paul's Episcopal Cathedral and represented San Diego City schools at conferences throughout the state.

Myrtle served as president of the San Diego Alumni Chapter of Delta Sigma Theta Sorority. An accomplished musician, she often played piano at various community functions. She resided in the Spring Valley area of California's 50th Congressional District.

She was indeed a guiding light to all that came to know her in a long and illustrious career. My thoughts and prayers go out to her loving husband Paul, to her family and friends, and to the community she served.

MR. AND MRS. McDERMOTT'S 50TH WEDDING ANNIVERSARY

HON. PETER BLUTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BLUTE. Mr. Speaker, I rise today to offer my sincere congratulations to Mr. and Mrs. James J. McDermott on the occasion of their 50th wedding anniversary.

The McDermotts are true patriots. Mr. McDermott left Worcester, MA to fight in World War II; answering the call of his Nation in a time of great need. His high school sweetheart, Helen Tauras, anxiously awaited his return from war and ever the patriots, James and Helen were married on Independence Day—July 4, 1946.

Their love has endured for a half century. They have witnessed a lot together over that time and have shared many experiences but none so precious as the love they have for each other and their children.

The McDermotts are a typical American family. They raised four boys, James, Donald, Kevin, and Brian in Worcester, providing a loving and stable home and instilling strong values in each of them. Their undying love for each other has been an inspiration for their children, friends and neighbors. Those having the honor of knowing the McDermotts know the love and tenderness they share.

Mr. Speaker, I am proud to represent the McDermotts who reside in my district. I would like to join with their many friends in offering my most heartfelt congratulations to the McDermotts on their special day. I wish them all the best and good luck as they continue together into their next 50 years.

THE 50TH ANNIVERSARY OF THE CENTERS FOR DISEASE CONTROL AND PREVENTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. MARKEY. Mr. Speaker, I rise today to call the attention of my colleagues to the many accomplishments of the Centers for Disease Control and Prevention and to mark the occasion of its 50th anniversary, which will occur on July 1.

In its earliest incarnation, CDC was known as the Malaria Control in War Areas [MCWA], and it was tasked with combatting malaria on military bases in the Southern United States. Over the years, CDC's mission and reach have expanded dramatically. Today, CDC is the Nation's prevention agency, responsible for the prevention of disease, disability, and injury. CDC focuses not only on combatting traditional communicable diseases, like malaria and syphilis, but also on preventing outbreaks of new and reemerging infectious diseases, reducing the incidence of HIV/AIDS, fighting breast and prostate cancer, and preventing lead poisoning in children. But CDC has not been satisfied only to defend America and the world against disease—it also has taken the offensive, promoting healthy behavior through smoking cessation, and immunization efforts.

CDC has been faced with a host of challenges over the last half century, and the many scientists and public health professionals who make this relatively small agency a force to be reckoned with have never failed to rise to those challenges. Utilizing a technique for investigating disease outbreaks, "Hot Zone" author Richard Preston has called the marriage of great labs with shoe-leather disease detective work, CDC has taken on epidemics around the globe. The threat of emerging infectious diseases that our Nation and the world now face becomes somewhat less alarming when we remind ourselves of the unflagging courage and unfailing efforts of the devoted professionals at CDC who stand ready to fight back.

I would like to commend CDC on its long record of achievement, which is outlined in a brief history of the agency prepared by CDC that I am including in the RECORD, and to thank the scientists, doctors, public health professionals, and staff of the CDC for all that you have done for us over the past 50 years. Thank you for the lives you have saved and for the good you have done for this Nation and the world.

THE CENTERS FOR DISEASE CONTROL AND PREVENTION—50 YEARS OF ACCOMPLISHMENTS

THE 1940'S

1946

The Communicable Disease Center, or CDC, opens in the old "Office of Malaria Control in War Areas" in downtown Atlanta. Part of the U.S. Public Health Service (PHS), the CDC has a mission to work with state and local health officials in the fight against malaria (that was still prevalent in several Southern states), typhus, and other communicable diseases.

1947

A token payment of $10 is made for 15 acres on Clifton Road in Atlanta, the current home of CDC headquarters.

THE 1950'S

1951

The Epidemic Intelligence Services (EIS) is established. EIS quickly becomes the Nation's—and the world's—response team for a wide range of health emergencies. Its young, energetic medical officers make house calls around the world.

CDC broadens its focus to include polio and establishes closer relationships with the states. National disease surveillance systems begin.

1955

The Polio Surveillance Unit is established. Ten years later, CDC assumes PHS responsibility for the control of polio; the disease almost disappears from the Western Hemisphere by 1991.

1957

The Influenza Surveillance Unit is established.

THE 1960'S

1961

CDC takes over publication of the Morbidity and Mortality Weekly Report (MMWR), which publishes important public health updates and data on deaths and certain diseases from every state every week. The first cases of a new disease, later called AIDS, were reported in the MMWR in 1981.

1966

CDC launches the Smallpox Eradication Program to eliminate smallpox and to control measles in 20 African countries. Through CDC's efforts, smallpox, a disease that killed millions of people over the centuries, was eradicated from the world in the late 1970s.

1969

CDC participates in the quarantine of astronauts returning from the first walk on the moon, and the examination of moon rock specimens.

THE 1970'S

1970

The Communicable Disease Center is renamed the Center for Disease Control to reflect a broader mission in preventive health.

1973

The National Institute for Occupational Safety and Health (NIOSH), which protects Americans from on-the-job hazards, becomes part of CDC.

1976

CDC investigates an outbreak of illness in Philadelphia, now called Legionnaire's disease. The following year, CDC isolates the causative agent for this disease: *Legionella pneumophilia*.

1977

The last case of endemic smallpox in the world is reported in Somalia.

1978

CDC opens an expanded, maximum-containment laboratory to handle viruses too dangerous to handle in an ordinary laboratory.

1979

The last case of wild polio virus in the United States is reported.

THE 1980'S

1980

The agency is renamed the Centers for Disease Control to reflect a change in organizational structure.

1981

With the California Department of Health, CDC reports the first cases of an illness later known as acquired immunodeficiency syndrome (AIDS), and organizes a task force of personnel from each center to respond to evidence of an epidemic. AIDS research and prevention efforts continue today.

1983

CDC establishes a Violence Epidemiology Branch to apply public health prevention strategies to the problems of child abuse, homicide, and suicide.

1986

The Office of Smoking and Health, which targets the Nation's primary preventable health problem, becomes part of CDC.

1987

CDC reports a strong association between Reye syndrome and aspirin, noting that 90% of cases could be prevented by reducing aspirin treatment of children.

The National Center for Health Statistics becomes part of CDC.

1988

CDC establishes the Center for Chronic Disease Prevention and Health Promotion to target chronic disease, such as heart disease laboratory is established.

A state-of-the-art viral and rickettsial disease laboratory is established.

1989

CDC and the World Health Organization (WHO) establish a collaborating center for disaster preparedness.

THE 1990'S

1991

CDC begins development of a national strategic plan for the early detection and control of breast and cervical cancers among American women.

CDC conducts the first and largest scale health survey to employ computer-assisted interviewing.

To better reflect the responsibilities and future goals of CDC, the word "National" was added to the names of four centers: National Center for Chronic Disease Prevention and Health Promotion, National Center for Environmental Health, National Center for Infectious Disease, National Center for Prevention Services.

1992

The agency adds prevention to its name (Centers for Disease Control and Prevention) to reflect a broader role and vision, but retains the familiar acronym CDC.

1993

CDC launches the National Childhood Immunization campaign.

1995

CDC goes onsite to Zaire to investigate an outbreak of deadly Ebola virus.

CDC recommends AZT therapy for HIV-infected pregnant women to reduce the rate of transmission of the Virus to their babies.

1996

CDC celebrates 50 years of success as the Nation's Prevention Agency.

TRIBUTE TO SISTER JEANNE O'LAUGHLIN

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. SHAW. Mr. Speaker, I rise today with great pleasure to recognize a south Floridian who this year is celebrating her 50th anniversary as an Adrian Dominican sister.

Through her dedication to her work, her faith, and her students, Sister Jeanne O'Laughlin is one of the pillars upon which our south Florida community continues to grow and excel.

Sister Jeanne's work began at an early age in her hometown of Detroit. Instilled with the values of her father, she took jam to the elderly in a nursing home, lent money to those in need, and was well ahead of her time in race relations. She learned the importance of education from her family. Sister Jeanne combined her passions for service, education, and religion by becoming an Adrian Dominican nun at sixteen.

She has continued her mission of education and community service in her work as president of Barry University. Since assuming this post 15 years ago, her tireless efforts have dramatically enhanced many aspects of both the university and Dade county. As president, Sister Jeanne has helped raise over $115 million for the university through an array of fundraising events—even lending her singing voice to the cause. She has diversified the student body of Barry, shifting it from a mostly white female population to include students from over 72 countries.

Sister Jeanne is constantly involved in community activities—chairing the Miami Coalition for a Drug Free Community and acting as president for three other national organizations. Her good works have been recognized by the likes of the Miami Herald, Florida Governor Lawton Chiles, President Clinton, and Pope John Paul II. Her many generous deeds, both individually and community wide, are legend.

I had a chance to witness Sister Jeanne's tenacity firsthand some years ago when she approached me to assist her in gaining the release of three Chinese women seeking asylum in the United States. These women had been locked up in a dingy hotel room near the Miami International Airport for many months, and Sister Jeanne did not rest until asylum was granted. Recently I had the chance to see Sister Jeanne speak to students at an anti-drug forum. Her ability to elicit a response from these jaded, street smart kids was uncanny, and she most definitely made an impact on the teenagers lives. It is clear that the 16-hour days that Sister Jeanne works have paid enormous dividends in our community. Whenever I see Sister Jeanne, she reminds me that she prays for me and the other elected officials charged with making decisions. I, for one, sleep easier for this.

Mr. Speaker, throughout the United States are many individuals who dedicate their lives to such key social issues as education and community service. Sister Jeanne O'Laughlin is one individual who through her 50 years of service has helped to strengthen our Nation. We in south Florida are truly grateful. I ask my colleagues to join me in congratulating Sister Jeanne O'Laughlin as she celebrates her golden jubilee 50th anniversary as an Adrian Dominican sister.

TRIBUTE TO DICK STULTZ

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FILNER. Mr. Speaker, I rise today to honor a friend, labor leader, and dedicated government employee who passed away this month—Dick Stultz.

Dick Stultz dedicated his life to the service of our country. Dick was born in Philadelphia, PA. He joined the Marine Corps in 1952, and retired after 30 years of honorable service.

In addition to his military service, Dick worked for 25 years with the U.S. Border Patrol coordinating communications with field agents. During his service with the Border Patrol, Dick became involved in the National Border Patrol Council Local 1613, where he served as first vice president for 3 years, and as president for a year and a half. A strong advocate for field agents, Dick was highly successful in dispute resolution, and was considered a guardian angel by many of the agents he represented.

It was his good working relationship with both agents and management that earned him a commendation from the U.S. Border Patrol for his warm personal style and can-do spirit.

My thoughts and prayers go out to his wife, Veronica, and his family.

50TH ANNIVERSARY OF THE CDC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. WAXMAN. Mr. Speaker, on July 1, 1996, the Centers for Disease Control and Prevention [CDC]—the Nation's prevention agency—will celebrate its 50th anniversary. This represents 50 years of commitment to improvement in the public health, a commitment that has been carried out by a dedicated and highly professional work force.

Over the years, I have been a strong supporter of this unique Federal agency. Along with my colleagues, I have helped authorize and expand CDC prevention programs which have made and will continue to make significant improvements in the public's health. These programs include: immunization, HIV prevention, tuberculosis control, lead-paint poisoning prevention, and the Breast and Cervical Cancer Mortality Prevention Program, to name a few.

Throughout that period, and indeed its entire history, CDC's scientists and epidemiologists have responded to countless challenges domestically and around the world, including Legionnaire's disease, environmental and workplace hazards, smallpox, plague, and Ebola.

In recognition of this 50-year milestone, I am pleased to share with my colleagues a message from CDC's distinguished Director, Dr. David Satcher. I heartily commend the CDC for its accomplishments and look forward to its achievements in the next 50 years.

REMARKS BY DR. DAVID SATCHER, DIRECTOR, AT THE 50TH ANNIVERSARY OF THE CDC

During 1996, Atlanta will be the site of several events of worldwide significance—the Centennial Olympics, the Paralympic Games, the 200th anniversary of the development of the vaccine ultimately responsible for the eradication of smallpox, and the 50th anniversary of the Centers for Disease Control and Prevention [CDC].

As CDC celebrates a half century of public health excellence, we are mindful of the skill and courage of these early public health pioneers, who risked their lives in order to address environmental hazards and control diseases such as smallpox, polio, malaria, and diphtheria. We are honored to continue on in their work and committed to the difficult challenges that lie ahead.

CDC has contributed to the control of infectious diseases such as the Ebola outbreak in Africa and tuberculosis in the United States. We also have protected workers from environmental hazards, improved early detection and control systems for breast cancer and cervical cancer, recommended fortification of foods with folic acid to prevent birth defects, and conducted research to identify potential dangers of airbags to infants.

Now, more than ever, public health programs and services are needed to ensure the best possible health for everyone. Providing safe living and work environments, developing methods to immunize populations against infectious diseases, and maintaining good prenatal care for expectant mothers are vital endeavors. Prevention measures and interventions can mean the difference not only between life and death but also in the quality of life.

In meeting these challenges, we will work closely with our traditional partners—local and state health departments, departments of education, voluntary and professional organizations, partnerships with churches, schools, and businesses. CDC brings to these partnerships a comprehensive, systematic approach to health promotion and disease prevention and expertise in laboratory science, epidemiology, surveillance, infectious disease control, environmental and occupational safeguards, and quality assurance.

The anniversary is a milestone for our Nation. It is a sobering reminder of the challenges we face as we enter the 21st century, when, clearly, public health will be a global concern. Increased disruption to the tropical environment will result in diseases that are no longer contained in a localized habitat but, rather, migrate with their human hosts to cities and neighboring continents. The mobility of people, through air travel, natural disaster, or civil war, is reshaping the routes of infection and the course of epidemics.

Our work and that of our partners during CDC's first 50 years has contributed to powerful scientific discovery and momentous public health achievements that have improved health throughout the world. As we review our past accomplishments, we are proud. As we look forward to our exciting future, we are energized.

CDC's 50th Anniversary Celebration is an excellent opportunity to reinforce our commitment to our vision, "Healthy People in the Healthy World Through Prevention".

CDC'S 50 YEARS OF PREVENTION EFFORTS SHOULD BE COMMENDED

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. DURBIN. Mr. Speaker, on July 1, our Nation's preventive health agency, and the Centers for Disease Control and Prevention [CDC], will turn 50. As a strong proponent of prevention strategies to enhance public health in the United States, I would like to commend the CDC for its prevention efforts. As co-chairman of the Congressional Task Force on Tobacco and Health, I would like to specifically acknowledge CDC's efforts to lead and coordinate strategic activities that prevent tobacco use.

For example, CDC has worked extensively to reduce teen access to tobacco and the appeal of tobacco among young people, reduce exposure to secondhand smoke, strengthen and expand the scientific foundation of tobacco control and prevention, and build the capacity of States and organizations to conduct tobacco control programs.

CDC has also served as a primary resource for tobacco and health information to educate the public and specific segments of the population about the hazards of tobacco use. In addition, it has worked closely with partners to ensure a strong tobacco use prevention network.

In recognition of this significant 50-year milestone, I would also like to commend CDC for its outstanding efforts to protect women's health through preventive health services, research, and surveillance and for its important research and surveillance activities for preventing HIV/AIDS.

I congratulate the agency and its dedicated workforce, and I look forward to another 50 years of outstanding work to enhance the health of the American people.

A TRIBUTE TO ED POSHARD

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. POSHARD. Mr. Speaker, I rise today to pay special tribute to my brother Ed Poshard who is retiring on July 31 after 36 years of service with State Farm Insurance Co.

Throughout my entire life, my brother has been a great inspiration to me, having given me the benefit of his love and wisdom since I was a small boy. I could not begin to count the benefits that have accrued to me over my lifetime as a result of my brother's influence on my life.

Some of my earliest memories as a child was Ed getting up at 4 a.m., still in his teens, packing a lunch bucket and heading out over ice slickened roads to work in the oil fields. Whatever money he made, he shared with the family, especially with my sister Jolene and me, who were still young and in school. Going into Norris City with him every Saturday morning, getting a burr haircut at Will Harlow's barber shop, and washing his car, always washing his car, for his Saturday night date were some of the highlights of my youth. He was my big brother who I always looked up to and was always proud of.

He finished high school, went to college while he was still in the Army, sent pictures to our home of far away places, told me in every letter to get a good education, and fueled my own dreams of learning and contributing to my fellow man.

But more than the dreams he inspired and the encouragement he gave and the wisdom he shared there was something else he gave me that only had to be observed. It's called work ethic and it's a little out of vogue today. But not with my brother. Ed has worked hard at everything he's done. He's worked hard at being a good husband, a good father, a good son, and a good brother. And for the folks in this room, he's worked really hard at being a good insurance agent. In fact, my brother isn't just a good insurance agent, he's a great one. He has lived and breathed and loved his work in a way few people ever do. After his family, his first love has always been selling insurance. Late at night, early in the morning, anywhere or anytime a customer had a need, my brother would find a way to get there first and make the sale. He never sold them more than they required and he never misrepresented what they were getting. He worked hard to get their business, he was honest, and people came back. He built trust in his family and he built trust in his customers and his life has been successful because of it.

In a very real sense my brother represents the best of what we stand for in this country. The old values. The enduring values. Family, honesty, hard work. I'm proud of him. I'll always be proud of him. I hope his retirement is long and enjoyable and he and Phyllis travel to new and exciting places, watch a lot of fall sunsets over the Shawnee, and have lots of playtime with their grandbabies. He will always have my love and respect. GLENN.

WATER COMING OUT OF TAPS MUST BE SAFE FOR CHILDREN TO DRINK

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BONIOR. Mr. Speaker, the summer of 1993 taught those of us in southeastern Michigan just how quickly our lakes and rivers can be contaminated and become unsafe. It also taught us that change is permanent and that we will continue to face new challenges. Right now the St. Clair River is being threatened by a proposed discharge into the St. Clair River from a plant in Canada. The proposed discharge would lead to 750 million gallons of contaminated water with nearly 100 chemical combinations being released into the very river from which many of us get our drinking water.

I am working to stop this discharge from happening. While I hope it can be prevented, our communities must be able to access up-to-date drinking water standards, know the best available treatment technology and have the tools they need to construct proper drinking water treatment facilities. An improved Safe Drinking Water Act will go a long way toward providing that information and those tools. Further, it will allow every parent to know exactly what is in the water coming out of their taps before they pour a glass for their children.

It has been said that water is the key to life. Human beings should drink eight glasses of water a day according to the American Dietetic Association, but for Americans to stay healthy their water must be healthy. We cannot afford to have our drinking water contaminated with parasites like cryptosporidum which caused the death of 104 people in Milwaukee 3 years ago.

That is why it is important for Congress to renew the commitment we made some 20 years ago to ensure that the water coming out of our taps is safe to drink. By passing legislation to update the Safe Drinking Water Act, I believe we took a positive step toward renewing that commitment.

The bill passed is not perfect—and there are some parts of it I disagree with—but it will ensure the public's right to know within 24 hours that contaminants have been discovered in their drinking water. It will for the first time give us drinking water standards for arsenic, radon and sulfate. It will give our local communities the tools they need to build proper drinking water treatment facilities. Perhaps most importantly, it will continue the landmark commitment made in 1974 when Congress first enacted the Safe Drinking Water Act.

For those of us in Macomb and St. Clair Counties, these are critical, commonsense protections which will help us know when excessive sewage discharges are made into the Clinton River and Lake St. Clair. We will know toxins are released into the St. Clair River and our down-river communities will know within 24 hours if they should shut off their water intake pipes.

The passage of this bill reminds us that our environment, the health and safety of our children, the water we drink and the air we breath ought not to be partisan, divisive issues. There can be no cost-benefit analysis, regulatory reform, state flexibility or risk assessment which can determine the price of a healthy child or the value of a safe workplace to our community. We can never forget: we don't just inherit this land and water from our parents—we borrow it from our children. If we continue to do the right thing and adopt common-sense environmental protections like the Safe Drinking Water Act, we will give them a future of which we can all be proud.

ADD CARRIER COMPETITION TO PASSENGER AIR ROUTES BETWEEN PAGO PAGO, AMERICAN SAMOA AND HAWAII

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation which will add carrier competition to the passenger air routes between Pago Pago, American Samoa and Honolulu, HI.

Mr. Speaker, the experience of the people in the territory I represent is a good example of the difficulties we Pacific Islanders face in establishing regular and reliable air transportation at a reasonable rate for passengers, vital cargo, and mail.

American Samoa is comprised of a remote group of islands located in the South Pacific Ocean. The territory is approximately 2,200 miles from the closest State in the United States, which is the State of Hawaii. With millions of square miles of open ocean surrounding our islands, air transport is not simply a faster way for travelers to get from point to point, it is often the sole and only feasible means to bridge our isolation.

Because American Samoa is a remote destination, the U.S. Department of Transportation, in an effort to assure at least minimal air service, designated Pago Pago, American Samoa as an EAS—essential air service—community on October 26, 1979. This designation recognizes that American Samoa is a remote location in need of air service on a regular basis to ensure that certain necessities are available.

The U.S. Postal Service averages between 27,000 and 30,000 pounds of mail per week for local residents. Among other vital cargo carried on this route are medical supplies such as Hepatitis B serum, hemodialysis supplies, insulin, samples requiring laboratory testing, and blood packs for rare blood types. Because ocean shipping can take up to 2 months, perishable food items such as bread, vegetables, dairy products, and meat must come in by air.

Currently, there is only one airline providing service between American Samoa and Honolulu. This airline reported an operating profit of 50 percent on the route for 1995, by comparison, an operating profit of 10 percent is considered good on other domestic routes. The American Samoa Government has tried for years to attract a second air carrier to the route, but history has shown that our market can only support one carrier at a time. After looking at the route, each potential carrier has determined that there is insufficient passenger traffic for two airlines and each has declined to enter the market.

This scenario provides the sole air carrier with a virtual monopoly and affords the carrier the opportunity to charge excessive rates.

The legislation I am introducing today, if enacted into law, will direct the Secretary of Transportation to solicit proposals from air carriers which are willing to provide a certain minimum level of service between American Samoa and Honolulu. The figures show that the route can be self-sustaining and does not require a subsidy when served by a single carrier. Based on the proposals received, the Secretary will, in consultation with the Governor of American Samoa, select one carrier to provide the service. The award of the air service route will be for a period not to exceed 2 years, and may be renewed.

American Samoa's economy has been hampered and our people have been inconvenienced for too long because of the lack of adequate air service to connect us to the national air transport system. I believe that this legislation will inject competition into this limited market, and I look forward to seeing this bill enacted into law.

HAPPY BIRTHDAY, CENTERS FOR DISEASE CONTROL (C.D.C.)

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. DINGELL. Mr. Speaker, on July 1, the Centers for Disease Control and Prevention [CDC] will celebrate its 50th anniversary. This is an important celebration for the agency, of its own signal achievements over this half-century, but it is also a time for all of us to celebrate the contributions of this small agency to public health in America and worldwide.

Unlike many other excellent health institutions, such as the National Cancer Institute or the Food and Drug Administration, CDC is only infrequently in the limelight. But it is that very fact which provides confidence, for the lack of CDC headlines means that we are not facing a crisis requiring urgent expert action. When we do not hear about the epidemiologists, worker safety specialists, immunization gurus, laboratory scientists, and infectious disease experts of CDC, it is because they are doing quietly and efficiently what they have done every day for the last 50 years—protecting the public health.

But when we do hear about CDC, we know we are facing an urgent crisis—but that the crisis is being handled expertly—whether it is occurrence of a mysterious infectious disease, later called Legionnaires' disease in Philadelphia, or the first case of AIDS in San Francisco; illness and death from food contaminated with E. coli in the States of Washington, California, Idaho, and Nevada; measles epidemics in major metropolitan areas across the United States; cryptosporidium in Milwaukee drinking water; serious illness from oysters in Florida; an outbreak of hanta virus in New Mexico, Utah, Arizona, and Colorado; the reemergence of tuberculosis as a serious health risk, especially in New York, Miami, and Los Angeles; or lead poisoning in children in Chicago and Rhode Island.

While CDC has been catapulted only recently onto suburban movie screens because it inspired "The Hot Zone," the agency has, over its 50-year history, cooled off many hot zones with its unique expertise and capability. CDC assists governments and health officials all over the world in preventing and controlling disease and responding to crises that literally threaten the health and safety of entire populations of people—ebola virus in Zaire; deadly chemical release in a Tokyo subway; disease-causing radioactive fallout in the Marshall Islands; outbreaks in Spain of illness from contaminated cooking oil; worldwide immunization efforts to prevent deadly childhood and adult illnesses such as smallpox—now completely eradicated because of these efforts; typhoid fever, and polio.

Though its origins—in Atlanta, GA—and its early mission were modest—the control of malaria in war areas—CDC quickly gained strength and prominence as the world's emergency response team, as it formed critical and productive relationships with health officials throughout the United States and around the world. Its physicians and epidemiologists have been involved in public health activities ranging from the virtual eradication of polio from the Western hemisphere to quarantining the astronauts who first walked on the moon and examining the now-museum-housed moon rocks. CDC specialists have worked with American companies to help identify and solve workplace hazards and prevent worker injuries. The agency's specialized laboratories provide unique, state-of-the-art analyses of dangerous viruses, and unidentified toxins. The National Childhood Immunization Initiative, designed to achieve full, age- appropriate vaccination of all American children, to prevent completely preventable childhood illnesses such as whooping cough, measles, mumps, rubella, and polio; a nationwide program for early detection and control of breast and cervical cancer; and a dynamic education program targeted at smoking, the Nation's No. 1 preventable cause of illness, are all initiatives launched and still maintained by CDC.

Today, as it moves into the 21st century, and the second half of its first century, CDC is focused on the future of public health, and refocusing efforts to direct attention at problems that are just beginning, or are growing—new infectious diseases; reemergence of diseases once thought to be controlled, such as drug-resistant TB; prevention and control of birth defects and genetic diseases, such as fetal alcohol syndrome, mental retardation, and spina bifida; identification and control of environmental factors that lead to serious adverse health effects, such as radiation and environmental lead; preventing disability and early death from injury and chronic disease; collecting and analyzing data that help to understand better how to protect and promote health; and refocusing a variety of activities on special health problems of teenagers and women.

I am proud to have supported the work of CDC over many of its 50 years. Congress and the American people have entrusted one of our most precious possessions to this remarkable agency—the public health. Today, CDC employs a small cadre of 6,300 dedicated people with a big and critically important task. CDC has never betrayed our trust, and has lived up to our expectations. I expect no less in the future. I congratulate CDC on this 50th birthday, and wish the agency at least 50 more, equally productive years.

IN HONOR OF REV. DR. ERMINE STEWART

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. TOWNS. Mr. Speaker, I rise to pay tribute to the outstanding career and 25 years of service to the Reverend Dr. Ermine Stewart. Called into the ministry in May 1956 to pastor a church in Coleyville, Jamaica, West Indies—Reverend. Stewart has provided a global vision of missionary work and ministerial commitment that continues to extend itself to the New York area and beyond.

Upon his return to the United States in 1965, Reverend Stewart established a branch of the "Church of the First Born Miracle Temple, Inc." in the United States. Over the past 31 years Reverend Stewart has witnessed the unfolding prosperity of several churches throughout New York.

Presently, the Church of the First Born has nine churches, three of which are in the United States—New York, New Jersey, and Miami; one in the Province of Canada, and five on the Island of Jamaica. In addition to the established church branches, Reverend Stewart's devoted efforts and ministry have spawned the Television Ministry, which can be seen on J.B.C. Television in Jamaica. Such service exemplifies Reverend Stewart's instrumental work and institutional accomplishments.

Mr. Speaker, I congratulate Reverend Ermine Stewart on receiving this impressive honor, and extend to him my best wishes for continued success in the ministry.

KALKASKA COUNTY'S 125TH ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. STUPAK. Mr. Speaker, it is an honor for me to bring to the attention of this body, and the Nation, the 125th anniversary of the official founding of Kalkaska County, MI. In celebrating this occasion, I would like to take the opportunity to look back upon those years.

In 1855, William Copeland purchased a large tract of land, presently found between Round Lake and M–72 within what is now the Kalkaska County borders. After Mr. Copeland's purchase, a wave of settlers were brought in to clear trees for farms and orchards. This area was first known as Wabassee. Before becoming its own county, Kalkaska was part of Grand Traverse, Antrim and Crawford Counties. It was not until 1843 that the Wabassee area became known as Kalkaska County. In 1871, Kalkaska County residents officially organized themselves. The Village of Kalkaska became the county seat and was incorporated in 1887.

During the late 19th century, Kalkaska County became a magnet for lumberjacks, offering both success and failure to those who sought jobs. While some parts of Kalkaska County enjoyed economic booms, 13 other settlements closed down. A strong timber trade would remain until 1920, when the county's population leveled off at 5,570 people. The timber industry spurred the development of railroads to transport the timber. From farming to timber to railroads, an economic base for Kalkaska's development was established.

Kalkaska County also benefited economically from the spirit of mechanical innovation. Residents, such as Elmer Johnson, tinkered with the internal combustion engine, creating a few automobile prototypes in his day. One of these "Elmers" is currently displayed at the Kalkaska County Historical Museum.

Aviation was also subjected to innovation Kalkaska-style. Around the turn of the century, W.C. Freeman announced that he had built a flying machine and was attempting a trial flight. Unfortunately, no record exists of the success or failure of Mr. Freeman's attempt.

During this period of timber and innovation, Kalkaska encountered several citywide fires which leveled parts of the city. Some of the more destructive and memorable fires occurred in 1908 and 1910. But the most destructive fire in Kalkaska County occurred in 1921, when the central portion of the village of South Boardman burned to the ground. This part of South Boardman has never been rebuilt.

Mr. Speaker, Kalkaska County, MI, has had wonderful and varied experiences throughout its 125-year existence. Its development has mirrored much of northern Michigan's and on behalf of the State of Michigan and its people, I commend both past and present county and community leaders and wish Kalkaska a successful celebration and best wishes for a successful future.

50TH ANNIVERSARY OF THE TREES OF MYSTERY

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. RIGGS. Mr. Speaker, as a Member of the House of Representatives I am proud to represent the owners of one of the premier attractions in the entire country, the trees of mystery. Nestled among the giant redwoods of California's north coast just north of the town of Klamath, this marvelous environment stands as a testament of how man and nature can coexist as partners.

Last week the trees of mystery celebrated its 50th anniversary. Throughout those 50 years, millions of people have had the pleasure of strolling through nature's shrine. I want to congratulate Marylee Smith and her son, John Thompson, for the foresight to preserve and protect one of the most beautiful spots on Earth.

I hope that all of my colleagues will make an opportunity, as I did last week, to view the cathedral tree, where many marriages take place, or the family tree, with each branch supporting another member of its clan, or the wonderful Native American Museum at the trees of mystery.

Thank you Maylee and John for preserving our history for future generations.

CELEBRATING IOWA'S BIRTHDAY

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. LEACH. Mr. Speaker, I rise to invite my colleagues and their families to become honorary Iowans for the next few weeks as Iowa and its sons and daughters celebrate our State's 150th birthday. Come to the Smithsonian's annual Folklife Festival on the Mall to see what Iowans with midwestern understatement, are so proud of.

You will discover Iowa is a State of immigrants who have come together to make a singularly diverse community.

Our first citizens immigrated to Iowa across a land bridge joining North America with Asia and eventually became members of the approximately 17 different Indian tribes that resided in the State at various times in its early history. The Indian word meaning "the beautiful land" both describes the State and gave it its name.

Iowa's Sauk and Mesquaki tribes were among the most powerful tribes in the upper Mississippi and legend has it that the famous Sauk chief Black Hawk's courageous and intelligent leadership of his people contributed to Iowa becoming known as the "Hawkeye State."

Although it is thought Spanish explorers may have reached Iowa first from the south, and earliest Europeans known to have visited what would become the State were the French explorers Father Jacques Marquette and Louis Joliet. They were followed by immigrants from Germany, Sweden, Norway, Holland, and Great Britain.

In their turn came people from Ireland, Austria, Italy, and Czechoslovakia.

Iowa entered the Union officially on December 28, 1846, as a free State, and prior to the Civil War African-Americans found the State a haven as part of the Underground Railway carrying them from slavery to freedom. Many African-Americans would settle in southeastern Iowa, most notably in Buxton, a community of almost 5,000 that was over 50 percent African-American. Buxton's social and economic institutions were fully integrated decades before the country would begin to make the effort to become so and many of the town's professionals were African-American.

Although far from the great battles of the Civil War, Iowa contributed disproportionately to the Union cause in the conflict. More than 76,000 Iowans, more per capita than any other State, served in the war. One out of five of the Iowans who enlisted lost their life in the course of the war.

Iowa perennially leads the Nation in literacy, school achievement tests and quality of life polls. Its vigorous economy has a sound basis in agri-business, small to medium manufacturing and a growing financial services sector. But it is the State's people that are Iowa's most important product.

Herbert Hoover was a renowned engineer mining whose Presidency preceded the onset of the great depression. His humanitarian relief efforts, both as Chair of the American Relief Commission and U.S. Food Administrator on the War Trade Council during World War I, as co-founder of CARE and UNICEF, and as a leader of U.S. food relief efforts after World War II, are credited with saving hundreds of millions of lives.

Henry Wallace, an agronomist who helped develop hybrid corn, served as Secretary of Agriculture and then Vice President to Franklin Delano Roosevelt. An exemplar of this country's great liberal political tradition, Wallace ran for President in 1948 as one of the most significant third party candidates in American history.

Harry Hopkins, Roosevelt's chief-of-staff and personal emissary to Great Britain at the beginning of the war and later to Stalin at its conclusion was an Iowa native.

So was Mamie Doud Eisenhower. Richard Nixon was stationed at the Naval Air Station at Ottumwa, IO, hometown of MASH's Radar O'Riley, and Ronald Reagan got his first job as a sportscaster in my hometown of Davenport.

Iowa is justly proud of its accomplishments in scientific research. Norman Borlaug was awarded the Nobel Prize for his work on new types of wheat and in the process did as much to alleviate world hunger as anyone in this century.

George Washington Carver graduated from Iowa's Simpson College and did his graduate work at Iowa State University.

John Atanasoff and Clifford Berry invented the computer at Iowa State University. Grinnell College graduate Robert Noyce, who founded Intel Corp., is considered the coinventer of the computer chip.

James Van Allen, an astrophysicist at the University of Iowa, discovered the radiation belts circling the earth that bear his name. Another pioneer of the final frontier, Captain James Tiberius Kirk of the Starship Enterprise was born in Riverside, IA.

At the University of Iowa's magnificent medical research facility, researchers such as Drs. Antonio Damasio and Nancy Andreasen have looked inward rather than outward, using computer images derived from electron microscopes, instead of the magnified pictures caught through the mirrors of a telescope, to do groundbreaking work in mapping the human brain and studying its complexities. Illnesses from psychotic disorders to Alzheimer's disease can be better controlled and eventually cured because of their efforts.

In the leadership of business and industry, Iowa boasts of such sons as Frederick Maytag, inventor and manufacturer of the appliances that have put so many repairmen on the shelf, and John L. Lewis, the founder of the United Mine Workers who did so much to humanize the conditions in that industry.

In the law, Iowa was the first State in the Union to admit a woman to the practice of law, Arabella Mansfield, in 1869. Iowa University's Law School was the first public law school to graduate a woman, Mary Beth Hickey, in 1873.

As for the environment, Iowans such as J. "Ding" Darling and Frederick Leopold brought early awareness of the planet's fragility.

The arts have always been at the center of Iowa's life. The Czechoslovakian composer Anton Dvorak spent summers in Spillville and wrote his symphony "From the New World" there. Since then, Iowa has given such classical voices as those of Simon Estes, Emmy Award winner Mary Beth Peil, and Dame Margaret Roberti, to the world's stages. Roberti, a.k.a. Margaret Jean Nobis, opened the season at La Scala more times than Maria Callas and sang the lead in more Verdi operas than anyone in operatic history. She is the only American opera singer ever knighted by the Italian Government.

Jazz immortal Bix Beiderbecke also was from Iowa, as was bandleader Glenn Miller, singer Andy Williams, the original music man—Meredith Willson—and, for a time, the Violist, Sir William Primrose.

Grant Wood was born in Iowa and made the people and landscapes of his home State famous as he pioneered American regionalist art. The printmaker Mauricio Lasansky found a home at the University of Iowa. His haunting depictions of the Holocaust have helped keep alive the memory of the millions lost in Nazi death camps.

Iowans have always loved the written and spoken word. The University of Iowa has long been home to the world famous Creative Writers Workshop, founded by the poet Paul Eagle. The novelists Flannery O'Connor and John Irving among others too numerous to mention chose to live for a time in Iowa City and finished further workshop participation.

Iowa also claims the novelists MacKinlay Kantor and Wallace Stegner, as well as the playwright David Rabe. And two recent Pulitzer Prize winners, Jane Smiley and Jorie Graham, teach at our State universities, the former at Iowa State, the latter at the University of Iowa.

As for the press, journalists like Hugh Sidey, Harry Reasoner, Tom Brokaw, George Mills and Don Kaul have ennobled their profession with common sense, historical perspective, and thoughtful wit.

The actors Cloris Leachman and Marion Morrison—better know as that icon of American manhood John Wayne—are from Iowa, as is Donna Reed and the original superman, George Reeves.

John Ringling and his brothers ran away from Iowa to found a circus, and Johnny Carson is an Iowan familiar to a generation of insomniacs.

Jack Trice, Nile Kinnick, Bob Feller, Roger Craig, Dan Gable, and Gayle Hopkins are just a few of the world class athletes Iowa has produced.

Where to put Buffalo Bill Cody on a list of eminent Iowans is unclear, but he certainly belongs there. So do the Friedman twins from Sioux City, who, writing as Abigail Van Buren and Ann Landers, have touched the lives of millions of Americans.

In the final analysis, making lists like this is fun, if dangerous. Invariably many who belong on it are overlooked.

Moreover, Iowans know that such lists are ultimately beside the point. They understand that the important people in all of our lives are the family members, friends, and neighbors who make our communities home. What Iowa is for its citizens who have gathered here in Washington and who will gather throughout the State this year for similar events is a celebration of Mid-American values of home and country.

Our country's greatness resides in no small part in the particular virtues of each of the 50 States that are the pluribus that make our unum. This summer, on the Capitol Mall and in our cities and towns, Iowa is celebrating its unique contribution to our Untied States. All are welcome to join in.

TRIBUTE TO DR. CARL F. EIFLER

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FARR, of California. Mr. Speaker, I rise today to pay tribute to a man who has not only served his country as a U.S. Army colonel but his community, in Monterey County, CA, for the past 75 years. Dr.Carl F. Eifler is a living legend who is today celebrating his 90th birthday.

Dr. Eifler has led a distinguished life. He joined the Army in 1922 at 15, but was honorably discharged 2 years later when his age was discovered. Eifler later reenlisted with the Army Reserves. His service during WWII was unmatched. He was the commander of the first special agents to operate behind enemy lines, and participated in a number of heroic acts. The developer of training techniques still in use to this day, Eifler helped save more than 200 downed airmen, transported the first captured Japanese pilot from enemy territory and led a special team whose mission was to kidnap a prominent German scientist working on development of the atomic bomb for his country—though the plan was abandoned when the United States invented its own atomic bomb. In 1943, Eifler was successful in rescuing nine survivors from a crashed B–24 bomber, after taking over an unarmed patrol boat no less.

Eifler's daring WWII rescues have earned him numerous honors. He was awarded a Purple Heart, inducted into the Military Intelligence Hall of Fame, and presented with the William Donovan Award by the Veterans of the Office of Strategic Services, whose previous recipients include Ronald Reagan and George Bush. And most recently, Eifler was recommended for the Congressional Medal of Honor.

Due to an injury sustained in the line of duty, Eifler retired in 1947. However, his postwar achievements are worthy of praised as well. He went on to earn a bachelor of divinity degree and a doctorate in psychology. Following, Eifler served as chief psychologist for the Monterey Department of Public Health in the mental health division from 1964–73.

The above lists of accomplishments which Dr. Eifler has attained are only part of the reason for this tribute to an exceptional man. His outstanding heroism, leadership, and lifetime dedication are truly admirable and are the main reasons we recognize him today, on his 90th birthday. I know I am speaking for all of my constituents when I say that we are lucky to have benefited from Dr. Eifler's service to his country.

CONGRATULATIONS TO OLD STURBRIDGE VILLAGE ON ITS 50TH ANNIVERSARY

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. NEAL of Massachusetts. Mr. Speaker, today it is with great pleasure that I pay tribute to the largest history museum in the northeast on its 50th anniversary, Old Sturbridge Village. Nestled in the small New England community of Sturbridge, MA, Old Sturbridge Village is an outdoor history museum and recreated village that tells the story of everyday life in a rural New England town during 1830's.

Old Sturbridge Village is a composite New England town displaying the various aspects of several communities of the 1830's. The museum was founded by Albert, Cheney, and George B. Wells as an outgrowth of the family's extensive collection of antiques. Old Sturbridge Village first opened to the public on June 8, 1946, with 81 visitors touring the village. Today the nonprofit educational institution boasts more than 435,000 visitors yearly and 100,000 pieces in its collection of antiques documenting New England's past.

Mr. Speaker, this year Old Sturbridge Village is celebrating its first half-century as the region's premier living history museum recreating in lively fashion the important period in American history between 1790 to 1850. For nearly 50 years a historically costumed staff has reenacted the daily work activities and community celebrations of a rural 19th-century town for thousands of children and adults alike.

Mr. Speaker, I am proud to recognize the achievements of Old Sturbridge Village in its attempt to provide modern Americans with a deepend understanding of their own times through a personal experience with New England's past. By visualizing what moved the men and women of prior generations, Old Sturbridge Village has for 50 years shed light on Americans as they attempted to act, believe, and build the future of America. Congratulations to Old Sturbridge Village on its 50th anniversary.

LEXINGTON AND CANADA: INDEPENDENCE WITH TOGETHERNESS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BARCIA. Mr. Speaker, as we prepare to celebrate July 4th, our Independence Day, it is important to reflect upon the fact that our struggle for independence was not the only one. In fact, our achievement of independence often served as a magnet for those seeking the richness of freedom for which our forefathers selflessly fought.

On Saturday, July 6, Lexington, MI, will be holding its Annual Independence Day Parade. This year, the village of Lexington has declared that July 6th will be recognized as "Canada Day," out of respect for the Canadians that contributed to the development of Lexington. In the 1830's, many Canadians came to the United States, and to Lexington in particular, to escape a political struggle in their old homeland. They contributed to the growth of Lexington, which was originally known as "Greenbush," but was renamed as Lexington in 1842 in honor of the American Revolution.

People of Canadian heritage have been a significant part of Lexington's population. In fact, as early as 1850, one-third of the village's population had actually been born in Canada. That proud heritage continues through the present day with many of Lexington's residents, including the parade's Grand Marshall Philomena Falls, having a chance this year to specifically celebrate their Canadian heritage.

Next week Canada herself will be ably represented at the festivities by The Honorable

Mike Bradley, major of Sarnia, Ontario, Mr. Joe Mills of the Royal Canadian Legion, and a color guard of the Royal Canadian Legion. I want to join all the people of Lexington in extending a very warm welcome to our Canadian friends.

Mr. Speaker, independence is special. The freedom that we have from independence can never be equaled. But our independence provides us with special opportunities for togetherness—togetherness with those who joined in our struggles to gain or maintain our freedom, or who on their own fought for a freedom very similar to our own. I urge you and all of our colleagues to join me in wishing the people of Lexington the very best as they celebrate Independence Day.

SUPPORT FOR DURHAM CENTER ALTERNATIVE BASED LEARNING EXPERIENCE

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Ms. FURSE. Mr. Speaker, I rise today to support alternative schools across our nation, and to highlight the Durham Center alternative based learning experience [ABLE] located in Tigard, OR. The ABLE program is offered by the Tigard-Tualatin School District's 21st Century Academy and provides education, support, and job seeking assistance to students like Denise Saavedra who struggled through high school and is the mother of a 2-year-old child. Denise, at age 20 is the first one in their family to graduate from high school and has learned firsthand about the value of an education and the ABLE program. The education and tools she has received through ABLE will better prepare her and open more doors for her as she seeks employment. She will be better qualified to compete in the job market and to financially support herself and her child.

There are many stories like that of Denise Saavedra. Many young people drop out of high school for reasons ranging from teen pregnancy to problems with fitting in. That is why it is so important for us to invest in alternative schools, such as the ABLE program, which provide an option for young people to go back and get their high school diploma in a welcoming environment. Without alternative schools, many young people such as Denise would not have the opportunity to obtain her high school diploma. I urge my colleagues to continue supporting funding for alternative schools.

CAMPUS SECURITY ACT RESOLUTION INTRODUCED

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. MCKEON. Mr. Speaker, today Mr. GOODLING and I have introduced a House Resolution dealing with the Student Right to Know and Campus Security Act.

On June 6, 1996, the Subcommittee on Postsecondary Education, Training and Life-Long Learning held a hearing with respect to the Issue of campus crime. We were particularly interested in hearing about the Department of Education's implementation of Section 485(f) of the Higher Education Act, known as the Campus Security Act of 1990.

The Student Right to Know and Campus Security Act signed into law by President Bush required colleges and universities throughout the United States to provide their students information on campus crime statistics and school policies related to campus security. This was a first step in providing students necessary information if they were to protect themselves from becoming victims of campus crime.

During the course of the hearing, some concerns were raised that colleges and universities were not accurately reporting their crime statistics. In addition, several witnesses did not believe that the Department of Education considered the enforcement of the Campus Security Act a priority.

The resolution we have introduced today directs the Department of Education to make the monitoring of compliance and enforcement of the provisions of the Campus Security Act a priority of the Department. It is imperative that colleges and universities comply with the requirements of the Campus Security Act and the Department of Education needs to give priority status to their enforcement responsibilities if we are going to accomplish our goal of protecting students from crime on our Nation's college campuses.

INTRODUCTION OF CAMPUS SECURITY ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. GOODLING. Mr. Speaker, today Mr. MCKEON and I have introduced a House resolution dealing with the Student Right To Know and Campus Security Act.

During the 101st Congress, we enacted the Student Right To Know and Campus Security Act, which called on colleges and universities throughout the United States to provide their students information on campus crime statistics and school policies related to campus security. This information has been provided to students since September 1, 1992, but too many students continue to fall victim to campus crimes.

As students arrive on campuses across the United States, many for the first time, they will be caught up in the excitement of meeting other students, settling into their classes, and the overall enjoyment of college life. They will give little thought to the possible dangers which exist on college campuses. That's why it is imperative that colleges and universities provide students with accurate and complete data with respect to crime trends on campus and security precautions which will help students from becoming victims.

At a hearing this month before the Subcommittee on Postsecondary Education, Training and Life-Long Learning we heard testimony that called into question compliance with the Campus Security Act by colleges and universities across the country, as well as, its enforcement by the Department of Education.

The resolution we have introduced today directs the Department of Education to give priority to the monitoring of compliance and enforcement of the provisions of the Campus Security Act. Congress enacted this law to protect students, but for that to happen, the law needs to be complied with honestly and completely. The Department of Education has the responsibility for ensuring this compliance, and if we hope to protect our students as envisioned when the law was adopted, the Department needs to give priority status to this responsibility.

TRIBUTE TO KERRY P. HEIN AMERICAN LEGION POST NO. 1991

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the Kerry P. Hein American Legion Post in Rocky Point, Long Island, NY, founded 5 years ago to honor the memory of CWO Kerry P. Hein, who gave his life in service to America on February 27, 1991, while serving in Operation Desert Storm. Hein was a resident of Sound Beach, on Suffolk County's North Shore, and was the only Long Island resident to die in the Persian Gulf war.

Founded in 1991 as America's first Desert Storm post, the Kerry P. Hein American Legion Post No. 1991 honors the Army medivac helicopter pilot who was shot down over Kuwait just 1 day before the cease-fire was declared in the Persian Gulf war. It was shortly after Hein's death that World War II veteran Fred Denninger of Middle Island was inspired to establish the new American Legion post to honor Hein while serving the many veterans living in the communities surrounding Rocky Point.

With the help of other veterans, including but not limited to Ron Libonati, Mike Cutrone, Harold Cases, Frank Devine, and Tom Peppard, the Kerry P. Hein American Legion Post received its permanent charter from the National American Legion Command on July 27, 1992. It received its New York State charter on August 6 of that same year.

Beginning with 54 charter founders, the Kerry P. Hein Post now boasts 137 members from the North Shore communities of Brookhaven and Riverhead towns. One of those inaugural members is Hein's grandfather, James Coneely, who visits area schools to talk to young students about patriotism and the role of the American Legion. Because of its distinction as the only Desert Storm post, it has also attracted membership from throughout Long Island and America, and from as far away as Puerto Rico and Australia.

The Kerry P. Hein Post was assigned number 1991 to signify three historical acts; it was the year Hein died and when the post was founded, but also to pay tribute to the 50th anniversary of the bombing of Pearl Harbor that drew America into World War II.

Kerry Hein was born in Queens, NY, and grew up in Sound Beach. In 1987, he joined the U.S. Army Reserve, completed basic training at Fort Jackson, SC, then received a bachelor of science in aeronautical studies from Embry-Riddle Aeronautical University in Florida. He was assigned to the 348th Medical Detachment in Daytona, where he served until July 1989, and ultimately rose to the rank of sergeant. After completing the Rotor Wing Aviator Course at Fort Rucker, AL, Hein was commissioned a warrant officer and accepted an opportunity to serve on active duty.

Hein served in Operation Desert Storm with the 507th Medical Company, flying air ambulance helicopters that removed wounded soldiers from the battlefield under enemy fire. He was killed in action during the waning moments of Operation Desert Storm while flying a helicopter rescue into the Kuwaiti battlefield. The medivac helicopter pilot was posthumously promoted to Chief Warrant Officer 2 and received numerous battlefield honors, including the Purple Heart, Conspicuous Service Cross, Kuwait Liberation Medal and Army Commendation Medal.

Hein is survived by his wife, Laura, daughter Melissa, and son Christopher, who was born 2 months after his father's death. Hein was buried in Calverton National Cemetery on Long Island, near his hometown, with full military honors.

Along with the American Legion post in Rocky Point, the 77th U.S. Army Reserve Command [ARCOM] located on route 25A in Rocky Point was named in Hein's memory. During Operation Desert Storm, 3,400 soldiers from the 77th ARCOM served in the Persian Gulf. Also renamed in Hein's memory was New York Avenue, the main thoroughfare in Sound Beach. Other memorials include a walkway at Armed Forces Plaza in Hauppauge, Suffolk County's seat, and a helipad at Fort Hood in Mexia, TX.

These eponymous tribes are just a modest recognition of the sacrifice and service that Kerry P. Hein offered America, a small measure of the gratitude we owe these men and women who gave their lives for this country. For generations to come, these tributes will serve to remind all Americans that freedom does not come without cost, that the liberty we all enjoy was paid for with blood of men and women like Kerry P. Hein.

TRIBUTE TO SISTER JANET A. FITZGERALD

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. KING. Mr. Speaker, I rise today to salute one of Long Island's most dedicated and accomplished educators, Sister Janet A. Fitzgerald, O.P., Ph.D. After serving as president of Molloy College in Rockville Centre, NY since 1972, Sister Janet has announced her resignation. Sister Janet's tenure of almost 24 years was longer than that of any other Molloy president. Nearly 85 percent of Molloy's 8,500 graduates earned their degrees during Sister Janet's term in office.

Coming to Molloy 27 years ago, Sister Janet taught in the philosophy department. She became president in 1972 and served in that capacity until this year. Following the completion of a well-deserved sabbatical, Sister Janet will return to Molloy to once again teach philosophy.

Under Sister Janet's leadership, Molloy College grew dramatically. Enrollment has more than doubled and the number of faculty has increased from 73 full-time and 27 part-time in 1972 to 136 full-time and 142 part-time for the 1995–96 academic year. As president, Sister Janet oversaw the construction of three new campus buildings: The Wilbur Arts Center, the Chapel of the Sacred Heart, and the William J. Casey Center. During her presidency, extensive renovation and modernization were done to both Kellenberg and Quealy Halls.

Molloy College also expanded its academic offerings during Sister Janet's administration Twenty-one majors were created and in 1989, Molloy offered its first graduate program, the M.S. in Nursing. Molloy has also added three additional M.S. programs in nursing.

On a personal level Sister Janet and I both grew up in the Sunnyside/Woodside neighborhood in Queens, NY. Sister Janet certainly epitomizes the qualities which were prized in our neighborhood—courage and strength of purpose.

Sister Janet Fitzgerald is truly one of Long Island's greatest assets and one of our Nation's greatest educators. She compiled an outstanding record as president of Molloy College and deserves a debt of gratitude from all of us. I wish Sister Janet all the best and hope that she enjoys her sabbatical, but I know that she will be eager to get back to the classroom.

COLLEGE COSTS SKYROCKET

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, 122 years ago, the great English leader Benjamin Disraeli spoke to the British House of Commons proclaiming the virtues of education. His words, "Upon the education of the people of this country the fate of this country depends", manifested his realization that a knowledgeable population represented a key to continued national success.

Today, with the cost of higher education skyrocketing out of control and threatening soon to move beyond the reach of the average American family, Disraeli's statement is one that we should remember.

In the 14 years ending in 1993, colleges boosted tuitions over 200 percent. Private school tuitions rose an astonishing 220 percent and public school tuitions increased 218 percent during that same period. The rates of increase represent growth that has outstripped that of medical care by more than 40 percent and the Consumer Price Index [CPI] by over 150 percent, according to a 1993 Business Week magazine article.

Correspondingly, family median income rose only 54 percent during that same 14-year period. What the aforementioned figures indicate, simply, is that the current cost explosion of higher education is quickly threatening to make one of the major institutions that promotes American economic and social strength unaffordable for the average American family.

There are several apparent factors behind the rise in the cost of higher education at a 4-year university or college. Competition for students and faculty alike has jumped considerably, and schools have struggled to keep their campuses in top condition. To remain attractive, colleges and universities are forced to add "quality of life" services to their campuses, such as new athletic equipment or facilities. Colleges are often judged, unfairly or not, on whether there is new construction on campus.

This competition has not, as might have been expected, reduced prices all around, but actually served to sustain them, as universities spent millions trying to upgrade their facilities to be state of the art in order to attract the best.

Tuitions stayed high as the institutions expanded, yet in the opinion of many pundits, the value of the resulting educations declined. Perceptions about the decreased value of higher education are also relevant due to what Dean Breneman of the University of Virginia terms the "Chivas Regal effect". Breneman's theory asserts that many college applicants feel that a high price tag on an education reflects its quality. Consequently, families agreed to pay the exponentially increasing fees for what they believed to be a better education, and what truly amounted to one of decreasing quality.

While the universities were busy hiking prices, the Federal Government was reducing its financial aid to families. The number of Federal grants has been cut, in many cases replaced by loans.

Over half of the $47 billion in financial aid made available by the Fedeal Government in 1994–1995 came in the form of loans. In 1994, our Government recorded over $23 billion in loan and grant requests. Clearly this astronomical amount of requests represented a cry for help from an American people fearful that their chance at the American dream is passing them by.

Most students graduating from college in the latter years of the nineties expect to carry a personal debt burden of between $15,000 and $20,000. Such large amounts of debt hinders and discourages workers entering the workforce. Businesses have traditionally offered only nominal and insignificant support for such debt repayment, and thus have encouraged low employee commitment and high employee turnaround.

For example, Nellie Mae, a non-profit student loan organization, promotes cooperation between businesses and students. The group has developed a Federal bill that seeks to expand so-called "cafeteria-type" benefits plans. Under the plan, students would be able to choose student-loan repayment as an option on their company benefits plan.

I strongly urge Congress to look at the daunting predicament in which America's higher education system now finds itself, realize its responsibility to preserve the education and status of the Nation, and recognize Disraeli's lasting reminder as an urgent call to action.

TRIBUTE TO ELIZABETH S. O'KEEFE

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. TALENT. Mr. Speaker, I rise today to acknowledge Elizabeth S. O'Keefe of Whitfield School, one of the winners of the 1996 Toyota Tapestry program.

The Toyota Tapestry program, which is administered by the National Science Teachers Association, began 5 years ago and has awarded more than $1.6 million in grants to teachers in the United States. Each year, 40 outstanding K–12 grade teachers are given grants of up to $10,000 to implement innovative 1-year programs to enhance science education in their schools. The winning teachers have developed projects that demonstrate creativity, involve risk-taking, possesses visionary qualities, and model a unique way of presenting science.

Ms. O'Keefe's winning project was to develop a unique study on ground water in caves. Because caves are void of photosynthetic organisms and litter, the water contains dissolved nutrients as well as herbicides and pesticides that percolate through rock and soil layers into cave streams. Rivers and springs are tested for pollutants; however, there is no systematic evaluation of pollution in cave water. O'Keefe's seventh grade classes will collect and evaluate water samples from 10 cave sites that were tested over 20 years ago, and determine what environmental and geological changes have occurred over this period.

Mr. Speaker, it is an honor and a privilege for me to pay tribute to Elizabeth O'Keefe, and commend her upon her efforts in ensuring the next generation a quality foundation from where they can pursue their ambitions. I join the National Science Teachers's Association in honoring the excellent work that she has been able to accomplish.

IMPROVE THE SAFETY OF OUR FEDERAL WORKERS

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. QUINN. Mr. Speaker, I rise today to express my concern regarding the safety of our Nation's Government workers and urge the Congress to move forward in taking steps to protect these individuals as well as the integrity of our Federal facilities. Government workers, in our Nation's Capital and beyond, are vulnerable to acts of terrorism, both domestic and international as was tragically illustrated by the bombings that occurred in Oklahoma City last year, and Saudi Arabia earlier this week.

On June 28, 1995, immediately following the Oklahoma City bombing, President Clinton issued a memorandum directing the General Services Administration [GSA] to upgrade all Federal facilities with minimum security standards outlined in a Department of Justice study entitled "Vulnerability Assessment of Federal Facilities." One of the minimum security standards highlighted in the study is the retrofitting of security window film in all Federal facilities. I remember all too well, as I am sure we all do, the horrible pictures and film clips on the evening news of the victims in the bombing bloodied by the shards of glass that were propelled like bullets toward them when the widows of the building were blown out buy the blast. Even more devastating were the images of the babies and small children in the Federal day care facility who were severely injured and killed by the impact of the explosion.

This technology will help us to avoid additional injuries or deaths in the future. Almost all of our Embassies, both here and abroad utilize security window film. The White House has it, the Pentagon has it, FEMA has it, and many of the museums in the Smithsonian have it. I concur with the President that before another tragedy occurs, all Government buildings should have it.

It is my hope that we may move forward with improving the safety of our Federal workers who are disproportionately at risk of being victim to a terrorist act. I am aware that the GSA commissioned a study regarding the effectiveness of security window film and that the Department of Justice, Department of State and the Department of the Army have already conducted research that supported the use of window film for the purposes outlined in the President's memorandum. I urge GSA to promptly develop and implement a plan and budget for the upgrade of Federal facilities. The safety of our Government workers and their children hang in the balance.

100TH ANNIVERSARY OF EMMANUEL BAPTIST CHURCH

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. MURTHA. Mr. Speaker, I would like to take this opportunity before my fellow Members of the House of Representatives to congratulate the pastor and congregation of the Emmanuel Baptist Church as it celebrates its 100th anniversary on July 5 through July 7, 1996. This small but high-impact community institution deserves national recognition for its century of dedication to the simple but essential American values of faith, family and community.

Throughout the years as Johnstown has endured hardship and tragedy of various types, from floods to the Great Depression, the Nation's wars, as well as more recent economic hard times and crippling unemployment, the Emmanuel Baptist Church has been a source of support and sustenance, spiritually and otherwise, to generations.

Emmanuel Baptist was organized on July 15, 1896 in the Grand Army of the Republic Hall in downtown Johnstown, PA.

For 10 years, the congregation met in the Hall until a new church was built on Poplar Street. In 1959, the church relocated to its present site at 425 Luther Road in Richland Township. The congregation has been served by one pastor, the Reverend Ray Streets, Sr., for the past 42 years. His son, the Reverend Ray Streets, Jr., currently serves with him as associate pastor.

The church teaches 19 Sunday School classes, of which 5 are for adults. It also provides other educational programs for children. One is for kids ages 3 through 12, and another, Impact Ministry, is geared toward junior- and senior-high students and encompasses such activities as drama, music and gymnastics. I congratulate church members Chris Taylor, Pam and Jeff Weaver, and Bill Kagey for their dedication to these programs and to the children of their community.

Several members of the Emmanuel Baptist church also serve as full-time missionaries. Yet another vital community service provided by the church is its Elijah's Pantry. Run by members Rita and John Marsden, it ministers to needy families.

I am honored to know many of the members of this congregation, and to be able to congratulate Emmanuel Baptist Church on this day. May the church grow and prosper for another 100 years.

AMERICAN MUSEUM OF NATURAL HISTORY DESERVES FEDERAL SUPPORT

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. TOWNS. Mr. Speaker, I am concerned about yesterday's decision during consideration of the VA–HUD independent agencies appropriations bill for fiscal year 1997 to remove funding for the National Center for Science Literacy, Education, and Technology at the American Museum of Natural History in New York.

With more than 200 professional scientists and unbeatable resources and capabilities, the museum is positioned to provide the highest level of return on our country's investment in NASA's mission to planet Earth, in translating and extending scientific findings to the general public. This project is not local but national in scope. The museum and its Hayden Planetarium interact with more than 3 million visitors annually from every State in the country. It already welcomes more than 500,000 children each year and its laudable goal is to reach schools and families throughout the Nation using the most advanced 21st century technology.

There is little doubt that we must do a better job to ensure that our children have the highest available level of scientific understanding as it relates to our own planet. This project will do precisely that.

Mr. Speaker, we will still have an opportunity to restore the funds in the House-Senate conference on this bill. And, I would urge the House conferees to support a $13 million investment by the Federal Government in this $135 million center, which has already raised more then $70 million from a number of host State, host city, and private sources.

CROATIA CELEBRATES ANTI-FASCIST STRUGGLE COMMEMORATION DAY

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. RADANOVICH. Mr. Speaker, just last Saturday on June 22, Croatia celebrated its participation in the World War II antifascist movement. The Anti-Fascist Struggle Commemoration Day, a national holiday in Croatia, has been a tremendous success and courageous recognition of that ever-important victory over international tyranny some 50 years ago. I would like to formally recognize this event here in the United States House of Representatives, and commend Croatia for her gracious and dedicated efforts to securing and preserving world peace.

THE ANTI-FASCIST MOVEMENT IN CROATIA

Every June 22nd since independence, Croatia has celebrated its participation in the World War II anti-fascist movement. The national holiday, Anti-Fascist Struggle Commemoration Day, marks the day on which in 1941 Vlado Janic led forty Croatian anti-fascists from the town of Sisak to fight against fascism, marking the beginning of the anti-fascist struggle in Croatia.

The President of Croatia, Dr. Franjo Tudjman, one of the few European statesmen who is a veteran of the World War II anti-fascist movement, has said on many occasions that the anti-fascist struggle greatly contributed to establishing the foundations of a modern, democratic Croatia.

The following factors should be considered when examining Croatia's role in the anti-fascist struggle:

The Croatian anti-fascist movement was among the strongest, not only in former Yugoslavia, but also Europe;

Croatian resistance forces, as part of the democratic coalition of anti-fascist powers, participated in the victory over fascism;

Croatians led the Croatian and South Slavic antifascist movement;

The resistance led to the creation of the Federal State of Croatia by ZAVNOH (Anti-Fascist Council of National Liberation of Croatia), constitutional foundations of federalism, and the constitutional and legal basis for Croatians independence today; and

The guiding principles of the anti-fascist movement form an integral part of the preamble of the Croatian Constitution.

Croatia takes pride in the fact that one of the first organized resistance units occupied Europe was Croatian. The Sisak resistance unit engaged in several diversions on the Zagreb-Belgrade railway, and by mid-September of 1941 had grown to 77 fighters. By the end of 1941, 7,000 Croatian anti-fascists had joined the armed partisan movement, rising to 25,000 a year later, and to 100,000 following the capitulation of Italy. By the end of the Second World War the number reached 150,000. The overall number of Croatian citizens that participated in the anti-fascist struggle is estimated at 471,836, of which two-thirds were Croats.

Last year, to mark the fiftieth anniversary of the victory of the anti-fascist coalition in Europe, the Croatian Parliament published a report that records the history of the anti-fascist movement in Croatia from the 1920s onwards.

The recognition of Croatia's participation in the anti-fascist movement is one of the pillars of a strategy aimed at national reconciliation. Towards this end, President Tudjman laid a wreath at the memorial site in Jasenovac on June 15, 1996 to pay homage to the victims at the Jasenovac camp, a camp which has come to symbolize the evils of fascism and communism. President Tudjman said; "I have laid the wreath as Croatia's President in memory of all victims of Jascnovac; for the victims of fascism and the NDH (Independent State of Croatia), but also for those who were executed by the communist regime".

CIVIL RIGHTS PROCEDURES PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mrs. SCHROEDER. Mr. Speaker, today I and my colleague, Representative MARKEY, are introducing the Civil Rights Procedures Protection Act, which reasserts the rights of employees to take their employers to court for unlawful discrimination.

This legislation would prevent employers from requiring employees to check their rights as American citizens at the front door and agree to submit, sometimes unknowingly, to binding mandatory arbitration as a term or condition of hiring, continued employment, or promotion.

What started as a practice mainly in the securities industry has now spread to a significant number of Fortune 500 companies. The General Accounting Office estimates that in 5 years, over half of all employees in the United States may be bound by mandatory arbitration contracts.

Mandatory arbitration forces employees to choose between their employment and their civil and constitutional rights, such as trial by jury and due process. Employees are forced to submit to arbitration boards that are often set up in a discriminatory fashion. For example, in the securities industry, boards are handpicked by the executives from the industry, who choose from a pool dominated by their peers. They are hardly neutral. Employees also face difficulties in obtaining injunctions, bringing class action suits, and conducting meaningful pretrial factfinding because employers hold most files and information.

My bill would amend seven Federal civil rights and workplace fairness statutes to make it clear that the powers and procedures available under those laws are the exclusive ones that apply to a claim that arises. It does not condemn alternative dispute resolution; it makes it clear that an employee can voluntarily choose to submit a case to arbitration after the claim arises.

Since my first introduction of this bill, a number of women have brought stories to my attention about their own dealings with mandatory arbitration, which highlight the need for change. One such case involved a woman who attempted to bring a charge of age discrimination. She had worked at a clerical position with a company for 13 years and was 58 years of age when her job was terminated. She applied for another job within the company for which she was well-qualified. The job went to a younger woman who had been with the company for only 3 years and had no training or experience. She initiated a complaint under the company's internal appeals process. After enduring three rounds of appeals, the woman was dissatisfied with what she felt were the appeal boards inaccurate and inconsistent conclusions. But she cannot seek appeal outside of the company because she signed a waiver, revoking her right to trial by jury.

Mr. Speaker, when voluntary, arbitration and mediation can be an efficient and effective method of resolving differences and reducing the courtloads of civil and criminal courts. But the key word is voluntary. No one should be forced to choose between their job and their civil rights. This bill restores integrity to employee-employer relationships.

LEGISLATIVE PAY EQUITY STUDY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mrs. MORELLA. Mr. Speaker, as cochair of the Congressional Caucus for Women's Issues, I am introducing legislation to institute a Legislative Pay Equity Study. As part of the Economic Equity Act, this bill will be one of a package of bills to promote economic equity for women to be introduced by the Caucus in July.

Fifty years have passed since women were found to earn 65 percent of men's wages in 1946. Neither time nor legislation was dramatically improved this inequity: In 1991, women were still found to earn 70 cents for every dollar men earned. During the nearly five decades that passed between those two studies, many women have moved into traditionally male-dominated professions in the work force. Yet their salaries remain significantly lower than those of men—even though women often do the same work as their male counterparts.

The Equal Pay Act was passed in 1963 in order to prevent just such discrimination toward women. Calling for equal pay for equal work, this law made it illegal for women to earn less than men for the same labor. Unfortunately, pay inequity persists. One reason is that women often do different work than men, making it possible for employers to pay unequal salaries for theoretically unequal work. Even the 1964 Civil Rights Act, which promised to end discrimination based on gender, race, or ethnicity, failed to bring an end to wage discrimination. It is evident that our laws have not achieved equality in the work force.

I am introducing this bill today in order to end wage discrimination within the legislative branch and to better understand why women remain consistently underpaid in comparison to men. With this information, recommendations could be made as to how workers within the legislative branch could be more equitably paid. This bill is identical to the legislation introduced in earlier Congresses by Senator OLYMPIA SNOWE.

My proposed legislation would create a bipartisan commission to determine if the salaries of the employees of the legislative branch correspond to the actual work they do. Having studied the compensation within and between job classifications as well as personnel policies, an independent consultant could determine whether they comply with title VII of the Civil Rights Act of 1964. Title VII states that equal work as well as work of equal value should be equally compensated. With this information, recommendations could be made by the commission to apply title VII to the entire legislative branch. It is my hope that the changes made in the legislative branch would inspire and instigate changes to be made in the entire nation's work force.

At a time when there is a continuing concern over the small number of women employed in the fields of math, science, and athletics, it is imperative that it not be forgotten that women's wages still remain below those of men. When women are confident that their salaries will correspond to their work, they will no longer be hesitant to enter professions traditionally dominated men. I invite you to join me in supporting this legislation so that women will have the freedom to choose their career knowing that they will bring home the wage that they deserve.

PERSONAL EXPLANATION

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. ENGEL. Mr. Speaker, I was necessarily absent during roll call votes 207 through 210 and 222 through 224. If present, I would have voted 'aye' on roll call 207, 'aye' on roll call 208, 'aye' on roll call 209, 'no' on roll call 210, 'aye' on roll call 222, 'aye' on roll call 223, and 'aye' on roll call 224.

WESTSIDE LIGHT RAIL AND H.R. 3675

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. FURSE. Mr. Speaker, I would like to thank Chairman WOLF and members of the subcommittee for excellent work in crafting a bipartisan fiscal year 1997 transportation bill. On behalf of the board coalition in Oregon which enthusiastically endorses Westside Light Rail, my thanks to the entire subcommittee for including $90 million for this important project in H.R. 3675.

Earlier this year, as I have for 4 years in a row, I organized a diverse group to testify in Congress in support of the Westside/Hillsboro project. Representatives of private sector groups, local officials, and public organizations continue to strongly support Westside Light Rail in Oregon. As I have noted for a number of years, Westside Light Rail's record of support from Oregonians themselves speaks for itself: in the 1990's, Oregon taxpayers have voted to put their own money into light rail by margins of 65 percent and 74 percent. It is clear that Westside Light Rail's impressive local support was key to the subcommittee's decision to keep this project on track.

Work is progressing on Westside Light Rail throughout my district. Earlier this year, I attended the holing-through of one of the two 3 mile tunnels through Portland's West Hills—a major milestone in the construction of the Westside project. In fact, all the benefits of Westside Light Rail which I have touted in Congress for 4 years—the reduced congestion, the economic development, the tie-in with local and State land use laws—are closer to reality with each passing day.

Mr. Chairman, let me add that light rail in Oregon enjoys bipartisan support. Regardless of who has controlled the House of Representatives, I have secured record funding for Westside Light Rail for 4 straight years. My colleague from Oregon, Mr. BUNN, has worked very diligently on including language in H.R. 3675 for the South/North light rail line. I look forward to working with all members of the Oregon delegation during the reauthorization of ISTEA to help secure authorizing language for the South/North light rail project in 1997.

Again, Chairman WOLF, members of the subcommittee, thank you for your past support of the Westside/Hillsboro project. I urge all Members of the House to support H.R. 3675.

TRIBUTE TO MARY B. HENRY

HON. JULIAN C. DIXON

OF CALIFORNIA

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. DIXON. Mr. Speaker, today we pay tribute to Mary B. Henry, a distinguished Californian and friend, who has served the Los Angeles community with distinction for over 30 years. Currently executive director of the Avalon-Carver Community Center, where she began her career in 1963, Mary B. Henry has worked diligently to enhance the quality of life in the community and enrich the educational lives of our young people. Ms. Henry's commitment to and accomplishments in the field of education, and her tireless work with various community and civic organizations remind us of just how much of a difference one person can make in the lives of others.

Ms. Henry has spent over three decades expanding her knowledge and imparting her wisdom in a variety of venues. She was elected to the Compton Unified School District Board, serving an unprecedented three terms as president of the Board. As an educational training consultant she has been affiliated with a number of universities. She has trained and conducted seminars in community relations at the University of California at Los Angeles, San Diego, and Santa Barbara; the University of Southern California; and Pacific Oaks College, among others. She has also lent her expertise to organizations such as Operation Head Start.

Over the years, Ms. Henry has been affiliated with numerous educational, service, and professional organizations, including the California Center for Community Development; Legislative Committee to the State Department of Social Welfare; Women's Job Core Advisory Board; Citizen's Committee for Community Action; EYOA Head Start Task Force; and the California Committee on Regional Medical Programs. She has served as a commissioner of the Southeast General Hospital Authority and as a board member of the Los Angeles Urban Coalition. She is currently affiliated with the California Department of Health and Welfare Committee on Minority Incarceration and the Lutheran World Federation Community Development Committee among others.

Mary Henry's outstanding career has not been unnoticed. She is the recipient of numerous awards and honors. Among them: the Los Angeles Times Woman of the Year Award, 1967; Parent-Teacher Association Outstanding Achievement in Community Service Award; Doctorate of Humanities form Windsor University, Los Angeles; and Doctor of Laws, Honoris Causa, from the University of Santa Clara, California. At the State level, she has been honored by the California State Assembly, Governor Jerry Brown, and the California State Senate. At the national level her contributions have been recognized over the years by Presidents John F. Kennedy, Lyndon B. Johnson, Jimmy Carter, Vice President Hubert Humphrey, and Members of Congress.

On Saturday, July 13, 1996, friends and colleagues of Ms. Mary B. Henry will gather at the Biltmore Hotel in Los Angeles to pay tribute to this outstanding public servant for her untiring commitment to our community. Her life serves as an inspiration to us all. We are honored to share this brief glimpse of a very remarkable individual, and to ask our colleagues to join us and our fellow Los Angelenos in saluting Mary Henry.

SISTER KATHERINE MURPHY—50 YEARS OF SERVICE

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. STUPAK. Mr. Speaker, it is indeed, an honor for me to bring to the attention of the U.S. House of Representatives and this Nation the celebration of 50 years of devotion to the Sisters of Mercy of Sister Katherine Murphy. The parishioners of St. Francis Catholic Church in Traverse City, MI, the community, her religious order, and the Church, as a whole, have been blessed by her long and dedicated service. This Sunday, June 30, 1996, Sister Katherine will be the guest of honor at a parish dinner.

Born in Detroit, MI, on March 8, 1930, Sister Katherine was the only child of Mae Florence (Henry) and Daniel Murphy. As Sister Katherine's life demonstrates, the Irish heritage is strong in faith and family.

Not long after Sister Katherine's birth, the family moved to Dearborn, MI, where she was enrolled at the Sacred Heart School through the ninth grade. Sacred Heart School was staffed by the Sisters of the Immaculate Heart of Mary and in the eighth grade she was first exposed to the idea of serving and living her Catholic faith. Even at this young age, Katherine was confident of what she wanted to do with her life and entered Our Lady of Mercy Academy, on September 8, 1946.

After completing her studies at the academy, Katherine Murphy was received into the Order of Sisters of Mercy on March 12, 1947, at the age of 17. Sister Katherine accepted the name of Sister Mary Brendan in honor of the patron saint of her father's hometown of Killorglin, County Kerry, Ireland. She professed her final vows on August 16, 1952, and continued her education by completing her bachelor's of arts degree from Mercy College in Detroit; then a masters of arts degree from Cardinal Stritch College in Milwaukee, WI; and finally a degree in pastoral ministry from Seattle University in Seattle, WA.

Although not known to possess a strong desire to teach, Sister Mary Brendan accepted her first teaching assignment at the second grade class in Berkley, MI and discovered that she truly had a great love for teaching young children. For the next 31 years, Sister Katherine taught in the primary grades from 1949 until 1980. During that period, Sister Katherine's assignments included the Immaculate Conception School in Traverse City in 1955, 1968, and again in 1971.

As changes occurred in the religious orders, in 1969, Sister Mary Brendan took back her own name and has since been known as Sister Katherine. On August 1, 1981, she began her ministry at St. Francis Parish in Traverse City with Father Thomas Neis. As Sister Katherine's ministry continues at St. Francis, she has served with Father Ron Gronowski and with Father Jim Gardiner. Father Gardiner recently bestowed upon Sister Katherine the title of Pastoral Associate at St. Francis Parish.

As an active and integral member of the St. Francis Parish staff, Sister Katherine's current duties include directing the OCIA formation program, overseeing the altar servers, lectors, and Eucharistic ministers for the parish and for nursing homes. She is also chairperson of the liturgy commission, a member of the evangelical team and serves on the Dioceasan Pastoral Council.

In addition to her official duties, Sister Katherine has also found time to travel, visiting Ireland, the Holy Land, Manila, and traveling throughout Europe and several cities across the United States.

Mr. Speaker, Sister Katherine has devoted her life to the Catholic Church through her order, the Sisters of Mercy for half a century. She has provided education, counsel, comfort, and spiritual guidance to so many who have had the privilege of knowing her.

There is a special bond between Sister Katherine, the Traverse City community and St. Francis Parish. When Jesus told Sister Katherine to "Come, follow Me," 50 years ago, scripture promised:

> And everyone who has left house, . . . father or mother . . . for my name's sake shall receive a hundredfold, and shall possess life everlasting." Matt 19:20

All of us in the Traverse City community and especially here at St. Francis Parish, wish to be among the hundredfold who count as part of Sister Katherine's family and ministry. Sister Katherine's devotion, faith, and life serves as an everlasting example to us all.

On behalf of the Traverse City community, Michigan's First Congressional District, and the State of Michigan, I congratulate and extend best wishes to Sister Katherine Murphy on her lifetime of accomplishments, devotion and faith.

BART STUPAK
Member of Congress

THE 1996 JC PENNY GOLDEN RULE AWARD

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. PRYCE. Mr. Speaker, today I rise to pay tribute to the outstanding philanthropic efforts of the 17 semifinalists for the 1996 JC Penny Golden Rule Award. I am proud to represent these people and organizations in Congress, for their commitment and devotion to the central Ohio community is truly exemplary.

The Golden Rule Award ceremony publicly honors local volunteer efforts, and is presented in more than 200 markets in 45 States. The 1996 semifinalists have proven themselves to be clearly deserving of this recognition, having demonstrated continued, selfless sacrifice to the Columbus, OH, area. They serve as a model to us all.

America's generosity both at home and abroad is unsurpassed on this planet. Regrettably, however, the day-to-day volunteer efforts of so many Americans go regularly unnoticed. We take for granted their generous work with the poor, the elderly, the sick, and the neglected. But their unheralded and noble deeds are duly noted by those they help, often providing a bit of hope during times of great distress.

At a time when our Nation demands that government become smaller and spend less, the importance of voluntarism and community service grows profoundly. These semifinalists prove once again that the most important work done in our country is not done within the beltway, but within the shelters, pantries, and soup kitchens of our local communities. We must never lose sight of the fact that Americans' innate sense of sacrifice continues regardless of what may transpire in Washington.

I proudly salute the following people and organizations for their inspiring work, and join with my colleagues in congratulating them for this most deserving recognition.

Ms. Julie Rose Cook, Court Appointed Special Advocates (CASA), Franklin County Volunteer Guardian Program, Hyatt Force on Capitol Square, Bob Merideth/Skip Teaford—Christmas in April.

Parents of Murdered Children and Other Survivors of Homicide, Capital University Circle Kiwanis, Residential Care Team, Teen Parent Connection Volunteers.

Kaleidoscope Youth Coalition, L.E.A.D.E.R. Institute, Jean "Rambo Granny" Smith, Rick Baumann, Dorothy Burchfield, Dianne Glaser, Dora Browne.

FLORIDA CRUSHED STONE WINNER OF THE SENTINELS OF SAFETY AWARD

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mrs. THURMAN. Mr. Speaker, I want to draw the attention of my colleagues to a great achievement registered by one of the leading companies in the 5th Congressional District of Florida.

Florida Crushed Stone of Brooksville has earned the reputation for being one of the safest rock mining companies in America. This distinction did not come about by accident. It took an enormous amount of dedication, determination and attention to detail to make steady improvements in safety year after year.

Mr. Speaker, recently, one mine owned by Florida Crushed Stone, the Gregg Mine, was honored with the Sentinels of Safety Award. The Gregg Mine garnered this award three other times, in 1986, 1990 and 1994.

The Sentinels of Safety Award is a national award for outstanding safety in the mining industry and is presented by the Mine Safety and Health Administration and the National Mining Association.

Mr. Speaker, to qualify for the award, a mine has to have accumulated 30,000 man hours of work with no accidents or deaths. Mr. Speaker, the Gregg Mine went far beyond this level, accumulating a staggering 198,050 man hours of work without a serious injury or loss of life.

My congratulations go out to Mr. F. Browne Gregg, chief executive officer; Carl Lunderstadt, president; Joe Piermatteo, senior vice president; Billy Lee the general manager; and Bryan Adkins, gregg mine safety manager.

These company officials have obviously made safety a very high company priority and have instilled the goal of safety in the minds of every one of their employees.

CONGRATULATIONS MARGARET ANGELA BAKER ON HER 100th BIRTHDAY

HON. FRANK PALLONE, Jr.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. PALLONE. Mr. Speaker, I rise to congratulate Margaret Angela Baker of South Amboy, NJ, a valued and cherished member of our community, on her 100th birthday.

Margaret Baker was born in South Amboy on July 11, 1896. Her father passed away when she was 3 years old and her mother, Catherine Ketzner, remarried when she was 9, to the owner and operator of a saloon, named Jacob Baker. Margaret Baker left school after the ninth grade and began working in a factory piecing together clothing. She then worked in a playing card factory and then went on to work in a factory that manufactured military uniforms, where she worked her way up to full-time inspector, while doing part-time clerical work.

Margaret met Mr. John Joseph Dooling on a bus when she was in her 20's. John and Margaret were married March 23, 1924, in Saint Mary's Roman Catholic Church in South Amboy. The couple had a daughter, Rita Catherine Dooling who was born on September 8, 1929, in South Amboy Hospital. John passed away in 1959 at the age of 70. Margaret has three grandchildren: Jamie C. Smith, Karen H. Brent and Amy S. Moore. In addition, she has five great grandchildren: Emily, Christopher, Meghan, Tyler, and Kaitlin, ranging from age 5 years to 2 months.

Mr. Speaker, as she reaches the century mark Mrs. Baker can look back on a 20th century that has seen America and the world transformed in ways that could scarcely have been imagined in her childhood. For example, during her lifetime, Mrs. Baker witnessed many inventions and technological breakthroughs, including automobiles, electricity, and telephones.

Mr. Speaker, I am indeed honored to join in congratulating Margaret Angela Baker on this remarkable milestone.

1996 ELLIS ISLAND MEDAL OF HONOR RECIPIENTS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BURTON of Indiana. Mr. Speaker, every year, the National Ethnic Coalition of Organizations honors Americans from all ethnic backgrounds with its Ellis Island Medal of Honor. This year, I was deeply honored to be one of the recipients of this prestigious award.

I would like to take this opportunity to congratulate all of this year's honorees. It is a distinguished group of Americans, including my colleagues, Senator SPENCER ABRAHAM, Congressmen BEN GILMAN, RAY LAHOOD, TOM MANTON and CHARLIE RANGEL.

The Ethnic Coalition of Organizations is dedicated to pursuing harmony between all ethnic groups. This is a goal which I applaud. I would like to enter into the RECORD a press release announcing these awards, and a list of these distinguished award recipients.

ELLIS ISLAND MEDALS OF HONOR AWARDS GALA

THE 10TH ANNUAL ELLIS ISLAND MEDALS OF HONOR AWARDS CEREMONY—NECO CHAIRMAN WILLIAM DENIS FUGAZY LEADS DRAMATIC CEREMONY DEDICATED TO LATE MEDAL RECIPIENT, CONGRESSWOMAN BARBARA JORDAN

ELLIS ISLAND, NY, MAY 19.—Standing on the hallowed grounds of Ellis Island—the portal through which 17 million immigrants entered the United States—a cast of ethnic Americans who have made significant contributions to the life of this nation, among them Gov. George E. Pataki, U.S. Rep. Charles B. Rangel, NYC Police Commissioner Howard Safir, and "street singer" Arthur Tracy, today were presented with the coveted Ellis Island Medal of Honor at an emotionally uplifting ceremony.

NECO's annual medal ceremony and reception on Ellis Island in New York Harbor is the Nation's largest celebration of ethnic pride. This year's 10th annual event was dedicated to the memory of U.S. Rep. Barbara Jordan, a 1990 Ellis Island Medal recipient, who recently passed away.

Representing a rainbow of ethnic origins, Pataki, Rangel, Safir, Tracy, and other Ellis Island Medal of Honor recipients, including Baltimore Orioles baseball team owner Peter Angelos, entertainer Jerry Vale and NAACP President Hazel Dukes, among others, received their awards in the shadow of the historic Great Hall, where the first footsteps were taken by the millions of immigrants who entered the U.S. in the latter part of the nineteenth century.

"Today we honor great ethnic Americans who, through their achievements and contributions, and in the spirit of their ethnic origins, have enriched this country and have become role models for future generations," said NECO Chairman William Denis Fugazy. "In addition, we honor the immigrant experience—those who passed through this Great Hall decades ago, and the new immigrants who arrive on American soil seeking opportunity. Everyone came here with little more than the clothes on their backs. But all they needed was hope and opportunity."

Mr. Fugazy added, "It doesn't matter how you got here or if you already were here. Ellis Island is a symbol of the freedom, diversity and opportunity—ingredients inherent in the fabric of this nation. Although many recipients have no familial ties to Ellis Island, their ancestors share similar histories of struggle and hope for a better life here."

One of the emotional high points of the day came when the words spoken at the 1990 event by the late Congresswoman Barbara Jordan, one of the first African-Americans to accept the Ellis Island medal, were replayed over the public address system after this year's ceremony was dedicated to her memory. Mr. Fugazy recalled how the ailing Jordan flew to New York, dramatically arriving in a wheelchair with a team of medical personnel.

Established in 1986 by NECO, the Ellis Island Medals of Honor pay tribute to the ancestry groups that comprise America's unique cultural mosaic. To date, some 500 ethnic American citizens and native Americans have received medals.

NECO is the largest organization of its kind in the U.S., serving as an umbrella group for 75 ethnic organizations and whose mandate is to preserve ethnic diversity, promote ethnic and religious equality, tolerance and harmony, and combat injustice, hatred and bigotry.

Ellis Island Medal of Honor recipients are selected each year through a national nomination process. Screening committees from NECO's member organizations select the final nominees, who are then considered by the Board of Directors.

Among this year's recipients were Michigan Senator Spencer Abraham; members of the U.S. Congress Thomas Manton, Benjamin Gilman, Danny L. Burton, and Ray Lahood; Justices Anthony Celebrezze and Damon J. Keith; Sam DiPiazza (Vice Chairman, Coopers & Lybrand); Rabbi Marc Schneier; ASPCA President Roger Caras; WCBS News executive Jerry Nachman; Christopher Komisarjevsky (Burson-Marsteller USA President); Air Force Major General Marcelite J. Harris, and Air Force Lieutenant Colonel William Gregory (astronaut); and former New York Mets Manager Jeff Torborg. (Please refer to media kit insert for a complete list of 1996 honorees and previous recipients.)

Past Ellis Island Medal of Honor recipients have included several U.S. Presidents, entertainers, athletes, entrepreneurs, religious leaders and business executive such as Ronald Reagan, Jimmy Carter, Gerald Ford, George Bush, Richard Nixon, Mario Cuomo, Christine Todd Whitman, Bob Hope, Frank Sinatra, Michael Douglas, Gloria Estefan, Coretta Scott King, Rosa Parks, Elie Wiesel, Muhammad Ali, Mickey Mantle, General Norman Schwarzkopf, Barbara Walters, Terry Anderson and Dr. Michael DeBakey.

CONGRATULATIONS TO THE 1996 ELLIS ISLAND MEDAL OF HONOR RECIPIENTS

Hon. Spencer Abraham, Lebanese, United States Senator; Sarkis Acopian, Armenian, Conservationst; Hon. Wendell R. Anderson, Swedish, Community Leader; Peter Angelos, Esq., Hellenic, Attorney; Robert Annunziata, Italian, Business Leader; Nicola M. Antaki, Syrian, Business Leader; Carl J. Bazarian, Armenian, Community Leader; Martin S. Begun, Russian, Educator/Community Leader; Bruce Bendell, Eastern European, Buisness Leader; James M. Benson, Swe/Eng/Ire/Scot/Ger/Fr, Business Leader; Kenneth Berg, Russian, Business Leader; A. Steve Betzelos, Hellenic, Business/Community Leader; Lena Biorck Kaplan, Swedish, Community Leader; W. Paul Brogowski, Polish, Business Leader; Hon. Dan Burton, Welch, Member of Congress; John J. Cali, Italian, Business Leader; Roger A. Caras, Eastern European, Author; John A. Cavanagh, Irish, Business Leader; Hon. Anthony Celebrezze, Italian, U.S. Circuit Court Judge; Andreas D. Comodromos, Cypriot, Business/Community Leader; Anthony D. Dalesandro, Italian, Business Leader; Tarik S. Daoud, Arabic, Business/Community Leader; Ruda B. Dauphin, Polish, Media Director; Bettie Dawood, Lebanese, Business/Community Leader; Countess Nadia de Navarro-Farber, Bulgarina, Real Estate Developer; Jean-Jacques de Saint Andrieu, French, Business Leader; Hon. Dennis DeConcini, Italian/English, United States Senator (Ret); Ramon Abi-Rashed DeSage, Lebanese, Industry Leader; Fernando M. DeSousa, Portuguese, Community Leader; Federick W. Devine, Irish, Labor Leader; Richard "Bo" Dietl, German/Italian, Business Leader/Author; Nicholas P. DiPaolo, Italian, Business Leader.

Samuel A. DiPiazza, Jr., Italian, Business Leader; Hazel N. Dukes, African, Community Leader; Most Rev. John A. Elya, Lebanese, Religious Leader; Hon. Albert J. Emanuelli, Italian, Justice, New York State; Michael D. Francis, Esq., Austrian/Russian, Business Leader; Mario J. Gabelli, Italian, Business Leader; Hon. Benjamin Gilman, Member of Congress; Joesph J. Grano, Jr., Italian, Business Leader; George L. Graziadio, Italian, Business Leader; Lt. Col. William Gregory Albanian, Astronaut; Eugene P. Grisanti, Polish/Italian, Business Leader; Nahum Guzik, Russian, Business Leader; John Kaare Hagen, Norwegian, Business Leader; Antoine C. Harovas, M.D., Hellenic, Physician; Maj. Gen. Marcelite J. Harris, African, Government Leader (Military); John E. Herzog, Hungarian, Business Leader; Arthur E. Imperatore, Italian, Business Leader; Joseph P. Jarjura, Lebanese, Business/Community Leader; Norman Katz, German, Business Leader; Joseph Kazickas, Lithuanian, Business Leader; Hon. Damon J. Keith, African, Circuit Judge; John J. Kelly, Irish, Business Leader; Christopher Komisarjevsky, Russian, Business Leader; Murray Koppelman, Polish/Russian, Community Leader; Leo Paul Koulos, Hellenic, Business Leader; Hon. Ray Lahood, Labanese, Member of Congress; Carmella La Spada, Italian, Humanitarian; Bennett S. LeBow, Eastern European, Business Leader; Daok Lee, Korean, Educator/

Community Leader; Anthony Lomangino, Italian, Business Leader; Hon. Thomas J. Manton, Irish, Member of Congress; Scrafin U. Mariel, Puerto Rican, Business/Community Leader.

Charles H.McCabe, Jr., Irish, Business Leader; Paschal McGuinness, Irish, Labor Leader, Brian McLauhlin, Irish, Labor Community Leader; Dennis McSpedon, Irish, Labor Leader; Haroutine Mekhjian, M.D., Armenian, Cardiac Surgeon/Community Leader; Spiros Milonas, Hellenic, Business Leader; Luis A. Miranda, Jr., Puerto Rican/Latino, Educator/Community Leader; Hugo M. Morales, M.D., Hispanic, Eductor/Community Leader; Thomas J. Moran, Irish/Italian, Business Leader; Bruce A. Morrison, Irish, Government/Community Leader; James H. Moshovitis, Hellenic, Business Leader; Jerome A. Nachman, Rumanian/Russian, Journalist; Dr. Julius R. Nasso, Italian, Business Leader; Ricahrd T. Nasti, Italian, Business Leader; Vincent Natrella, Italian, Community/Political Leader; Paul Nussbaum, German, Business/Community Leader; Harry L. Pappas, Hellenic, Business Leader; Hon. George E. Pataki, Hungarian/Irish/Italian, Governor—State of New York; Ludovit Pavlo, M.D., Slovak, Physicial/Community Leader; John A. Payiavlas, Hellenic, Business Leader; Maryanne K. Peneachio, Polish, Hoeaker; Fammioe Petallides-Holiday, Cypriot, Business/Community Leader; Joseph, M. Pizza, Italian, Business Leader; William F. Plunkett, Jr., Esq., Irish, Attorney; Hon. Charles B. Ragnel, African, Member of Congress; Kiewoong Walter Rhee, Korean, Community Leader; Nicholas L. Ribis, Italian, Business Leader; Joe E. Rodriguez, Puerto Rican, Business Leader; Mauro C. Romita. Italian, Business Leader; Jack Rosen, Easter European, Business Leader.

Rustum Roy, Asian Indian (East), Educator/Researcher/Author; Hon. Howard Safer, Russian, New York City Police Commissioner; Louis P. Salvatore, Italian, Business leader; S. Gary Schiller, Austrian/German, Community Leader; Rabbi Marc Schneier, Viennese, Religious/Community Leader; Martin E. Segal, Russian, Business Leader/Patron of the Arts; John T. Sharkey, Irish, Business Leader; Steven H. Shepsman, Eastern European, Business Leader; Rolland G. Smith, Genglish/Irish, Journalist; John L. Soldini, Italian/Irish, Educator/Labor Leader; Hon. Nicholas A. Spano, Italian, New York State Senator; Sonja B. Stefanadis, Hellenic, Community Leader; Robert M. Stutman, Russian Business Leader; Philip Suarez, Puerto Rican, Business Leader; Lou Switzer, African, Business Leader; Rosemarie Taglione, Danish/Italian, Business Leader; Joseph H. Talfour, Sr., Slovak, Attorney, Business/Community Leader; Marilyn Jordan Taylor, Scottish, Architect; Raymond C. Teatum, Irish, Public Official; Fred S. Teng, Chinese, Business/Community Leader; Dr. Nick John Topetzes, Hellenic, Educator/Community Leader; Jeffrey A. Torborg, Swedish/German/English, Major League Baseball Plaoyer, Coach, Manager, Broadcaster; Arthur Tracy, Russian, Entertainer "The Street Singer"; Pauline Trigere, French, Business Leader; Jerry Vale, Italian, Singer/Entertainer; Dennis R. Washington, Norwegian, Business Leader; John S. Wilcha, Czecholsovakian, Business Leader; Dr. John D. Young, Chinese, Business Leader; Brad Zackson, Rumanian/Russian, Business Leader.

STATECRAFT AND THE ENVIRONMENT

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Ms. ESHOO. Mr. Speaker, on April 11, 1996, Secretary of State Warren Christopher delivered a major policy address at Stanford University regarding efforts to couple environmental objectives with out Nation's diplomatic efforts and set forth our priorities for the future.

During the House of Representatives recent debates on bills providing funds for environmental protection, I was reminded of Secretary Christopher's timely message that in order to defend our Nation, we must protect and defend our collective environment. As the United States seeks to be a global leader in promoting peace and prosperity, as Secretary Christopher points out, " * * * we must also lead in safeguarding the global environment on which that prosperity and peace ultimately depend."

The United States has a responsibility to address global environmental concerns because pollution respects no boundaries. The greenhouse gases emitted by our powerplants and automobiles affect the health and climate of billions of people around the world. We are affected by the actions of other countries that create ozone depleting substances, overfish and dump low-level radioactive waste in the world's oceans, deplete our world's rainforests, and stress our Earth's ecosystem through overpopulation.

Secretary Christopher pointed out that the needs of the American people are not well served if our foreign policy does not address these global concerns—we may be "Americans," but we live on a planet that does not recognize geopolitical boundaries.

In his speech, Secretary Christopher pointed out that environmental forces not only "transcend borders and oceans to threaten directly the health, prosperity and jobs of American citizens," but that "addressing natural resource issues is frequently critical to achieving political and economic stability and to pursuing our strategic goals around the world." He then outlined a series of initiatives the State Department will undertake to advance America's global environmental goals.

Through the State Department and Secretary Christopher's leadership, the United States is working to reform and strengthen the U.N.'s key environmental and sustainable development programs. We have joined forces with the World Bank to incorporate sound environmental policies in lending programs, and to fund projects through the global environmental facility that directly benefit our health and prosperity. In addition, we are striving through the new World Trade Organization to reconcile the complex tensions between promoting trade and protecting the environment.

We can look forward to a cleaner and healthier global environment in 1997. The State Department has begun negotiating global agreements to make further cuts in greenhouse gases, to address problems caused by migrating toxic chemicals, to promote sustainable management of our world's forests, to preserve biodiversity, and to safeguard ocean resources. The State Department is also taking steps to address scarce resource and overpopulation issues that are putting further stress on our environment and the environment our children will inherit.

Through the State Department the United States is recognizing the importance of working bilaterally with key private, government, and nongovernment partners around the world to jointly address environmental concerns. In India, we are investing in environmental technologies and controlling pesticides. In Brazil, we are working to improve the management of forest resources. In Russia, we are promoting the safe operation of nuclear reactors and safe storage of nuclear waste. In fact, we are even using satellite imagery once used to spot missiles and tanks to help clean up military bases and track ocean pollution.

As Secretary Christopher so eloquently stated:

> Our strength as a nation has always been to harness our democracy to meet new threats to our security and prosperity. Our creed as a people has always been to make tomorrow better for ourselves and for our children.

For the sake of future generations, we must meet the challenge of making global environmental issues a vital part of our foreign policy. By advancing these environmental goals, we have the opportunity to protect our Nation and make it truly free. The policies set forth by Secretary Christopher are far reaching. They are the necessary mission for the United States to carry forward. I rise in recognition and with deep respect for what Secretary Christopher has set forth. It is environmental statecraft.

THE BARTON CLEAN AIR ACT AMENDMENTS

HON. ROSA L. DELAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Ms. DeLAURO. Mr. Speaker, on May 23, H.R. 3519 was introduced to amend the Clean Air Act. Its sponsor characterized his bill as "minor," saying it in no way changes compliance timetables or standards, but "simply provides more flexibility in doing so."

I disagree. In short, the bill repeals the most fundamental aspect of Federal clean air standards—protection of public health. This bill is a polluter's dream.

The congressional majority's vision statement for the 104th Congress states that Republicans support air and water that is clean and safe. But if you read the fine print, the majority's agenda says that they support clean water and clean air as long as achieving it can be accomplished cheaply.

Everyone supports the bill's emphasis on the use of innovative technologies to achieve clean air standards. The problem with H.R. 3519 is that it eliminates pollution monitoring and turns off pollution controls except when the air is at its dirtiest.

Under H.R. 3519, major sources of pollution would no longer be subject to regulation. The

Federal Government would no longer enforce healthy air requirements for States and localities. In addition, the bill would give polluters 10 years to clean up pollution that is causing health hazards, including cancer, today.

The fact is that this bill substantially repeals key provisions of the 1990 Clean Air Act Amendments signed by President Bush, and the fundamental principles of the original Clean Air Act signed by President Nixon.

The American public believes that the air should be clean enough to breathe safely. The American public also believes that the Government has a responsibility to set clean air standard which guarantee health protection. And the American public does not believe that the science of health should be compromised by cost alone.

For 25 years, clean air health standards have been based solely on the best scientific evidence available as to the impact of air pollution on the health of people. Congress has provided that cost considerations are appropriate when determining how quickly those standards should be achieved.

But now H.R. 3519 says that the health of people should no longer be the driving force behind our clean air programs. If the air is unhealthy but there is a cost of clean up, the health standards—not the pollution levels—should be modified.

For 25 years, no serious legislation proposed compromised health science on the basis of economics. For 25 years, no legislation proposed that basic scientific data on health effects be ignored. Yet this Congress is likely to vote on a bill that changes the rules so polluters won't have to protect health.

Americans need to send Congress the message that their health is not for sale to special interest groups. Mr. Speaker, I ask that the Texas Observer article "It's the Environment, Stupid," be printed in the RECORD so Americans know how important their response to this bill is to protect their environment and health. Thank you.

[From the Texas Observer, June 14 1996]

IT'S THE ENVIRONMENT, STUPID

(By Louis DuBose)

Phil Gramm got the message in January when his pollster advised him that Republican voters don't trust their own party on environmental issues. Pollsters now trying to determine what will drive November's elections are discovering that environmental issues are a real public concern. Even Newt Gingrich is beginning to get it. The Speaker crossed the Potomac to salute environmental corps kid volunteers working on Roosevelt Island, and traveled to New York to embrace a panic-stricken wild pig on the "Tonight Show." All of this to convince the public that Republicans are not enemies of the environment. And in Congress, the party is backing away from its assault on environmental protections—at least until after November's elections.

But Congressman Joe Barton—two years ago Phil Gramm's choice to replace Texas Republican Party Chair Fred Meyer, after fundamentalist Christians declared Meyer unworthy—is an exception. Barton recently filed the "Clean Air Act Amendments of 1996," perhaps thinking that a bill filed so late in the session would not attract too much attention. He got caught. Frank O'Donnell of the Clean Air Trust got wind of Barton's bad air bill and began faxing it to media outlets around the country. "It is very unlikely that the bill will get anywhere this late in the session," O'Donnell said. He added that he suspects that Barton is staking out a position for 1997, when the law will be reauthorized. But even O'Donnell admits he is surprised by Barton's timing, which could create problems for Republicans in November.

Perhaps Barton is determined, O'Donnell said, "to complete the 'Texas Toxic Trilogy.' First congressman Tom DeLay proposed repealing the entire 1990 clean air law. Then Congressman Steve Stockman tried to pretend dirty air doesn't exist. And now Congressman Barton wants to repeal the heart of the 1970 Clean Air Act."

Barton's legislation is aimed right at the heart of the 1970 law, a milestone in environmental legislation that established clean air "standards" that states are required to meet. Barton's bill replaces specific standards with vague "goals"—a small semantic change that completely undermines the philosophy of the country's most basic clean air law.

But this is not merely an ideologue's philosophical assault on a law that passed with broad pubic and congressional consensus—after protracted negotiations that included environmentalists and representatives of industry. Barton has put together a technical bill, loaded with the same minutiae lobbyists wrote into Tom DeLay's bills—while they set up shop in his House office at the beginning of this congressional session.

Consider, for example, the following verbiage:

"If, based on photochemical grid modeling demonstrations of any other analytical method determined by the Administrator to be as effective, the Administrator determines that the area is a down-wind nonattainment area receiving ozone or ozone precursor transport from outside the area and control of ozone concentrations or beyond the ability of the area to control because volatile organic compounds and oxides of nitrogen from sources within such do not make a significant contribution to ozone concentrations in such area (or in any other nonattainment area), the Administrator may redesignate the area as in attainment or having a lower classification.

Which, if properly punctuated, would mean: if it can be established that most of the pollution in a region comes from elsewhere—for example, chemical plants and refineries on the other side Galveston Bay—the air in that region could be declared clean.

Predictably enough, such a declaration would make the air dirtier, because declaring an area "in attainment" means lifting environmental restrictions and allowing more local contamination of air already badly polluted by upwind sources. Barton's Bad Air Bill is filled with provisions like this one—in which "attainment" of clean-air standards is achieved by cleaning up the language of the law, rather than cleaning up the environment.

When (to cite another example of Barton's peculiar logic) the EPA establishes air quality goals for a region, "infrequent episodic variations in air pollution levels that are cause by weather" must be excluded from any clean-air calculus. So in Fort Worth, Dallas, Houston, San Antonio, and El Paso that will mean the elimination of protections against dangerously high summer ozone levels—rather than the elimination of dangerously high ozone levels. "To create ozone," O'Donnell, "you do need sunlight, which cooks the stuff, but you also need a source of pollution." Barton's bill ignores those sources of pollution and assumes that, like the weather, man-made pollution cannot be controlled. The result of such twisted logic can only be more air pollution.

More illogic? "The [EPA] Administrator may not require that emissions of oxides of nitrogen from baseline vehicles using the reformulated gasoline be less than emissions from such vehicles when using baseline gasoline." Leave it to an EPA reg-writer to parse this sentence, which establishes that the quality of emissions are the same—when they aren't. It's just one small part of the bill's broad assault on reformulated gasoline requirements—a two stage program designed to lower tailpipe emissions. The first phase was put in place last year and regulations for implementation of phase two are not yet complete, and might not be if Barton, who once worked as a consultant for Atlantic Richfield, has his way. "This will roll back a program already on the books that hasn't kicked in yet," O'Donnell said.

Perhaps the loopiest provision—it's tough to pick one—allows pollution control devices voluntarily installed "prior to the designation of the area as a non-arraignment area to be credited as additional reductions. * * *" But if air pollution in a region is too high, how does a pollution-control device already in place and working reduce it any further? Or is "to be credited as" what this is all about?

To be fair, not every provision in the bill is as circumspect as those already cited. A straightforward, two-line change extends from five to ten years the time in which a plant can operate without being subject to permit revisions; some revisions simply change must to may—for sanctions or requirements. And no bill like this one would be complete without the standard "cost-benefit-analysis" provision. Barton would "require" regulators to prove that "the incremental costs of attaining [a] standard do not exceed the incremental benefits of attaining the standard." These provisions always provide an advantage to industry, which can provide exact figures of retrofitting a refinery with pollution control devices, then challenge whoever represents the public interest these days to predict and calculate long-term savings in public health, and quality of life—which has no dollar-equivalent market value.

What's driving Joe Barton's attempt to dismantle the Clean Air Act? The odd configuration of his Central Texas district provides him a completely safe seat, which he won by seventy-six percent in the last election; he's a true believer in the conservative agenda, and he's an engineer who understands this stuff better than, say, the average consumer of air. Yet it seems impolitic for someone who ran as the Washington candidate for the state Republican Party chair in 1994 to burden his party with another bad environmental bill—just as the 1996 election campaigns get underway. Maybe Tom Pauken, the fundamentalist Christian (charismatic Catholic variety) who defeated Barton two years ago, was correct when he argued that Barton was too much a Washington insider—too influenced by "inside the Beltway culture."

Pauken got it almost right during his fervent three-day state convention campaign. But the Washington culture he derided as the culture "of big government" is really the culture of big corporations. After twelve years in Congress Joe Barton understands that culture. And he has engaged in a bit of cost-and-benefit analysis that reads something like this: It costs him nothing to carry a bad environmental bill. The benefits, in contributions from the polluters PACs listed below, simply outweigh what his legislation will cost his party—and the breathing public.

Selected polluter PAC supporters of Congressman Joe Barton, 1995–1996

Air Products and Chemicals, Inc	$1,000
Alabama Power Company/Southern Company	250
American Electric Power Company	500
American Portland Cement Alliance, Inc	1,000
American Trucking Association	2,000
Amoco Corporation	1,000
Arizona Public Service Company	500
Ash Grove Cement Company	500
Atlantic Richfield Company	2,000
American Gas Association	1,000
Baltimore Gas and Electric Company	1,000
BP America	1,000
Burlington Resources/Meridian Oil	1,500
Carolina Power & Light Company	1,000
Cement Kiln Recycling Coalition	1,000
Centerior Energy Corporation	250
Chrysler Corporation	1,000
COALPAC/National Mining Association	1,000
Columbia Hydrocarbon Corporation	1,500
Commonwealth Edison Company	1,500
Consolidated Natural Gas Service Company, Inc	1,000
Consumers Power Company	1,000
Dominion Resources Inc./Virginia Power Company	500
Detroit Edison	1,000
Duquesn Light Company	1,000
Edison Electric Institute	500
E.I. DuPont de Nemours and Company	2,500
El Paso Natural Gas Company	1,000
Elf Atochem North America, Inc	2,000
Entergy Corporation	500
Entergy Operations, Inc	500
Enron Corporation	2,012
Exxon Corporation	1,000
Fina Oil and Chemical Company	500
Ford Motor Corporation	1,000
Florida Power Corporation	500
Florida Power & Light Company	2,000
Flour Corporation	4,000
General Public Utilities Corporation	500
Hoechst Celanese Corporation	1,000
Houston Industries, Inc	4,759
Intel Corporation	250
Interstate Natural Gas Association of America	1,000
Kansas City Southern Industries, Inc	500
Kerr-McGee Corporation	500
LaFarge Corporation	100
Marathon Oil Company/USX Corporation	1,500
Mobil Oil Corporation	500
National Automobile Dealers Association	4,000
New England Power Service Company	500
North American Coal Corporation	250
Northeast Utilities Service Corporation	500
Occidental Petroleum Corporation	1,000
Ohio Edison Company	500
Pacific Gas and Electric Company	1,000
Panhandle Eastern Corporation	2,000
PECO Energy Company	500
Pennzoil Company	500
Phillips Petroleum Company	1,000
PSI Energy Inc./Cinergy Corporation	500
Public Service Electric and Gas Company	200
Shell Oil Company	1,500
Society of Independent Gasoline Marketers of America	1,000
Southdown Inc	1,000
Southern California Edison Company	2,000
Southern Company	750
Southwestern Public Service Company	500
Tenneco Inc	1,000
Texaco Inc	1,000
Texas Utilities Company	500
Texas-New Mexico Power Company	500
USX Corporation	500
Valero Energy Corporation	3,000
Westinghouse Electric Corporation	1,500
Weyerhaeuser Company	1,000

Source: Federal Election Commission.

A TRIBUTE IN HONOR OF BASILLIO VILLARREAL, FORMER MAYOR OF RIO GRANDE CITY, TX

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. TEJEDA. Mr. Speaker, I take this opportunity to honor an outstanding individual from Rio Grande City, TX, who in words and deed exemplifies strong leadership and an uncompromising dedication to positive values. Basillio Villarreal, who recently retired as mayor of Rio Grande City, is a hard-working businessman who dedicated his life to his business, family, and community. I take this opportunity to acknowledge his many accomplishments and thank him for his efforts.

Mayor Villarreal was the first mayor in Rio Grande City in more than 60 years. He fought hard for the reincorporation of Rio Grande City, after decades without a city charter. As the first mayor of this newly re-incorporated city, Mayor Villarreal combined his vision for the city with the courage necessary to make real progress for the community. As mayor, Basillio Villarreal took on the difficult task of organizing the structure of city government in Rio Grande City, and he proposed establishing effective police and fire departments. He knew the value and importance of public safety and made it a priority within his public agenda. He established and then required strict adherence to new ethics standards for city employees. He expected no less of himself, always proud to uphold a strong personal code of honor.

Mayor Villarreal did what a good politician should do: He listened to the wants and needs of the citizens who reside within his jurisdiction. When the citizens of Rio Grande City told him that they did not want property taxes to finance city expenses, he worked hard to make this a reality. He fought to establish a government that was born efficient. He is a visionary who pursued the benefits of the empowerment zone and brought direction to its mission.

Basillio Villarreal's popularity and support have made him a symbol of success and a role model in the community of Rio Grande City. His modest beginnings only make this proud man's life more compelling. His successful business is a tribute to the same admirable qualities that he instilled in the city government.

When called to service by the community, Basillio Villarreal served honorably. His example inspires others to become involved in politics, pursue educational opportunities, and participate in church activities, teaching all of us time and again the virtues of involvement and activism. He is a proud man who has served his community well, and Rio Grande City is a better place for having had Basillio Villarreal as its mayor.

HONORING THE CAREER OF MR. LESTER M. BORNSTEIN

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I rise to acknowledge and honor the retirement of Mr. Lester Bornstein who ends 38 years of service to the Newark Beth Israel Medical Center. I urge my colleagues to join me in congratulating Mr. Bornstein on his incredible accomplishments as president of the Newark Beth Israel Medical Center.

Mr. Bornstein began dedicating his time and energy to the Newark Beth Israel Medical Center in 1957, serving as assistant director. His role changed in later years and he supported the Beth Israel Medical Center as acting executive director, executive director and as a member of the board of trustees.

I had the opportunity to work closely with Mr. Bornstein when I was a member of the Newark Municipal Council and when he served on my 10th Congressional District health care task force. Mr. Bornstein is an incredibly skilled man who is dedicated to serving his community. He took initiative and helped to ensure that the Beth Israel Medical Center remained in the community at a time when many other city hospitals were leaving. I admire this commitment that has always been an integral part of this fine man's persona.

As reporter Angela Stewart of The Star-Ledger noted in her June 21 article, "Those who have watched him work over the years say Bornstein has managed to strike an almost perfect balance between civility and his driving ambition to make the inner-city hospital a respected institution." His goal has been and continues to be realized. In 1968, Mr. Bornstein also helped secure a $10 million loan to construct a patient care pavilion. Recently, the Lester M. Bornstein Center for Emergency Services officially opened to patients. It is clear that Mr. Bornstein has been an important driving force for the Newark Beth Israel Medical Center.

It is an honor for me to have the opportunity to thank Mr. Bornstein for being a strong leader of the Newark Beth Israel Medical Center and for keeping his promise to the community and the people of Newark. Mr. Speaker, I hope my colleagues will join me in applauding his career and wishing him the best in all his future endeavors.

REGARDING H.R. 3663, THE D.C. WATER AND SEWER AUTHORITY ACT OF 1996

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. COLLINS of Illinois. Mr. Speaker, D.C. Subcommittee Chairman TOM DAVIS and the subcommittee's ranking member, ELEANOR HOLMES NORTON, are to be commended for once again having collaborated in a bipartisan manner to produce legislation to aid the District of Columbia. I commend them for their efforts.

The District of Columbia Water and Sewer Authority Act of 1996 will permit the issuance of revenue bonds necessary to finance much needed capital improvements at the District's Blue Plains Wastewater Treatment Plant and within the District's drinking water distribution system.

I understand that on April 5, 1996, the District government and the Environmental Protection Agency [EPA] reached an agreement which requires the District to engage in a 2-year, $20 million capital improvement program designed to halt the further deterioration of the Blue Plains facility and to make significant improvements in the maintenance and treatment procedures at the plant.

In addition, I understand that the District has had persistent problems with bacteria turning up in its drinking water distribution system. Several violations were documented between September 1993 and November 1995. This overall situation led EPA to issue an administrative order on November 14, 1995 which directed the District to submit a comprehensive plan and schedule for remedial actions such as making repairs to its drinking water storage facilities.

I urge Members to support this very important legislation. Its enactment will ensure that the Nation's Capital will continue to have environmentally secure water and sewer systems to meet the needs of its residents and visitors into the 21st Century.

COMMENDING FEMA FOR EXEMPLARY WORK

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. BOEHLERT. Mr. Speaker, I rise today to congratulate the Federal Emergency Management Agency, which won the 1996 Public Employees Roundtable Public Service Excellence Award in the Federal Category. FEMA's Disaster Assistance Program faced stiff competition as one of 300 entries considered by the Public Employees Roundtable.

After watching FEMA at work following January flooding in my district, it comes as no surprise to me that FEMA won. When eight of the nine counties of my district in New York State were devastated by winter flooding, FEMA staff rallied to our aid. James Lee Witt, FEMA administrator, and New York Governor George Pataki personally accompanied me on a tour of flood ravaged areas, to see and experience the problem and commit themselves to being part of the solution. FEMA was magnificent. Flooding occurred on a Friday and Saturday. FEMA Region II, under Director Lynn Canton, was providing technical assistance to New York State officials on Friday, monitoring the situation and laying the groundwork for the communications, organization and logistics so necessary for an effective recovery effort. And within 10 days of the flood, families who applied for aid were receiving checks. This timely response was invaluable as communities with limited resources struggled to cope with overwhelming devastation.

Equally invaluable is the continuing support FEMA provides. Four months after the flood, FEMA is still on the job and my office is in daily contact with the Disaster Field Office in our State capital. This office performs follow-up work on projects and provides guidance to State and local governments as well as to citizens who are still rebuilding.

In addition to my personal experience working with FEMA, as chairman of the subcommittee with jurisdiction over Stafford Disaster Assistance programs, I know from a broader perspective how well FEMA does in the field. From earthquakes to floods to hurricanes, this is a Federal agency that prides itself on responding quickly and efficiently. Apart from natural disasters, FEMA also is on hand when man-made disasters strike. The bombing in Oklahoma City is a case in point. In the midst of grief and horror, FEMA staff helped the victims and residents of that shocked city in their recovery efforts.

The human spirit is capable of amazing things in times of trouble. With FEMA at the helm, that also can be said of the U.S. Government. In an era when government bashing is a popular sport in some quarters, FEMA shows us the importance of coordinated Federal efforts to overcome adversity. They do us proud.

THE RURAL HEALTH IMPROVEMENT ACT OF 1996—ENSURING ACCESS TO HEALTH CARE FOR AMERICA'S RURAL CITIZENS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1996

Mr. GUNDERSON. Mr. Speaker, the House and Senate have made great strides toward producing a bill to bring about affordable health care. While Mr. POSHARD and I applaud the Congress for working on the issues of affordability and portability of health insurance, the problem in rural areas is not only affordability and portability but also accessibility.

Rural hospitals are closing throughout the country because Medicare payments are inadequate to cover costs. The current Medicare structure does not provide sufficient flexibility to allow hospitals to network or merge, vital steps which rural hospitals must take to ensure survival. While the 1995 Balanced Budget Act contained several provisions that would have accomplished many of our goals, those provisions were felled by President Clinton's veto pen.

During floor consideration of H.R. 3103, the Health Care Availability and Affordability Act, I tried to offer an amendment that would have addressed many rural concerns. Although my amendment was not allowed, I received a personal assurance from the House leadership that rural health would be dealt with yet this year.

In mid-May, I gave a speech before the National Rural Health Association in which I outlined the primary needs of rural health care as I saw it. Following that speech, we held several meetings with the core membership of the Rural Health Care Coalition and our constituent health associations.

The result is a comprehensive consensus bill that reflects a broad view of how to better provide access to health care for rural America.

This bill seeks to increase access to health care for rural citizens in four areas:

First, it reduces the wide variation existing between urban and rural areas in the Medicare adjusted average per capita cost [AAPCC] payment made to health maintenance organizations (HMOs). While HMOs serving some urban areas are receiving upwards of $650, the AAPCC payment in 1995 for Vernon County, WI, was $211. This kind of disparity results in HMOs falling over themselves to serve urban areas while shunning rural Americans who have paid the same Medicare tax all of their lives.

Improving the payment formula will actually allow for greater health care options and competition in rural America. This bill will help to make HMOs and PSOs an option for Medicare beneficiaries in western Wisconsin, an option that does not currently exist.

Second, it encourages rural providers to form networks to reduce costs, share services, and provide more efficient services. It does so by providing grant money for communities to create rural health networks, creating two new categories of hospitals under Medicare, and encouraging community health centers to expand into areas not presently served.

This bill also provides to States and private entities (1) grants to develop comprehensive plans to increase access to health care for rural communities, and (2) technical assistance and development grants to assist hospitals in creating provider networks.

At a time when we are trying to balance the budget, the Federal Government can no longer carry under-utilized facilities. However, rural communities cannot afford to go without essential emergency and primary care services. To address these needs, we create two new categories of limited-service hospitals under Medicare. Rural Emergency Access Care Hospitals provide only 24 hour emergency care to communities in need of an emergency facility, but not a full-service hospital. Rural primary care hospitals may provide a broader range of services and for a period of up to 4 days.

Further, in order to bolster an expansion of community health centers, our bill directs the Secretary of DHHS, when making new grants under the Public Health Service Act, to give priority to areas not presently served by community health centers [CHCs] and to CHCs located in or adjacent to community hospitals.

This bill also expresses the sense of the Congress that the Federal Trade Commission should promptly complete its review of the anti-trust standard to be applied to provider networks. Rural providers need anti-trust relief that will allow them the flexibility necessary to provide adequate care with limited resources, and to ensure that network arrangements do not violate current laws and regulations. A thorough review will reveal whether there is a need for further legislation in this sensitive area.

Third, this bill provides incentives to physicians and other health care professionals to locate and provide services in rural areas. We exempt National Health Service Corps loan repayments and scholarships from federal income taxes and direct the Secretary of DHHS to give priority placement to areas that have created community rural health networks.

In addition, this bill increases the Medicare incentive payment already paid to providers in health professional shortage areas [HPSAs] from 10 to 20 percent. However, we limit the payment to primary care providers in rural HPSAs, where recruitment efforts are more difficult.

Finally, it provides a good first step toward recognition of tele-medicine as an emerging technology with enormous potential in rural medicine. Our bill directs the Secretary of Health and Human Services to develop a payment methodology under Medicare for telemedicine services provided in rural areas.

Mr. POSHARD and I, as well as key coalition members, realize that the introduction of this bill represents the first step in the legislative process. We are committed to working with the chairmen on the committees of jurisdiction to ensure that essential rural health access provisions are enacted into law this year.

SENATE—*Friday, June 28, 1996*

The Senate met at 8:30 a.m., and was called to order by the Honorable CRAIG THOMAS, a Senator from the State of Wyoming.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, we live in a land of freedom and yet, on so many days we don't feel free. So often we are tied down by feelings of guilt; bound up by frustrating anxieties; uptight over problems; incarcerated by people's criticisms or negative opinions; and pressured by fears of the future. We all feel it at times. This longing to be free. Truly free. Free to be and express our real selves. Free to enjoy life, ourselves, and others. Free to give and receive love, forgiveness, acceptance. Free to pull out all the stops and live with boldness and courage. You have shown us that a new burst of personal freedom comes from knowing You, trusting You and committing to Your care the burdens we carry. Untie us when we get tied up in knots, unbind us when we are bound up in ourselves, unleash us to serve You by serving others. Free us from self-concern and help us give ourselves away to our loved ones, friends and those with whom we work.

In Your holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 28, 1996.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CRAIG THOMAS, a Senator from the State of Wyoming, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. THOMAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader.

SCHEDULE

Mr. MCCAIN. Mr. President, this morning the Senate will immediately begin consideration of the Department of Defense authorization bill.

At 9:30 this morning, there will be a rollcall vote on the motion to invoke cloture on the DOD bill.

It is hoped that Senators will cooperate today in allowing us to reach an agreement on the defense bill. I would anticipate rollcall votes throughout the day on or in relation to amendments to the bill.

As a reminder, a third cloture motion was filed last night. The vote could occur as early as Saturday. That vote could occur as early as Saturday if it becomes necessary.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leader time is reserved.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the DOD bill, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Nunn amendment No. 4367, to require the President to submit a report to Congress on NATO enlargement.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 4387

(Purpose: To ensure fair and equitable pricing of equipment to be provided to Bosnia and Herzegovina under current drawdown authorities)

Mr. MCCAIN. Mr. President, I offer an amendment which would express the sense of the Senate that the price of defense articles transferred to Bosnia be priced at the lowest fair price in order to maximize the amount of equipment provided under the Bosnia drawdown authority.

I believe this amendment has been cleared by the other side.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN.] proposes an amendment numbered 4387.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . It is the sense of the Senate that, notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104-107), the price of the transferred equipment shall not exceed the lowest level at which the same or similar equipment has been transferred to any other country under any other U.S. government program.

Mr. MCCAIN. Mr. President, I urge the Senate adopt this amendment.

Mr. NUNN. Mr. President, this amendment has been agreed to. I urge its passage.

Mr. LAUTENBERG. Objection. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LAUTENBERG. Objection.

The ACTING PRESIDENT pro tempore. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 4177, AS FURTHER MODIFIED

(Purpose: To provide for defense burdensharing)

Mr. NUNN. Mr. President, on behalf of Senator HARKIN, I ask unanimous consent amendment No. 4177 offered by Senator HARKIN, as modified, and previously adopted, be further modified by the language in the amendment I am sending to the desk.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The amendment (No. 4177), as further modified, is as follows:

At the end of subtitle D of title X, add the following:

SEC. 1044. DEFENSE BURDENSHARING.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States continues to spend billions of dollars to promote regional security and to make preparations for regional contingencies.

(2) United States defense expenditures promote United States national security interests; however, they also significantly contribute to the defense of our allies.

(3) In 1993, the gross domestic product of the United States equaled $6,300,000,000,000, while the gross domestic product of other NATO member countries totaled $7,200,000,000,000.

(4) Over the course of 1993, the United States spent 4.7 percent of its gross domestic product on defense, while other NATO members collectively spent 2.5 percent of their gross domestic product on defense.

(5) In addition to military spending, foreign assistance plays a vital role in the establishment and maintenance of stability in other nations and in implementing the United States national security strategy.

(6) This assistance has often prevented the outbreak of conflicts which otherwise would have required costly military interventions by the United States and our allies.

(7) From 1990–1993, the United States spent $59,000,000,000 in foreign assistance, a sum which represents an amount greater than any other nation in the world.

(8) In 1995, the United States spent over $10,000,000,000 to promote European security, while European NATO nations only contributed $2,000,000,000 toward this effort.

(9) With a smaller gross domestic product and a larger defense budget than its European NATO allies, the United States shoulders an unfair share of the burden of the common defense.

(11) Japan now pays over 75 percent of the nonpersonnel costs incurred by United States military forces permanently assigned there, while our European allies pay for less than 25 percent of these same costs. Japan signed a new Special Measures Agreement this year which will increase Japan's contribution toward the cost of stationing United States troops in Japan by approximately $30,000,000 a year over the next five years.

(12) These increased contributions help to rectify the imbalance in the burden shouldered by the United States for the common defense.

(13) The relative share of the burden of the common defense still falls too heavily on the United States, and our allies should dedicate more of their own resources to defending themselves.

(b) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) Increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving the following percentages of such costs:

(A) By September 30, 1997, 37.5 percent.

(B) By September 30, 1998, 50 percent.

(C) By September 30, 1999, 62.5 percent.

(D) By September 30, 2000, 75 percent.

An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1997.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide.

(c) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (b) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation taxes, fees, or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(d) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (b);

(2) all measures taken by the President, including those authorized in subsection (c), to achieve the actions described in subsection (b); and

(3) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(e) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1997, in classified and unclassified form.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. I support the amendment. I would like to point out that after this amendment technical correction is made, the Senator from New Jersey has made it clear that he will block further progress on the Department of Defense authorization bill. The Senator from New Jersey can speak to it for himself, as to why he chooses to block a bill concerning the defense and security of the Nation on Friday of the beginning date of recess.

As I say, I do not pretend to describe it. I think it is irresponsible. I think it is unnecessary. We worked very, very hard on this bill for months of hearings, of markup. We have been on this bill now for many, many days. We are nearing the end. And the Senator from New Jersey has decided that he will prevent this body from moving forward.

I hope whatever problems that he has can be resolved, but I believe, if I might say, from a personal standpoint, this is sort of an indicator of a very unpleasant kind of environment that has begun to permeate this body. The Senator from New Jersey has the right, as a Senator, to block this legislation and suggest the absence of a quorum. He has that right. I do not deny him that right.

But I, frankly, am befuddled as to why he would want to block legislation that concerns the welfare of hundreds of thousands of young men and women in the military. It has enormous impact for the security of this Nation. Frankly, I think the American people might deserve an explanation from the Senator from New Jersey as to why he chooses to block a bill that has to do with the defense and security of this Nation. I regret it. I hope he will reconsider his blockage of further progress on this bill, as it is important to the lives of hundreds of thousands of young Americans who are members of the military as well as the security of the country.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, lest it be misunderstood, the insinuation that I have just heard that I want to prevent the armed services from doing their job, prevent the authorizing legislation from going through, is hardly the appropriate characterization of the condition we are in.

The Senator from New Jersey reserves his right, as a U.S. Senator, to take an action to respond to an action that was begun on the Republican side. Last week we had a resolution developed, enthusiastically supported by both sides of the aisle, to caution the Arab countries surrounding Israel not to gang up on Israel, not to start with bellicose statements, making demands that were unrealistic before the Government could even be formed. But someone on the Republican side chose at the last minute, Friday last, within 10 minutes of the time we were ready to recess for the weekend—chose to put a hold on it. The suggestion was the resolution that I wrote—that my name be dropped and others' substituted. Silly, petty stuff.

So, when there is an accusation here—and I think I have served this body well—coming from a distinguished Senator like the Senator from Arizona, no one challenges his right to say what he chooses and to stand up proudly as someone who served his country well. By the same token, in fairness, no one has a right to assail my motives. This is very clear. You have never, never seen Senator LAUTENBERG on this floor stopping action in the 14 years that I have been here. So it has to be an unusual condition that would occasion this.

Mr. President, I want to move this bill along, I want to get it out of the way, but I want someone on the Republican side of the aisle to come up and tell me why there is a problem just because it has a New Jersey attachment. That is hardly the way we do business here. It is a vendetta against the State; it is a vendetta against the Senator. I am not going to put up with it.

Unfortunately, we have to call attention to things sometimes. I have seen the Senator from Arizona and others on that side of the aisle take advantage of the process to make sure that their voices and their concerns were heard. And so it is. Thank you, Mr. President.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Arizona.

Mr. MCCAIN. Mr. President, as the Senator from New Jersey knows, when I prefaced my remarks, I fully acknowledged the right of the Senator from New Jersey to exercise his rights as a Senator. I respect those rights.

The Senator from New Jersey has explained his reasons for not allowing the Senate to proceed with the Department of Defense bill. That is his right to do that.

I state again that there is a great deal at stake here. There are issues that are important to the security of the country that we are considering. I am sure that the Senator from New Jersey would agree with that. I simply urge him to allow us to move forward and proceed with the orderly disposition of a bill that we have been on now since last Friday.

Mr. President, what is the pending business?

AMENDMENT NO. 4387

The PRESIDING OFFICER. The Chair advises the Senator from Arizona that amendment No. 4387 is pending.

Mr. MCCAIN. I urge adoption of the amendment.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LAUTENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, this is the seventh day of debate on S. 1745. We have been on and off this bill. There have been interruptions. But for the last 2 or 3 days, we have been on it most of the time.

I would like to acquaint our colleagues, as everybody I know is prepared to try to leave town today, as to where we are on this bill.

We have had 6 days of debate, with total time of debate 55 hours 10 minutes. We have disposed of 111 amendments as follows: 91 were adopted by voice vote; 5 were adopted by rollcall vote; 1 was defeated by voice vote; 3 were defeated by rollcall vote; 5 were tabled by rollcall votes; 6 were withdrawn; 2 failed to be tabled by rollcall vote.

There have been a total of 15 rollcall votes, including the cloture vote on June 26.

Of the amendments, 63 were offered by people who were not on the Armed Services Committee; I believe 32 Democratic amendments, 31 Republican amendments. Armed Services Committee members: 20 Democratic amendments, 28 Republican amendments.

We really have had a balanced kind of approach to this, including balanced amendments and bipartisan amendments that were relevant to this bill. That is about balanced, too.

I have not tried to keep score, but when we have amendments that have nothing to do with the jurisdiction of this bill or when we have things poured over on this bill that have no bearing, as we do right now at the moment, we get delayed and it is very hard to finish this bill.

Starting about 10 o'clock, everybody will be walking in demanding to know when we are going to finish this bill and when they can catch a plane. If they are really interested in doing that, then what they should do is—right now on our side, we have an amendment by Senator CONRAD, an amendment by Senator DASCHLE, an amendment by Senator FEINGOLD, an amendment by Senator FEINSTEIN, two amendments by Senator FORD. Senator HARKIN has one; Senator JOHNSTON has two; Senator LAUTENBERG has one; Senator LEVIN has three; Senator CONRAD has one.

These are all amendments that are not worked out and appear to either have to be substantially altered or they will require rollcall votes and debate.

We have two unanimous-consent requests which we are going to be posing in a little while. If those two consent agreements go through, then we have a chance of finishing this bill at a reasonable hour today. If they do not go through, no chance—no chance.

In addition, though, if those two unanimous-consent agreements go through, we are going to have to have time agreements on these amendments. I believe there are probably three or four amendments on the Republican side of the aisle. We are going to have to have time agreements on them. The time agreements are going to have to be short, and by short, I mean 20 minutes each equally divided. If we do not, then there is not going to be any way to go home this afternoon. The majority leader will make that determination, not me. The floor managers will have recommendations to the majority leader and the minority leader, but they will make the decision.

The majority leader has said over and over and over again he intends to finish this bill. I believe it, and I think that is the appropriate course. If we come back here with this bill hanging out there for the next 10 days, based on my experience, we will have an average of 40 new amendments a day that staff will be dreaming up, unless we send all the staff on vacation, which might be a good idea, because 40 amendments a day times 7 or 8 days, we will have somewhere around 300 more amendments to this bill. It will just grow and grow and grow. It is easy.

We can easily spend the rest of this session on this bill. It would not be difficult at all. We can just say we will have all the amendments come on the armed services bill. We will take them all to conference. The Speaker will appoint the whole House of Representatives to the conference. We cannot get 435 people in the room, but here we go, because so many amendments do not have anything to do with this bill.

When we get to conference, our conferees on the House side and Senate side cannot make decisions that relate to the Judiciary Committee or others. When people continue to put amendments that are not relevant on this bill, that is what happens, and we simply will not be able to get it done.

If we do not get this bill passed, we will have a hard time passing the appropriations bill on Defense, and everybody knows we must pass these two bills.

It is my hope, No. 1, that we can clear this immediate problem we have with the Senator from New Jersey and that we can move forward to get all these cleared amendments done by 9:30; otherwise, we are going to eat into time on the other side of the cloture vote.

I have to tell everyone that, if we do not clear these amendments by 9:30, any of them that are not only not relevant, but not germane—and that is a very technical term; a lot of them are not germane to this bill—they will be ruled out if cloture is invoked. So if cloture is invoked, we will have a lot of people who thought they had amendments worked out or who are getting them worked out, who will not be able to get them passed. That is another consideration.

It is my hope, No. 1, that the Senator from New Jersey and the Senator from Texas will have a conversation and we can get that matter ironed out and moved forward and clear these amendments in the next 20 minutes; No. 2, that we can get these two unanimous-consent agreements entered into as soon as the leadership is prepared to propose them; and, No. 3, that we can get this list of amendments and get a time agreement on every one of them. The time agreements are going to have to be anywhere from 10 minutes to 20 minutes; otherwise, I hope no one will walk in at around 11 o'clock and say, "Can I catch my 11:30 plane?" because it will be beyond the ability of the managers of this bill to make that happen.

Mr. President, I thank the Senator from New Jersey for permitting me to make those remarks.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I am not calling an amendment up here, for the information of my friend from New Jersey. I just want to make it clear, Mr. President, we are voting on a cloture motion at 9:30. There is nothing I would rather do than invoke cloture, but I do not think we can do it at this stage, in fairness to our colleagues on both sides of the aisle. I will vote against cloture for that reason.

No. 1, we do not have unanimous-consent agreements, that are very important, that relate to things beyond this bill, that relate to the whole ballistic missile debate, which we hope to have. We hope to lay down three different proposals on ballistic missile defense, including the Dole-Gingrich proposal, the Clinton administration proposal, and the proposal I will have. We think we are on the verge of working that out.

We have also a couple provisions in this bill that, unless they are changed, this bill is very likely to be a veto candidate. All of us who want to see this enacted into law would like to see those changes so we do not go into the House conference with two provisions that are identical to the House provisions, which means that they would not have the flexibility of changing them, which means the administration is likely to veto any bill coming out. So changing those two amendments relating to missile defense and the ABM Treaty is also important. So without those unanimous consents we cannot do that. If we vote cloture, we are not likely to get the unanimous consents.

In addition, we have 27 amendments that have been cleared on both sides. We had hoped to have all these done this morning, but they are not done because we have not been able to get them done.

So everyone should know and be warned that if cloture were to be invoked, these amendments, I am informed, would not be germane, would not be in order, and could not be agreed to.

We have an amendment by Senator MCCAIN on Bosnia that we do not believe is germane; we have an amendment by Senator EXON on the Lincoln Airport we do not believe is germane; Senator ROBB has an amendment on budget request displays we do not think is germane; Senator SARBANES has an amendment that is on the Forest Glen Annex we do not believe is germane; Senator BINGAMAN has an amendment on the White Sands land exchange which is not germane.

All of them are relevant to the defense bill, relate to defense, but they do not meet the technical definition of germaneness, which is very narrow, as Bob Dove, the Parliamentarian, knows, and the occupant of the chair from Georgia knows.

We have an amendment by Mr. SMITH which is not germane; we have an amendment by Mr. JOHNSTON which is not germane; worked out, we can accept it, but it cannot be done if cloture is invoked. We have one by Mr. DOMENICI which is not germane, another one by Mr. DOMENICI not germane. Mr. HEFLIN has an amendment that is not germane; Mr. LOTT, Mr. EXON, Mr. GLENN, Mr. THURMOND, Mr. COHEN, Mr. LEVIN, Mr. STEVENS, Mr. DOMENICI another one, Mr. CHAFEE, Mr. SMITH, Mr. ROBB, Mr. LEVIN, Mr. SMITH, Mr. GLENN, Mr. CHAFEE, and Mr. THURMOND. We do not believe these are germane. There may be one or two of them we have on this list that are. But 95 percent of them are not.

I want to inform our colleagues on both sides, if the cloture vote is passed, none of these amendments will be able to go on this bill. I do not have a problem myself, but I do think a lot of our colleagues will have a problem.

I hope that cloture is not invoked. It is also my hope, though, that we are going to be able to get this list down and people are going to drop amendments and that we are going to break this impasse between the Senator from New Jersey and the Senator from Texas. I hope that can be done and that we can move this bill forward.

It is also my view that a lot of these amendments, even those that look like they are going to take rollcall votes, are likely to disappear as the planes start flying out this afternoon. But if we do not get these unanimous consent requests, we are going to be here a long time, according to the majority leader, and we are going to be here tonight. So everyone should be on notice of that.

Mr. President, I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I, too, want to see this bill moved. There has been a lot of hard and very thoughtful work that has gone into it. We are at a time when passage, or at least an attempt at passage, would be the best order of business.

Mr. President, this is the defense authorization bill. The effects of this bill begin on October 1 of this year. The results of the authorization that might pass here today will be put into place starting October 1, 1996, 4 months from now. So there is an urgency because of the amount of work that has gone into it.

My friend and colleague, the Senator from Georgia, and the floor manager, Senator MCCAIN, have worked very hard to get us to a point in time when action can be taken to resolve some differences. I would like that done. I feel badly that we are in this momentary state of suspension. When I hear from our friends on the other side that they want to work cooperatively, then I am prepared to move things along expeditiously.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF ALFRED C. DECOTIIS, OF NEW JERSEY, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTIETH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination: Calendar No. 529, Alfred C. DeCotiis, of New Jersey, to be a representative of the United States of America to the 50th session of the General Assembly of the United Nations.

I ask for immediate consideration of his nomination.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read the nomination of Alfred C. DeCotiis, of New Jersey, to be a representative of the United States of America to the 50th session of the General Assembly of the United Nations.

Mr. McCAIN. Mr. President, I ask unanimous consent the nomination be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

DEPARTMENT OF STATE

Alfred C. DeCotiis, of New Jersey, to be a Representative of the United States of America to the Fiftieth Session of the General Assembly of the United Nations.

Mr. NUNN. I thank the Senator from Arizona for working this out. That was a big roadblock. I appreciate his diligence in doing that.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

Mr. McCAIN. Mr. President, I ask unanimous consent that we return to consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 433, S. 1745, the Department of Defense authorization bill:

Trent Lott, Don Nickles, Dirk Kempthorne, Rod Grams, Jim Jeffords, Craig Thomas, Kay Bailey Hutchison, Christopher S. Bond, John Ashcroft, Conrad Burns, Judd Gregg, Larry Pressler, Orrin G. Hatch, Mitch McConnell, Hank Brown, Sheila Frahm.

VOTE

The PRESIDING OFFICER. The mandatory quorum call has been waived. The question is, Is it the sense of the Senate that debate on S. 1745, the Department of Defense authorization bill, shall be brought to a close? The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Oklahoma [Mr. INHOFE] are necessarily absent.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS] and the Senator from Arkansas [Mr. BUMPERS] are necessarily absent.

The yeas and nays resulted—yeas 53, nays 43, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hollings
Hutchison
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pell
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—4

Baucus
Bumpers
Hatfield
Inhofe

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair. I ask unanimous consent that the pending amendments be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4388

(Purpose: To require a cost-benefit analysis of the F/A–18E/F aircraft program)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk relating to the F/A–18E/F program on behalf of myself and Senator KOHL.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself and Mr. KOHL, proposes an amendment numbered 4388.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. COST-BENEFIT ANALYSIS OF F/A-18E/F AIRCRAFT PROGRAM.

(a) REPORT ON PROGRAM.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A/–18E/F aircraft program.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the F/A/–18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the costs and benefits of the program with the costs and benefits of the F/A–18C/D aircraft program taking into account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No funds authorized to be appropriated by this Act may be obligated or expended for the procurement of

F/A-18E/F aircraft before the date that is 90 days after the date on which the congressional defense committees receive the report required under subsection (a).

Mr. FEINGOLD. Mr. President, this amendment would "fence" the funds authorized for production of the 12 F/A-18E/F's authorized in this legislation until such time as the Department of Defense [DOD] submits a cost/benefit analysis to Congress and Congress has an opportunity to evaluate whether production of this aircraft should commence, in light of the cost and concerns about the benefit of the F/A-18E/F in contrast to the F/A-18C/D, a far less costly yet extremely capable aircraft.

The genesis for this amendment resulted from a General Accounting Office [GAO] draft report made available recently entitled "Navy Aviation: F/A-18E/F will Provide Marginal Operational Improvement at High Cost". In this report GAO studied the rationale and need for the F/A-18E/F in order to determine whether continued development of the aircraft is the most cost-effective approach to modernizing the Navy's tactical aircraft fleet. GAO concluded that the marginal improvements of the F/A-18E/F are outweighed by the high cost of the program.

Mr. President, in our current fiscal climate, I have serious concerns about authorizing funding for such a costly program which according to GAO will deliver only marginal improvements over the current C/D version of the F/A-18.

As GAO noted in its report, at a projected total program cost of $89.15 billion, the F/A-18E/F program is one of the most costly aviation programs in the Department of Defense. The total program cost is comprised of $5.833 billion in development costs and $83.35 billion in procurement costs for 1,000 aircraft. The administration has requested $2.09 billion in fiscal year 1997 for the procurement of 12 F/A-18E/F's. To date, the Navy has already spent $3.75 billion on the research and development phase of the F/A-18E/F program.

Before I begin to describe GAO's findings, I would first like to discuss briefly the role of the F/A-18 aircraft in our Nation's overall naval aviation force structure. The Navy performs its carrier-based missions with a mix of fighter (air-to-air combat), strike (air-to-ground combat), and strike/fighter (multicombat role) aircraft. Currently, carrier based F-14 fighter aircraft perform air-to-air missions; A6E's perform air-to-ground missions; and F/A-18's perform both air-to-air and air-to-ground missions. The F/A-18E/F Super Hornet is the latest version of the Navy's carrier-based F/A-18 strike/fighter plane.

The Navy has based the need for development and procurement of the F/A-18E/F on existing or projected operational deficiencies of the F/A-18C/D in the following key areas: strike range, carrier recovery payload and survivability. In addition, the Navy notes limitations of current C/D's with respect to avionics growth space and payload capacity. In its report, GAO concludes that the operational deficiencies in the C/D that the Navy cited in justifying the E/F either have not materialized as projected or such deficiencies can be corrected with nonstructural changes to the current C/D and additional upgrades made which would further improve its capabilities.

One of the primary reasons the Navy cites in justifying the E/F is the need for increased range and the C/D's inability to perform long-range unrefueled missions against high-value targets. However, GAO concludes that the Navy's F/A-18 strike range requirements can be met by either the F/A-18E/F or F/A-18C/D. Furthermore, it concludes that the increased range of the E/F is achieved at the expense of its aerial combat performance, and that even with increased range, both aircraft will still require aerial refueling for low-altitude missions.

The F/A-18E/F specification requirements call for the aircraft to have a flight range of 390 nautical miles [nm] while performing low-altitude bombing missions. The F/A-18E/F will achieve a strike range of 465 nm while performing low-altitude missions by carrying 2 external 480 gallon fuel tanks. While current C/D's achieve a flight range of 325 nm with 2-330 gallon fuel tanks while performing low-altitude missions—65 nm below the specification requirement of the E/F—when they are equipped with the 2-480 gallon external fuel tanks that are planned to be used on the E/F, the C/D can achieve a strike range of 393 nm on low-altitude missions.

Recent Navy range predictions show that the F/A-18E/F is expected to have a 683 nm strike range when flying a more fuel-efficient, survivable, and lethal high-altitude mission profile rather than the specified low-altitude profile. Similarly, although F/A-18E/F range will be greater than the F/A-18C/D, the C/D could achieve strike ranges—566 nm with 3-330 gallon fuel tanks or 600 nm with 2-480 gallon tanks and 1-330 gallon tank—far greater than the target distances stipulated in the E/F's system specifications by flying the same high-altitude missions as the E/F. Additionally, according to GAO, the E/F's increased strike range is achieved at the expense of the aircraft's aerial combat performance as evidenced by its sustained turn rate, maneuvering, and acceleration which impact its ability to maneuver in either offensive or defensive modes.

Mr. President, another significant reason the Navy cites in developing the F/A-18E/F is an anticipated deficiency in F/A-18C carrier recovery payload—the amount of fuel, weapons and external equipment that an aircraft can carry when returning from a mission and landing on a carrier. The deficiency in carrier recovery payload which the Navy anticipated of the F/A-18C simply has not materialized. When initially procured, F/A-18C's had a total carrier recovery payload of 6,300 pounds. Because of the Navy's decision to increase the F/A-18C's maximum allowable carrier landing weight and a lower aircraft operating weight resulting from technological improvements, the F/A-18C now has a carrier recovery payload of 7,113 pounds.

F/A-18C's operating in support of Bosnian operations are now routinely returning to carriers with operational loads of 7,166 pounds, which exceeds the Navy's stated carrier recovery payload capacity. This recovery payload is substantially greater than the Navy projected it would be and is even greater than when the F/A-18C was first introduced in 1988. In addition, GAO notes that while it is not necessary, upgrading F/A-18C's with stronger landing gear could allow them to recover carrier payloads of more than 10,000 pounds—greater than that sought for the F/A-18E/F—9,000 pounds.

While the Navy also cites a need to improve combat survivability in justifying the development of the F/A-18E/F, it was not developed to counter a particular military threat that could not be met with existing or improved F/A-18C/D's. Additional improvements have subsequently been made or are planned for the F/A-18C/D to enhance its survivability including improvements to reduce its radar detectability, while survivability improvements of the F/A-18E/F are questionable. For example, because the F/A-18E/F will be carrying weapons and fuel externally, the radar signature reduction improvements derived from the structural design of the aircraft will be diminished and will only help the aircraft penetrate slightly deeper than the F/A-18C/D into an integrated defensive system before being detected.

In addition to noting the operational capability improvements in justifying the development of the F/A-18E/F, the Navy also notes limitations of current C/D's with respect to avionics growth space and payload capacity. The Navy predicted that by the mid-1990's the F/A-18C/D would not have growth space to accommodate additional new weapons and systems under development. Specifically, the Navy predicted that by fiscal year 1996 C/D's would only have 0.2 cubic feet of space available for future avionics growth; however, 5.3 cubic feet of available space have been identified for future system growth. Furthermore, technological advancements such as miniaturization, modularity, and consolidation may result in additional growth space for future avionics.

The Navy also stated that the F/A-18E/F will provide increased payload capacity as a result of two new outboard weapons stations; however, unless current problems concerning weapons release are resolved—airflow problems around the fuselage and weapons stations—the types and amounts of weapons the E/F can carry will be restricted and the possible payload increase may be negated. Also, while the E/F will provide a marginal increase in air-to-air capability by carrying two extra missiles, it will not increase its ability to carry the heavier, precision-guided, air-to-ground weapons that are capable of hitting fixed and mobile hard targets and the heavier stand-off weapons that will be used to increase aircraft survivability.

Understanding that the F/A-18E/F may not deliver as significant operational capability improvements as originally expected, I would now like to focus on the cost of the F/A-18E/F program and possible alternatives to it. As previously mentioned, the total program cost of the F/A-18E/F is projected to be $89.15 billion. These program costs are based on the procurement assumption of 1,000 aircraft—660 by the Navy and 340 by the Marine Corps—at an annual production rate of 72 aircraft per year. As the GAO report points out, these figures are overstated. According to Marine Corps officials and the Marine Corps aviation master plan, the Marine Corps does not intend to buy any F/A-18E/F's and, therefore, the projected 1,000 aircraft buy is overstated by 340 aircraft.

Furthermore, the Congress has stated that an annual production rate of 72 aircraft is probably not feasible due to funding limitations and directed the Navy to calculate costs based on more realistic production rates as 18, 36 and 54 aircraft per year. In fact, according to the Congressional Research Service: "No naval aircraft have been bought in such quantities in recent years, and it is unlikely that such annual buys will be funded in the 1990's, given expected force reductions and lower inventory requirements and the absence of consensus about future military threats."

Using the Navy's overstated assumptions about the total number of planes procured and an estimated annual production rate of 72 aircraft per year, the Navy calculates the unit recurring flyaway cost of the F/A-18E/F—costs related to the production of the basic aircraft—at $44 million. However, using GAO's more realistic assumptions of the procurement of 660 aircraft by the Navy, at a production rate of 36 aircraft per year, the unit recurring flyaway cost of the E/F balloons to $53 million. This is compared to the $28 million unit recurring flyaway cost of the F/A-18C/D based on a production rate of 36 aircraft per year. Thus, GAO estimates that this cost difference in unit recurring flyaway would result in a savings of almost $17 billion if the Navy were to procure 660 F/A-18C/D's rather than 660 F/A-18E/F's.

Mr. President, this is certainly a significant amount of savings. Now I know that some of my colleagues will say that by halting production of the F/A-18E/F and instead relying on the F/A-18C/D, we will be mortgaging the future of our naval aviation fleet. However, Mr. President, there is a far less costly program already being developed which may yield more significant returns in operational capability. This program is the Joint Advanced Strike Technology or JAST Program.

The JAST Program office is currently developing technology for a family of affordable next generation Joint Strike Fighter [JSF] aircraft for the Air Force, Marine Corps, and Navy. The JSF is expected to be a stealthy strike aircraft built on a single production line with a high degree of parts and cost commonality. The driving focus of JAST is affordability achieved by tri-service commonality. The Navy plans to procure 300 JSF's with a projected initial operational capability around 2007.

Contractor concept exploration and demonstration studies indicate that the JSF will have superior or comparable capabilities in all Navy tactical aircraft mission areas, especially range and survivability, at far less cost than the F/A-18E/F. The JSF is expected to be a stand alone, stealthy, first-day-of-the-war survivable aircraft. Overall, the JSF is expected to be more survivable and capable than any existing or planned tactical aircraft in strike and air-to-air missions, with the possible exception of the F-22 in air-to-air missions. The Navy's JSF variant is also expected to have longer ranges than the F/A-18E/F to attack high-value targets without using external tanks or tanking. Unlike the F/A-18E/F which would carry all of its weapons externally, the Navy's JSF will carry at least 4 weapons for both air-to-air and air-to-ground combat internally, thereby maximizing its stealthiness and increasing its survivability. Finally, the JSF would not require jamming support from EA-6B aircraft as does the F/A-18E/F in carrying out its mission in the face of integrated air defense systems.

While the JSF is expected to have superior operational capabilities, it is expected to be developed and procured at far less expense than the F/A-18E/F. In fact, the unit recurring flyaway cost of the Navy's JSF is estimated to range from $32 to $40 million depending on which contractor design is chosen for the aircraft, as compared to GAO's $53 million estimate for the F/A-18E/F. Additional cost benefits of the JSF would result from having common aircraft spare parts, simplified technical specifications, and reduced support equipment variations, as well as reductions in aircrew and maintenance training requirements.

Given the enormous cost and marginal improvement in operational capabilities the F/A-18E/F would provide, it seems that the justification for the E/F is not as evident as once thought. Operational deficiencies in the C/D aircraft either have not materialized or can be corrected with nonstructural changes to the plane. As a result, proceeding with the E/F Program may not be the most cost-effective approach to modernizing the Navy's tactical aircraft fleet. In the short term, the Navy can continue to procure the F/A-18C/D aircraft, while upgrading it to improve further its operational capabilities. For the long term, the Navy can look toward the next generation strike fighter, the JSF, which will provide more operational capability at far less cost than the E/F.

Mr. President, succinctly put, the Navy needs an aircraft that will bridge between the current force and the new, superior JSF which will be operational around 2007. The question is whether the F/A-18C/D can serve that function, as it has demonstrated its ability to exceed predicted capacity or whether we should proceed with an expensive, new plane for a marginal level of improvement. The $17 billion difference in projected costs does not appear to provide a significant return on our investment. In times of severe fiscal constraints and a need to look at all areas of the budget to identify more cost-effective approaches, the F/A-18E/F is a project in need of reevaluation.

For these reasons, I think it would be prudent to take a go-slow approach toward the F/A-18E/F program and allow the Congress sufficient time to evaluate GAO's findings and obtain a thorough response from DOD to these issues. I ask my colleagues to support my amendment to fence all fiscal year 1997 funds authorizing the production of F/A-18E/F's until certain conditions are met. I thank my colleagues and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, this particular aircraft program has been thoroughly examined for program costs, schedule, technical performance, and recent test results. The program is on schedule and on cost.

This is one of those clear examples of where the GAO and the Department of Defense are at odds on certain data, and I respect fully the very detailed presentation by our distinguished colleague from Wisconsin. But I have to assure Members of the Senate that this is a matter that has been examined by the Armed Services Committee, and we will strongly oppose the amendment.

The analytical tests for the decision to begin engineering and manufacturing development of the program was thoroughly examined by the Department of the Navy and the Department of Defense in 1992. A number of studies which looked at the future of naval aviation, projected threats and the capabilities required to defeat those threats were considered. To say now it is a better idea to remain with the earlier model of the 18, in our judgment, ignores all of the analyses that went into the decisions to develop the newer model and threatens one of the best run developmental programs and production programs in progress today.

Therefore, Mr. President, the amendment would have the effect of delaying the 18 E/F program for up to 8 months at heavy costs to the American taxpayers until we get another study. There will always be more capable programs postulated for the future and there will always be lesser programs as we look over the past. This program has met all the requirements placed on it, is on schedule and at cost. Therefore, I urge the Senate to oppose the amendment.

Mr. President, I see the presence on the floor of the Senator from Missouri who has spent a great deal of time in this program.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, briefly to respond to the Senator from Virginia, I appreciate his remarks and his great knowledge in this area, particularly when it comes to the Navy.

Let me simply remind my colleagues what this amendment seeks to do. It asks, in light of this recently released GAO report, released yesterday, that we fence the money until such time as the Department of Defense provides us with a response to this, and then there will be just a 90-day period afterward, during which we would have an opportunity to look at it and GAO would look at it.

This is a serious report. There may be disagreement. When you are talking about $17 billion between the C/D and Super Hornet, I think it deserves a look. I am not suggesting, nor have I suggested, the E/F is a bad airplane. Clearly, many of the things you indicated about its capabilities are there.

The question that was raised by the report was whether or not the current C/D plane can provide these benefits and that perhaps we could move directly from the C/D plane on to the JSF plane as a cheaper and most cost-effective way. All we are suggesting here then is this brief period when we would have a chance to see whether the GAO was on the right track and see what the Department of Defense has to say about it.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I have to oppose the amendment as it is now worded. I have no objection whatsoever to getting the information on the GAO report from the military. I think that is appropriate.

I think the Senator is absolutely right to raise these questions once you have a serious GAO report. But I do not think we can hold up the entire funding on this program. I am told it would cost an 8- to 12-month slip in the program, and then assuming you go forward with the program, you end up spending a whole lot more money. So, in an effort to save money, you end up spending a lot more money.

So I have to oppose the amendment as it is now worded. If the Senator would like to have his staff work with our staff to hold up a reasonable amount of money so it does not throw the whole schedule off, to assure the Senator that the report will be forthcoming, I think that could be accommodated. But to hold up the entire funding, I would have to oppose that.

I will leave it up to the Senator whether he would like to get a vote on this now or would like to take 10 minutes to see if there is a portion of the funding that would not disrupt the program but would indicate the seriousness with which the information is received. I think that would work. I have not discussed this with the other side of the aisle. It may be they will not want to do that. Maybe we ought to go ahead with a rollcall vote, if that is appropriate, but I certainly defer to the Senator from Missouri.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I always appreciate the knowledge and experience of the Senator from Georgia and particularly his reasonableness. I certainly would like to take the opportunity to consult and see if there might be a way to work that out.

I ask unanimous consent that the pending amendment be set aside.

Mr. BOND. Reserving the right to object, I will not object to setting aside the amendment, but I do want to add some points on the discussion of it. I have no objection to setting it aside, but I do seek the floor to respond to some of the questions raised by the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, let me explain why I think this amendment is not appropriate, it is not a good idea. The distinguished Senator from Georgia has already pointed out that an amendment like this, by delaying the production of the aircraft, would inevitably do little more than add cost to the total program and to the total buy. There are ongoing studies. The Navy and the Defense Department have been conducting these studies. They have reviews ongoing, and we will have access to not only their comments on the GAO report but their reviews.

Let me say in summary, the GAO is not flying the airplane. The GAO people are not the ones landing fully-weapons-loaded airplanes on pitching aircraft carriers in the ocean. The Navy people are. They are the ones who made a compelling case for this airplane and the need for it. I should point out the F/A-18E/F exceeds the interdiction mission of the current C/D models in range by some 40 to 50 percent, regardless of the mission profile.

There is talk about adding additional tanks or larger tanks on the C/D, but these have been rejected because of restrictive load limitations and the structural operational limitations on the C/D on board the carrier. The Navy has conducted a thorough engineering analysis on the matter of putting larger tanks, for example, on the C/D's and concluded this was not suitable for carrier operations.

The real question is the bringback capability. The current model of C/D fleet is at its operational limit in regard to its ability to bring back weapons. The E/F will be able to bring back the more advanced smart weapons which tend to be heavier than the majority of weapons in the fleet today. The E/F, the next generation of the Super Hornet, provides future room for future growth and flexibility to accommodate the technological advancements into the next century.

One point the GAO has made is that there is a waiver for the C/D's landing restrictions. They say it is a permanent waiver. Well, that is not true. NAVAIR has said the waiver was acceptable in the interim, but it was up to individual air wings to approve or disapprove depending on their own assessments.

Let me tell you, from the viewpoint of those who have flown on carriers and flown on and off of carriers at sea, what will have to happen. With the current C/D's to bring back fully loaded the weapons and the fuel, the ship will have to increase its speed to maintain 30 knots or more of wind over the deck, which will increase its fuel costs, whether nuclear or conventional; then the pilots will have to fly a full flap approach. But if the wind goes over 35 knots because of unpredictable winds, then the pilot is required by the Navy safety manual to fly at half lap and would not be able to land with the heavier strike munitions load.

It is a small and costly window to achieve. Though in some instances it can be achieved, it is only because of the extreme skill of our carrier crews. It is not an ideal situation to put the pilots or the carrier crews at risk when there is such a limited window of acceptable operations.

The new E/F Super Hornet will enable the carrier to cruise at its normal speed and the pilots will be able to fly the normal patterns. They will not have to drop either their weapons or dump their fuel into the ocean to below safe minimums to bring back our most sophisticated and expensive ordnance.

Let us remember, however, that the F/A–18C/D models will continue to carry numerous ordnance loads safely and without restrictions covering many missions. It is only for certain strike mission loads that the waiver is required. But we have to plan for the future. For the Navy, that future should and must include the F/A–18E/F. The Super Hornet is desired by the customer, the Navy, which has been consistent and vocal in its support of procuring the aircraft rapidly and efficiently.

Further delays in a go-slow approach for this program in its current stage are both inappropriate and costly. We cannot sit around and wait for future paper airplanes magically to appear. We have modified to the limit our older aircraft.

For many years aviation, and naval aviation in particular, has been subject to technical, administrative and political forces which have given it the appearance of having no direction. We have been clamoring for such direction. Now we have it. The Navy has said, "This is what we need. This airplane is meeting our specs. We need it." Let us go forward with it.

I strongly urge this body not to be in a position of "go-slowing" this program to death. Our pilots want the aircraft. They need the aircraft to maintain their critical edge. I urge this body not to pull the wings off. Let us let the Navy get about the job of continuing to defend this Nation now and in the future.

The F/A–18E/F program has been a model program, by any measure, and remains on cost, on schedule in meeting all performance requirements. The Navy is developing, at one-half to one-third the cost of a new-start program, a highly capable carrier-based tactical aircraft.

The amendment, as written, would divert program management attention away from the execution of the program and, if yet another program review were to be required, could impose as much as an 8-month delay in the program. This delay would affect the 3-year flight test program, the operational evaluation, and IOC of the first squadron.

I think that the formal program reviews which are already being conducted are enough. The analytical basis of the program was thoroughly examined at the previous milestone decision, and the program has performed precisely to the plan approved at that time. I believe there are studies going on, and thus this amendment is unnecessary to ensure that we continue to get the kind of additional capability that the Navy, its pilots, and its aircraft crews demand and need.

I urge my colleagues, if this amendment is brought up for a vote, to oppose the amendment. I thank the Chair and yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

I am coming to the end of the debate on this portion. I want to respond to the Senator from Missouri very briefly.

Let us be clear what we are attempting. We are in a period here where everyone in the country knows we are trying to find places where we can reduce spending. There are a number of areas that receive very strict scrutiny. There is a sense—it is not held by just one party—that perhaps sometimes the defense spending does not get the same scrutiny that other areas do. Sometimes it leads to defense bashing which may not be justified. It is even possible, if people get an attitude that the Defense Department expenditures are not scrutinized, that there may develop an attitude in this country that would actually threaten national security, that it may become difficult for those advocating defense expenditures to be believed, and that there are those who do not take a warning signal seriously.

All that we are suggesting here in this amendment is that a very recent report, yesterday, from the General Accounting Office says—not that this is a bad aircraft, I say to the Senator from Missouri, not that it does not provide perhaps some additional benefits; it may be and probably would turn out that in some areas this is a more capable airplane—but the question is, is the marginal benefit of those improvements sufficient to justify a $17 billion difference in cost, vis-a-vis the C/D planes? That is the issue.

We are not stopping the plane here. We are not saying it should never be continued. We are saying that when a report comes out from the GAO entitled, "F/A–18E/F Will Provide Marginal Operational Improvement at High Cost," it is incumbent on us in the U.S. Senate to stop for a bit and find out what it is all about. $17 billion is real money.

If there is an opportunity here to ask some questions and find out maybe, just possibly, the Navy, the Defense Department could go with the C/D's, I think that is our obligation. The Senator from Georgia has suggested perhaps a way in which we can allow more of this to go forward while the questions are answered. We are exploring that at this point. I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, there is no question that we need to study carefully all of the views and opinions and the best information available on any program like this. But I suggest that if you take a look at the series of reviews and experiments, tests, and evaluations that have been done on this plane and that will be done, there is no need, unless and until we find from the Navy that the GAO has raised questions which they have not addressed or we can find that responses by the Defense Department are not adequate, there is no reason to raise further the cost of this program and delay it even further.

The Assistant Secretary of the Navy for Research, Development and Acquisition completed a review of the F/A–18E/F program on March 25 of this year. As of that time, the program review included program cost, schedule, and technical performance, examination of the formal exit criteria which had been approved at the previous milestone, and results of an early operational assessment conducted by the Navy's commander, Operational Test and Evaluation Force. This assessment was based on extensive documentation review, modeling and simulation, and analysis flight test data from the first two test aircraft.

In May 1996, notification was provided to Congress that the review had been successfully completed and the Navy had authorized contracting for long-lead items for the first low-rate initial production of the aircraft.

The Office of the Secretary of Defense is scheduled to conduct another program review in March 1997. At that time, all aspects of the program will again be examined prior to authorizing full funding for the procurement of the first low-rate initial production aircraft.

The analytical basis for the decision to begin engineering and manufacturing development of the F/A–18E/F program was thoroughly evaluated by both the Department of the Navy and the Department of Defense prior to the milestone decision in May of 1992.

Numerous studies which looked at the future of naval aviation, projected threats, and capabilities required to defeat those threats were considered as part of these analyses. It is not to say that we should not continue to review and analyze, look at the cost and determine the capability. That is an ongoing process.

What I am saying, Mr. President, is we could significantly increase the cost of the program, throw production off schedule, and delay the availability of aircraft which the Navy said they have needed by putting a roadblock in the way of the initial low-rate production of the aircraft. This is not the time to throw a monkey wrench into a program which has been on schedule, above performance, and well within cost parameters at this time.

I urge my colleagues not to delay the program.

Mr. NUNN. Mr. President, I thank the Senator from Wisconsin and the Senator from Missouri. I think there has been a good debate on this. I suggest the Senator lay aside his amendment. We can see if we can find a way to see that the report is forthcoming, without disrupting the program. It seems to me that is the way to proceed.

If not, I would be joined with the Senator from Missouri in moving to table the amendment. I believe the staff is prepared to work with your staff on this.

I have a call in for the Senator from Michigan, Senator LEVIN, who has two amendments that will require rollcalls. In the meantime, I suggest we clear these amendments that have all been agreed to or are going to be agreed to by both sides.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, what is the pending business?

The PRESIDING OFFICER. All the pending amendments have been laid aside.

AMENDMENT NO. 4387

Mr. McCAIN. Mr. President, the amendment I am offering is intended to better facilitate our pledge of material assistance to the armed forces of the Republic of Bosnia and Herzegovina by ensuring the lowest fair price of the equipment we provide to their cause.

When the President dispatched United States troops to Bosnia last year, he did so with the stipulation that they would be there only a year. The administration has since softened the deadline by indicating that troops may still be there on December 19, but that withdrawal will begin on that date. This latest commitment on withdrawal is not entirely reassuring. It is quite plausible that withdrawal will begin as stated, but our overall presence there may be drawn out indefinitely.

A deadline was never an exit strategy. Last year, when then Senate majority leader, Senator Bob Dole, and I led the effort to support the President's prerogatives as Commander in Chief and indirectly to support his dispatch of more than 20,000 American troops to Bosnia, we made clear our reservations about simply imposing a deadline. We also suggested the outline of a true exit strategy. The centerpiece of that strategy, as Senator Dole and I have since repeated on countless occasions, was United States leadership in the effort to adequately equip and train the Bosnian Armed Forces. Only when that nation can defend itself against aggression, which over the course of 3½ years of war reduced its territory by half, will the peace be safe without us.

We tried to address this issue last year by including $100 million in drawdown authority for Bosnia in the Foreign Operations appropriations bill. The amendment I am offering today simply seeks to ensure that the $100 million in equipment to be transferred to Bosnia is accounted for in a manner similar to the way it is in the case of other American allies. I am not advocating unlimited material support for Bosnia because of the impact on our own military readiness. But in order to get the most of the $100 million, we should see to it that the equipment is valued at the lowest possible fair price. This amendment gives us this assurance.

The amendment expresses a sense of the Senate that the pricing of equipment be lowest in order to maximize the amount of equipment provided to Bosnia and Herzegovina under current drawdown authority. I believe the amendment has been cleared by the other side.

Mr. NUNN. This amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4387) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4389

(Purpose: To authorize the Air National Guard to provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, NE)

Mr. NUNN. Mr. President, on behalf of Senator EXON, I offer an amendment that would allow the Nebraska National Guard to provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, NE.

Currently, the Air Guard and local authority share this duty. This amendment would eliminate unnecessary duplication. The air guard would be reimbursed for assuming the entire firefighting mission.

I believe this amendment has been cleared.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. EXON, proposes an amendment numbered 4389.

The amendment is as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. AUTHORITY OF AIR NATIONAL GUARD TO PROVIDE CERTAIN SERVICES AT LINCOLN MUNICIPAL AIRPORT, LINCOLN, NEBRASKA.

(a) AUTHORITY.—Subject to subsections (b) and (c), the Nebraska Air National Guard may provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, Nebraska, on behalf of the Lincoln Municipal Airport Authority, Lincoln, Nebraska.

(b) AGREEMENT.—The Nebraska Air National Guard may not provide services under subsection (a) until the Nebraska Air National Guard and the authority enter into an agreement under which the authority reimburses the Nebraska Air National Guard for the cost of the services provided.

(c) CONDITIONS.—These services may only be provided to the extent that the provision of such services does not adversely affect the military preparedness of the Armed Forces.

Mr. McCAIN. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4389) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4390

(Purpose: To state the sense of Congress regarding the authorization of appropriation and appropriation of funds for military equipment and not identified in a budget request of the Department of Defense and for certain military construction)

Mr. NUNN. Mr. President, I have an amendment on behalf of Senator ROBB.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. ROBB, proposes an amendment numbered 4390.

The amendment is as follows:

At the end of subtitle A of title X, add the following:

SEC. 1014. SENSE OF CONGRESS REGARDING AUTHORIZATION OF APPROPRIATION AND APPROPRIATION OF FUNDS FOR MILITARY EQUIPMENT NOT IDENTIFIED IN THE BUDGET REQUEST OF THE DEPARTMENT OF DEFENSE AND FOR CERTAIN MILITARY CONSTRUCTION.

It is the sense of Congress that—

(1) to the maximum extent practicable, each House of Congress should consider the authorization of appropriation, and appropriation, funds for the procurement of military equipment only if the procurement is included—

(A) in the budget request of the President for the Department of Defense; or

(B) in a supplemental request list provided to the congressional defense committees, upon request of such committees, by the Office of the Secretary of Defense, by the military departments, by the National Guard Bureau, or by the officials responsible for the administration of the Reserves;

(2) the recommendations for procurement in a defense authorization bill or a defense appropriations bill reported to the Senate or the House of Representatives which reflect a change from the budget request referred to in paragraph (1)(A) should be accompanied in the committee report relating to the bill by a justification of the national security interest addressed by the change;

(3) the recommendations for military construction projects in a defense authorization bill or a defense appropriations bill reported to the Senate or the House of Representatives which reflect a change from such a budget request should be accompanied by a

justification in the committee report relating to the bill of the national security interest addressed by the change; and

(4) the recommendations for procurement of military equipment, or for military construction projects, in a conference to resolve the differences between the two Houses relating to a defense authorization bill or a defense appropriations bill which recommendations reflect a change from the original recommendation of the applicable committee to either House should be accompanied by a justification in the statement of managers of the conference report of the national security interest addressed by the change.

Mr. NUNN. This is not the amendment, I believe, that we have problems with. This amendment would state that it is the sense of the Congress that the defense authorization appropriations bills should rely primarily on the budget request.

I am told this is not cleared. I withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4390) was withdrawn.

AMENDMENT NO. 4391

(Purpose: To require a plan for repairs and stabilization of the historic district at the Forest Glen Annex of Walter Reed Army Medical Center, MD)

Mr. NUNN. On behalf of Senator SARBANES, I offer an amendment to require a plan for basic repairs and stabilization measures for the historic district of the Forest Glen Annex of Walter Reed Army Medical Center, MD.

I believe this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. SARBANES, proposes an amendment numbered 4391.

The amendment is as follows:

At the end of title XXI, add the following:

SEC. 2105. PLAN FOR REPAIRS AND STABILIZATION OF THE HISTORIC DISTRICT AT THE FOREST GLEN ANNEX OF WALTER REED MEDICAL CENTER, MARYLAND.

Not later than 30 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a comprehensive plan for basic repairs and stabilization measures throughout the historic district at the Forest Glen Annex of Walter Reed Army Medical Center, Maryland, together with funding options for the implementation of the plan.

Mr. SARBANES. Mr. President, I am pleased to offer an amendment directing the Secretary of the Army to submit a comprehensive plan for basic repairs and stabilization measures needed throughout the historic district at the Forest Glen Annex of Walter Reed Army Medical Center, MD. This plan would also include funding options for the implementation of such plan.

The Walter Reed Army Medical Center Annex at Forest Glen, MD is a 190-acre complex located just north of the Silver Spring business district. It was a former women's seminary known as the National Park Seminary. Acquired by the Army in 1943 by authority of the War Powers Act of 1942, it has served as a rehabilitation center and psychiatric facility for soldiers from World War II through the Vietnam war.

The former college campus also contains approximately two dozen historic buildings on approximately 24 acres which comprise what is now referred to as the National Park Seminary Historic District. The site was placed on the National Register of Historic Places in 1972. The site contains a number of historic or unique buildings, including houses shaped like a Dutch windmill, an English castle, a Japanese pagoda, a French chateau, and an Italian villa. Unfortunately, over the many years, many of these buildings have suffered substantial deterioration and neglect.

The Army has sought unsuccessfully to excess the property for several years and has continued to plan for its eventual disposal. The National Trust has continued to work with the Army to assist in its assessment of options for the reuse of the property. During this time, even the most basic repairs to the buildings were not undertaken. Reports prepared by the National Trust for Historic Preservation and Save Our Seminary and other organizations have found that, in general, the property is poorly maintained and insufficiently secure. Routine preventative maintenance, such as cleaning out gutters, is not being performed. Repairs to obvious deficiencies, such as holes in the roof and broken windows, are not being made in a timely way. On site security is lax. Fire alarm and fire suppression systems are not being adequately maintained.

The military construction appropriations bill for fiscal year 1990 contained a provision directing the Department of the Army to provide up to $3 million for necessary repairs at the annex and to work with the Montgomery County government and local citizens groups in the planning process for this site. Although we understand that $2 million was allocated by the Army for the repair and maintenance of historic buildings, all of this money was apparently used for architectural planning and design of roof work. However, to date, no funding has been provided for these major repairs and the buildings are deteriorating at a faster rate than ever.

The Army developed a master plan for the site which called for the existing historic buildings to be maintained and occupied by the Army as long as it retains ownership to ensure their maintenance and security. The master plan also identified specific maintenance priorities with work on repair and replacement of deteriorated roofs at the top of the list. In addition, a previous commanding officer at the Walter Reed Army Medical Center submitted a letter stating, "WRAMC will continue to request funding for maintenance of the historic district and make every effort to halt the deterioration of these structures." Despite the findings of the master plan and the statements of support by Army officials, no work has been done to repair or maintain these buildings.

In 1994 following the burning of the historic Odeon Theatre resulting in its destruction by arson, the National Trust for Historic Preservation and Save our Seminary jointly filed a lawsuit against the Army claiming that the Army's neglect of the buildings violated the National Historic Preservation Act. The lawsuit is still pending.

My amendment directs the Department of the Army to develop and submit a plan with appropriate funding options to implement such a plan for basic repairs and stabilization measures throughout the historic district at the Forest Glen Annex of Walter Reed Army Medical Center within 30 days of the enactment of this act. I strongly urge my colleagues to support this amendment.

Mr. MCCAIN. Mr. President, the amendment has been cleared.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4391) was agreed to.

Mr. NUNN. I move to reconsider the vote.

Mr. MCCAIN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4392

(Purpose: To modify the boundaries of the White Sands National Monument and the White Sands Missile Range, New Mexico, and to modify the boundary of the Bandelier National Monument, New Mexico)

Mr. NUNN. On behalf of Senator BINGAMAN, I offer an amendment authorizing the Secretaries of the Interior and the Army to exchange administrative jurisdiction of the White Sands National Monument and the White Sands Missile Range in New Mexico for purposes of creating easily identifiable and manageable boundaries.

I believe the amendment has been cleared.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], Mr. BINGAMAN, for himself, and Mr. DOMENICI, proposes an amendment numbered 4392.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . MODIFICATION OF BOUNDARIES OF WHITE SANDS NATIONAL MONUMENT AND WHITE SANDS MISSILE RANGE.

(a) PURPOSE.—The purpose of this section is to effect an exchange between the Secretary of the Interior and the Secretary of the Army of administrative jurisdiction over the lands described in subsection (c) in order to facilitate administration of the White Sands National Monument and the White Sands Missile Range.

(b) DEFINITIONS.—In this section:

(1) MISSILE RANGE.—The term "missile range" means the White Sands Missile Range, New Mexico, administered by the Secretary of the Army.

(2) MONUMENT.—The term "monument" means the White Sands National Monument, New Mexico, established by Proclamation No. 2025 (16 U.S.C. 431 note) and administered by the Secretary of the Interior.

(c) EXCHANGE OF JURISDICTION.—The lands exchanged under this Act are the lands generally depicted on the map entitled "White Sands National Monument, Boundary Proposal", numbered 142/80,061 and dated January 1994, comprising—

(1) approximately 2,524 acres of land within the monument that is under the jurisdiction of the Secretary of the Army, which are transferred to the Secretary of the Interior;

(2) approximately 5,758 acres of land within the missile range abutting the monument, which are transferred to the Secretary of the Interior; and

(3) approximately 4,277 acres of land within the monument abutting the missile range, which are transferred to the Secretary of the Army.

(d) BOUNDARY MODIFICATION.—The boundary of the monument is modified to include the land transferred to the Secretary of the Interior and exclude the land transferred to the Secretary of the Army by subsection (c). The boundary of the missile range is modified accordingly.

(e) ADMINISTRATION.—

(1) MONUMENT.—The Secretary of the Interior shall administer the lands transferred to the Secretary of the Interior by subsection (c) in accordance with laws (including regulations) applicable to the monument.

(2) MISSILE RANGE.—The Secretary of the Army shall administer the lands transferred to the Secretary of the Army by subsection (c) as part of the missile range.

(3) AIRSPACE.—The Secretary of the Army shall maintain control of the airspace above the lands transferred to the Secretary of the Army by subsection (c) as part of the missile range.

(f) PUBLIC AVAILABILITY OF MAP.—The Secretary of the Interior and the Secretary of the Army shall prepare, and the Secretary of the Interior shall keep on file for public inspection in the headquarters of the monument, a map showing the boundary of the monument as modified by this Act.

(g) WAIVER OF LIMITATION UNDER PRIOR LAW.—Notwithstanding section 303(b)(1) of the National Parks and Recreation Act of 1978 (92 Stat. 3476), land or an interest in land that was deleted from the monument by section 301(19) of the Act (92 Stat. 3475) may be exchanged for land owned by the State of New Mexico within the boundaries of any unit of the National Park System in the State of New Mexico, may be transferred to the jurisdiction of any other Federal agency without monetary consideration, or may be administered as public land, as the Secretary considers appropriate.

SEC. . BANDELIER NATIONAL MONUMENT.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) under the provisions of a special use permit, sewage lagoons for Bandelier National Monument, established by Proclamation No. 1322 (16 U.S.C. 431 note) (referred to in this section as the "monument") are located on land administered by the Secretary of Energy that is adjacent to the monument; and

(B) modification of the boundary of the monument to include the land on which the sewage lagoons are situated—

(i) would facilitate administration of both the monument and the adjacent land that would remain under the administrative jurisdiction of the Secretary of Energy; and

(ii) can be accomplished at no cost.

(2) PURPOSE.—The purpose of this section is to modify the boundary between the monument and adjacent Department of Energy land to facilitate management of the monument and Department of Energy land.

(b) BOUNDARY MODIFICATION.—

(1) TRANSFER OF ADMINISTRATIVE JURISDICTION.—There is transferred from the Secretary of Energy to the Secretary of the Interior administrative jurisdiction over the land comprised approximately 4.47 acres depicted on the map entitled "Boundary Map, Bandelier National Monument", No. 315/80,051, dated March 1995.

(2) BOUNDARY MODIFICATION.—The boundary of the monument is modified to include the land transferred by paragraph (1).

(3) PUBLIC AVAILABILITY OF MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the Lands Office at the Southwest System Support Office of the National Park Service, Santa Fe, New Mexico, and in the Superintendent's Office of Bandelier National Monument.

Mr. BINGAMAN. Mr. President, today, along with Senator DOMENICI, I propose an amendment that will allow for better administration, law enforcement, and operational procedures for both the White Sands National Monument and the White Sands Missile Range. The bill will exchange about 10,000 acres along the border of the White Sands Missile Range and the White Sands Monument which abut each other. It also transfers to the monument the administrative jurisdiction over about 2,500 acres which lie within the White Sands National Monument but are currently controlled by the White Sands Missile Range.

I ask unanimous consent that a letter and an information paper be printed in the RECORD. The letter, dated June 27, 1996, is from the National Park Service and is signed by Roger G. Kennedy. It states that the Department does not have a problem with the amendment. The letter further states that the Office of Management and Budget has no objection to the presentation of this report for consideration before the Senate. The second document is an information paper from the Deputy Assistant Secretary of the Army, Paul W. Johnson. The paper states that the Department of the Army supports this legislation. It also states that the Office of Management and Budget has no objection to the presentation of this amendment.

Mr. President, the area that I am speaking about is a unique geological formation. This gypsum deposit known as "White Sands" is very important to my home State of New Mexico. The sands cover approximately 275 square miles with about 40 percent lying within the monument and the remaining portion of the dunes, to the south and the east, belonging to the White Sands Missile Range.

As a brief history, on January 18, 1933, President Hoover designated 142, 987 acres, in the Tularosa Basin, as the National Park. From the very beginning, the park has been a success. Within its first 2 years of operation, the White Sands monument shattered the attendance records of the 23-unit Southwestern National Monuments in the Four Corner States of Arizona, Utah, Colorado, and New Mexico.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, DC, June 27, 1996.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: Thank you for providing the National Park Service the opportunity to comment on the draft amendment to modify the boundaries of the White Sands National Monument New Mexico, and to modify the boundary of the Bandelier National Monument, New Mexico.

The National Park Service believes the proposed boundary modifications will facilitate the management and administration of White Sands National Monument and Bandelier National Monument. The proposed boundary modifications will not result in any land acquisition cost nor any additional management cost.

We do not have any problem with this amendment. Thank you for your continued interest in the National Park Service.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Senate.

Sincerely,

ROGER G. KENNEDY,
Director.

[Information Paper]

JUNE 17, 1996.

Subject: S. 1745H, 104th Congress.

1. Subject bill authorizes an exchange of property between the Department of the Interior and the Department of the Army.

2. The purpose of the bill is to adjust the White Sands National Monument's boundary with the White Sands Missile Range. The action is essentially a housekeeping measure designed to provide both agencies with a more easily identifiable and manageable mutual boundary.

3. The Department of the Army supports subject legislation.

4. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this information paper for the consideration of the Senate.

PAUL W. JOHNSON,
Deputy Assistant Secretary of the Army.

Mr. BINGAMAN. Mr. President, in June 1941, the U.S. Army petitioned for 1.25 million acres of public and private land in the Tularosa Basin for a bombing range. After the attack on Pearl Harbor, President Roosevelt approved the Army's request. The Trinity site, where the first atomic bomb was successfully tested on July 16, 1945 is part of the range.

With the region's open space and supportive civic leadership, both the monument and the missile range have been successfully neighbors for many years.

Mr. President, this amendment will help both the monument and the missile range manage their property more efficiently.

Mr. McCAIN. The amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4392) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4393

(Purpose: To prohibit the use of prior fiscal year funds for development and procurement of the Pulse Doppler Upgrade modification to the AN/SPS-48E radar system)

Mr. McCAIN. Mr. President, on behalf of Senator SMITH, I offer an amendment placing limitations on the expenditure of priority-year funds for radar modernization. I believe this has been cleared.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. SMITH, proposes an amendment numbered 4393.

The amendment is as follows:

At the end of subtitle C of title I add the following:

SEC. 125. RADAR MODERNIZATION.

Funds appropriated for the Navy for fiscal years before fiscal year 1997 may not be used for development and procurement of the Pulse Doppler Upgrade modification to the AN/SPS-48E radar system.

Mr. SMITH. Mr. President, it is reality of declining defense budgets that not every program conceived by the Armed Forces or the defense industry can be funded. The Services are forced to examine their military requirements and prioritize among many competing programs. When they do, disappointed defense contractors may seek legislative intervention to achieve objectives they could not satisfy in the budgeting process. An example of such activity exists in the House version of the defense authorization bill. The bill contains a provision that would require the Secretary of the Navy to spend $29 million, authorized and appropriated for other purposes in fiscal years before fiscal year 1997, for development and procurement of a pulse Doppler upgrade modification for the Navy's AN/SPS-48E radar system. In other words this provision would force the Navy to take money away from programs of higher priority that were considered and approved by Congress in prior years and allocate it to a program that failed to make the cut.

Aside from this provision's abuse of the congressional authorization and appropriation process, complying with it would create an outyear demand for substantial additional resources that are not in the future years defense program. Thus, its fiscal abuses would proliferate into the future to undermine stronger and more urgently needed programs.

In summary, we will be confronted in conference by a provision in the House bill that seeks to earmark prior year finds for a program for which there is no funding in the budget or in the future years defense program, for which there is no development or procurement plan, and for which there would be substantial outyear financial burden. I think it important to provide our future conferees clear guidance that such a provision is unacceptable. My amendment would accomplish this. I encourage my Senate colleagues to join me in supporting it.

Mr. NUNN. This amendment has been cleared. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4393) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4394

(Purpose: To allow the Secretary of Energy to waive limitations on the use of foreign technology in environmental restoration and waste management contracts)

Mr. NUNN. On behalf of Senators JOHNSTON and MURKOWSKI, I offer an amendment allowing the Department of Energy to grant Britain and France access to certain prescribed information in order to conduct environmental cleanup and waste management activities of DOD sites.

I believe this has been cleared.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. JOHNSTON, for himself and Mr. MURKOWSKI, proposes an amendment numbered 4394.

The amendment is as follows:

"SEC. . FOREIGN ENVIRONMENTAL TECHNOLOGY.

"Section 2536(b) of title 10, United States Code is amended to read as follows:

"(b) WAIVER AUTHORITY.—(1) The Secretary concerned may waive the application of subsection (a) to a contract award if—

"(A) the Secretary concerned determines that the waiver is essential to the national security interests of the United States; or

"(B) in the case of a Department of Energy contract awarded for environmental restoration, remediation, or waste management at a Department of Energy facility—

"(i) the Secretary determines that the waiver will advance the environmental restoration, remediation, or waste management objectives of the Department of Energy and will not harm the national security interests of the United States; and

"(ii) the entity to which the contract is awarded is controlled by a foreign government with which the Secretary is authorized to exchange Restricted Data under section 144(c) of the Atomic Energy Act of 1954 (42 U.S.C. 2164(c)).

"(2) The Secretary of Energy shall notify the appropriate committees of Congress of any decision to grant a waiver under paragraph (1)(B). The contract may be executed only after the end of the 45-day period beginning on the date the notification is received by the committees.

Mr. McCAIN. This amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4394) was agreed to.

Mr. NUNN. I move to reconsider the vote.

Mr. McCAIN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4395

(Purpose: To increase by $9,000,000 the amount authorized to be appropriated for the Air Force for procurement of one UH-1N helicopter simulator)

Mr. McCAIN. On behalf of Senator DOMENICI, I offer an amendment to provide $9 million in procurement of one UH-1N helicopter simulator.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. DOMENICI, proposes an amendment numbered 4395.

The amendment is as follows:

In section 103(3), strike out "$5,880,519,000" and insert in lieu thereof "5,889,519,000".

Mr. DOMENICI. Mr. President, This amendment will authorize $9 million to equip the Air Force Theater Air Command Control and Simulation Facility with a UH-1N simulator. The USAF has no simulator for the UH-1N aircraft, yet most aircraft in the DOD routinely acquires simulators to provide initial qualification and continuation—recurring—training of crews. There are several reasons why this simulator is necessary:

Pilots and flight engineers qualifying in the UH-1N are the youngest and most experienced in the USAF.

The UH-1N is one of the oldest helicopters in the USAF inventory and may be prone to increased failure of components.

The simulator creates safety risks allowing trainees to practice emergency procedures in the aircraft for the first time.

In many instances missions are flown single pilot, which requires increased knowledge and proficiency that the simulator can provide.

The UH-1N mission requirements have increased to include the use of night vision goggles which is a more demanding initial training requirement that can be handled in the simulator.

On some missions, crews support strategic missile convoy escorts; This support demands high qualification and judgment, which the simulator can provide.

Convoy tactics are classified and cannot be practiced in the aircraft at Kirtland AFB. The simulator would allow hands-on practice in a secure environment.

CONTINUATION—RECURRING—TRAINING

UH-1N accidents in the early 1990's drove the USAF to procure contract Flight Safety International Bell 212 training for UH-1N crew refresher training—not used for initial qualification training.

Off-site training is expensive and does not meet all the necessary requirements because the Bell 212 has some significant systems differences.

All other USAF helicopters have recurring simulator refresher training conducted at Kirtland AFB, NM.

The simulator maintains standardization of crew force qualification and training.

It updates crew on aircraft changes and other pertinent information.

It allows pilots to practice classified mission procedures.

OTHER IMPORTANT FACTORS

Simulators are widely accepted in both military and civil aviation as critical elements in training programs.

Simulators cost less to operate than the aircraft.

Crews can perform high risk emergency procedures and maneuvers in simulators.

Simulators are a force multiplier.

Typical simulator annual flying hours are 4,000–5,000 hours; Helicopters average 400–500 hours per year.

The UH-1N simulator could be built as a reconfigurable HH-60G for little added cost and provide needed training if the UH-1N is retired and additional H-60's are acquired as a replacement helicopter.

Mr. President, this simulator will prove to be a vital asset within the U.S. Air Force. I understand my colleagues on both sides of the aisle have agreed to accept this amendment, so I thank them for their support and I yield the floor.

Mr. NUNN. We have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4395) was agreed to.

AMENDMENT NO. 4396

(Purpose: To increase by $3,000,000 the amount authorized to be appropriated for the Air Force for research, development, test, and evaluation in order to provide $3,000,000 for the Advanced Distributed Simulation connection of the Theater Air Command Control and Simulation Facility with the Mission Training Support System facility of the 58th Special Operations Wing)

Mr. McCAIN. On behalf of Senator DOMENICI, I offer an amendment to authorize $3 million for the Advanced Distribution Simulation of the Theater Air Command Control and Simulation Facility at the 58th Special Operations Wing.

I believe this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. DOMENICI, proposes an amendment numbered 4396.

The amendment is as follows:

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,791,356,000".

Mr. DOMENICI. Mr. President, this amendment will authorize $3 million to connect the Theater Air Command Control and Simulation Facility with the 58th Special Operation Wing. In January, 1995, General Ronald Fogleman, Chief of Staff of the USAF announced a "New Vector for Air Force Simulation" and the "need to expand our involvement and investment in advanced simulation technologies to improve our readiness and lower our costs today, and prepare us to dominate the battles of tomorrow."

Kirtland Air Force Base is uniquely suited to lead the Air Force in achieving this new vector by capitalizing on state-of-the-art modeling and simulation [M&S] capability available.

The Chief's vision for Modeling and Simulation [M&S] will provide the tools that the USAF needs to more effectively organize, train, equip, and jointly employ its forces. In order to meet this vision, organizations from the operational, systems development, and testing communities must be brought more closely together.

While there are major initiatives in the DOD to promote the use of advanced distributed simulation [ADS] to bring these communities together in a cost efficient manner. ADS does not allow for technical synergy or the considerable cost savings that would be realized by building a joint-use infrastructure that is readily accessible to multiple organization.

Kirtland Air Force Base has the organizations, infrastructure, and potential to merge capabilities of the Air Combat Command's Theater Air Command and Control Simulation Facility [TACCSF], 58th Special Operations Wing [SOW] Simulation Facility, Phillips Laboratory, Air Force Operational Test and Evaluation Center [AFOTEC], and Sandia National Laboratories into the DOD's most powerful M&S capability.

TACCSF and the 58th SOW already have the USAF's most capable tactical command and control and special operations simulations, respectively. These simulations could be easily linked to support each organization's diverse Office of the Secretary of Defense [OSD] and Joint service customer base.

This amendment will help to accomplish this objective. I understand that my colleagues on both sides of the aisle have agreed to accept this amendment. I appreciate their support. I believe this is a great step in the direction of achieving Chief Fogleman's vision, and I yield the floor.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4396) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4397

(Purpose: To provide $6,000,000 for the procurement of Bradley TOW 2 Programs sets)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senator HEFLIN and Senator SHELBY. This amendment would authorize the Army to use $6 million of fiscal year funds to buy test program sets for the Bradley program. These funds were authorized last year for the armored gun system. I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. HEFLIN, for himself, and Mr. SHELBY, proposes an amendment numbered 4397.

The amendment is as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. BRADLEY TOW 2 TEST PROGRAM SETS.

Of the funds authorized to be appropriated under section 101(3) of the National Defense Authorization Act for Fiscal Year 1996 (110 Stat. 204), $6,000,000 is available for the procurement of Bradley TOW 2 Test Program sets.

Mr. HEFLIN. Mr. President, in the fiscal year 1996 Defense Authorization Bill, $6 million was authorized for the Armored Gun System Test Program Sets. This authorization was approved due to the large shortfall in testing software for ASM programs and due the AGS system's high priority. Unfortunately, the armored gun system has since been terminated. This amendment, therefore, directs the Secetary of the Army to make this money available to fund the Bradley TOW 2 Test Program Set, a program requirement of the Army.

The Army has performed a study of the cost and benefits of purchasing this test equipment for the Bradley TOW 2 system. It found that purchasing this equipment would result in dramatic savings over the existing maintenance method. I therefore urge my colleagues to support this needed reprogramming.

Mr. McCAIN. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4397) was agreed to.

Mr. NUNN. I move to reconsider the vote.

Mr. McCAIN. I move to table the motion.

The motion to lay on the table was agreed to.

Mr. McCAIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4398

(Purpose: To increase by $10,000,000 the amount available for the Air Force for research, development, test, and evaluation for the Nation Polar-Orbiting Operational Environmental Satellite System (Space) program (PE 0603434F)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator EXON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. EXON, proposes an amendment numbered 4398.

The amendment is as follows:

At the end of subtitle B of title II add the following:

SEC. 223. NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYSTEM.

(a) Of the amount authorized to be appropriated under section 201(3), $29,024,000 is available for the National Polar-Orbiting Operational Environmental Satellite System (Space) program (PE 0603434F).

(b) Of the amount authorized to be appropriated under section 201(3), $212,895,000 is available for the Intercontinental Ballistic Missile—EMD program (PE 0604851F).

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4398) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4399

(Purpose: Study on worker protection at the Department of Energy facility at Miamisburg, Ohio)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator GLENN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. GLENN, proposes an amendment numbered 4399.

The amendment is as follows:

At the end of subtitle D of title XXXI add the following:

SEC. . STUDY ON WORKER PROTECTION AT THE MOUND FACILITY.

(a) Not later than March 15, 1997, the Secretary of Energy shall report to the defense committees of the Congress regarding the status of projects and programs to improve worker safety and health at the Mound Facility in Miamisburg, Ohio.

(b) The report shall include the following:

(1) the status of actions completed in fiscal year 1996;

(2) the status of actions completed or proposed to be completed in fiscal years 1997 and 1998;

(3) a description of the fiscal year 1998 budget request for Mound worker safety and health protection; and

(4) an accounting of expenditures for worker safety and health at Mound by year from fiscal year 1994 through and including fiscal year 1996.

WORKER SAFETY AND HEALTH PROTECTION AT DOE'S MOUND FACILITY

Mr. GLENN. Mr. President, I should like to engage the Senator from Idaho, Senator KEMPTHORNE, in a colloquy concerning worker health and safety protection at the Department of Energy's Mound facility in Miamisburg, OH. As the Senator may know, the worker safety and radiation program at Mound has had numerous problems. For example, in 1994, it was discovered that some fluid samples of potentially contaminated workers had sat on a storage shelf for 3 years without being sent to the lab; furthermore, a huge backlog of samples existed. While the backlog has since been reduced and other steps taken to improve the situation, it is still clear to me that problems exist with the worker radiation protection program. Earlier this year, I met with some Mound workers who expressed serious concerns about this situation; I have also received numerous letters from workers at the site expressing similar concerns. Further, I have been informed that DOE's own technical experts believe that substantial upgrades need to be made at Mound in this area. For these reasons, I have filed an amendment which addresses the specific areas which I believe need to be improved. The technical program upgrades addressed by my amendment were developed with extensive input from the DOE. However, I understand that there are some concerns about the potential impact of my amendment.

Mr. KEMPTHORNE. I share fully the concerns expressed by the Senator from Ohio about the need to ensure worker safety and health programs are pursued vigorously at the Mound facility. When we ask workers to undertake potentially dangerous decontamination and decommissioning work, we need to assure them that all reasonable precautions have been taken to protect their safety and health. However, the committee has been informed that the Department has statutory authority to pursue appropriate worker protection programs at the Mound facility. I believe the Senator from Ohio has received assurances from the Department of Energy that important upgrades at the Mound facility will be pursued, and I commend him for his leadership in obtaining those assurances.

Mr. GLENN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter to me from DOE Under Secretary Tom Grumbly. This letter clearly establishes the Department's intent and commitment to seriously and forthrightly address worker safety issues at Mound. The letter lists a series of discrete program improvements that will be taken at the Mound site beginning immediately and continuing through 1997.

This list closely tracks the amendment which I have filed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF ENERGY,
Washington, DC, June 21, 1996.

Hon. JOHN GLENN,
U.S. Senate,
Washington, DC.

DEAR SENATOR GLENN: In response to your concerns regarding worker safety at the Department of Energy's Mound Site, I want to assure you that the Department is moving aggressively to address and resolve those concerns. The Department is committed to take the following actions (see attached summary chart):

In FY 1996:

1. Initiate a contract to complete, by October 1997, the pre-1989 radiological dose assessment for workers with a probable dose of greater than	20 rem
2. Procure and initiate implementation of automated personnel contamination monitors with access control system at a cost of	$250K
3. procure and being to install an automated radiological record keeping and data handling software at a cost of	$260K
4. Identify and train 6 dedicated radiological control technicians for the purpose of radiologically characterizing the Mount sites at a cost of ...	$250K
5. Evaluate the continuous air monitoring program to determine the need for personal air samplers for workers at a cost of	$85K

6. Evaluate the existing contract bioassay analysis laboratory program against the DOE bioassay accreditation criteria to identify areas for improvement at a cost of	$30K
7. Evaluate the existing internal dosimetry does calculation methodologies to validate proper treatment of particle size and chemical form of radioisotopes at a cost of ...	$50K
Total FY 1996 cost	$925K

In FY 1997:

1. complete the pre-1989 radiological dose assessment for workers with a probable dose of greater than 20 rem at a cost of	$3,400K
2. Complete the procurement and installation of automated personnel contamination monitors with access control system at a cost of	$490K
3. Complete installation of the automated radiological record keeping and data handling software at a cost of	$240K
4. Complete the radiological characterization of the Mound site at a cost of	$700K
5. Complete implementation of enhancements to the continuous air monitoring program, including procurement and implementation of a personal monitoring program, at a cost of	$120K
6. complete implementation of a quality control program which meets the DOE bioassay accreditation program criteria for site and contract laboratories as well as establish a DOE validation program at a cost of	$120K
7. Complete implementation of an internal dosimetry dose calculation methodology that properly treats the particle size and chemical form of radioisotopes at a cost of	$150K
Total FY 1997 cost	$5,220K

The cost figures were developed in coordination with the Mound site, but are estimates and therefore not necessarily precise. The expenditures proposed for Fiscal Year 1997 are of course subject to the availability of appropriated funds. We would propose that Fiscal Year 1997 funds for these enhancements be made available from the amounts initially requested for the Environmental Management program in a way that gives the Department the most flexibility. We were not able to include funds for these safety upgrades in our Fiscal Year 1997 budget request because the costs had not yet been determined.

These radiological program improvements will address and resolve both current and legacy issues at Mound and will greatly improve the safety of workers. The Department is committed to making these safety enhancements at the Mound Site.

We appreciate your continued leadership and hard work to assure the protection of worker health and safety at Mound and all Department of Energy facilities.

Sincerely,

THOMAS P. GRUMBLY.

SUMMARY OF RADIOLOGICAL PROGRAM IMPROVEMENTS AT THE DEPARTMENT OF ENERGY MOUND SITE

Project	FY 1996 Costs ($K)	FY 1997 costs ($K)
1. Pre-1989 Dose Assessments	N/A	$3,400
2. Automated Personnel Contamination Monitors and Access Control	$250	490
3. Automated Record Keeping and Data Handling	260	240
4. Site Radiological Characterization	250	700
5. Air Monitoring Program	85	120
6. Bioassay Quality Control	30	120
7. Internal Dosimetry Dose Calculation Methodology	50	150
Total for each FY	925	5,220

Mr. GLENN. These important upgrades should begin at the earliest possible opportunity. As a result of Mr. Grumbly's letter and the committee's concerns, I will not offer my amendment which would specifically authorize funds to ensure that these upgrades take place. I remain concerned though that we may be forcing a trade off between worker safety and health improvements and the pace of clean up at the Mound site.

Mr. President, I wish to ensure that Congress is kept fully informed on the status of the Mound worker safety and health programs.

Mr. KEMPTHORNE. I fully endorse this substitute amendment and move its adoption at this time. I thank my colleague from Ohio for his leadership in this important area. I look forward to working with the honorable Senator to support him on this issue in conference.

Mr. MCCAIN. Mr. President, this amendment has been cleared on this side, and I urge adoption of the amendment.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

Mr. MCCAIN. Mr. President, the amendment is cleared. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4399) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. MCCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4400

(Purpose: To provide special personnel management authorities for civilian intelligence personnel of the Department of Defense)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Senator THURMOND and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. THURMOND, proposes an amendment numbered 4400.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.").

Mr. THURMOND. Mr. President, I propose an amendment that would provide new personnel management authorities to the Secretary of Defense for managing the civilian personnel within the Department of Defense intelligence community.

Mr. President this legislation is intended to provide the Secretary of Defense additional flexibility and the capability to manage and to adjust the skill balance within the intelligence community workforce. The flexibility and management tools in this proposal will enable the Secretary of Defense to adjust the intelligence community workforce to changing requirements and technological advances. It is part of a larger effort to enhance the effectiveness of the intelligence community.

Mr. President, I want to acknowledge the cooperation and assistance of the chairman and ranking member of the Government Affairs Committee. I would not have offered this amendment without their concurrence and support. I am pleased to note, for the record, that this is truly a bipartisan cooperative effort of our two Committees. The Secretary of Defense and the Director of Central Intelligence both recommended and support the legislation. I think the amendment will enhance the effectiveness and efficiency of the intelligence community. I urge adoption of the amendment.

Mr. President, I thank the Chair and yield the floor.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4400) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4401

(Purpose: To amend chapter 57 of title 5, United States Code, to provide Federal employees who transfer in the interest of the Government more effective and efficient delivery of relocation allowances by reducing administrative costs and improving services, and for other purposes)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. COHEN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. COHEN, for himself and Mr. LEVIN, proposes an amendment numbered 4401.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. COHEN. Mr. President, Senator LEVIN and I are offering today the Travel Reform and Savings Act as an amendment to the DOD authorization bill.

This amendment has bipartisan support and is intended to enable Federal agencies to adopt the best of private sector travel management practices. It will save over $800 million each year from regulatory and statutory changes in Federal travel management.

This effort originated with two hearings I held this Congress on reforming the Federal Government's travel process. At the Subcommittee on Oversight of Government Management hearings on the costs associated with processing Federal travel vouchers, GAO, DOD, GSA and other executive branch agencies agree that the Government's policies focus too much on compliance with rigid rules, and that Federal travel practices are outmoded and too bureaucratic. There was also agreement that the travel process needs to be radically redesigned or reengineered and simplified by adopting the best practices of private industry. Successfully adopting these practices will save the Government an estimated $6 billion during the next 5 years.

I am encouraged by the efforts of the Department of Defense and other agencies in reforming administrative costs connected with temporary duty travel. We are beginning to see progress and we should redouble our efforts to save the taxpayer money from unnecessary travel overhead expenditures.

The Travel Reform and Savings Act primarily deals with another segment of Federal travel, Permanent Change of Station travel, or the cost of moving Federal employees to a new duty station. The amendment is based on many of the recommendations made by the Joint Financial Management Improvement Program, a cooperative effort between the Office of Management and Budget, the General Accounting Office, the Department of Treasury, and the Office of Personnel Management to improve travel and relocation management.

This amendment proposes to offer alternative methods of reimbursement for househunting, and housing transaction expenses. These alternative methods would reduce administrative time and paperwork associated with auditing vouchers. If found cost effective to do so, this legislation would provide authority to pay for property management services, transportation of an employee's privately owned motor vehicle within the continental United States, and home marketing incentives. Furthermore, the amendment would authorize payment for limited relocation allowances to an employee who is performing an extended assignment, repeal the long-distance telephone call certification requirement and transfer authority to the Administrator of General Services to issue implementing regulations.

The Travel Reform and Savings Act is intended to reduce the Government's relocation and travel costs and to ease administrative burdens while providing equitable reimbursement to employees. Enactment of the legislation will eliminate unnecessary paperwork requirements, cut redtape, and result in substantial savings to taxpayers.

Mr. LEVIN. Mr. President, I am pleased to join Senator COHEN in offering this amendment to the fiscal year 1997 Defense authorization bill.

The amendment is needed to reduce the Government's relocation and travel costs, and to ease administrative burdens while providing equitable reimbursement to employees. Enactment of this legislation will eliminate unnecessary paperwork requirements and cut red tape, improve the treatment of employees who perform official travel by creating parity with their private sector counterparts and result in substantial savings to taxpayers.

The amendment represents the product of a multi-agency project team established in 1994 by the Joint Financial Management Improvement Program [JFMIP], a cooperative undertaking of the Office of Management and Budget, the General Accounting Office, the Department of Treasury, and the Office of Personnel Management, to develop recommendations to improve travel and relocation management. A team representing over two dozen organizations from the executive and legislative branches focused on identifying and incorporating the best travel practices of both the public and private sectors. In a recent hearing before the Subcommittee on Oversight of Government Management and the District of Columbia, the General Services Administration testified that one of their short-term goals to assist Federal agencies in their travel reenigineering efforts was to get the necessary legislative changes implemented. The legislative changes proposed by the JFMIP are embodied in this amendment. GSA estimates that the legislative changes included in this amendment will save the Government in excess of $200 million.

I urge my colleges to support this amendment.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4401) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4402

(Purpose: To require reporting on compliance of Army test program with certain statutory requirements)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Mr. LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LEVIN, proposes an amendment numbered 4402.

The amendment is as follows:

At the appropriate place in title VIII of the bill, add the following new section:

SEC. . TEST PROGRAMS FOR MODERNIZATION-THROUGH-SPARES.

Not later than 60 days after the date of enactment of this Act, the Secretary of the Army shall report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on the steps he has taken to ensure that each program included in the Army's modernization-through-spares program is conducted in accordance with—

(1) the competition requirements in section 2304 of Title 10;

(2) the core logistics requirements in section 2464 of title 10; and

(3) the public-private competition requirements in section 2469 of Title 10; and

(4) requirements relating to contract bundling and spare parts breakout in sections 15(a) and (15(l) of the Small Business Act (15 U.S.C. 644) and implementing regulations in the Defense FAR Supplement.

Mr. LEVIN. Mr. President, the Army recently initiated a test program for modernization-through-spares, pursuant to which it plans to group spare parts and system support contracts together and award a single support contract for an entire weapons system. I have been informed that it is the Army's intent to award such a contract, for the M109 howitzer program, on a sole-source basis to the original equipment manufacturer. Spare parts contracts for the M109 howitzer program have previously been awarded on a competitive basis.

This information, if true, is disturbing. Current congressional and regulatory policy encourages the break out spare parts contracts to promote competition. This policy was initiated in the mid-1980's in response to a series of spare parts scandals, in which we learned that the Pentagon had purchased commonly available commercial items for extraordinary prices—such as $435 for a hammer, $243 for a pair of pliers, $640 for a toilet seat, and $9,609 for a hexagonal wrench. These abuses resulted, in large part, from the decision to purchase the items on a sole-source basis from original equipment manufacturers.

Mr. President, the Army's reported decision to award spare parts and support contracts on a sole-source basis to the original equipment manufacturer also raises questions of compliance with a number of other statutory provisions, including the Competition in Contracting Act, requirements for public-private competition prior to contracting out decisions, and prohibitions on contracting out core government functions. These provisions were all written to protect the taxpayers from inappropriate contracting decisions.

My amendment would require the Secretary of the Army to report to the Congress within 60 days on the steps that he is taking to ensure that the proposed test program is conducted in accordance with these requirements. As one of the authors of the Competition in Contracting Act and the spare parts reforms, I intend to closely scrutinize the rationale offered by the Army for any decision to award a sole-source contract to the original equipment manufacturer under this test program.

Mr. NUNN. I believe this amendment has been cleared on the other side, and I urge its adoption.

Mr. McCAIN. I urge adoption. It has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4402) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4403

(Purpose: To authorize the construction of a fuel farm, phase I, at Elmendorf Air Force Base, Alaska)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. STEVENS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. STEVENS, proposes an amendment numbered 4403.

The amendment is as follows:

In the table in section 2401(a), strike out "$18,000,000" in the amount column in the item relating to Elmendorf Air Force Base, Alaska, and insert in lieu thereof "$21,000,000".

Strike out the amount set forth as the total amount at the end of the table in section 2401(a) and insert in lieu thereof "$530,590,000".

In section 2406(a), in the matter preceding paragraph (1), strike out "$3,421,366,000" and insert in lieu thereof "$3,424,366,000".

In section 2406(a)(1), strike out "$364,487,000" and insert in lieu thereof "$367,487,000".

Mr. McCAIN. Mr. President, I believe the amendment has been cleared on both sides.

Mr. NUNN. Mr. President, it has been. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4403) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4404

(Purpose: To authorize $10,000,000 for the construction, Phase I, of a national range control center, White Sands Missile Range, New Mexico)

Mr. McCAIN. Mr. President, I send an amendment to the desk for Mr. DOMENICI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. DOMENICI, proposes an amendment numbered 4404.

The amendment is as follows:

In the table in section 2101(a), insert after the item relating to Fort Polk, Louisiana, the following new item:

New Mexico	White Sands Missile Range	$10,000,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a) and insert in lieu thereof "$356,450,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,904,297,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$366,450,000".

Mr. NUNN. Mr. President, this has been cleared, and I urge its adoption.

The PRESIDING OFFICER. Without objection, The amendment is agreed to.

The amendment (No. 4404) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4405

(Purpose: To authorize $8,900,000 for construction at the Undersea Weapons Systems Laboratory at the Naval Undersea Warfare Center, Newport Division, Newport, Rhode Island)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. CHAFFEE and Mr. WARNER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. CHAFEE, for himself and Mr. WARNER, proposes an amendment numbered 4405.

The amendment is as follows:

In the table in section 2201(a), insert after the item relating to Camp Lejeune Marine Corps Base, North Carolina, the following new item:

Rhode Island	Naval Undersea Warfare Center.	$8,900,000

Strike out the amount set forth as the total amount at the end of the table in section 2201(a) and insert in lieu thereof "$515,952,000".

In section 2205(a), in the matter preceding paragraph (1), strike out "$2,040,093,000" and insert in lieu thereof "$2,048,993,000".

In section 2205(a)(1), strike out "$507,052,000" and insert in lieu thereof "$515,952,000".

Mr. CHAFEE. Mr. President, my amendment, which has been cleared by both sides, authorizes $8.9 million for an Undersea Weapons Systems Laboratory at the Naval Undersea Warfare Center [NUWC], headquartered in Newport, RI.

For many years, NUWC has maintained a well-deserved reputation as a center of excellence in submarine technology. It was certainly no accident that during the 1991, 1993, and 1995 base closure rounds, the Navy consolidated significant personnel and functions into Newport, while establishing the site as headquarters for one of its four R&D superlabs.

Unfortunately, though, NUWC's existing laboratory facilities dedicated to developing emerging technologies are badly outdated and cost-ineffective. They are housed in WWII vintage, thick walled concrete buildings not designed for controlled environments, specialized power and other modern necessities.

In order to remedy this shortfall and maintain U.S. strategic advantage in emerging undersea technologies, NUWC has established a requirement for an Undersea Weapons Systems Laboratory. This facility will enable NUWC to develop and implement affordable state-of-the-art technologies, and to design and prototype futuristic small tactical undersea vehicles. It also boasts an extraordinary pay back period of 2.4 years, which will be realized through the use of multidimensional modeling and simulation laboratories to replace costly in-water testing of underwater weapons systems.

Mr. President, I am convinced that the continued and increasing threat from submarine forces abroad should be a top U.S. national security concern. It has recently been reported that by 2005, 17 percent of the world's projected 410 submarines will have state-of-the-art technology, compared to just 8 percent today. Exploration and development of the many emerging technologies in this field, a goal my amendment seeks to achieve, will keep our undersea fleet of the future equipped with the most capable weapons systems, thereby deterring any potential near-term aggressor.

I want to express my deep appreciation to Senator WARNER for his support for this amendment. Its enactment into law will help take our submarine force into the 21st century as capable as ever.

Mr. NUNN. Mr. President, this amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4405) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, the amendments just accepted by the Senate add $21.9 million to the bill for three unrequested, low priority military construction projects, in addition to the $600 million already provided by the committee. These amendments did not pass the scrutiny of the Senate Armed Services Committee during its markup process, and the Senate should not now act to add millions of dollars for more military construction addons.

I ask that the record clearly reflect that I am strongly opposed to each of these amendments.

The three projects for which funding was added by these amendments are: $8.9 million for an undersea warfare laboratory in Rhode Island, $10 million for a command and control center at White Sands Missile Range in New Mexico, and $3 million for a fuel depot at Elmendorf Air Force Base in Alaska.

I appreciate the fact that every effort is being made to adhere to some credible criteria in selecting the projects for addons in this bill. But my objection, in principle, to adding funds for unrequested military construction projects remains the same.

Since 1990, the Congress has added more than $6 billion to the military construction accounts. This bill now adds more than $600 million for unrequested projects at specific locations in various States. At the same time, the overall defense budget has declined by more than 40 percent, despite our recent efforts to increase funding.

During the SASC markup, the Readiness Subcommittee recommended a plus-up of $100 million for high-priority housing projects. But the subcommittee allowed the Department of Defense to determine the allocation of these projects by military priority, not by location in a powerful Senators' State. Senator GLENN and I both voted against the addition of another $600 million in unrequested mil con projects when the amendment was offered in our full committee markup. Not surprisingly, we lost that vote.

Again, I am somewhat gratified to learn that the close scrutiny focused on military construction pork has at least forced a degree of control on the process. Most of the projects added by the Armed Services Committee meet four of the five criteria stated in the sense of the Senate language: Mission essential; not inconsistent with BRAC; in the FYDP; and, executable in fiscal year 1997.

Mr. President, this bill already includes 25 added projects do not meet at least one of these criteria. However, 11 of these are quality of life improvements, and the balance received only planning and design funding. But none of these projects in the bill meet the fifth criterion—offset by a reduction in some other defense account.

Let's look at the priority of the projects already added by the committee for military construction.

Of the total of 115 added projects, 72 were planned for the year 2000 or later. In fact, 14 of these projects were not even included in the FYDP.

Of the $600 million added for unrequested projects, almost $350 million was added for these 72 projects planned for the next century.

Surely, projects planned for fiscal years 2000, 2001, 2002, or later are not as vital to the services as those that are planned to be included in next year's defense budget. Why didn't we focus on the fiscal year 1998 projects? Or the fiscal year 1999 projects? Instead, we are reaching 4 years out in the FYDP, into the next century, to find 29 projects that are planned in the States of Members of the Armed Services Committee.

Let's be realistic. This bill is $1.7 billion above the defense budget target set in the fiscal year 1997 budget resolution. That means we will have to cut out some of the programs added in this bill when we get to conference with the House. Will military construction be cut? I don't think so. Instead, we will probably end up cutting some of the high-priority adds for much-needed modernization equipment that will enable our troops to fight and win in future conflicts.

Mr. President, I am tired of seeing us acquiesce to a practice which only feeds on itself. Until we instill some discipline in our own markup process—by resisting the temptation to add money simply because it serves our constituents—we cannot expect the Department of Defense to exercise discipline in resisting efforts to spend defense dollars on unnecessary, nondefense projects.

We have made progress in reducing the total amount of pork barrelling in the defense budget. Last year, about $4 billion of the total $7 billion added to the defense budget was wasted on pork barrel projects, like new attack submarines, research project earmarks, medical education programs, and, of course, military construction add-ons. This year, we are wasting only $2 billion.

But $2 billion is a lot of taxpayer dollars to waste. How do we explain to the American people why we need to spend $11 billion more for defense this year, when we are spending $2 billion for projects that do little or nothing to contribute to our Nation's security?

Mr. President, I intend to continue to expose these unnecessary addons for military construction projects to public scrutiny—the only way I know to fight this egregious pork-barrel spending. And I plead with my colleagues, for the sake of ensuring public support for adequate defense spending now and in the future, let's stop the pork-barrelling now.

Mr. GLENN. Mr. President, a moment ago the Senate adopted three amendments to add additional funds to the military construction budget to fund an undersea weapons system lab in Newport, RI; phase I of a national range command and control center at White Sands Missile Range, NM; and phase I of a fuel farm at Elmendorf AFB, AK. I did not ask for a rollcall vote on these amendments, nor did I want to tie the Senate up with debate on these amendments. However, I would like to voice my opposition to these amendments. I am opposing these amendments because we in the Congress continue to add millions and millions of dollars to the defense budget in order to fund projects which are not requested by our military leaders.

As I understand it, these projects do meet the criteria which the chairman of the Readiness Subcommittee, Senator McCAIN, and I established several years ago. I am gratified that the Senate is exercising a degree of discipline by requiring that these military construction projects meet certain minimal criteria, such as whether a project is in a service's future years defense plan or whether a project is mission essential. I don't think that is too much to ask, Mr. President. Furthermore, I do not agree that just because a project meets these criteria we should fund each and every one of them. We have to exercise discipline in limiting the number of unrequested projects added each year, just as the Pentagon must learn to request appropriate levels of funding for the services' construction accounts. If our military leaders truly need these projects, then they should ask for them in the annual budget request.

On June 19, during the Senate's consideration of Senator McCAIN's amendment to reduce the fiscal year 1997 military construction authorization by $600 million, I spoke at length about my position concerning construction adds. So, I will not belabor the point here. I will point out that it is my intention to continue to work with the chairman of the Readiness Subcommittee to reverse the practice of adding millions of dollars to the budget for unrequested projects.

AMENDMENT NO. 4406

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. SMITH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. SMITH proposes an amendment numbered 4406.

The amendment is as follows:

SEC. . SENSE OF THE SENATE CONCERNING USS LCS 102 (LSSL 102).

It is the sense of the Senate that the Secretary of Defense should use existing authorities in law to seek the expeditious return upon completion of service, of the former USS LCS 102 (LSSL 102) from the Government of Thailand in order for the ship to be transferred to the United States Shipbuilding Museum in Quincy, Massachusetts.

Mr. SMITH. Mr. President, during the past 5 years our Nation commemorated the 50th anniversary of a series historic World War II events. These ceremonies highlighted the enormous valor, sacrifice, and honorable service of our Nation's veterans. They also showcased some of the unique aircraft, ground vehicles, and naval vessels that helped turn the tide of war in Europe and the pacific.

Many of these extraordinary combatants have long since been retired. Others have been converted to museums. Still others are in use with foreign military services through agreement with our Government.

Recently, it was brought to my attention that one specific class of Navy ship, the LCS class, has only one surviving ship left in existence: The LSC-102. The LCS' were shallow draft gunboats designed and built to provide a high rate of firepower for marines going ashore. The Navy built 130 of them, outfitted with 20mm and 40mm guns as well as rocket launchers for beach bombardment. They saw extensive action in New Guinea, Borneo, Iwo Jima, the Phillippines and Okinawa. Twenty-six were sunk or damaged in combat operations.

As I said, the LCS-102 is the last ship in its class in existence. It is in service with the Royal Navy of Thailand through agreement with our Government. The Thai Navy has indicated that they plan to keep the ship in service through at least the year 2000.

Mr. President, the LCS class has a distinguished history. Our former colleague Senator John Tower served in combat as a boatswain's mate on an LCS in World War II. Former Navy Secretary Bill Middendorf also served aboard an LCS. And John F. Lehman, Sr., the father of Chris Lehman and former Secretary of Navy John Lehman, Jr. commanded the LCS-18 and was awarded the Bronze Star for service during the Okinawa campaign.

The National Association of USS LCS (L) 1-130 has for several years sought to return the LCS-102 to the United States so that it can become an exhibit at the U.S. Navy shipbuilding museum at Quincy, MA. Time is running out for thousands of sailors who served aboard LCS's during World War II and want to see this last-of-its-class ship brought home to port.

The amendment that I am offering today would express the sense of the Senate that the Secretary of Defense should use existing authorities in law to seek the expeditious return of the LCS-102 from the Government of Thailand in order for the ship to be transferred to the United States shipbuilding museum. The amendment does not require any specific action or force the return of the ship. Rather, it convey's congressional interest in working with our friends in Thailand to return this last of its kind ship for exhibition in the United States.

Mr. President, I understand there are concerns over who actually holds title to the vessel, how much longer the royal Thai navy may want to hold onto it, and who would pay the bill to return it to the United States.

According to the Navy, the LCS-102 is now known as the LSSL 102, having been transferred to Thailand under the old military assistance program. There is revisionary right retained by the United States providing that when Thailand no longer needs the vessel for intended purposes it is to notify the United States.

It is entirely possible that Thailand may insist upon some alternative compensation if they agree to give back the ship. While this amendment does not address that issue, it is intended that the Secretary of Defense would exercise his existing authority, in consultation with the State Department, to explore various options and consummate such an arrangement, if appropriate.

Let me make clear that I do not propose using Defense Department funds to return this vessel to the United Sates and transport it to Quincy, MA. In my view, this is something that should be paid for through private contributions. I ask unanimous consent that a letter from William M. MacMullen, the executive director of the shipbuilding museum, committing to raise the necessary funds for such an effort, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1)

Mr. SMITH. I urge my colleagues to join with me in supporting this amendment. It is fitting that we pay tribute to the collection of American warriors, including our former colleague John Tower, who served aboard this unique class of combatants. Let us bring LCS-102 back stateside, to permanent home port in Quincy, MA, so that future generations can better understand and appreciate its legacy of service.

Mr. President, I understand that this amendment has been cleared on both sides and, if that is the case, I urge adoption of the amendment.

EXHIBIT 1

U.S. NAVAL SHIPBUILDING MUSEUM,
MASSACHUSETTS MILITARY RESEARCH CENTER,
June 19, 1996, Quincy, MA.

Hon. Robert C. Smith,
U.S. Senate, Seapower Subcommittee, Senate Armed Services Committee, Washington, D.C.

DEAR SENATOR SMITH: I am writing to provide you my assurance that the United States Naval Shipbuilding Museum here in Quincy, Massachusetts is prepared to take the former LCS-102 and give her a home at the Museum.

We are committed to raise the necessary funds working with the LCS Association to maintain the vessel and prepare her for use as an exhibit. We have the room here and we think that the addition of one of the "fightingest" ships in the World War Two Navy would be a fine addition to our Museum. Many LCSs were actually built here in Quincy during World War Two and it would be fitting to have one of those, (in fact, the only ship of its class left in the world), ships back here in Quincy at our Museum.

It is my understanding that there is a possibility that the Congress may soon endorse the idea of bringing the last LCS home to serve as a museum piece. Many Navy veterans from New Hampshire would be pleased to have the ship so close to home. I urge you to support this initiative to bring this ship to Quincy, Massachusetts, and so honor the tens of thousands of sailors who served on amphibious ships during World War Two.

Respectfully,
WILLIAM M. MACMULLEN, Jr.
Exec. Director, USNSM.

Mr. McCAIN. This has been cleared.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4406) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4407

(Purpose: To specify certain matters to be considered by the Chairman of the Joint Chiefs of Staff in the next assessment of the current missions, responsibilities, and force structure of the unified combatant commands)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. ROBB, proposes an amendment numbered 4407.

The amendment is as follows:

At the end of subtitle A of title IX, add the following:

SEC. 908. MATTERS TO BE CONSIDERED IN NEXT ASSESSMENT OF CURRENT MISSIONS, RESPONSIBILITIES, AND FORCE STRUCTURE OF THE UNIFIED COMBATANT COMMANDS.

The Chairman of the Joint Chiefs of Staff shall consider, as part of the next periodic review of the missions, responsibilities, and force structure of the unified combatant commands under section 161(b) of title 10, United States Code, the following matters:

(1) For each Area of Responsibility of the regional unified combatant commands—

(A) the foremost threats to United States or allied security in the near- and long-term;

(B) the total area of ocean and total area of land encompassed; and

(C) the number of countries and total population encompassed.

(2) Whether any one Area of Responsibility encompassed a disproportionately high or low share of threats, mission requirements, land or ocean area, number of countries, or population.

(3) The other factors used to establish the current Areas of Responsibility.

(4) Whether any of the factors addressed under paragraph (3) account for any apparent imbalances indicated in the response to paragraph (2).

(5) Whether, in light of recent reductions in the overall force structure of the Armed Forces, the United States could better execute its warfighting plans with fewer unified combatant commands, including—

(A) a total of five or fewer commands, all of which are regional;

(B) an eastward-oriented command, a westward-oriented command, and a central command; or

(C) a purely functional command structure, involving (for example) a first theater command, a second theater command, a logistics command, a special contingencies command, and a strategic command.

(6) Whether any missions, staff, facilities, equipment, training programs, or other assets or activities of the unified combatant commands are redundant.

(7) Whether warfighting requirements are adequate to justify the current functional commands.

(8) Whether the exclusion of Russia from a specific Area of Responsibility present any difficulties for the unified combatant commands with respect to contingency planning for the area and its periphery.

(9) Whether the current geographic boundary between the Central Command and the European Command through the Middle East could create command conflicts in the context of fighting a major regional conflict in the Middle East.

Mr. McCAIN. The amendment has been cleared. I urge that the Senate adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4407) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4408

(Purpose: To make available $7,000,000 for research and development relating to seamless high off-chip connectivity (SHOCC))

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Mr. LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LEVIN, proposes an amendment numbered 4408.

The amendment is as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. SEAMLESS HIGH OFF-CHIP CONNECTIVITY.

Of the amount authorized to be appropriated by this Act, $7,000,000 shall be available for the Defense Advanced Research Projects Agency for research and development on Seamless High Off-Chip Connectivity (SHOCC) under the materials and electronic technology program (PE 0602712E).

Mr. LEVIN. Mr. President, the Defense Advanced Research Projects Agency [DARPA] has a continuing program of research and development for advanced electronics and materials. One of the most promising elements of this program is called seamless high off-chip connectivity, or SHOCC for short. The SHOCC program offers the potential to dramatically reduce the cost of producing integrated circuits while increasing their performance considerably. This would be important to our information-age military forces, as well as to our commercial electronics industry.

One of the problems faced by the electronics industry, for both military and civilian applications, is the increased cost of producing high performance integrated circuits. While we have made many dramatic improvements in the chips we produce, there is a point at which increasing their performance to the next logical level is cost-prohibitive. We are approaching that point quickly.

Additionally, the wiring that connects the circuits together on the circuit boards is incapable of transferring all the massive amounts of data that the chips can handle. Consequently, there is an electron traffic jam and bottleneck when the data leaves a chip and goes on to its next destination. It is like an eight-lane information highway suddenly becoming a one-lane dirt road; you can be sure there will be real show-downs. So we need to increase the density of the off-chip wiring.

The SHOCC program run by DARPA seeks to provide a new way of fabricating high performance integrated circuits so they are lower cost, have better wiring to permit all the data to flow between and among all the circuits—the information capacity known as connectivity, and much greater performance. Such circuits would have tremendous importance for our military, which is increasing its reliance on information technology and digitization. Our military needs improved electronic technology at lower cost, and that is what the SHOCC program is all about.

This amendment authorizes $7 million for DARPA to continue this ground-breaking research. There is an offset for the funding of this program.

Mr. McCAIN. The amendment has been cleared, and I urge adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4408) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4409

(Purpose: To amend section 346 (relating to authority to transfer contaminated Federal property before completion of required Federal actions)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator SMITH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. SMITH, proposes an amendment numbered 4409.

The amendment is as follows:

Beginning on page 90, strike line 1 and all that follows through page 91, line 17, and insert the following:

SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FEDERAL PROPERTY BEFORE COMPLETION OF REQUIRED REMEDIAL ACTIONS.

(a) IN GENERAL.—Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended—

(1) by redesigning subparagraph (A) as clause (i) and clauses (i), (ii), and (iii) of that subparagraph as subclauses (I), (II), (III), respectively;

(2) by striking "After the last day" and inserting the following:

"(A) IN GENERAL.—After the last day";

(3) by redesignating subparagraph (B) as clause (ii) and clauses (i) and (ii) of that subparagraph as subclauses (I) and (II), respectively;

(4) by redesignating subparagraph (C) as clause (iii);

(5) by striking "For purposes of subparagraph (B)(i)" and inserting the following:

"(B) COVENANT REQUIREMENTS.—For purposes of subparagraphs (A)(ii)(I) and (C)(iii)";

(6) in subparagraph (B), as designated by paragraph (5), by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)(ii)"; and

(7) by adding at the end the following:

"(C) DEFERRAL.—

"(i) IN GENERAL.—The Administrator (in the case of real property at a Federal facility that is listed on the National Priorities List) or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii)(I) with respect to the property if the Administrator or the Governor, as the case may be, determines that—

"(I) the property is suitable for transfer for the use intended by the transferee;

"(II) the deed or other agreement proposed to govern the transfer between the United States and the transferee of the property contains the assurances set forth in clause (ii); and

"(III) the Federal agency requesting deferral has provided notice, by publication in a newspaper of general circulation in the vicinity of the property, of the proposed transfer and of the opportunity for the public to submit, within a period of not less than 30 days after the date of the notice, written comments on the finding by the agency that the property is suitable for transfer.

"(ii) REMEDIAL ACTION ASSURANCES.—With regard to a release or threatened release of a hazardous substance for which a Federal agency is potentially responsible under this section, the deed or other agreement proposed to govern the transfer shall contain assurances that—

"(I) provide for any necessary restrictions to ensure the protection of human health and the environment;

"(II) provide that there will be restrictions on use necessary to ensure required remedial investigations, remedial actions, and oversight activities will not be disrupted;

"(III) provide that all appropriate remedial action will be taken and identify the schedules for investigation and completion of all necessary remedial action; and

"(IV) provide that the Federal agency responsible for the property subject to transfer will submit a budget request to the Director of the Office of Management and Budget that adequately addresses schedules, subject to congressional authorizations and appropriations.

"(iii) WARRANTY.—When all remedial action necessary to protect human health and the environment with respect to any substance remaining on the property on the date of transfer has been taken, the United States shall execute and deliver to the transferee an appropriate document containing a warranty that all such remedial action has been completed, and the making of the warranty shall be considered to satisfy the requirement of subparagraph (A)(ii)(I).

"(iv) FEDERAL RESPONSIBILITY.—A deferral under this subparagraph shall not increase, diminish, or affect in any manner any rights or obligations of a Federal agency with respect to a property transferred under this subparagraph.".

(b) CONTINUED APPLICATION OF STATE LAW.—The first sentence of section 120(a)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(a)(4)) is amended by inserting "or facilities that are the subject of a deferral under subsection (h)(3)(C)" after "United States".

Mr. SMITH. Mr. President, during the Armed Services Committee consideration of S. 1745, Senator McCAIN and I introduced language to amend section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 [CERCLA] otherwise known as Superfund—to allow for the sale of contaminated properties at former Federal facilities prior to the completion of hazardous waste remedial action. Although the Federal Government would remain responsible for the cost of cleaning up the existing contamination, the early transfer of these properties would allow for the expedited redevelopment of excess Federal properties, such as those closed under the Base Closure and Realignment Act, without having to wait for the completion of the cleanup activities. This language, which was developed with the assistance of the Department of Defense, was cleared as official administration policy by the Office of Management and Budget.

In addition to section 346 being supported by the administration, we have been contacted by a number of States that believe that it is important that the transfer process be expedited so that necessary redevelopment takes place as soon as possible. As a result of my close involvement with efforts to redevelop Pease Air Force Base, as well as my chairmanship of the Senate Superfund Subcommittee, I am aware of instances where potential land redevelopment efforts were hindered because of the Federal agency's inability to provide potential purchasers with a fee simple transaction prior to the time the property was cleaned up. By making this necessary revision to CERCLA 120(h), I believe that we will avoid needless complications in getting these properties into beneficial economic reuse, yet at the same time, ensure that they will be appropriately cleaned up in a timely manner.

Recently, I have received letters from a few State attorneys general expressing concerns about section 346, and seeking assurances that these properties will be expeditiously cleaned up. The attorneys general were primarily concerned that we ensure that all appropriate remedial action is taken at thee sites in a timely manner, that schedules for completion of the cleanup be identified, and that existing agreements, including tri-party agreements remain enforceable. In response to these concerns, my staff on the Senate Environment and Public Works Committee have been working with the staffs of Senators BAUCUS, LAUTENBERG, and CHAFEE, as well as the staff on the Armed Services Committee and representatives of the military services, to address the concerns raised by the attorneys general.

The amendment that I am offering today would accomplish a number of goals. First, it would ensure that those facilities that are transferred prior to their cleanup would receive the same environmental protections as those facilities currently cleaned up under section 120(h). Similar to current law, the deed transferring the property would be required to contain assurances that all appropriate remedial action will be taken at the property, as well as identify schedules for the investigation and completion of all necessary remedial actions. In addition, the current language in section 120(h) would continue to hold the Government responsible for any additional cleanup found to be necessary after the date of the transfer.

Second, this amendment specifically states that the Federal obligations for these facilities would not be diminished or affected as a result of these transfers. The functional effect is that contractual obligations, such as tri-party agreements, that have been entered into by the Federal Government prior to the transfer, would remain unaffected by this change.

Third, this amendment would ensure that State laws, including State environmental laws, will continue to apply to facilities that are transferred as a result of this section. Thus, in no way does this amendment affect the ability of States to fully enforce their State environmental cleanup requirements.

Mr. President, my staff has been contacted by the representatives of a number of Governor's who have told me that they strongly support the existing language in section 346. However, I am willing to modify my language to address the concerns raised by attorneys general. As a result of these changes, I believe that this amendment will not only clarify our intention to allow these pre-cleanup transfers, but it will also ensure that these cleanups will take place in a prompt fashion.

I urge the support of my colleagues for this amendment.

Mr. LEVIN. Mr. President, I would like to engage the distinguished Chairman of the Armed Services Committee in a brief colloquy regarding the Smith amendment to section 346 of the bill. Let me also say that I am pleased that the managers have agreed to adopt the Smith amendment, which I believe improves the section in question.

The original intent of section 346 is worthy. We should make every effort to expedite the transfer of Federal property when it is needed for local economic development or similar time sensitive opportunities. However, upon reading the provision carefully, I became concerned that providing the authority to transfer contaminated Federal property before completion of required remedial actions could potentially muddle the Federal Government's responsibility for cleaning up this contamination.

I would like to ask the Senator from South Carolina whether anything in the Smith amendment to section 346 in any way diminishes the Federal Government's obligation to remediate contamination for which it or its agencies are responsible?

Mr. THURMOND. I thank the Senator from Michigan for his interest. Nothing in the amended section 346 reduces or otherwise changes the responsibility of the United States for cleaning up contamination at its facilities.

Mr. LEVIN. I appreciate that clarification from the chairman. As he and my colleagues may know, I have long been concerned that the Department of Defense [DOD] and Congress should allocate sufficient funds for the purposes of cleaning up closed and closing bases so that they may be reused to the benefit of the local and State economies. In fact, I believe that these former military facilities deserve priority attention because of the severe economic impact that closing bases can have on communities.

I am thankful that the amendment reflects these concerns and requires cleanup schedules to be prepared and adequate budget requests to be made as part of the necessary assurances prior to any transfer. However, the amendment still covers the entire universe of potentially transferrable Federal facilities and allows transfer prior to cleanup. Conceivably, this could result in less attention by DOD and other agencies to the remediation of these facilities. Could the chairman reassure me that the transfer of former military properties and other Federal facilities pursuant to the revised section 346 will not affect the priority DOD gives to their cleanup?

Mr. THURMOND. Let me reassure the Senator from Michigan that section 346 as amended by the Smith amendment does not affect or alter in any way the obligation of or the need for DOD to clean up the properties it has contaminated, particularly at closed or closing facilities. In fact, as the Senator indicated, all agencies proposing to transfer property must identify specific cleanup schedules and submit budget requests that adequately address those schedules for remedial action.

Mr. LEVIN. The chairman of the committee and his staff have been most helpful in arriving at these improvements to section 346. I appreciate his assistance.

Mr. LEVIN. Mr. President, though the Smith amendment to section 346 goes a long way toward resolving the majority of my concerns, and the reassurances provided by the chairman of the Senate Armed Services have been extremely helpful, there are still some issues that need to be considered before Congress proceeds with this kind of change in permanent law.

Though I understand from DOD staff that the Department does not intend to use this new authority widely or without significant caution, an argument can be made that a change of this magnitude, affecting all Federal facilities, should be considered in the context of comprehensive reform of the Superfund law, and the Governmental Affairs Committee should probably have the opportunity to consider the change in the process for disposition of Federal property.

Further, my office has been contacted by the Attorney General of Michigan regarding his concerns about the impact of section 346 in the Committee-reported version of S. 1745. These concerns appear to be shared by many other State Attorneys General around the country. Some of these concerns are addressed by the changes that the Smith amendment makes in section 346. But, I want my colleagues to know that this provision is not a simple matter and could have far-reaching consequences. I hope the conferees will carefully consider the need for this new authority and the possible outcomes of its exercise.

I ask unanimous consent that a letter from the attorney general of Michigan to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
DEPARTMENT OF ATTORNEY GENERAL,
Lansing, MI, June 13, 1996.

Re: S. 1745—Proposed amendment of section 120(h)(3) of CERCLA.

Hon. CARL LEVIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR LEVIN: I am writing to express my opposition to the change proposed by S. 1745, the National Defense Authorization Act for Fiscal Year 1997, to a most important provision of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Section 120(h)(3) of CERCLA has clearly and unequivocally placed the burden of cleaning up contaminated federal property on federal agencies. This is sound public policy for a number of reasons, not the least of which is that since the property was contaminated by the federal government, is should set an example for the rest of the nation by accepting its responsibility for damages its agencies have done to the environment. It is a policy that has worked because of the mandates of section 120(h)(3) that all remedial action necessary be conducted before the site is transferred, and that any transfer contain a covenant that any additional remedial action found to be necessary after the transfer will be conducted by the United States.

The proposed change to section 120(h)(3) will permit the transfer of contaminated federal land before all remedial action is completed, and it will allow federal agencies to transfer their liability for the facility to other parties such as states, local governments and private persons. I urge you to strongly oppose this change in its present form.

In many instances, the initial transferee of federal facilities may be a state or local government which accepts title in order to convey to a private party for economic development. Forcing the state or local agency to make a choice between accepting the land and the liability of the United State, or losing the chance for economic redevelopment of the site by declining to accept such liability, is unfair and contrary to the intent of section 120(h)(3). Yet this is precisely the choice that will be presented in many instances, and I fear that the acute need for redevelopment and the ability to pass the liability on to the private developer will force state and local agencies to absolve the United States of liability for the harm it has caused, even though the private redeveloper's promise to accept the liability is often of little or no value. In such cases, the environmental liability of the United States will be unfairly passed to state and local governments.

Allowing federal agencies to transfer their environmental liability to others in the name of economic development will increase the number of orphan sites of contamination when the transferee is either unwilling, or more likely unable, to fulfill the "assurance" it gave to remediate the federal facility. Facilitating civilian redevelopment of federal facilities is a worthwhile endeavor, but not at the expense of the environment.

First and foremost, the federal government must keep the promise of remediating all contaminated federal facilities. The United States can fulfill this obligation, and promote redevelopment of federal facilities at the same time under the current section 120(h)(3) of CERCLA. In those rare instances where redevelopment is thwarted by the inability to convey title to the land to the redeveloper, CERCLA must continue to make clear that the United States will take any corrective action necessary after transferring the land.

It is my position that an amendment to section 120(h)(3) of CERCLA such as that proposed by S. 1745 should not be passed without clear mandates contained therein that the United States may not transfer its liability to any other party or person, and that the United States must convenant to take all remedial action necessary in the event the transferee fails to do so.

Very truly yours,
FRANK J. KELLEY,
Attorney General.

Mr. BAUCUS. I would like to ask the sponsor of the amendment, Senator SMITH, to clarify a couple of points I have on the amendment allowing the transfer of Federal facilities. First, let me say that transferring Federal facilities to private parties as quickly as we can so they can be put to productive use is desirable. But we must not transfer property if doing so would compromise protection of human health and the environment. And we must ensure that when we do transfer Federal sites before they are cleaned up, we don't forget about them. We must make sure that the Federal Government cleans up these sites as quickly as it would if the Government still owned the property. At the same time, communities do not want to wait for years while interested parties study the extent of contamination and argue over remedies. So to speed up the transfer of contaminated land at these Federal sites, this amendment will allow the Federal Government to transfer property to private parties before the remedy is completed. While I support the amendment, I do so with some reservations and ask that my concerns be addressed in conference. I want to make sure that if we allow the Federal Government to transfer contaminated property before the site is cleaned up we do so with the appropriate safeguards necessary to ensure that the States and public is not saddled with the cleanup of former Federal sites. I want to make sure that allowing Federal sites to be transferred before the site is cleaned up will not affect the Federal Government's obligations to cleanup its sites. At many sites, the Federal Government has entered into triparty agreements with the States and Federal regulators. These triparty agreements should not be compromised by transfers. Is it the understanding of the Senator that triparty agreements will not be affected by the amendment?

Mr. SMITH. It is my understanding that the triparty agreements will remain unaffected by this amendment. We do not intend that this provision effect the pace of cleanups or shift costs from the Federal Government to the States. More specifically, in the paragraph setting forth the condition that must be met before a transfer can occur, clause (iv) states that a deferral shall not increase, diminish, or affect in any manner any rights or obligations of a Federal agency with respect to a property transferred.

Mr. BAUCUS. So it is the intent of the Senator that by using the phrase "rights or obligations" in clause (iv) is to cover any existing contractual obligation entered into by the Federal agency?

Mr. SMITH. Yes.

Mr. BAUCUS. Would the Senator agree that triparty agreements are one category of contractual obligation?

Mr. SMITH. Yes.

Mr. BAUCUS. Second, I understand that the amendment would allow transfers of Federal facilities to occur before remedial action is in place, provided that the transfer contains several assurances. These assurances would, among other things, assure that all appropriate remedial action will be taken and that the schedules for investigation and completion of all necessary remedial actions will be identified. Is the intent of this language to ensure that the cleanup at transferred sites will proceed according to the schedule identified in a deed or other agreement proposed to govern the transfer?

Mr. SMITH. Yes.

Mr. BAUCUS. I am pleased that the intent of this language is for the cleanup to proceed according to the schedule in the deed or other agreement proposed to govern the transfer. But I am unclear who would enforce the schedule and I would hope this is clarified in conference.

Mr. LAUTENBERG. I share these concerns. We want to put Federal facilities back into productive use as quickly as we can. But we must make sure that we do so in a way that protects our citizens health and their environment. While the amendment includes a number of assurances that must be made before a transfer can occur, we must make sure that all of the assurances are met so that health and safety are not compromised and cleanup occurs as quickly as possible. One of the most effective tools now being used to expedite cleanups are interagency agreements, including triparty agreements. Does the Senator agree that triparty agreements are an effective mechanism for ensuring input from States and coordinating cleanup efforts, and should be used where appropriate?

Mr. SMITH. Triparty agreements have proven to be an effective tool to coordinate the cleanup efforts at Federal facilities. These agreements should be used where appropriate, and nothing in this amendment would impede the ability of Federal regulatory agencies and States to enter into such agreements.

Mr. LAUTENBERG. Let me restate my interest in expediting the reuse of these properties. But it must be done carefully and cleanups must proceed in a timely manner. In addition, we must make sure that States have all of the tools that they need to be partners in these transfers of Federal lands and in their cleanup. I hope the Senator will work to address my concerns in conference.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4409) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4410

(Purpose: To strengthen certain sanctions against nuclear proliferation activities)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senator GLENN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. GLENN, for himself and Mr. PELL, proposes an amendment numbered 4410.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. STRENGTHENING CERTAIN SANCTIONS AGAINST NUCLEAR PROLIFERATION ACTIVITIES.

(a) IN GENERAL.—Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended—

(1) by inserting after "any country has willfully aided or abetted" the following: ", or any person has knowingly aided or abetted,";

(2) by striking "or countries" and inserting ", countries, person, or persons";

(3) by inserting after "United States exports to such country" the following: "or, in the case of any such person, give approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of, exports to or by any such person for a 12-month period,";

(4) by inserting "(A)" immediately after "(4)";

(5) by inserting after "United States exports to such country" the second place it appears the following: ", except as provided in subparagraph (B),"; and

(6) by adding at the end the following:

"(B) In the case of any country or person aiding or abetting a non-nuclear-weapon state as described in subparagraph (A), the prohibition on financing by the Bank contained in the second sentence of that subparagraph shall not apply to the country or person, as the case may be, if the President determines and certifies in writing to the Congress that—

"(i) reliable information indicates that the country or person with respect to which the determination is made has ceased to aid or abet any non-nuclear-weapon state to acquire any nuclear explosive device or to acquire unsafeguarded special nuclear material; and

"(ii) the President has received reliable assurances from the country or person that such country or person will not, in the future, aid or abet any non-nuclear-weapon state in its efforts to acquire any nuclear explosive device or any unsafeguarded special nuclear material.

"(C) For purposes of subparagraphs (A) and (B)—

"(i) the term 'country' has the meaning given to 'foreign state' in section 1603(a) of title 28, United States Code;

"(ii) the term 'knowingly' is used within the meaning of the term 'knowing' in section 104 of the Foreign Corrupt Practices Act; and

"(iii) the term 'person' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.".

(b) EFFECTIVE DATE.—(1) The amendments made by paragraphs (1) through (5) of subsection (a) shall apply to persons, and the amendment made by subsection (a)(6), shall apply to countries and persons, aiding or abetting non-nuclear weapon states on or after June 29, 1994.

(2) Nothing in this section or the amendments made by this section shall apply to obligations undertaken pursuant to guarantees, insurance, and the extension of credits (and participation in the extension of credits) made before the date of enactment of this Act.

NUCLEAR PROLIFERATION SANCTIONS

Mr. GLENN. Mr. President, this amendment will authorize the President to impose Export-Import Bank sanctions against specific entities that knowingly aid or abet countries to acquire nuclear weapons or nuclear materials for such weapons.

Each of the Commanders in Chief and Secretaries of Defense of this country—regardless of their party affiliation—has over the last half century recognized that the global spread of nuclear weapons constitutes one of the gravest threats to our national security, to the security of our friends and allies, and to world order. Though there are other weapons of mass destruction that may be easier to acquire and to use, a nuclear weapon has the unique ability to obliterate a whole city in an instant. For this reason, it is understandable that our national leadership and defense community have exerted considerable effort over the last several decades to reducing this threat to all Americans.

The persisting and ever-changing nature of this threat, coupled with the many pathways that are available to countries to acquire such bombs, requires our Government—both the Congress and the Executive—to ensure that the tools we use to combat this threat are up to the job. When these tools are sharp and working as intended, the security of each and every American citizen is enhanced accordingly. Our law must continually respond to—but never surrender to—new challenges that arise with the passage of time.

Current law—The Export Import Bank Act—requires the denial of Exim Bank credits to finance goods destined to: Any country that has violated safeguards or a U.S. nuclear agreement;

any non-nuclear-weapon state that detonates a bomb; or any country that has willfully aided or abetted a non-nuclear-weapon state to get the bomb.

The first two of these sanctions were enacted on October 26, 1977, whereas I authored the language in the Nuclear Proliferation Prevention Act of 1994 which created the third sanction authority listed above.

Revelations in 1996 that a government-owned Chinese entity had sent sensitive uranium enrichment technology to Pakistan raised the possibility of the denial of several billion dollars of Exim-financed credits for United States exports to China. Unfortunately, the China Nuclear Energy Industry Corporation [CNEIC]—the specific entity involved in the transaction—escaped all sanctions since the law prescribed sanctions only against a country that willfully aids and abets proliferation. Also, the United States took no action against China because of insufficient evidence of willful intent on the part of China's leaders. The current law does not authorize the President to target Exim sanctions against specific entities—including state-owned entities like CNEIC operating as a business enterprise—that knowingly engage in illicit nuclear transfers.

The amendment builds upon existing Exim Bank sanctions authorities for the most serious proliferation-related activities—that is, violations of safeguards and U.S. nuclear agreements, nuclear detonations, and willful state actions in promoting proliferation. It authorizes the President to target such sanctions against persons, including government-owned entities operating as a commercial enterprise, that knowingly aid or abet a country to acquire a nuclear-explosive device or nuclear material for such a device.

The amendment also authorizes the President to terminate sanctions that are imposed against countries and persons that aid and abet such forms of proliferation, upon receipt of reliable assurances that the activity has stopped and will not recur. The intention here is to give the violator an incentive to cease the prohibited activity and a disincentive for continuing it.

This new sanctions authority will by no means serve as a panacea for all of the proliferation threats that will face our country in the years ahead. But it is not intended to perform this function. It seeks to achieve a more specific purpose. By enabling the President to target sanctions against specific proliferators, the new language would strengthen the credibility of this sanctions authority and thereby work to discourage future business with enterprises like the CNEIC which knowingly promote the global spread of nuclear weapons. The amendment will work to ensure that the taxpayer dollars controlled by the Exim Bank are being used to advance the commercial interests of the United States, not the commercial interests of enterprises that are promoting the global spread of nuclear weapons.

My intent is no more and no less than to move our legislation another step toward taking the profits out of proliferation. I urge all of my colleagues to support this amendment.

Mr. PELL. Mr. President, I am pleased to offer with the Senator from Ohio [Mr. GLENN] an amendment that would withhold for a period of 1 year Export-Import Bank credits for any entity that knowingly assists a non-nuclear weapons state to acquire a nuclear explosive device or the special nuclear materials for such a device. I am pleased that the Senator from North Carolina [Mr. HELMS] is joining us as a cosponsor.

This amendment represents a significant advance in our efforts to target companies that are profiting from nuclear proliferation. It will strengthen the President's hand in showing United States determination to do all that it can to prevent illicit trafficking in nuclear weapons and the materials needed to make them.

Under current law, and subject to a national interest waiver, Exim Bank credits are denied to: First, any country that has violated an international nuclear safeguards agreement; second, any country that has violated an agreement for nuclear cooperation with the United States; third, any non-nuclear weapons state that has detonated a nuclear weapon, or fourth, any country that has willfully aided or abetted a nonnuclear weapons state to get nuclear weapons.

This amendment requires the President to apply sanctions against persons, including government-owned entities operating as commercial enterprises, that knowingly aid or abet efforts by a country to acquire a nuclear explosive device or the nuclear material for such a device. The amendment also authorizes the President to terminate sanctions upon receipt of reliable assurances that the effort to aid or abet has ceased and that such country or person will not in the future aid or abet any nonnuclear weapons state in efforts to acquire nuclear explosives or unsafeguarded materials.

Mr. President, in May the State Department announced that a firm owned by the Chinese Government, China Nuclear Energy Industry Crop. [CNEIC], had sent ring magnets to an unsafeguarded Pakistani nuclear enrichment facility and it had engaged in other undisclosed nuclear cooperation. The law provides for sanctions in such a case against China if the transfer was the result of a willful action by the Government of China. Under this amendment, CNEIC could be sanctioned specifically for its activities for a period of 1 year. With this amendment the United States would move away from a situation in which Exim financing denial must be applied against a whole country, or not at all, which has presented very difficult choices. With this amendment, the denial of Exim financing can be focused on the wrongdoer. This will help us avoid charades in which we desperately avoid facing up to proliferation problems. As a result, companies and countries tempted to misbehave in the proliferation area will know that there is a much more real prospect of penalties that are both painful and appropriate.

Mr. President, this amendment represents a further refinement of an expanding array of sanctions legislation that is steadily evolving in order to make it a more effective instrument of U.S. foreign policy in a bipartisan effort to end the spread of nuclear weapons.

This has included the Glenn and Symington amendments of the mid-1970's, the Nuclear Non-Proliferation Act of 1978, the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991, and the Nuclear Proliferation Prevention Act of 1994, as well as a number of other legislative initiatives.

The Senate has been in the lead of efforts to develop a coherent and effective nonproliferation policy for the United States. At times, those of us most involved have worked closely with the executive branch. At other times we have been at odds, but we have been able to reach reasonable compromises. As a result, the United States has set an example for the rest of the world and has brought other nations along with us. In addition, some of the nations most concerned about proliferation have taken their own initiatives and the result is a world steadily more attuned to the problems posed by nonproliferation and better willing and able to deal with those problems.

Mr. HELMS. Mr. President, I am pleased to join Senator GLENN and the distinguished ranking member of the Foreign Relations Committee, Senator PELL, as an original cosponsor of this amendment. I have a clear and simple reason for supporting this amendment. I am appalled at the legal gymnastics in which the administration has engaged for the purpose of avoiding sanctions against Communist China.

This, mind you, Mr. President, was after Beijing had supplied critical dual use technology to another nation's nuclear weapons program. At a minimum, the administration's refusal—on May 10, 1996—to determine that sanctionable activity occurred under section 2(b)(4) of the Export-Import Bank Act of 1945 undermined the credibility of the United States' effort to discourage trafficking in nuclear weapons technology.

This administration traded away our vital national security concerns in exchange for a denial by the Beijing government that it knew that Government-owned entities were in fact selling highly specialized ring-magnets to other countries, and China's promise not to do it again—and we all know what that promise is worth. In any event, that is all it took for China's nuclear traffickers to make a complete mockery of United States sanctions legislation.

Now, let's examine, for the record, what the Chinese had to say in order to placate the Clinton administration:

> As a state party to the Treaty on the Non-Proliferation of Nuclear Weapons [NPT], China strictly observes its obligations under the treaty, and is against the proliferation of nuclear weapons, or assisting other countries in developing such weapons. The nuclear cooperation between China and the countries concerned is exclusively for peaceful purposes. China will not provide assistance to unsafeguarded nuclear facilities. China stands for the strengthening of the international nuclear non-proliferation regime, including the strengthening of safeguards and export control measures.

Mr. President, if China truly observed its obligations under the NPT, it would not persistently violate Article I of the treaty stipulating that a nuclear weapons state party to the treaty shall not in any way encourage, assist, or induce any nonnuclear weapons state to manufacture or otherwise acquire nuclear weapons. Article III of the treaty prohibits countries from providing equipment to process, use, or produce fissionable material to unsafeguarded programs in nonnuclear weapons states.

If China were abiding by all of its NPT obligations, why would it need to pledge to refrain from assisting unsafeguarded facilities? Maybe China intends to abide by only selective parts of the NPT, just as it appears to adhere selectively only to portions of the Missile Technology Control Regime guidelines.

This latest pledge is worthless. It is second-verse-same-as-the-first, a song we have all heard before. In 1984, Chinese Premier, Zhao Ziyang, tried to downplay concerns over China's covert assistance to aspiring nuclear powers by declaring, at the White House, that "we do not engage in nuclear proliferation ourselves, nor do we help other countries develop nuclear weapons." A decade later, in 1994, China piously proclaimed its "shared commitment to preventing the proliferation of nuclear weapons * * *" to escape punishment for its transfer of M-11 missiles to Pakistan.

Mr. President, if I had given my granddaughters a nickel every time China made a false promise, there would be a loaded piggy bank on Julia's bedroom dresser. The history of United States-Chinese relations is littered with broken Chinese promises and worthless pledges. We now have the spectacle of the Chinese promising to enforce their promises regarding intellectual property rights—even as reports arrive that pirate CD factories continue to operate in China. Taking Red China at its word is perilous and foolish, particularly when the firm that just finished escaping sanctions for its export of ring magnets to Pakistan now plans to export a uranium conversion facility to Iran.

In fact, I am astounded at the ferocity with which this administration attacked China when the interests of Hollywood and the entertainment industry were at stake. But compare that to the administration's meek and mild reaction to Chinese trafficking in nuclear materials. I cannot imagine a case in which our national interests have seemed more skewed.

So, Mr. President, this amendment will strengthen existing sanctions law by requiring the President to withhold export-import bank financing from anybody who encourages the proliferation of nuclear weapons. If we have to close off every escape route in legislation, one by one, to force this administration to deal with China's proliferation activities, then that is what we must do.

In any event, I am not prepared to sit idly by as China offers platitudes in order to escape any and all punishment for its actions. And I certainly am not willing to underwrite loans to the very firm that is transferring nuclear weapons technology to Iran.

Mr. McCAIN. This amendment has been cleared on this side, and I urge the Senate to adopt this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4410) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4411

(Purpose: To establish a 1-year pilot program for online transfer of defense technology information from institutions of higher education to private businesses through an interactive data network involving institutions of higher education)

Mr. McCAIN. Mr. President, on behalf of Senator CHAFEE, I offer an amendment which would establish a 1-year pilot program for online transfer of defense technology information from institutions of higher education to private businesses through an interactive data network involving institutions of higher education.

I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. CHAFEE, proposes an amendment numbered 4411.

The amendment is as follows:

At the end of title VIII add the following:

SEC. 810. PILOT PROGRAM FOR TRANSFER OF DEFENSE TECHNOLOGY INFORMATION TO PRIVATE INDUSTRY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program to demonstrate online transfers of information on defense technologies to businesses in the private sector through an interactive data network involving Small Business Development Centers of institutions of higher education.

(b) COMPUTERIZED DATA BASE OF DEFENSE TECHNOLOGIES.—(1) Under the pilot program, the Secretary shall enter into an agreement with the head of an eligible institution of higher education that provides for such institution—

(A) to develop and maintain a computerized data base of information on defense technologies;

(B) to make such information available online to—

(i) businesses; and

(ii) other institutions of higher education entering into partnerships with the Secretary under subsection (c).

(2) The online accessibility may be established by means of any of, or any combination of, the following:

(A) Digital teleconferencing.

(B) International Signal Digital Network lines.

(C) Direct modem hookup.

(c) PARTNERSHIP NETWORK.—Under the pilot program, the Secretary shall seek to enter into agreements with the heads of several eligible institutions of higher education having strong business education programs to provide for the institutions of higher education entering into such agreements—

(1) to establish interactive computer links with the data base developed and maintained under subsection (b); and

(2) to assist the Secretary in making information on defense technologies available online to the broadest practicable number, types, and sizes of businesses.

(d) ELIGIBLE INSTITUTIONS.—For the purposes of this section, an institution of higher education is eligible to enter into an agreement under subsection (b) or (c) if the institution has a Small Business Development Center.

(e) DEFENSE TECHNOLOGIES COVERED.—(1) The Secretary shall designate the technologies to be covered by the pilot program from among the existing and experimental technologies that the Secretary determines—

(A) are useful in meeting Department of Defense needs; and

(B) should be made available under the pilot program to facilitate the satisfaction of such needs by private sector sources.

(2) Technologies covered by the program should include technologies useful for defense purposes that can also be used for nondefense purposes (without or without modification).

(f) DEFINITIONS.—In this section:

(1) The term "Small Business Development Center" means a small business development center established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(2) The term "defense technology" means a technology designated by the Secretary of Defense under subsection (d).

(3) The term "partnership" means an agreement entered into under subsection (c).

(g) TERMINATION OF PILOT PROGRAM.—The pilot program shall terminate one year after the Secretary enters into an agreement under subsection (b).

(h) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4) for university research initiatives, $3,000,000 is available for the pilot program.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4411) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4412

(Purpose: To make technical corrections)

Mr. McCAIN. Mr. President, on behalf of Senators THURMOND and NUNN, I offer an amendment to make technical corrections to S. 1745.

I believe the amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. THURMOND, for himself and Mr. NUNN, proposes an amendment numbered 4412.

The amendment is as follows:

In section 216, strike out the section heading and insert in lieu thereof the following:

SEC. 216. TIER III MINUS UNMANNED AERIAL VEHICLE.

In section 3131(e), in the matter preceding paragraph (1), strike out "section 3101" and insert in lieu thereof "section 3101(b)(1)".

In section 3131(e)(1), strike out "and" after the semicolon.

In section 3131(e)(2), strike out the period at the end and insert in lieu thereof "; and".

At the end of section 3131(e), add the following:

(3) not more than $100,000,000 shall be available for other tritium production research activities.

In section 3132(a), strike out "requirements for tritium for" and insert in lieu thereof "tritium requirements for".

In section 3136(a), in the matter preceding paragraph (1), strike out "section 3102" and insert in lieu thereof "section 3102(b)".

In section 3136(a)(1), strike out "$43,000,000" and insert in lieu thereof "$65,700,000".

In section 3136(a)(2), strike out "$15,000,000" and insert in lieu thereof "$80,000,000".

In section 3136(a)(2), strike out "stainless steel" and insert in lieu thereof "non-aluminum clad".

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4412) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I believe that completes the cleared amendments.

I would like to inform Senators that a unanimous-consent agreement has been tentatively worked out and is being drawn up for the approval of the Democratic leader.

We are working at this time to get time agreements on the remaining amendments which would be part of the unanimous-consent agreement.

I urge my colleagues to contact Senator THURMOND and Senator NUNN, the managers of the bill, in order that we might in anticipation of the unanimous consent agreement rapidly dispense with these pending amendments and then move to final passage. I believe we are at that point now.

Mr. WARNER. Mr. President, I commend the Senator. I do not think we can reach the UC without having beforehand ascertaining time for amendments. I think one is interdependent with the other.

Mr. NUNN. We have a list of the amendments. We have swapped that list on both sides. I have just gone over each amendment that looks like it might have a rollcall vote with the people on our side. I have gotten every single person on this list to agree to a relatively short-time agreement. There appears to be several of these amendments that we can work out. So I think we are making very substantial progress, if we get the UC's.

Mr. McCAIN. I again say to my colleague that we have a list of the amendments. We need the time agreements.

Mr. WARNER. I commend the Senator. That is precisely the direction in which we must move.

Mr. McCAIN. Mr. President, I yield the floor.

Mr. ASHCROFT. Mr. President, I would like to make some comments on the Feingold amendment which is not the pending business, and I ask unanimous consent to be able to make up to 5 minutes of comments on that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4388

Mr. ASHCROFT. Mr. President, the Feingold amendment would impair the capacity of our defense to continue to bring on line the F/A–18E/F program which needs to be delivered on schedule—and which will deliver on schedule—a tactical carrier-based fighter capable of deterring the most technologically advanced threats currently available to any of our potential adversaries.

The Feingold amendment would introduce delays in the system which would certainly be very costly, be counterproductive, and be expensive not only in terms of our economics but it could be costly in terms of our ability to defend our Nation.

The expendability of the E/F will keep this fighter at the forefront of combat technology until the advanced Joint Strike Fighter becomes available and operational.

Let me discuss some of the differences between the F/A–18C/D and the E/F aircraft. The F/A–18C/D only has 0.2 cubic feet of space available for new equipment while the E/F has 17 cubic feet of space available making it able to incorporate new weapons system advances within the next 20 years. Common sense tells us that if we are building a new fighter aircraft, we should build one that is capable of accommodating future advances in technology.

The increased flight range of the E/F cannot be recreated on the C/D merely by attaching larger fuel tanks. Doing so does not give the C/D sufficient deck clearance for operations on carriers and further restricts the maximum payload. Adding larger tanks to the C/D requires stronger wings and landing gear. These modifications to the C/D are not cheap, either in dollars or in time for design, manufacture, and modification.

I do not think we can accurately predict what advances there will be in weapons, in avionics, in electronics—and as yet unknown breakthroughs—that will be developed in the next two decades over which the life of one of these fighters is expected to be utilized in our Navy. We need maximum flexibility to ensure compatibility with future technology.

The E/F has greater maximum payload and greater mission range by 40 to 50 percent than the C/D regardless of configuration. The technology that increases combat survivability of the E/F, such as the radar cross-section, the "stealthiness", also greatly exceeds that of the C/D, thus keeping the Super Hornet ahead of the advanced weapons that are easily available to all of our potential adversaries.

So the difference between these aircraft is substantial, significant, and meaningful. The procurement of more F/18C/Ds is not a viable option at this time. Growth within the C/D program has taken advantage of the potential originally designed into the aircraft, saving the Defense Department money as they made changes to the aircraft as technology advanced. Now the time is right to move to the next generation of this successful program.

The Joint Strike Fighter, the JSF, is too far off in the future to consider it as a replacement for the C/D. By the time the Joint Strike Fighter is available the C/D will be far outdated and that would open a technological window of vulnerability in our national defense.

The F/A–18E/F is already built. The program is on cost, on schedule, and 900 pounds underweight, making this a vital and necessary component of our defense capacity. The program is not a research and development project, but it is an already successful flight test program—it is ready to enter full-scale production.

The Navy just finished a comprehensive review of the F–18E/F program. In May of this year, the Navy reported to Congress that the program had met or exceeded all their requirements concerning cost, schedule, and performance. This program as been a model for other aircraft acquisitions by any measure. To interrupt this program on the basis of one GAO study, is in my judgment, unwise at this time.

The amendment would cause delays in a program that has been running successfully, which has been running on time, that will create a technology that is up to date. The Super Hornet program will deliver a carrier-based tactical aircraft at one-third to one-half the cost of designing yet another aircraft with the same capabilities from scratch. I believe we should continue with the program.

I oppose the amendment as proposed by Senator FEINGOLD because it would cause costly delays, and impair our ability to take advantage of this program. Clearly, this aircraft is a fighter with the capacity to accommodate the developments of the future—the technology, the avionics, the survivability, and the armaments. And if we were to impair our ability to go forward in that respect we would find ourselves substantially disadvantaged in the capacity to provide for the defense of our Nation.

I thank the Chair.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 4413

(Purpose: To require a report by the President detailing the anticipated casualties and destruction resulting from a nuclear, biological, or chemical weapons attack)

Mr. BROWN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 4413.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle C of title II add the following:

SEC. 237. ANNUAL REPORT ON THREAT OF ATTACK BY BALLISTIC MISSILES CARRYING NUCLEAR, CHEMICAL, OR BIOLOGICAL WARHEADS.

(a) FINDINGS.—Congress makes the following findings:

(1) The worldwide proliferation of ballistic missiles is a potential threat to the United States national interests overseas and challenges United States defense planning.

(2) In the absence of a national missile defense, the United States remains vulnerable to long-range missile threats.

(3) Russia has a ground-based missile defense system deployed around Moscow.

(4) Several countries, including Iraq, Iran, and North Korea may soon be technologically capable of threatening the United States and Russia with ballistic missile attack.

(b) REPORT REQUIRED.—(1) Each year, the President shall submit to Congress a report on the threats to the United States of attack by ballistic missiles carrying nuclear, biological, or chemical warheads.

(2) The President shall submit the first report not later than 180 days after the date of the enactment of this Act.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A list of all countries thought to have nuclear, chemical, or biological weapons, the estimated numbers of such weapons that each country has, and the destructive potential of the weapons.

(2) A list of all countries thought to have ballistic missiles, the estimated number of such missiles that each country has, and an assessment of the ability of those countries to integrate their ballistic missile capabilities with their nuclear, chemical, or biological weapons technologies.

(3) A comparison of the United States civil defense capabilities with the civil defense capabilities of each country that has nuclear, chemical, or biological weapons and ballistic missiles capable of delivering such weapons.

(4) An estimate of the number of American fatalities and injuries that could result, and an estimate of the value of property that could be lost, from an attack on the United States by ballistic missiles carrying nuclear, chemical, or biological weapons if the United States were left undefended by a national missile defense system covering all 50 States.

(5) Assuming the use of any existing theater ballistic missile defense system for defense of the United States, a list of the States that would be left exposed to nuclear ballistic missile attacks and the criteria used to determine which States would be left exposed.

(6) The means by which the United States is preparing to defend itself against the potential threat of ballistic missile attacks by North Korea, Iran, Iraq, and other countries obtaining ballistic missiles capable of delivering nuclear, chemical, and biological weapons in the near future.

(7) For each country that is capable of attacking the United States with ballistic missiles carrying a nuclear, biological, or chemical weapon, a comparison of—

(A) the vulnerability of the United States to such an attack if theater missile defenses were used to defend against the attack; and

(B) the vulnerability of the United States to such an attack if a national missile defense were in place to defend against the attack.

Mr. BROWN. Mr. President, a number of the Members of the Senate have reviewed this proposed amendment in the past week. This version of it that is being offered this morning is different than what has been circulated before. Specifically subparagraph No. 5 is dropped. That is one that referred to the strong statement of policy with regard to the need to protect American citizens from this threat that is thought to be of concern by some. So it is dropped. And then language is modified throughout that is not significantly impacted but does solve the problem.

Mr. President, the heart of the resolution is simply to ask for the annual statement on the threat that faces the United States from incoming ballistic missiles utilizing warheads that could involve nuclear technology or chemical or biological weapons.

Why is it important? There is no question that the parties disagree at times about the need for an anti-ballistic missile system. My sense is that the disagreement comes from the significant cost. But I do not believe that there is any disagreement over the concern over the potential of a missile attack. The President himself has expressed in strong words this concerns of a potential missile attack.

Let me quote from Executive Order 12938. This was issued by the President in November 1994.

> I, William J. Clinton, President of the United States of America, find that the proliferation of nuclear, biological and chemical weapons, weapons of mass destruction, and the means of delivering such weapons constitutes an unusual and extraordinary threat to the national security, foreign policy and economy of the United States, and hereby declare a national emergency to deal with that threat.

Mr. President, that was almost 2 years ago. If anything, the threat to our country has increased since then. I understand there would be a deliberate and extended debate over the amount of money we might spend in terms of developing antiballistic missiles, but I do not understand why we would want to make those decisions in the dark. We do need to be at least aware of the threat. We do need to have a reasonable assessment of what damage could be done from these weapons. We do need to properly evaluate whether we should move ahead with that research and development or not. We need to have some rational evaluation of what damage that could be avoided and what problems we would be averting if we did develop a antiballistic missile system.

My hope is that this will be accepted by both sides. It has been accepted by the majority side thus far. My hope is that the concessions we have made in the modification are acceptable to the minority side. If they are not, we ought to vote on this. If America intends to close its eyes to what the threat is and not make a reasonable evaluation of the dangers we face, then I think we stand in danger of not making a rational decision. We should not make a decision that affects our future national security out of ignorance. That is what this report is all about, to give us a reasonable, thoughtful, objective assessment of what danger is. Political leaders can then make their judgments, but we should not make it in the dark.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, the distinguished Senator from Georgia and myself and the Senator from Arizona, Mr. MCCAIN, on behalf of the chairman of the committee, Mr. THURMOND, have examined this. The Senator from Colorado has made significant changes which puts this amendment, in our judgment, in a posture that it can be accepted.

Bear in mind that yesterday the Senate adopted an amendment to address the U.S. vulnerability to terrorist attacks involving use of weapons of mass destruction. It was sponsored by Senators NUNN and LUGAR and DOMENICI, and I covered the floor debate on that. So I think this amendment is supplemental in many respects of earlier action taken by the Senate on this bill, and therefore we will accept the amendment.

The amendment is now at the desk. Therefore, Madam President, I urge adoption of the amendment.

The PRESIDING OFFICER (Ms. SNOWE). Without objection, the amendment is agreed to.

The amendment (No. 4413) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. MCCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, again, the managers of the bill are urging Senators to come to the floor. We are proceeding with the hope and expectation this bill can be concluded today.

Seeing no Senator at this moment seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Madam President, the Brown amendment has been accepted. I had given my side's approval on that.

There is some language in here that I still want to look at. It is accomplished. But I am glad to work with the Senator from Colorado. I share his concern about the need for a defense system, a ballistic missile defense system.

I think surely we will be able to work together to find some language that needs to be changed somewhat in conference.

Mr. BROWN. Madam President, I wanted to indicate my appreciation to the Senator from Georgia and also indicate it is not my intention to add new language that unnecessarily inflames the issue. To the extent there is a way we can work together on language that needs to be modified, I appreciate his suggestion. I will be happy to work with this Senator.

Mr. NUNN. I thank the Senator from Colorado.

Madam President, I believe the Senator from Michigan [Mr. LEVIN] has a couple of amendments, and it is my hope he will be here momentarily to present those amendments. Both of these are going to likely require a rollcall vote. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4414

(Purpose: To require that the equipment to be procured with funds authorized to be appropriated under section 105 be selected in accordance with the modernization priorities of the reserve components)

Mr. LEVIN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 4414.

Mr. LEVIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title I add the following:

Subtitle E—Reserve Components

SEC. 141. RESERVE COMPONENT EQUIPMENT.

(a) APPLICABILITY OF MODERNIZATION PRIORITIES.—The selection of equipment to be procured for a reserve component with funds authorized to be appropriated under section 105 shall be made in accordance with the highest priorities established for the modernization of that reserve component.

(b) REPORTS.—(1) Not later than December 1, 1996, each officer referred to in paragraph (2) shall submit to the congressional defense committees an assessment of the modernization priorities established for the reserve component or reserve components for which that officer is responsible.

(2) The officers required to submit a report under paragraph (1) are as follows:

(A) The Chief of the National Guard Bureau.

(B) The Chief of Army Reserve.

(C) The Chief of Air Force Reserve.

(D) The Director of Naval Reserve.

(E) The Commanding General, Marine Forces Reserve.

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
	Qty.	Cost	SASC change		HNSC change		SAC change		HAC change			
			Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
NATIONAL GUARD AND RESERVE EQUIPMENT												
RESERVE EQUIPMENT												
ARMY RESERVE												
Miscellaneous equipment				35,000		10,000		110,000		10,000		
25 ton trucks				15,000							15,000	
New procurement 2 5/5 ton trucks						15,000				15,000		
Tactical truck SLEP 2 5 ton						15,000				15,000		
Tactical truck SLEP 5 ton						10,000						10,000
Heavy truck modernization				30,000							30,000	
HEMTT bridge trans						4,000				9,000		
Dump trucks 20 tons						2,000				10,000		
Water purification units						2,000				4,000		
Portable lighting systems w/trailers						4,000				4,000		
Automatic building machines						5,000				3,000		2,000
HMMWV maintenance trucks				10,000		2,000				6,000	4,000	
All-terrain forklift 10 ton						4,000				4,000		
All-terrain crane 20 ton						4,000				4,000		
Hydraulic excavator						3,000				3,000		
HEMTT wrecker						3,000				7,000		
Mk-19 grenade launcher						3,000				3,000		
Steam cleaner						2,000				2,000		
Coolant purification system						2,000						2,000
Small arms simulator						1,000				1,000		
High mobility trailer						1,000						1,000
Unit level logistics system						2,000				2,000		
SINCGARS						2,000						2,000
Palletized load system						4,000						4,000
Palletized trailers						2,000				2,000		
HEMTT cargo chassis						4,000				4,000		
ANGRS–231										2,000		
Laser leveling system										3,000		
Subtotal—Army Reserve				90,000		106,000		110,000		113,000	49,000	21,000
NAVY RESERVE												
Miscellaneous Equipment				16,000		10,000		30,000		5,000		

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
	Qty.	Cost	SASC change		HNSC change		SAC change		HAC change			
			Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
F/A 18 Upgrades				24,000							24,000	
C–9 Replacement Aircraft					4	160,000			4	160,000		
MIUW Van System Upgrades						10,000						10,000
Night Vision Goggles						2,000						2,000
C–9 Mods						3,000						3,000
P–3C Simulator Upgrade						2,000						2,000
Magic Lantern Spares						5,000				5,000		
P–3 Modernization										72,000		
Subtotal—Navy Reserve				40,000		192,000		30,000		242,000	24,000	17,000
MARINE CORPS RESERVE												
Miscellaneous Equipment				10,000		10,000		40,000		10,000		
LAV Improvements						2,000				2,000		
CH–53E				50,000	2	64,000			2	64,000		
AAV7A1 Modifications						2,000				2,000		
Night Vision Equipment						1,000				1,000		
Common End User Computers						4,000				4,000		
Fork Lifts						4,000				1,000		
M1A1 Tank Mod Kits										5,000		
AN/TPS–59										11,000		
Subtotal—Marine Corps Reserve				60,000		83,000		40,000		100,000		
AIR FORCE RESERVE												
Miscellaneous Equipment				10,000		10,000		50,000		10,000		
C–20G				30,000							30,000	
F–16 Avionics Upgrades						5,000				5,000		
Night Vision Devices						3,000				3,000		
A–10 Avionics Upgrades						7,000				7,000		
C–130 Avionics Upgrades						7,000				7,000		
HC–130P Tanker Conversion						3,000				3,000		
C–130 Modular Airborne Firefighting System						1,000				1,000		
F–16 Weapons Pylon Upgrades						1,000				1,000		
KC–135R Engine Kits						104,000				96,000		8,000
KC–135 Radar Replacement						5,000				5,000		
B–52 Avionics Upgrades						1,000				1,000		
Non-aircrew Training Systems						1,000				1,000		
EPLRS/SADL										8,000		
Subtotal—Air Force Reserve				40,000		148,000		50,000		148,000	30,000	8,000
Subtotal—Reserves				230,000		529,000		230,000		603,000	103,000	46,000
NATIONAL GUARD EQUIPMENT												
ARMY NATIONAL GUARD												
Miscellaneous Equipment				52,000		10,000		125,400		10,000		
MLRS				30,000							30,000	
Combat and Support Systems				23,000							23,000	
Tactical Trucks and Trailers				42,000							42,000	
Communications Electronics				13,000							13,000	
Logistics Service Support				10,000							10,000	
Night Vision Equipment				14,000		3,000				10,000	4,000	
Chem/Bio Defense Equipment				2,000							2,000	
Aircraft Equipment				21,000							21,000	
Infrastructure Equipment				17,000							17,000	
New Procurement Tactical Truck 5 Ton						4,000				4,000		
SLEP 2.5 Ton						15,000				15,000		
SLEP 5 Ton						4,000				4,000		
Crashworthy Internal Fuel Cells						5,000				5,000		
Small Arms Simulators						5,000						5,000
AH–1 Boresight devise						3,000				3,000		
Coolant Purification System						3,000				3,000		
Avenger I–COFT Simulator						4,000				4,000		
D7 Bulldozer w/Ripper						2,000						2,000
Water Purification Unit						1,000				1,000		
FADEC						10,000				10,000		
Digital System Test and Training Seminar						3,000				3,000		
Automatic Building Machines						3,000				1,000		2,000
AH–1 C–Nite						2,000				2,000		
Dump Trucks 20 Ton						3,000				3,000		
C–23 Sherpa Enhancement Program						28,000						28,000
Helicopter Simulators (ARMS)						5,000				15,000		
Dragon Modifications						2,000				2,000		
Vibration System Management Systems						3,000				3,000		
Distance Learning Equipment										29,000		
Laser Leveling Equipment										5,000		
Automatic Identification Technology										7,000		
Subtotal—Army National Guard				224,000		118,000		125,400		139,000	162,000	37,000
AIR NATIONAL GUARD												
Miscellaneous Equipment				10,000				40,000		5,000		
Sead Mission Upgrade				11,400							11,400	
F–16 HTS						10,000				10,000		
C–130J				284,400	2	105,000			2	105,000	179,400	
Theater Deployable Communications						17,000						17,000
C–26B						5,000						5,000
Automatic Building Machines						3,000				2,000		1,000
F–16 Improved Avionics Intermediate Shop						15,000				15,000		
AN/TLQ–32 Tadar Decoys						3,000				3,000		
C–130 Upgrades										5,000		
EPLRS / SADL										17,000		
Modular Medical Trauma Unit										4,000		
Subtotal—Air National Guard				305,800		158,000		40,000		166,000	190,800	23,000
Subtotal—National Guard				529,800		276,000		165,400		305,000	352,800	60,000
DOD												
MISC EQUIPMENT (Guard & Reserve Aircraft)												
C–130J								284,400				

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
			SASC change		HNSC change		SAC change		HAC change			
	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
C–9 Replacement Aircraft								80,000				
Miscellaneous												
Subtotal—Misc Equipment (Aircraft)								364,400				
Total, National Guard and Reserve Equipment				759,800		805,000		759,800		908,000	455,800	108,000

Mr. LEVIN. Madam President, I further ask unanimous consent at this point I be allowed to yield to Senator BINGAMAN to proceed for 15 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. BINGAMAN. I thank the Chair.

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 1923 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BINGAMAN. Madam President, I appreciate the time that has been granted me, and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I wish to advise the Members that we made a special exception for Senator BINGAMAN, and it is the expectation of the managers that we will not have similar periods of discussion at this critical time on the bill that are not germane to the bill. We are making good progress, I wish to advise Senators.

Madam President, parliamentary clarification. It is the Levin amendment relating to——

The PRESIDING OFFICER. That is correct.

Mr. WARNER. I am authorized by Senator LEVIN to indicate that there will be a time agreement on that amendment not to exceed 30 minutes, divided 20 minutes to the Senator from Michigan and 10 minutes to the chairman of the Armed Services Committee, Senator THURMOND.

Madam President, I anticipate, as soon as the Senator from Michigan appears on the floor, that we will commence debate on that amendment.

Seeing no Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4415

(Purpose: To provide for the retention on active status of the B-52H bomber aircraft fleet)

Mr. CONRAD. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments will be laid aside.

The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes amendment numbered 4415.

Mr. CONRAD. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 1062, add the following:

(d) RETENTION OF B-52H AIRCRAFT ON ACTIVE STATUS.—(1) The Secretary of the Air Force shall maintain in active status (including the performance of standard maintenance and upgrades) the current fleet of B-52H bomber aircraft.

(2) For purposes of carrying out upgrades of B-52H bomber aircraft during fiscal year 1997, the Secretary shall treat the entire current fleet of such aircraft as aircraft expected to be maintained in active status during the five-year period beginning on October 1, 1996.

Mr. CONRAD. Madam President, this amendment is a very simple amendment. It says that our B-52 fleet ought to be retained. What it also says is that our B-52's ought to be upgraded during fiscal 1997 as though they are part of the FYDP.

Madam President, the reason for this amendment is that we face a catch-22 situation. We have agreement from both the authorization committee and the Appropriations Committee that our full B-52 fleet ought to be retained. We are going to have a bomber review that will be available to us next year. We do not want to see any of these planes go to the boneyard until that review is complete.

The B-52's, we have some 94 of them in the inventory. These planes are, according to Gen. Michael Loh, the former head of the Air Combat Command, good until the year 2035. That is, these airframes have been updated repeatedly in a way that makes them useful to us until the year 2035.

They are our only dual-capability bomber. These planes are critically important to us, given the Bottom-Up Review that revealed we are somewhat short of bombers at this point. It makes absolutely no sense to be sending some of these planes off to the boneyard under these circumstances.

Madam President, the authorizing committee has said it is critical that we keep these planes. The Appropriations Committee has said it is critically important that we keep these planes. This amendment will allow us to do just that.

I want to thank the Members on both sides who have helped us with this amendment, have drafted it in a way that wins the approval of both the majority and the minority. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4415) was agreed to.

Mr. CONRAD. Madam President, I thank the Chair, and I thank, again, both the majority Members and the minority Members for their assistance with that amendment. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEVIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4414

Mr. LEVIN. Madam President, in a few moments I will modify my amendment to eliminate one of the two provisions in the current amendment that is at the desk. We have had a number of discussions over the years as to whether or not what we call the National Guard package should be funded in a way which is generic, so that the National Guard can meet their most pressing needs, or whether or not the Congress ought to specify item by item by item what they must buy with the money that we add each year.

The Senate has traditionally been for the generic approach. We have resisted the temptation, and all of us face that temptation, of adding items which we think our own National Guard would want. What we have done in the Senate, instead, is to put in more generic groupings so that the Guard can select what is the most central items on their priority list.

The House of Representatives each year, traditionally, has broken that list down into very specific items which, obviously, reflects the desires of each of the State Guards or some of the State Guards. It creates a significant advantage for those members who are on the Armed Services Committee in the House because they are right there, obviously, dividing up that pot.

As I say, until last year, the Senate, on a bipartisan basis, did this generically. Then we went to conference and we argued it out in conference, and usually there was some kind of compromise reached preserving the generic approach in some years, and some years having to give up the generic approach altogether.

Last year, we did what the House did in the authorization bill. I want to give some real credit here to the appropriators in the Senate because they have resisted temptation, and they have made this into a generic issue. Again, this year, the Senate appropriations bill is generic. Ours is a hybrid—"ours" being the pending authorization bill. This bill has some of these items done generically and some with very specific items. This was an approach that was used under Senator WARNER's leadership. I want to give him some credit because he did go part way in committee to do this more generically. I want to commend Senator WARNER on the distance that he was able to travel in our committee. However, we have a long way to go.

The question is, how do we get there? How do we get back to what is the better Government approach, which is to do this generically, because we obviously do not have the time to look into each of these specific items, hundreds of them, for each of the Guards in the 50 States.

Now, the amendment which I have at the desk goes back to the approach that the Senate used a couple years ago, which is the more generic approach. And the amendment at the desk does one other thing: It requires that the Guard Bureau tell us by September what their priorities are so when we come to budgeting next year, we will have the lists in front of us to consider, at least, as to what the priorities of the Guard Bureaus are.

That is the second part of the amendment. The first part will take us back to generic; the second part would put us in a position next year so that if we do decide to go the very specific way in next year's bill, we would at least have the priority list of the Guard Bureaus in front of us.

Now, we have asked the various Guard Bureaus as to what their preferences are in this regard. Do they agree we should do this generically, leaving them the flexibility to meet their most essential needs, or would they prefer that the Congress go item by item?

The responses from, first, the Department of Defense, and then from each of the Reserve departments and offices are as follows. From the Department of Defense, from the Assistant Secretary for Reserve Affairs, Deborah Lee, we have a letter dated May 2, which states:

> The Department's preferred position is that add-ons, if made, be generic with regard to Reserve component equipment. This permits the Department to focus these funds toward the most pressing Reserve component readiness needs based on current requirements.

The letter from the Army is similar. The Chief of the Army Reserve, General Baratz, says, in part:

> Modernization of the Army's Reserve equipment is a key component of readiness. As stated in Assistant Secretary of Defense Deborah Lee's letter dated May 2d, 1996 to Senator Thurmond (attached), the Department of Defense prefers, and I agree, that the generic method of funding equipment for the Reserve is working well.

From the Marine Corps, from General Wilkerson, a letter saying:

> Congressional authorization of a clear dollar amount to expend toward Marine Corps Reserve priorities grants me the greatest flexibility.

He further says,

> Having Congress select items not on the priority list would be less desirable.

Finally, a further note that reflects General Wilkerson's position, which is that he agrees with the statement that "it is important to me as Command General Marine Forces Reserve to have the flexibility to procure equipment * * * according to my component's mission priorities and needs," and "given the choice of Congress providing generic authorizations/appropriations under the National Guard Reserve Equipment Account (NGREA) versus specific, line-item authorizations/appropriations, I prefer the flexibility of the former."

I ask unanimous consent these four documents that I have referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, May 2, 1996.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am aware that congressional correspondence has been received by some of the Reserve components Chiefs/Directors seeking their views regarding whether congressional equipment funding add-ons should be by line-item or generic. The Department's preferred position is that add-ons, if made, be generic with regard to Reserve component equipment. This permits the Department to focus these funds toward the most pressing Reserve component readiness needs based on current requirements.

Your continued support of our Reserve Forces is greatly appreciated.

Sincerely,

DEBORAH R. LEE.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF, ARMY RESERVE,
Washington, DC, May 10, 1996.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for the opportunity to comment on the methods the Congress uses to meet the needs of the U.S. Army Reserve. Your efforts and those of Congress have been critical to reducing Army Reserve shortfalls and are greatly appreciated. Your support has greatly increased our readiness, and as a result the Army has come to rely more on the Army Reserve in the defense of the nation.

Modernization of the Army Reserve's equipment is a key component of readiness. As stated in Assistant Secretary of Defense Deborah Lee's letter dated May 2nd, 1996 to Senator Thurmond (attached), the Department of Defense prefers, and I agree, that the generic method of funding equipment for the Reserve is working well. The direct allocation of funds to the reserve components insures these funds are used to improve reserve component readiness. Within the current budgeting and funds allocation processes used by the Department of Defense, designation by Congress of funds intended for use by the reserve components ensures a direct benefit to the Army Reserve.

Once again, thank you for all your support of the Army Reserve over the years. The men and women of the Army Reserve stand ready to serve our great nation.

Sincerely,

MAX BARATZ,
Major General.

U.S. MARINE CORPS,
COMMANDER, MARINE FORCES RESERVE,
New Orleans, LA, April 29, 1996.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for your recent letter asking for my views on the National Guard Reserve Equipment Account. I have marked the attached sheet as you requested. We have also provided the prioritized list of unfunded equipment in support of the Marine Corps Reserve as requested by the staff of the Senate Armed Services Committee.

Congressional authorization of a clear dollar amount to expend toward Marine Corps Reserve priorities grants me the greatest flexibility, assuming that once authorized, appropriated and signed into law that the Department of Defense provides that money and allows us the flexibility to procure our equipment within our established priorities.

Having Congress review the prioritized equipment list and deciding to provide monies against that list would come close to that standard. Having Congress select items not on the priority list would be less desirable. In any case, we appreciate the interest and support you have provided to the Total Force Marine Corps Reserve in the past.

Sincerely,

T.L. WILKERSON,
Major General.

[Excerpt]

It is important to me as Command General Marine Forces Reserve to have the flexibility to procure equipment, other than equipment provided by the Navy, according to my component's mission priorities and needs.

Given the choice of Congress providing generic authorizations/appropriations under the National Guard Reserve Equipment Account (NGREA) versus specific, line-item authorizations/appropriations, I prefer the flexibility of the former.

Signed,

MGen. THOMAS L. WILKERSON.

Mr. LEVIN. Madam President, as a practical matter, I feel it is important that we make some progress on this issue this year. I might say it is a compliment to my friend from Virginia when I say "progress," because we did make some progress in committee. Under the leadership of the Senator from Virginia, we did go partway toward the generic approach.

As I indicated before, I compliment him for moving us in that direction. It is, in my view, at least a better Government provision to give the flexibility to the Guard and the Reserve to pick their most important priorities, rather than us trying to work through hundreds and hundreds of specific line items and, frankly, in a way which does not give adequate attention to the needs of the Guard.

In order to make continued progress this year, and to take one step instead of losing one step, perhaps, on a rollcall vote, I am going to modify my amendment and strike the requirement that this bill be made entirely generic instead of its partial generic approach, leaving in the bill the requirement that we receive from the Reserves their priority lists by next December so that we will have them in front of us when we do our authorizing next year. And I will send that modification to the desk in a moment. I see my good friend from Virginia on his feet.

I yield the floor at this time.

Mr. WARNER. Madam President, I thank my distinguished colleague and fellow committee member. Indeed, together we have worked with other members on the committee in this direction. It is very simple. We are putting accountability and responsibility where it belongs—that is, with the knowledgeable persons in the overall infrastructure of the Department of Defense—to make those decisions.

I support this effort, subject to the amendment being sent to the desk. I will also mention that Senator ROBB and I obtained earlier, in the consideration of this bill, requirements to have the Reserve Component Modernization Program. These two actions are complementary. I am prepared to accept the amendment when the Senator sends it to the desk.

AMENDMENT NO. 4414, AS MODIFIED

Mr. LEVIN. Madam President, I send an amendment, as modified, to the desk reflecting the changes which I previously described.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 4414), as modified, is as follows:

At the end of title I add the following:

Subtitle E—Reserve Components

SEC. 141. ASSESSMENTS OF MODERNIZATION PRIORITIES OF THE RESERVE COMPONENTS.

(a) ASSESSMENTS REQUIRED.—Not later than December 1, 1996, each officer referred to in subsection (b) shall submit to the congressional defense committees an assessment of the modernization priorities established for the reserve component or reserve components for which that officer is responsible.

(b) RESPONSIBLE OFFICERS.—The officers required to submit a report under subsection (a) are as follows:

(1) The Chief of the National Guard Bureau.

(2) The Chief of Army Reserve.

(3) The Chief of Air Force Reserve.

(4) The Director of Naval Reserve.

(5) The Commanding General, Marine Forces Reserve.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4414), as modified, was agreed to.

Mr. WARNER. Madam President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Madam President, we are making progress here on these amendments. Senator McCAIN is working very diligently with the distinguished ranking member of the committee.

I yield to the Senator.

Mr. McCAIN. Madam President, I ask unanimous consent that we proceed back to the consideration of the Brown amendment, the second-degree amendment to the Nunn amendment.

Mr. NUNN. Madam President, I would think that it would be the regular order, is that correct? I do not know that there has been an amendment submitted yet as a second degree. So perhaps the regular order is to bring back the Nunn amendment.

The PRESIDING OFFICER. The Chair's understanding is that the amendment was withdrawn.

Mr. NUNN. The Nunn amendment?

The PRESIDING OFFICER. The Brown amendment.

AMENDMENT NO. 4367

Mr. McCAIN. Madam President, perhaps it is more appropriate to go to the regular order, which is the Nunn amendment.

The PRESIDING OFFICER. The regular order has been called for.

Mr. NUNN. This will be the amendment sponsored by myself, Senator HUTCHISON, Senator BRADLEY, Senator COHEN, Senator KASSEBAUM, on NATO enlargement.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 4416 TO AMENDMENT NO. 4367

Mr. McCAIN. Madam President, I send an amendment to the desk on behalf of Senator BROWN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. BROWN, proposes an amendment numbered 4416 to amendment No. 4367.

Mr. McCAIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after page 1, line 3, and insert in lieu thereof the following:

(a) Not later than December 1, 1996, the President shall transmit a report on NATO enlargement to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives. The report shall contain a comprehensive discussion of the following:

(1) Geopolitical and financial costs and benefits, including financial savings, associated with:

(A) enlargement of NATO;

(B) further delays in the process of NATO enlargement; and

(C) a failure to enlarge NATO.

(2) Additional NATO and U.S. military expenditures requested by prospective NATO members to facilitate their admission into NATO;

(3) Modifications necessary in NATO's military strategy and force structure required by the inclusion of new members and steps necessary to integrate new members, including the role of nuclear and conventional capabilities, reinforcement, force deployments, prepositioning of equipment, mobility, and headquarter locations;

(4) The relationship between NATO enlargement and transatlantic stability and security;

(5) The state of military preparedness and interoperability of Central and Eastern European nations as it relates to the responsibilities of NATO membership and additional security costs or benefits that may accrue to the United States from NATO enlargement;

(6) The state of democracy and free market development as it affects the preparedness of Central and Eastern European nations for the responsibilities of NATO membership, including civilian control of the military, the rule of law, human rights, and parliamentary oversight;

(7) The state of relations between prospective NATO members and their neighbors, steps taken by prospective members to reduce tensions, and mechanisms for the peaceful resolution of border disputes;

(8) The commitment of prospective NATO members to the principles of the North Atlantic Treaty and the security of the North Atlantic area;

(9) The effect of NATO enlargement on the political, economic and security conditions of European Partnership for Peace nations not among the first new NATO members;

(10) The relationship between NATO enlargement and EU enlargement and the costs and benefits of both;

(11) The relationship between NATO enlargement and treaties relevant to U.S. and European security, such as the Conventional Armed Forces in Europe Treaty; and

(12) The anticipated impact both of NATO enlargement and further delays of NATO enlargement on Russian foreign and defense policies and the costs and benefits of a security relationship between NATO and Russia.

(b) INDEPENDENT ASSESSMENT.—Not later than 15 days after enactment of this Act, the Majority Leader of the Senate and the Speaker of the House of Representatives shall appoint a chairman and two other members and the Minority Leaders of the Senate and House of Representatives shall appoint two members to serve on a bipartisan review group of nongovernmental experts to conduct an independent assessment of NATO enlargement, including a comprehensive review of the issues in (a) 1 through 12 above. The report of the review group shall be completed no later than December 1, 1996. The Secretary of Defense shall furnish the review group administrative and support services requested by the review group. The expenses of the review group shall be paid out of funds available for the payment of similar expenses incurred by the Department of Defense.

(c) Nothing in this section should be interpreted or construed to affect the implementation of the NATO Participation Act of 1994, as amended (P.L. 103-447), or any other program or activity which facilitates or assists prospective NATO members.

Mr. MCCAIN. Madam President, Senator NUNN, Senator BROWN, Senator HUTCHISON, and I, and a number of others, have been able to work out an agreement on a NATO enlargement study amendment, which I believe will give Congress a truly objective report.

The amendment requires the President to look not only at the costs associated with enlargement, but the cost and benefits associated with further delaying a decision on the matter. It also requires an assessment of enlargement by an independent bipartisan group. Our interest in an additional assessment, frankly, stems from apprehension on the President's findings. We know where the President stands on the issue of NATO enlargement.

With all due respect, I think we need two opinions on an issue that is this important. I would prefer that we move forward on enlargement, because I believe that it is something that is very important, but I understand the concerns of the Senator from Georgia that these questions must be answered before we move forward. There is a great deal at risk. I believe that the Senator from Georgia is correct in seeking these answers. I support that, and I am very grateful that the Senator from Georgia would accept the input of Senator BROWN, and others, in order that, in our view, we make the report balanced. I especially appreciate the agreement of the Senator from Georgia that there be an alternative study to this very vital issue, which will be the subject, I believe, of very intense and spirited debate here on the floor of the Senate.

I thank my colleague from Georgia not only for this, but his many other contributions as we go through this day.

I yield the floor.

Mr. NUNN. Madam President, first, I thank my friend from Arizona for working diligently on this amendment. It is a good second-degree amendment. I will urge its approval.

I ask unanimous consent that the authors of the first-degree amendment, as listed, be incorporated as cosponsors of the second-degree amendment and, in addition, that Senator LEVIN, the Senator from Michigan, be added as a cosponsor of the second-degree amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. This is probably one of the most important subject matters that we have had on this defense bill this year or, frankly, any other year. When you enlarge an alliance that has been as successful as the NATO alliance, there are serious questions that need to be asked, both by the existing NATO members and by the new prospective members.

This amendment is an amendment that asks the important questions. The original amendment, the underlying Nunn amendment, cosponsored by my friend from Texas, Senator HUTCHISON, Senator BRADLEY, Senator KASSEBAUM, and Senator COHEN, asked a number of questions.

This amendment is a simplified version of the original amendment. This amendment, the second degree, carries out the original intent of asking the tough questions so that the President will focus on those and so that the Congress will focus on those and so the American people will focus on those. This second-degree amendment asks additional questions that makes sure that this is a balanced report, which has been the overall intent from the beginning. But I think the second-degree amendment fairly reflects that balance in asking for both the costs and the benefits of the expansion.

That has been the original intent. I think this is a good amendment.

Madam President, I urge that the second-degree amendment be adopted. I do not think we will need a rollcall vote on that. But, once adopted, I would like a rollcall vote on the underlying amendment because it is a very important amendment.

I will defer to the chairman of the committee as to when we have that rollcall vote, so it will be most conducive to the conducting of our business. But I suggest that we accept a voice vote on the second degree and then have a rollcall vote on the Nunn amendment, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4416) was agreed to.

Mr NUNN. I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCAIN. Madam President, pending the agreement of the majority leader, I will temporarily ask unanimous consent that the yeas and nays be delayed until such time as the majority leader, in consultation with the Democratic leader, decide when that vote should take place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I will yield to the chairman.

Mr. THURMOND. I yield to the Senator from Texas first.

Mrs. HUTCHISON. Does the Senator from Virginia need to make a statement?

Mr. WARNER. Yes.

Mrs. HUTCHISON. I wanted to add how much I appreciate Senator NUNN, Senator MCCAIN, and Senator BRADLEY for helping work out what I think is a very important amendment, which will say exactly what the parameters of the expansion of our NATO alliance should be—the questions that should be asked, the positives as well as the negatives. I think that is exactly what we ought to be doing.

The bottom line is, when we are talking about probably the best alliance that has ever been put together in the history of the world, we want to expand it judiciously and wisely. When we are talking about putting the lives of our military personnel, potentially, on the line, we need to do so judiciously and wisely. When we talk about spending the hard-earned taxpayer dollars that are there for the national defense of our country, when we talk of expanding that responsibility, we need to do so judiciously and wisely.

So I appreciate the fact that we are going to ask these questions. What are the benefits? What are the costs? What are the potential negatives of an expansion of this great NATO alliance? This is the responsible approach.

I thank all of my colleagues who are cosponsors of the Nunn-Hutchison-McCain-Brown amendment.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, NATO has been the foundation of European security for 45 years, possibly the most successful defensive alliance in history. However, the world has changed dramatically in the past few years, and will continue to change. The end of the cold war has forced us to take a look at NATO's continued relevance.

Members of Congress believe in a strong NATO, and support the enlargement of NATO's membership. Our NATO allies also favor enlargement.

I support a renewed and enlarged NATO because it guarantees a U.S. presence on the European continent, and a seat at the table in the world's most vital, productive region. Quite simply, the United States has clear, abiding, and vital interests in Europe. A free and stable Europe is essential to the United States.

I do not believe Europe can remain stable and prosperous, to the mutual benefit of the United States and our European allies, if its post-cold war boundary is drawn along the borders of Germany and Austria. I do not believe a new European security framework will hold up unless it reflects the realities of the political upheaval that marked the end of the Soviet Union and the Warsaw Pact. That new reality includes a reorienting of former East Bloc states toward the West.

Mr. President, I support the amendment, as modified.

I yield the floor.

Mr. ROTH. Mr. President, I rise to address the NATO study proposed by my colleagues Senator HUTCHISON and Senator NUNN. I very much value and encourage their efforts to address core issues of European security, particularly those concerning the future role and membership of NATO.

Indeed, their initiative today addresses questions and issues that do need to be debated and examined here in Congress. These concern the ramifications that NATO enlargement poses for the Alliance's military strategy and force structure and the geopolitical and financial benefits and costs to the transatlantic community that enlargement will and already does entail.

As a longstanding supporter of NATO and the extension of NATO membership to the new democracies of Central and Eastern Europe, I was initially concerned that the tone and language of their amendment initiating this study risked sending absolutely the wrong signal. I was concerned that it would signal that this body, the U.S. Senate, opposes NATO enlargement.

That is clearly not the sentiment that has been expressed by this Chamber in the recent past. This Chamber has voted repeatedly in support of NATO enlargement. It voted in support of the NATO Participation Acts and its amendments in 1994 and 1995. And, these acts received the support of bipartisan majorities.

I am very gratified to hear that Senator NUNN and Senator HUTCHISON are open to suggestions and recommendations concerning the wording of their amendment. The proposed modification now before us, I believe, addresses my concern. The new wording cannot be misinterpreted as a vote against enlargement.

Moreover, the modification does inject one very important benefit to our efforts here in Congress.

It is no secret that the polarizing and partisan tendencies of election-year politics can even undermine how we address strategically central foreign policy issues such as NATO enlargement. The proposed modification to the NATO study includes the establishment of a bipartisan commission of experts to address the same issues upon which we wish the President to report concerning NATO enlargement. This will be a healthy injection of bipartisanship into our foreign policy process.

I am a longstanding supporter of NATO enlargement, and I want to reinforce what I see as an already strong bipartisan consensus on this issue. I strongly believe that we need to extend membership in the transatlantic community to the nascent democracies of Central and Eastern Europe. That's why I call upon my colleagues to accept this proposed modification.

I want to ensure that we address this issue of NATO enlargement here in Congress in a manner that reinforces the optimism and drive that brought democracy and peace to Central and Eastern Europe. These new democracies observe closely how we approach those factors affecting their integration into the transatlantic community.

The proposed modification to the Hutchison-Nunn amendment transforms their well-intentioned initiative into an objective effort that not only addresses significant and difficult strategic issues but does so in a manner that communicates our commitment to the independence and security of Central and Eastern Europe's new democracies. The proposed modification is consistent with our desire to see these new democracies fully integrated into the institutional fabric of the transatlantic community.

Mr. NUNN. Mr. President, I would ask the Senator from Arizona if he would confirm my understanding that the term "European Partnership for Peace Nations" includes the nations of Ukraine, Latvia, Lithuania, and Estonia.

Mr. McCAIN. Mr. President, I would be happy to confirm for the Senator from Georgia that the term "European Partnership for Peace Nations" includes the nations of Ukraine, Latvia, Lithuania, and Estonia.

Mr. SANTORUM. Mr. President, I rise in support of this amendment offered by my colleague from Colorado and I commend him for his continued leadership in this important area. This amendment attempts to move the administration along in the United States' effort to help our allies in Europe with their admission into NATO.

The administration has continued to say that they support efforts to expand NATO. They say it is not a question of whether we expand NATO, it is a question of how and when. I believe that the real issue is whether or not the free men and women that comprise our NATO membership will stand idly by if the security and independence of Central Europe is threatened.

NATO today remains the core of American engagement in Europe and at the heart of European security. It is our most effective instrument for coordinating defense and arms control and maintaining stability throughout Europe. The collapse of the Soviet Union, the dissolution of the Warsaw Pact, and the progress of European integration have not ended the need for NATO's essential commitment to safeguard the freedom and security of all of its members.

We must continue to move forward on NATO expansion and not allow other non-NATO countries to continue to exercise veto power over alliance expansion. The time has come to welcome Europe's new democracies into NATO. Only through a continued strong alliance can we guarantee another 50 years of peace in Europe.

I am proud to say that I have joined my colleague from Colorado along with our former majority leader Bob Dole, in taking a bold new step forward in our efforts to move the administration further in their policy. S. 1830, the NATO Enlargement Facilitation Act of 1996, is the third NATO Participation Act offered by Congress. It specifically names three countries—Poland, Hungary, and the Czech Republic—as qualifying for the program and requires the President to designate other emerging democracies in Central and Eastern Europe if they meet the necessary criteria.

The demise of the Soviet Union and the Warsaw Pact has presented NATO with new challenges and new opportunities. The international environment is fraught with prospects for conflict and instability. The countries that reemerged from the ruins of the Soviet Empire as free societies now look to membership in NATO. These newly free countries have already fought and suffered to earn the right to their territorial integrity, independence, democracy, and free enterprise—precisely the values that NATO has maintained in the West for almost 50 years. At long last, the pro-Western nations of Central Europe now have the opportunity and the will to help us promote those values and to defend them.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Virginia.

Mr. WARNER. Mr. President, subject to the decision of the majority and Democratic leader, we will proceed to a vote. Mr. President, we are making good progress on this bill. There is an amendment. It is anticipated that the Senate will commence a rollcall vote on the pending amendment by the Senator from Georgia in 5 minutes, to advise Senators so they can make their plans accordingly. In the interim period, seeing no Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent that my name be added as a cosponsor to the B-2 amendment just offered by Senator CONRAD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I would like to lay down an amendment that would be pending following this vote. What is the procedure?

The PRESIDING OFFICER. To ask unanimous consent that we set aside the current proceedings and that the Senator from Kentucky be permitted to offer an amendment.

Mr. FORD. I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4112

(Purpose: To amend the special rule for payments for eligible federally connected children)

Mr. FORD. Mr. President, I call up amendment No. 4112.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself, Mrs. BOXER, Mr. CONRAD, Mr. CRAIG, Mr. DASCHLE, Mr. DORGAN, Mr. EXON, Mr. GORTON, Mr. HATCH, Mr. INHOFE, Mr. LEVIN, Mr. LOTT, Mrs. MURRAY, Mr. PRESSLER, Mr. ROBB, and Mr. WARNER, proposes an amendment numbered 4112.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X, insert the following:

SEC. . TECHNICAL AMENDMENT.

Paragraph (3) of section 8003(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)) is amended by striking "2000 and such number equals or exceeds 15" and inserting "1000 or such number equals or exceeds 10".

Mr. WARNER. Mr. President, will the Senator from Kentucky allow the Senator from Virginia to put in another UC with regard to an amendment which would follow on?

Mr. FORD. I have no problem. At the request of the managers, I was asked to lay this down.

Mr. WARNER. Correct.

Mr. FORD. So when we have the vote we could automatically go to this. I am perfectly willing to do that.

Mr. WARNER. Mr. President, I ask unanimous consent, following disposition of the Ford amendment, the Senate turn to an amendment to be offered by the Senator from Virginia on behalf of the Senator from Alaska, Mr. STEVENS, and that would be the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FORD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, such that we keep this bill moving, I inform Senators the pending amendment will be voted on at 12:30. In the interim period, the Senator from North Dakota wishes to address the Senate.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we have had many discussions over an extended period about national missile defense, and I will be offering as soon as it is prepared, as we work through the discussions of the wording of an amendment, an amendment on the subject of national missile defense.

I have reached the conclusion that national missile defense is necessary. I believe it is not a question of if, but rather a question of when missile defenses are deployed and what sort of system do we field.

I have always believed that any system we deploy ought to be treaty compliant, ought to be affordable, and ought to be effective. Those ought to be the tests.

Right now, we have no alternative before us that meets those tests, at least in the judgment of this Senator. I think it is clear there is a threat that exists. Today's threat is of an accidental or unauthorized launch of a Russian or Chinese missile. Clearly, that is unlikely, but we cannot afford to be wrong.

The threat that we may face tomorrow is a rogue nation launch. North Korea, Libya, other countries may develop an ICBM capability before we are anticipating that they would achieve such a capability. We must be prepared before we are surprised.

As I have looked at the options before us, I have been most interested in a plan that the Air Force has developed, an Air Force alternative that does meet the criteria of being effective, of being treaty compliant, and of being affordable.

I had intended to offer an amendment that would require the deployment of such a system in the same timeframe as the Defend America Act. I have been persuaded by the chairman and ranking members that the best way to proceed would be to require a study of this system by the Secretary of Defense and to have a statement by the Senate that this is a serious alternative.

Let me just outline, if I could, the elements of the amendment I intended to offer, what the elements of the system are, and then to have a chance to discuss the specific amendment I would be offering today.

The Conrad alternative authorizes deployment by 2003 of a Minuteman system—20 interceptors at Grand Forks, ND, capable of defending all 50 States, according to U.S. Air Force analysis.

The amendment also requires a report from the Department of Defense within 1 year on the future of the ICBM threat and a recommendation as to whether 20 or 100 interceptors were necessary. It also would express the sense of the Congress that the President can and should consult the Russian Government to clarify interpretation of the ABM Treaty as may be necessary.

I want to stress that the approach I am endorsing is an approach that is treaty compliant. It is a single site. The only question would be with certain radars that would be to assist the phased array radar that is already agreed to in the treaty. I want to stress this alternative does not endanger ABM and START arms control treaties. Second, it is not a budget buster. A 20 interceptor system is deployable, according to CBO, for $4 billion—not the $40 billion or the $60 billion that we have heard associated with defend America, but about $4 billion.

This system, I believe, is not only treaty compliant, is also not a budget buster, and it also uses today's proven missile, tracking and command and control technology. We are not talking here about breaking new ground. We are not talking about having to find something that has not yet been discovered.

We have the components of this system available to us now.

I wish to review very briefly what those components are. This is leveraged development, in the sense that we are building on what we currently have. Instead of going out and trying to recreate the wheel, instead of trying to invent something totally new, we have the components of this system today. Let me emphasize that we use an existing booster—the Minuteman booster. That is the base of this system. We use existing command, control, and computers, the NORAD and Minuteman systems. We use existing infrastructure, that is the Minuteman wing that currently exists at Grand Forks, ND, today. We only require an upgrade of existing kill vehicle technology. We use an upgrade of existing early warning radars. We do not have to go out and invent something new, we have these radars now. We would need X-band radars based on existing design. It would be four new radars, as I understand it, X-band radars, based on an existing design. So, again, we do not have to go out and create something that is new.

The cost, according to the Air Force, of a 20-Minuteman system is $2 to $2.5

billion. If we have a more robust force and go up to 100 Minuteman missiles, we would have a system for $3.5 to $4.5 billion according to Air Force estimates. CBO says 20 would cost us $4 billion.

This is in comparison to the defend America system that goes to a layered defense after 2000 that would cost from $40 to $60 billion. Yet this is a fully capable system.

Let me give a couple of quick examples of how this would work against a rogue nation launch. If Libya, for example, determined that they were going to launch on the United States by way of a threat, by way of intimidation, this is what the system would allow us to do. If Libya launched, our first launch could occur at T plus 480 seconds. Our national command authority would have 8 minutes to make a first decision to respond. The first intercept would then occur at T plus 1,200 seconds, and 20 minutes later there would be an intercept of that Libyan launched rogue missile. That would be a Minuteman III, fired from Grand Forks Air Force Base from existing silos with existing launch vehicles using a kinetic kill vehicle that has previously been tested. That first intercept would give us a very high probability of success in defending against that missile attack.

Because of the architecture of this system, in this circumstance we would have a look-fire-look-fire capability. In other words, we would be able to respond to the first launch, fire, see if our missile was effective in killing the incoming missile. We would then have a second chance to fire again, to knock down that incoming missile. That launch would have to occur at T plus 1,420 seconds. That last intercept would occur at T plus 1,720 seconds. So this would be an effective system against a rogue nation launch, such as against a launch from Libya.

Let us look at a second alternative, because one of the great concerns of a single-site system is, "Are you going to provide protection for all of the United States?" The answer is, "Yes." The Air Force-designed system, which I want to say I applaud General Fogleman for developing as an alternative that should be part of this mix, I think is a serious alternative. It has been very well thought through. People at the Air Force, I think, deserve great commendation for the work they have done.

This chart shows what happens in a case of North Korea launching with Hawaii as an intended target. In this situation the first launch picked up at T plus 400 seconds. We are launching in response to that at T plus 400 seconds. We have the first intercept under this scenario at T plus 1,200 seconds.

On a second launch, in this case we do not have the look-shoot-look-shoot capability because, obviously, North Korea is much closer to Hawaii than Libya is to Washington, DC, so in this case we would have to fire immediately again against that missile. We would have dual shot capability to attempt to intercept that missile. The first, as I indicated, first intercept occurring at T plus 1,200 seconds; the last intercept occurring at T plus 1,700 seconds.

In other words, we would again have two chances to intercept that incoming missile. We are able to defend all 50 States from one treaty compliant site in the United States.

We are talking about a cost here of $4 billion in comparison to the defend America plan of $60 billion. That is $56 billion of savings. We put together kind of a lighthearted list here of "Top 10 Things We Could Do With $56 Billion Other Than To Deploy the 'Defend America' System."

Given the fact we could have a similar capability with this plan, which I think clearly is fully capable, is treaty compliant, and highly effective, what are the things we could do with $56 billion?

No. 10 on our list, we could fund the Weatherization Assistance Program for 500 years;

No. 9, we could buy a computer for every school-age child in America.

Other things we could do with $56 billion that would be saved by adopting this system rather than the "Defend America" system? We could fund all payments to farmers for the next 7 years under the Freedom To Farm Act, recently passed by Congress;

No. 7, we could renovate America's crumbling infrastructure;

No. 6, we could meet the entire global need for basic child health, nutrition, and education for 2 years with the $56 billion we save under this plan;

No. 5, we could provide health care to all Americans under 18 for 9 months;

No. 4, we could fund WIC, nutrition for women, infants, and children, for 14 years with the savings generated by adopting this approach rather than the more expensive "Defend America" approach;

No. 3, we could fund Head Start for 16 years with this $56 billion of savings;

No. 2, we could fund the destruction of ex-Soviet nuclear weapons through the Nunn-Lugar Act for 18 years.

There are many things we could do, Mr. President. No. 1 on our list is we could not spend it, and avoid increasing the deficit by $56 billion. Frankly, that is my favorite option. Let us take the saving, let us apply it to the deficit. Let us have a National Missile Defense System, let us have one that is treaty compliant, let us have one that is cost effective, let us have one that is proven technology, and let us save $56 billion and apply it to the deficit.

Mr. President, I sum up and look at what I call our national missile defense checklist, and apply commonsense criteria. Is the system ABM Treaty compliant? Is it affordable? Does it utilize proven technology?

On "Defend America," on all three of the commonsense criteria, it fails: It is not treaty compliant, it is not affordable, it does not use proven technology. The Conrad alternative does meet the commonsense criteria. It is treaty compliant, it is a single site, and uses the phased array radar that is called for in the treaty. It is affordable, $4 billion instead of $60 billion that CBO says the Defend America Act would cost. And it uses proven technology, it uses the existing Minuteman boosters, uses a kinetic kill vehicle, it uses the command, control, and computers that we already have.

I hope very much that my colleagues take a serious look at this alternative to national missile defense. Clearly, there is a risk. Clearly there is a threat. I believe it is a growing risk and a growing threat; that at some point, the American people are going to want to have deployed a national missile defense system. We can do it. We can do it in a way that is treaty compliant. We can do it in a way that is affordable. We can do it in a way that is effective.

Mr. President, the Air Force has come forward with a plan, unveiled several weeks ago now by General Fogleman, of a national missile defense system that builds on our existing technology, that costs, according to Air Force estimates, $2.5 billion, that gives us a capability to defend 50 States against accidental launch or rogue nation launch.

Mr. President, I suggest that is a reasonable cost for an insurance policy for the American people. I hope my colleagues will take very seriously this alternative.

Momentarily, I will offer an amendment that will call on the Senate to indicate that this is a serious alternative that deserves serious attention and requires the Secretary of Defense to analyze this alternative fully by the end of January.

I thank the Chair and yield the floor. I suggest the absence of a quorum.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. CONRAD. I will be happy to withhold.

Mr. WARNER. Mr. President, what is the question of the Senator? The Senate is anticipating voting now on the Nunn amendment.

Mr. CONRAD. I am just awaiting an amendment I will offer. I just wanted a chance to discuss the amendment so I would not take up the time of the Senate unduly.

VOTE ON AMENDMENT NO. 4367, AS AMENDED

Mr. NUNN. Mr. President, I think we are ready to vote on the underlying Nunn-Hutchison-Bradley amendment.

Mr. WARNER. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have.

Mr. WARNER. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 4367, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Oklahoma [Mr. INHOFE] are necessary absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—97

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—3

Bumpers
Hatfield
Inhofe

The amendment (No. 4367), as amended, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, it is my understanding that the Senate will proceed to the amendment by the Senator from Kentucky, and that the Senator from Vermont will participate in that. Following disposition of that amendment, the Senator from Virginia, on behalf of the Senator from Alaska [Mr. STEVENS] will lay down an amendment. That is just to let the Senate know what the procedure will be. I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 4112

Mr. FORD. Mr. President, the amendment No. 4112 deals with impact aid. What I am offering today is basically a technical amendment to the Impact Aid Program. The House has added $33 million to this program. I am supporting this effort by the distinguished majority and minority leaders, Senators BOXER, CONRAD, CRAIG, DORGAN, EXON, GORTON, HATCH, INHOFE, LEVIN, MURRAY, PRESSLER, ROBB, and WARNER. This amendment has the complete endorsement of the membership of the National Association of Federally Impacted Schools.

Mr. President, since the Truman administration, the Federal Government has acknowledged its responsibility in assisting school districts educating federally connected children through the Impact Aid Program. This amendment addresses a change made to the Impact Aid Program during the 1994 authorization. Under the reauthorization, school districts would not be able to compute payments for children whose parents are civilian and work on Federal property unless a school district enrolled at least 2,000 of these children and only if such enrollment constitutes 15 percent of the school district's total enrollment.

This change is arbitrary and unfair. What about a school district that has a small total enrollment, but of which 25 percent are Government employees? Or a district that has over 3,000 of these children, but because of the school's large size, this represents perhaps only 10 to 13 percent of its total enrollment?

Mr. President, the amendment I offer today would restore some measure of equity and would recognize the impact that the Federal Government has in these communities by lowering this threshold to 1,000 civilian students or 10 percent of a school district's total enrollment. For those of you who are not familiar with this, because the Impact Aid Program is not fully funded, school districts must use a complicated formula for calculating the payments they will receive, also known as their learning opportunity threshold payment.

This amendment would allow 421 school districts nationwide to calculate payment for their civilian students. However, of this number, 13 school districts already are eligible to calculate their civilian students by meeting the 2,000 and 15-percent threshold set during the 1994 reauthorization.

While this amendment affects 14,000 weighted Federal student units in the remaining 409 school districts, my colleagues should be aware that of those 409 school districts, 282 already are eligible to qualify for some form of basic support from section 8003 without their civilian students. The remaining 127 school districts would be able to reenter the Section 8003 Program. These 127 school districts enroll 2,743 weighted Federal student units.

Although some may assume that if additional students are added to the program it will cost more, the actual impact of this amendment on existing school district payments is negligible. Short of fully funding this program, no matter how much money the Impact Aid Program receives in fiscal year 1997, the fact that the new need-based program will be fully implemented means that of the 1,570 school districts in the Section 8003 Program, 1,200 will receive some varying degree of decrease in payments in order to fully fund the 250 districts classified as high-need school districts.

If the intent of the 1994 reauthorization was to target the high-need school districts, then that is exactly what will happen with or without this amendment. The amendment I offer helps minimize the loss the remaining districts will see due to the phase-in of this new need-based formula by allowing them to calculate payments for their civilian students.

In fact, even at level funding, the National Association of Federally Impacted Schools estimates that every school district will see their full learning opportunity threshold payment, even with the change to 1,000 civilian students or 10-percent total enrollment.

I urge my colleagues to support this important change which has the full support of our impact aid schools.

This amendment restores some measure—I underscore—some of the equity and recognizes the impact that the Federal Government has on these communities by lowering the threshold to 1,000 civilian students or 10 percent of the school district's total enrollment.

Mr. WARNER. Mr. President, I am pleased go support this important impact aid amendment by my distinguished colleague from Kentucky, Senator WENDELL FORD.

Throughout my 17½ years in Congress, I have worked to preserve the Impact Aid Program. Local school districts have no choice but to bear the costs of educating federally connected children whose parents live and/or work on Federal installations. These families are either fully or partially exempt from contributing to the local tax base, and the Impact Aid Program attempts to compensate school districts accordingly.

This amendment seeks to restore an important component of impact aid funding which was significantly restricted as a part of the Elementary and Secondary Education Act reauthorization bill of 1994. Under that legislation, an arbitrary eligibility threshold was established for the children of civil service families when the parents work on tax-exempt Federal properties such as military bases. With that new threshold, school divisions cannot be compensated by impact aid unless these civil service children equal a population of both 2,000 and 15 percent of total enrollment.

For the last 2 years, school divisions which no longer meet this test have been grandfathered at 85 percent of their former payment. That protection expires this year, and without legislative action, a number of key school divisions in the Hampton Roads region of Virginia will begin to suffer funding shortfalls.

That is why I welcome this amendment by my colleague from Kentucky to set a new, more flexible standard of 1,000 students or 10 percent of enrollment. This presents a far more reasonable threshold for local schools when they are faced with the responsibility of educating large numbers of civil service children whose families work at tax-exempt Federal facilities.

I am pleased that this amendment is supported by the National Association of Federally Impacted Schools [NAFIS] whose president, Mr. John Forkenbrock, has provided such leadership in strengthening education for federally connected children and the schools they attend.

Mr. President, I thank the Chair and encourage all of my colleagues to support this important amendment.

Mr. PRESSLER. Mr. President, I am proud to coauthor this amendment with Senator FORD. This small change in the impact aid formula corrects a large discrepancy in the program.

Current law discriminates against small districts, which are often located in rural areas. Districts can be eligible for impact aid based on the number of civilian b kids in the district. These children have parents who either work or live on Federal land. A district is eligible for impact aid if it has at least 2,000 students and 15 percent of the students are civilian b children.

The amendment before us today would allow districts to qualify for the program if the district has at least 1,000 children or 10 percent of the students are civilian b children. Changing "and" to "or" is an important distinction for small districts. Mr. President, few school districts in South Dakota have 2,000 students. Small districts are no less federally impacted than large ones. They are equally deserving of impact aid funds.

This amendment would allow additional districts into the program, but it would not decrease payments to current section 8003 schools. This section of the program received an increased appropriation last year, so we are working with a larger-sized pie than in previous years. Additionally, payments to all schools in section 8003 will be reconfigured when the hold harmless provision for this section expires in fiscal year 1997. Many school districts will receive lower payments when the formula agreed to in the 1994 reauthorization is fully phased in. The drop in payments to these schools frees up additional dollars for the small districts gaining eligibility with this amendment.

This is a fairness issue. I am pleased that small school districts will now receive equal support. This amendment enjoys widespread, bipartisan support. I hope all my colleagues will join me in supporting it today.

Mr. GORTON. Mr. President, like many of my colleagues on both sides of the aisle, I have long supported impact aid. This program appropriately reimburses local school districts for the cost of educating the children of Federal employees who do not contribute to the local tax base because they live or work on Federal property. Moreover 17 million children benefit from impact aid. Now, when I think of impact aid, I typically think of the child whose parent serves in the military, or the child who lives on an Indian reservation, yet there is another group of children who rightly are served by impact aid. These are students whose parents may not live on Federal property, but work on Federal property—property that is not generating tax support for the local schools. These children are provided for by the civilian b portion of the program.

Prior to an amendment being added to the Improving America's Schools Act 2 years ago, a district received a civilian b payment as long as it met basic eligibility requirements. This amendment required that a district enroll a minimum of 2,000 civilian b children and that this enrollment must equal 15 percent of the district's total student population. This effectively eliminated many small school districts with less than 2,000 students in their entire district, that nonetheless serve a large percentage of Federal employees' children. The inequity of this formula adversely impacted a number of small school districts in Washington State. For example, according to statistics provided by the Department of Education, the Grand Coulee Dam School District's total student population is 796 students, 328 of whom, are children of civilian Federal employees. In spite of the fact that 40 percent of this districts student population is made up of Federal employees children, under the current formula, this school district is not eligible for civilian b funding.

The Bremerton School District isn't as small as Grand Coulee Dam School District, but it has a similar problem. In Bremerton, WA, a number of civilians are employed to support the naval base operations. While these civilians do not work for an employer that contributes to the local tax base in the same manner other local businesses do, the Bremerton district's schools serve these children who make up 20 percent of the total student enrollment in the school district. Although Bremerton meets the 20-percent criteria, the district falls short of the 2,000 student requirement. Thus, under the current formula Bremerton School District is not eligible for civilian b funds. Is this school district less worthy of funding—merely because it does not fit into the criteria—I would argue not.

I am certainly not opposed to establishing criteria for eligibility for Federal programs; in fact, I think it is imperative we do so. But that determination should be made fairly. School districts who are significantly impacted by the Federal Government's presence should be reimbursed for the local tax contributions they would otherwise receive. For this reason, I support Senator FORD's efforts to restore equity to the eligibility requirements for this program.

Mr. FORD. Mr. President, this part of the amendment is acceptable. I understand that my friend from Vermont has an amendment in the second degree that also will be accepted. So I yield the floor so my friend from Vermont can offer his amendment.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 4417 TO AMENDMENT NO. 4112

(Purpose: To require the Secretary of Defense to make certain Impact Aid payments)

Mr. JEFFORDS. I have an amendment to the amendment.

The PRESIDING OFFICER. The clerk will reported.

The bill clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] for himself and Mr. PELL, proposes amendment numbered 4417 to amendment No. 4112.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, strike line 6 through line 2 on page 2 and insert the following:

7703(a)) is amended—

(1) by striking "2000 and such number equals or exceeds 15" and inserting "1000 or such number equals or exceeds 10"; and

(2) by inserting ", except that notwithstanding any other provision of this title the Secretary shall not make a payment computed under this paragraph for a child described in subparagraph (F) or (G) of paragraph (1) who is associated with Federal property used for Department of Defense activities unless funds for such payment are made available to the Secretary from funds available to the Secretary of Defense" before the period.

Mr. JEFFORDS. Mr. President, my amendment just establishes some equity in covering the cost generated by the amendment of the Senator from Kentucky. My amendment, requires the Department of Defense to pay the increase in cost—a small amount; about $11 million—incurred by the additional military dependents who would become eligible for impact aid under the Ford amendment.

The underlying amendment offered by my colleague from Kentucky broadens the eligibility criteria for the impact aid program. In 1994, during the last reauthorization of the Elementary and Secondary Education Act, Congress recognized the need to prioritize scarce education dollars and hence targeted funds to the most needy. In the case of the impact aid, we set up a stricter standard to reimburse districts for those students whose parents are employed on Federal property but do not live on such property.

I have some misgivings about using this bill to alter education policy. But if we want to do so, then so be it. The amendment that I am offering would simply require the Department of Defense to pay the expense of the amendment for children associated with military activities.

The changes made in 1994 eliminated impact aid payments to certain districts. By going back and broadening this definition we will increase the number of eligible districts from approximately 13 to 421.

Without my amendment the increased costs will come, not from the Department of Defense, but from the Department of Education. One area where the Department of Defense has traditionally enjoyed a reprieve from carrying its full weight is that of impact aid. Impact aid was designed to offset costs that local communities incur in the education of military dependents or civilians working on military bases because these families are exempt from certain State and local taxes. This is a cost of our national defense program.

Mr. President, DOD has accepted the responsibility of bearing the full costs of educating military dependents overseas—it is logical they should assume responsibility for offsetting the costs that occur at home.

There is clear precedence for this. Currently, the Department of Defense provides supplemental funding for impact aid schools, between $10 and $50 million—$30 million in fiscal year 1996. This last provision is in the DOD authorization bill and allows the Secretary of Defense to provide supplemental funding for local education agencies [LEA's] in which military activity places a unique burden on the LEA.

This amendment follows this policy. We must, for the true defense of this country, serve our children.

I understand this amendment is acceptable.

Mr. PELL. Mr. President, I am very pleased to be a cosponsor of the second-degree amendment offered by my friend and colleague, Senator JEFFORDS. It represents a small, yet very significant step in the direction of placing the funding of impact aid upon the agency responsible for the Federal property.

Impact aid is assistance provided because Federal property is taken from the tax rolls. It is compensation, and really should not be placed in the category of educational assistance. If the property is a military installation, the responsibility for compensation should rest with the Department of Defense, not the Department of Education. If the property is public land used for parks and recreational purposes, the responsibility for compensation should rest with an agency such as the Department of the Interior, not the Department of Education.

Impact aid is also general aid. It is not tied to the need to improve basic skills, upgrade professional development, strengthen educational research, or open opportunities for a college education. Its only relationship to education is because the property tax is too often and unfortunately a major source of support for education at the State and local level. Removal of that source of funding has an impact upon the total resources available to fund education in community after community throughout America. I would contend, therefore, that compensation for this lost resource should come from the agency or department responsible for removal of this land from the tax rolls.

With respect to this particular amendment, I understand that about 60 percent of the additional districts that would be eligible for impact aid are related to the armed services. Thus, under the provisions of the Jeffords amendment, the Secretary of Defense would be required to cover that amount, which I understand is 60 percent of $11 to $18 million.

My own opinion is that this amendment represents the direction in which we should be moving in regard to the entire Impact Aid Program. As I have said, it is only a small step, but it is also a very important one. I would strongly urge my colleagues to join Senator JEFFORDS and me in approving this amendment.

The PRESIDING OFFICER. Is there further debate on the second-degree amendment?

Mr. THURMOND. Mr. President, we accept the amendment.

The PRESIDING OFFICER. Without objection, the second-degree amendment is agreed to.

The amendment (No. 4417) was agreed to.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I encourage the approval of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 4112, as amended.

The amendment (No. 4112), as amended, was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I thank the Chair and thank my friend from Vermont.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is recognized to offer an amendment.

AMENDMENT NO. 4418

(Purpose: To provide $2,000,000 for the construction of a facility for military dependent children with disabilities at Lackland Air Force Base, Texas)

Mr. WARNER. Mr. President, on behalf of the Senator from Alaska [Mr. STEVENS], I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER] for Mr. STEVENS, proposes an amendment numbered 4418.

Mr. WARNER. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. FACILITY FOR MILITARY DEPENDENT CHILDREN WITH DISABILITIES, LACKLAND AIR FORCE BASE, TEXAS.

(a) FUNDING.—Of the amounts authorized to be appropriated by this Act for the Department of the Air Force, $2,000,000 may be available for the construction at Lackland Air Force Base, Texas, of a facility (and supporting infrastructure) to provide comprehensive care and rehabilitation services to children with disabilities who are dependents of members of the Armed Forces.

(b) TRANSFER OF FUNDS.—Subject to subsection (c), the Secretary of the Air Force may grant the funds available under subsection (a) to the Children's Association for Maximum Potential (CAMP) for use by the association to defray the costs of designing and constructing the facility referred to in subsection (a).

(c) LEASE OF FACILITY.—(1) The Secretary may not make a grant of funds under subsection (b) until the Secretary and the association enter into an agreement under which the Secretary leases to the association the facility to be constructed using the funds.

(2)(A) The term of the lease under paragraph (1) may not be less than 25 years.

(B) As consideration for the lease of the facility, the association shall assume responsibility for the operation and maintenance of the facility, including the costs of such operation and maintenance.

(3) The Secretary may require such additional terms and conditions in connection with the lease as the Secretary considers appropriate to protect the interests of the United States.

Mr. STEVENS. Mr. President, this effort has been raised by several of my colleagues. I believe it has great merit. The camp program addresses the needs of children challenged with disabilities that are not easily addressed. This includes children with Downs Syndrome, Cerebral Palsy, and Autism.

This program meets an urgent need at Lackland Air Force Base. We are addressing this need in a unique way. We will consider this effort when we bring the defense appropriation bill to the floor.

The commander of Wilford Hall Medical Center, which is located at Lackland Air Force Base, has indicated the medical center has a close association with the camp program. Most of his staff are volunteers in the program. He views the program as an outgrowth of the pediatric department at Wilford Hall.

The base commander of Lackland Air Force Base also supports the program. We asked him how he deals with the liability he personally might incur. He indicated that the benefits outweigh his risks.

The Senator from Ohio stated that there was no agreement between the Air Force and the camp program. The base commander has informed the Senate Appropriations Committee that there is, in fact, an agreement between the base commander and the director of the camp program.

The camp program is now housed in three 2-story barracks. This creates significant hazards with disabled children. Also, the manpower required for three buildings will be reduced with this new building. For instance, they will only need one nurse instead of three. These barracks are scheduled for demolition. As soon as this facility is built these barracks will come down.

This program is not yet endorsed by the Department. I believe we must address the special needs of military families. This program is an effort to do just that.

I appreciate the willingness of the managers of this bill and urge the adoption of the amendment.

Mr. McCAIN. Mr. President, it is with great regret that I rise in opposition to this amendment. The amendment would establish, in my view, a dangerous precedent for future grants of defense dollars to private organizations selected by the Congress.

There is no question that the purpose of the facility which would be constructed with these funds is a worthy one. Caring for the dependent children of our military personnel, particularly those with disabilities, should be a high-priority concern of the military Services.

However, I am concerned about the process by which this project has been identified. As I understand it, a private organization called the Children's Association for Maximum Potential [CAMP] developed an unsolicited proposal to build a facility at Lackland Air Force Base for the specialized care of military dependent children with disabilities. CAMP had been unsuccessful in raising sufficient private contributions, and requested assistance from the appropriations committees. This amendment, offered by the Chairman of the Senate Defense Appropriations Subcommittee, would authorize the grant funds requested by CAMP.

Let me stress again that I am not opposed to providing facilities for the care of disabled children. But I want to ensure that the facilities we do provide are the highest priority and best suited to take care of the largest possible group of these children. I am not confident, even with the endorsement of the Department of Defense, that the $2 million to be provided for this particular program is the best use of funds to serve this need.

Finally, I am concerned about the precedent we may establish by authorizing the expenditure of $2 million from the Air Force budget to construct a building for the use of a private entity. These projects should be considered within the military construction and family housing accounts, not in a new process outside the scrutiny of other priorities, such as child care centers, hospitals, and the like.

Mr. President, I regretfully announce that I oppose this amendment.

Mr. WARNER. Mr. President, I yield the floor.

Mr. GLENN. Mr. President, I rise in opposition to the amendment offered by the Senator from Virginia on behalf of the Senator from Alaska. I hate very much to do that because this is a program that is undoubtedly worthwhile, but I do object to the process by which we are doing this. There has not been a definition given yet by the proponents of this as to what the bill actually provides. Let me make some comments on that.

What this amendment does, as I understand it, is direct the Secretary of the Air Force to provide a $2 million grant to a program called CAMP, Children's Association for Maximum Potential, and this $2 million would be for construction of a support services facility for military dependent children with disabilities and their families at Lackland Air Force Base.

Certainly, that is a most noble intent. I do not question the intent of it at all. What I do object to is bringing this up as part of the defense bill without it having been through any screening whatever, without having been submitted as part of the defense budget. I am sure that every single one of us has a similar situation that we would like to take benefit of, also, that would be similar to this particular program.

The CAMP Program was established in 1980 as a nonprofit agency. What it does is provide comprehensive services to families with special needs. Currently, CAMP has 40 employees, as I understand it, and a $1.3 billion budget. It operates on Lackland in three World War II vintage barracks. Lackland officials have a base revitalization program, and they are demolishing old buildings. These three buildings are among those which are slated to be demolished. They have outlived their construction life cycles. They are costly to repair and maintain. The facilities in which CAMP operates are slated for demolition. The Air Force has identified a vacant parcel of property near the base medical center as a potential new site for CAMP. This $2 million grant, along with a private donation of $500,000, would enable CAMP to construct a new facility and continue its program to support military families with disabled children.

The facility to be built with the grant money would be leased to CAMP by the Air Force under a 25-year lease agreement. As consideration for this lease, CAMP would assume responsibility for and costs associated with operating and maintaining this facility, as I understand it. Granting this facility would enable CAMP to continue their support of military families and special needs.

The grant is simply a substitute for the good will of the Air Force in providing an operating space for CAMP in these old World War II structures. We do need special legislation to authorize the Air Force to use funds in this manner. However, arguing against the amendment, there is no agreement between the Air Force and CAMP for use of the facilities at all. It would benefit a small group and a specific site.

The money we would be proposing to give to them does not cover the cost of the new facility. Most of all, we opened a floodgate to everybody who has a meritorious nonprofit group operating on their base in support of whatever good purpose, and we are not giving them a fair shot at the same thing.

On the Senate Armed Services Committee, we have denied requests for DOD funds to assist in construction activities related to all sorts of things—military monuments, memorials, buildings for children on bases—and we have not funded those. While I know this is for a very good purpose, and I realize if we put this to a vote, there would not probably be very many votes that would be opposed to this idea of continuing help for dependent disabled children, children with special difficulties, on the base at Lackland, I do not propose to call for a rollcall vote on this amendment because I have no doubt about what the vote would probably be. The intention of the amendment is very noble and for a worthy cause, but for us to start out like this without having been through the budgeting process, without it having been through hearings, without having it considered by the committee or the Armed Services Committee and in competition with other projects like this at all, I question whether we should be doing this.

The problem with it, then, is that it uses the defense budget to fund what may be considered to be a high-priority program but it is not a budgeted defense program item. I cannot support the principle here of taking millions out of the defense budget to fund it. Every single one of us has a program in his or her State that would benefit greatly if we simply handed out funds like this on the military bases. Many, many, nonprofit organizations do things on the bases that we would like to support, yet we do not do that because if we raided the defense budget every time that occurred, we would soon be out of money. The problem with that approach is there would be little left if each Member of this body came to the floor to collect the defense funds necessary to help out every nonprofit program like the very valuable CAMP Program that needed funding.

I prefer to see with proposals like this that are put in, the Pentagon give their opinion as to what they are doing on the particular base, send that word over, and we take care of it in committee structure, compare them with others, and allot them money for programs like this. I am very happy to support them and work with the people to do it. But to bring them on the floor and make it competitive that we are trying to get something for individual bases for nonprofit organizations is something I have a lot of difficulty supporting.

Let me conclude by stating I find it a bit ironic that the same majority that is cutting necessary domestic discretionary funding in order to add $12 billion to our defense budget is agreeing to an amendment like this, without any hearings or without any further information. It just says we need $2 million to give to a nonprofit organization, so we appropriated or we authorized here on the Senate floor.

I am very much in support—let me go back to where I started my statement. I am very much in favor of the intent, certainly, on our bases. We want to support organizations like this. They are set up and they operate as nonprofit organizations. To have the money come out of our defense budget now to go into supporting these nonprofit organizations, no matter how good they are, just without any hearings, without conferring with other projects that we might prefer to see taxpayer-appropriated funds go into, is to me the wrong approach here. I would like to see these things gone into on a little more studied basis.

Senator MCCAIN and I have taken the lead over the past 4 years in trying to hold down things like this where we add things on the floor, add them in the committee that were never requested, never had hearings, never knew anything about them. Granted, this is not a budget buster that goes into billions. It is $2 million. But you add this up with every $2 million that I would like to have and the Senator from Virginia would like to have and everyone else would like to have, and it gets into quite a pile of money. We are taking it directly out of the defense budget to do this. Granted, it is in support of our military personnel at Lackland Air Force Base, but this is the only organization of its kind we are singling out for a $2 million grant.

I am not going to ask for a rollcall vote on this, but I do wish to be recorded as being opposed to this amendment. I yield the floor.

Mr. WARNER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 4418) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, I would like to identify myself with the remarks of Senator GLENN on the previously adopted amendment.

I know it is a noble cause. But I think this is a bad precedent, and I think we need to carefully consider what we do in this kind of case.

There are thousands of other organizations out there that would like exactly the same treatment.

I voted on that on the voice vote, and I identify my remarks with those of the Senator from Ohio.

I thank the Chair.

Mr. WARNER. Mr. President, I yield the floor.

I see the distinguished Senator from Kentucky seeking recognition.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. Mr. President, I thank the Chair. I thank my friend, the floor leader, from Virginia.

AMENDMENT NO. 4419

(Purpose: To require the Secretary of Defense to carry out a pilot program to identify and demonstrate a feasible alternative to demilitarization of assembled chemical munitions)

Mr. FORD. Mr. President, I call up my amendment on pilot projects for identified and demonstrated feasible alternatives to demilitarization of assembled chemical munitions.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside, and the clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself and Mr. BROWN proposes an amendment numbered 4419.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) PILOT PROGRAM.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) PROGRAM REQUIREMENTS.—(1) The Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) ANNUAL REPORT.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) EVALUATION AND REPORT.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is a safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) LIMITATION ON LONG LEAD CONTRACTING.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), the Secretary may not enter into any contract for the purchase of long lead materials considered to be baseline incineration specific materials for the construction of an incinerator at any site in Kentucky or Colorado within one year of the date of enactment of this act or thereafter until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky or the law of the State of Colorado, as the case may be, for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(2) Provided, however, the Secretary may enter into a contract described in paragraph (1) beginning 60 days after the date on which the Secretary submits to Congress—

(A) the report required by subsection (d)(2); and

(B) the certification of the executive agent that there exists no alternative technology as safe and cost efficient as incineration for demilitarizing chemical munitions at nonbulk sites that can meet the requirements of section 1412 of the Department of Defense Authorization Act, 1986.

(f) ASSEMBLED CHEMICAL MUNITION DEFINED.—For the purpose of this section, the term "assembled chemical munition" means an entire chemical munition, including components parts, chemical agent, propellant, and explosive.

(g) FUNDING.—(1) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section. Such funds may not be derived from funds to be made available under the chemical demilitarization program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

Mr. FORD. Mr. President, this is an issue that hits home for me. We have a facility in Richmond, KY, known as the Lexington Blue Grass Army Depot. This facility houses the most dangerous chemical agents known to mankind such as GB, VX, and mustard agents in various projectiles and rockets. Given the extremely hazardous nature of these agents, my primary concern must be for the health and safety of Kentuckians, and all Americans who live near these obsolete weapons.

And I am not alone. Acting out of the same concerns, the State of Kentucky has put into place rigorous regulations governing the permit process for operating an incinerator to destroy chemical weapons. To date, the Army has failed to get a permit from the Kentucky State EPA because the Army has failed in its application to meet several basic tests, including providing sufficient evidence that: Neither humans nor the environment will be harmed by emissions from the incinerator; burning the chemical weapons would be safer than any possible alternative technologies; should the incinerator malfunction, enough of the nerve gas would be destroyed instead of released; and during a worst-case scenario accident, there are adequate plans in place for evacuating the public.

In 1981, the Army chose the baseline incineration process as the best and safest method for destroying chemical weapons. Yet just this month, 15 years later, the Defense Appropriations Subcommittee held a hearing on whether incineration adequately protects the health and safety of the public and the workers.

I fail to understand how the Army can continue along this path when legitimate questions are still being raised and are still not being adequately answered. We're now finding that many of the alternatives previously reviewed and rejected for the destruction of chemical weapons have been developed to the point where they may not only be considered viable options, but may be better choices than incineration.

Unfortunately, the Army's actions have the appearance of moving forward simply for the sake of sticking to the original plan. I understand the Army's concern over already investing billions of dollars in the incineration process. But we are dealing with the health and safety of our citizens. And when it comes to issues of health and safety our citizens deserve the best.

To ensure this happens, Senator BROWN and I offer this amendment to the fiscal year 1997 defense authorization bill, requiring the Department of Defense to conduct a 3-year pilot program. Under the pilot program the Department of Defense will determine if there is a feasible alternative to incineration for the disposal of chemical munitions. The amendment requires the Secretary of Defense to report to Congress 6 months after the program has been completed on whether there are alternative processes that are as safe and as cost-efficient as baseline incineration. Based on this report we can determine whether baseline incineration or an alternative method is the best way to demilitarize the assembled chemical munitions at the Lexington/Blue Grass Army Depot and the Pueblo Chemical Depot.

Let me add that while the Army has a review underway at this time, that review only examines the use of these technologies for bulk sites. Because the Lexington Blue Grass Army Depot and the Pueblo Chemical Depot house munitions, the Army's current study is irrelevant to these sites.

This amendment would direct the Department of Defense to appoint an executive agent to lead this program who has not been in direct or immediate control of the chemical weapon stockpile demilitarization program. I strongly believe for this program to be successful it will need new blood, an individual who is objective, forward thinking, and not wedded to the incineration process.

Second, while this pilot program is in effect, this amendment prohibits the expenditures of funds for the construction of incinerators at both the Lexington Blue Grass Army Depot in Kentucky and the Pueblo Chemical Depot in Colorado for 1 year. Should it be determined that there is no alternative technology then funds may be expended for the construction of incinerators.

Mr. President, I am hopeful the pilot program will include a decisionmaking process that will actively involve the State and local governments and local community groups, so that all parties involved in this process can reach a consensus on where pilot testing will take place. With consensus I believe there will be a future for alternative technologies in chemical demilitarization, and we can safely proceed with destruction of obsolete chemical weapons.

This amendment specifies that of the funds authorized to be appropriated for chemical demilitarization for fiscal year 1997, $60 million will be set aside to conduct this pilot program for nonbulk sites, and that none of the $60 million will come from the funds for the alternative technologies bulk pilot program.

Clearly something must be done. With good reason, the State of Kentucky will not issue a permit to the Army. But, it would also be a mistake to simply walk away from the problem. I believe my amendment makes sense for both the Army, the Kentuckians who live in that area, and for other depots that will eventually confront this same problem.

Mr. President, without this amendment it is doubtful that the Army will ever be able to get its permit to incinerate munitions in Kentucky, let me bring to your attention the following:

> Section 6929 of title 42 of the United States Code, specifically recognizes and reserves to the Commonwealth the authority to impose reasonable restrictions directly relating to public health and safety with respect to the management of hazardous wastes beyond the minimum standards established under federal law.

Furthermore, Kentucky State law requires that:

> In considering alternatives to the proposed activity, the cabinet shall affirmatively consider all reasonable alternatives, including alternatives that could be developed, and shall issue a permit only where it finds by clear and convincing evidence that no alternative treatment or disposal option, including transportation, exists or could be developed that would provide greater protection against exposure or harm to the public or environment.

How can the State of Kentucky under these conditions ever issue a permit when the Army has yet to look at alternative technologies for nonbulk sites?

Mr. President, I look forward to working with my colleagues to ensure that the Department of Defense moves forward in a way that will not place a single American at risk.

I ask unanimous consent that the list of organizations supporting this amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GROUPS SUPPORTING THE CWWG, ON FORD AMENDMENT TO S. 1745

Aberdeen Proving Ground Superfund Citizens Coalition: Joppa, Maryland; Alabama Conservancy: Anniston, Alabama; Arkansas Fairness Council: Little Rock, Arkansas; ACTION: Circleville, Ohio; Action for a Clean Environment: Alto, Georgia; Artists For Earth: Berea, Kentucky; Appalachian Science in the Public Interest: Livingston, Kentucky; Arms Control Research Center: San Francisco, California; Bass Anglers

Sportsman Society: Montgomery, Alabama; Burn Busters: Anniston, Alabama.

Cancer Registry—Dioxin Research: Globe, Arizona; Center for Economic Conversion: Berkeley, California; Central Kentucky AIM Support Group: Lexington, Kentucky; Champaign-Urbana Physicians for Social Responsibility: Mason City, Illinois; Chicago Media Watch Environmental Task Force: Evanston, Illinois; Citizens Clearinghouse on Hazardous Waste: Falls Church, Virginia; Citizens Energy Council: Hewitt, New Jersey; Citizens Environmental Organizations of Bedford Co., Clearville, Pennsylvania; Citizens for a Healthy Environment: Waveland, Mississippi; Citizens for Responsible Fort McCoy Growth: Sparta, Wisconsin; Citizens for Safe Water Around Badger: Merrimac, Wisconsin; Coalition for Jobs and the Environment: Abingdon, Virginia; Coalition for Research Ethics and Accountability: Santa Fe, New Mexico; Columbia River United: Hood River, Oregon; Citizens Against Incineration in Newport: Newport, Indiana; Citizens for Environmental Quality: Hermiston, Oregon; Citizens for Safe Weapons Disposal: Pueblo, Colorado; Coalition for Safe Disposal: Worton, Maryland; Common Ground: Berea, Kentucky; Concerned Citizens for Maryland's Environment: Bel Air, Maryland; Concerned Citizens of Madison County: Richmond, Kentucky; Center for the Biology of Natural Systems: Queens, New York; Center for Environmental Health Studies: Boston, Massachusetts; Center for Responsive Politics: Washington, DC; Central Kentucky Council for Peace and Justice: Lexington, Kentucky; Citizen Alert: Las Vegas, Nevada; Citizens to Save Our Environment: St. Louis, Missouri.

Desert Citizens Against Pollution: Rosamond, California; Don't Waste Arizona, Flagstaff, Az.; Downwinders, Inc.: Salt Lake City, Utah; Earth and Spirit Council: Portland, Oregon; Eastern Cherokee Defense League: Cherokee, North Carolina; Ecology Center: Berkeley, California; Edmonds Institute: Edmonds, Washington; Environmental Research Foundation: Annapolis, Maryland; Earth Friendly of Huntsville: Huntsville, Alabama; Environmental Compliance Oversight Corporation.

Families Concerned About Nerve Gas Incineration: Anniston, Alabama; Farm Aid, Cambridge Mass.; Franklin County Voters for Clean Air; Columbus, Ohio; Friends of the Earth: Washington, DC; Friends and Native Americans: Arlington, Massachusetts; Friends of the Upper Willamette River, Inc: Corvallis, Oregon; Georgia Chapter, 20/20 Vision: Sautee, Georgia; Gateway Green Alliance: St. Louis, Missouri; Global Greens-USA, Washington, D.C.; GreenLaw: Washington, DC; Greenpeace International, Amsterdam; Greenpeace USA, Washington, D.C.; Greenpeace Midwest: Chicago, Illinois; Greenpeace Pacific Campaign; Greenpeace Portland: Portland, Oregon; Greenpeace South: Atlanta, Georgia; Greenpeace West: Seattle, Washington; Government Accountability Project: Washington, DC; Groups Allied to Stop Pollution: Wilmer, Texas; Hawaii's Thousands Friends; Hoosier Environmental Council: Indianapolis, Indiana; H.O.P.E. Alive!: Pueblo, Colorado; Humane Society of the United States, Washington, D.C.

Institute for the Advancement of Hawaiian Affairs; Indiana Citizen Action: Indianapolis, Indiana; Indigenous Environmental Network: Bemidji, Minnesota; Institute for Agriculture and Trade Policy; Institute for Energy and Environmental Research, Washington, D.C.; Institute for Science and Interdiciplinary Studies: Amherst, Massachusetts; International Fellowship of Reconciliation: Douglasville, Georgia; International Physicians for the Prevention of Nuclear War; International Social Ecology Network; Kentucky Conservation Committee: Frankfort, Kentucky; Kentucky Environmental Foundation, (CWWG Project) Berea, Ky.; Kentuckians for the Commenwealth: Salyersville, Kentucky; Kentucky Resources Council: Frankfort, Kentucky; Legal Environmental Assistance Foundation: Tallahassee, Florida; Maryland United for Peace and Justice: Bowie, Maryland; Massachusetts Campaign to Clean Up Hazardous Waste: Boston, Massachusetts; Military Toxics Project: Sabattus, Maine; Newport Study Group: Newport, Indiana; Nuclear Free and Independent Pacific; National Center for Environmental Health Strategies: Voorhees, New Jersey; Network for Environmental and Economic Responsibility: Nutley, New Jersey; NC Waste Awareness and Reduction Network: Durham, North Carolina; Northwest Coalition for Alternatives to Pesticides: Eugene, Oregon.

Northwest Environmental Advocates: Portland, Oregon; Nuclear Information and Resource Service: Washington, DC; National Depleted Uranium Citizens Network; Oregon Peaceworks: Salem, Oregon; Oregon Environmental Council: Portland, Oregon; Pine Bluff for Safe Disposal: Pine Bluff, Arkansas; Pacific Asia Council of Indigenous People, Hawaii; Pacific Concerns Resource Center; Parkridge Area Residents Take Action: Grove City, Ohio; People for Clean Air and Water—El Pueblo: Hanford, California; People vs. a Chemical Contained Environment: Jacksonville, Arkansas; Project on Demilitarization and Democracy: Washington DC; Pacific Studies Center: Mt. View, California; Physicians for Social Responsibility: Boston, Mass.; Progressive Alliance for Community Empowerment: Albuquerque, New Mexico; Project South: Knoxville, Tennessee; Reach for Unbleached: Whaletown, British Columbia, Canada; Rhode Island Coalition for Peace and Justice: Providence, Rhode Island; Rural Alliance for Military Accountability, Oregon.

Sangre de Cristo Chapt. of the Rocky Mtn. Sierra Club: Pueblo, Colorado; Serving Alabama's Future Environment: Anniston, Alabama; Sierra Club, Washington, D.C.; Sierra Club Legal Defense Fund, San Francisco, Ca.; Snake River Alliance: Boise, Idaho; South Bronx Clean Air Coalition: Bronx, New York; Southern Organizing Committee: Atlanta, Georgia; Social Concerns Office, Catholic Diocese of Jefferson City: J. City, Missouri; St. Louis Archdiocese: St. Louis, Missouri; SEVA Service Society, Palo Alto, Ca.; Tri-State Environmental Council: East Liverpool, Ohio; Tooele County Clean Air Coalition: Tooele, Utah; U.S. Public Interest Research Group: NYC, NY; Utah Sierra Club: Salt Lake City, Utah; Valley Citizens for a Safe Environment: Sunderland, Massachusetts; Vietnam Agent Orange Victims—The Living Dead: High Ridge, Missouri; Vietnam Veterans of America Foundation: Washington, DC; Veterans for World Peace: Gainsville, Florida; Vietnam Veterans of America: Little Rock, Arkansas; Women Concerned/Utahns United: Salt Lake City, Utah; Women's International League for Peace and Freedom: Portland, Oregon; Western Organization of Resource Councils, Butte, Montana; Working Group on Community Right to Know, Washington, D.C.

CHEMICAL DEMILITARIZATION AMENDMENT

Mr. FORD. Mr. President, why do we need this amendment?

I am proposing that the Department of Defense set up a pilot program to review alternative technologies for the destruction of chemical munitions. Currently, the Army has a review underway that only examines the use of these technologies for bulk sites. The Lexington Blue Grass Army Depot and the Pueblo Chemical Depot are nonbulk sites that house munitions, so we need to examine the feasibility of using alternative technologies for nonbulk sites as well.

Question: What are the unique provisions of this amendment?

First, this amendment would direct the Department of Defense to appoint someone who hasn't been in direct, or immediate control of the chemical weapon stockpile demilitarization program. I strongly believe that this program needs new blood, an individual who is objective and not wedded to the incineration process.

Second, this amendment prohibits the expenditures of funds for the construction of incinerators at both the Lexington Blue Grass Army Depot in Kentucky and at the Pueblo Chemical Depot in Colorado for 1 year.

Question: How do you know that there will not be local opposition to pilot testing an alternative technology?

I am hopeful that the pilot program will include a decisionmaking process that will include State and local governments, local community groups and that all parties in this process will reach a consensus. With a consensus building process, I believe that there will be less local opposition to the pilot testing of an alternative technology, and in future years destruction of obsolete chemical weapons will be allowed to proceed.

Question: Where will the pilot project take place?

Site selection will be decided contingent on the technical merits of the technology chosen for evaluation and the best place for that technology to be tested.

Question: What is the difference, if any, between your amendment and what is in the appropriations bill?

There are several differences. First, based on Department of Defense and private sector estimates, I am asking for $60 million for a 3-year period to conduct this pilot project. The appropriation's language requests $40 million for the same study with no timeframe for the completion of the study. I believe it is critical to have a timeframe or the project may drag on. Furthermore, the appropriation language requires that at least two technologies can be reviewed, I believe this is micromanagement on the legislative level and that those decisions should be left to the experts doing the job.

Question: Are we putting the communities in more danger by not going ahead with incineration? What about chemical munition leaks?

Based on performance history of the baseline incineration process with its legal challenges and permits difficulties, the baseline incineration disposal approach will extend well beyond the existing 2004 deadline and also beyond the 2007 anticipated chemical weapons convention deadline. On the other hand, I believe that alternative approaches may be easier to get permits and with fewer legal challenges. This amendment could expedite the common objective of safe, cost-effective expeditious disposal.

I can understand the concern about aging munitions and the possibility of leaks, but according to the Department of Defense's interim status assessment for the chemical demilitarization program, the handling of the munitions to conduct a more thorough survey is also a source of risk that need not be incurred given the apparent slow rate of deterioration.

Defense, in their report, also states: The rate of deterioration is not markedly increasing; there is no evidence of immediate danger from stockpile storage; the rocket stockpile could continue to be safely stored.

The most recent evaluation performed by the Army in 1994 indicated that with even the most conservative assumptions, the probability of a rocket auto-ignition is less than one in a million before 2013.

Mr. President, this legislation does not stop the Army from going forward with the baseline incineration program at sites other than Kentucky and Colorado. This legislation does not change the dates required by Congress for the destruction of our chemical weapons by 2004. But let me point out to my colleagues that this date of 2004 has been changed three times by Congress. When the chemical treaty goes into effect, and I hope the Army is listening to this, the treaty calls for 10½ years for the destruction of chemical weapons, from the date the treaty is ratified. So, let's say, Mr. President, that the treaty is ratified by 65 countries in January 1997. We would have 10½ years from 1997 to destroy our chemical weapons—but if we cannot do it in that timeframe then the treaty allows a country to ask for 5 additional years. That would place the destruction date in the year 2013.

Mr. THURMOND. I have grave concerns about the impact of his amendment on the current program, which uses baseline incineration technology, to destroy the chemical stockpile. This amendment would bring the program to a halt.

The amendment would direct the initiation of a pilot program on an unspecified alternate technology. As I understand it, pilot program testing is only initiated after basic technical efficacy has been demonstrated at either the laboratory or bench scale. There is no independently verified evidence today to support legislation to direct the initiation of a pilot program.

Mr. President, this legislation is fraught with requirements that will detrimentally impact the current destruction program.

The administration is pushing the Senate to ratify the Chemical Weapons Convention. If this amendment were to pass, we would be unable to meet the requirements in the CWC to begin destruction of the stockpile within 2 years of entry into force of the treaty. We would also not be able to complete destruction of the stockpile within the 10-year timeframe.

Mr. FORD. Mr. President, I understand, after the modifications, that both sides have agreed to this amendment. I am grateful.

Mr. WARNER. Mr. President, I wish to advise the Senate, in view of the modifications submitted by the Senator from Kentucky, that this amendment is acceptable on this side.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4419) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. I thank my friends.

AMENDMENT NO. 4415

Mr. CONRAD. Mr. President, on the previous Conrad amendment on the B-52's, we need to move to reconsider that amendment.

The PRESIDING OFFICER. There was no motion to reconsider that amendment.

Mr. CONRAD. That is correct. Would it be appropriate to reconsider the amendment?

The PRESIDING OFFICER. Yes, it would.

Mr. WARNER. Mr. President, could the Chair advise the Senate once again as to the request by the Senator from North Dakota and what the response was?

Mr. CONRAD. Mr. President, the previous Conrad amendment on B-52's that had been agreed to on both sides was not reconsidered and laid on the table. I was just going through that formality now.

I have made the motion to reconsider. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, this bill is moving along very speedily, and the managers anticipate that following the presentation by the distinguished majority leader and the Democratic leader of the unanimous-consent request that this bill will conclude today.

Seeing no Senator seeking recognition, I ask unanimous consent that the Senator from Utah be recognized to make a statement not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ELECTION IN RUSSIA

Mr. BENNETT. Mr. President, I thank the managers of the bill.

Normally, I would not intrude upon the legislative session for a matter that belongs in morning business. But this morning's newspaper carries a story that has some urgency connected with it, and I think some connection with the bill we are discussing.

We are talking about America's defenses, and in the course of the debate, we talked about the situation in Russia and the election in Russia.

In this morning's Washington Post there is a headline "New Yeltsin Aide Rails at Foreign Religions."

Then the subheadline, which is what has caused me to come to the floor in protest, says "Lebed Calls Mormonism 'Mold and Scum.'"

In the story coming from Moscow, the date line of June 27,

> Alexander Lebed, the tough-talking retired general who has become President Boris Yeltsin's unofficial running mate, railed against Western cultural influences in Russia today and vowed to rid the country of foreign religious and cults—including Mormonism, which he called "mold and scum."
>
> Speaking to an assembly of patriotic organizations, he declared that Russia has three "established, traditional religions"—Orthodox Christianity, Islam and Buddhism—pointedly excluding the faith of the country's 650,000 Jews, who have endured fierce antisemitism here for centuries.
>
> He then lumped Mormons with Aum Supreme Truth—the Japanese cult implicated in last year's poison gas attack on the Tokyo subway system—saying they pose a "direct threat to Russia's security" because they are bent on "perverting, corrupting and ultimately breaking up out state."

Mr. President, there are several reactions to this outburst on the part of Mr. Lebed, all of them disturbing.

First, we should note that he is reciting and repeating the general political posture taken by the Communist candidate in the race for the Presidency. This man, who is now viewed as the strongest man behind President Yeltsin and possibly President Yeltsin's replacement in that part of the Russian politics, has reached out to take the most virulent antireligious positions of their Communist opponent, Mr. Zyuganov, and has adopted them into his political platform.

One would assume, therefore, that we might dismiss this phrase as simply a political ploy on Mr. Lebed's part in an effort to steal a political position from the opponents. It is far more serious than that. Mr. Lebed has the reputation of being the kind of man who does in fact speak at the drop of a hat and sometimes without thinking but who, once having made a statement of this kind, would use his official position to follow it up with a serious religious repression of any who do not fall into the three religions he has declared to be acceptable—Orthodox Christianity, Islam, and Buddhism. I would think that Catholics, Protestants, Western Christians of any kind, and certainly Jews, would be chilled by this kind of statement coming from the man who is so close to President Yeltsin.

It is very interesting to me as a side comment that he has chosen to speak of the Buddhists as one of the three acceptable religions in Russia when, in fact, there is not a significant presence of Buddhism in Russia. If you are going to choose religions on the basis of their representation there, there are far more Jews in Russia than there are Buddhists, and yet he has chosen to include the Buddhists and very pointedly exclude the Jews. This is an outrageous statement from a nation that has been the source of some of the most virulent anti-Semitism the world has ever seen, and it clearly needs to be challenged.

The other point that needs to be made here with respect to what is being said in this Presidential campaign in Russia has to do not with religion but with democracy. We are being told continually that the Russians have finally crossed over the hump, and they have gone from the totalitarianism of the Communist years now into the open sunshine of free debate and free dissension. We know from history that the first casualty of tolerance for a regime moving in the direction of totalitarianism is always religious tolerance, and then immediately following after that comes an attempt to destroy any political dissension.

We are seeing a signal here from the man closest to President Yeltsin that the Yeltsin regime, if they listen to this man, will move in the direction of destroying dissent and differing opinions throughout all of Russian society. They will start with religion, but surely they will then move to repress all other dissenting opinions and we will see Russia move back into the shadows of totalitarianism under which the Russian people have, unfortunately, lived for centuries, if not millennia. Indeed, if you go past the Communist period into the years of the czarist rule, we found that the czars and the then State church worked hand in hand to see that there was no dissension of any kind in either religious or political debate in czarist Russia. These are the specters that are being raised by this kind of statement from this man in a Presidential election.

Mr. President, I am working on the language of a letter that will be sent to Secretary Christopher, a letter that will be sent to Brian Atwood, the Director of AID, and that probably will be sent also to Boris Yeltsin himself. Senator HATCH is working with me. We will coordinate the language of this letter. Senator REID has joined and indicated his outrage at these statements, as have Senators LIEBERMAN and SPECTER.

The Presiding Officer will recognize that three of us in this group are members of the Church of Jesus Christ of Latter-Day Saints, the Mormons to which Mr. Lebed pointedly refers, and the other two are Jews: Mr. LIEBERMAN, who practices an orthodox fashion of his religion as faithfully as anyone ever has, and Mr. SPECTER, whose father was born in Russia and forced out of Russia because of the anti-Semitism in that country. And Senator SPECTER continues to practice his Jewish religion.

Senator SPECTER and I have been to Russia together, and we have visited with high officials in the Russian Government and Russian regime. At the time, we were both welcomed, and we both felt we were contributing to a greater degree of understanding of the two nations.

Now, with this kind of statement, I would realize that if I went back to Russia, I would be labeled "mold and scum" because of my religious position, and Senator SPECTER would have every reason to raise the question of what would happen to him in a modern Russia if this kind of thing is allowed to go unchallenged.

One final comment. For many, many years, the Mormons were excluded from Russia and had no contact there. It was during the time when Mikhail Gorbachev was the head of the Soviet Union that the Government reached out and recognized Mormonism as a religion and invited Mormons to come to Russia. From that time until this, the Mormons have been in Russia and have had a very welcomed response on the part of the Russian people. There are now over 5,000 native Russians who have joined with the Mormon Church in Russia who have reason to feel very, very much threatened by this kind of formal statement.

So, Mr. President, as I said, Senators HATCH, LIEBERMAN, REID, and SPECTER will be joining with me in putting forth an official protest in this matter, but I wanted to bring it to the attention of the Senate in this Chamber this afternoon.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The time of the Senator has expired. The Senator from Georgia is recognized.

Mr. NUNN. I am pleased by the statement of the Senator from Utah today because I found the comments that I read in the paper attributed to Mr. Lebed both disturbing and very dangerous. I'm hoping that President Yeltsin and others will denounce this kind of rhetoric, which, no matter what its purpose, if it was simply posturing for political purposes leading up to the election, is inexcusable language. It can set up very dangerous kinds of activities in Russia against Mormons, against Jews, and against others.

I think it is very timely for the Senator to make this announcement. I identify with his statement, and I hope there will be corrective action taken by the Russian officials in terms of making it clear that this kind of rhetoric is unacceptable.

Mr. BENNETT. Mr. President, I thank the Senator.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Senator from Utah [Mr. BENNETT] as well for his statement. I read the statement that was attributed to General Lebed this morning in the paper, and I must say I was surprised by it. It is an obnoxious statement. It should not be allowed to stand without a reaction from those of us in this country who feel strongly about that kind of statement from wherever it emanates. I salute the Senator from Utah for his strong statement on the floor today.

Mr. President, when I was in high school, I played on a Mormon softball team. I do not know how they let somebody raised in the Presbyterian Church, later a Unitarian, play on the Mormon team, but I had a great association with Mormons. We do not have many in North Dakota, but we had a close association built up through that activity. We had a pretty good softball team as well. They were some of the finest people with whom I have ever been associated.

I think the statement by General Lebed is one that requires condemnation, and I am pleased to join my voice to those that have already been raised in objection to the really outrageous language that was used at least in the statement attributed to General Lebed. If those are not his words, he ought to quickly correct the record. If those are his words, he ought to apologize.

I thank the Chair and yield the floor.

Mr. BENNETT. Mr. President, I thank the Senator from Georgia and the Senator from North Dakota for their expressions of support. I am very grateful for that, as I am sure are all other individuals who have been outraged by the statements attributed to General Lebed.

I might say to the Senator from North Dakota, I am sure he hit the ball pretty well, which is why they had him on the team, in addition to his good personality and friendship. These teams are open to everybody, but they are open more to people who can play well and not people like myself who get in the way.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4420

Mr. CONRAD. Mr. President, at this time I would like to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside. The clerk will report.

The assistant clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 4420.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Subtitle C of Title II, insert the following:

SEC. . AIR FORCE NATIONAL MISSILE DEFENSE PLAN.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Air Force proposal for a Minuteman based national missile defense system is an important national missile defense option and is worthy of serious consideration; and

(2) the Secretary of Defense should give the Air Force national missile defense proposal full consideration.

(b) REPORT.—Not later than 120 days after the enactment of this act, the Secretary of Defense shall provide the Congressional Defense Committees a report on the following matters in relation to the Air Force National Missile Defense Proposal:

(1) The cost and operational effectiveness of a system that could be developed pursuant to the Air Forces' plan.

(2) The Arms Control implications of such system.

(3) Growth potential to meet future threats.

(4) The Secretary's recommendation for improvements to the Air Force's plan.

Mr. CONRAD. Mr. President, this is the amendment we discussed earlier that says the Air Force plan for national missile defense is an important option and is worthy of serious consideration, and that the Secretary of Defense should give the Air Force national missile defense proposal full consideration.

It further calls on the Secretary of Defense to produce a report within 120 days on the following matters in relation to the Air Force national missile defense proposal:

First, the cost and operational effectiveness of a system that could be developed pursuant to the Air Force plan;

Second, the arms control implications of such a system;

Third, the growth potential to meet future threats;

And finally, fourth, the Secretary's recommendation for improvements to the Air Force's plan.

I do not think too much more needs to be said. I outlined at some length earlier what I think are the great strengths of the Air Force plan: First, it is treaty compliant; second, it is affordable; third, it uses existing technology.

I ask for support from my colleagues for this amendment and ask for its consideration at this point.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Georgia.

Mr. NUNN. Mr. President, this amendment has been worked on carefully by both sides of the aisle. It calls attention of the Congress and the American people to the Air Force proposal for a Minuteman-based national defense system. It states this is an important national missile defense option worthy of serious consideration. I certainly concur in that. Then it calls for a report.

I urged adoption of the amendment. I think the Senator should be commended for bringing this to our attention and bringing it to the attention of the American people. I think this is an option that deserves serious consideration.

I urge the amendment be adopted.

Mr. MCCAIN. I echo the views of the Senator from Georgia; however, we do have an objection from our cloakroom. So I ask unanimous consent to set the Conrad amendment aside so we can get whatever that objection is worked out. I appreciate the patience of my friend from North Dakota.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

Mr. LEVIN. Will the Senator withhold that?

Mr. CONRAD. I will be pleased to withhold.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that I, at this time, engage in a colloquy with Senators MCCAIN and NUNN.

The PRESIDING OFFICER. Without objection, it is so ordered.

F-16'S AND HELICOPTERS

Mr. LEVIN. Mr. President, very briefly, I was considering offering an amendment which would have attempted to remove some of the funds in this authorization bill for two F-16's which were not requested by the Air Force either in the original budget request or in the supplemental list requested by the Committee, what we sometimes call, wish list of the Air Force. These are two F-16's which appear in none of the Air Force requests to this body, either the formal budget or the later so-called wish list.

It was also my intent to try to remove the approximately $120 million for conversion kits for the OH-58 helicopters, the so-called AHIP's, which also was not requested by the Army either in its original budget request or in the supplemental wish list which it submitted at our request.

I have been supported in this effort by Senator NUNN and Senator MCCAIN. What I have decided, and they concur, is that I not make the effort to offer this amendment on the authorization bill but will make any such effort during the appropriations process. I think they are supportive of this approach.

I yield to them for any comments they might wish to make.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I support the Senator on this. I believe we voted on this in committee. It was a very close vote, as I recall. There is a divided committee on this one. Both in the case of the Air Force, where the number of F-16's exceeds the Air Force request, not only their request but their informal guidance, and in the case of the helicopters, where this exceeds the Army request, I think there is serious doubt that this is the highest priority for our funding. This probably comes under the category "nice to have but not essential."

I join the Senator in this. I am sure I will be supporting his amendment on the appropriations bill when it comes up.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I would like to express my appreciation to the Senator from Michigan for significant progress in this effort in trying to do away with this practice, which has been going on so long, of earmarking for the Guard and Reserve. I think we are making progress in that direction. I found it one of the more egregious practices that we have engaged in. I thank him for his efforts in that area.

I also agree with him, when we start adding on equipment, even though I might point out all F-16 training takes place in the State of Arizona, without justification or request from the Department of Defense, I think we skew the process. I know there were requests from the Department of Defense for procurement of things that we decided not to do, not to put into the authorization bill. So I do not understand, unless we can make a compelling argument, which we can from time to time, that this is not needed or that this equipment is needed, that it is not appropriate. I must say I saw no argument made for these add-ons of the F-16's and helicopters. I agree with Senator LEVIN.

Could I just say, overall, also, thanks to the efforts of Senator LEVIN and

Senator NUNN and Senator THURMOND and Senator WARNER and others, I think we are making progress in reducing this kind of thing. I hope we can continue to make the effort both in the authorization and the appropriations process. Frankly, what the Senator from Michigan has done by putting some sunshine on the issue is the best way we are going to cure it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Let me close by thanking my good friend from Arizona and the Senator from Georgia. Both have been active in trying to avoid these kind of add-ons. If I could single out in this body, particularly the Senator from Arizona, he has taken extraordinarily courageous positions in a whole host of areas, some of which even affect his own State, where the Congress has been adding on items which just simply cannot be justified in terms of the requirements of the military. I commend both of them for their support.

I yield the floor.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4422 TO AMENDMENT NO. 4388

Mr. WARNER. Mr. President, there is pending an amendment by the Senator from Wisconsin, Mr. FEINGOLD, amendment No. 4422. We have reached an agreement.

I send an amendment to the desk as a substitute for the one presently there.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 4422 to amendment No. 4388.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 223. COST-BENEFIT ANALYSIS OF F/A-18E/F AIRCRAFT PROGRAM.

(a) REPORT ON PROGRAM.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A-18E/F aircraft program.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the F/A-18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the costs and benefits of the program with the costs and benefits of the F/A-18C/D aircraft program taking into account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No more than 90% of the funds authorized to be appropriated by this Act may be obligated or expended for the procurement of F/A-18E/F aircraft before the date that is 30 days after the date on which the congressional defense committees receive the report required under subsection(a).

Mr. WARNER. Mr. President, the amendment sent to the desk is in the nature of a substitute. It has been accepted on both sides. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment, amendment No. 4422.

The amendment (No. 4422) was agreed to.

The PRESIDING OFFICER. The question is on the first-degree amendment, No. 4388, as now amended.

Mr. WARNER. I urge adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4388), as amended, was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 220TH ANNIVERSARY OF OUR NATION'S BIRTHDAY

Mr. BYRD. Mr. President, in earlier days of my Senate career, I recall that prior to the Independence Day break, Senators would comment on that great and forthcoming historic day. Seeing no Senator who seeks recognition at this time, I shall take advantage of the opportunity to do a little reminiscing in contemplation of the forthcoming 220th anniversary of our own Nation's birthday.

In a few days, this fair city will throw its annual birthday party. Truly, the Independence Day celebration here in the Nation's Capital, is like nowhere else in the country. It is larger, louder, and features a fireworks display to amaze and delight even the most jaded of watchers.

And I think we all have become jaded. We have gotten away from the old-fashioned patriotism that marked our July 4 holidays of yesteryear. In the national capital, Independence Day really should be a show stopper—a sight and sound extravaganza fit for TV viewing.

While not many things are fit for TV viewing—I should not say it that way—I should say TV viewing is not fit anymore, except on certain occasions, but this is an event that is, indeed, fit for TV viewing.

But, in all honesty, I must admit that it is not my cup of tea. No, I prefer to recall a simpler time and smaller celebrations back in the hills and hollows, and the rural towns of my native West Virginia.

The high school band would don its very best regalia, shine up its buttons and march down the dusty small streets lined with moms and dads, children perched atop shoulders so that they could see and point fingers as the parade went by. The baton twirlers would twirl their batons and step high.

Young boys and girls would run along-side just to be part of the spectacle. Meanwhile, the ice cream cones would drip, drip in the sultry heat, seemingly keeping time with the marchers as they proudly passed by.

Somewhere nearby, perhaps inside a church, cakes, pies, fried chicken, potato salad, cole slaw, baked beans and hot barbecue, and a cold Coca-Cola awaited all who felt inclined to take part in the holiday feast.

And those were the days, Mr. President, when a Coca-Cola really tasted—really tasted—unique, and had an unforgettable flavor. Coca-Cola's today do not taste like they did, like a 5-cent bottle of Coca-Cola did back in the days of my boyhood.

And in the evening, a fireworks display, lasting all of 15 minutes, perhaps 20, and boasting at least three different colors in the night sky would captivate all who could stand in a nearby field or climb the lower branches of a not-too-distant tree.

There was pride and happiness on every face, then respectful silence when the stars and stripes was hoisted high and we all thanked God that we were free.

The stars and stripes fluttering in the breeze. There is just nothing like it. I contemplate those ancient Fourths of July.

I am confident that in the many small towns in my home State and in many other States, the Fourth of July celebration is still much like those that I remember—a joyful, yet thoughtful reflection on our blessed freedoms.

And in the midst of all the small-town hoopla, in these communities, the traditional customs and values which have been the fabric of American society over these 220 years are still preserved and revered.

In this vast, vast Nation which has come to be so dissimilar from one coast to another, and with an economy so diverse that interests seem always to be at war for some kind of advantage, nothing is needed more than are reminders of our common bonds and traditions.

This Nation is an ongoing experiment in making one out of many—"e pluribus unum," as our coins proclaim. Our intricate constitutional system of government tries to combine diverse ethnic and racial backgrounds, competing economic interests, and dissimilar geographic areas into some semblance of manageable commonality, while also attempting to guarantee individual freedoms without undermining the rule of law. Meanwhile, our all too distracted citizens are preoccupied with raising a family, earning a living, and coping daily with the increasing complexity of ordinary life. At times we seem less like a cohesive Nation and more like a collection of continually warring tribes.

Often, especially in this city, there is so much political sniping, so much game-playing, so much negativity and criticism that it seems as if the focus is always on what is wrong with America or what is faulty about our system.

So we all need to stop and contemplate and think and remember on that day, the Fourth of July, and ponder the miracle of Philadelphia: the republic—not the democracy—the Republic of the United States.

Anymore it is only on such special days that we cease the constant barrage of criticism and together appreciate the sweet air of our freedom. Would any of us really choose to live elsewhere? I think not.

On this coming Independence Day, I hope we pause and think about the things that unite us as a people, rather than about the things that seem to divide us. Perhaps also on that day we can spend some time with children and grandchildren, turn off—turn off—the TV sets, turn them off, and hopefully leave them off and actually talk with one another. Maybe some can even find time to go stand on the sidewalk, view that small, local parade, the kind they have in Kentucky and West Virginia, and, just for a moment, be completely swept away by the sight of our glorious flag as it goes by.

Hats off!
Along the street there comes
A blare of bugles, a ruffle of drums,
A flash of color beneath the sky:
Hats off!
The flag is passing by!

Blue and crimson and white it shines,
Over the steel-tipped, ordered lines.
Hats off!
The colors before us fly;
But more than the flag is passing by:

Sea-fights and land-fights, grim and great,
Fought to make and to save the State;
Weary marches, sinking ships;
Cheers of victory on dying lips:

Days of plenty and years of peace;
March of a strong land's swift increase;
Equal justice, right and law,
Stately honor and reverend awe;
Sign of a nation great and strong
To ward her people from foreign wrong:
Pride and glory and honor,-all
Live in the colors to stand or fall.

Hats off!
Along the street there comes
A blare of bugles, a ruffle of drums;
And loyal hearts are beating high:
Hats off!
The flag is passing by!

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

AMENDMENT NO. 4420

Mr. McCAIN. Mr. President, I am happy to say the objection to the Conrad amendment has been removed. I had spoken with Senator CONRAD. I do not believe he seeks to return to the floor on this issue. If he does, we will give him ample time to speak.

I ask unanimous consent we return to the Conrad amendment, and I ask that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 4420) was agreed to.

Mr. McCAIN. I move to reconsider the vote and I move to table the motion.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I expect us to be able to shortly finish up on this bill. There are still discussions among the leaders on a unanimous consent agreement which we hope we will have in a relatively short period of time. Senator NUNN will be returning, and we will be doing some cleared amendments to the bill. We hope that will happen shortly.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask that I be permitted to speak 2 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCOLADES TO SENATOR BYRD

Mr. DOMENICI. Mr. President, I note the presence on the floor of Senator BYRD. I wanted to say to him yesterday—I was not on the floor, but I happened to listen to the comments the Senator made with reference to alcoholism and the problem it presents in the United States, and more particularly his concern about the Seagram & Sons company violating or breaching the pact that had been agreed upon years ago that hard liquor would not be advertised either on radio or television.

I wanted to come down then and congratulate the Senator on his remarks and indicate that it made me very proud to hear a Senator come to the floor and speak as the Senator did about that issue. That does not mean I have to agree with every bit of the substance of the Senator's comments, but I do want to say that I thought it was very courageous on your part, Senator, to come to the floor and share those views with Americans, and obviously with the company that has proposed to change this many-year-old agreement, voluntary as is. They are not violating any law, and you made that clear. They are not in breach of any rules or regulations of the U.S. Government.

I thought it was very timely that you addressed that issue. I want to once again congratulate you on it and indicate that I think those kind of remarks are absolutely necessary and they must be made by people in positions such as ours. Again, I congratulate you on the remarks.

Mr. BYRD. Mr. President, I thank the very distinguished Senator, my friend from the State of New Mexico.

Mr. DOMENICI. Mr. President, I yield the floor.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

TRIBUTE TO ELBERT PARR TUTTLE, SR.

Mr. NUNN. Mr. President, I rise today in tribute to Judge Elbert P. Tuttle, Sr., who died in Atlanta this week at the age of 98. He was an extraordinary man who served his Nation in many important capacities, but whose service was best characterized by two words: wisdom and courage.

Judge Tuttle was born on July 17, 1897, in Pasadena, CA. He lived in California and Washington, DC, before he and his family moved to Hawaii in 1906. He graduated from Punahou Academy in 1914, and he then attended college at

Cornell University. Judge Tuttle received his bachelor of arts degree in 1918. Following service in World War I as a second lieutenant in the U.S. Army Air Corps, he returned to Cornell and received his law degree in 1923.

In 1923, Judge Tuttle moved to Atlanta and established, along with his brother-in-law, William Sutherland, a tax practice. With but one notable exception, he continued this law practice for the next 30 years.

The exception, however, is very notable. Judge Tuttle resumed his active duty military career during World War II. He served as commander of the 304th Field Artillery, 77th Infantry Division and saw action in Guam, Okinawa, Leyte, and Ryukyu. He was decorated for bravery under fire, and was awarded several medals for his actions, including the Purple Heart with Oak Leaf Cluster and the Bronze Star. After the end of World War II, Judge Tuttle rose to the rank of brigadier general in the U.S. Army Reserve before his retirement. In recognition for his long service to our Nation, President Carter awarded Judge Tuttle with a Medal of Freedom in 1981.

During his 30 years of private practice, I believe there are two events which demonstrate Judge Tuttle's character and his commitment to preserving the rights of all Americans.

The first event occurred in 1931. One night Judge Tuttle, than a major in the Georgia National Guard, received a call from the Georgia adjutant general about a "near riot" in Elbert County, GA. A mob had formed intent on lynching two black men in custody for allegedly raping a white woman. Through the use of tear gas, the threat of machine guns, and the deployment of Georgia National Guardsmen with bayonets drawn, Major Tuttle was able to escort safely the two prisoners away from the scene and defuse the situation—all without serious injury to anyone involved.

Judge Tuttle later represented one of the prisoners on appeal in a case before the Supreme Court. He successfully argued that the defendants were denied due process since they had been convicted by a jury unfairly influenced by a mob. Although the defendants later lost on retrial, Judge Tuttle's efforts established an important foundation for the rights of blacks in our courts.

The second action concerned a case involving a marine accused of counterfeiting. Judge Tuttle filed an appeal that resulted in the Supreme Court ruling that an indigent accused of a Federal felony is entitled to legal representation. More than a quarter century later, Supreme Court rulings affirmed these same rights to defendants in State courts.

Mr. President, by this time, Judge Tuttle's career was a storied one. He had helped found a law firm, which is now one of the most prestigious in the country. His actions in the courtroom reaffirmed precious constitutional notions of due process and equal protection. He was a devoted husband, father and community leader. Even to the dismay of some of my Democratic forefathers, he found time to breathe new life into the two party system in Georgia.

However, these accomplishments were just the beginning of his career. In 1953, Judge Tuttle was selected by President Eisenhower as the general counsel for the Department of the Treasury. In 1954, President Eisenhower appointed Elbert Tuttle to the Fifth Circuit U.S. Court of Appeals. The "historic Fifth" then had jurisdiction over the Federal courts in Florida, Georgia, Alabama, Mississippi, Louisiana, Texas, and the Panama Canal Zone. Judge Tuttle became chief justice of this court in 1961, a position he held until 1967 when at age 70 he was required to take senior status. Judge Tuttle continued his active work for the court almost another 30 years.

It was on this bench that Judge Tuttle left his mark throughout the modern South. During his tenure, the court was itself at the forefront of the civil rights movement. Under his leadership as chief justice, Judge Tuttle's decisions and opinions had a significant impact on ending racial discrimination in voting, jury selection, equal access to public facilities and education. He issued decisions that resulted in the desegregation of Southern universities and the improvement of education at all levels in the South. The "Tuttle court" was in many ways a beacon to the various State and Federal courts involved in decisions effecting civil and individual rights.

In a commencement address at Emory University, Judge Tuttle noted:

> * * * Like love, talent is only useful in its expenditure, and it is never exhausted. Certain it is that man must eat; so set what you must on your service. But never confuse the performance, which is great, with the compensation, be it money, power, or fame, which is trivial.
>
> The job is there, you will see it, and your strength is such, as you graduate from Emory, that you need not consider what the task will cost you. It is not enough that you do your duty. The richness of life lies in the performance which is above and beyond the call of duty.

Mr. President, I, and the many others whose lives he touched, know that Judge Tuttle answered and exceeded the frequent calls of duty. He led a rich life, and his impact on our lives will continue through the wisdom of his judicial decisions and opinions, as well as through the lives of his children, Elbert and Jane, his nine grandchildren, and his nine great grandchildren.

His life, as the Atlanta Constitution once noted, was "a life devoted to justice."

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with consideration of the bill.

AMENDMENT NO. 4423

(Purpose: To increase by $17,000,000 the amount authorized to be appropriated for Defense-wide activities for research, development, test, and evaluation in order to provide an additional $17,000,000 for Holloman Rocket Sled Test Track Upgrade program under the Central Test and Evaluation Investment Program)

Mr. McCAIN. Mr. President, on behalf of Senator DOMENICI, I offer an amendment that authorizes an additional $17 million in the Central Test and Evaluation Investment Program for the Holloman Sled Track Upgrade Program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Arizona [Mr. McCAIN], for Mr. DOMENICI, proposes an amendment numbered 4423.

The amendment is as follows:

> In section 201(4), strike out "$9,662,542,000" and insert in lieu thereof "$9,679,542,000".

Mr. DOMENICI. Mr. President, I rise today to offer an amendment to authorize $17.5 million for the construction of Holloman high speed test track upgrade. The Holloman high-speed test track at HAFB is the premier high-speed ground-test facility in the world. Rocket motors propel sleds down a 10-mile track at velocities of up to March 6. High-speed ground testing is used for a wide variety of development and qualifying testing. It is both highly cost effective in supporting flight testing and is capable of accomplishing tests, such as lethality impact test, that cannot be performed by other means.

The HAFB test track has been designated as the ground test facility for theater missile defense [TMD] testing. Realistic testing for this mission requires velocities in the Mach 9 range.

Development of top priority TMD interceptors without validation of their lethality results in a major technical risk that the United States would field defensive systems which are ineffective against chemical, biological, and radiological weapons. To reach the required impact velocities, new methodologies have had to be conceived which would remove the barrier to higher velocities, and provide more flight-like environment.

Limited maximum speed, excessive vibrations, and unreliability at very high speeds are the current limitations of the HAFB high-speed test track. Currently, a slipper fits over the rail and effectively holds the sled onto the rail as it is pushed by the rocket motors. The slipper/rail interaction is a major source of the limitations.

A feasibility study which was concluded by the Air Force and completed in 1993, concluded that magnetically levitated hypersonic vehicles were feasible and relatively economical. Speeds of Mach 9 are achievable using current rocket motors, and because the levitated sled does not touch the guideway, the induced vibration and generated heat is eliminated, providing a near flight environment.

Although this project is primarily committed to lethality testing, the system, once installed, lends itself to a multitude of other technology developments. The upgraded system will have an unsurpassed capability to support a wide variety of other military and civilian programs, such as: Electromagnetic launch of highly reusable space vehicles; testing of advanced propulsion systems; rocket motors; and development testing of transatmospheric propulsion motors.

Currently, SCRAMJETS cannot be suitably tested because of windtunnel limitations, which preclude the study of the combustion process. The upgrade track should allow engineers and scientists to establish an environment to study advanced propulsion systems which are being considered for high altitude and space vehicles.

The Federal Railroad Administration has signed a MOU regarding study of the use of the upgrade track hardware and facilities. Such use might include the following types of tests for commercial magnetically levitated items: Magnetic levitation and propulsion; magnetic design, including cryogenics and helium management; vehicle control and suspension systems; and passenger ride quality.

Mr. President, the upgrade of the Holloman high speed test track will prove to be vital asset within the DOD test community. I understand that my colleagues on both sides of the aisle have agreed to accept the amendment. I appreciate their support, I ask for adoption of the amendment, and I yield the floor.

Mr. McCAIN. I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4423) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4424

(Purpose: To authorize a land conveyance at Pine Bluff Arsenal, Arkansas)

Mr. NUNN. Mr. President, on behalf of Senator BUMPERS and Senator PRYOR, I offer an amendment authorizing the Secretary of the Army to convey 1,500 acres at Pine Bluff Arsenal to the economic development alliance of Jefferson County, AR. I believe this has been cleared on both sides.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] for Mr. BUMPERS, for himself, and Mr. PRYOR proposes an amendment numbered 4424.

The amendment is as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, PINE BLUFF ARSENAL, ARKANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Economic Development Alliance of Jefferson County, Arkansas (in this section referred to as the "Alliance"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 1,500 acres and comprising a portion of the Pine Bluff Arsenal, Arkansas.

(b) REQUIREMENTS RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of property authorized under subsection (a) until—

(1) the completion by the Secretary of any environmental restoration and remediation that is required with the respect to the property under applicable law;

(2) the Secretary secures all permits required under applicable law regarding the conduct of the proposed chemical demilitarization mission at the arsenal; and

(3) the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a certification that the conveyance will not adversely affect the ability of the Department of Defense to conduct that chemical demilitarization mission.

(c) CONDITIONS OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the following conditions:

(1) That the Alliance agree not to carry out any activities on the property to be conveyed that interfere with the construction, operation,and decommissioning of the chemical demilitarization facility to be constructed at Pine Bluff Arsenal. If the Alliance fails to comply with its agreement in (1) the property conveyed under this section all rights, title and interest in and to the property shall revert to the United States and the United States shall have immediate right of entry thereon.

(2) That the property be used during the 25-year period beginning on the date of the conveyance only as the site of the facility known as the "Bioplex", and for activities related thereto.

(d) COST OF CONVEYANCE.—The Alliance shall be responsible for any costs of the Army associated with the conveyance of property under this section, including administrative costs, the costs of an environmental baseline survey with respect to the property, and the cost of any protection services required by the Secretary in order to secure operations of the chemical demilitarization facility from activities on the property after the conveyance.

(e) REVERSIONARY INTERESTS—If the Secretary determines at any time during the 25-year period referred to in subsection (c)(2) that the property conveyed under this section is not being used in accordance with that subsection, all right, title, and interest in and to the property shall revert to the United States and the United States shall have immediate right of entry thereon.

(f) SALE OF PROPERTY BY ALLIANCE.—If at any time during the 25-year period referred to in subsection (c)(2) the Alliance sells all or a portion of the property conveyed under this section, the Alliance shall pay the United States an amount equal to the lesser of—

(1) the amount of the sale of the property sold; or

(2) the fair market value of the property sold at the time of the sale, excluding the value of any improvements to the property sold that have been made by the Alliance.

(g) DESCRIPTION OR PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall borne by the Alliance.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. McCAIN. Mr. President, this amendment has been cleared. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4424) was agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. NUNN. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4425

(Purpose: To provide funds for research and development regarding a surgical strike vehicle for defeating hardened and deeply buried targets)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator KYL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. KYL, proposes an amendment numbered 4425.

The amendment is as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. SURGICAL STRIKE VEHICLE FOR USE AGAINST HARDENED AND DEEPLY BURIED TARGETS.

Of the amount authorized to be appropriated by section 201(4) for counterproliferation support program, $3,000,000 shall be made available to the Air Combat Command for research and development into the near-term development of a capability to defeat hardened and deeply mined targets; including tunnels and deeply buried facilities for the production and storage of chemical, biological, and nuclear weapons and their delivery systems.

(1) nothing in this section shall be construed as precluding the application of the requirements of the Competition in Contracting Act.

Mr. KYL. Mr. President, it is my pleasure to offer an amendment to make $3 million available from the $168.7 million in the

Counterproliferation Support Program for the Surgical Strike Vehicle [SSV], which, when deployed, will hold at risk hardened or deeply buried targets of our enemies. As recent press reports indicate, the proliferation of hardened and deeply buried targets for storage and production of chemical, biological, or nuclear weapons and their delivery systems is a serious threat to U.S. national security and that of our allies. The lack of a weapon that can hold these targets at risk has not gone unnoticed by rogue nations interested in proceeding with their weapons of mass destruction programs in relative immunity from likely—that is, nonnuclear—U.S. military responses.

Few nonnuclear weapon concepts offer near-term capabilities against these underground facilities, however one Air Force concept, the Surgical Strike Vehicle, offers an interim solution with unprecedented deep penetration capability at significant standoff range.

SSV integrates existing technologies and subsystems to produce a near-term solution against hardened and deeply buried targets. SSV is a B-52H launched, rocket propelled missile systems utilizing global positioning system-based guidance for prompt, precise, and hypervelocity impact of hardened and buried targets.

SSV builds on the very successful USAF/Phillips Laboratory Missile Technology Demonstration-1 mission, which demonstrated the tightly coupled GPS navigation accuracy and successful penetration of weather granite at the White Sands missile range, New Mexico. In this August 1995 test, a simulated subscale Earth penetrating warhead was precisely delivered on target at extremely high velocity, resulting in a successful penetration of 31 feet of granite. Much higher penetration depths are possible with full-scale penetrators and higher impact velocities, which the current system is capable of delivering.

SSV is particularly suited to the high-value hardened and deeply buried target problem because it offers the following attributes: global coverage from CONUS, promptness—10 minutes from missile launch to impact—significant standoff range—launch over international waters against likely targets—Precision Lethality, >1,800 pounds of penetrating warheads at optimal peneteration velocity delivers a conventional high explosive, incendiary, or other warhead into any known cut-and-cover target and many tunnel targets; low probability of detection prior to impact for likely adversaries; immunity to air defenses or active countermeasures, jamming; and relative affordability.

I am pleased to support the SSV program and hope the Senate will agree that this program is meritorious.

Mr. NUNN. Mr. President, I urge approval of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4425) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4426

(Purpose: To require the Secretary of the Navy to establish a National Coastal Data Center on each coast of the continental United States)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senator PELL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. MCCAIN], for Mr. PELL, proposes an amendment numbered 4426.

The amendment is as follows:

On page 54, between lines 22 and 23, insert the following:

"(c) NATIONAL COASTAL DATA CENTER.—(1) The Secretary of the Navy shall establish a National Coastal Data Center at each of two educational institutions that are either well-established oceanographic institutes or graduate schools of oceanography. The Secretary shall select for the center one institution located at or near the east coast of the continental United States and one institution located at or near the west coast of the continental United States.

"(2) The purpose of the center is to collect, maintain, and make available for research and educational purposes information on coastal oceanographic phenomena.

"(3) The Secretary shall complete the establishment of the National Coastal Data Center not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.

Mr. NUNN. Mr. President, my understanding is that this has been cleared.

Mr. McCAIN. Mr. President, the amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4426) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4427

(Purpose: To authorize $20,000,000 to be appropriated for the DARPA Optoelectronic Centers)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator DOMENICI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. NUNN], for Mr. DOMENICI, proposes an amendment numbered 4427.

The amendment is as follows:

In section 201(4), strike out "9,662,542,000" and insert in lieu thereof "$9,682,542,000".

Mr. DOMENICI. Mr. President, this amendment authorizes $20 million for the DARPA sponsored Optoelectronics Centers. Optoelectronics is widely recognized as a critical enabling technology for many information-age defense, aerospace, and commercial applications. It is the cornerstone for battlefield sensing [ultraviolet to infrared and rf], for image and signal processing, for high-speed communications, for input-output devices such as displays and cameras, and for optical storage. The development of manufacturable, reliable, cost-effective optoelectronic technology for these applications is essential to national defense as well as to our national competitiveness. This will require the challenging fusion of technological advances in electronic and photonic technologies, and the coordinated effort of our national resources from academia, industry, and the Government.

Over the initial 5 years of their existence, under the effective management of DARPA, the University Optoelectronics Centers have come a long way toward filling their role as a major resource for future U.S. defense needs. As the U.S. industry is steadily decreasing its investment in research, these Centers have become an integral part of the U.S. research and development effort, and are a major source of R&D personnel for the U.S. Government and the optoelectronics industry.

The Centers' value as a resource is derived in large part from the variety of subdisciplines that they accommodate, enabling a synergy that would not be available to an individual researcher or a smaller research group. Through exposure to the defense community and industry, the Centers are also in a position to provide future engineers that can enter the work force seamlessly. The Centers are therefore a primary source of engineering manpower, an important, complimentary avenue for technology exchange.

There are many examples of clear links to product development and ongoing interactions, as a measure of the contributions of the DARPA-funded Centers.

At the Center for Optoelectronics Science and Technology [COST] the emphasis is toward optical communications networks on a scale ranging from local area networks to the global grid. The COST Research Program includes three thrusts-optoelectronic systems [e.g., parallel optical links], laser and modulator technology [e.g., In AIP-InGap quantum well devices], and optical receiver technology [including MESFET and HBT receivers].

At the National Center for integrated Photonic Technology [NCIPT] the focus is on the Optically-Controlled Phased Array Antennas [OCPAA] project in which significant impact could be made on the general application of photonics to microwave systems. The Center added a second focus area in optoelectronic integration with significant effort in the Optochip project, explained below. The Center also has devoted resources toward interconnects, including work on low-skew ribbon cable.

At the Optoelectronic Materials Center [OMC], the major focus has been on diode-based visible sources, optoelectronic tools for intelligent manufacturing, and optoelectronic information networks. The work on visible diode sources is aimed at the realization of compact visible light sources based on GaN light emitting diodes and diode lasers, second harmonic generation of diode lasers, and up-conversion fiber lasers.

The work in optolectronic tools aims primarily at the development of optoelectronic sensors for the silocon manufacturing industry, including applications in interferometric lithography, spectroscopic analysis of trace impurities, and the control of temperature during thermal processing steps. The Center's work in information network concentrates on the establishment of a test bed to evaluate wide bandwidth optical interconnects—based both on fiber and free-space technology.

At the Optoelectronic Technology Center [OTC] the main focus is on computer interconnects [including guided wave and free space technologies], and high-performance networks [including time domain, subcarrier, and wavelength-division multiplexing].

Mr. President, these Centers have been a valuable tool to the Department of Defense and my amendment will allow them to continue this vital work. I understand my colleagues on both sides of the aisle have agreed to accept my amendment. I appreciate their support, ask for adoption of the amendment, and I yield the floor .

Mr. McCAIN. Mr. President, I believe this has been cleared by the other side.

Mr. NUNN. Mr. President, it has been cleared. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4427) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4428

(Purpose: To prohibit the distribution of information relating to explosive materials for a criminal purpose)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senator FEINSTEIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mrs. FEINSTEIN, for herself, and Mr. BIDEN, proposes an amendment numbered 4428.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON THE DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(l) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends or knows, that such explosive materials or information will be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce.".

(b) PENALTY.—Section 844(a) of title 18, United States Code, is amended—

(1) by striking "(a) Any person" and inserting "(a)(1) Any person"; and

(2) by adding at the end the following:

"(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined under this title, imprisoned not more than 20 years, or both.".

Mrs. FEINSTEIN. Mr. President, I rise to propose an amendment, which is co-sponsored by by Senator BIDEN, to prohibit teaching bomb-making for criminal purposes.

First, I want to express my sincere appreciation to the managers of this bill, Senators THURMOND and NUNN, and to the distinguished chairman and ranking member of the Judiciary Committee, Senators HATCH and BIDEN, for their cooperation in accepting this important amendment.

My amendment prohibits the teaching of how to make a bomb if a person intends or knows that the bomb will be used for a criminal purpose. Additionally, the amendment prohibits the distribution of information on how to make a bomb if a person intends or knows that the information will be used for a criminal purpose.

The penalty for violation of this law would be a maximum of 20 years in prison, a fine of $250,000, or both.

As my colleagues will recall, this amendment was accepted in the Senate as part of the anti-terrorism bill last summer. Regrettably, the House dropped it from their bill, and it was not restored in conference.

I vowed then, on the floor of the Senate, to continue this fight, and attach this amendment to the next appropriate legislative vehicle. Today, that time has come.

Unfortunately, while Congress was failing to act, the need for this law has, tragically, continued to grow dramatically.

Just yesterday, while I was working to add this amendment to this bill, the Los Angeles Times ran a story, "Internet Cited for Surge in Bomb Reports," which demonstrated this need. I ask unanimous consent that this article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mrs. FEINSTEIN. The Times detailed the recent alarming rise in bombmaking incidents in my State of California: reports of possible explosives to the Los Angeles Sheriff's Department have more than doubled in the last 2 months; responses by the Los Angeles Police Department to reports of suspected bombs shot up more than 35 percent from 1994 to 1995; the LAPD found 41 explosives in 1995, more than double the number 3 years earlier; and the Sheriff's Department discovered 69 bombs last year.

What is especially troubling is that it appears that an increasing number of these incidents involve children, who are getting instructions for making these explosives from the Internet:

Four teenagers were arrested last week for a rash of pipe bombings in Rancho Palos Verdes in May and June which destroyed four mailboxes, a guard shack, and a car.

In Orange County, police say teenagers may have used the Internet to help construct acid-filled bottle bombs in Mission Viejo and Huntington Beach, one of which burned a 5-year-old boy when he found it on a school playground.

Two-months ago, the Orange County Register reported that a North Carolina teenager who posted "The Anarchist Cookbook" on his World Wide Web page was told by a Dutch girl that she had used the recipes to blow up a neighbor's car.

All Senators and Representatives should be concerned about this, for these incidents are occurring across the country. Wherever there is a computer and a phone line, this danger is present.

In February, in upstate New York, three 13-year-old boys were charged with plotting to set off a homemade bomb in their junior high school, using bomb-making plans which they had gotten off of the Internet.

Yesterday's Los Angeles Times article reported that computer-generated guides proved a common link in bombs built recently by teenagers from the streets of Philadelphia and Houston to rural Kansas and upstate New York.

These incidents aren't just limited to dangerous teenage pranks either. One of the 1993 World Trade Center bombers was arrested with manuals in hand.

My amendment gives law enforcement another tool in the war against terrorism—to combat the flow of information that is used to teach terrorist and other criminals how to build bombs.

This information is not something that one would use for a legitimate purpose or information that can be found in a chemistry textbook on the back shelf of a university library.

What my amendment targets is detailed information that is made available to any would-be criminal or terrorist, with the intended purpose of teaching someone how to blow things up in the commission of a serious and violent crime—to kill, injure, or destroy property.

In researching this issue, I came to find that specific and detailed information on how to make a bomb is distributed far too widely. It's available on the Internet, in books, in magazines, and by mail order. According to terrorism expert Neil Livingston, there are more than 1,600 so-called mayhem manuals—books with titles like "The Anarchist Cookbook," "The New Improved Poor Man's James Bond," "How To Kill", and "Exotic and Covert Weapons".

Let me provide some examples of the type of information I am talking about:

The "Terrorist's Handbook" is available by mail order and on the Internet. Just recently, my staff downloaded a copy of it from the Internet; Mr. President, you could do the same thing today.

The "Terrorist's Handbook" begins by saying:

> "Whether you are planning to blow up the World Trade Center, or merely explode a few small devices on the White House lawn, the "Terrorist's Handbook" is an invaluable guide to having a good time. Where else can you get such wonderful ideas about how to use up all that extra ammonium triiodide left over from last year's revolution.

The Handbook goes on to give step-by-step instructions on what to do:

> Acquiring chemicals: "The best place to steal chemicals is a college. Many state schools have all of their chemicals out on the shelves in the labs, and more in their chemical stockrooms. Evening is the best time to enter a lab building, as there are the least number of people in the building. . .. Of course, if none of these methods are successful, there is always section 2.11 [Techniques for Picking Locks]."

It then tells the reader how to pick a lock.

The Handbook lists various explosive recipes using black powders, nitroglycerine, dynamite, TNT, and ammonium nitrate. And, it provides explicit instructions for making pipe bombs, book bombs, light bulb bombs, glass container bombs, and phone bombs, just to name a few.

> Phone bomb: "The phone bomb is an explosive device that has been used in the past to kill or injure a specific individual. The basic idea is simple: when the person answers the phone, the bomb explodes. . .. It is highly probable that the phone will be by his/her ear when the devise explodes."
>
> Light Bulb bombs: "An automatic reaction to walking into a dark room is to turn on the light. This can be fatal, if a lightbulb bomb has been placed in the overhead light socket. A lightbulb bomb is surprisingly easy to make. It also comes with its own initiator and electric ignition system."

Yet another handbook contains detailed schemes and diagrams for a zippered suitcase booby trap, and a shower head booby trap, triggered by the pressure of turning on the water.

One of the more appalling descriptions of bomb making involves baby food bombs. The following information was taken from the Bullet'N Board computer bulletin board off the Internet:

> Babyfood Bombs: "These simple, powerful bombs are not very well know even though all the material can be easily obtained by anyone (including minors). These things are so f—ing powerful that they can destroy a car. . .. Here's how they work.
>
> "Go to the Sports Authority or Hermans sport shop and buy shotgun shells. At the Sports Authority that I go to you can actually buy shotgun shells without a parent or adult. They don't keep it behind the little glass counter or anything like that. It is $2.96 for 25 shells."

The computer bulletin board posting then provides instructions on how to assemble and detonate the bomb. It concludes with, "If the explosion doesn't get'em then the glass will. If the glass doesn't get'em then the nails will." Here are some more examples of individual postings from the Internet:

> "Are you interested in receiving information detailing the components and materials needed to construct a bomb identical to the one used in Oklahoma? The information specifically details the construction, deployment and detonation of high powered explosives. It also includes complete details of the bomb used in Oklahoma City, and how it was used and could have been better."—posted April 23, 1995.
>
> "I want to make bombs and kill evil zionist people in the government. Teach me. . .. Give me text files!. . .. Feed my wisdom, Oh great one."—posted April 25, 1995.

The foreword to the book "Death by Deception: Advanced Improvised Booby Traps" states:

> Terrorist IEDs [improvised explosive devices] come in many shapes and forms, but these bombs, mines, and booby traps all have one thing in common: they will cripple or kill you if you happen to be in the wrong place at the wrong time.
>
> In this sequel to his best-selling book "Deathtrap", Jo Jo Gonzales reveals more improvised booby-trap designs. Discover how these death-dealing devices can be constructed from such outwardly innocuous objects as computer modems, hand-held radios, toilet-paper dispensers, shower heads, talking teddy bears, and traffic cones. Detailed instructions, schematic diagrams, and typical deployment techniques for dozens of such contraptions are provided.

Other titles of books that teach people how to make bombs include: "Guerrilla's Arsenal: Advanced Techniques for Making Explosives and Time-Delay Bombs"; and "The Advanced Anarchist Arsenal: Recipes for Improvised Incendiaries and Explosives."

Enough is enough. Common sense should tell us that the First Amendment does not give someone the right to teach someone how to kill other people.

The right to free speech in the First Amendment is not absolute. There are several well known exceptions to the First Amendment which limit free speech. These include: obscenity; child pornography; clear and present dangers; commercial speech; defamation; speech harmful to children; time, place and manner restrictions; incidental restrictions; and radio and television broadcasting.

I do not for one minute believe that the Framers of the Constitution meant for the First Amendment to be used to directly aid the teaching of how to injure and kill.

In today's day and age when violent crimes, bombings, and terrorist attacks are becoming too frequent, and when technology allows for the distribution of bomb making material over computers to millions of people across the country in a matter of seconds, some restrictions on speech are appropriate. Specifically, I believe that restricting the availability of bomb making information, if there is intent or knowledge that the information will be used for a criminal purpose, is both appropriate and required in today's day and age.

My amendment is an important, balanced measure to confront the problems presented by today's rapid growth in technology, and I am extremely gratified by its adoption today.

I yield the floor.

EXHIBIT 1

[From the Los Angeles Times, June 27, 1996]

INTERNET CITED FOR SURGE IN BOMB REPORTS

COMPUTERS: POLICE AND SHERIFF'S OFFICIALS SAY WEB SITES PROVIDE YOUNGSTERS WITH INFORMATION ON MAKING EXPLOSIVES

(By Eric Lichtblau and Jim Newton)

Los Angeles explosives experts have seen an alarming rise in bomb calls over the last several months, and they think they know the main culprits: youngsters on the Internet who are learning to make bombs by scanning computer sites with ominous names like "the Anarchists Cookbook" and "Bombs and Stuff!"

Reports of possible explosives to the Los Angeles Sheriff's Department have more than doubled in the last two months. More troubling, the percentage of suspicious devices that turn out to be real explosives—especially homemade pipe bombs—has grown even more drastically.

The Los Angeles Police Department has noted a similar rise in bomb reports, reflecting a nationwide trend that experts blame on newfound computer access to explosives recipes.

"A lot of the [cases], we're finding out, are kids getting the information off the Internet," said Lt. Tom Spencer, who heads the sheriff's arson/explosives detail. "We're very worried, to be honest . . . It's frightening."

Sheriff's officials believe that information from the Internet was used in a rash of pipe bombings in Rancho Palos Verdes in May and June that destroyed four mailboxes, a guard shack and a car. Four teenagers were arrested last week in the explosions.

In Orange County, meanwhile, police said the Internet may have aided vandals in building acid-filled bottle bombs in Mission Viejo and Huntington Beach. A 5-year-old boy was burned by one of the bombs on a school playground in an April attack that led to the arrests of four teenagers.

And nationwide, computer-generated guides proved a common link in bombs built recently by teenagers around the country, from the streets of Philadelphia and Houston to rural enclaves of Kansas and upstate New York.

Some bookstores and libraries have long provided printed information on homemade bombs—one such manual was found this week in Torrance after a 23-year-old man allegedly blew out three windows at his parents' home with a 10-inch-long pipe bomb. But the Computer Age has cast the explosives' net far wider, experts say.

LAPD spokesman Cmdr. Tim McBride said: "There is a lot of verbiage on the Internet, where people are becoming * * * more aware of what it takes to put a bomb together."

Indeed, a quick scan of computer sites reveals wide access to site offering enlightenment on a wide range of bombs, some cast in a serious, academic tone, others in an aggressive or even hostile bent. "Don't be a wimp. Do it NOW!!!" urges a file on "making and owning an H-bomb."

One popular site, the Anarchists Cookbook, lists no fewer than 19 chapters related to explosives, from "Making Plastic Explosives From Bleach" to a "Home-Brew Blast Cannon" and "A Different Kind of Molitov [sic] Cocktail."

USC terrorism expert Richard Hrair Dekmejian believes that users of such technology are often troubled youths who, without intervention, could become involved in more serious violence along the lines of the Oklahoma City, World Trade Center or Unabomber attacks.

The Internet's bomb-making intrigue offers an outlet for troubled youths who are "bored and alienated," he said in an interview. "This is very, very serious. This is a new epidemic, and I see the problem getting worse," Dekmejian said.

The numbers in Los Angeles seem to prove him right.

Both the LAPD and the Sheriff's Department—the main agencies that handle bombings in the area—have seen marked increases in the last several years in reports of suspicious devices. Last year, responses at each department shop up more than 35% over 1994, reaching 972 calls to the LAPD and 595 to the Sheriff's Department. Each report of a suspected bomb automatically triggers a response by a bomb squad.

The rise has been even more drastic at the Sheriff's Department in the last two months. The bomb detail, which had been averaging about 30 calls a month, handled 68 assignments in April and 62 in May.

LAPD officials attribute the rise in part to the public's increased awareness and sensitivity to the threat posed by bombs, especially after terrorist bombings in Beirut, New York City and Oklahoma City, among other attacks.

For that reason, an abandoned briefcase may be more likely to generate a call to police today than it was a few years ago. But the trend goes beyond public alertness, officials say, and the number of actual explosives discovered has gone up significantly as well.

The LAPD found 41 explosives in 1995, more than double the number three years earlier. And the sheriff's discovery of explosives rose about 10% over that same period, to 69 bombs. The rise was particularly sharp in 1995 at the Sheriff's Department, with the number of bombs 50% higher than in the previous year.

The Sheriff's Department and its 26 bomb technicians recently began using a new 4½-inch-high robot to ferret out possible explosives. Much smaller than its predecessors, it can be used to roam under trucks or through theater aisles to inspect suspicious items.

But technology can be a double-edged sword, and Spencer says his people remain hamstrung as long as the Internet provides free recipes for disaster.

"We can't do anything because there's a freedom of speech mandate that says people can put on the Internet what they want, and people will access if if they want to access it," he said. "The way to stop it is for parents to monitor what their kids are doing."

Mr. BIDEN. Mr. President, I stand in strong support of the Feinstein-Biden amendment, which would make it a Federal crime to teach someone how to make a bomb if you know or intend that it will be used to commit a crime.

This seems pretty simple and straightforward to me. Many Americans—no, I think most Americans—would be absolutely shocked if they knew what kind of bone-chilling information is making its way over the Internet.

You can access detailed, explicit instructions on how to make and detonate pipe bombs, light bulb bombs, and even—if you can believe it—baby food bombs.

Let me give you just a small sample. A guy named "Warmaster" sent this message out over the Internet about how to build a baby food bomb. Here's how his message goes:

> These simple, powerful bombs are not very well known even though all the materials can be easily obtained by anyone (including minors). These things are so [expletive deleted] powerful that they can destroy a car. The explosion can actually twist and mangle the frame. They are extremely deadly and can very easily kill you and blow the side of the house out if you mess up while building it. Here's how they work.

And then the message goes into explicit detail about how to fill a baby food jar with gunpowder and how to detonate it.

> The thing about this bomb,

The message observes,

> Is that the glass jar gets totally shattered and pieces of razor sharp glass gets blasted in all directions.

Warmaster's recipe also elaborates on how you can make the bomb more effective still:

> Tape nails to the side of the thing,

It says.

> Sharpened jacks (those little things with all the pointy sides) also work well. The good thing about those is any side it lands on is right side up. If the explosion doesn't get'em then the glass will. If the glass don't get'em then the nails will.

Now, I'm not making this stuff up.

And what this amendment says is that if Warmaster gives his recipe to some young kid—intending or knowing that the kid will go build one of these bombs and blow it up over at the local school playground—then Warmaster should be put behind bars.

Right now, that's not a Federal crime. It should be—no ifs, ands, or buts.

I take a back seat to no one when it comes to the first amendment, and the protection of our most cherished rights of free speech.

But there is no right under the first amendment to help someone blow up a building. There is no right under the first amendment to be an accessory to a crime. And there is nothing in the first amendment that says we must leave our good sense at the doorstep.

This is not the first time that Senator FEINSTEIN and I have tried to put this crime on the books. We tried to add it back to the terrorism bill in April. But our Republican colleagues derailed our effort. Evidently, there were those on the House side who didn't like this provision—who for some reason didn't think that intentionally teaching someone how to build a bomb should be a crime.

I'm glad that our Republican colleagues here in the Senate have come to their senses. And I hope—and urge—that they will do all that they can to make sure their House counterparts do the right thing this time.

This amendment is simple and straightforward. If you're one of these guys who has made a name for himself writing manifestos like "The Terrorist Handbook" or "How To Kill With Joy"—and if someone comes to you and says: "Tomorrow morning, a group of police officers is going to be meeting in the 5th Street precinct—and I want to blow it up."

And if you then say: "Here you go—I've got just the recipe for you."

It seems to me that that should be a crime. And I'm glad the Senate has seen fit to join Senator FEINSTEIN and me in our effort to make it a crime.

Mr. NUNN. Mr. President, this amendment has been cleared with the Judiciary Committee. It is not in our jurisdiction, but it has been approved by both Senator HATCH and Senator BIDEN. So I urge support of the amendment.

Mr. McCAIN. Mr. President, the amendment has been cleared. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4428) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4429

(Purpose: To clarify that the exemption from the Qualified Thrift Lender applies to any savings institutions that serve primarily military personnel)

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Senator SHELBY, and others, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. SHELBY, for himself, Mr. FAIRCLOTH, Mr. BRYAN, Mr. DODD, and Mr. GRAMM, proposes an amendment numbered 4429.

The amendment is as follows:

At the appropriate place in the bill add the following new section:

SEC. . EXEMPTION FOR SAVINGS INSTITUTIONS SERVING MILITARY PERSONNEL.

Section 10(m)(3)(F) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(3)(F)) is amended to read as follows:

"(F) EXEMPTION FOR SPECIALIZED SAVINGS ASSOCIATIONS SERVING CERTAIN MILITARY PERSONNEL.—Subparagraph (A) does not apply to a savings association subsidiary of a savings and loan holding company if not less than 90 percent of the customers of the savings and loan holding company and the subsidiaries and affiliates of such company are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.".

Mr. SHELBY. Mr. President, this is a carefully tailored amendment intended to broaden the opportunities for military personnel to obtain financial services. There exists in current law an exemption from the penalties associated with failing to meet mortgage asset requirements of the qualified thrift lender [QTL] test. It was created some years ago for specialized savings associations serving military personnel. At least 90 percent of the association's customers must be active or former officers—commissioned and noncommissioned—in the U.S. military services or widows, widowers, divorced spouses, or current or former dependents of such officers. The rationale for the exemption is that relatively few transient military personnel and their dependents have the need or desire for a residential mortgage. Accordingly, it would be very difficult for a savings association serving the military community to comply with the QTL test requirement.

The present exemption language is too narrowly drawn to apply to similarly situated organizations serving the military community. The amendment retains the essential requirement that at least 90 percent of the savings association's customers be military related. By permitting new market entrants, it will have the effect of expanding competition in this underserved market.

This amendment has been endorsed by the Military Coalition, an organization of all the major active duty and veterans groups. The Treasury Department and the Office of Thrift Supervision have indicated no objection to the amendment.

Mr. McCAIN. This amendment has been cleared.

Mr. NUNN. This amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4429) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4430

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Mr. JOHNSTON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. McCAIN], for Mr. JOHNSTON, proposes an amendment numbered 4430.

The amendment is as follows:

On page 410, line 5, strike "$2,000,000" and insert "$5,000,000".

On page 410, line 10, strike "$2,000,000" and insert "$5,000,000".

On page 410, before line 14, add the following:

"(c) STUDY ON PERMANENT AUTHORIZATION FOR GENERAL PLANT PROJECTS.—Not later than February 1, 1997, the Secretary of Energy shall report to the appropriate congressional committees on the need for, and desirability of, a permanent authorization formula for defense and civilian general plant projects in the Department of Energy that includes periodic adjustments for inflation, including any legislative recommendations to enact such formula into permanent law. The report of the Secretary shall describe actions that would be taken by the Department to provide for cost control of general plant projects, taking into account the size and nature of such projects."

On page 413, line 25, strike 11$2,000,000" and insert "$5,000,000".

Mr. JOHNSTON. Mr. President, this amendment raises the statutory fiscal ceiling set in section 3122 on a type of activity in the Department of Energy known as general plant projects. The amendment also requests a report from the Secretary of Energy with recommendations on a permanent authorization formula for such activities.

General plant projects are projects that seek to maintain or replace the fixed and capital assets of the Department at its facilities, whether these assets are entire buildings, major subsystems of buildings—for example, electrical systems, compressed air systems—or other fixed assets such as parking lots, electrical substations, sewer lines, or roads. General plant projects do not entail the acquisition of new programmatic capabilities. Rather, they support and maintain an infrastructure for carrying out existing DOE programs and authorities. This activity designation is unique to DOE in this bill—there is not a clear analog to general plant projects in the Department of Defense, although the Department of Defense also has a large facility infrastructure that it must maintain.

Starting in the National Defense Authorization Act for fiscal year 1986, cost ceilings have been annually established for DOE general plant projects for missions and authorities under the jurisdiction of the Committee on Armed Services. This routine provision of recent defense bills, however, has proven to have considerable effects on the civilian programs of the Department under the jurisdiction of the Committee on Energy and Natural Resources. By establishing a statutory ceiling for general plant projects in the National Defense Authorization Act, the Congress has effectively set the ceiling on all Department spending on general plant projects, whether defense or civilian. This is because it is not possible, in practice, to manage a system of routine construction and maintenance based on different ceilings. For example, a major electrical upgrade that affected both civilian and defense-related buildings at a DOE site could hardly be subject to two different statutory limits. Nor, as another example, could an upgrade to a sanitary sewer system connecting several buildings—some of which housed civilian DOE programs, others of which housed DOE defense projects—be accomplished under two different statutory limits. In fact, there is some evidence that the greatest impact of the ceiling in the Defense bill is on the Department of Energy infrastructure supporting civilian missions, as general plant projects at defense-related DOE sites tend to be small than general plant projects at civilian sites.

The present ceiling on general plant projects has also never been the subject of a substantive review. Many Department of Energy sites are over 50 years old and contain numerous buildings that are far below contemporary standards or that have completely outlived their useful occupancy. Major rehabilitation of these buildings or their major systems for ongoing programs is required. Yet, the $2,000,000 statutory limitation on such projects poses a major obstacle to the speedy accomplishment of such tasks.

For example, in fiscal year 1996, the Office of Energy Research had to propose a line-item project—Project No. 95–E–303—to rehabilitate electrical systems in the laboratories for which it was responsible in the 300 Area of the Hanford Site. This work was required to correct numerous National Electrical Code violations identified in 1990 during a "Tiger Team" inspection. In DOE's words, "much of the older equipment is deteriorating and its present condition poses a personnel and fire hazard." The construction cost for this electrical safety rehabilitation was estimated at $4.2 million, above the current general plant project limit. Because of this statutory limitation, this needed safety upgrade—identified nearly 6 years ago—has been delayed for at least an additional 18 months, and workers have been needlessly exposed to a known, personnel and fire hazard. Further, because this project was forced into a line-item project status, its costs were further increased by the need for the preparation of a conceptual design report and by enhanced requirements for project management that attend line-item projects of any size in the Department. The "design and management costs" associated with this $4.2 million construction project were an additional $1.7 million. Clearly, this is an example of excessive costs driven by an artificially low limit on general plant projects.

As another example, at Brookhaven National Laboratory, an existing storage and transfer facility for fuel oil had to be upgraded over a period of 4 fiscal years via a line-item appropriation because the cost of the project was $3.65 million. This facility was the only supply of fuel for the central steam facility that, in turn, provided heat and hot water to the entire laboratory. A timely upgrade was needed to bring the facility into compliance with State and local codes. Because this project was delayed in order to undertake it as a line-item appropriation, the regulatory timetable for achieving compliance was exceeded and State and local officials had to issue a temporary waiver to the old facility to continue operations. Had these officials been less forthcoming, the operations of the entire laboratory would have been compromised. There is heightened regulatory concern over potential groundwater contamination from Brookhaven laboratory facilities on Long Island, as Brookhaven is located over an EPA designated sole-source aquifer for the Island. Had general plant project funds been available for this project, it would have been completed more expeditiously, the need for a special waiver might have been avoided, and the Department and the Laboratory could have certainly avoided further inflaming local concern over groundwater pollution from this facility.

There are many other examples that could be discussed of needed projects at DOE facilities that have been needlessly delayed because of the general plant project limitation contained in previous Defense Authorization Acts. Put simply, $2 million doesn't buy very much in the real world of facilities management. Replacing 3,480 feet of sanitary sewer lines ranging in diameter from 3 to 8 inches—Project 96-E-331—or retrofitting heating, ventilation, and air conditioning systems in a 40-year-old 300-person office building—Project 95-A-500—or upgrading a chemical laboratory to meet current requirements of the Uniform Fire Code—Project 93-E-324—all exceed $2 million in costs.

In preparation for offering this amendment, I asked the Department of Energy to estimate the number of projects and their related costs that would be added to the general plant project category if my amendment were adopted. I ask unanimous consent that the response from the Department of Energy be printed in the RECORD following the completion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON. Mr. President, the DOE response, which I interpret to favor this amendment, is illuminating in several respects.

First of all, it confirms that there are real cost savings to be realized by raising the general plant project limit. DOE estimates that $4.7 million would be saved by raising the ceiling under my amendment, considering only costs associated with elimination of Conceptual Design Reports and savings from avoiding the 18-to-24 month hiatus now experienced by projects in the range between $2 million and $5 million. There are also additional savings that will result from reduced overhead (personnel associated with these projects now must be moved to other projects and otherwise kept on the payroll during the hiatus or new personnel must be brought up to speed at the end of the hiatus). As the examples I have given above illustrate, there are also other savings that are possible, from avoided injuries or fines and penalties that might result from missed compliance dates. It is hard to put a figure on such costs, as they will vary from project to project, but they are very real.

Second, the DOE response indicates that raising this limit will not open the flood gates to an unmanageable number of additional projects. Based on fiscal year 1996 data, increasing the limit under my amendment will increase the actual number of general plant projects by less than 10 percent. The total funding for general plant projects, across the Department, might increase by $64,000,000, with most of this increase projected to occur on the civilian side of the Department. The impact of my amendment on general plant projects in the Office of Defense Programs, according to the Department, "would be relatively small." Thus, I believe that my amendment is an appropriate step to take at this time.

Third, the DOE response indicates that, because the funds for general plant projects in fiscal year 1997 have been spoken for, this amendment will begin to exert its effect starting in fiscal year 1998, thus allowing the Department one year to examine its internal procedures to ensure that they are adequate for the higher limit.

While I am convinced that increasing the limit from $2 million to $5 million in this bill is well justified, I also believe that we need a more permanent solution to the issue of establishing limits on general plant projects in the Department of Energy. That is why my amendment also calls for a report "on the need for, and desirability of, a permanent authorization formula for defense and civilian general plant projects in the Department of Energy that periodic adjustments for inflation, including any legislative recommendation to enact such formula into permanent law." I believe that we should set in motion a process to arrive at a permanent legal and management framework that addresses both civilian and defense needs for general plant projects in the Department of Energy. I would like to thank the managers of this bill for their cooperation and support for my attempts to address this issue, and I urge the adoption of my amendment.

EXHIBIT 1

DEPARTMENT OF ENERGY,
Washington, DC, June 27, 1996.

Hon. J. BENNETT JOHNSTON,
Ranking Minority Member, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: Thank you for June 18, 1996, letter concerning general plant projects in the Department of Energy.

As you are aware, the statutory ceiling on general plant projects contained in S. 1745, the Defense Authorization Act for Fiscal Year 1997, applies only to atomic energy defense activities funded under the 050 function. You are correct, however, that the Department applies this same ceiling to all Department spending on general plant projects for administrative convenience and consistency.

The analysis prepared by the Department in response to your questions includes both civilian and defense spending for general plant projects in the aggregate based upon fiscal year 1996 spending. Our analysis suggests that potential savings could accrue from raising the ceiling on general plant projects. Some program offices would clearly be more likely to accrue savings than other program offices, however. For example, in the case of the Office of Defense Programs, general plant projects tend to be small construction requirements, such as facility refurbishment and minor road repairs, and very few of these projects reach the $2 million ceiling. Therefore, savings from increasing the ceiling for the Office of Defense Programs would be relatively small. In addition, as a result of language included in the House and Senate reports accompanying the Energy and Water Development Appropriation for Fiscal Year 1996, the Department now merges its general plant projects into operating expenses, which has provided the Department additional flexibility in carrying out general plant projects under the ceiling of $2 million. The value to the Department of a higher general plant project ceiling would be enhanced if that flexibility were extended to the higher ceiling.

The Department appreciates your efforts to reduce unnecessary or burdensome requirements and to assist us in finding areas for cost savings. I hope this information is helpful to you. If you have further questions, please contact Mary Louise Wagner, Deputy Assistant Secretary for Senate Liaison, on 202-586-5468.

Sincerely,

DONALD W. PEARMAN, Jr.,
Associate Deputy Secretary for Field Management.

Enclosure.

ENCLOSURE

Question. What is number of general plant projects anticipated in FY 1997 that would be below the current $2,000,000 limit?

Answer. These projects tend to be relatively small, such as facility refurbishment, minor road repairs, roof repair and replacement, electrical system upgrades, and some small facilities. The actual projects to be funded in FY 1997 will not be selected until later when programmatic needs and unexpected repairs are prioritized with existing lists of general plant project requirements. Although a few push the $2,000,000 limit, $500,000 is a good estimate of the average size of these projects. Based on this average, we estimate approximately 200 general plant projects in FY 1997.

Question. What is the total dollar amount represented by these projects?

Answer. The total dollar amount represented by these projects (i.e., the FY 1997 funding request for general plant projects) is approximately $98,000,000.

Question. What would be the number of general plant projects (and the corresponding dollar amount) that would be added if the limit in the Defense Authorization Act were to be changed to $2,500,000; $4,000,000; and $5,000,000?

Answer. Using FY 1996 data as a gauge, there would be no additional general plant projects, if the limit were raised to $2,500,000.

Using FY 1996 data as a gauge, there would be 11 additional general plant projects with an additional dollar amount of $37,000,000, if the limit were raised to $4,000,000.

Using FY 1996 data as a gauge, there would be 7 additional general plant projects with an additional dollar amount of $27,000,000, if the limit were raised to $5,000,000.

Question. What savings would occur if the limit on general plant projects were changed to $2,500,000; $4,000,000; and $5,000,000?

Answer. For that limited number of projects in FY 1996 which fell between $2,000,000 and $5,000,000 in estimated total project cost, some savings would be generated by shortening the project time line and being able to proceed immediately from conceptual design, through final engineering and into physical construction. The analysis was conducted on FY 1996 data and would vary from year to year depending on the specific activities.

If the limit on general plant projects were changed to (based on our current data):

Limit	Additional general plant projects	Estimated savings
$2.5 Million	$0	$0
$4.0 Million	$37 Million	$2.7 Million (see note).
$5.0 Million	$27 Million	$4.7 Million (see note).

Note: Calculation of Savings: $37 M x 2% for Conceptual Design Report development + 5.3% (Escalation) = $2.7M. ($37M + $27M) x 2% for Conceptual Design Report development + 5.3% (Escalation) = $4.7M.

Question. How would such cost savings be realized?

Answer. General plant projects do not require Conceptual Design Reports. Once requirements for general plant projects are identified, design of the projects can begin immediately.

Currently, there is an 18–24 month delay between the completion of a Conceptual Design Report and start of design of a line item project (any construction project above $2 million). The cost savings if the Conceptual Design Reports are not required would be approximately 2 percent of the total project cost (representing the average cost to perform the Conceptual Design Report) plus avoidance of the escalation resulting from the two year "hiatus." Other intangible cost savings would accrue from reduced overhead, quicker response to changed mission requirements and earlier availability of facilities to support the mission.

In FY 1997, minimum savings would be realized because Conceptual Design Reports should already have been started or completed, therefore the delay (18–24 months) between Conceptual Design Reports and start of design would have already occurred. Any real savings would start to accrue in FY 1998.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

Mr. McCAIN. Mr. President, this amendment has been cleared on this side. I urge the Senate adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4430) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4431

(Purpose: To require the Director of the Ballistic Missile Defense Organization to prevent adverse effects of establishment of the National Missile Defense Joint Program Office on private sector employment)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. HEFLIN, for himself and Mr. SHELBY, proposes an amendment numbered 4431.

The amendment is as follows:

At the end of subtitle A of title IX add the following:

SEC. 907. ACTIONS TO LIMIT ADVERSE EFFECTS OF ESTABLISHMENT OF NATIONAL MISSILE DEFENSE JOINT PROGRAM OFFICE ON PRIVATE SECTOR EMPLOYMENT.

The Director of the Ballistic Missile Defense Organization shall take such actions as are necessary in connection with the establishment of the National Missile Defense Joint Program Office to ensure that the establishment and execution of the new management structure will not include any planned reductions in Federal Government employees, or Federal Government contractors, supporting the national missile defense development program at any particular location outside the National Capitol Region (as defined in section 2674(f)(2) of Title 10, United States Code).

Mr. HEFLIN. This amendment would help assure that the creation of a new management office within the Ballistic Missile Defense Organization does not result in a centralized bureaucracy at the expense of vital ballistic missile defense capabilities built up over the years across the United States.

Concerns about Pentagon centralization have resulted in the Defense Appropriations Committees limiting funds made available for relocations of DOD organizations, units, activities, or functions into or within the National Capital Region. This has been the case in the past and it is again the case in the pending Defense appropriations bill. Another concern has been the use of support contractor services and consultants to escalate centralization in Washington. In 1992, Senator PRYOR found an alarming trend of contractor growth in support of the BMDO predecessor organization, the Strategic Defense Initiative Organization [SDIO]. His amendment, accepted without opposition, capped the amount of money which could be expended for the procurement of support services for the central SDIO activity. Its intent is still relevant today.

Those concerns about DOD centralization are founded on traditional beliefs that government works best when it is not all collocated in the Capital region. Centralization of government and contractor personnel results in higher costs. Relocation of functions loses unique capabilities now available through military services and thus creates greater inefficiencies and schedule losses due to the necessity to retrain and replace technical and managerial personnel.

The purpose of this amendment is to clearly establish that the implementation of the NMD JPO decision must continue to be consistent with the assurances we are being given by the Pentagon. The Acting BMDO Director, Adm. Dick West, has just met with our staffs and discussed the organizational details of the new Joint Program Office, as it is now planned. He foresees a central organization of 64 or thereabouts, supported by those on-going activities in the field who have been developing such elements as the interceptor and ground-based radar. At present, these are basically all in the Army sphere of responsibility since the Air Force Space and Missile Tracking System Program is an Air Force program and will not be under the new office, and the Navy has no current role in NMD. Admiral West is convincing in his assurances that those activities which have been so beneficial to the progress in ballistic missile defense in the past will not be adversely impacted by this new central office. Concurrently, a BMDO "Point Paper" has included the following assurances:

> The decision to manage NMD using a Joint Program Office (JPO) does not change the fundamental execution of the program. The basic building blocks remain the same and will be developed by the organization already assigned those responsibilities. Contracts that have been awarded will be executed as planned. The Service organizations that have had responsibility for NMD will continue to play the same role. As the program approaches a deployment decision, the role of the services will increase significantly.

Even with this assurance, I believe this amendment is necessary to clearly reflect the intent of Congress for the benefit of Admiral West's successor and those further down the organizational ladder responsible for the implementation of the various components of the new activity.

These are important times for the National Missile Defense Program, when with additional funding and emphasis, Congress has great expectations that these investments will yield the greatest possible dividends. Continuation of the valuable contributions of the NMD activities in their field locations will be critical to that success.

Mr. NUNN. Mr. President, I believe this has been cleared, and I urge its adoption.

Mr. McCAIN. Mr. President, the amendment is cleared. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4431) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4432

Mr. McCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. LOTT and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Arizona [Mr. McCAIN], for Mr. LOTT, proposes an amendment numbered 4432.

The amendment is as follows:

> At the appropriate place, insert the following:
>
> **SEC. . OCEANOGRAPHIC SHIP OPERATIONS AND DATA ANALYSIS.**
>
> (a) Of the funds provided by Section 301(2), an additional $6,200,000 may be authorized for the reduction, storage, modeling and conversion of oceanographic data for use by the Navy, consistent with Navy's requirements.
>
> (b) Such funds identified in (a) shall be in addition to such amounts already provided for this purpose in the budget request.

Mr. McCAIN. I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, this amendment has been cleared, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4432) was agreed to.

THE AWARD OF THE CONGRESSIONAL MEDAL OF HONOR TO SEVEN AFRICAN-AMERICANS WHO SERVED IN COMBAT DURING WORLD WAR II

Mr. NUNN. Mr. President, the national defense authorization bill under consideration by the Senate contains a very special provision that, once enacted, will clear the way for the President to award the Medal of Honor to seven African-Americans who served their Nation with the utmost distinction in combat during World War II.

Pvt. George Watson of Birmingham, AL, was on board a ship which was attacked by enemy bombers. When the ship was abandoned, Private Wilson remained and assisted several soldiers who could not swim to reach the safety of a liferaft. This heroic action subsequently cost him his life but resulted in saving the lives of his comrades.

Capt. Charles L. Thomas of Detroit, MI, though grievously wounded when his scout car was subjected to intense enemy artillery, self-propelled gun, and small arms fire, directed the emplacement of two antitank guns to return enemy fire. Only after he was certain that a subordinate was in full control of the situation did he permit himself to be evacuated.

S.Sgt. Ruben Rivers of Oklahoma City, OK, though severely wounded when his tank hit a mine, refused medical treatment, took command of another tank, and advanced to the objective. Repeatedly refusing evacuation, Sergeant Rivers continued to direct his tank fire at enemy positions through the next day until he was killed by the enemy.

S.Sgt. Edward A. Carter, Jr., of Los Angeles, CA, while attempting to lead a three-man group was wounded five times and finally was forced to take cover. As eight enemy riflemen attempted to capture him, Sergeant Carter killed six of them and captured the remaining two.

First Lieutenant John R. Fox of Cincinnati, OH, and some other members of his observer party voluntarily remained on the second floor of a house to direct defensive artillery fire while the majority of U.S. forces withdrew in the face of overwhelming numbers. As the Germans continued to press the attack toward the area that he occupied, he adjusted the artillery fire into his own position knowing that this was the only way to stop the enemy attack. Lieutenant Fox's body was later found along with the bodies of approximately 100 German soldiers.

First Lieutenant Vernon J. Baker, of Cheyenne, WY, destroyed enemy installations, personnel, and equipment during his company's attack against a strongly entrenched enemy in mountainous terrain. When his company was stopped by the concentrated fire from several machinegun emplacements, he destroyed three machinegun nests and an enemy observation post. He then covered the evacuation of the wounded personnel of his company by occupying an exposed position and drawing the enemy's fire.

Pfc. Willy F. James, Jr., of Kansas City, KS, as lead scout was the first to draw enemy fire. After being pinned down for over an hour, he returned to his platoon, and led a squad in the assault, accurately designating targets as he advanced, until he was killed by enemy machinegun fire while going to the aid of his fatally wounded platoon leader.

These seven heroes have many things in common: their selfless dedication to their comrades, their unwillingness to give up despite overwhelming odds, their leadership in the face of certain death, and their race.

A study, commissioned in 1993 by the Acting Secretary of the Army to review the Medal of Honor processing procedures as applied to African-American soldiers in World War II, revealed that no African-American soldier was recommended for the Medal of Honor for service in World War II.

Concluding, in part, that this was reflective of the national racial climate and the use of African-American soldiers in World War II, the study recommended that 10 African-Americans be considered for the award of the Medal of Honor.

The Secretary of the Army, the Secretary of Defense, and the President recommended legislation that would permit the award of the Medal of Honor to the seven heroes I previously mentioned.

This marks the end of a long journey for these seven men—six of whom who have died before they could realize this great honor.

It is not the end of a journey, however, for our military services as they continue to lead the Nation in matters of equal opportunity, elimination of racial and gender discrimination, and creation of an environment that is, in fact, based on individual merit and performance.

I have always been proud of the way our military services were able to recognize the importance of eliminating discrimination and prejudice. I have always been proud of the tremendous efforts that have been made and that will continue to be made in this area.

Surely, 100-percent success has yet to be achieved, but the U.S. military is clearly a beacon lighting the way for the rest of the Nation.

So, too, today I am proud of what these heroes have done. But I am also proud of how we as a nation can look back into our history and, seeing something that just is not quite right, can and will fix it.

I regret that six of our seven heroes are no longer with us. I hope and pray that their families and loved ones will realize the significance of what these courageous men accomplished and permit our Nation to honor them in this way.

Mr. President, I thank the Chair. I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent to speak as if in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH INSURANCE REFORM

Mrs. KASSEBAUM. Mr. President, it has been exactly 2 full months since the Senate unanimously passed the Health Insurance Reform Act 100 to nothing. However, because Republicans and Democrats have been unable to reach agreement on one outstanding issue—the size and scope of the Medical Savings Account Demonstration Program—we have not been able to make further progress in reaching a compromise between the House and Senate language on this bill.

Many, I think, assume that this legislation which passed unanimously in the U.S. Senate has already become law, and that is just not the case. I would suggest that every day we wait the stakes grow higher. As the number of legislative days dwindle:

More American families lose their health insurance coverage;

More American families are unable to obtain insurance because of preexisting illnesses or outright discrimination;

Millions of Americans hold onto jobs that they would otherwise leave for fear of losing their health coverage;

Patients suffering from AIDS, and our seniors and disabled citizens, do not have adequate resources to pay for care;

And self-employed men and women, and small businesses, find the cost of health insurance increasingly out of reach.

The bipartisan health reform legislation that passed both the Senate and the House in April would help address these critical issues. The General Accounting Office [GAO] estimates that the reforms at the heart of the bill will help at least 25 million Americans each year.

There is no disagreement between Republicans and Democrats about how to help these 25 million Americans. Yet each day that we quibble over whether to allow a tiny fraction of the insurance market to test the concept of medical savings accounts, the chance to enact reforms that will help these 25 million Americans grows dim.

As my colleagues know, the House passed a very different bill from the Senate. But after weeks of discussions and sometimes tense negotiations between Republican leaders, we have reached agreement on every outstanding issue—except for MSA's. The House has agreed to drop altogether controversial provisions on multiple employer welfare arrangements and medical malpractice. While many—including myself—strongly believe we need to help small employers gain purchasing clout and control the health care costs through malpractice reform, all of us recognized that compromise was necessary to reach a bipartisan consensus on the legislation.

Mr. President, I want to assure my colleagues and the American people that the core of the Kassebaum-Kennedy bill is firmly in place in the House-Senate compromise. Those provisions will greatly enhance the health security of American workers. In addition, the compromise legislation increases the deduction for self-employed individuals from 30 to 80 percent, provides tax deductions to help make long-term care more affordable for our seniors, and helps reduce health costs by fighting fraud and abuse and reducing the paperwork burden imposed on patients, doctors, and hospitals.

In an attempt to reach agreement on the remaining outstanding issue, Republicans have offered three separate compromises on medical savings accounts. Unfortunatley, these concessions seem to have done little to narrow the gap between Republicans and Democrats in the House and Senate, and the White House.

Last night, under the leadership of the distinguished majority leader, Republicans proposed an extremely generous, constructive compromise that will allow us to test the concept of MSA's and assess their impact in the small employer market. As my colleagues know, I have grave concerns about the potential impact of MSAs. But I believe this proposal is fair and limited, and contains protections sufficient to guard against adverse risk selection. It was offered in good faith and goes a long way toward meeting concerns raised by the President. In fact, it goes well beyond the agreement I reached earlier with many Republicans in the House and Senate conference.

As part of this agreement:

Republicans have agreed to reduce the scope of the 4-year demonstration program to firms with 50 employees or less, and to require an affirmative vote to expand MSA's to large employers and individuals. That is a significant concession.

The Joint Committee on Taxation estimates that MSA's will be available during this 4-year demonstration to less than 1 percent of the total work force and slightly more than 1 percent of the work force with insurance.

Equally important, reducing the size of the demonstration to firms with 50 workers or less will help guard against risk selection because the underlying bill extends guaranteed issue and renewal requirements to firms with 50 or fewer workers. Moreover, this is the portion of the insurance market where the States have worked aggressively to protect consumers and guard against risk selection.

The proposal contains a fire process for assessing the impact of MSA's by an independent, nonpartisan organization. In addition, the Secretary of the Treasury is required to annually monitor the MSA's impact on the market and report to Congress as to whether the legislation is necessary to reduce costs due to excessive enrollment.

Finally, Republicans have agreed to reduce further individuals' out-of-pocket exposure by lowering the maximum MSA deductible and requiring MSA plans to cover at least 70 percent of covered services once an individual reaches the deductible. We also have agreed to further reduce the tax advantages of MSA's by limiting annual contributions.

Moreover, high-deductible plans must meet disclosure requirements, and the National Association of Insurance Commissioners is directed to promulgate further consumer protection standards.

Mr. President, despite significant concessions, I believe, on the part of Republicans, however, the White House and congressional Democrats continue to raise new demands and to insist that high-deductible MSA policies meet nondiscrimination and consumer protection standards well beyond current law requirements for other health insurance plans and even well beyond the reforms contained in the underlying legislation.

The Health Insurance Reform Act will pass, Mr. President, only if we keep our eye on the ball.

First, we need to recognize that success always requires compromise. The House has conceded on malpractice reforms, has conceded on MEWA's and now receded significantly on the MSA's.

Second, we need to bear in mind that the legislation will help 25 million Americans each year, and that the positive impact of the bill's core reforms will far outweigh any potential harm from the limited medical savings account proposal that has been offered by Republicans last night.

I believe we have worked too long and too hard in a bipartisan fashion to let this historic opportunity to pass meaningful health reform pass us by. I hope we can come together in the next few days. I think it is absolutely essential that we not let time slip away. And I hope that the White House and the Democratic leadership will genuinely help us reach that goal.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for 6 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL DROUGHT ASSISTANCE IN THE SOUTHWEST

Mr. DOMENICI. Mr. President, I wish to bring a very serious matter to the attention of my colleagues.

As has been reported by several Senators, there is a serious drought underway in the Southwest, and I believe my State of New Mexico is probably the most seriously affected because it is suffering a very severe drought, almost in its entirety.

As my colleague from New Mexico, Senator BINGAMAN, has stated on at least two occasions on the Senate floor in the last month, livestock producers are among the most devastated by these drought conditions. Today, I would like to inform the Senate of the current status of one of the relief options that several of us have been pursuing: the Emergency Feed Grain Reserve.

It involves a small portion of grain reserves held by the U.S. Department of Agriculture, known as the Emergency Feed Grain Reserve. Under this program, the Secretary of Agriculture is authorized to purchase and store up to 75 million bushels of grains to be held in reserve for emergency or disaster situations.

Currently, the Department reports that there are about 45 million bushels of grain stored under this program. In the event of an emergency, the Secretary of Agriculture has a great deal of flexibility in how these reserve grains are to be used.

On June 5, the Senate passed a concurrent resolution, Senate Concurrent Resolution 63, which called on the Secretary of Agriculture to release all grains held in the emergency reserve to provide relief for livestock producers whose livelihoods are threatened by this natural disaster. In fact, the distinguished Senator from Kansas, Mrs. KASSEBAUM, who just spoke, was the lead Senator on that concurrent resolution.

There has been no response.

Again, on June 12, the Senate called on the Secretary to act under the authority of this program by passing two resolutions, Senate Resolution 259 and Senate Resolution 260. These two resolutions called on the Secretary to use the most efficient methods of providing relief under this program, including cash payments generated by receipts from the sale of reserve grains and to give special consideration to those producers who could not receive assistance under any other program.

There was no response.

Let me put the amount of the grain reserve into perspective. As I stated earlier, there are about 45 million bushels of grain in this emergency relief reserve. Reuters news service reported this morning that the average price of corn during the month of June has been slightly more than $4 a bushel, barley was slightly lower, and wheat was considerably higher, at well over $5 a bushel.

Even if the Secretary were to sell the emergency reserve stocks at a discount to provide relief in areas of severe grain shortages, there could easily be generated $100 million to provide relief in those areas where other forms of livestock feed, such as hay, are more needed. This is far greater than the $18 million that Senator BINGAMAN and I have attempted to provide legislatively through a modest but needed temporary extension of the only relief program for many livestock producers in the Southwest, the Emergency Livestock Feed Program.

Secretary of Agriculture Glickman has a proposal. Earlier this week, I wrote to Secretary Glickman to inquire about the status of various plans or proposals to provide relief for livestock producers in the drought-stricken Southwest.

I also spoke with the Secretary's office by phone and asked what, if anything, else was required for the release of the emergency reserve grains. I was informed that the Agriculture Department had submitted a proposal to the White House some time ago regarding the release of reserve grains for the purpose of this disaster relief but that it had not yet been approved.

I have since been informed that the U.S. Department of Agriculture proposal was sent to the White House on June 4, 1 day before the Senate called on the Secretary to act. It has been 24 days, Mr. President—it has been 24 days—since Secretary Glickman proposed disaster relief activities to the White House.

There has been no action.

We cannot wait. These ranchers are going broke. When we have an earthquake, we act quickly. This drought is resulting in a gradual elimination of farmers and ranchers who cannot make a living in this drought, which is arguably the worst in 100 years.

When there is a flood, an earthquake, as I indicated, a hurricane, this administration and this Senate prides itself on the responsiveness of its agencies, whether it be FEMA or any other, to the needs of the affected area, and we vote in the Senate for that kind of relief even if it is not our area. We have done that historically, and, God forbid, we stop doing that. It is absolutely our responsibility to help a State with serious problems, and we have that in New Mexico.

The disaster relief that I am addressing today could have begun weeks ago by administrative action, and still there is no response. Farmers and ranchers in my home State of New Mexico and in parts of Arizona, Colorado and Texas, are losing their means of livelihood by having to sell large numbers of their cattle at rock bottom prices to survive. Some have been dealing with these drought conditions for over 3 years, but this year over three-fourths of my State is currently under what is called severe drought, according to the National Oceanographic and Atmospheric Administration. I believe it is time for the President and the White House to approve the plan submitted by the U.S. Department of Agriculture. The time is past. It should be done now.

Since there has been no response to my inquiries other than, "We are working on it," I hope that perhaps what I am saying to the Senate here on the floor will bring some action. It is not as if we are asking for billions of dollars, but it ought to be done. I hope the White House will respond quickly.

If there are other things we must do in Congress, I hope they will tell us. I believe the Senate would respond, if we have to change something legislatively to provide assistance to one group of New Mexicans, or another. We may be here in the next few weeks, asking for some extraordinary help. The drought is causing wells to dry up, and water sources to disappear. We are having to move water around in the State to accommodate the various needs. Clearly we may need some extraordinary relief. Today what we are asking for is simple, it is forthright, and it ought to be done.

I thank the Senate for giving me this time and I yield the floor.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent the call of the quorum be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, I regret I cannot vote for this bill. I do congratulate, however, the managers of the bill and the staff of the Armed Services Committee for their meticulous attention to the details of the legislation and for their skillful handling of the bill.

There are many good provisions contained in it, provisions that address legitimate defense needs and provide support for the men and women in our military. Worthy provisions have been added to this bill, such as the amendment offered by Senators NUNN, LUGAR, and others, to provide assistance to Federal and local law enforcement agencies to defend against terrorist use of weapons of mass destruction and to help safeguard or destroy foreign sources of nuclear weapons materials. Another provision establishes a commission to review our national security needs, which will help to shape more realistic future defense budgets. And I am pleased that an amendment I offered was accepted that will provide medical assistance to the children of Gulf war veterans with birth defects and other medical problems while scientific research determines whether their maladies may be a result of their parents' service.

But in the end, this bill remains billions of dollars above the administration's already generous request for the Department of Defense. Other government programs addressing important domestic needs face flat funding or are being reduced, while the defense budget is flush with unrequested funds. Of the amount added to the defense bill, over $4 billion is designated for procurement programs that are not in the Future Years Defense Plan or on the military services' wish lists. Purchasing weapons that the military has not asked for on this scale is an ill-disguised attempt to provide a defense jobs program. I support a strong, well-equipped military, but buying weapons in 1997 that the military has not planned to purchase until after the year 2000 is not "buying in bulk" to achieve savings. It is welfare for defense contractors. Buying weapons early means turning down the spigot of technological advances, reducing to a trickle the incorporation of improvements, and shutting off the possibility of switching to a new and better design. And what will we do after the turn of the century, when these weapons are built and the shipyards and the aircraft production lines begin to be idle? Buy more weapons before they are needed, to keep the lines open? Where does it all end?

An amendment by Senator EXON, which I cosponsored, would have cut that amount from the bill and direct it toward deficit reduction. It failed. Another amendment, offered by Senator WELLSTONE, would have authorized the transfer of $1.3 billion of these unrequested funds to education programs, bringing those programs up to the President's requested level. It failed. But $855 million was added in the defense bill to a multibillion dollar ballistic missile defense program designed in part to protect the United States against the unlikely prospect of a rogue ballistic missile attack. It will not protect us against a terrorist attack using weapons of mass destruction, but only against a very limited number of ballistic missiles. Billions have been, and likely will be, spent to build this "Star Wars Lite" or "Son of Star Wars" while the needs of our people go unmet. I cannot support these kinds of skewed priorities.

Mr. President, is war so glamorous, are weapons of war so beguiling, that we must turn a blind eye to domestic cares? Must our schoolbooks fray and our bridges crumble in order to slake an unquenchable thirst for unnecessary tools of destruction? History will not judge us on our military might alone. It will also cast a critical eye on our wisdom, our learning, and our music and our arts. It will look upon our families, and the way that we treat our children.

Mr. President, Napoleon is remembered for his military exploits, for the battles he fought and the death and destruction that resulted from his actions. But in the end, for all of his personal ambitions, was France any greater as a result of his militaristic acts? What great artists, what great musicians, and what great philosophers were killed in those battles, who might have benefitted all mankind? What monies spent on Napoleon's great armies might otherwise have built spiral, soaring cathedrals, beautiful parks, and stately roads, or fed and educated children? I fear that, like Napoleon, we are in danger of letting our ambitions and priorities become skewed so far in favor of military spending and military might in the pursuit of our role as "the last superpower" that we will be remembered in history only as Napoleon is remembered, for acts of war rather than acts of progress.

Which reminds me of Robert G. Ingersoll's oration at the grave of Napoleon:

> A little while ago, I stood by the grave of the old Napoleon—a magnificent tomb of gilt and gold, fit almost for a dead deity—and gazed upon the sarcophagus of rare and nameless marble, where rest at last the ashes of that restless man. I leaned over the balustrade and thought about the career of the greatest soldier of the modern world.
>
> I saw him walking upon the banks of the Seine, contemplating suicide. I saw him at Toulon—I saw him putting down the mob in the streets of Paris—I saw him at the head of the army of Italy—I saw him crossing the bridge of Lodi with the tricolor in his hand—I saw him in Egypt in the shadows of the pyramids——
>
> I saw him conquer the Alps and mingle the eagles of France with the eagles of the crags. I saw him at Marengo—at Ulm and Austerlitz. I saw him in Russia, where the infantry of the snow and the cavalry of the wild blast scattered his legions like winter's withered leaves. I saw him at Leipsic in defeat and disaster—driven by a million bayonets back upon Paris—clutched like a wild beast—banished to Elba.
>
> I saw him escape and retake an empire by the force of his genius. I saw him upon the frightful field of Waterloo, where Chance and Fate combined to wreck the fortunes of their former king. And I saw him at St. Helena, with his hands clasped behind him, gazing out upon the sad and solemn sea.
>
> And I thought of the orphans and widows he had made—of the tears that had been shed for his glory, and of the only woman who ever loved him, pushed from his heart by the cold hand of ambition.
>
> And I said I would rather have been a French peasant and worn wooden shoes. I would rather have lived in a hut with a vine growing over the door, and the grapes growing purple in the kisses of the autumn sun.
>
> I would rather have been that poor peasant with my loving wife at my side, knitting as the day died out of the sky—with my children upon my knees and their loving arms about me—I would rather have been that man and gone down to the tongueless silence of the dreamless dust, than to have been that imperial impersonation of force and murder, known as "Napoleon the Great!"

So, Mr. President, like Ingersoll in his writing of that beautiful prose, captured my feelings as I watch what has been taking place over the last few years. I support a strong military, prepared and equipped to defend the United States and its genuine security interests abroad. But I am not so bedazzled by a military gilded and draped with a surfeit of unnecessary weapons—with trappings "fit almost for a dead deity"—that I cannot recall other priorities closer to home. I hold my family, and all American families, high on my list of priorities. I hope that in conference we will be able to rethink these spending priorities, to reduce the untimely procurement proposed in this bill, avoid a threatened veto, and produce a bill that balances our legitimate security requirements with our very critical domestic needs.

Mr. BRYAN. Mr. President, I rise today in opposition to the Senate Armed Services Committee's national defense authorization bill for fiscal year 1997. I voted to report the bill out of the Armed Services Committee because I believe it should be openly debated on the Senate floor. I cannot support this bill in its current form as it contains significant and questionable spending increases from the original authorization requested by the Pentagon.

This bill recommends a total spending level for the Pentagon of $267.3 billion in fiscal year 1997, an extra $13 billion beyond everything the Pentagon requested for the year. In today's climate of budget cuts, Federal deficits, and balanced budget debate, it is irresponsible to spend an additional $13 billion on top of the Pentagon's budget request. It is a rare Government agency that is granted everything it asks for in its annual budget, and an additional allocation of $13 billion above and beyond its top request level is quite extreme. Balancing the budget is a priority for me. I do not believe that we can afford to spend this much money—especially when military experts question the need for it.

One example of this bill's overspending is the case of the F-16. The Department of Defense has planned to build four F-16's in fiscal year 1997. When asked what additional resources they might need related to the F-16 program, DOD responded that they ideally would like to have two more, for a total of six. The Senate Armed Services Committee somehow considered it prudent to provide an additional $107.4 million so that the Air Force may purchase a total of eight F-16's. This is a national defense bill, not a national jobs bill.

I am also puzzled by the committee's position on the funding of nuclear attack submarines. Although a full procurement plan was laid out by the committee in last year's defense authorization bill, this year's bill overrides that schedule and instead spends $701 million to accelerate the development of these submarines. Although some may assert that forcing production costs to occur earlier saves money, there is a point where acceleration of production actually costs more money in the long run. If engineers are not provided enough time to work out the bugs of a new design before building phase II of the same vehicle, cost overruns are likely to occur. There are sound reasons why we take time when developing a new combat vehicle, and to suggest that speeding up production saves money is not always the case.

Some of the most dangerous provisions in this bill are in the section on ballistic missile defense. The Senate has already considered alternative ballistic missile defense policy this year in the Defend America Act. It is clear that there is not overwhelming support for an acceleration of a ballistic missile defense system.

The President vetoed last year's defense authorization bill because it mandated deployment of a national missile defense system. The administration's current deployment policy is a 3+3 program which continues research for 3 years—into fiscal year 1999—and allows a decision to be made at that time to deploy a national missile defense system in 3 years or to continue research if the perceived threat does not warrant deployment. The committee has added $300 million to the national missile defense accounts in an effort to make sure that a system is deployable by 2003. Since the administration has not changed its position on reviewing deployment in 3 years, for the committee to suggest that deployment is needed in 3 years is beyond the previous mandate of the Senate and equivalent to asking for a veto from the President.

It is not just the ballistic missile defense policy questions that I would call into question. The committee has added $856 million to the Pentagon's $2.8 billion request for funding the Ballistic Missile Defense Organization [BMDO]. The committee boosts star wars funding by adding $40 million to the requested $7.4 million for the Applied Interceptor Technology Program; by adding $70 million to the requested $30 million for the space-based laser; by adding $140 million to the requested $482 million for the theater high altitude area defense system; and by adding $246 million to the requested $58.2 million for the Navy upper tier system. These aggressive funding increases clearly accelerate development of the star wars initiative far beyond what the Pentagon had requested; this additional level of spending is almost unfathomable in an age of fiscal austerity.

In addition, this bill contains language that would impede efforts the President is making to abide by the Antiballistic Missile Treaty. The ABM Treaty was originally negotiated in 1972 between the United States and the Soviet Union; since the breakup of the Soviet Union, President Clinton has been trying to determine how the treaty can still apply to the independent states now replacing the former Soviet Union. The committee states that "* * * the United States shall not be bound by any international agreement entered into by the President that would add one or more countries to the ABM Treaty or would otherwise convert the treaty from a bilateral to a multilateral treaty, unless the agreement is entered pursuant to the treaty making power under the Constitution." The administration has expressed serious reservations with this language. If this language is adopted, Russians will have ample reason to believe that the United States no longer intends to abide by the provisions of the ABM Treaty and would likely become reluctant to negotiate any further nuclear weapon reductions.

Mr. President, we really ought to think twice before we vote on this bill. With an extra $13 billion in increased spending levels and substantive changes in ballistic missile defense policy, I do not feel comfortable supporting it. I urge my colleagues to vote against it.

CRITICAL DEPARTMENT OF ENERGY PROGRAMS

Mr. THURMOND. I rise to discuss the important national security and environmental missions that are carried out at the Department of Energy's Savannah River Site and invite the distinguished Senator from New Mexico to engage me in a colloquy on this matter.

Mr. DOMENICI. I would be happy to engage the Senator from South Carolina in a colloquy.

Mr. THURMOND. Mr. President, the programs carried out at Savannah River are among the most important in the Nation. From nuclear waste processing to defense production, the Savannah River Site hosts a unique mix of skills and capabilities that are critical to our national interest. Many of these capabilities do not exist anywhere else in the DOE weapons complex.

Mr. DOMENICI. I would agree with the Senator that the missions carried out at the Savannah River Site are critical, not only for the citizens of South Carolina, but for the Nation as a whole.

Mr. THURMOND. The Savannah River Site is currently the only site in the DOE weapons complex with the capability to process high-level radioactive waste and spent nuclear fuel rods in such a way that these wastes will be acceptable for permanent, geologic disposal.

Mr. DOMENICI. I am aware that S. 1745 provides an additional $43 million to keep the F- and H-canyon processing facilities in full operation in order to accelerate treatment of spent nuclear fuel and other wastes located at Savannah River. I am also aware that S. 1745 provides an additional $15 million for the newly constructed defense waste processing facility to accelerate the volume of wastes to be processed and packaged for disposal. I fully support these initiatives and will ensure that they are among my highest priorities as the Energy and Water Appropriations Subcommittee moves forward with its fiscal year 1997 appropriations bill and that bill is signed into law.

Mr. THURMOND. I appreciate the distinguished Senator's support of these programs. In addition to those environmental missions, the Savannah River Site also has very important national security missions. The committee required the Department of Energy to accelerate its phased approach to restring tritium production. Tritium is a critical element in ensuring the credibility of our nuclear deterrent and it is essential that the Department of Energy move forward as rapidly as possible to select a production technology.

In addition, the committee restored $45 million to the Department of Energy production plants and provided additional funds for manufacturing modernization, both at the National Laboratories and production plants. These programs will ensure that the Department can maintain the skills and capabilities to meet its national security missions well into the future.

Mr. DOMENICI. I am aware that S. 1745 provides an additional $60 million to the administration's request to accelerate the Department's decision to restore tritium production by the year

2005. I am also aware that S. 1745 provides an additional $45 million to restore DOE cuts to the important functions carried out at DOE production plants. I support these initiatives. I want to indicate that the important items contained in this colloquy and the other important programs for the Department of Energy can be funded if the allocation to the Energy and Water Subcommittee provided by the Senate Appropriations Committee is agreed to. The House has not agreed to such allocations as of this time. If the House and Senate appropriations conferees do not agree on such allocations, I will do my best to ensure that the programs we have just discussed and the base administration request for the Savannah River Site are among my highest priorities during the House-Senate appropriations conference.

Mr. THURMOND. I appreciate the commitment that the able Senator from New Mexico has expressed for these programs. I look forward to working with my colleagues to ensure that these programs are fully implemented.

AMENDMENT NO. 4382

Mr. GRASSLEY. Mr. President, I am pleased to support the Feinstein, Kyl, Grassley amendment that will establish a more vigilant system of oversight of the sale of chemicals from Government stockpiles. Recently, Senator FEINSTEIN's office in California noticed a large, commercial sale of iodine from DOD stockpiles on the open market. Iodine is one of the precursor chemicals used in the manufacture of methamphetamine. Both Senator FEINSTEIN and I have been very concerned about the manufacture and sale of this very dangerous drug. Together we have sponsored legislation that would increase controls over the chemicals used in making meth. Thus, when Senator FEINSTEIN's office noticed the sale of large quantities of iodine by DOD they asked if the Government authorities knew who their customers were. It was a good question. They did not. With the realization that the Government could have found itself selling chemicals to possible illegal drug dealers, it became clear that the amendment that is being offered was an important step. By asking for a review of future sales by the Administrator of the Drug Enforcement Administration, the amendment establishes a safeguard on inappropriate sales while still permitting agencies to sell surplus items. I am pleased to support this timely and essential amendment.

AMENDMENT NO. 4420

Mr. SHELBY. Mr. President, I would like to enter into a colloquy with the distinguished chairman of the Senate Armed Services Committee, Senator STROM THURMOND and my distinguished colleague from Alabama, Senator HOWELL HEFLIN.

Mr. HEFLIN. Mr. President, I welcome the opportunity to enter into a colloquy with the distinguished chairman and my fellow Alabamian.

Mr. THURMOND. Mr. President, I too would be happy to enter into a colloquy with my friends from Alabama.

Mr. SHELBY. Mr. Chairman, I disagree with premise of Senator CONRAD's sense of the Senate amendment regarding the Air Force's National Missile Defense proposal. The program would violate the ABM Treaty and perhaps even the START I Treaty, the cornerstone of nuclear arms reduction. I certainly hope that the committee's acceptance of this sense of Senate amendment does not constitute an endorsement of this highly questionable program.

Mr. HEFLIN. I agree with Senator SHELBY that the Air Force program is a bad idea. It is dead-end technology that would leave us with a system of extremely limited capability and no growth potential to meet a changing threat. I, too, hope that the committee has not expressed an endorsement by accepting this amendment.

Mr. THURMOND. The committee does not specifically endorse the Air Force proposal. I strongly support the Ballistic Missile Defense Organization's existing National Missile Defense program which includes the ground based interceptor, ground based radar and the Space and Missile Tracking System. I agree that this proposal presents a number of serious questions regarding arms control implications and potential future growth. The committee supports the need to have a serious examination of these questions before any significant amount of funding is directed to further evaluating the Air Force Proposal.

Mr. SHELBY. Thank you, Mr. Chairman, for addressing our concerns.

Mr. SHELBY. Thank you, Mr. President.

TAXPAYER SUBSIDIES FOR MILITARY CONTRACTOR MERGERS

Mr. HARKIN. Mr. President, I have an amendment at the desk No. 4178. It deals with taxpayer subsides for military contractor mergers. This is a very important and timely amendment. I was outraged to learn recently that taxpayers are being asked to foot the bill, in one case to the tune of up to $1.6 billion, for these mergers.

In the interest of not delaying my colleagues, and to give an opportunity to continue discussions with those who have raised concerns about my amendment, I will defer offering it until we get the DOD appropriations bill early next month.

The House Appropriations Committee adopted a bipartisan amendment identical to mine earlier this month. Therefore, that would be an appropriate vehicle.

Before I end, I just wanted to have printed in the RECORD several quotes from different groups on this subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> It's time for the Pentagon to drop this ridiculous "money for nothing" policy.—Taxpayers for Common Sense
>
> The new policy is unneeded, establishes inappropriate government intervention in the economy, promotes layoffs of high-wage jobs, pays for excessive CEO salaries, and is likely to cost the government billions of dollars.—Project on Government Oversight
>
> The costs associated with mergers should not be absorbed by Federal taxpayers. This is an egregious example of unwarranted corporate welfare in our budget.—The CATO Institute
>
> . . .[T]axpayer subsidization is no more necessary today to promote acquisitions and mergers than it has ever been. Just about every major defense company today is the product of a merger, some of them decades old. . . Even today in the supposed "bull market," plenty of bidders vie for the available companies. . . It is hard to believe that if taxpayer subsidies were not available, companies would not buy available assets if it made good business sense. If they paid a little less for their acquisitions, the taxpayers rather than the stockholders would benefit.—Lawrenece J. Korb, Under-Secretary of Defense under President Reagan

Mr. HARKIN. We simply must make reforms here. So, I will pursue this on the DOD appropriations bill and try to put an end to this ill-advised waste of taxpayer money. I look forward to working together with Senator NUNN and other of my colleagues in reaching a successful conclusion to this issue. I appreciate his good faith efforts to try to resolve this and I believe the additional time may help us to that end.

TRANSFER OF THE U.S. AIR FORCE HOUSING PROJECT KINGSLEY ANNEX

Mr. NUNN. I yield to Mr. WYDEN.

Mr. WYDEN. I thank the Senator. I would just like to engage the Senator in a colloquy about a provision in this bill giving the Department of Defense the authority to transfer contaminated Federal property before the complete remediation of all the environmental problems at a property. While I believe that it is important that the Department take responsibility for the environmental clean up of its properties, I recognize that there are some properties which have been abandoned and have not received sufficent remedial action. This appears to be the case with an Air Force housing project called Kingsley Annex in Klamath Falls, OR.

Kingsley Annex consists of 290 units of housing that are sitting vacant in an area with a serious lack of housing, particularly, low income housing. A local nonprofit, SoCO Development, Inc. is interested in developing this property to be used for low-income housing; however, the property has a lead-based paint problem. The property has remained vacant because it is not high enough on the list of Air Force priorities to receive money for a clean up.

At no cost to the Federal Government, SoCO is willing to remediate the problem of lead-based paint and meet the HUD standards for reduction of lead-based paint on federally owned residential property, as well as remediate a number of other environmental hazards on the site. However, they need possession of the property before they can invest in a clean up.

In my view it is consistent with this provision for the Air Force to work with groups like SoCO Development, Inc., to use the new authority in this bill to turn over property for purposes such as low-income housing with the conditions that ensure that the environmental problems are remediated.

Mr. NUNN. I assure the Senator from Oregon that this is consistent with the provisions in this language to encourage the Air Force to resolve situations like the one at Kingsley Annex. I also assure the Senator that I will work with him to help resolve the problem at Kingsley Annex, and I encourage the Air Force to move ahead with this project under this new authority.

ABM MULTILATERALIZATION

Mr. NUNN. Mr. President, I wish to enter into a colloquy with the distinguished Chairman of the Armed Services Committee, Senator THURMOND. Today we are agreeing to a unanimous-consent agreement concerning a number of items, including the substitution of sense of the Senate language for the binding language in this bill relative to the multilateralization of the ABM Treaty.

The issue of the treaty obligations of successor states to the former Soviet Union is of particular importance to the Senate because it concerns the Senate's unique constitutional responsibility to provide advice and consent to the ratification of treaties.

The unanimous-consent agreement provides for hearings on this issue because it raises the question of whether the many treaties with the USSR, relative to arms control, trade and other matters, which are acceded to by components of the former Soviet Union, now successor states, need to be reratified by the United States Senate. This issue has important ramifications for our relations with Russia and the other successor states, and also for American security in many other important ways.

While the bill, as amended by the unanimous-consent agreement, now states what the current sense of the Senate is, the Committee hearings provided for in the unanimous-consent agreement are important because they will assure the Senate's ability to fully and deliberately consider how we implement treaties with nations that split into separate sovereign states.

Would the distinguished Chairman of the Committee agree with this assessment?

Mr. THURMOND. The distinguished ranking Member of the Armed Services Committee fairly characterizes the situation. However, the hearings on this matter do not preclude, and should not be construed as a substitute for, the Senate's constitutional role in advice and consent to ratification of treaties and international agreements.

Mr. NUNN. I thank the Chairman.

Mr. McCAIN. Mr. President, I am pleased to rise in support of the Senate Armed Services Committee's recommendations contained in the fiscal year 1997 national defense authorization bill now pending before the Senate.

Overall, I believe this is an excellent bill, and I congratulate Chairman THURMOND for leading the committee through our markup of this bill. Let me also offer my sincere thanks to Les Brownlee and the staff of the committee for their professionalism and diligence in conducting a well-organized and very efficient markup process.

For the second year in a row, the Republican Congress has successfully increased the administration's inadequate defense budget request, slowing the too-rapid decline in defense spending which threatens to jeopardize the future readiness of our Armed Forces. The committee-reported bill authorizes nearly $13 billion more than the President's budget request for defense programs, with more than $7 billion allocated for procurement of additional weapons systems.

Although I am not completely satisfied with some of the committee's recommendations, the majority of this added funding is authorized for high-priority programs of the military services. The bill provides much-needed funding for essential tactical aircraft and missiles, improved communications systems, theater and national missile defense systems, and other high technology equipment which the Clinton administration failed to fund.

I am also pleased that the committee adopted most of the recommendations of the Readiness Subcommittee, including:

A provision to dispose of unneeded stockpile items which will reduce the deficit by $650 million;

A provision to terminate defense spending for a Justice Department-run center to gather intelligence on illegal drug activities; and

A provision requiring organizers of civilian sporting events to agree to reimburse the Department of Defense for the cost of providing security and other support services, but only if the event makes a profit; and

A provision requiring the military Service Chiefs to provide an analysis of an alternative readiness management system, called tiered readiness, which I proposed in a recent paper.

I appreciate very much the cooperation of my colleagues in formulating a compromise proposal to resolve the difficult issue of allocating workload between public and private maintenance depots. The provisions adopted by the committee revise the current 60–40 public-private workload allocation to a 50–50 formula, pending receipt of core workload data from the Department of Defense. The committee also adopted a requirement for competition at Kelly and McClellan Air Force Bases in advance of implementing any privatization-in-place proposal.

The committee also adopted several other amendments dealing with policy matters of particular importance.

First, the committee adopted an amendment to repeal provisions of the fiscal year 1996 Defense Authorization Act related to missing service personnel. These provisions were identified by the military leadership as burdensome and unnecessary. I appreciate the support of my committee colleagues in repealing these unworkable provisions, and I look forward to their support in our conference with the House of Representatives.

The committee also adopted an amendment to provide the Secretary of Defense with the authority to waive counterproductive "Buy America" restrictions which were adopted in last year's defense authorization bill. The new waiver may be exercised at the Secretary's discretion to allow the Department of Defense to purchase items from a firm located in a foreign country, if that country has a reciprocal defense procurement memorandum of understanding with the United States. The new waiver will once again allow free trade between the United States and our allies for defense contracts.

The committee also adopted a proposal directing the Department of Defense to follow a uniform policy with respect to military personnel who have illnesses that prevent them from serving overseas. In my view, it is unconscionable that military personnel infected with the AIDS virus would be treated any differently than others who cannot deploy for health reasons. This provision would ensure uniformity in the Department's discharge policy for nondeployable personnel. I sincerely hope we are able to maintain this fair and compassionate position in our conference with the House.

Again, I offer my sincere thanks and congratulations to Chairman THURMOND and Senator NUNN and the committee staff for their hard work in successfully crafting a balanced defense bill. However, I am sorry to note that the practice of pork-barrel spending is still evident in the Senate Armed Services Committee.

Mr. President, in past years, defense bills have been filled with pork-barrel projects which did little to enhance our military capabilities. Last year, the Congress wasted nearly $4 billion on pork-barrel projects like the *Seawolf* submarine, B–2 bomber, and other wasteful projects. This year, I am pleased that the practice of adding funds for Members' special interests seems to have declined significantly. However, there are several programmatic recommendations in this bill which, in my view, constitute pork-barrel spending.

First, and most egregious, the Committee added almost $600 million in unrequested military construction projects. The close attention focused on military construction pork in the past at least forced greater scrutiny of the add-on list this year. All of these projects met the established criteria for add-ons, and most of them were included on the military Services' priority lists. However, I cannot accept the apparent assumption that projects planned for construction in the next century are as high a priority as projects planned for next year's budget, and I had hoped that the Committee would focus on adding money for projects planned for 1998 or 1999.

The military construction projects added by the Committee were not included in my Subcommittee's mark, and I strongly objected to their inclusion in the Committee bill. At the appropriate time, I will offer an amendment to strike these projects.

Another perennial favorite is the addition of hundreds of millions of dollars for unrequested equipment for the National Guard and Reserve. This bill includes an additional $759.8 million in the National Guard and Reserve Equipment account, plus as much as $242 million in additional unrequested equipment earmarked for the Guard and Reserve in the regular Service procurement accounts. Within this amount is $284 million for 6 unrequested C–130J aircraft for the Guard and Reserve—a tactical airlift aircraft that the active Air Force has not yet been able to afford.

The active Air Force did request funding to procure one C–130J tactical airlift aircraft. However, the Committee decided not to authorize this asset for the active Air Force. Instead, the Committee recommended $204.5 million for an additional three C–130Js, including funding to modify these aircraft to a weather reconnaissance role, and then transferred all four aircraft to WC–130 weather reconnaissance squadron in Mississippi. It is inexplicable to me why the Committee would choose to divert these aircraft from the active Air Force, where they would have replaced aging C–130E models, and instead use them to replace newer C–130H models in a weather reconnaissance unit. Further, the Air Force plans to eliminate nearly 90 aircraft from its current C–130 fleet to conform with the Mobility Requirements Study, yet the Committee recommended adding these 4 aircraft plus 6 more C–130s for the Guard and Reserve.

The Committee's rationale for adding these aircraft, reflected in the report language, appears to be that the weather reconnaissance mission could benefit from near-term modernization. That argument, in my view, could easily apply to the thousands of Service priorities which were not included in this bill and which, in my view, would contribute much more to our national defense than an upgraded weather reconnaissance capability.

Mr. President, I am well aware of the argument that the active military Services do not adequately provide for the needs of the Guard and Reserve, but I do not believe the Congress, or the individual Adjutants General, can properly prioritize their needs. The Senate Armed Services Committee has repeatedly urged the Services to include Guard and Reserve requirements in their budget requests. I think we should enlist the obviously widespread support of our Senate colleagues and the State Adjutants General to ensure that Guard and Reserve priorities are included in the budget formulation process, rather than continuing to impose on the Guard and Reserve our own politicized judgments about specific weapons systems and projects.

Another questionable add-on in this bill is a $15 million increase for the High Frequency Active Auroral Research Program, or HAARP. This program has benefited from congressional add-ons since 1990, costing a total of $76 million in just seven years, with another $115 million required before the project can be completed in 2001. Yet it remains unclear what military benefit might accrue from the construction of a facility to study the aurora borealis.

Proponents of the program argue that it should be a part of the counterproliferation program of the Department of Defense because it will be able to detect underground tunnels and structures. However, the Air Force, which manages the program for the Department of Defense, noted in April of last year that the research is not sufficiently mature to warrant its inclusion in the nonproliferation and counterproliferation program.

Proponents also argue that the program will have application for communications, navigation, and surveillance missions. Yet, the Department of Defense did not include this $15 million in its budget request for fiscal year 1997, and it was not included on their priority lists for additional funds. That indicates to me that, in competition with other militarily relevant programs, HAARP is not a high priority for the military.

Mr. President, in my view, the Congress should stop compelling the military Services to pursue research programs that do not meet their requirements. Spending hundreds of millions of defense dollars to study the energy of the aurora borealis is, in my view, and unconscionable waste of taxpayer dollars. This program should be turned over to a privately funded university, research institution, or other organization where it could be pursued as a purely scientific endeavor.

The Committee also included a provision in the bill that establishes a cumbersome and expensive new bureaucracy to coordinate the Navy's oceanographic research activities. The addition of $99.4 million for two new oceanographic ships does not trouble me, since these ships were included in the Navy's shipbuilding plan. Nor does the addition of $6 million to replace worn equipment used by the Navy in its oceanographic survey and research activities. In fact, I do not necessarily dispute the assertion that Navy oceanographic research is underfunded. However, I see no need to establish a multitiered organization to ensure that the Navy has access to all Federal and civil research in oceanography.

The bill sets aside $13 million to fund a new bureaucracy which would, in my view, only hinder the efficient and effective expenditure of Federal funds for militarily relevant oceanographic research. In addition, the criteria and processes for appointment to these various new entities seem vague, as do the particular responsibilities and authorities of these seemingly overlapping organizations. Finally, the outyear funding requirements for this new bureaucracy are unknown, and I question whether the Navy can afford this potential funding drain in the future.

Mr. President, I believe the committee would have been better served to increase the funding available to the Navy for its oceanography program, together with specific legislative authority for the Navy to explore private sector efforts which might be of utility to the Navy. In this way, the Navy would be spared the burden of a new bureaucracy and, at the same time, would be able to benefit from privately funded research and other activities.

Finally, again this year, the committee included legislative language and additional funding for the New Attack Submarine program which is designed to ensure that the first two, and perhaps four, of these submarines are allocated equally between the two competing shipyards. The legislative language is essentially the same as that adopted last year, which earmarks at least one submarine each for Newport News and Electric Boat shipyards. The bill includes an additional $701 million for advance procurement for the second new attack submarine to ensure that Newport News receives its fair share of this program.

Mr. President, I did not support this approach last year because it defeats any pretense at competition between the yards, earmarks multi-billions of dollars for each of the yards, and is based on a faulty assumption that the Nation requires two shipyards to ensure its nuclear submarine industrial base. I still question why the Navy is retiring SSN-688 submarines early in order to accommodate the *Seawolf* and new attack submarines in a drastically reduced attack submarine fleet, and I do not understand why we are buying New Attack Submarines, which are less capable than *Seawolf* submarines, when they cost as much as *Seawolf* submarines—about $2.5 billion each. I think the committee should consider deferring this funding until it is necessary and allocate this $701 million to other Navy priorities.

Mr. President, these pork-barrel projects add up to more than $2 billion. I am astonished that, once again, after fighting hard to sustain a much-needed increase in the defense budget, the committee chose to spend these funds on pork.

Last year, we wasted $4 billion, or more than half of the total Defense budget increase, on pork-barrel projects. I suppose this year's bill shows progress of a sort—we are only wasting $2 billion.

But, Mr. President, I will say again that the American people will not stand for this type of wasteful spending of their tax dollars. If we in Congress refuse to halt the pork-barrelling, it will be more and more difficult to explain to the American people why we need to maintain adequate defense spending.

Mr. President, recent polls indicate that national defense will probably not be an issue in the Presidential campaign. Less than 5 percent of those polled indicated that defense is an issue of concern to them in considering their vote. Instead, Americans are concerned about balancing the budget, reducing taxes, and improving their quality of life, among other things.

So how do we explain to the citizens of this country why we need to spend $11 billion more for defense this year, when we waste $2 billion on pork? How do we explain why we need to maintain a strong military to ensure our Nation's future security? How do we credibly argue that this added $11 billion is necessary for national defense, when $2 billion is spent for projects that do little or nothing to contribute to our security?

Mr. President, we have made progress in reducing the amount of defense pork-barrelling. But we have a long way to go—$2 billion, to be precise. For the sake of ensuring public support for adequate defense spending in the future, we have to completely eliminate pork-barrel spending now.

Mr. President, let me conclude by saying, again, that I believe this is, overall, a very good defense bill, and I voted in favor of reporting the bill to the Senate. However, with the budget resolution conference completed, this bill will have to be reduced by about $1.7 billion to stay within the budget targets for defense. To meet this target, I urge my committee colleagues to look carefully at these pork-barrel add-ons. We must protect the high-priority military programs in this bill which contribute to the future readiness of our Armed Forces. We should cut out the pork first.

Mr. HATFIELD. Mr. President, the clarion call of this Congress, and the current administration, has been to balance the budget. To reduce the Federal deficit and balance the budget. I believe that, with the passage of this bill, the Senate takes a step away from that goal. The fiscal year 1997 Department of Defense authorization bill authorizes a total of approximately $265.7 billion for national defense programs, which is more than $11.2 billion more than the administration requested. I have to question the sincerity, and certainly the logic, of those who ardently advocate for a balanced budget while refusing to look realistically at defense spending.

When we speak of health care, education, and foreign aid, the self-professed fiscal conservatives rave about how the public must be prepared to sacrifice today to preserve the future. About how the Federal Government must cut costs and eliminate waste. And about how there is not one extra penny to spare for even the most essential domestic programs. Yet, when we even broach the subject of significantly reducing military spending, these same fiscal conservatives take to the floor and raise the specter of national security as justification for maintaining an unconscionable level of funding.

Congress and the administration must share the blame for the failure to significantly reduce defense spending. Over the next 6 years, both the administration's and the Congress' budget plans call for $1.6 trillion in military spending. This would mean that during the decade of the 1990's, the United States Government will have spent somewhere in the neighborhood of $2.7 trillion on its military. This, when we haven't even yet begun to pay off the tremendous debts incurred during the massive military build-up of the 1980's.

For fiscal year 1997, the Senate has added $11.2 billion dollars to the administration's request for the Department of Defense. Much has been made of the fact that each of the Joint Chiefs came to Capitol Hill earlier this year and presented a list of additional programs and projects they needed beyond the initial request. These soon became referred to as their wish lists. And, of course, Congress dutifully added the funds for those items.

There has developed an attitude here that to question the funding requests from the Pentagon is to undermine the Nation's security. To spend a penny less than what is requested, it is suggested, will put our security into jeopardy. I think we should recognize that the posture and weapons systems requested by the Defense Department as essential to security do not carry with them any mandate from heaven. It is the estimation of dedicated people working in an enormously complex bureaucracy and influenced heavily by the interests and biases of that bureaucracy. Moreover, it must be remembered that the Defense Department defines and regards "national security" in the most narrow vein. Only the military factor is considered.

But when Congress evaluates the national security, it must recognize that our true security is a combination of economic health, political stability, and domestic tranquility, as well as our military resources. Congress has the unique task of judging the relationship of all these factors as it attempts to ensure our overall national security. We have the responsibility of prioritizing our limited resources, and we must keep in mind that the most important element of our defense policy is the will of our people. The disillusionment and dissatisfaction caused by the lack of adequate education, health services, and housing creates as great a threat to our national security as anything we may face outside our own borders.

President Eisenhower, one of America's most celebrated and dedicated military leaders, used to say that military strength is only the sharp edge of the sword. The strength of the blade, and therefore of the sword, is based on the economic might and political freedom of the American people. Today, the United States leads the world in military power, yet we lag behind other developed nations in literacy, per capita income, infant mortality, doctor-patient ratios, and other important indicators of a society's strength.

We must realize that our national security is not solely dependant on our military might. The prevailing consensus around here seems to be that if it doesn't fly, shoot, float or explode, then it isn't relevant to the security of our country. But unless we can enjoy a strong economy, adequate housing, good nutrition, educational opportunity, satisfying employment, and the liberties on which our Nation was founded, we are not truly secure, no matter how many arms and men we can muster against an enemy. This broader definition of "national security" must be kept in mind when considering the allocation of our financial resources in the federal budget. In my opinion, the Senate has failed in its responsibility to do so today by authorizing over $267 billion dollars for military spending at the expense of much needed domestic programs.

We must examine our military requirements carefully, so that we don't rob ourselves of the resources necessary to provide a high standard of living for every American. This bill fails in that regard, and therefore I cannot support it.

Mrs. FEINSTEIN. Mr. President, I rise in support of the DOD authorization bill for fiscal year 1997. This is a responsible bill that provides continued national security and properly funds modernization and operating accounts.

As the front page of any newspaper in this country today reminds us, we continue to live in a dangerous and uncertain world. Civil and international conflicts can begin by the assassination of a national leader, the blockade of shipping lanes, or ethnic strife. Our military response to these conflicts can vary from peacekeeping, humanitarian, and peace enforcement operations to full scale deployment. Because we continue to ask our military to participate in more and more operations other than war, we not only must plan and prepare to send our troops to an international border to protect our allies or our citizens living overseas, but to protect foreign civilians in peacekeeping and humanitarian operations.

While the fiscal year 1997 DOD authorization bill is nearly $12 billion higher than the President's budget request, it keeps total defense spending $5.6 billion below last year's inflation adjusted level. Although some of my colleagues may think this a negligible reduction, this is the 12th year in a row where the U.S. defense budget is less than it was the year before; $7.6 billion of these additional funds were allocated to modernization of our weapons systems to that the men and women of our Armed Forces have access to the best technology and safest equipment possible.

At a time when we are asking our soldiers to do more and more with less, we must strive to provide them with reliable systems that are capable of carrying out a variety of missions.

Concern over the funding levels for the new military equipment was noted by the Chairman of the Joint Chiefs of Staff, General Shalikavili, is especially worrisome in the area of procurement and research and development. During their testimony before the Senate Armed Service Committee, General Shalikavili and the service chiefs recommended that the procurement account be funded at $60 billion in fiscal year 1997.

This bill also increases funding in the service's day-to-day operating accounts. Reduced funding threatened to limit the ability of the services and Guard and Reserve forces to carry out the airlift, support, medical, and counterdrug tasks asked of them. For example, the committee increase funding for the Air National Guard by $76 million to ensure that it could carry out its aircraft and mission support operations. The committee also rightly increased the level of funding for the Defense Department's counterdrug activities. These missions, especially those carried out by the National Guard, have had a substantial impact on reducing the flow of drugs into this Nation. As a Senator from California, where illegal drugs are an epidemic, I am very pleased with this action.

This year's defense bill also recognizes the needs of our men and women in uniform. I believe the committee wisely included additional military construction projects, a 4-percent increase in the basic allowance for quarters, and a 3-percent pay raise to better our uniformed military's standard of living.

I do not, however, support all the extra funds that were added to this bill. I felt it important to support Senator DORGAN's amendment to cut $300 million from national missile defense funding. I believe that a national missile defense is a laudable goal, and I certainly want to see different Anti-Ballistic Missile [ABM] Treaty compliant national missile defense systems studied. But, the cold war is over. There is no immediate or even midterm threat to U.S. security that suggests the need for an immediate development and deployment of a national missile defense system. Only Russia and China have nuclear armed ICBM's that can reach the United States—and China has no more than a dozen or so of these weapons. There is consensus within the national intelligence community that it is very unlikely that additional countries can or will build ICBM's within the next two decades. In addition, the Pentagon's Joint Requirements Oversight Council [JROC] believes that with current and projected ballistic missile threats, the funding level for developing a national missile defense system should be no more than $500 million per year.

Funding at this level will allow the United States to continue to field critical theater missile defenses and national missile defense systems to meet projected threats, save money, and achieve an affordable ballistic missile defense. Should threats to the United States materialize, it will give us sufficient lead time to respond to those threats, at that time and as necessary, with appropriately higher funding and a more aggressive national missile defense program.

I also supported the Wellstone amendment to transfer $1.3 billion—just 10 percent of the $13 billion increase in funding from the President's request—from DOD to higher education and employment and training programs. California is one of the most heavily impacted States by the cuts. This amendment would have provided the needed extra funding for education and job training programs.

Senator WELLSTONE's amendment would have transferred $806 million from DOD's coffers for Pell grants, Perkins loans, and direct student loans. Employment and training programs for dislocated workers, summer youth jobs, school-to-work, and one-stop job training centers would have received a total of $504 million. All of these programs are as important to California as adequate defense spending and I am sorry that the Wellstone amendment did not pass.

In conclusion, Mr. President, I would like to make special note of a major victory for the women who serve in our armed forces. I am speaking of the passage of the repeal of current law that prohibits abortion at an overseas U.S. military facility even if the woman paid for the procedure herself. Forcing a woman to fly to the United States to obtain an abortion creates a double standard that is not only unjust, but potentially dangerous to the health of our women in uniform and military spouses. I am very pleased to see this amendment pass.

ALLIED BURDENSHARING

Mr. KERRY. Mr. President, I was pleased to be the principal cosponsor of an amendment offered by the Senator from Iowa [Mr. HARKIN] to the Defense authorization bill, amendment No. 4177. It was my intention to join Senator HARKIN on the floor to speak in favor of the amendment that seeks to obtain a greater sharing of the financial and other burdens of stationing American troops in foreign countries. However, Senator HARKIN successfully negotiated with the managers of the bill and they agreed to accept the amendment. As a consequence, it was hastily offered and approved by a voice vote last night while I was away from the Senate floor and could not reach the floor before that action was concluded.

Because of my strong support for this amendment, I would like to insert in the RECORD the statement I intended to make when the amendment was offered, and I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ALLIED BURDENSHARING

Mr. President, I am pleased to join with the Senator from Iowa in offering this amendment. Unlike previous burdensharing amendments that simply asked our allies to pay more of the costs of stationing U.S. troops abroad, this amendment incorporates a more comprehensive definition of the price of international peace and security. Forward deployed American troops represent only one element of a collective security approach to maintaining international security and fostering peace and democracy. An equitable distribution of the costs of collective security must recognize and include other components in the burdensharing calculations, and that is what we have done in this amendment.

Our amendment, which mirrors the Shays/Frank amendment that passed overwhelmingly in the House of Representatives, instructs the President to focus on four areas in which to seek greater contributions from countries that have U.S. forces stationed on their soil. To satisfy the terms of the amendment, the increases can be in one or more of these areas at the President's discretion.

First is the traditional request that host nations pick up more of the costs for forward deployed U.S. troops. The amendment calls on the President to increase host nation support over the next four years with a goal of reaching 75 percent of the non-personnel costs incurred by U.S. forces. Japan already pays 79 percent of these costs and Korea pays 63 percent, but our European allies only contribute an average of 24 percent. The CBO has calculated a potential savings of $11.3 billion by 2002 if this provision is fully implemented.

The second area of focus is overall defense spending by our allies as a percentage of their respective GDPs. The U.S. currently spends 4.7 percent of GDP on defense while many of our allies, including Germany, Japan, Italy, and Canada spend less than 3 percent. The amendment calls on the President to encourage allied nations to increase their defense spending as a percentage of GDP by 10 percent or to a level commensurate with that of the U.S. But as with host nation support, this category will be appropriate for some nations and not others. For example, the President might choose to encourage the Canadians to raise their defense budget from its current level of 1.9 percent of GDP to 2.09 percent, but Greece already spends 5.6 percent of GDP on defense, more than the U.S.

The third category is foreign assistance. If the President thought an ally should be doing more in this area he could encourage that country to increase its foreign assistance by 10 percent or to a level commensurate with that of the U.S. I personally believe that we have cut our own foreign aid too deeply in recent years. But if, because of our budgetary situation, the U.S. cannot continue to fund important development programs that contribute to stability in many nations, then countries that do not spend large amounts on their military should be encouraged to pick up the slack. The purpose of this amendment is to share the load, not to make every allied nation contribute the same amount in every category.

Finally the amendment instructs the President to push allied nations to increase their military contributions to U.N. and other multilateral peace-keeping operations. This provision makes the clearest break with Cold War thinking and recognizes how important international and regional peacekeeping efforts have become. From Cambodia to Liberia to Bosnia and dozens of other trouble spots, peacekeepers work to keep tensions from erupting into conflict and to contain the conflicts that do break out. Often in these situations America cannot send troops for fear that one side or the other would seek to make them the target. Although Japan and Germany are constrained from sending troops in many cases, they could do more to provide equipment, logistical services and financial support to peacekeeping efforts. So could other nations.

If the President cannot convince our allies to improve their contribution in any of these areas, the amendment lays out a menu of options for him to use to prompt cooperation. The options include: reducing troop levels stationed abroad; imposing taxes or fees similar to those that other nations impose on U.S. forces stationed abroad; reducing the amount of U.S. contributes to the NATO budget or other bilateral programs; or taking any other action within his power. In reality the President already has the authority to take any of these steps. This language simply urges him to use these tools to encourage burden sharing. These options are suggestions and are not mandatory.

During the Cold War, the United States maintained the military industrial might to counter the threat posed by the former Soviet Union. In doing so, we paid a very heavy price and the American people made many sacrifices, most importantly in the lives of American men and women who fought and died in Korea, Vietnam, and elsewhere. But we also sacrificed a great deal of our national wealth to build and maintain a military superior to all others, capable of defending not only the United States but also our allies in Europe and the Pacific. In addition to providing the primary defense for the free world, we aided the devastated economies of Europe and Japan to recover after the war and then devoted our efforts to development in the Third World. These contributions were also important to maintaining stability and security.

For much of the Cold War, we had the only economy capable of sustaining such an effort. This is no longer the case. The European Union has passed the U.S. as the largest integrated economy in the world, and Japan's per capita output is very close to ours. With the Cold War gone and the threat of global war fading, it is time for the rest of the industrialized nations to take on their fair share of world responsibility. The United States will continue to lead the way, but we can no longer do it all ourselves.

Both the Defense Department and the State Department are on record in support of this amendment. According to the State Department the amendment "supports U.S. policy objectives in achieving an equitable responsibility sharing of global security interests with our allies." This amendment does not tie the President's hands. He maintains the flexibility to target different countries in different areas and to use the tools he feels are most appropriate.

Not only is this approach supported by the Administration, but because of the potential to save the American taxpayers $11.3 billion by 2002, the amendment has garnered the endorsement of The Concord Coalition Citizens' Council, Taxpayers for Common Sense, and Citizens Against Government Waste. This amendment makes sense both for budgetary reasons and on grounds of fairness, and it supports Administration policy. I urge my colleagues to support it.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Massachusetts.

MINIMUM WAGE AND HEALTH INSURANCE REFORM

Mr. KENNEDY. Mr. President, under the Senate schedule, when the Senate returns a week from Monday, we will have the opportunity to debate the minimum wage increase, the proposal that will be before the U.S. Senate. In anticipation that minimum wage really is the next order of business, I will address the Senate briefly this afternoon in terms of what I think are the issues that will be considered. I think it is important, as we move through the Fourth of July recess, that the American people understand the issues that will be considered, under a relatively short time agreement, with the vote coming up in the early part of the week, when we return.

The issues that will be before the Senate and the American people are extremely important to working families, especially low-income working families, and their children.

I think it is important that we begin to think about these matters, now that the issues on the defense authorization bill have been addressed and pretty well resolved. Then I would like to just take a few moments to address where we are, as I consider it, in terms of the health insurance reform bill that was passed unanimously out of our committee and on the floor of the Senate and where we are in terms of the discussions that have been taking place in recent days.

But on the first issue, on the minimum wage, Mr. President, I think it is regrettable that our Republican colleagues continue to try to do all they can to undermine a fair increase. We will have the opportunity to vote on a 90 cent increase in the minimum wage over a 2-year period. Nonetheless, it is important to know that not only will we have the opportunity to vote for the increase, but that there will be an alternative before the U.S. Senate that will undermine in a very dramatic, important and significant way the effects of the increase for working families.

Mr. President, that is the particular part of the debate that I would like to talk about briefly this afternoon. At every turn, wherever we can provide some protection, there will be at least a proposal to minimize that protection for workers in the form of delays in the increase of the minimum wage.

In the proposal that will be the alternative to our increase in the minimum wage, the Republican proposal will, first of all, put off any increase until January 1, 1997.

That means for another 6 months, minimum wage workers will go without a raise. They have already had no raise over the period of the last 5 years. They will be denied approximately $500 more in additional pay that they would have received over the next 6 months—$500 that could buy medicine for sick children, new school clothes, or even Christmas presents. Only the Grinch would be mean enough to delay this raise for our poorest workers until after Christmas. Surely, our Republican colleagues find this kind of meanness embarrassing.

It is important to know that in the proposal that was introduced 2 years ago, the first phase of the increase in the minimum wage was to go into effect in this July period, to go up 40 cents, and then an additional 45 cents a year from now. Now we will have before the Senate the alternative of delaying any kind of increase until January 1997, at the earliest.

Next, our opponents propose an increase—but just a flat increase in the minimum wage, as we had in 1989, signed by a Republican President. Under our Republican proposal, we will find that the minimum-wage proposition that they support creates a subminimum wage for any worker who takes a job with a new employer.

Their proposal would allow employers to pay any new employee a subminimum wage of $4.25 an hour for 6 months. This harsh provision could have a serious depressing effect on the already depressed wages of large numbers of working Americans. Each year 6 million workers lose their jobs and struggle to find new ones, and all of them would be subjected to this subminimum wage.

Our Republican friends call this an opportunity wage. But the only opportunity in sight is the opportunity for employers to exploit their new workers. No one will be hurt more by this than the downsized, laid-off workers in a time of high unemployment who cannot find jobs equivalent to the jobs they lost. Not only will they face the indignity of having their wages fall to the minimum, but they will find themselves falling to a subminimum wage.

The past year has been a time of economic expansion and relative prosperity for our economy as a whole. But again and again we see the stories of white and blue-collar workers laid off after long careers in good-paying jobs. Many of these workers have found themselves forced to accept minimum-wage jobs after being laid off by a downsizing employer.

Mr. President, what we are saying here is that anyone who enters the job market will not be eligible for an increase in the minimum wage for 180 days. They may work for a period of time, they may be laid off from that job, they may go to another job, and they are still not eligible for another 180 days.

At least in 1989, when we were debating the increase in the minimum wage, they called it a training wage for a period of 90 days. Even though there was no requirement to provide either education or training during that period of time—they just labeled it as a training wage.

This one before us now in the U.S. Senate is 180 days, without any kind of suggestion that there is a training wage for a minimum-wage job. This does not suggest that for entry into a minimum-wage job there is not any training—there has to be some. There is training, but for the most part that can be done within a week or a 2-week period for minimum-wage jobs.

But what we are basically saying is that there is a delay, and the effect of the delay is going to mean a loss for those who are eligible for the increase in the minimum wage. Then for every person who enters the job market—the 6 or 7 million Americans who are out there who want to work, provide for their families, and are being laid off of these minimum-wage jobs—they go to a new job and they are again held at $4.25. They do not get the increase that other minimum-wage workers would get because they are a new entry into the job market.

At least the House of Representatives said, "Well, we'll do that with regard to teenagers." Not the U.S. Senate. They are going to do it to anyone, any single mother, and any single mother that may be trying to get off welfare and trying to provide for her family. The way the Senate Republican proposal is going to work is that it is going to say, "If you go into the job market for 180 days, you're still going to be at $4.25. Then if you have to take a few days off—maybe change jobs because you have to look after a child—you're going to be continued at $4.25 for a period of time." It is effectively undermining the impact of any increase in the minimum wage.

So, Mr. President, the result of their plight is to make it more painful; workers will fall farther and farther behind. We are talking about minimum-wage jobs that are the least-skilled jobs. They are jobs for which little or no training is needed—at most a few hours or days. Yet the Republican amendment doubles the duration of the subminimum wage of the House-passed bill, from 90 to 180 days, far beyond any reasonable training or tryout period.

There is no good reason for this harsh proposal other than Republican opposition to the minimum wage and any Government protection for working people. In the Republican view, the lower the minimum wage, the better. Our Republican friends would rather have no minimum wage at all. If American workers' wages have to sink to the third world level to make business competitive, so be it.

I oppose the subminimum wage in the House-passed bill which applies only to teenagers during the first 90 days of employment with any employer. Many of the 18- or 19-year-olds need a living wage as much as any adult, especially if they are young welfare mothers willing to work for a living. The notion that they need training for 3 months in jobs like burger flipping or waiting on tables, washing dishes or bagging groceries is absurd.

The Senate Republican proposal is even more objectionable than the House proposal because it imposes a longer subminimum wage for workers at all ages, not just youths. Employers would be authorized to pay a subminimum wage to a 50-year-old steelworker who is down on his luck after his plant is closed. Office workers whose 30-year careers have ended in layoffs could be paid a subminimum wage.

Republicans cannot hide behind their typical excuses about the minimum wage applying to wealthy teenagers who do not really need a job. The facts are plain: the Republicans simply want to drive workers' wages as low as they can, regardless of the workers' age, experience or family situation.

Mr. President, the third part of the Republican alternative, besides the delay in the effective date and the 180-day delay in terms of putting the minimum wage into effect, is the exemption for workers in small businesses. Businesses with less than $500,000 in annual sales would be exempt from any minimum wage. There are 10.5 million workers who are employed in those firms today. I say they deserve protection, too.

The protection is not something small business needs. The economy has added more than 10 million jobs since Congress last raised the minimum wage in 1991. Small business often claims to have led the way. The minimum wage has not been a drag on job creation. It strengthens job creation by putting more money into circulation. Even the National Federation of Independent Businesses' own survey found that the minimum wage is not a critical issue for small business. In that survey, the minimum wage ranked 62d in importance out of 75 issues—62d out of 75.

So these proposals are a cruel hoax on low-wage workers. They are nothing more than an attempt to deny a fair increase in a minimum wage to millions of low-income Americans, even while appearing to grant an increase to those people. There is no accurate information on how many of the 10.5 million workers in small firms will be denied a raise they would otherwise receive, but there is no justification for denying even one working American the right to a living wage.

What possible rationale can there be for forcing millions of Americans to continue working at wages that everyone knows are poverty wages, wages so low that they cannot support a family?

The Republican alternative says that the reason is to save jobs. But the fact is that the modest increase we are proposing will not cause job losses, and may even lead to an increase in employment. I point out that the Wharton School, the DRI examination of our minimum wage increase says that there is at risk 20,000 jobs—20,000 jobs—20,000 jobs, Mr. President, and still we find our Republican friends say, "Well, we can't afford any kind of increase because we're going to lose those jobs." The other studies which I referred to today, the 12 other studies, the most current show there is a good possibility it will mean expanded jobs, because many people will go back into the market if they think there is a possibility to have a livable wage. The money that is expended by those individuals will create sufficient demand to increase employment as well.

So, Mr. President, the expansion of employment is exactly what happened in New Jersey in 1992 and is happening, I point out, in my own State of Massachusetts and the State of Vermont. The last two States who have increased the minimum wage are Massachusetts and Vermont. They have seen the greatest decline in unemployment that we have had in New England. Over the period of the last 4 to 5 months, we have seen the greatest decline in unemployment in the two States that have increased their minimum wage in the early part of this year. There are just no real, meaningful studies that have demonstrated that there would be any important job loss.

Mr. President, one reason for that result is reflected in an analysis released by Salomon Brothers in the U.S. Equity Research report of April 22, 1996. The Salomon Brothers predicted retail businesses would benefit from an increase in the minimum wage due to the enhanced purchasing power it would create for many low-income consumers. This is the Salomon Brothers. The Salomon Brothers recommend purchasing a number of retailing stocks because of the benefits they will receive from the increased purchasing power of low-income workers.

The report specifically concludes that the benefits from increased sales would generally outweigh the modest rise in wage costs. It is not fear of job loss by those who oppose minimum wage increases and who support the Republican proposals; what motivates these groups primarily is greed. There is no other way to explain the intense opposition to the minimum wage by organizations like the National Restaurant Organization. The Restaurant Association claims that a minimum wage increase would be a job killer, even though the restaurant industry has seen enormous employment growth since the last minimum wage increase in 1991.

In fact, the actual experience of the restaurant industry shows that the minimum wage increasae would be good for business and good for the economy.

For 3 years before the 2-step minimum wage increase in 1990–91, employment growth in the restaurant industry was falling, along with the real wages of minimum wage workers. Restaurant industry employment growth fell from 3.1 percent in 1987 to 2.8 percent in 1988, to 2.3 percent in 1989, to 1.7 percent in 1990, and actually decline by 0.5 percent in 1991.

But in 1992, the first full year after the 90-cent minimum wage increase took effect in April 1991, employment growth rebounded by 2.1 percent. And in each of the next 2 years, employment growth accelerated, reaching 3.2 percent in 1993 and 3.6 percent in 1994.

From 1991 to 1995, the restaurant industry added almost 800,000 new jobs! If that's what the Republican Party calls job-killing, I say let's have more of it.

With respect to this small business subminimum wage, it is critical to remember not only that the last minimum wage increase took effect in April 1991, but that the 1989 amendments expanded coverage to include employees in small restaurants who had formerly been excluded.

That expansion should have compounded the job-killing effect of the increase, but it did not. Instead, the restaurant industry saw an expansion of job growth, record profits, and mindboggling increases in CEO pay. The sub-minimum was not needed. Small businesses don't need it, and their employees don't deserve that harsh and unfair treatment.

The argument that the minimum wage kills jobs is nonsense. Both Vermont and Massachusetts raised their State minimum wage to $4.75 in January of this year, while our neighbors in New Hampshire and New York did not. What has happened since then? Have we lost jobs in Massachusetts and Vermont? Far from it.

Since January, when these States raised their minimum wage, unemployment in both Massachusetts and Vermont have fallen. We haven't lost jobs—we've added them.

But what happened to our neighbors who left their minimum wage unchanged? Haven't they done better? No, far from it. In both New York and New Hampshire, unemployment has risen since January from 4.9 to 5.1 percent in New York and from 4.2 to 4.4 percent in New Hampshire. Unemployment fell where the minimum wage has increased, and rose where the minimum wage was frozen at $4.25.

Giving working Americans a living wage will not cost jobs. Making all employers pay a living wage will not cost jobs. The minimum wage law in Massachusetts does not exempt businesses with sales of $500,000 or less, and neither does the minimum wage law in Vermont.

Have small businesses been demanding an exemption from the minimum wage? No, they have not. Studies cited by the Small Business Administration show that only 7 percent of small businesses consider the minimum wage a critical problem. As I pointed out earlier, a survey prepared by the National Federation of Independent Businesses ranked the minimum wage as 62d in importance out of 75 issues.

Another study, funded by the NFIB Foundation, revealed that even among the smallest of businesses—those with less than 10 employees—only 6 percent consider the minimum wage a critical problem.

I have been over here the last 35 years. This is the first time, Mr. President, other than a training wage, that we have seen this kind of alternative, to extend the existing minimum wage for a period of time, to delay the effective day, or to exclude massive numbers that will be affected by the minimum wage. If this Republican proposal is enacted, it will be the first time since 1938, when we enacted the minimum wage, that we have decreased the coverage of the minimum wage.

All we are trying to do is provide a livable wage for people. The only way we can get this before the U.S. Senate is to permit this alternative. The alternative delays the effective date. It would deny working families $500. It delays the effective date for people that move from job to job, the 6 million Americans that move every year or so in terms of their jobs. It will delay them for 180 days repeatedly. This has been the most important penalty that we have seen in any possible increase in the minimum wage.

Usually, when the time comes to ultimately vote on minimum wage—and it may be a begrudging vote—we vote on the increase. What we will see here, if the Republican proposal passes, is that they will take away the increase in the minimum wage in one hand and go back and issue the press releases about how they voted for the increase in the other. Wait and see.

The American people are too smart for that, Mr. President. They ought to understand exactly what is being considered.

There is no excuse to deny a minimum wage increase to any American who works in interstate commerce. The Republican proposals are mean-spirited ideas that will hurt the poorest of workers. I hope my Republican colleagues will reconsider these objectionable proposals and join us in the coming days in supporting a fair increase in the minimum wage for all workers.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mr. SARBANES. Do I understand under the proposal that our Republican colleagues want to put forward with respect to the minimum wage, as I understand it, you have an initial period when you are paid at below the minimum wage, is that correct, for 6 months?

Mr. KENNEDY. Mr. President, 180 days.

Mr. SARBANES. Suppose someone takes a job and he gets the below wage for, say, 5 months, and then they let him go because they do not need him anymore. When that man or woman goes to another job, do they get the below minimum wage for another 6 months in the new job, as well?

Mr. KENNEDY. The Senator is absolutely correct. The Senator is absolutely correct.

Mr. SARBANES. If fortune should strike them that they are moving from one job to another, they could be kept below the minimum wage for successive periods of time, is that correct, for successive 180-day periods of time?

Mr. KENNEDY. The Senator is absolutely correct.

The Senator remembers even in 1989 when we had the period of the 90 days, they called it a training wage, even though there was no training required. Now it is 180 days, and they call it an opportunity wage. It is just an opportunity for the company not to pay hard-working Americans a livable wage. That is one of the three parts that is in the Republican alternative.

What you will see here, Mr. President, on the first or second day after we are back on that Monday or Tuesday, they will vote for the Republican proposal that will delay the effect of the minimum wage and deny the $500 for these working families. That $500 means months of groceries and utility bills and perhaps half the tuition to go to a State school, tuition for a year. Then they will vote for delaying for the 180 days the payment so people will still be paid $4.25. Then they will exclude all of the businesses under $500,000—not just those intrastate commerce or interstate commerce, which is approximately 10 million Americans. There are only 13 million Americans affected by the increase, so they will deny all of those Americans any opportunity for a significant increase.

Then they will go out and vote for an increase in the minimum wage. That is what this issue is about—the phoniest possible effort to blind side, I think, not just the workers, because they understand it, but all of the American people. Evidently, this is being done for the political purposes of trying to be on the right side of the minimum wage.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mr. SARBANES. If this exclusion of below $500,000 that the Senator made reference to—exclusion, I take it if you work for a company that has below $500,000 in sales, you are not covered by this increase in the minimum wage. As I understand it, that is a great many of the people. Many of the people who now work for such companies are, in fact, covered by the minimum wage. There are some such small companies that are only intrastate commerce, not interstate, but many are in interstate commerce and are now covered by the minimum wage, as I understand it.

Under this proposal they would no longer be covered by the minimum. At least they would not receive this increase in the minimum wage. I take it they would still receive the current coverage, but they would not get this increase in the minimum wage. In effect, they would be dropped out from this legislation by this proposal, is that correct?

Mr. KENNEDY. The Senator is not only correct, but I think what you have to assume is that they would be dropped out of any increase in any proposal in the future, because this will be the first time, the first time since enactment of the minimum wage, that we will have carved out an area to reduce the coverage for working families—the first time. Every other time we have increased the minimum wage we have expanded the coverage of the minimum wage because we have recognized that men and women that are working 40 hours a week, 52 weeks of the year, ought to be entitled to a livable wage.

If this passes, it will be the first time that we will have an important and significant carve-out. That, I think, is part of the Republican proposal which is objectionable. Not only that, but we have not even started to deal with the restauranteurs, the restaurant association and restaurants. If you look at the employment in restaurants over the period from 1989 to 1991, you saw a declining balance in terms of the number of increases in the employment for restaurants. After the minimum wage absolutely went into effect, you saw those employment figures take off.

Here we are finding out that because of the power of the restaurant association, even though the number of people that are working in the restaurant industry has been expanding and it is a growth industry according to projections by the Department of Labor, the restauranteurs have a sweetheart agreement in here. It says the restaurant is not responsible for them going from the $4.25, increasing the minimum wage if they make that money in tips. They are only liable if they do not make it in tips.

I will have printed in the RECORD on Monday and Tuesday, during debate, the amount this sweetheart deal will save those restaurants in terms of taxes. In many of those restaurants, in fancy places, people are well above it, but there are a lot of restaurants that are out there across America in small and medium-sized towns where people are working, trying to provide for their families, who are entitled and need the resources to be able to do it. Now, finally let me——

Mr. CHAFEE. If the Senator will yield——

Mr. KENNEDY. After I make this point. Finally, after all this is out, we have, underneath that, the special provisions, the $8 to $10 to $12 billion of tax breaks that are going to go to small business industries which are going to be affected by them. The cost of the minimum wage is going to be $3.4 billion, and we have about $10 billion in tax breaks for these small companies.

How much do you have to give them to provide some respect for working families? How much do you have to bribe them to finally get a vote here on the floor of the U.S. Senate? You talk about taking care of a constituency. You are giving them $10 million on the one hand, and you are carving out millions of Americans on the other hand; you are delaying the increase for working families and also delaying the trigger. We think we are debating an increase in the minimum wage. We can understand why it took so long for our Republican friends to come up with the agreement to schedule this discussion on the floor of the U.S. Senate—for a short time period of debate—on the issues of the increase in the minimum wage.

Mr. President, the American people have to understand what we are talking about. Go back to the debates—when we had the increase debates going back to the early sixties and seventies. I see the Senator, and I will yield in one minute to the Senator from Rhode Island. We have never had these kinds of sweetheart deals and exemptions. Generally, when an increase was worked out, we voted on it. We have, as the Senator from Maryland understands, Republicans—like Eisenhower and Nixon and President Bush—who have signed increases in the minimum wage.

I see the Senator from Rhode Island. I yield for a question.

Mr. CHAFEE. I know the distinguished junior Senator from Kansas has been waiting to give her maiden speech here. I do not want to delay things. Is the Senator about through?

(Mr. GRAMS assumed the chair.)

Mr. KENNEDY. I was here all day on Thursday when we were denied any opportunity for morning business to speak. We were denied, also, a very short period of morning business yesterday from 8:15 to 9 o'clock. Senator MURRAY had to stay here until 10:30 in order to get 15 minutes, from 8:15 to 8:30 yesterday. I wanted to wait until we concluded. I want to pay respects to our new Senator, and I will be very brief and then I will terminate. I eagerly await the Senator's speech. But I would like to conclude on the minimum wage and speak briefly on MSA's, and then I will yield.

Mr. CHAFEE. If I may say one thing, I have a couple of questions for the Senator from Massachusetts. First, I congratulate Massachusetts for the low unemployment, which you attribute to the rise in the minimum wage. I myself would attribute it to the outstanding Governor that they have.

Mr. KENNEDY. I know he has been trying to take credit for it.

Mr. CHAFEE. I have heard—

Mr. KENNEDY. Even though his opposition to the increase of the minimum wage is well understood.

Mr. CHAFEE. All I know is that the State is extremely vigorous and thriving because of the outstanding leadership he is providing, and, indeed, the people have recognized this with the overwhelming reelection victory that he had.

However, we will have an adequate opportunity, I think, to discuss this. I might say, I do not agree with the Senator's characterizations of employers. I wrote down some of them: "Harsh," "greedy," "exploiting." That is the different attitude that we take.

Mr. KENNEDY. Well, the only thing I would ask the Senator is whether I have stated correctly the fact that in the Republican proposal you delay the triggering time for the minimum wage until January, which will be a loss of $500, and that you do have the 180-day period which you call the "opportunity wage," and you have the carve-out? If you agree with these facts, then I am glad to welcome whatever characterization of the differences there might be, as long as the Senator would either differ or agree with that.

Mr. CHAFEE. My great concern in connection with the minimum wage is, if it does not include some kind of a "training period" or "opportunity period," whatever you call it, that on the one hand, we are demanding folks on welfare get off and all of us have supported here provisions that require these people to be off welfare, whether it is in 2 years, 5 years or whatever it is. Fifty percent must be off in a certain length of time. Where are they going to get jobs? Who is going to hire them? So I strongly support some kind of a period—call it a training wage, or an opportunity wage. I do not think it should be restricted to those 19 years of age or younger.

This is a very serious problem we have because we cannot deal with welfare reform without considering what is happening under the minimum wage. I notice that the Senator from Kansas is here, so I will—

Mr. KENNEDY. I will just respond. If you talk about a training wage, I do not see any proposal of the Senator that would provide any degree of training or any education. If the Senator had a proposal that, look, we are going to delay the minimum wage and we are going to provide a training or insist there is training or some education, I think that argument has some degree of credibility. But to say that, for minimum wage, you have to wait 180 days—ask any minimum wage worker whether they think it should take 6 months to get training to provide for minimum wage services. That really stretches the imagination.

I will just take a moment or two to comment about our situation on the health care issue. I think all of us, as we come to the period of the Fourth of July recess, wonder why we have not had the opportunity to vote here in the U.S. Senate on a bill that was drafted by our friend and colleague, Senator KASSEBAUM, over 1 year ago and was steered through our committee with bipartisan support. The bill would have provided relief for 25 million Americans with preexisting conditions and had some degree of portability. There is virtually unanimity on that particular issue here in the Senate and, I daresay, in the House of Representatives.

There is another ingredient which has been added in the House of Representatives in the process of the negotiations on medical savings accounts. I have expressed my view—and not only my view, but the view of some 35 different editorials, from newspapers from virtually all parts of the country, questioning whether the U.S. Senate ought to add and tag this provision onto this very, very important and essential piece of legislation.

I think everyone in this body knows that if we were to have a vote on the legislation dealing with preexisting conditions and portability, it would pass by 100 votes. Americans all over this Nation, as they come through the Fourth of July period, will understand the degree of security that they would have in terms of their futures, for any preexisting conditions. And workers would understand the importance of that.

Nonetheless, we are not able to come back to the Senate and report an agreement on the final bill. Still, effectively, no matter how you characterize it, that bill is being held hostage for an untried, untested idea. We understand where the votes are, in terms of our Republicans friends in the House and in the Senate, who are absolutely insistent on trying to find some common ground. I have heard those that have said they support certain proposals that they believe far and wide exemplify a very reasonable sort of compromise. Mr. President, I think Americans are asking why we do not go ahead and pass what is agreed on and then debate the medical savings account independently tomorrow, tonight, this afternoon, or next week. But let us get out what we can agree on. But we are denied that opportunity.

So, Mr. President, I want to just indicate to all of those Americans—the 25 million Americans and their families, all those workers that are out there—that we are going to do everything we possibly can to get this legislation, and that we are committed to trying to have some kind of a pilot program that can examine the value of medical savings accounts. But for all the good reasons that have been demonstrated here, we are not going to be stampeded into accepting something which is untried and untested.

Mr. President, I will say a final word. If any company wants today to go out and sell a medical savings account, they can do it. I have listened to my friends on the other side of the aisle say all we are looking for is freedom. That is baloney. What they want is their hand in the pocket of the American Treasury. They have the freedom to go out and sell medical savings accounts today. But what they want is the Federal Treasury to be opened for the tax advantage that they would receive, and they are asking their legislators to help Golden Rule and other companies—companies which have been poorly rated by consumers group and have been drummed out of states like Vermont and other communities, for their conduct and lack of consumer protections. They want to get inside the Federal Treasury. That is what is at risk. They have freedom to go out and sell MSAs today. No; they want to get inside the Federal Treasury and get that privileged position to be able to have a deduction or special tax advantage.

So this is very, very important. I am very hopeful that we will still have the opportunity for the health insurance reform act to become law—but quite frankly there are others interests that are involved. I certainly hope that we will have a chance to come back and address this matter, here on the floor of the U.S. Senate, sometime soon. We are running out of time in terms of the patience of the American people. We ought to be able to call the roll and have some degree of accountability.

Perhaps over the period of this break calmer heads can prevail and we can work out something that will move the legislation and permit a reasonable kind of trial period. Otherwise, I hope we will come back and we will just call the roll, and we will keep calling the roll until we get some final resolution will provide protection for those 25 million Americans and permit portability.

Constantly, at the end of the day when the day is done and you drive back home, you have to say to yourself, "Why aren't we going ahead and providing this protection for the American people?" We can pass a bill that everybody agrees on. Why should we be effectively held hostage to those who want to include an untried and untested idea in the legislation?

Mr. President, we will have more of an opportunity to revisit that because the issue of MSAs is not going away. The health care issue is not going away. We will look forward to the chance to debate it when we return.

Thank you very much.

I, too, apologize, if that is appropriate, to our friend and colleague. I did not know that she was about to give her maiden address to the Senate, or I would have certainly looked for another opportunity to address the Senate.

I thank you.

Mrs. FRAHM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. FRAHM. Mr. President, I ask unanimous consent that I be recognized to speak as if in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FRAHM. Thank you, Mr. President.

INAUGURAL SPEECH OF SENATOR SHEILA FRAHM

Mrs. FRAHM. Mr. President, I am honored to be recognized by the distinguished Chair and to address the U.S. Senate. In the short 2 weeks since I was sworn in as the 31st Senator from my State of Kansas and the 1,828th Senator to serve in the Senate, I have had the privilege of casting my first votes on issues that are very important to me, to Kansans, and to our Nation. These votes were on issues that I believe will help shape the future—the financial future of our children, and the future security of our Nation.

My very first vote in the Senate may, in fact, be the most important vote I will cast this year—it was in support of the balanced budget resolution. I strongly believe that it is imperative that we control Federal spending, balance the budget, and have the courage to make the tough calls. As Lieutenant Governor of Kansas, Governor Graves and I made the tough calls, submitting the first balanced budget in a generation. We lowered taxes on Kansans by $1.3 billion over the next 5 years. I cut my own Department of Administration budget for fiscal year 1997 by 7 percent, and began a 5 percent personnel reduction over the next 2 years. I will work hard to put our national fiscal house in order, as I have already done in Kansas. A balanced budget represents hope for future generations, hope that they may be relieved of the crushing burden of a debt that was not of their making. I am committed to making that hope a reality. Chairman DOMENICI is to be commended for his skill and tenacity in shaping and managing the budget resolution through conference and the Senate.

I am pleased to be serving with the distinguished chairman of the Armed Services Committee as we continue deliberations over the 1997 Defense authorization bill. Maintaining a strong national defense is of vital interest to all Americans. I am, therefore, pleased and honored to have cast some of my first votes in support of a strong America.

Further, I am delighted to join Chairman D'AMATO and my colleagues on the Senate Banking Committee. I feel honored to serve with such a dedicated and distinguished committee. Maintaining the integrity of our financial institutions, achieving real regulatory reform, and preserving a strong and vibrant housing industry are top priorities for me and for Kansas. I look forward to working with the chairman on these important issues.

On Tuesday, I cast the first of what I am sure will be a number of a very difficult votes. This was regarding cloture on the campaign finance reform bill. I believe we owe our best judgment to those we represent. And in my judgment, it is far better to have real and meaningful reform that will become law rather than cast politically expedient votes. I am not afraid of making the tough calls. I want to make it clear that I strongly support campaign finance reform—real reform. And while I know the sponsors of that bill feel they brought forward the best they could do under the circumstances, in my mind, bad reform is not better than no reform. I oppose Federal financing of our elections, which would in effect turn politicians into a new class of welfare dependents. I came here to reform welfare, not expand it. I question why the Congress should seek to pass a bill that is almost certainly unconstitutional in many of its key reforms, and puts an unreasonable mandate of high costs on private business. There will be more tough votes ahead, but as I said, I am not afraid of making the difficult choices.

In conclusion, let me just note that I do not intend nor will I pretend to fill the tremendous void left by my predecessor, Senator Bob Dole. He stood as a giant in the Senate and his departure is a great loss to the Senate and to Kansas. But, I do pledge my very best, which I have always given to Kansas. And I am looking forward to working with Bob Dole in his new position of national leadership.

Mr. President, I thank my colleagues for the warm reception they have extended me. Their good wishes and assistance have been a great help during my first days in the Senate and I look forward to working with the leadership and my colleagues on both sides of the aisle as we work together to shape our Nation's future. Of course, we may not always agree, but I can assure you that my State of Kansas and the United States of America and the U.S. Senate will always receive my highest efforts and most careful judgment as we face the challenges ahead.

Thank you Mr. President.

CONGRATULATIONS TO SENATOR FRAHM

Mr. LOTT. Mr. President, I would like to take just a moment to congratulate the distinguished Senator from Kansas for her maiden speech.

Over the last few years, as I have gone back and read the history of the Senate, I have found that there have truly been many magic moments when maiden speeches are made in the Senate, and it is one you will always remember. I remember the first one I made—only I was on the back row over there. The Senator from Kansas is already right up on the front row.

But she has exhibited, Mr. President, all in her brief time in the Senate, that she is a legislator of courage and that she is an experienced legislator. The fact that she is here this afternoon making this maiden speech, saying what she has said and the way she has handled herself, reflects the fact that she has had tremendous experience as a leader in the Kansas State Legislature.

So I commend her for her experience in the past and for her work already in the Senate. She is going to make a great Senator for the State of Kansas like the two Senators we have been serving with earlier this year—Senator KASSEBAUM, of course, and, of course, our great majority leader, Bob Dole. It is a challenge to succeed such giants as those two.

I am convinced that our new Senator is up to the challenge. She has already been given very important committee assignments where I know she will have a chance to provide leadership. I know she is already enjoying the pleasures of being on the Armed Services Committee, having worked on this very bill in the Chamber.

I just wanted to say on behalf of the leadership and all Members of the Republican side of the aisle, in fact the entire Senate, that we are truly pleased and honored to have join us this great Senator from the State of Kansas.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to commend the junior Senator from Kansas on her maiden speech. It is a pleasure for us in the Senate to have such a delightful person join us in this body. She is a lady of integrity, ability and dedication, and will be a great asset to the Senate.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I am particularly proud to have heard the junior Senator from Kansas. I have known Senator FRAHM as a friend in Kansas. I have known her as a majority leader of the Kansas Senate, and I think she spoke in her speech to the qualities that have made her an exemplary leader and legislator in Kansas.

I have every confidence she is going to translate the very skills she spoke to in her maiden speech to the work she carries out in the future on the floor of the Senate, not only for the best interests of Kansas, as she said, but the best interests of the Nation. It is with real pride today that I, the senior Senator from Kansas, heard the maiden speech of the junior Senator from Kansas.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I also wish to join my colleagues in extending well-deserved praise to our new colleague, and particularly since she has joined the Senate Armed Services Committee on which I have been privileged to serve with the distinguished chairman for some many years.

It is interesting to note, Mr. President, I think a footnote in history; California was the first State in the history of the Senate to have two women and how quickly thereafter came a second State. Of course, it is of small distinction—two members of the Democratic Party from California and, proudly, two members of the Republican Party from Kansas. I have always been interested in the history of this institution. It goes way back. The Senator has made history today in two respects. Well done.

I yield the floor, Mr. President.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I, too, join in congratulating our new Senator from Kansas. We are particularly proud to have two distinguished women Senators from Kansas. I only wish that we could look forward to both of them continuing to serve that State.

HEALTH INSURANCE REFORM

Mr. ROTH. Mr. President, we have been waiting for 2 months to move forward on critical health insurance reform legislation. During this time, Republicans have compromised again and again, each time in response to concerns raised by the White House and by some of my colleagues on the other side of the aisle about medical savings accounts.

Mr. President, we have been negotiating in good faith. We have addressed our colleagues' concerns about MSA on both the structure of the insurance plan and the structure of the savings account. We have limited the number of people eligible for the tax-free MSA. We have put forward proposals that are small enough to be considered demonstration projects. We have reduced the maximum contribution that can be made to an MSA. We have reduced the top range of the high deductible. In short, we have bent over backwards to accommodate the White House and some of our Democratic colleagues.

Millions of Americans are counting on us to reach an agreement, counting on us to work together to get the job done here in Washington. Americans with preexisting conditions, Americans who are unable to afford health insurance, small businesses that cannot afford to offer their employees health insurance, millions of Americans need this bill, and they do not have the luxury of time in waiting through more games and more rhetoric.

Legislating is about compromise. Americans want us to compromise and work together to get this legislation signed into law. We have compromised significantly. We do not have much time remaining for legislative business this year, and we have even less time for partisan games on this critical issue. So let us get together and work this out today or in the very immediate future.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, we are awaiting momentarily the distinguished majority leader and distinguished Democratic whip to address the Senate on a unanimous consent agreement.

Seeing no Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, again, I want to say I appreciate the cooperation of the members of the Armed Services Committee on both sides of the aisle. The distinguished chairman, the distinguished Senator from Virginia, the Senator from Georgia, Senator NUNN, and their staffs have all worked diligently.

I must confess that at 11 o'clock last night, I had my doubts we would be standing here this afternoon. But the tempo was very different this morning, and a lot of really good work has been done to clear amendments and to get amendments agreed to on both sides of the aisle. So I really express my sincere appreciation to the members of the Armed Services Committee and to the staff and to the Democratic leader, for his leadership team and our leadership time who was worked to bring this bill to a conclusion.

I think to complete action on this Department of Defense authorization bill is in the best interest of the country. It will allow us to move on in regular order to the appropriations bill. I hope by getting the authorization bill done first, we can avoid some of the conflicts we have run into in the past between the appropriations and authorization bills. I am pleased we have gotten it done.

AMENDMENT NO. 4433

(Purpose: To extend through fiscal year 1997 the prohibition on use of funds to implement an international agreement concerning theater missile defense systems)

Mr. LOTT. Mr. President, I ask unanimous consent that sections 231 and 232 of the bill be stricken, and I now send to the desk an amendment inserting a new section, and ask the amendment be agreed to and the motion to reconsider be laid upon the table. This new section deals with demarcation of theater missile defense systems between antiballistic systems.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. THURMOND, proposes an amendment numbered 4433.

The amendment is as follows:

At the end of subtitle C of title II, add the following:

SEC. 237. EXTENSION OF PROHIBITION ON USE OF FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

Section 235(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 232) is amended in the matter preceding paragraph (1) by inserting "or 1997" after "fiscal year 1996".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4433) was agreed to.

MODIFICATION OF SECTION 233

Mr. LOTT. Mr. President, I ask unanimous consent that section 233, regarding the ABM Treaty, be modified with the sense-of-the-Senate language I now send to the desk; and that the Foreign Relations Committee conduct hearings on the matter contained in section 233 before the end of the session.

While it is going to the desk, I want to say this is the proper thing to do. It is a serious matter as to how we deal with the question of multilateralization of treaties. I think the hearings are appropriate. I am glad to support this.

The PRESIDING OFFICER. Without objection, the section is so modified.

The modification is as follows:

Section 233 is modified to read as follows:

SEC. 233. CONVERSION OF ABM TREATY TO MULTILATERAL TREATY.

(a) FISCAL YEAR 1997.—It is the sense of the Senate that during fiscal year 1997, the United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty, including any agreement that would add one or more countries as signatories to the treaty or would otherwise convert the treaty from a bilateral treaty to a multilateral treaty; unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) RELATIONSHIP TO OTHER LAW.—This section shall not be construed as superseding section 232 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701) for any fiscal year other than fiscal year 1997, including any fiscal year after fiscal year 1997.

Mr. LOTT. Mr. President, I ask unanimous consent that the majority leader, after notification of the Democratic leader, may proceed to the consideration of each of the following three bills; that they be considered in the following order, with no intervening business in order between the three bills;

that no amendments or motions be in order to these bills:

Defend America, which is S. 1635;

A bill to be introduced by the Democratic leader, or his designee, on behalf of the President regarding national missile defense;

And a bill to be introduced by Senator NUNN regarding national missile defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, for the information of all Senators, with respect to the Chemical Weapons Convention, the majority leader and the Democratic leader will make every effort to obtain from the administration such facts and documents as requested by the chairman and ranking minority member of the Foreign Relations Committee, in order to pursue its work and hearings needed to develop a complete record for the Senate regarding the Chemical Weapons Convention, Executive Calendar No. 12.

With that in mind, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, will, prior to September 14, 1996, proceed to executive session to consider Calendar No. 12, the Chemical Weapons Convention, and the treaty be advanced through its various parliamentary stages, up to and including the presentation of the resolution of ratification; that all reported conditions and declarations be deemed agreed to; that there be two additional amendments to the resolution of ratification, to be offered by the majority leader or his designee, dealing with the subject matter of the Chemical Weapons Convention to be limited to 1 hour each, to be equally divided in the usual form; that no further conditions, amendments, declarations or understandings be in order; and there be 10 hours additional time for debate, to be equally divided in the usual form; and following the conclusion or yielding back of time, the Senate proceed to the adoption of the resolution of ratification, all without further action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Finally, I ask unanimous consent that the bill be advanced to third reading and final passage occur at 9:30 a.m. Wednesday, July 10, 1996, and paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I further state that if the resolution of ratification, with respect to the Chemical Weapons Convention, is agreed to, then I will do my best to schedule the implementation legislation, if it is available, no later than early 1997.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I wonder if the Democratic leader has any comments at this point.

Mr. DASCHLE. Mr. President, let me just commend the distinguished majority leader. Like him, I was not very optimistic we would be able to get to this point. But I think it, again, demonstrates the interest on both sides in working together to accomplish a number of major legislative achievements this year, and this is a good one.

This is an important issue. It is a bill that we needed to get done. The administration is very much in keeping with our desire to see the completion of this legislation in the nearest possible time.

We have appropriations bills when we get back. I look forward to using the same approach as we try to address those as well. It will be my hope that during the month of July, we can do on appropriations what we have just done on this authorization bill.

Mr. LOTT. Mr. President, I would like to confirm what, obviously, all Senators now know. There will be no further votes today. We will be back in session on Monday, July 8, during which time we will begin the debate that was outlined in the unanimous consent agreement with regard to minimum wage and small business tax provisions, to be followed on Tuesday by the TEAM Act. And then there will be a vote, as we just outlined, at 9:30 a.m., Wednesday of that week on the final passage of the DOD authorization bill.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, I ask the majority leader, subject to an earlier discussion we had, for the interest of Senators, if we might be able to announce that the minimum wage vote would occur after the caucuses on Tuesday, and that debate on minimum wage take place that morning to accommodate traveling Senators and the debate on the issue, and then if there are votes, for them to be stacked at that point, 2:15, we would be happy to do that.

Mr. LOTT. Mr. President, I believe that we can work together on that, and agree now that we would not have a vote on the minimum wage issue until after the policy luncheons on Tuesday. However, my intent was to complete all of the debate on that on Monday, and then have the debate on the small business packages on Tuesday. You know, we can work that out as far as the debate time. And we may need to stack some votes, or we may need to go to other issues that morning. But at the very minimum, we can agree now there will not be a vote on that until after the luncheons. Then I would like to work with the minority leader on the time for the rest of the debate.

Mr. DASCHLE. Mr. President, I am primarily interested in when the votes take place and also accommodating some Senators who want to be heard on minimum wage who will not be here on Monday. And if it were possible to accommodate them, to allow for additional comments on Tuesday morning, it would be very helpful.

Mr. LOTT. As is always the case, just like we entered into having an agreement we would have a vote on that Wednesday and final passage 30 minutes later so two Senators can be heard on issues they feel are important, I am sure we can work it out in a balanced way where there could be others that want to be heard on other subjects that morning. But we will work with the minority leader to make sure Senators have time to express their views.

I thought the main thing was just to understand we would not have a vote until after the luncheon. But I want to maintain the flexibility of what we do earlier in the day, and after the vote, so we can get as much done on Tuesday as is at all possible. We will continue to work together on that.

Mr. DASCHLE. I thank the majority leader.

Mr. THURMOND. Mr. President, I rise to address an issue of vital importance to the U.S. Senate: whether the Senate should provide its advice and consent on any succession agreement regarding the ABM Treaty, especially an agreement that would convert the treaty from a bilateral agreement to a multilateral agreement. I would remind my colleagues that existing law requires any substantive modification of the ABM Treaty to be submitted to the Senate for advice and consent.

The administration has asserted that it would be inappropriate for the Senate to make a judgement about the substantive nature of any potential agreement at this point. But, if the Senate's treaty making role is to be protected, we must clearly establish our views now, especially since the implications of such an agreement are fairly clear already. To do otherwise would invite a major dispute with the executive branch in the near future and put the Senate in a position where its only recourse would be to attempt to prohibit the implementation of the agreement. In my view, multilateralization of the ABM Treaty clearly constitutes a substantive change. Let me briefly outline my reasons for coming to this conclusion.

First of all, the fundamental circumstances that produced the treaty in the first place have changed. The ABM Treaty, more than any other arms control agreement, was a product of the bipolar cold war confrontation between the United States and the Soviet Union. With the dissolution of the Soviet Union, we face strategic and political circumstances that are vastly different.

Second, by having the Soviet Union succeeded, for purposes of the ABM Treaty, by some but not all of the independent States of the former Soviet Union, each possessing full and sovereign rights under the treaty, we would be changing, limiting, and extending certain rights and obligations previously possessed by the parties. This is all but a text book definition of a treaty amendment. U.S. rights would clearly be changed given the fact that the Standing Consultative Commission, the ABM Treaty's implementing body, would now be comprised of several parties, all of whom would need to consent to changes, clarifications, or amendments to the treaty.

As the administration stated in a May 3, 1996, letter to Senator NUNN: "Each Party will participate in implementing the treaty as a sovereign entity. This includes a full and equal voice in the SCC." When asked if the consent of all parties would be needed before the treaty could be amended, clarified, or interpreted, the administration answered: "Yes. The U.S. has insisted on a decision-making mechanism in the SCC under which legally binding obligations would be adopted by consensus." In effect, the SCC would be transformed into a corporate body in which the United States would need to receive five, six, or more affirmative votes before the treaty could be amended. In addition, some of the new treaty partners would only have partial rights. Of the former Soviet States, presumably only Russia would be entitled to deploy an operational ABM system.

Third, the actual functional mechanics of the ABM Treaty will be changed through multilateralization. The ABM Treaty is based largely on a geographical description of the United States and the Soviet Union. It states specifically that certain large phased array radars may only be located along the periphery of the territory of the parties. In the case of the former Soviet Union, however, some such radars are now located outside Russia. The so-called Scrunda radar in Latvia, for example, is on the territory of an independent country that has categorically rejected membership in the ABM Treaty. Clearly, any agreement that addresses the successorship issue will also have to redefine these geographic aspects of the treaty, which in and of themselves will constitute substantive amendments to the treaty. In this regard, the Senate will be as interested to see which States do not accede to the ABM Treaty as it will be to see which countries do accede.

Mr. President, as we consider this important matter, which dramatically affects the Senate's constitutional prerogatives, let me also remind my colleagues of an important debate that took place in this Chamber several years ago regarding the so-called broad versus narrow interpretation of the ABM Treaty. On March 11, 12, and 13, 1987, the chairman of the Armed Services Committee, Senator NUNN, took to the floor to deliver a series of speeches criticizing the Reagan administration for having announced a new interpretation of the ABM Treaty. I do not wish to revisit the specific issues in that debate, only to remind my colleagues, especially on the other side of the aisle, how outraged they were at what appeared to be a challenge to the Senate's constitutional treaty-making role.

On March 11, 1987, Senator NUNN stated that the State Department was directly challenging the Senate's constitutional role. "This effect," he said, "could carry over and may well produce a congressional backlash through its exercise of the power of the purse and the power to raise and support armies in a manner that would give the effect to the original meaning of the treaty as presented to the Senate." It is precisely such a backlash that we are seeking to avoid by including section 233 in the Defense authorization bill. The administration is proceeding down a very dangerous course and we are simply trying to ensure that the Senate plays a role before we arrive at a point of crisis.

Why do I use such strong terms in describing the administration's present course? Let me be clear, Mr. President. The administration is not intending to submit any agreement to the Senate regarding ABM Treaty succession, even though such an agreement would constitute a fundamental departure from substance of the treaty presented to the Senate for advice and consent in 1972. In the same letter than I quoted from earlier, the administration makes clear that they are working on a memorandum of understanding on succession. What, I would ask, is the legal standing of an MOU? How is it possible, given the major implications of such a change, that the administration is trying to modify a major arms control treaty with an MOU, as if this were some minor agreement with a close and reliable ally?

Mr. President, I do not believe that one can avoid the conclusion that the administration is negotiating major changes to the ABM Treaty, that these changes constitute substantive modifications to the treaty and the rights and obligations of the parties, and that the Senate must be directly involved. In my view, this involvement must include advice and consent to any such agreement. The executive branch cannot simply change the entire context of a major arms control treaty and expect the Senate to stand idly by.

The administration has sought to use various analogies to other cases in which the executive branch has not sought, and the Senate has not insisted upon, advice and consent on succession. The examples of the Conventional Forces in Europe and Intermediate-range Nuclear Forces Treaties are frequently used.

In the case of CFE, the Senate specifically recognized the impending breakup of the Soviet Union and adopted provisions taking this into account during the ratification debate. In fact, the Senate was so concerned about this issue with regard to CFE that it took great care to develop a condition to the resolution of ratification specifying procedures for adding new states parties and for evaluating the implications of the withdrawal of key newly independent states from the treaty. In the case of the ABM Treaty, no such provision has ever been made, since the ABM Treaty has always been viewed in a bipolar context. If anything, the case of the CFE Treaty argues for Senate advice and consent on any ABM Treaty succession agreement.

In the case of the INF Treaty, in my view, the executive branch still should seek a formal protocol on succession. The only reason that this has not become a major issue is due to the fact that INF has already been fully implemented and there are no significant areas of contention. Unlike the ABM Treaty, there is little likelihood that the United States may require major amendments or clarifications to the INF Treaty.

In the case of the START I Treaty, the succession agreement, known as the Lisbon Protocol, was in fact approved by the Senate as part of the overall ratification process. As in the case of CFE, START I was surrounded by major succession issues that the Senate had to address in a formal manner. I think it is fair to say that neither CFE or START I would have been approved by the Senate if not for the fact that the succession issues were thoroughly addressed as part of the ratification debate. In both cases the Bush administration correctly saw that a vote of the Senate was necessary.

Mr. President, in summary, let me simply say that section 233 of the bill stands up for the prerogatives of the Senate. The fact that the administration is so opposed to it is very bothersome. This provision was approved by the committee on a bipartisan basis and I believe that the Senate should overwhelmingly endorse it.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I want to thank the leadership on both sides of the aisle on behalf of all members of the Armed Services Committee on both sides of the aisle. We simply would not have been able to achieve what we have just announced without strong, firm commitments by both leaders. Indeed, I commend the distinguished Democratic whip who, likewise, helped in the clearance of amendments.

It is remarkable. I have served with many leaders. I will tell you, each time they arise to the challenge. And this time, indeed, both leaders did arise to the challenge. So I thank the leaders on both sides.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for third reading and was read the third time.

Mr. WARNER. Mr. President, having worked with our distinguished chairman on the committee, I wish to compliment again his leadership in enabling this bill to come through and be acted upon by the Senate in a timely manner thereby putting us in the logical sequential order with the appropriations measure.

I wish to congratulate the distinguished ranking member, Mr. NUNN. We have worked on bills for many years together. This will be the last that we have worked on together. I shall speak about his departure at a later time.

I also wish to thank the staff on both sides who have diligently pursued efforts dramatically in the last 24 hours. I assure you we were here until after midnight last night.

Also, I wish to thank the many colleagues on our committee who took an active role in this, and certainly Senator MCCAIN with his usual help in trying to get this series of amendments through and also working with the group of us who dealt with the time agreement which I hope will soon be adopted by the Senate.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, after we call the roll next week, I will make some expressions of appreciation to those who were so helpful on this matter.

One of them is the able Senator from Virginia who has done a magnificent service in the passage of this bill. I want to thank him.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent I may proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO MOLLIE BEATTIE

Mr. CHAFEE. Mr. President, I rise today to express my sorrow over the death last night of Mollie Beattie who was, up until just a few weeks ago, the Director of the U.S. Fish and Wildlife Service. Mollie Beattie was a courageous and determined woman for whom all of us who knew her had the most tremendous respect.

As I mentioned, just up until a few weeks ago, she was Director of the U.S. Fish and Wildlife Service and resigned from that because of the battle she was undergoing with brain cancer. Her death, Mr. President, is a great loss to this country. We have lost a committed, dynamic professional whose devotion to the conservation of our Nation's natural resources has benefited us all and will continue to improve the lives of our children and our grandchildren.

Mr. President, as a way of commemorating Mollie's contribution and her spirit, I am honored to cosponsor S. 1899, a bill to designate 8 million acres of wilderness within the 19-million acre Arctic National Wildlife Refuge as the Mollie Beattie Alaska Wilderness Area. It seems to me this is a wonderful tribute to a person whose appreciation of wild places has been a lodestar for her career. I am grateful to Senator STEVENS for sponsoring this resolution along with Senator LEAHY and Senator MURKOWSKI.

Many of you knew Mollie and recognized that she had incredible energy and vitality, and she brought all that to the Fish and Wildlife Service during her 3-year tenure there. She was the first woman to lead the Service, and she did an extraordinary job during a period when her agency was faced with increased budget cuts, public scrutiny and criticism. Her commitment to conservation of natural resources and to the people that work for the Fish and Wildlife Service made her an effective and well-respected advocate.

Throughout her serious illness, Mollie continued to lead the Service, demonstrating the strength of courage that made her unquestionably an extraordinary leader. She refused to let the serious operations and treatments for her cancer keep her from the job she loved. Mr. President, I have had the privilege of working with Mollie Beattie on a number of issues important to the Fish and Wildlife Service. Just last month, on May 16, despite her poor health, she came to my office to urge me to help in Congress to maintain the integrity of the 90-million-acre national wildlife refuge system. Her concern and devotion for the conservation goals to the Fish and Wildlife Service were clear and constant throughout her career.

I just want to point out one instance of the modesty that she had. On June 14, she was featured as the ABC News "Person of the Week." As a condition of that interview, she insisted that the program highlight the importance of the Endangered Species Act above her own accomplishments. Her deep commitment to the conservation of endangered species led her to carry out a number of important administrative changes to improve that act.

Mollie's career was illustrious even before becoming Director of the Fish and Wildlife Service. She was executive director of the Richard Snelling Center for Government in Vermont. Prior to coming to Washington, she was commissioner of the Vermont Department of Forests, Parks and Recreation. She was program director for the Windham Foundation, managing 1,300 acres of farm and forest land for wildlife. And she was a teacher of resource management to private landowners for the University of Vermont.

Mollie participated in a wide variety of nonprofit conservation initiatives, including serving as a board member of the American Forestry Association, the Vermont Land Trust, and the Vermont Natural Resources Council. She also chaired a Defenders of Wildlife commission on the future of the National Wildlife System in Vermont's Nonpoint Water Pollution Task Force.

So, Mr. President, all of us have reason to be deeply indebted to Mollie Beattie for her distinguished public service and great contribution to the protection of fish and wildlife and wide open spaces. And all of our prayers are with her and her family today.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO MOLLIE BEATTIE

Mr. LEAHY. Mr. President, I wish to commend the distinguished Senator from Rhode Island for those very gracious, warm, and honest thoughts about Mollie Beattie. The Senator from Rhode Island was privileged to know her, as was I. Of course, we in New England had a special feeling for her. Senator JEFFORDS and I—as in so many other things in Vermont where we have joined together—were absolutely joined in our admiration of Mollie Beattie.

Even though we knew that the end was near for Mollie, I know that both Senator JEFFORDS and I felt sorrow this morning when we heard the news that she had died. Just a few minutes ago, Mr. President, I talked with her husband, Rick, and told him that we were about to pass, this evening, the legislation that would honor her in Alaska. And Rick told me that he had talked with Mollie as she lay dying and told her this legislation was moving forward. The distinguished senior Senator from Alaska, Mr. STEVENS, had introduced it a few days ago in this body, cosponsored by Senator JEFFORDS, myself, and others, and we had been assured that it would eventually pass. He said she was well aware of that and so humbled by it, saying that she could not imagine such a great honor, which was so typical of her.

Mollie always thought to do what was best for our country, not just for this generation, but for the next generation. She did that continuously, and did it without ever looking at what it might do for her. She was affected and did feel honored and humble by what this body was doing. Frankly, we should feel honored that we have the opportunity to do this for Mollie Beattie.

I should tell my colleagues that following a memorial service for her in Vermont this coming week, Wednesday afternoon, and one here in Washington with the Department of Interior, her ashes will be divided between Vermont and Alaska. She said to her husband that this was a case where she was going to be part Vermonter and part Alaskan. It was a way of talking of her deep affection for the State of Vermont, but her great appreciation for magnificent parts of the wilderness in our Nation that she was involved with.

Also, in talking with Rick—and I think I give away nothing in this—he talked about the fact that when she was ill, when it was more difficult sometimes to work, she would ask herself at the end of each day of work, "Was it worth it to come to work today?" She always had the same answer: "Yes, it was." She was able to do good for the country in the mission that had been entrusted to her.

When Senator JEFFORDS and I, and others, sought her confirmation, I know that some Senators—especially from the western part of our country—wondered who was this eastern woman coming in to fill a position that was always held not only by men, but oftentimes men from the West. Those same Senators are the ones who have come up to me on the floor in the past couple weeks, as the news of Mollie's final illness reached us, and said, "I am going to miss her."

She has done, as the Senator from Rhode Island said, a superb job. She has dedicated herself and has been a true professional, a true public servant.

So, Mr. President, I thank the distinguished senior Senator from Alaska, Mr. STEVENS, for his help in this, and Senator JEFFORDS for joining as a cosponsor of this, and other Senators who worked with me until late last night, and again this morning, to release whatever holds might be on this legislation, to allow it to go forward. I thank the distinguished Republican leader and the distinguished Democratic leader for their help in clearing this. It is a worthy tribute to Mollie Beattie.

It is, more than that, a worthy tribute to what is best in America.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JULY 10, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that at 9 a.m. on Wednesday, July 10, the Senate resume consideration of S. 1745 with 30 minutes of debate time remaining, to be divided with 7½ minutes of debate under the control of each of the following Senators: THURMOND, NUNN, HELMS and PELL, with a vote on passage of S. 1745, the Defense Authorization Bill, at 9:30 a.m. Further, that immediately following the vote, the Senate proceed to the immediate consideration en bloc of the following bills: Calendar No. 408, No. 409 and No. 410, and that all after the enacting clause be stricken and the appropriate portion of S. 1745, as amended, be inserted in lieu thereof, in accordance with a schedule which I have sent to the desk; further, that the bills be advanced to third reading and passed, the motions to reconsider be laid upon the table en bloc, and that the above actions occur without intervening action or debate.

I ask unanimous consent the Senate then immediately proceed to the consideration of H.R. 3230, and that all after the enacting clause be stricken and the text of S. 1745, as amended, be inserted in lieu thereof; that the bill be advanced to third reading and passed; that the title of S. 1745 be substituted for H.R. 3230; the Senate then insist on its amendment and request a conference with the House, and the Chair be authorized to appoint conferees, with no intervening action or debate.

I finally ask that with respect to S. 1762, S. 1763, and S. 1764, as just passed by the Senate, that if the Senate receives a message with regard to any of these bills from the House, the Senate disagree with the House on its amendment or amendments and agree to a conference with the House on the disagreeing votes, and the Chair be authorized to appoint conferees, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL LABOR RELATIONS ACT AND RAILWAY LABOR ACT AMENDMENT—MOTION TO PROCEED

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to consideration of Calendar No. 417, S. 1788, the right-to-work bill.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. In light of the objection, I move to proceed to S. 1788.

The PRESIDING OFFICER. The question is on agreeing to the motion.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 1788, the National Right To Work Act.

Trent Lott, Orrin Hatch, Paul Coverdell, Judd Gregg, Jesse Helms, Lauch Faircloth, Connie Mack, John Warner, Don Nickles, Robert F. Bennett, Hank Brown, Phil Gramm, Strom Thurmond, Kay Bailey Hutchison, Richard Shelby, Bob Smith.

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. LOTT. I ask unanimous consent that the cloture vote occur at 12 noon on Wednesday, July 10, and that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, June 27, 1996, the Federal debt stood at $5,118,682,872,218.91.

On a per capita basis, every man, woman, and child in America owes

$19,303.19 as his or her share of that debt.

CHURCH ARSON PREVENTION ACT

Mr. BYRD. Mr. President, although I was pleased to have had the opportunity to join with Senators FAIRCLOTH and KENNEDY as an original cosponsor of S. 1890, the Church Arson Prevention Act, I remain saddened by the fact that this bipartisan legislative effort was even necessary.

To think that the Congress of the United States must take action to stop the vile and revolting destruction that we have seen occurring at places of worship throughout this nation is a troubling through, indeed. It is simply incomprehensible to me that anyone in this country could be so depraved that they would consider, let along carry out, such deeds against the House of the Lord.

Sadly, though, since January 1995, there have been fires at 75 churches nationwide. And while many of these acts of religious terrorism have taken place in the South, the fact is that any activity of this kind is an attack on all Americans, all churches, and all faiths. Not one of us is spared the effects of these dehumanizing incidents. This is why it is important that we stand together, all of us, to speak with one voice in condemning these cries of unspeakable dimension. Each of us, in this body and throughout this nation, must demonstrate a collective intolerance for this destruction.

I would hope that all Americans—be they Christian, Jew, Muslim, or even atheist—take time to remember that this nation was founded on the principle of religious freedom. Many of those who set sail upon uncharted and dangerous seas nearly 400 years ago, who landed on shores they knew nothing about, and who undertook unimaginable risks, did so for one overriding reason: religious liberty. Indeed, this most fundamental right is the very first to be protected in the First Amendment to the Constitution.

Mr. President, I believe that all of us have a responsibility, and those of us in this body a sworn duty, to defend this legacy. Thus, I urge every American to join me in condemning these terrible acts of violence: For if we are unwilling to condemn them then we are silently condoning them.

REGARDING FCC AUCTIONS

Mr. McCAIN. Mr. President, I wanted to take a moment of the Senate's time to discuss the issue of spectrum auctions. Specifically, I want to discuss the potential for the Federal Communications Commission to auction channels 60 to 69.

The American people expect the Congress and the FCC to manage this country's public assets in a responsible manner that ensures the greatest benefit to the public as a whole. Unfortunately, both the Congress' and the FCC stewardship of this Nation's spectrum—one of the most valuable public resources—has been uneven at best.

To date over $20 billion has been raised by spectrum auctions. This $20 billion is being used to pay down the deficit and to fund needed Government programs. The American people benefit from these auctions in that they allow innovative companies to offer new and exciting services and reduce the need on taxes.

As my colleagues know, there is considerable debate as to how to allocate broadcast ATV licenses. The Congress should and I hope soon will act on this issue and give the FCC the appropriate guidance necessary on that issue. However, such guidance is not neither needed nor required for the Commission to act on the issue of auctioning channels 60 to 69.

Although there are stations that operate between channels 60 to 69, those entities can be relocated or share other spectrum and still operate. In the long run these entities will not be adversely affected by being forced to relocate.

During a recent hearing of the Commerce Committee, I inquired of the FCC Chairman as to whether a transition from analog to digital television could occur seamlessly while still auctioning channels 60 to 69. Mr. Hundt informed me that FCC engineers foresee no problems with this auction simultaneously occurring while a transition to digital TV occurs.

Based on that evidence, I can see no reason whatsoever for an auction of channels 60 to 69 not to occur. Any effort to thwart an auction of these channels is being done in direct contradiction of the needs of the best interests of the American people.

The last time the Commission had a similar issue before it the Commission decided—correctly I believe—to auction a block of spectrum previously held by a company named ACC. This auction fairly allocated the spectrum and resulted in a $682.5 million windfall for the American taxpayer.

Deciding to vote to auction that spectrum should have been an easy decision. However, it proved to be very controversial. Some have indicated that the decision to auction channels 60 to 69 may be equally vexing.

Mr. President, I sincerely hope that the FCC will see clear to do the right thing and auction these channels. This proposed auction will undoubtedly result in new revenues to the Treasury. If the Commission decides not to auction, I hope the Commission will correctly identify its action as a ripoff of the American taxpayer.

Mr. President, I yield the floor.

THE 50TH ANNIVERSARY OF THE CDC

Mr. KENNEDY. Mr. President, this month marks the 50th anniversary of the Nation's premiere disease prevention agency—the Centers for Disease Control and Prevention. CDC was originally created to work with State and local health officials to fight malaria, typhus and other communicable diseases. Today, it's expanded mission is to promote health and the quality of life by preventing and controlling disease, injury, and disability.

Over the years, CDC has implemented numerous prevention programs that have saved lives and improved public health. One of the most dramatic accomplishments has been in combating infectious diseases through its childhood immunization initiatives. During this time, we have witnessed the eradication of the centuries-old scourge of smallpox, and the virtual elimination of polio in the Western Hemisphere.

In recent years, CDC has been at the forefront of the battle against HIV and AIDS. It has initiated numerous studies, surveys, and prevention activities targeting all populations, including women and youth. It has developed and coordinated community planning programs to ensure that prevention efforts include services that are effective in various communities and scientifically sound.

CDC's immunization leadership deserves great credit. Infectious diseases used to kill or disable thousands of children every year. In 1995, vaccine-preventable diseases reached an all-time low, largely because immunization rates had reached an all-time high.

Yet there is still much to be done on immunization. Today over 1 million 2-year-olds lack one or more doses of recommended vaccines. CDC established the childhood immunization initiative to strengthen efforts to ensure that children are protected against vaccine-preventable diseases. The Vaccines for Children Program is one of the key components of this initiative, which CDC is implementing in partnership with States and providers nationwide.

CDC also works effectively to prevent birth defects and genetic diseases, and it has had remarkable success in reducing mental retardation, fetal alcohol syndrome, and neural tube defects, including spina bifida and anencephaly.

CDC also investigates many environmental hazards, including radiation, air pollution, and lead poisoning. In the 1970's, CDC was instrumental in encouraging the Environmental Protection Agency to order the removal of virtually all lead from gasoline, on the basis of studies that identified gasoline as a primary source of lead poisoning. The blood lead levels of American children have declined by 70 percent as a result of that action.

In another principle initiative, CDC is working in partnership with States and public and private organizations to reduce tobacco use and exposure to environmental tobacco smoke, by communicating health information to the public, and assisting States in conducting prevention programs to achieve these essential goals.

CDC promotes women's health in numerous ways, including the Breast Cancer and Cervical Cancer Program, sexually transmitted disease programs, reproductive health research and analysis, and women's health data collection. In addition, CDC has established an Office on Women's Health and has made these issues one of the five priorities of the agency.

CDC also responds to emergencies at home and abroad, including floods, hurricanes, earthquakes, and other disasters. It sent representatives to help respond to the terrorist bombing of the World Trade Center in New York City and the Federal building in Oklahoma City. In the last year, it has developed a national strategy for responding to emerging infectious disease threats. By implementing surveillance systems to identify problems and their causes, and developing appropriate responses, CDC's leadership has been indispensable in minimizing the impact of these threats on public health.

I commend the agency for its extraordinary contributions to the Nation and the world. We need its leadership now, more then ever. New public health challenges await us in the future. Diseases and disasters are no longer easily confined to their place of origin, and wars and natural disasters create new opportunities for the spread of infectious diseases. The lessons of the past 50 years have taught us that we must expect the unexpected. Whether the issue is fighting Ebola outbreaks in Africa the reemergence of drug-resistant tuberculosis in the United States, or many other public health threats, we know the Centers for Disease Control and Prevention will be at the forefront of the worldwide effort to combat them.

THE 50TH ANNIVERSARY OF THE CENTERS FOR DISEASE CONTROL AND PREVENTION

Mr. FRIST. Mr. President, on July 1, 1996, the Centers for Disease Control and Prevention will celebrate its 50th anniversary.

Mr. President, in the United States and around the world, the words "Centers for Disease Control and Prevention" are synonymous with public health. What started in 1946 as a small and comparatively insignificant branch of the Public Health Service, established to prevent the spread of malaria, is today one of the most highly regarded agencies in the Federal Government—an agency whose interests include every communicable disease known to man, and whose mission is to protect the public health by providing practical help whenever and wherever it is called upon to do so.

Over the years, the CDC has become more than just a center for disease control. As early as the 1950's, it became a center of epidemiology, providing surveillance of known diseases and ferreting out the cause of new ones wherever they occurred. From influenza, polio, tuberculosis, and smallpox in the United States to, more recently, Ebola fever in Zaire, the CDC has answered SOS calls from all over the world, and become not only a global leader in public health, but the Nation's and the world's response team for a wide range of health emergencies.

In 1992, it expanded its mission even further—from investigating and controlling disease to preventing it. Today, it champions the prevention of disability and premature death from chronic disease by promoting maternal, infant, and adolescent health, examining the interactions between people and their environment, coordinating the planning and implementation of various vaccine programs for children and adults, communicating information for public health action, and establishing a science base for public health practice.

Mr. President, over the years, the CDC has also had a variety of directors who have lead it with distinction, not the least of which is its current and distinguished director, Dr. David Satcher—a fellow Nashvillian whom I am proud to call my colleague and friend. A former president of Meharry Medical College, professor at the Morehouse School of Medicine, faculty member of the King-Drew Medical Center and the UCLA School of Medicine, Dr. Satcher brings not only world-class stature, but unmatched skill, integrity, and experience to his post as CDC.

Mr. President, it is my pleasure to extend to Dr. Satcher, and to all the staff and employees of the Centers for Disease Control and Prevention, my heartiest congratulations on the CDC's 50th anniversary, and my best wishes for their continued success in the future.

Mr. President, I thank the chair and yield the floor.

LEGISLATION REGARDING THE TERM "NORMAL TRADE RELATIONS"

Mr. CHAFEE. Mr. President, yesterday I joined with Senators ROTH, MOYNIHAN, BAUCUS, and others on the Finance Committee in introducing a measure that will clarify and emphasize the true meaning of most-favored-nation [MFN] trading status—a misnomer if there ever was one. This is a change I long have advocated, and I hope the Senate will move quickly to approve this legislation.

Since 1989, MFN has gained notoriety as a special favor, a boon, that we grant to other nations. Yet nothing could be further from the truth. MFN denotes a concept used by trading nations that has been around since the 12th century. That concept is simple: No nation shall be granted trade treatment less favorable than that granted to the most favored nation. In other words, no playing favorites. Every nation is to be treated equitably, without discrimination, when it comes to the terms of trade.

Thus, the concept represents the lowest common denominator of trade status—the basic treatment that all receive.

Over time, however, this concept came to be known not as, say, "nondiscriminatory treatment" status, or "least favored nation" status, but as "most favored nation" status. This unfortunate terminology has fostered the mistaken view that MFN is a special treatment granted only to a privileged few. In fact, just the opposite is true: MFN, as the basic trading status between nations, is granted to virtually all nations with whom the United States trades. The exceptions can almost be counted on one hand: Serbia, Laos, Afghanistan, Vietnam, Cuba, North Korea, and Cambodia. I might add that Cambodia is about to come off that already meager list, if legislation now pending in Congress is approved.

So while the concept of MFN is sound, the term used to denote that concept is misleading and has resulted in a good deal of mischief—a fact that Senators MOYNIHAN and I have lamented often during Senate Finance Committee hearings. It is time that we called the MFN nondiscrimination concept by a term that more accurately represents its meaning.

Therefore, I am joining with Chairman ROTH, Senator MOYNIHAN and all of my Finance Committee colleagues to amend U.S. law, where appropriate, to replace the term MFN with the term "NTR:" normal trade relations. From this point on, we will discuss legislation and hold debate on the nondiscrimination concept using the term NTR in place of MFN.

With the concept of MFN remain the same? Yes. Are we signaling a change in domestic policy, or modifying our international obligations in any way? No. But we are making perfectly clear to everyone the true meaning and purpose of this centuries-old concept. And it is my hope that our legislation will result in a better understanding of international trade relations, both here in the Congress and in the eyes of the public.

MARINE CORPS GENERAL OFFICER REQUIREMENT

Mr. WARNER. Mr. President, on Wednesday, my colleague from Iowa, Senator GRASSLEY, posed a legitimate question regarding the Marine Corps general officer requirement. As I said at the time, that question deserves a legitimate answer. His question basically was, Why does this year's Defense authorization bill provide an extra 12 general officers for the Marines at a time when the Marines are very much in a downsizing mode? The Marine Corps recognized the need for additional general officers several years ago. They developed a plan which was then validated by an independent civilian study and received scrutiny and approval at the Secretary of the Navy level. The Assistant Secretary of Defense received the study and found the rationale to be legitimate and supportable.

First, let me address Senator GRASSLEY's concern for the growth of service headquarters. The Marine Corps' request for additional general officers is not an attempt to increase the size of their service headquarters. For the record, half of those general officers authorized will fill warfighting billets which are currently vacant. Another four will be available for assignment to our warfighting CINCS and two will be used to fill the positions of commanding general at the two Marine Corps recruit depots. As Senator GRASSLEY quoted General Sheehan, "Service Headquarters should not be growing as the force shrinks." I agree, and General Krulak, Commandant of the Marine Corps agrees; Marine Headquarters will not be growing with the addition of these general officers.

Second, let me talk for a few minutes about why the Marines need the additional generals. As the Marines have been brought into the joint arena, the Corps received no increase in flag officer strengths while willingly picking up additional joint requirements at the general officer level. As they have been called upon to fill legitimate joint billets, the Marines have had to leave internal warfighting billets vacant. For instance, a Marine division and a Marine airwing have colonels serving as assistant commanders. This leaves only one general for forces of 18,000 and 15,000 respectively. The other services may have at least two to three flag officers in comparable units.

As I have said, 6 of the 12 generals included in the bill would go directly into existing vacant warfighting positions. Four of the other six would permit the Marines an appropriate representation at the senior level in the joint arena. This will ensure equitable representation in joint duty positions as we envisioned when we passed Goldwater-Nickles. Let me add that the study that I mentioned earlier documented an even larger requirement for additional marine generals. The Commandant reduced that to 14. Our staff validated only 12. I really believe that this is the right thing for this body to do. This matter has received the closest of scrutiny at all levels and was found to be sound.

In summary, Mr. President, the Marine Corps would agree with General Sheehan's remarks that the unwarranted growth of headquarters staffs ultimately threatens the services' warfighting capabilities. However, as I just discussed, the Marine Corps is not trying to increase the size of its headquarters staff, but is first attempting to correct a long-standing deficiency in the number of general officers authorized to fill existing warfighting billets, and second, is in good faith pursuing the need to meet the requirements of the joint warfighting arena mandated by Goldwater-Nickles. The Marine Corps' request has been studied extensively and is supported by both Secretary of the Navy, and the Department of Defense. Correspondingly, the Armed Services Committee has studied and agreed with the requirement.

I respect the inquiry from my colleague from Iowa. He asked a good question and I am pleased to be able to report that the Armed Services Committee's recommendation is supported by analytical evidence and is requirements based. I am confident that we have made the proper recommendation; however, I assure my colleague that the Armed Services Committee will continue to exercise its oversight responsibilities by reviewing the Marine Corps general officer requirements annually.

ALEXANDR LEBED'S ATTACKS ON FAITH

Mr. HATCH. Mr. President, when Alexandr Lebed called the Church of Jesus Christ of Latter-day Saints "mold and scum" he attacked my faith. Russia's new security chief—the man who stands behind Boris Yeltsin—attacked the faith of America's 6th largest church. I believe this requires an immediate and forceful response, and my colleagues and I have drafted a letter to Boris Yeltsin, Ambassador Vorontsov and Secretary of State Christopher.

In his campaign comments yesterday, Lebed struck the nationalist chord. He spoke of the "officially recognized" faiths of "Orthodox Christianity, Islam and Buddhism." There is no mention of Russia's Jews, and that concerns me greatly.

The Mormon faith is a "security threat" to Russia, according to Lebed. It is comparable to the Japanese cult that unleashed poison gas on Tokyo last year. Comparing the Christian faith of the Mormons to a murderous cult led by a deranged individual is a calumny. Referring to the Mormons as a security threat appears to be antidemocratic demoguogery reminiscent of communist propoganda.

Remember that, in the old days of communist propaganda, the Russian people were kept in ignorance and fear with official myths of fabricated foreign threats.

Remember that, in the old days of the communist regime, the totalitarian state disguised itself as a paternalistic state that denied all individual rights, including the freedom of religious practice.

We shouldn't be surprised, after all. Lebed has taken his outrageous rhetoric right out of the resurgent communist party's playbook. This bodes ill for democratic evolution in Russia.

I think Mormons should be insulted, and I am declaring my outrage here. I think Jews should be concerned, and I am declaring my complete support for Russian Jews here.

And I think the Russian people should be insulted. I have too much respect for the character, strength, and, yes, the spirit of the Russian people to think that they need to be patronized by threats of religious persecution.

I will continue to support democratic evolution in Russia. And I think that this evolution demands respect for all human rights—including the right to freedom of religion. I have expressed this in a letter I have drafted to President Yeltsin and Ambassador Vorontsov, and I am grateful that my colleagues here have co-signed it. I am also happy to sign the letter Senator BENNETT has drafted to Secretary of State Christopher.

I ask unanimous consent that these letters be printed in the Record.

I now call on Alexandr Lebed to apologize, and to demonstrate that he has no intention of repeating his threats to freedom of religion in Russia. The future of democratic Russia depends on the preservation of this freedom.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 28, 1996.

His Excellency BORIS YELTSIN,
President of the Russian Federation, The Kremlin, Moscow, Russia.

DEAR PRESIDENT YELTSIN: We are writing to express our outrage at the comments on religion reported by Western and Russian news agencies of your new National Security Council Chief, Alexandr Lebed. Mr. Lebed's malicious, unfounded and untrue remarks are an attack on all of the Christian faithful of the Church of Jesus Christ of Latter-day Saints, the Mormon Church. His comparison of the Mormons to a murderous cult in Japan is offensive, false, and a heinous calumny that could not be explained by mere ignorance.

In addition, his notable exclusion of the Jewish faith from the religions he believes should be "officially recognized" raises concerns worldwide. We are greatly worried over what such an omission means for Russia's Jews.

We are strong supporters of democratic evolution in Russia and have watched with great admiration many of the recent developments in your country. But we simply cannot understand how such hateful declarations of intolerance from leaders of the Russian government can be reconciled with individual human rights, the whole of which cannot exclude freedom of religion.

Furthermore, while we admire and support the very real movement toward democracy in Russia, we cannot ignore the manifestation, explicit in these remarks, of a mentality from Russia's authoritarian past that fabricates foreign threats and influences.

Finally, we have all studied Russian history. As citizens of a free country, we've probably had access to greater resources on Russian history than citizens of your country had up until a few years ago. Any understanding of Russian history must recognize the character and intelligence of the Russian people as well as their individual courage. It is simply incomprehensible to us that any of Russia's leaders would insult their own citizens with a paternalistic attempt to prevent them from making their own determinations about matters as deeply personal as religious beliefs.

Sincerely,

ORRIN G. HATCH.
JESSE HELMS.
ROBERT F. BENNETT.
ARLEN SPECTER.
HARRY REID.
JOSEPH I. LIEBERMAN.

U.S. SENATE,
Washington, DC, June 28, 1996.

His Excellency YULIY M. VORONTSOV,
Ambassador of the Russian Federation, Washington, DC.

DEAR MR. AMBASSADOR: We are writing to express our outrage at the comments on religion reported by Western and Russian news agencies of your new National Security Council Chief, Alexandr Lebed. Mr. Lebed's malicious, unfounded and untrue remarks are an attack on all of the Christian faithful of the Church of Jesus Christ of Latterday Saints, the Mormon Church. His comparison of the Mormons to a murderous cult in Japan is offensive, false, and a heinous calumny that could not be explained by mere ignorance.

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Sincerely,

ORRIN G. HATCH.
JESSE HELMS.
ROBERT F. BENNETT.
ARLEN SPECTER.
HARRY REID.
JOSEPH I. LIEBERMAN.

U.S. SENATE,
Washington, DC, June 28, 1996.

The Honorable WARREN CHRISTOPHER,
Secretary of State, U.S. Department of State, Washington, DC.

DEAR MR. SECRETARY: According to Western news agencies, yesterday General Alexander Lebed, the new head of Russia's National Security Council, made a number of comments on religious life in Russia today. First, he equated the Church of Jesus Christ of Latter-Day Saints to the Japanese terrorist cult Aum Supreme Truth. His characterization of the Church is defamatory and indefensible in any circumstances, let alone for the second most powerful official in the Russian Federation. Further, given Russia's history of anti-Semitism, his omission of the Jewish faith as an acceptable part of religious life in Russia further reflects a dangerous return to the practices of the past.

Equally disturbing, General Lebed's assessment of the principal religious traditions in Russia, beyond being false, is taken directly from the preelection speeches of Communist Party Gennadei Zyuganov. This willingness to adopt Communist misstatement on the part of a Russian government official leaves us genuinely concerned about whether the Russian political elite is serious in its efforts to break decisively with the Communist past.

As Senators, however, we are most offended that such statements by Mr. Lebed, or any other Russian official, indicate no tolerance in Russia for religious freedom or dissent of any kind. Such behavior demonstrates that, despite the presence of electoral institutions, Russia has made precious little progress toward the development of a civil society. Indeed, Mr. Lebed's statements may have demonstrated that the emperor of Russia "democracy" has no clothes.

Finally, Mr. Secretary, inasmuch as freedom of religion is a core element of American society and one of the bases of our current assistance program, we ask that you review United States assistance to Russia. In a separate letter, we will be raising the same issue with Brian Atwood, Administrator of AID. We look forward to your comments.

Sincerely,

ROBERT F. BENNETT.
HARRY REID.
ARLEN SPECTER.
ORRIN G. HATCH.
JOSEPH I. LIEBERMAN.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:58 pm., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3663. An act to amend the District of Columbia Self-Government and Government Reorganization Act to permit the Council of the District of Columbia to authorize the issuance of revenue bonds with respect to water and sewer facilities, and for other purposes.

H.R. 3675. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker also signed the following enrolled bills:

H.R. 2437. An act to provide for the exchange of certain lands in Gilpin County, Colorado.

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

MEASURE REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3675. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3228. A communication from the Acting General Counsel, Department of Commerce, transmitting, pursuant to law, a report relative to the support for S. 39; to the Committee on Commerce, Science, and Transportation.

EC-3229. A communication from the Secretary of Commerce, transmitting, pursuant to law, an annual report on Financial Overview for fiscal year 1995; to the Committee on Commerce, Science, and Transportation.

EC-3230. A communication from the Director of the Office of Global Programs, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "Climate and Global Change Program," received on June 12, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3231. A communication from the Director of the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a final policy statement relative to the Omnibus Trade and Competitiveness Act; to the Committee on Commerce, Science, and Transportation.

EC-3232. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report entitled "Commission's Rules to Permit Routine Use of Signal Boosters,"; to the Committee on Commerce, Science, and Transportation.

EC–3233. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a trade regulation rule concerning the incandescent lamp industry; to the Committee on Commerce, Science, and Transportation.

EC–3234. A communication from the Office of the Chairman, Surface Transportation Board, transmitting, pursuant to law, a report of rules relative to traffic; to the Committee on Commerce, Science, and Transportation.

EC–3235. A communication from the Office of the Chairman, Surface Transportation Board, transmitting, pursuant to law, a report of rules relative to rail lines; to the Committee on Commerce, Science, and Transportation.

EC–3236. A communication from the Deputy Director of the Office of Public/Private Initiatives, International Trade Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "International Buyer Program," (RIN0625–XX07) received on June 17, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3237. A communication from the Director of the Resource Management and Planning Staff, Trade Development, International Trade Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "Market Development Cooperator Program," (RIN0625–ZA03) received on June 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3238. A communication from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, an annual report relative to Congress Civil Aviation Security; to the Committee on Commerce, Science, and Transportation.

EC–3239. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report of a final rule entitled "Summer Flounder Fishery," (RIN0648–AI93) received on June 20, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3240. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of an interim final rule entitled "Fisheries in the Caribbean, Gulf of Mexico, and South Atlantic," (RIN0648–AI20) received on June 24, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3241. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Bering Sea and Aleutian Islands Area," received on June 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3242. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Bering Sea and Aleutian Islands Area," received on June 21, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3243. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Pacific Halibut Fisheries," received on June 7, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3244. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Reef Fish Fishery of the Gulf of Mexico," received on June 24, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3245. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Bering Sea and Aleutian Islands Area," received on June 24, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3246. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Pacific Coast Groundfish Fishery," received on June 12, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3247. A communication from the Director of the Office of Fisheries, Conservation and Management, National Marine Fisheries Service, transmitting, pursuant to law, the report of a final rule entitled "Ocean Salmon Fisheries Off the Coasts of Washington, Oregon, and California," received on June 24, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3248. A communication from the Office of the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to noise figure performance measurements; to the Committee on Commerce, Science, and Transportation.

EC–3249. A communication from the Office of the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to open video systems; to the Committee on Commerce, Science, and Transportation.

EC–3250. A communication from the Office of the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to FM broadcast stations; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with amendments:

S. 1423. A bill to amend the Occupational Safety and Health Act of 1970 to make modifications to certain provisions, and for other purposes (Rept. No. 104–308).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1174. A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Lamprey River in New Hampshire as components of the National Wild and Scenic Rivers System, and for other purposes (Rept. No. 104–309).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1226. A bill to require the Secretary of the Interior to prepare a study of battlefields of the Revolutionary War and the War of 1812, to establish an American Battlefield Protection Program, and for other purposes (Rept. No. 104–310).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1874. A bill to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974 (Rept. No. 104–311).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 238. A bill to provide for the protection of wild horses within the Ozark National Scenic Riverways and prohibit the removal of such horses (Rept. No. 104–312).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1014. A bill to authorize extension of time limitation for a FERC-issued hydroelectric license (Rept. No. 104–313).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN (for himself and Mr. JEFFORDS):

S. 1922. A bill to amend the Employee Retirement Income Security Act of 1974 to establish a Pension ProSave system which improves the retirement income security of millions of American workers by encouraging employers to make pension contributions on behalf of employees, by facilitating pension portability, by preserving and increasing retirement savings, and by simplifying pension law; to the Committee on Finance.

S. 1923. A bill to establish a Pension ProSave system which improves the retirement income security of millions of American workers by encouraging employers to make pension contributions on behalf of employees, by facilitating pension portability, by preserving and increasing retirement savings, and by simplifying pension law; to the Committee on Labor and Human Resources.

By Mr. STEVENS:

S. 1924. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel DAMN YANKEE; to the Committee on Commerce, Science, and Transportation.

By Mr. GORTON (for himself, Mr. COATS, Mr. HATCH, Mr. FAIRCLOTH, Mr. WARNER, Mr. GREGG, Mr. FRIST, Mr. COCHRAN, Mr. LOTT, Mrs. KASSEBAUM, Mr. KYL, Mr. MACK, Mr. NICKLES, and Mr. PRESSLER):

S. 1925. A bill to amend the National Labor Relations Act to protect employer rights, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. COCHRAN (for himself and Mr. SPECTER):

S. 1926. A bill to provide for the integrity of the medicare program under title XVIII of the Social Security Act, and for other purposes; to the Committee on Finance.

By Mrs. BOXER:

S. 1927. A bill to prohibit 401(k) plans from investing in collectibles and to require certain 401(k) plans to provide to participants annual, detailed reports on the investments made by such plans; to the Committee on Finance.

By Mr. LEVIN:

S. 1928. A bill to amend the Internal Revenue Code of 1986 to eliminate tax incentives for exporting jobs outside of the United States, and for other purposes; to the Committee on Finance.

By Mr. WELLSTONE:

S. 1929. A bill to extend the authority for the Homeless Veterans' Reintegration Projects for fiscal years 1997 through 1999, and for other purposes; to the Committee on Veterans Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BROWN:

S. Res. 275. Resolution to express the sense of the Senate concerning Afghanistan; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN (for himself and Mr. JEFFORDS):

S. 1922. A bill to amend the Employee Retirement Income Security Act of 1974 to establish a Pension ProSave system which improves the retirement income security of millions of American workers by encouraging employers to make pension contributions on behalf of employees, by facilitating pension portability, by preserving and increasing retirement savings, and by simplifying pension law; to the Committee on Finance.

S. 1923. A bill to establish a Pension ProSave system which improves the retirement income security of millions of American workers by encouraging employers to make pension contributions on behalf of employees, by facilitating pension portability, by preserving and increasing retirement savings, and by simplifying pension law; to the Committee on Labor and Human Resources.

THE PENSION PRO-SAVE ACT

Mr. BINGAMAN. Mr. President, I appreciate very much the chance to speak, address the Senate today on the very important issue of retirement security. The Senator from Vermont, Senator JEFFORDS, and myself are introducing today two bills. I will just read the title for people so that they will get an idea what these bills will do:

> To establish a Pension ProSave system that improves retirement income security for millions of American workers by encouraging employers to make pension contributions on behalf of employees, by facilitating pension portability, by preserving and increasing retirement savings, and by simplifying pension law.

Mr. President, before I describe our proposal, let me describe the problem, because I think the problem we are attempting to confront is severe, is serious, and affects many of us in this country. This first chart I have here describes the problem very well. This is a chart with the title, "More Than 50 Million Workers Are Not Earning A Pension."

This pie chart shows that over half of the private sector workers in this country today, 50.8 million people, as of April 1993, so I am sure it is even larger now, but over 50 million people are not covered by any kind of pension. This, of course, is separate from Social Security, which is not a pension program. But as regards any other type of pension, more than half of our workers are not covered today.

Let me show another chart that sort of breaks this down by State and shows the problem as it exists from State to State. You can see the percentages. This chart shows on a map here the percentage of people covered by some type of pension plan in each of our States. People might ask, why is a Senator from New Mexico even interested in this issue? I can tell you why. When you look at New Mexico, we have the lowest percentage of our workers covered by pensions of any State in the Union; 29 percent of our private sector employees in New Mexico actually have some degree of pension coverage.

Let me show another chart here, which tries to make the same point somewhat differently and just shows the percentage of workers who do not have coverage: "State Differences In Pension Coverage." Starting from the top, the State with the largest percentage of workers not covered is New Mexico, with 71 percent; next Louisiana, 69 percent; then Nevada, 67 percent; and on down the list.

I see my friend from North Dakota on the floor. In his State, 61 percent percent of the people in that State do not have any pension coverage. So this is a serious, serious problem.

The final chart I will show is a chart to make the point that the problem is not getting better or getting solved. In fact, it is getting worse. This shows two different figures here, first the figure for 1979 and then the figure for 1989. The red is the percentage of coverage that existed in 1979, the yellow is the percentage of coverage that existed 10 years later, in 1989, for different groups in our society depending upon the extent of the education they have received.

We can see for those with less than a high school education, in 1979, 44 percent of those people were covered; in 1989, 28 percent. And on and on down through the list. Again, it is clear that our Nation has a severe problem to confront.

Second, it is clear the problem is getting worse. The reasons for inadequate pension coverage are what we need to focus on. I believe there are four key reasons why so many of our citizens have no pension coverage.

First, present law does not provide adequate incentives for employers to contribute to a pension plan for themselves and their employees. Many of our small businesses, the vast majority of our small businesses, do not contribute at the present time because those incentives are not there.

A second reason is that, in addition to inadequate incentives, present law imposes significant administrative duties on employers who wish to assist in providing pension coverage.

A third reason is that the rapid pace of job change, combined with significant waiting periods before retirement benefits vest, results in many employees losing their rights to retirement benefits when they move from job to job.

The fourth reason is that present law greatly limits the amount of pretax savings that a person can achieve unless his or her employer does take on this administrative duty of establishing a pension plan.

Let me describe briefly the proposal that Senator JEFFORDS and I are putting before the Senate today and are having referred to committee. This Pension ProSave proposal seeks to increase the number of Americans with some level of pension benefits by curing the deficiencies that are presently in the law. First, it provides an additional tax incentive to an employer if he or she commits an amount equal to at least 1 percent of each employee's salary to a pension for all employees. The maximum amount each year that an employer may contribute for each employee would be $5,000.

A second way we are trying to correct deficiencies is that the administrative duties on the employer wishing to participate in this Pension ProSave proposal are kept to an absolute minimum. Employers are given the flexibility to increase the amount of the contribution to the pension plan or to suspend payments entirely for a single year, if that is necessary because of economic hardship in the business. The employer participating in Pension ProSave is free of any future pension obligations to employees once those employees leave the job. That is a very important benefit to employers, as we see it.

A third way we are trying to correct deficiencies is that the employee will become eligible to accrue pension benefits whenever those pension benefits are made by the employer. If the employer wants to participate in Pension ProSave, the employer would have to go ahead and make contributions for each employee once the employee has been employed for 6 months. But those payments would vest immediately once they were made into the ProSave account of the employee.

When an employee not covered by Pension ProSave leaves a job where benefits have accrued, that employee would have the right to direct the employer to transfer the cash equivalent of accrued pension benefits to an account in the name of the employee and the Pension Portability Clearinghouse which we are establishing under this act.

Under Pension ProSave, an employee may save additional pretax dollars for his or her own retirement in the amount twice what the employer contributes each year, to a maximum of $5,000, whichever is less. Amounts employees are permitted to save are in addition to what might be saved in an IRA or some other pension plan.

To accomplish this set of objectives, we are proposing to establish a nonprofit, private corporation chartered by an act of Congress, which would be designated the Pension Portability Clearinghouse, to administer the Pension ProSave system. The corporation would be governed by a board, the members of which would be appointed by the President, with the advice and consent of the Senate.

Payments into the clearinghouse would occur, first, when an employee who has chosen to participate in Pension ProSave makes a payment to the account of an employee;

Second, when an employee makes a payment, as permitted, which could be up to twice what the employer has made that same year;

And third, as I indicated before, when an employer who does not participate at the direction of the employee transfers cash payments to a Pension ProSave account when the employee leaves that employer's company.

There are some similarities in what we are proposing to the TIAA-CREF model, with which many people are familiar. TIAA-CREF is the largest pension plan for administration of pension benefits that currently exists in this country, and I believe in the world. TIAA-CREF, originally established by Andrew Carnegie to help those teaching in universities to have pension coverage when moving from one educational institution to another, current manages more than $136 billion for approximately 1.7 million participants at more than 5,500 institutions.

The similarities between the Pension Portability Clearinghouse and TIAA-CREF are that we would have central administration of accounts for multiple employers.

Also, we would provide the ability of employees and employers to use the mechanism of Pension ProSave accounts if they chose to.

We differ from TIAA-CREF in several significant ways also. First of all, Pension ProSave would be open to all employers, not just to those in a particular industry or particular field. TIAA-CREF, for example, is limited just to those involved with higher education or research.

Pension ProSave is limited strictly to maintaining records of account balances and not to managing funds or selling annuities. Again, that would be a significant difference between what we are proposing and TIAA-CREF.

We also have some similarities in this proposal to the Federal thrift savings plan in that we do provide a means to establish a retirement account and to add to it as a person proceeds through their career.

We differ from the thrift savings plan in obvious ways also in that we have designed Pension ProSave for contributions to retirement savings even as a person moves from job to job. The thrift savings plan, of course, is limited to Federal employees, people working for a single employer.

Pension ProSave provides for immediate vesting of employee contributions. The thrift savings plan for Federal workers does not.

Pension ProSave does not have any requirement on employers to match contributions by employees as the thrift savings plan does.

So what we are proposing is not a carbon copy of TIAA-CREF; it is not a carbon copy of the Federal thrift savings plan either. Instead, it is a new mechanism which employers could choose to take advantage of or not, as they see fit. For those who do choose to participate, it provides a hassle-free way for the employer and the employee to save more pretax dollars for retirement.

There is one other feature of Pension ProSave that I want to highlight, and that is the opportunity it provides for employers to engage in profit sharing with their employees. Suppose, for example, that I am a small business owner and I am not sure from one year to the next how well or how poorly my business will do. Under Pension ProSave, I would have the option of setting up Pension ProSave accounts for each employee by committing to contribute as little as 1 percent of their salary into those accounts each time I issue a paycheck to them.

By making that 1 percent contribution, I give each employee the opportunity to contribute an additional 2 percent from their own resources. But if I do contribute the 1 percent each pay period from January, say, through December and then decide that it has been a very good year for my business and I want to share some of the profit with employees, I could increase that contribution into Pension ProSave for my employees to 2 percent or to 5 percent, as long as I did not exceed the $5,000 total limit per employee.

This proposal does provide a hassle-free way to save pretax dollars for retirement, a hassle-free way to participate with profit sharing programs for employees. It promotes savings. It will help more people to reach retirement with pensions. It will help to buffer individuals against the turbulence of this economy we live in. It will provide more employers with a good vehicle for profit sharing. All of those are major benefits to our Nation.

Mr. President, one cause of the extraordinary economic anxiety in our Nation is related to the eroding sense of financial security at retirement. A recent study of worker's views of their present and future economic circumstances found that most people believe that despite the twists, turns, and pitfalls in our rapidly changing economy, that they can chart a successful course to retirement. But their anxiety levels were extremely high when concerns about the solvency of Social Security and about the great number of Americans without pension benefits were mentioned.

Americans include retirement security in their personal strategies for economic success. I believe that America is calling for a credible proposal that will get more of our Citizens covered by some kind of pensions.

There is no doubt that increasing retirement savings will help bolster national savings, which will help spur more long-term investment and economic growth. I urge my colleagues to review this proposal which Senator JEFFORDS and I are offering and join us in this effort to improve retirement security for many millions of Americans.

Mr. JEFFORDS. Mr. President, the problem of retirement security is an ever mounting challenge to the future welfare of our Nation. More than 51 million Americans are not covered by any kind of pension plan. The aging of the baby boom generation will dramatically increase the retired population in proportion to the working population early in the next century.

Our Nation is facing certain crisis if we fail to take steps to correct this problem of people working until retirement—and finding that their Social Security benefits fail to maintain adequate and acceptable living standards. Despite the proliferation of retirement products in various forms of IRA's and 401(k) plans, patterns clearly show that those who earn enough to save probably do. Our problem is that over the last 15 years, we have had no increase in the percentage of our workforce that is participating in a qualified pension program.

Mr. President, in order to ensure that this Congress does face the issue of retirement security for all working Americans and not just the fortunate minority who are saving, I am introducing with my colleague, Senator BINGAMAN, the Retirement Security for All Americans Pension Pro-Save Act.

The bill we are introducing outlines a concept for pension expansion and portability that has been discussed in this Chamber several times over the last several decades but which has not evolved until now as legislation. The

Pension ProSave System would improve the retirement income security of millions of working Americans by encouraging employees to make contributions on their behalf, by facilitating pension portability, by preserving and significantly increasing retirement savings and by simplifying pension law.

Despite 17 years of availability of simplified pension plans, pension coverage remains low in the small business sector. Even when covered by a tax-advantaged pension plan, many workers cash out their own contributions made to the pension plan when they leave one job rather than roll them over into another retirement vehicle. Tax penalties unfortunately have not been entirely successful in discouraging the spending of these midcareer retirement savings disbursements. Of the $47.9 billion in preretirement distributions made in 1990, less than 20 percent of recipients reported putting the entire distribution into another tax-qualified retirement plan.

The Pension ProSave System is modeled after the highly successful Teachers Insurance and Annuity Association-College Retirement Equity Fund (TIAA-CREF), the largest private pension system in the world with assets over $136 billion and about 1.7 million participants at about 5,500 institutions. This proposal targets those who are working their way toward retirement—and will have little or no private pension plan to supplement their Social Security benefits. Pension Pro-Save is designed to supplement other pension vehicles and will increase pension coverage to millions of American workers, especially for those who work for small businesses.

The benefits of Pension ProSave are first, it would provide an incentive and a simple, hassle free way for employers to provide portable pension benefits to their workers. Employees could also make matching contributions to their accounts on a 2:1 basis to a maximum of $5,000. The employer's contributions also would not exceed $5,000. Mr. President, I want to emphasize that these are the employee's accounts—not the Government's and not the employer's. These accounts will remain with those workers the duration of their lives.

Second, Pension ProSave would stop the leakage of retirement savings by furnishing employer's pension contributions into a portability clearinghouse. Worker's account balances would be invested and managed by private sector firms in diversified portfolios.

Mr. President, the funds contributed by an employer to the retirement security of his or her employees by way of a ProSave account will remain there and be invested at the direction of the employee until retirement. The Portability Clearinghouse will contract with investment firms to manage funds through the Clearinghouse. Investment options would include a fixed income fund, an equity fund, a Government securities fund, small business capitalization fund, an international fund, and a public infrastructure fund.

Employers will have no responsibility for administering a pension fund or managing funds for employees who have left their employment. This should be very attractive to businesses that do not desire to carry long-term responsibilities for workers who have moved on. Employer contributions are locked into the Pension ProSave accounts until retirement, funds contributed by the employee are available to be loaned for certain purposes and under terms established by the Portability Clearinghouse Board.

Mr. President, I have no doubt that some who oppose this plan will rattle the cages and make claims that this act is nothing but more big Government, another bureaucratic institution that spreads the Government further into our lives. These claims would be wrong—and will only serve to maintain an economic reality that permits those best off in our society to take advantage and save up to $30,000 a year with Government provided tax advantages for 401(k)s and other employer sponsored private pension plans. Government does have an important role to play because the market has failed to provide the extension of pension coverage to 51 million Americans.

It is unacceptable that workers who don't have an employer provided pension plan—can only save $2,000 a year in IRA accounts. We must now do what we can to provide an incentive to employers to provide modest retirement security for more employees. This plan is an enabler—it creates a structure, similar in many ways to the TIAA-CREF model established at the beginning of this century by Andrew Carnegie to provide pension portability for professors and university employees moving between one higher education institution and another.

We have a responsibility not only to create a more equitable savings structure for those Americans who have the desire and wherewithal to save—but also to the many Americans who are low-income workers who move from job to job, finding themselves with little or no private pensions to help them in their retirement years.

Pension ProSave promotes savings, helps more people reach retirement with pensions, helps buffer against the turbulence of the economy, and provides many employers with a good vehicle for profit sharing. All of these are benefits for our Nation as a whole.

Interestingly enough, any plan that succeeds in establishing more retirement security for our working population is scored as costing our country short-term tax revenue. By the year 2029, when the youngest baby boomers reach age 65, more than 68 million persons will be older than 65—accounting for more than 20 percent of the U.S. population, compared to just 12 percent today. As a result, the ratio of workers contributing to Social Security will fall to two workers for every retiree. Rising Medicare and long-term care costs add even more to the savings retirees will need.

Mr. President, I ask you and my other colleagues in this Chamber to stop thinking in the short term and not wait until the baby boomers begin to retire. If we do not begin to find the way to increase the ability of private employers and individuals to finance retirement needs the cost to our country will be much greater than revenue loses. Establishing Pension ProSave accounts is an investment that will help our Nation avoid a social train wreck that is just waiting to happen.

By Mr. STEVENS:

S. 1924. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Damn Yankee*; to the Committee on Commerce, Science, and Transportation.

JONES ACT WAIVER LEGISLATION

• Mr. STEVENS. Mr. President, today I am introducing a bill to provide a certificate of documentation for the vessel *Damn Yankee*.

The *Damn Yankee* (vessel number 263611) is a 40 foot vessel owned by David Guthert of Juneau, AK. It was built in Bellingham, WA, in 1952. Because of a gap in the ownership records of this vessel, it has been determined to be ineligible for documentation under the Jones Act. Mr. Guthert plans on using the boat for charter purposes.

I ask for unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 (App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsements for employment in the coastwise trade for the vessel DAMN YANKEE (vessel number 263611).•

By Mr. GORTON (for himself, Mr. COATS, Mr. HATCH, Mr. FAIRCLOTH, Mr. WARNER, Mr. GREGG, Mr. FRIST, Mr. COCHRAN, Mr. LOTT, Mrs. KASSEBAUM, Mr. KYL, Mr. MACK, Mr. PRESSLER, and Mr. NICKLES):

S. 1925. A bill to amend the National Labor Relations Act to protect employer rights, and for other purposes; to the Committee on Labor and Human Resources.

THE TRUTH IN EMPLOYMENT ACT OF 1996

• Mr. GORTON. Mr. President, I am pleased today to join with Senators COATS, HATCH, FAIRCLOTH, WARNER, GREGG, FRIST, COCHRAN, LOTT, KASSEBAUM, KYL, MACK, PRESSLER, and NICKLES to introduce an important piece of legislation designed to alleviate an unfair practice affecting thousands of businesses in my home State of Washington and across the country. It is the Truth in Employment Act of 1996, which will curb the abuses of the union organizing tactic known as salting.

Salting, Mr. President, occurs when unions send paid, professional organizers and union members into nonunion workplaces under the guise of seeking employment. The unions' avowed purpose in these salting programs is to harass the company, its employees, and to disrupt the jobsite until the company is either financially devastated or joins the union, whichever comes first. The key problem is that unions have trained their agents to use and abuse the procedures of the National Labor Relations Board as an offensive weapon against nonunion employers, largely by filing frivolous unfair labor practice charges.

This fall, in Town & Country, the Supreme Court ruled that paid, professional union organizers are "employees" within the meaning of the National Labor Relations Act. Under the broad interpretations of the National Labor Relations Act, provisions prohibit employers from discriminating against employees because of other union interests or activities. This places employers, most of them small, mom-and-pop businesses, in a disastrous Catch-22: if they hire the union salts, they are subjected to outrageous internal harassment, but if they do not hire them, the salts cry discrimination and file frivolous charges. Employers are forced to make decisions about hiring, which may threaten the very existence of their businesses. Naturally, these businesses are concerned that the Supreme Court's ruling gives the unions carte blanche to use organizing techniques such as salting.

I continue to hear from small businesses from across my home State on this issue. In Snohomish county, a mid-sized mechanical subcontractor has employed over 70 union members over the years to work side-by-side with nonunion employees pursuant to project agreements. Despite this, the operating engineer's union carries out a classic salting campaign involving 14 union applicants, one of whom is a business agent. When none of the applicants are hired, the union files unfair labor practice charges. Despite the employer's history of employing union members pursuant to project agreements, the NLRB's regional office finds sufficient merit to issue a complaint and proceed to a hearing. After spending $21,000 in attorneys fees, they settled for $10,500.

Mr. President, this is just one example of the devastating economic effect salting has had on small businesses in my State. Small businesses are the backbone of our economy, providing jobs to millions of people. Understandably, this has become a serious issue for thousands of businesses across the country. Trying to defend themselves against frivolous discrimination charges, employers must incur tens of thousands of dollars in legal expenses, delays, and lost hours—time and resources, which could be better spent expanding businesses and creating economic opportunity in local communities.

The Truth in Employment Act will amend the National Labor Relations Act by adding a provision that establishes that an employer is not required to hire a person seeking employment whose primary purpose is to represent a union in an organizational struggle. Under this bill employees will continue to be afforded their right to organize and engage in the activities protected under the National Labor Relations Act. It is in no way the intent of this bill to infringe upon those rights or protections. Employers will continue to be prohibited from discriminating on the basis of union membership or activism. The bill, however, curb the abuses of salting. Abuses that have caused one constituent in my State to declare bankruptcy, one to agree to sign a union agreement because he "was too old to go through the harassment again," one who is afraid to hire more employees, one who has in excess of $100,000 in legal fees and another who just "got off easy" with $40,000 in legal fees. These are not large firms, Mr. President, they are family-run businesses.

That is the issue, Mr. President, and that is why I am introducing the Truth in Employment Act. I encourage my colleagues to help me pass this bill and restore fairness to our small businesses.•

• Mrs. KASSEBAUM. Mr. President, I am pleased to join Senator SLADE GORTON, who is my colleague on the Senate Committee on Labor and Human Resources, as a cosponsor of his bill, the Truth in Employment Act of 1996. This legislation addresses an issue known as salting.

Over the last few years, professional union organizers, known as salts, have attempted to gain access to private property for organizing purposes. Sometimes, supervisors refuse to provide access to the property. Other times, if organizers gain access to the property, they have destroyed equipment and been disruptive.

Whether or not the organizers gain access to the property, they five numerous charges with the National Labor Relations Board [NLRB], knowing that the cost of defending such groundless charges ultimately must be borne by the employer. This process, known as salting, is an abuse of our system and is nothing less than outright harassment.

Our Federal labor law protects the right of workers to organize a union. It does not and it should not protect unions as they attempt to use our Federal agencies to harass companies.

I recognize at this late date in our legislative session that this bill has little chance of becoming law in 1996. I also understand that concerns had been raised over how to address the salting problem through legislation. Because this is an important issue, though, we need to move forward by introducing a bill. I hope that through the process of hearings in our committee, we will find an acceptable legislative solution that all parties can accept.•

By Mr. COCHRAN (for himself and Mr. SPECTER):

S. 1926. A bill to provide for the integrity of the Medicare Program under title XVIII of the Social Security Act, and for other purposes; to the Committee on Finance.

THE MEDICARE EMERGENCY PROTECTION ACT OF 1996

•Mr. COCHRAN. Mr. President, earlier this month, the Medicare trustees released their 1996 annual report on the fiscal solvency of the Medicare trust fund. The bottom line is that the Medicare trust fund is going broke. And it is going broke sooner that we had been told.

Last year's report revealed Medicare's deteriorating financial condition, but it was optimistic compared to the report released earlier this month. This month's report predicted the program will be bankrupt just 5 years from now—possibly running out of money as early as calendar year 2000.

This means by that time, there will be no funds available to pay for the hospital care for our Nation's senior citizens.

Last year, Congress passed and sent to the President a balanced set of reforms which would have kept Medicare solvent through the next generation while still increasing spending per beneficiary from $4,800 per year to more than $7,100 per year. It also offered seniors more choices and included incentives to combat fraud and abuse.

Unfortunately, President Clinton vetoed the Medicare Preservation Act, which was included as a part of the Balanced Budget Act.

Because I am tired of the partisan conflict on this issue, I am introducing the Medicare Emergency Protection Act of 1996, which incorporates the President's Medicare cuts. If the President will not approve our Republican proposal for reform of the Medicare program, I suggest we pass the President's bill. We cannot allow partisan bickering and political grandstanding to prevent the resolution of this crisis.

The American people are fed up with this kind of politics with the gridlock on this issue. It is like Nero playing his fiddle while Rome burned.

I am fed up with this stalemate too. I suggest we adopt the short-term changes recommended by the President which cut the costs of the program and create the commission to recommend the long-term changes to save Medicare.

My bill has two parts. The first part incorporates the President's proposed cuts in Medicare. But it excludes his accounting gimmick which would transfer the costs of home health care from the Hospital Insurance Program to the Supplemental Medical Insurance Program. While this transfer would extend the technical solvency of the trust fund, it would shift billions of dollars in additional costs to the general taxpayer.

The second part of this legislation creates a commission similar to the National Commission on Social Security Reform. As some of my colleagues will recall, that Commission was established by President Reagan and the Congress in 1981. The Commission suggested reforms which will maintain the fiscal solvency of the Social Security trust fund until sometime after the year 2025.

Last year, Majority Leader Dole and Speaker GINGRICH proposed a similar commission to address the fiscal insolvency of the Medicare trust fund. Unfortunately, the Clinton administration rejected that proposal.

However, in their recent report, the Medicare trustees, which include three members of President Clinton's Cabinet, themselves proposed the establishment of a commission.

Now, there is obvious bipartisan support for this proposal. The National Commission on Medicare Reform will have 1 year to consider options for reform to secure the long-term fiscal solvency of the Medicare trust fund. Once the members of the Commission have settled on a set of reforms, the President will review the proposal. If he approved it, he will submit the proposal to the Congress. Under expedited procedures, the House of Representatives and the Senate will consider it and, without amendment, vote up or down to approve or reject the reforms.

I urge my colleagues to approve this legislation. Each day that passes makes the eventual solutions more difficult to achieve.

I ask unanimous consent that copies of the statement I made on this subject in the Senate on June 6 and 7 be reprinted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Congressional Record, June 6, 1996]

MEDICARE INSOLVENCY

Mr. COCHRAN. Mr. President, this afternoon, we had a interesting hearing in the subcommittee for appropriations which is chaired by the distinguished Senator from Pennsylvania [Mr. SPECTER]. The witness was the Secretary of Health and Human Services, Secretary Shalala. We were examining the budget request being submitted by the administration for appropriations to operate the Department of the Government for the next fiscal year than begins October 1.

Secretary Shalala happens to be in another capacity a trustee of this group who have the responsibility of monitoring the trust fund that supports the benefits paid out under the Medicare Program. Since that group of trustees had just made their report public yesterday at the news conference which we all read and heard about, that subject came up.

It occurred to me, since there was before the general public a suggestion by the President that he had made recommendations that were almost identical with the Republican suggestion about how to protect the benefits of this Medicare Program and how to deal with this impending insolvency of that fund, it occurs to me that we are going to see more of the same kind of political shenanigans from now until the end of this year, with nothing being done unless somebody is ready to say, "OK, we will go along with your proposal."

The President can say that to the Congress, or we can say that to the President. I am prepared at this point to suggest, in a serious way, and said this to Secretary Shalala at the hearing, the Congress accept the President's suggestions. We can pass the suggested changes for short-term relief of pressure on that fund, but at the same time appoint a commission which is also called for by the President and the trustees in their report to propose long-term changes, changes to affect the long-term insolvency problems of the trust fund, and that the Congress, through its leaders and the President himself, agree to implement the recommendations of that commission for long-term changes.

It seems to me that is one way to resolve this as a part of this argument over whether Republicans are trying to cut taxes, to impose changes on Medicare beneficiaries as a part of a budget balancing act. We already, in the Congress, submitted to the President proposals to rescues the Medicare Program. That was a part of the Balanced Budget Act which the President vetoed. He has already rejected what Congress has suggested. After weeks and weeks of negotiations with leaders of the Congress and the President at the White House, all we got out to it were some photo ops, some political posturing, partisan sniping. We have had enough of that. The American people are fed up with that kind of politics. That is not the way to run the Government. I am tired of it.

I have recommended and seriously urge this Congress to accept the recommendation of the President—not the one, of course, that says that home health care ought to be paid for out of the general Treasury; I am talking about changes that will reduce the costs of the program in a way that saves the program from insolvency—they recommended last year that we had to act before the year 2002, that we were going to see an insolvency, there would be a bankrupted fund, in effect.

Now, the report this year is worse than that. The year before it was going insolvent. Under the last report, it is going to lose $33 billion, and the following year $100 billion. Contrary to what the junior Senator from West Virginia said, that this is a Republican-manufactured crisis, that is an outrageous comment. That is totally outrageous. These trustees are Democrats by and large. Secretary Rubin said it, Secretary Shalala said it is going to be insolvent, the head of the Social Security Administration was standing there and agreed with them. That is not a group of Republicans. The Republicans are not manufacturing a crisis. The crisis is real. The crisis is now.

It is irresponsible for us to continue to sit here and listen to this kind of arguing made by Senators on the other side that this is some kind of effort by Republicans to frighten older people. I am frightened. I am not an eligible beneficiary yet. We have to act.

I want to commend the Senator from Pennsylvania for his leadership in an effort to get the Secretary to agree to recommendations to the administration, that they take a stand, put their recommendations in the form of legislation, send it to the Hill, and see if we can pass it.

MEDICARE TRUST FUND

Mr. COCHRAN. Mr. President, first, I want to commend the distinguished Senator from Georgia [Mr. COVERDELL], and those who spoke this morning on the subject of a balanced budget amendment and the unfortunate consequences of our failure to deal with the problem of the ever-increasing deficits.

We also had a few of those Senators mention, as an aside, the problem with the Medicare trust fund. I wanted to remind Senators that we had a hearing yesterday in the Appropriations Subcommittee that funds the Department of Health and Human Services, and Secretary Donna Shalala came before the committee to present the President's proposed budget for that Department for the next fiscal year. She serves, along with others in the administration, on this panel of trustees, whose responsibility it is to monitor and help keep Congress and the administration informed about the integrity of the trust fund, and supports the Medicare Program.

The trustees, earlier this week, talked about the fact that the worst case scenario for future deficits in that program had been exceeded, and that rather than having the program go bankrupt, be hopelessly insolvent by the year 2002, it was going to be bankrupt earlier. By the year 2000, it would be out of balance by over $30 billion, and the following year, it would be out of balance and in deficit at the figure of $100 billion.

The consequences of this report have to wake up everybody to the realization that unless Congress and the administration quit playing politics with this issue, it is going to be insolvent. This program is going to be in jeopardy, and benefits are going to be in jeopardy as well.

I think the time has come for us to say, OK, the Republican Congress passed a balanced budget act last year. It included in that suggested reforms in the Medicare Program that would have put it in balance, would have kept it solvent, would have made some needed changes in the program to give older citizens more choices, more protection, so that their medical expenses and benefits could continue to be paid through this program.

The President vetoed the bill. He rejected the balanced budget act. So we started over again. This year, the Budget Committee is wrestling with the problem of reconciling budget resolutions, which contain projected expenditures under this program, as well as all other Federal programs, with an effort to continue to build toward a balanced budget plan as soon as possible. Their projection is the year 2002.

What I am going to suggest is that, in this politically charged environment of Presidential politics and campaigns for House and Senate seats underway—and we have to admit it—it is unlikely that this administration is going to change its mind and embrace the Republican proposals. And so we have to acknowledge that.

The President, at the same time, has made a counteroffer, as I understand it, and has proposed some changes in the Medicare Program, which would achieve savings of $116 billion over the same period of time. The Republican proposals would have achieved savings of almost $170 billion.

Let us say, OK, Mr. President, have it your way for the short term. Let us introduce the President's proposed changes in the Medicare Program. Let us accept his proposals for changes and cuts in the Medicare Program and enact them next week, or the week following. If the reconciliation bill from the Budget Committee's resolution is vetoed by the President or not supported by the Democrats in that area of the budget, let us isolate the Medicare Program changes and enact some changes.

I suggest, let us enact the President's proposed changes and cuts in the program and, at the same time, establish a commission—which the President has recommended, the trustees have recommended in their report, including Secretary Shalala, Secretary Reich, Secretary Rubin, and others, who serve on that trustee panel—to recommend long-term changes in the Medicare Program that would ensure its solvency and protect the benefits for the older citizens in our society over the long term.

I do not see anything wrong with that. As a matter of fact, I have been suggesting that that be considered as an alternative. If Congress and the President cannot agree on what changes ought to be made, get a commission together, much like the Base Closure Commission, or the Social Security Commission, which was formed in 1983 and chaired by Alan Greenspan. It made recommendations to save the Social Security trust fund from bankruptcy, and Congress and the President agreed at that time to accept the recommendation of that commission and implement it.

That ought to be a part of this legislation—that we establish that commission, agree to implement its recommendations, and have a vote on it. If you do not want to implement them, vote no; be against everything. But we have to come to terms with the reality of the situation. The longer we wait, the harder the solution is going to be and the more sacrifices that are going to have to be made by everybody—the taxpayers. If we do not make these changes, do you know what is going to happen? Pretty soon, you are going to see the taxes on the employers and employees to fund this program being increased—and by substantial sums.

Now, the older population is getting older and, thank goodness, medical science is wonderful and it is giving us all opportunities for longer lives. But coming with that, too, are added expenses, as you get older, for medical care. Our senior citizens confront the reality every day of this terrible fear, and that is that they will not have the funds, they will not have access to the care they need to enjoy the longevity that they now have, compliments of medical science, good nutrition, and the advances that we have made for good health in our society.

So I say that it is time to stop the partisan politics. Let us quit throwing rocks at each other across the aisle, blaming each other for not getting anything done. I am prepared to say, as a Member of the Republican leadership in the Senate, OK, Mr. President, let us enact your proposal.

I am going to introduce a bill next week, and I hope there will be Senators on both sides of the aisle who will say, OK, let us go along with this suggestion as an alternative to what we have been getting. And what we have been getting is nothing—gridlock, confrontation, yelling at each other, people getting red in the face, and nothing getting done.

I think the American people are fed up with that kind of politics, fed up with that kind of Government. I am fed up with it. It is time to change. We ought to do it now—before it is too late.•

By Mr. LEVIN:

S. 1928. A bill to amend the Internal Revenue Code of 1986 to eliminate tax incentives for exporting jobs outside of the United States, and for other purposes; to the Committee on Finance.

TAX INCENTIVE ELIMINATION LEGISLATION

Mr. LEVIN. Mr. President, I rise today to address the continuing loss of U.S. manufacturing jobs by introducing a bill to eliminate tax incentives for companies to export such jobs.

For too many years and in too many cases, we have seen U.S. manufacturers shut down business in the United States, lay off workers, and set up shop overseas. Although the Bureau of Labor Statistics does not maintain statistics on the export of United States jobs, we learned at a hearing of my Governmental Affairs Subcommittee 3 years ago that at least 200 United States plants had moved to Mexico alone over the previous decade.

A company's decision to move its operations overseas is usually an economic decision, based on factors like the availability of cheap labor and unregulated access to natural resources. While I wish that some U.S. companies would exercise better citizenship and recognize an ongoing responsibility to their long-time employees as well as their shareholders, I know that the Federal Government cannot force them to do so.

However, there is no reason why the U.S. taxpayers should be subsidizing companies that choose to move their operations overseas. Yet that is what we have been doing. When a U.S. company decides to shut down a plant in the United States and move its operations overseas, we reward them—through the Tax Code—for the decision.

Last year, I joined Senator DORGAN and others to introduce a bill—S. 1355—addressing one provision of the Tax Code which provides such a subsidy. The Dorgan bill would eliminate the ability of companies who move their operations overseas to defer the payment of Federal income tax on the profits from those operations.

Today, I am introducing a bill to address two more provisions of the Tax Code which provide taxpayer subsidies to companies that move their operations overseas.

First, section 162 of the Internal Revenue Code permits a deduction for "all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business." This provision has been interpreted to allow a deduction for moving expenses in the case of a company that moves part or all of its operations overseas, as long as the company continues to sell its product in the United States and can argue that the overseas operations are related to the U.S. source income. As a result, the U.S. taxpayers are underwriting the moving expenses of companies who choose to move capital equipment previously used in U.S. operations, and the associated jobs overseas.

My bill would reverse this policy by prohibiting a company from deducting the cost of transporting capital equipment previously used in U.S. operations overseas when it is in the process of closing or downsizing U.S. plants. Because the export of such capital equipment and the associated jobs is more likely to reduce U.S.-source income than to increase it, this provision is entirely consistent with the intent of section 162 to permit the deduction of ordinary and necessary business expenses incurred in connection with such income.

Second, section 367 of the Internal Revenue Code allows a company to avoid paying capital gains taxes on its capital assets, if these assets are moved overseas and included in an active business in a corporate reorganization. Because no capital gains tax is paid at the time of the reorganization, and because the U.S. loses jurisdiction over the assets after they are shipped overseas, the company is able to avoid the tax altogether. The company is able to obtain an unwarranted tax advantage by transferring appreciated assets to a corporation that is not subject to U.S. residence jurisdiction—and the taxpayers are left paying yet another subsidy to companies that choose to move their operations overseas.

My bill would reverse this policy by eliminating the active business exception in section 367 of the Internal Revenue Code and subjecting corporate assets to the capital gains tax at the time they are transferred overseas in any reorganization.

Mr. President, some companies may still choose to overlook their responsibility as citizens and the needs of their long-timer employees by moving jobs overseas, but we should not be subsidizing such decisions.

By WELLSTONE:

S. 1929. A bill to extend the authority for the Homeless Veterans' Reintegration Projects for fiscal years 1997 through 1999, and for other purposes, to the Committee on Veterans' Affairs.

THE HOMELESS VETERANS' REINTEGRATION PROJECTS REAUTHORIZATION ACT OF 1996

• Mr. WELLSTONE. Mr. President, to save a unique, highly effective and invaluable program that assists homeless veterans to find employment, I am today introducing a bill that would reauthorize the Homeless Veterans' Reintegration Projects [HVRP] for 3 years.

This bill is identical to S. 1257 which I introduced last year after this low-cost program—funded at just over $5 million annually—had been zeroed out in the rescissions bill. With the invaluable help of my distinguished colleague, Senator SIMPSON, chairman of the Veterans' Affairs Committee—a committee I am proud and honored to serve on—we managed to keep HVRP alive by authorizing a 1-year extension through the end of fiscal year 1996, at the same time authorizing an expenditure of $10 million. Unfortunately, for reasons I can't fathom, no funds were appropriated for HVRP for fiscal year 1996. While HVRP was partially revived in February 1996 when the Departments of Labor and Housing and Urban Development [HUD] each provided $1.3 million in discretionary funds to renew and support projects in cold weather areas of the Nation, the President's budget for fiscal year 1997 contains no funding for HVRP.

I am frankly appalled and puzzled that this exceptionally cost-effective program which has done so much to help America's homeless veterans for the past 7 years, continues to face extraordinary difficulties and may not survive. The only possible explanation there is for the trials and tribulations of HVRP is that because it is such a modestly funded national program with annual appropriations ranging from $1.366 million to $5.055 million, it falls beneath the threshold of visibility of the Senate, which is accustomed to focusing on programs with price tags of hundreds of millions of dollars or more.

When I sought to have the Veterans' Committee accept the 3-year extension of HVRP I proposed in S. 1257, I was told that only a 1-year authorization could be approved because not enough was known about the program, but that a committee hearing would be held early this year to inform Members about the program. Unfortunately, it now appears unlikely that hearings on HVRP will be scheduled.

It is a pity that this exceptionally worthwhile program has such a low profile in this Chamber, because I'm confident that if my colleagues knew more about HVRP, there would be overwhelming support on both sides of the aisle for keeping this program alive and funded adequately.

Mr. President, permit me to describe the daunting problems HVRP seeks to address, its outstanding accomplishments, and its methods of operation.

On any given night, it has been estimated that between 250,000 and 280,000 veterans are homeless. And, as the Disabled American Veterans [DAV] testified before a House Committee, DOD projects a reduction of 250,000 active military personnel through the year 2000. DAV stressed that many "at best will have 'soft' transferable skills," particularly those trained in combat arms, concluding that while it's unknown "how many of them will end up in the unemployment or soup kitchen line * * * we believe they are at risk."

In effect we are being told that up to one-third of America's homeless are veterans and the number could well increase. Mr. President, in the face of this situation which can only be described as a national disgrace, HVRP, administered by the Labor Department's Veterans Employment and Training Service [VETS] is the only employment assistance program dedicated to homeless veterans. And, as Preston Taylor, Assistant Secretary of Labor for Veteran Employment and Training has emphasized, unemployment, not the lack of affordable housing, is the main cause of homelessness among veterans.

Permit me to briefly list some of HVRP's strengths and accomplishments:

It is one of the most successful job placement programs in the Federal Government.

Since its inception it has placed 13,000 veterans in jobs at a cost of approximately $1,500 per placement.

HVRP grantees build complementary relationships with VA, JTPA, and other programs—they do not duplicate any other services.

A unique aspect of HVRP is to utilize formerly homeless veterans who know how to approach and win the confidence and trust of other homeless veterans; they go into the streets, shelters, soup kitchens, and other places and tell them HVRP and other available services.

HVRP provides grants to community based groups that employ flexible and innovative approaches to assist homeless, unemployed veterans to reenter the work force. Let me repeat—grants to community-based groups, not funding to some large impersonal Federal bureaucracy that some of my colleagues like to lambaste. This is precisely the kind of low-cost, locally focused, and result-oriented program that all of my colleagues, regardless of ideology or party should be able to support without reservation.

The program is employment-focused, recognizing that homeless veterans need to become self-supporting to obtain permanent shelter. HVRP local grantees provide homeless veterans with a variety of services designed to maximize their chances of finding permanent jobs, including job counseling, resume preparation, on-the-job training, and instructions in job search techniques. The HVRP program, in collaboration with other service providers, effectively addresses the six major problems hampering homeless veterans seeking to reenter the job market: lack of transitional housing; inadequate substance abuse treatment; transportation problems; lack of job skills; depressed local labor markets; and resistance to hiring the homeless.

In conclusion I want to make two points: First that the modest sums saved by eliminating HVRP will quickly be offset be the high costs of providing public assistance to the veterans who will remain homeless due to the lack of a permanent, paying job.

Second, and more important, I was deeply moved recently by a letter I received from a disabled Vietnam veteran in Minnesota whom I'd spoken to on the phone and thanked for his service to our country. He mentioned that he'd always felt he'd been left in Vietnam, but that after our talk he felt that he'd at last been brought home. Fortunately, there are many Vietnam veterans who feel they have now come home again. But for some Vietnam and other veterans, the only homes they know are the streets and homeless shelters. To eliminate HVRP, the one program that could give them a job and permit them to escape the miseries and indignities of hopelessness so that they too could feel that they had at last come home, would be shameful.

I urge all of my colleagues to join me in supporting this bill and ensuring that HVRP receives the funding it needs to continue its invaluable work.

Mr. President, I ask that a statement of HVRP of Ronald W. Drach, National Employment Director, DAV, before the Subcommittee on Education, Employment and Training of the Committee on Veterans' Affairs, U.S. House of Representatives, April 18, 1996, be printed in the RECORD at the conclusion of my remarks. And I ask unanimous consent that an article by Sid Daniels, Director, National Employment Service, Veterans of Foreign Wars, entitled "Sun Sets on Homeless Vets Program," appearing in the Washington Action Reporter, October 1995, also be printed in the RECORD.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AUTHORITY.

(a) HOMELESS VETERANS' REINTEGRATION PROJECTS.—Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448(e)(1)) is amended by adding at the end the following:

"(E) $10,000,000 for fiscal year 1997.

"(F) $10,000,000 for fiscal year 1998.

"(G) $10,000,000 for fiscal year 1999.".

(b) GENERAL AUTHORIZATION OF APPROPRIATIONS.—Section 739(a) of such Act (42 U.S.C.

11449(a)) is amended by striking out "the fiscal years 1994 and 1995" and inserting in lieu thereof "fiscal years 1994 through 1999".

(c) EXTENSION OF PROGRAM.—Section 741 of such Act (42 U.S.C. 11450) is amended by striking out "December 31, 1997" and inserting in lieu thereof "September 30, 1999".

EXCERPT FROM STATEMENT OF RONALD W. DRACH BEFORE THE SUBCOMMITTEE ON EDUCATION, EMPLOYMENT AND TRAINING, APRIL 18, 1996

HOMELESS VETERANS' REINTEGRATION PROJECT

Mr. Chairman, homeless veterans continue to be a major concern. On any given night, it has been estimated that between 250,000 and 280,000 veterans are homeless. Several years ago, the Department of Labor initiated an outreach project for homeless veterans in an attempt to provide needed employment and training services. This program is known as HVRP. Regrettably, funding for this program in FY 1995 was rescinded. For FY 1996, both the House and Senate authorized an expenditure of $10 million, but the monies were never appropriated. The President's budget for FY 1997 does not request any funding for HVRP.

Mr. Chairman, homelessness among veterans is now a chronic problem. When we testified on this issue in 1992, it was estimated that between 150,000 and 250,000 veterans were homeless on any given night. As indicated, that number now is estimated to be between 250,000 and 280,000. We mentioned earlier in this testimony that DoD projects a reduction of approximately 250,000 active military members a year through the year 2000. Many of these individuals at best will have "soft" transferable skills. Many—particularly those trained in combat arms—will have no skills recognized by employers as transferable to the civilian labor market. How many of them will end up in the unemployment or soup kitchen line is unknown, but we believe they are at risk. Last week several economic forecasters predicted an increase in inflation. This will only add to the problem.

The HVRP program has a history of providing meaningful assistance to our nation's homeless veterans. It is a program that primarily focuses on job training and employment assistance. Perhaps the most unique thing about HVRP is that a multi-disciplinary approach is taken to solving the problems of homeless veterans. It is not enough to say DVOPs or LVERs can do the job alone, because all too often the services needed cannot be provided by that individual. Because homeless veterans require very labor-intensive services, HVRP must be continued.

We would like to commend Assistant Secretary Preston Taylor at DOL for his insight into this problem. Mr. Taylor saw the need, particularly in cold weather states, and identified $1.3 million of discretionary monies available to him through the Job Training Partnership Act (JTPA). However, before he committed those monies, he received an agreement from Assistant Secretary for Community Planning and Development Andrew Cuomo at the Department of Housing and Urban Development (HUD) for matching funds. We would like to compliment and thank Assistant Secretary Cuomo for his interest in addressing the needs of homeless veterans.

While on the subject of Assistant Secretary Cuomo, we would like to note that the DAV has been critical of HUD in the past for its lack of attention and interest in homeless veterans. However, Mr. Chairman, we are pleased to report that in addition to the $1.3 million targeted specifically for homeless veterans, Assistant Secretary Cuomo's office has reached out to the veterans' community in an effort to communicate with veterans' service delivery systems throughout the country to make them aware of the existence of funding availability from HUD for homeless projects. Additionally, Assistant Secretary Cuomo has:

Announced the creation of the HUD Veteran Resource Center—This center is designed to provide important information about the full range of resources and initiatives available from HUD. The Resource Center can be contacted through a toll free number (1–800–998–9999, Ext. 5475, Contact: David Schultz).

Appointed a combat-disabled veteran to head the Resource Center. The first mission will be outreach to veterans' community groups as well as veterans' service organizations regarding the "1996 Homeless Assistance SuperNOFA (Notice of Funding Availability)."

Established an outreach effort to us and is providing information on events and technical assistance to those interested in applying for HUD funding. The type of outreach is unprecedented at HUD.

Agreed in February of this year to help DOL by providing $1.3 million for HVRP.

Mr. Chairman, we believe that HUD working together with Veterans' Employment and Training Service (VETS) will make a significant difference in the lives of many homeless veterans. However, we believe that funding must be made available to continue the good work that has been accomplished thus far through HVRP. Since the program started in 1987, 30,000 homeless veterans have been helped in some way and 13,000 were actually placed in jobs.

Assistant Secretary Taylor should also be applauded for his efforts in contacting every state governor asking for their assistance to bridge the gap after the loss of HVRP funding.

SUN SETS ON HOMELESS VETS PROGRAM

(By Sid Daniels, Director)

In its recent budget cutting, Congress eliminated the funding for the Homeless Veterans Reintegration Projects (HVRP) program after Sept. 30, 1995. Consequently, all 30 projects throughout the country serving homeless veterans closed down their operations on Oct. 1, 1995.

HVRP was established by the Stewart B. McKinney Homeless Assistance Act of 1987 and was administered by Labor's Veterans Employment and Training Service (VETS). The emphasis on helping homeless veterans get and retain jobs was enhanced by linking with other providers, such as veterans affairs offices and medical facilities, Job Training Partnership Act entities and social service agencies.

They offered access to benefits, substance abuse treatment, job training, transitional housing and other services needed to stabilize the homeless veteran. And they removed such barriers to employment as lack of clothing, medical care and job skills.

HVRP used veterans who had experienced homelessness themselves to reach out to homeless veterans. They went into the streets, shelters, soup kitchens, and other places to encourage homeless veterans to take advantage of available services and advised them of the HVRP program. The goal was to get homeless veterans off the street and into gainful employment, with emphasis on long-term job retention.

An important characteristic of homeless veterans, is their underutilization of existing services, benefits, and entitlements which could help them obtain employment and reintegration into mainstream society.

A unique aspect of HVRP was the use of formerly homeless veterans who knew how to approach and win the confidence and trust of other homeless veterans.

HVRP programs provided participation data and survey information, which indicated that unemployment, not lack of affordable housing, was the chief cause of homelessness.

Now, this is all gone.•

ADDITIONAL COSPONSORS

S. 607

At the request of Mr. WARNER, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 1644

At the request of Mr. BROWN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1644, a bill to authorize the extension of nondiscriminatory treatment (most-favored-nation) to the products of Romania.

S. 1701

At the request of Mr. PELL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1701, a bill to end the use of steel jaw leghold traps on animals in the United States, and for other purposes.

S. 1786

At the request of Mr. WELLSTONE, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1786, a bill to require the Secretary of Veterans Affairs and the Secretary of Health and Human Resources to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the medicare program for health care services provided to certain medicare-eligible veterans.

S. 1811

At the request of Mr. MACK, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1811, a bill to amend the Act entitled "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property" to confirm and clarify the authority and responsibility of the Secretary of the Army, acting through the Chief of Engineers, to promote and carry out shore protection projects, including beach nourishment projects, and for other purposes.

S. 1873

At the request of Mr. INHOFE, the names of the Senator from Maine [Mr. COHEN], the Senator from New Jersey

[Mr. LAUTENBERG], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of S. 1873, a bill to amend the National Environmental Education Act to extend the programs under the Act, and for other purposes.

S. 1885

At the request of Mr. INHOFE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1885, a bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes.

S. 1892

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1892, a bill to reward States for collecting Medicaid funds expended on tobacco-related illnesses, and for other purposes.

S. 1899

At the request of Mr. MURKOWSKI, the names of the Senator from Hawaii [Mr. AKAKA] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1899, a bill entitled the "Mollie Beattie Alaska Wilderness Area Act".

AMENDMENT NO. 4112

At the request of Mr. HELMS the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of amendment No. 4112 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4367

At the request of Mr. NUNN the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of amendment No. 4367 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE RESOLUTION 275—TO EXPRESS THE SENSE OF THE SENATE CONCERNING AFGHANISTAN

Mr. BROWN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 275

Whereas, prior to 1979, Afghanistan was a peaceful, united country;

Whereas, the successful fight of the brave men and women of Afghanistan resisting the Soviet invasion and occupation of 1979–1989 was a significant element in the dissolution of the Soviet empire;

Whereas, the dissolution of the Soviet empire brought freedom to the nations of central and eastern Europe as well as to the nations of central Asia;

Whereas, although many years after the Soviet withdrawal, Afghanistan does not enjoy the peace it has earned;

Whereas, the Untied Nations can play a unique and important role in bringing an end to the conflict in Afghanistan;

Whereas, recent meetings between members of Congress and the representatives of the major Afghan factions indicate a significant desire on the part of all parties to achieve a peaceful resolution to the conflict in Afghanistan and the establishment of an effective government that represents the interests of the Afghan people;

Therefore, it is the sense of the Senate that—

(1) The courageous people of Afghanistan have earned the world's respect and support for their epic struggle against the forces of communism;

(2) Resolving the continuing conflict in Afghanistan and alleviating the accompanying humanitarian distress of the Afghan people should be a top priority of the United States;

(3) Outside interference and the provision of arms and military supplies to the warring parties should be halted;

(4) A unique moment in the Afghan civil war exists where all major factions are searching for a peaceful solution to the conflict;

(5) The United States should urge the United Nations to move quickly to appoint a special envoy to Afghanistan who will act aggressively to assist the Afghans to achieve a solution to the conflict acceptable to the Afghan people;

(6) The United Nations should work to create the conditions for a continuing dialogue among the Afghan factions.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

McCAIN AMENDMENT NO. 4387

Mr. MCCAIN proposed an amendment to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . It is the sense of the Senate that, notwithstanding any other provision of law, in order to maximize the amount of equipment provided to the Government of Bosnia and Herzegovina under the authority contained in Section 540 of the Foreign Operations Act of 1996 (P.L. 104–107), the price of the transferred equipment shall not exceed the lowest level at which the same or similar equipment has been transferred to any other country under any other U.S. government program.

FEINGOLD (AND KOHL) AMENDMENT NO. 4388

Mr. FEINGOLD (for himself and Mr. KOHL) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. COST-BENEFIT ANALYSIS OF F/A–18E/F AIRCRAFT PROGRAM

(a) REPORT ON PROGRAM.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A–18E/F aircraft program.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the F/A–18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the cost and benefits of the program with the costs and benefits of the F/A–18C/D aircraft program taking into account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No funds authorized to be appropriated by this Act may be obligated or expended for the procurement of F/A–18E/F aircraft before the date that is 90 days after the date on which the congressional defense committees receive the report required under subsection (a).

EXON AMENDMENT NO. 4389

Mr. NUNN (for Mr. EXON) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. AUTHORITY OF AIR NATIONAL GUARD TO PROVIDE CERTAIN SERVICES AT LINCOLN MUNICIPAL AIRPORT, LINCOLN, NEBRASKA.

(a) AUTHORITY.—Subject to subsections (b) and (c), the Nebraska Air National Guard may provide fire protection services and rescue services relating to aircraft at Lincoln Municipal Airport, Lincoln, Nebraska, on behalf of the Lincoln Muncipal Airport Authority, Lincoln, Nebraska.

(b) AGREEMENT.—The Nebraska Air National Guard may not provide services under subsection (a) until the Nebraska Air National Guard and the authority enter into an agreement under which the authority reimburses the Nebraska Air National Guard for the cost of the services provided.

(c) CONDITIONS.—These services may only be provided to the extent that the provision of such services does not adversely affect the military preparedness of the Armed Forces.

ROBB AMENDMENT NO. 4390

Mr. NUNN (for Mr. ROBB) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title X, add the following:

SEC. 1014. SENSE OF CONGRESS REGARDING AUTHORIZATION OF APPROPRIATION AND APPROPRIATION OF FUNDS FOR MILITARY EQUIPMENT NOT IDENTIFIED IN THE BUDGET REQUEST OF THE DEPARTMENT OF DEFENSE AND FOR CERTAIN MILITARY CONSTRUCTION.

It is the sense of Congress that—

(1) to the maximum extent practicable, each House of Congress should consider the authorization of appropriation, and appropriation, of funds for the procurement of military equipment only if the procurement is included—

(A) in the budget request of the President for the Department of Defense; or

(B) in a supplemental request list provided to the congressional defense committees, upon request of such committees, by the Office of the Secretary of Defense, by the military departments, by the National Guard Bureau, or by the officials responsible for the administration of the Reserves;

(2) the recommendations for procurement in a defense authorization bill or a defense appropriations bill reported to the Senate or the House of Representatives which reflect a change from the budget request referred to in paragraph (1)(A) should be accompanied in the committee report relating to the bill by a justification of the national security interest addressed by the change;

(3) the recommendations for military construction projects in a defense authorization bill or a defense appropriations bill reported to the Senate or the House of Representatives which reflect a change from such a budget request should be accompanied by a justification in the committee report relating to the bill of the national security interest addressed by the change; and

(4) the recommendations for procurement of military equipment, or for military construction projects, in a conference report of the committee on conference to resolve the differences between the two Houses relating to a defense authorization bill or a defense appropriations bill which recommendations reflect a change from the original recommendation of the applicable committee to either House should be accompanied by a justification in the statement of managers of the conference report of the national security interest addressed by the change.

SARBANES AMENDMENT NO. 4391

Mr. NUNN (for Mr. SARBANES) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title XXI, add the following:

SEC. 2105. PLAN FOR REPAIRS AND STABILIZATION OF THE HISTORIC DISTRICT AT THE FOREST GLEN ANNEX OF WALTER REED MEDICAL CENTER, MARYLAND.

Not later than 30 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a comprehensive plan for basic repairs and stabilization measures throughout the historic district at the Forest Glen Annex at Walter Reed Army Medical Center, Maryland, together with funding options for the implementation of the plan.

BINGAMAN (AND DOMENICI) AMENDMENT NO. 4392

Mr. NUNN (for Mr. BINGAMAN, for himself and Mr. DOMENICI) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

SEC. . MODIFICATION OF BOUNDARIES OF WHITE SANDS NATIONAL MONUMENT AND WHITE SANDS MISSILE RANGE.

(a) PURPOSE.—The purpose of this section is to effect an exchange between the Secretary of the Interior and the Secretary of the Army of administrative jurisdiction over the lands described in subsection (c) in order to facilitate administration of the White Sands National Monument and the White Sands Missile Range.

(b) DEFINITIONS.—In this section:

(1) MISSILE RANGE.—The term "missile range" means the White Sands Missile Range, New Mexico, administered by the Secretary of the Army.

(2) MONUMENT.—The term "monument" means the White Sands National Monument, New Mexico, established by Proclamation No. 2025 (16 U.S.C. 431 note) and administered by the Secretary of the Interior.

(c) EXCHANGE OF JURISDICTION.—The lands exchanged under this Act are the lands generally depicted on the map entitled "White Sands National Monument, Boundary Proposal", numbered 142/80,061 and dated January 1944, comprising—

(1) approximately 2,524 acres of land within the monument that is under the jurisdiction of the Secretary of the Army, which are transferred to the Secretary of the Interior;

(2) approximately 5,758 acres of land within the missile range abutting the monument, which are transferred to the Secretary of the Interior; and

(3) approximately 4,277 acres of land within the monument abutting the missile range, which are transferred to the Secretary of the Army.

(d) BOUNDARY MODIFICATION.—The boundary of the monument is modified to include the land transferred to the Secretary of the Interior and exclude the land transferred to the Secretary of the Army by subsection (c). The boundary of the missile range is modified accordingly.

(e) ADMINISTRATION.—1

(1) MONUMENT.—The Secretary of the Interior shall administer the lands transferred to the Secretary of the Interior by subsection (c) in accordance with laws (including regulations) applicable to the monument.

(2) MISSILE RANGE.—The Secretary of the Army shall administer the lands transferred to the Secretary of the Army by subsection (c) as part of the missile range.

(3) AIRSPACE.—The Secretary of the Army shall maintain control of the airspace above the lands transferred to the Secretary of the Army by subsection (c) as part of the missile range.

(f) PUBLIC AVAILABILITY OF MAP.—The Secretary of the Interior and the Secretary of the Army shall prepare, and the Secretary of the Interior shall keep on file for public inspection in the headquarters of the monument, a map showing the boundary of the monument as modified by this Act.

(g) WAIVER OF LIMITATION UNDER PRIOR LAW.—Notwithstanding section 303(b)(1) of the National Parks and Recreation Act of 1978 (92 Stat. 3476), land or an interest in land that was deleted from the monument by section 301(19) of the Act (92 Stat. 3476) may be exchanged for land owned by the State of New Mexico within the boundaries of any unit of the National Park System in the State of New Mexico, may be transferred to the jurisdiction of any other Federal agency without monetary consideration, or may be administered as public land, as the Secretary considers appropriate.

SEC. . BANDELIER NATIONAL MONUMENT.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) under the provisions of a special use permit, sewage lagoons for Bandelier National Monument, established by Proclamation No. 1322 (16 U.S.C. 431 note) (referred to in this section as the "monument") are located on land administered by the Secretary of Energy that is adjacent to the monument; and

(B) modification of the boundary of the monument to include the land on which the sewage lagoons are situated—

(i) would facilitate administration of both the monument and the adjacent land that would remain under the administrative jurisdiction of the Secretary of Energy; and

(ii) can be accomplished at no cost.

(2) PURPOSE.—The purpose of this section is to modify the boundary between the monument and adjacent Department of Energy land to facilitate management of the monument and Department of Energy land.

(b) BOUNDARY MODIFICATION.—

(1) TRANSFER OF ADMINISTRATIVE JURISDICTION.—There is transferred from the Secretary of Energy to the Secretary of the Interior administrative jurisdiction over the land comprising approximately 4.47 acres depicted on he map entitled "Boundary Map, Bandelier National Monument", No. 315/80,051, dated March 1995.

(2) BOUNDARY MODIFICATION.—The boundary of the monument is modified to include the land transferred by paragraph (1).

(3) PUBLIC AVAILABILITY OF MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the Lands Office at the Southwest System Support Office of the National Park Service, Santa Fe, New Mexico, and in the Superintendent's Office of Bandelier National Monument.

SMITH AMENDMENT NO. 4393

Mr. MCCAIN (for Mr. SMITH) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title I add the following:

SEC. 125. RADAR MODERNIZATION.

Funds appropriated for the Navy for fiscal years before fiscal year 1997 may not be used for development and procurement of the Pulse Doppler Upgrade modification to the AN/SPS-48E radar system.

JOHNSTON (AND MURKOWSKI) AMENDMENT NO. 4394

Mr. NUNN (for Mr. JOHNSTON, for himself and Mr. MURKOWSKI) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place, insert:

"SEC. . FOREIGN ENVIRONMENTAL TECHNOLOGY.

"Section 2536(b) of title 10, United States Code is amended to read as follows:

"(b) WAIVER AUTHORITY.—(1) The Secretary concerned may waive the application of subsection (a) to a contract award if—

"(A) the Secretary concerned determines that the waiver is essential to the national security interests of the United States; or

"(B) in the case of a Department of Energy contract awarded for environmental restoration, remediation, or waste management at a Department of Energy facility—

"(i) the Secretary determines that the waiver will advance the environmental restoration, remediation, or waste management objectives of the Department of Energy and will not harm the national security interests of the United States; and

"(ii) the entity to which the contract is awarded is controlled by a foreign government with which the Secretary is authorized to exchange Restricted Data under section 144(c) of the Atomic Energy Act of 1954 (42 U.S.C. 2164(c)).

"(2) The Secretary of Energy shall notify the appropriate committees of Congress of any decision to grant a waiver under paragraph (1)(B). The contract may be executed only after the end of the 45-day period beginning on the date the notification is received by the committees.

DOMENICI AMENDMENTS NOS. 4395–4396

Mr. MCCAIN (for Mr. DOMENICI) proposed two amendments to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4395

In section 103(3), strike out "$5,880,519,000" and insert in lieu thereof "5,889,519,000".

AMENDMENT NO. 4396

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,791,356,000".

HEFLIN (AND SHELBY) AMENDMENT NO. 4397

Mr. NUNN (for Mr. HEFLIN, for himself and Mr. SHELBY) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. BRADLEY TOW 2 TEST PROGRAM SETS.

Of the funds authorized to be appropriated under section 101(3) of the National Defense Authorization Act for Fiscal Year 1996 (110 Stat. 204), $6,000,000 is available for the procurement of Bradley TOW 2 Test Program sets.

EXON AMENDMENT NO. 4398

Mr. NUNN (for Mr. EXON) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II add the following:

SEC. 223. NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYSTEM

(a) Of the amount authorized to be appropriated under section 201(3), $29,024,000 is available for the National Polar-Orbiting Operational Environmental Satellite System (Space) program (PE 0603434F).

(b) Of the amount authorized to be appropriated under section 201(3), $212,895,000 is available for the Intercontinental Ballistic Missile—EMD program (PE 06048514F).

GLENN AMENDMENT NO. 4399

Mr. NUNN (for Mr. GLENN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI add the following:

SEC. . STUDY ON WORKER PROTECTION AT THE MOUND FACILITY.

(a) Not later than March 15, 1997, the Secretary of Energy shall report to the defense committees of the Congress regarding the status of projects and programs to improve worker safety and health at the Mound Facility in Miamisburg, Ohio.

(b) The report shall include the following:

(1) The status of actions completed in fiscal year 1996.

(2) The status of actions completed or proposed to be completed in fiscal years 1997 and 1998.

(3) A description of the fiscal year 1998 budget request for Mound worker safety and health protection.

(4) An accounting of expenditures for worker safety and health at Mound by year from fiscal year 1994 through and including fiscal year 1996.

THURMOND AMENDMENT NO. 4400

Mr. MCCAIN (for Mr. THURMOND) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title XI add the following:

Subtitle B—Defense Intelligence Personnel

SEC. 1131. SHORT TITLE.

This subtitle may be cited as the "Department of Defense Civilian Intelligence Personnel Reform Act of 1996".

SEC. 1132. CIVILIAN INTELLIGENCE PERSONNEL MANAGEMENT.

Section 1590 of title 10, United States Code, is amended to read as follows:

"§ 1590. Management of civilian intelligence personnel of the Department of Defense

"(a) GENERAL PERSONNEL MANAGEMENT AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of employees—

"(1) establish—

"(A) as positions in the excepted service, such defense intelligence component positions (including Intelligence Senior Level positions) as the Secretary determines necessary to carry out the intelligence functions of the defense intelligence components, but not to exceed in number the number of the defense intelligence component positions established as of January 1, 1996; and

"(B) such Intelligence Senior Executive Service positions as the Secretary determines necessary to carry out functions referred to in subparagraph (B);

"(2) appoint individuals to such positions (after taking into consideration the availability of preference eligibles for appointment to such positions); and

"(3) fix the compensation of such individuals for service in such positions.

"(b) BASIC PAY.—(1)(A) Subject to subparagraph (B) and paragraph (2), the Secretary of Defense shall fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that subpart which have corresponding levels of duties and responsibilities.

"(B) Except as otherwise provided by law, no rate of basic pay fixed under subparagraph (A) for a position established under subsection (a) may exceed—

"(i) in the case of an Intelligence Senior Executive Service position, the maximum rate provided in section 5382 of title 5;

"(ii) in the case of an Intelligence Senior Level position, the maximum rate provided in section 5382 of title 5; and

"(iii) in the case of any other defense intelligence component position, the maximum rate provided in section 5306(e) of title 5.

"(2) The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions for civilian employees in or under which the Department of Defense may employ individuals described by section 5342(a)(2)(A) of such title.

"(c) ADDITIONAL COMPENSATION, INCENTIVES, AND ALLOWANCES.—(1) Employees in defense intelligence component positions may be paid additional compensation, including benefits, incentives, and allowances, in accordance with this subsection if, and to the extent, authorized in regulations prescribed by the Secretary of Defense.

"(2) Additional compensation under this subsection shall be consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(3)(A) Employees in defense intelligence component positions, if citizens or nationals of the United States, may be paid an allowance while stationed outside the continental United States or in Alaska.

"(B) Subject to subparagraph (C), allowances under subparagraph (A) shall be based on—

"(i) living costs substantially higher than in the District of Columbia;

"(ii) conditions of environment which differ substantially from conditions of environment in the continental United States and warrant an allowance as a recruitment incentive; or

"(iii) both of the factors described in clauses (i) and (ii).

"(C) An allowance under subparagraph (A) may not exceed an allowance authorized to be paid by section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(d) INTELLIGENCE SENIOR EXECUTIVE SERVICE.—(1) The Secretary of Defense may establish an Intelligence Senior Executive Service for defense intelligence component positions established pursuant to subsection (a) that are equivalent to Senior Executive Service positions.

"(2) The Secretary of Defense shall prescribe regulations for the Intelligence Senior Executive Service which are consistent with the requirements set forth in sections 3131, 3132(a)(2), 3396(c), 3592, 3595(a), 5384, and 6304 of title 5, subsections (a), (b), and (c) of section 7543 of such title (except that any hearing or appeal to which a member of the Intelligence Senior Executive Service is entitled shall be held or decided pursuant to the regulations), and subchapter II of chapter 43 of such title. To the extent that the Secretary determines it practicable to apply to members of, or applicants for, the Intelligence Senior Executive Service other provisions of title 5 that apply to members of, or applicants for, the Senior Executive Service, the Secretary shall also prescribe regulations to implement those sections with respect to the Intelligence Senior Executive Service.

"(e) AWARD OF RANK TO MEMBERS OF THE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—The President, based on the recommendations of the Secretary of Defense, may award a rank referred to in section 4507 of title 5 to members of the Intelligence Senior Executive Service whose positions may be established pursuant to this section. The awarding of such rank shall be made in a manner consistent with the provisions of that section.

"(f) INTELLIGENCE SENIOR LEVEL POSITIONS.—The Secretary of Defense may, in accordance with regulations prescribed by the Secretary, designate as an Intelligence Senior Level position any defense intelligence component position that, as determined by the Secretary—

"(1) is classifiable above grade GS–15 of the General Schedule;

"(2) does not satisfy functional or program management criteria for being designated an Intelligence Senior Executive Service position; and

"(3) has no more than minimal supervisory responsibilities.

"(g) TIME LIMITED APPOINTMENTS.—(1) The Secretary of Defense may, in regulations, authorize appointing officials to make time limited appointments to defense intelligence component positions specified in the regulations.

"(2) The Secretary of Defense shall review each time limited appointment in a defense intelligence component position at the end of the first year of the period of the appointment and determine whether the appointment should be continued for the remainder of the period. The continuation of a time limited appointment after the first year shall be subject to the approval of the Secretary.

"(3) An employee serving in a defense intelligence component position pursuant to a time limited appointment is not eligible for a permanent appointment to an Intelligence Senior Executive Service position (including a position in which serving) unless selected for the permanent appointment on a competitive basis.

"(4) In this subsection, the term 'time limited appointment' means an appointment (subject to the condition in paragraph (2)) for a period not to exceed two years.

"(h) TERMINATION OF CIVILIAN INTELLIGENCE EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee in a defense intelligence component position if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense and the head of a defense intelligence component (with respect to employees of that component). An action to terminate employment of such an employee by any such official may be appealed to the Secretary of Defense.

"(i) REDUCTIONS AND OTHER ADJUSTMENTS IN FORCE.—(1) The Secretary of Defense, in consultation with the Director of the Office of Personnel Management, shall prescribe regulations for the separation of employees in defense intelligence component positions, including members of the Intelligence Senior Executive Service and employees in Intelligence Senior Level positions, in a reduction in force or other adjustment in force. The regulations shall apply to such a reduction in force or other adjustment in force notwithstanding sections 3501(b) and 3502 of title 5.

"(2) The regulations shall give effect to—

"(A) tenure of employment;

"(B) military preference, subject to sections 3501(a)(3) and 3502(b) of title 5;

"(C) the veteran's preference under section 3502(b) of title 5;

"(D) performance; and

"(E) length of service computed in accordance with the second sentence of section 3502(a) of title 5.

"(2) The regulations relating to removal from the Intelligence Senior Executive Service in a reduction in force or other adjustment in force shall be consistent with section 3595(a) of title 5.

"(3)(A) The regulations shall provide a right of appeal regarding a personnel action under the regulations. The appeal shall be determined within the Department of Defense. An appeal determined at the highest level provided in the regulations shall be final and not subject to review outside the Department of Defense. A personnel action covered by the regulations is not subject to any other provision of law that provides appellate rights or procedures.

"(B) Notwithstanding subparagraph (A), a preference eligible referred to in section 7511(a)(1)(B) of title 5 may appeal to the Merit Systems Protection Board any personnel action taken under the regulations. Section 7701 of title 5 shall apply to any such appeal.

"(j) APPLICABILITY OF MERIT SYSTEM PRINCIPLES.—Section 2301 of title 5 shall apply to the exercise of authority under this section.

"(k) COLLECTIVE BARGAINING AGREEMENTS.—Nothing in this section may be construed to impair the continued effectiveness of a collective bargaining agreement with respect to an agency or office that is a successor to an agency or office covered by the agreement before the succession.

"(l) NOTIFICATION OF CONGRESS.—At least 60 days before the effective date of regulations prescribed to carry out this section, the Secretary of Defense shall submit the regulations to the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(m) DEFINITIONS.—In this section:

"(1) The term 'defense intelligence component position' means a position of civilian employment as an intelligence officer or employee of a defense intelligence component.

"(2) The term 'defense intelligence component' means each of the following components of the Department of Defense:

"(A) The National Security Agency.

"(B) The Defense Intelligence Agency.

"(C) The Central Imagery Office.

"(D) Any component of a military department that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(E) Any other component of the Department of Defense that performs intelligence functions and is designated as a defense intelligence component by the Secretary of Defense.

"(F) Any successor to a component listed in, or designated pursuant to, this paragraph.

"(3) The term 'Intelligence Senior Level position' means a defense intelligence component position designated as an Intelligence Senior Level position pursuant to subsection (f).

"(4) The term 'excepted service' has the meaning given such term in section 2103 of title 5.

"(5) The term 'preference eligible' has the meaning given such term in section 2108(3) of title 5.

"(6) The term 'Senior Executive Service position' has the meaning given such term in section 3132(a)(2) of title 5.

"(7) The term 'collective bargaining agreement' has the meaning given such term in section 7103(8) of title 5.".

SEC. 1133. REPEALS.

(a) DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—Sections 1601, 1603, and 1604 of title 10, United States Code, are repealed.

(b) NATIONAL SECURITY AGENCY PERSONNEL MANAGEMENT AUTHORITIES.—(1) Sections 2 and 4 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) are repealed.

(2) Section 303 of the Internal Security Act of 1950 (50 U.S.C. 833) is repealed.

SEC. 1134. CLERICAL AMENDMENTS.

(a) AMENDED SECTION HEADING.—The item relating to section 1590 in the table of sections at the beginning of chapter 81 of title 10, United States Code, is amended to read as follows:

"1590. Management of civilian intelligence personnel of the Department of Defense.".

(b) REPEALED SECTIONS.—The table of sections at the beginning of chapter 83 of title 10, United States Code, is amended by striking out the items relating to sections 1601, 1603, and 1604.

COHEN (AND LEVIN) AMENDMENT NO. 4401

Mr. MCCAIN (for Mr. COHEN, for himself and Mr. LEVIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of division A add the following new title:

TITLE XIII—FEDERAL EMPLOYEE TRAVEL REFORM

SEC. 1301. SHORT TITLE.

This title may be cited as the "Travel Reform and Savings Act of 1996".

Subtitle A—Relocation Benefits

SEC. 1311. MODIFICATION OF ALLOWANCE FOR SEEKING PERMANENT RESIDENCE QUARTERS.

Section 5724a of title 5, United States Code, is amended to read as follows:

"§5724a. Relocation expenses of employees transferred or reemployed

"(a) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, a per diem allowance or the actual subsistence expenses, or a combination thereof, of the immediate family of the employee for en route travel of the immediate family between the employee's old and new official stations.

"(b)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government between official stations located within the United States—

"(A) the expenses of transportation, and either a per diem allowance or the actual subsistence expenses, or a combination thereof, of the employee and the employee's spouse for travel to seek permanent residence quarters at a new official station; or

"(B) the expenses of transportation, and an amount for subsistence expenses in lieu of a per diem allowance or the actual subsistence expenses or a combination thereof, authorized in subparagraph (A) of this paragraph.

"(2) Expenses authorized under this subsection may be allowed only for one round trip in connection with each change of station of the employee.".

SEC. 1312. MODIFICATION OF TEMPORARY QUARTERS SUBSISTENCE EXPENSES ALLOWANCE.

Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(c)(1) An agency may pay to or on behalf of an employee who transfers in the interest of the Government—

"(A) actual subsistence expenses of the employee and the employee's immediate family for a period of up to 60 days while occupying temporary quarters when the new official station is located within the United States as defined in subsection (d) of this section; or

"(B) an amount for subsistence expenses instead of the actual subsistence expenses authorized in subparagraph (A) of this paragraph.

"(2) The period authorized in paragraph (1) of this subsection for payment of expenses for residence in temporary quarters may be extended up to an additional 60 days if the head of the agency concerned or the designee of such head of the agency determines that there are compelling reasons for the continued occupancy of temporary quarters.

"(3) The regulations implementing paragraph (1)(A) shall prescribe daily rates and amounts for subsistence expenses per individual.".

SEC. 1313. MODIFICATION OF RESIDENCE TRANSACTION EXPENSES ALLOWANCE.

(a) EXPENSES OF SALE.—Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsection:

"(d)(1) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government, expenses of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station and purchase of a residence at the new official station that are required to be paid by the employee, when the old and new official stations are located within the United States.

"(2) An agency shall pay to or on behalf of an employee who transfers in the interest of the Government from a post of duty located outside the United States to an official station within the United States (other than the official station within the United States from which the employee was transferred when assigned to the foreign tour of duty)—

"(A) expenses required to be paid by the employee of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station from which the employee was transferred when the employee was assigned to the post of duty located outside the United States; and

"(B) expenses required to be paid by the employee of the purchase of a residence at the new official station within the United States.

"(3) Reimbursement of expenses under paragraph (2) of this subsection shall not be allowed for any sale (or settlement of an unexpired lease) or purchase transaction that occurs prior to official notification that the employee's return to the United States would be to an official station other than the official station from which the employee was transferred when assigned to the post of duty outside the United States.

"(4) Reimbursement for brokerage fees on the sale of the residence and other expenses under this subsection may not exceed those customarily charged in the locality where the residence is located.

"(5) Reimbursement may not be made under this subsection for losses incurred by the employee on the sale of the residence.

"(6) This subsection applies regardless of whether title to the residence or the unexpired lease is—

"(A) in the name of the employee alone;

"(B) in the joint names of the employee and a member of the employee's immediate family; or

"(C) in the name of a member of the employee's immediate family alone.

"(7)(A) In connection with the sale of the residence at the old official station, reimbursement under this subsection shall not exceed 10 percent of the sale price.

"(B) In connection with the purchase of a residence at the new official station, reimbursement under this subsection shall not exceed 5 percent of the purchase price.

"(8) For purposes of this subsection, the term 'United States' means the several States of the United States, the District of Columbia, the territories and possessions of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979).".

(b) RELOCATION SERVICES.—Section 5724c of title 5, United State Code, is amended to read as follows:

"§ 5724c. Relocation services

"Under regulations prescribed under section 5737, each agency may enter into contracts to provide relocation services to agencies and employees for the purpose of carrying out this subchapter. An agency may pay a fee for such services. Such services include arranging for the purchase of a transferred employee's residence.".

SEC. 1314. AUTHORITY TO PAY FOR PROPERTY MANAGEMENT SERVICES.

Section 5724a of title 5, United States Code, is further amended—

(1) in subsection (d) (as added by section 1313 of this title)—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

"(8) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, expenses of property management services when the agency determines that such transfer is advantageous and cost-effective to the Government, instead of expenses under paragraph (2) or (3) of this subsection, for sale of the employee's residence."; and

(2) by adding at the end the following new subsection:

"(e) An agency may pay to or on behalf of an employee who transfers in the interest of the Government, the expenses of property management services when the employee transfers to a post of duty outside the United States as defined in subsection (d) of this section. Such payment shall terminate upon return of the employee to an official station within the United States as defined in subsection (d) of this section.".

SEC. 1315. AUTHORITY TO TRANSPORT A PRIVATELY OWNED MOTOR VEHICLE WITHIN THE CONTINENTAL UNITED STATES.

(a) IN GENERAL.—Section 5727 of title 5, United States Code, is amended—

(1) by redesignating subsections (c) through (e) as subsections (d) through (f), respectively;

(2) by inserting after subsection (b) the following new subsection:

"(c) Under regulations prescribed under section 5737, the privately owned motor vehicle or vehicles of an employee, including a new appointee or a student trainee for whom travel and transportation expenses are authorized under section 5723, may be transported at Government expense to a new official station of the employee when the agency determines that such transport is advantageous and cost-effective to the Government."; and

(3) in subsection (e) (as so redesignated), by striking "subsection (b) of this section" and by inserting "subsection (b) or (c) of this section".

(b) AVAILABILITY OF APPROPRIATIONS.—(1) Section 5722(a) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c).".

(2) Section 5723(a) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by inserting "and" after the semicolon at the end of paragraph (2); and

(C) by adding at the end the following:

"(3) the expenses of transporting a privately owned motor vehicle to the extent authorized under section 5727(c);".

SEC. 1316. AUTHORITY TO PAY LIMITED RELOCATION ALLOWANCES TO AN EMPLOYEE WHO IS PERFORMING AN EXTENDED ASSIGNMENT.

(a) IN GENERAL.—Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5736. Relocation expenses of an employee who is performing an extended assignment

"(a) Under regulations prescribed under section 5737, an agency may pay to or on behalf of an employee assigned from the employee's official station to a duty station for a period of no less than 6 months and no greater than 30 months, the following expenses in lieu of payment of expenses authorized under subchapter I of this chapter:

"(1) Travel expenses to and from the assignment location in accordance with section 5724.

"(2) Transportation expenses of the immediate family and household goods and personal effects to and from the assignment location in accordance with section 5724.

"(3) A per diem allowance for the employee's immediate family to and from the assignment location in accordance with section 5724a(a).

"(4) Travel and transportation expenses of the employee and spouse to seek residence quarters at the assignment location in accordance with section 5724a(b).

"(5) Subsistence expenses of the employee and the employee's immediate family while occupying temporary quarters upon commencement and termination of the assignment in accordance with section 5724a(c).

"(6) An amount, in accordance with section 5724a(g), to be used by the employee for miscellaneous expenses.

"(7) The expenses of transporting a privately owned motor vehicle or vehicles to the assignment location in accordance with section 5727.

"(8) An allowance as authorized under section 5724b of this title for Federal, State, and local income taxes incurred on reimbursement of expenses paid under this section or on services provided in kind under this section.

"(9) Expenses of nontemporary storage of household goods and personal effects as defined in section 5726(a). The weight of the household goods and personal effects stored under this subsection, together with the weight of property transported under section 5724(a), may not exceed the total maximum weight which could be transported in accordance with section 5724(a).

"(10) Expenses of property management services.

"(b) An agency shall not make payment under this section to or on behalf of the employee for expenses incurred after termination of the temporary assignment.".

(b) Clerical Amendment.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5735 the following new item:

"5736. Relocation expenses of an employee who is performing an extended assignment.".

SEC. 1317. AUTHORITY TO PAY A HOME MARKETING INCENTIVE.

(a) In General.—Subchapter IV of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5756. Home marketing incentive payment

"(a) Under such regulations as the Administrator of General Services may prescribe, an agency may pay to an employee who transfers in the interest of the Government an amount, not to exceed a maximum payment amount established by the Administrator in consultation with the Director of the Office of Management and Budget, to encourage the employee to aggressively market the employee's residence at the old official station when—

"(1) the residence is entered into a program established under a contract in accordance with section 5724c of this chapter, to arrange for the purchase of the residence;

"(2) the employee finds a buyer who completes the purchase of the residence through the program; and

"(3) the sale of the residence to the individual results in a reduced cost to the Government.

"(b) For fiscal years 1997 and 1998, the Administrator shall establish a maximum payment amount of 5 percent of the sales price of the residence.".

(b) Clerical Amendment.—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting at the end the following:

"5756. Home marketing incentive payment.".

SEC. 1318. CONFORMING AMENDMENTS.

(a) Amendments to Title 5, United States Code.—(1) Section 5724a of title 5, United States Code, is further amended by adding at the end the following new subsections:

"(g)(1) Subject to paragraph (2), an employee who is reimbursed under subsections (a) through (f) of this section or section 5724(a) of this title is entitled to an amount for miscellaneous expenses—

"(A) not to exceed 2 weeks' basic pay, if such employee has an immediate family; or

"(B) not to exceed 1 week's basic pay, if such employee does not have an immediate family.

"(2) Amounts paid under paragraph (1) may not exceed amounts determined at the maximum rate payable for a position at GS–13 of the General Schedule.

"(h) A former employee separated by reason of reduction in force or transfer of function who within 1 year after the separation is reemployed by a nontemporary appointment at a different geographical location from that where the separation occurred, may be allowed and paid the expenses authorized by sections 5724, 5725, 5726(b), and 5727 of this title, and may receive the benefits authorized by subsections (a) through (g) of this section, in the same manner as though such employee had been transferred in the interest of the Government without a break in service to the location of reemployment from the location where separated.

"(i) Payments for subsistence expenses, including amounts in lieu of per diem or actual subsistence expenses or a combination thereof, authorized under this section shall not exceed the maximum payment allowed under regulations which implement section 5702 of this title.

"(j) Subsections (a), (b), and (c) shall be implemented under regulations issued under section 5737.".

(2) Section 3375 of title 5, United States Code, is amended—

(A) in subsection (a)(3), by striking "section 5724a(a)(1) of this title" and inserting "section 5724a(a) of this title";

(B) in subsection (a)(4), by striking "section 5724a(a)(3) of this title" and inserting "section 5724a(c) of this title"; and

(C) in subsection (a)(5), by striking "section 5724a(b) of this title" and inserting "section 5724a(g) of this title".

(3) Section 5724(e) of title 5, United States Code, is amended by striking "section 5724a(a), (b) of this title" and inserting "section 5724a(a) through (g) of this title".

(b) Miscellaneous.—(1) Section 707 of title 38, United States Code, is amended—

(A) in subsection (a)(6), by striking "Section 5724a(a)(3)" and inserting "Section 5724a(c)"; and

(B) in subsection (a)(7), by striking "Section 5724a(a)(4)" and inserting "section 5724a(d)".

(2) Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended—

(A) in subsection (g)(2)(A), by striking "5724a(a)(1)" and inserting "5724a(a)"; and

(B) in subsection (g)(2)(A), by striking "5724a(a)(3)" and inserting "5724a(c)".

(3) Section 925 of the Public Health Service Act (42 U.S.C. 299c–4) is amended—

(A) in subsection (f)(2)(A), by striking "5724a(a)(1)" and inserting "5724a(a)"; and

(B) in subsection (f)(2)(A), by striking "5724a(a)(3)" and inserting "5724a(c)".

Subtitle B—Miscellaneous Provisions

SEC. 1331. REPEAL OF THE LONG-DISTANCE TELEPHONE CALL CERTIFICATION REQUIREMENT.

Section 1348 of title 31, United States Code, is amended—

(1) by striking the last sentence of subsection (a)(2);

(2) by striking subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 1332. TRANSFER OF AUTHORITY TO ISSUE REGULATIONS.

(a) In General.—Subchapter II of chapter 57 of title 5, United States Code, is further amended by adding at the end the following new section:

"§ 5737. Regulations

"(a)(1) Except as specifically provided in this subchapter, the Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.

"(2) Notwithstanding any limitation of this subchapter, in promulgating regulations under paragraph (1) of this subsection, the Administrator of General Services shall include a provision authorizing the head of an agency or his designee to waive any limitation of this subchapter or in any implementing regulation for any employee relocating to or from a remote or isolated location who would otherwise suffer hardship.

"(b) The Administrator of General Services shall prescribe regulations necessary for the implementation of section 5724b of this subchapter in consultation with the Secretary of the Treasury.

"(c) The Secretary of Defense shall prescribe regulations necessary for the implementation of section 5735 of this subchapter.".

(b) Clerical Amendment.—The table of sections for chapter 57 of title 5, United States Code, is further amended by inserting after the item relating to section 5736 the following new item:

"5737. Regulations.".

(c) Conforming Amendments.—(1) Section 5722 of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe", and inserting "Under regulations prescribed under section 5737 of this title".

(2) Section 5723 of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe", and inserting "Under regulations prescribed under section 5737 of this title".

(3) Section 5724 of title 5, United States Code, is amended—

(A) in subsections (a) through (c), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title";

(B) in subsections (c) and (e), by striking "under regulations prescribed by the President" and inserting "under regulations prescribed under section 5737 of this title"; and

(C) in subsection (f), by striking "under the regulations of the President" and inserting "under regulations prescribed under section 5737 of this title".

(4) Section 5724b of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe" and inserting "Under regulations prescribed under section 5737 of this title".

(5) Section 5726 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "as the President may by regulation authorize" and inserting "as authorized under regulations prescribed under section 5737 of this title"; and

(B) in subsections (b) and (c), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "under regulations prescribed under section 5737 of this title".

(6) Section 5727(b) of title 5, United States Code, is amended by striking "Under such regulations as the President may prescribe" and inserting "Under regulations prescribed under section 5737 of this title".

(7) Section 5728 of title 5, United States Code, is amended in subsections (a), (b), and (c)(1), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title".

(8) Section 5729 of title 5, United States Code, is amended in subsections (a) and (b), by striking "Under such regulations as the President may prescribe" each place it appears and inserting "Under regulations prescribed under section 5737 of this title".

(9) Section 5731 of title 5, United States Code, is amended by striking "in accordance

with regulations prescribed by the President" and inserting "in accordance with regulations prescribed under section 5737 of this title".

SEC. 1333. REPORT ON ASSESSMENT OF COST SAVINGS.

No later than 1 year after the effective date of the final regulations issued under section 1334(b), the General Accounting Office shall submit a report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives on an assessment of the cost savings to Federal travel administration resulting from statutory and regulatory changes under this Act.

SEC. 1334. EFFECTIVE DATE; ISSUANCE OF REGULATIONS.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

(b) REGULATIONS.—The Administrator of General Services shall issue final regulations implementing the amendments made by this title by not later than the expiration of the period referred to in subsection (a).

Strike section 1114(b) of the bill.

LEVIN AMENDMENT NO. 4402

Mr. NUNN (for Mr. LEVIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place in title VIII of the bill, add the following new section:

SEC. . TEST PROGRAMS FOR MODERNIZATION-THROUGH-SPARES.

Not later than 60 days after the date of enactment of this Act, the Secretary of the Army shall report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on the steps he has taken to ensure that each program included in the Army's modernization-through-spares program is conducted in accordance with—

(1) the competition requirements in section 2304 of title 10;

(2) the core logistics requirements in section 2464 of title 10; and

(3) the public-private competition requirements in section 2469 of title to; and

(4) requirements relating to contract bundling and spare parts breakout in sections 15(a) and 15(l) of the Small Business Act (15 U.S.C. 644) and implementing regulations in the Defense FAR Supplement.

STEVENS AMENDMENT NO. 4403

Mr. MCCAIN (for Mr. STEVENS) proposed an amendment to the bill, S. 1745, supra: as follows:

In the table in section 2401(a), strike out "$18,000,000" in the amount column in the item relating to Elmendorf Air Force Base, Alaska, and insert in lieu thereof "$21,000,000".

Strike out the amount set forth as the total amount at the end of the table in section 2401(a) and insert in lieu thereof "$530,590,000".

In section 2406(a), in the matter preceding paragraph (1), strike out "$3,421,366,000" and insert in lieu thereof "$3,424,366,000".

In section 2406(a)(1), strike out "$364,487,000" and insert in lieu thereof "$367,487,000".

DOMENICI AMENDMENT NO. 4404

Mr. MCCAIN (for Mr. DOMENICI) proposed an amendment to the bill, S. 1745, supra; as follows:

In the table in section 2101(a), insert after the item relating to Fort Polk, Louisiana, the following new item:

New Mexico.	White Sands Missile Range.	$10,000,000

Strike out the amount set forth as the total amount at the end of the table in section 2101(a) and insert in lieu thereof "$366,450,000".

In section 2104(a), in the matter preceding paragraph (1), strike out "$1,894,297,000" and insert in lieu thereof "$1,904,297,000".

In section 2104(a)(1), strike out "$356,450,000" and insert in lieu thereof "$366,450,000".

CHAFEE (AND WARNER) AMENDMENT NO. 4405

Mr. MCCAIN (for Mr. CHAFEE, for himself and Mr. WARNER) proposed an amendment to the bill, S. 1745, supra; as follows:

In the table in section 2201(a), insert after the item relating to Camp Lejeune Marine Corps Base, North Carolina, the following new item:

Rhode Island.	Naval Undersea Warfare Center.	$8,900,000

Strike out the amount set forth as the total amount at the end of the table in section 2201(a) and insert in lieu thereof "$515,952,000".

In section 2205(a), in the matter preceding paragraph (1), strike out "$2,040,093,000" and insert in lieu thereof "$2,048,993,000".

In section 2205(a)(1), strike out "$507,052,000" and insert in lieu thereof "$515,952,000".

SMITH AMENDMENT NO. 4406

Mr. MCCAIN (for Mr. SMITH) proposed an amendment to the bill, S. 1745, supra; as follows:

SEC. . SENSE OF THE SENATE CONCERNING USS LCS 102 (LSSL 102).

It is the Sense of the Senate that the Secretary of Defense should use existing authorities in law to seek the expeditious return upon completion of service, of the former USS LCS 102 (LSSL 102) from the Government of Thailand in order for the ship to be transferred to the United States Shipbuilding Museum in Quincy, Massachusetts.

ROBB AMENDMENT NO. 4407

Mr. NUNN (for Mr. ROBB) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title IX, add the following:

SEC. 908. MATTERS TO BE CONSIDERED IN NEXT ASSESSMENT OF CURRENT MISSIONS, RESPONSIBILITIES, AND FORCE STRUCTURE OF THE UNIFIED COMBATANT COMMANDS.

The Chairman of the Joint Chiefs of Staff shall consider, as part of the next periodic review of the missions, responsibilities, and force structure of the unified combatant commands under section 161(b) of title 10, United States Code, the following matters:

(1) For each Area of Responsibility of the regional unified combatant commands—

(A) the foremost threats to United States or allied securities in the near- and long-term;

(B) the total area of ocean and total area of land encompassed; and

(C) the number of countries and total populations encompassed.

(2) Whether any one Area of Responsibility encompasses a disproportionately high or low share of threats, mission requirements, land or ocean area, number of countries, or population.

(3) The other factors used to establish the current Areas of Responsibility.

(4) Whether any of the factors addressed under paragraph (3) account for any apparent imbalances indicated in the response to paragraph (2).

(5) Whether, in light of recent reductions in the overall force structure of the Armed Forces, the United States could better execute its warfighting plans with fewer unified combatant commands, including—

(A) a total of five or fewer commands, all of which are regional;

(B) an eastward-oriented command, a westward-oriented command, a central command; or

(C) a purely functional command structure, involving (for example) a first theater command, a second theater command, a logistics command, a special contingencies command, and a strategic command.

(6) Whether any missions, staff, facilities, equipment, training programs, or other assets or activities of the unified combatant commands are redundant.

(7) Whether warfighting requirements are adequate to justify the current functional commands.

(8) Whether the exclusion of Russia from a specific Area of Responsibility presents any difficulties for the unified combatant commands with respect to contingency planning for that area and its periphery.

(9) Whether the current geographic boundary between the Central Command and the European Command through the Middle East could create command conflicts in the context of fighting a major regional conflict in the Middle East.

LEVIN AMENDMENT NO. 4408

Mr. NUNN (for Mr. LEVIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. SEAMLESS HIGH OFF-CHIP CONNECTIVITY.

Of the amount authorized to be appropriated by this Act, $7,000,000 shall be available for the Defense Advanced Research Projects Agency for research and development on Seamless High Off-Chip Connectivity (SHOCC) under the materials and electronic technology program (PE 0602712E).

SMITH AMENDMENT NO. 4409

Mr. MCCAIN (for Mr. SMITH) proposed an amendment to the bill, S. 1745, supra; as follows:

Beginning on page 90, strike line 1 and all that follows through page 91, line 17, and insert the following:

SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FEDERAL PROPERTY BEFORE COMPLETION OF REQUIRED REMEDIAL ACTIONS.

(a) IN GENERAL.—Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended—

(1) by redesignating subparagraph (A) as clause (i) and clauses (i), (ii), and (iii) of that subparagraph as subclauses (I), (II), and (III), respectively;

(2) by striking "After the last day" and inserting the following:

"(A) IN GENERAL.—After the last day";

(3) by redesignating subparagraph (B) as clause (ii) and clauses (i) and (ii) of that subparagraph as subclauses (I) and (II), respectively;

(4) by redesignating subparagraph (C) as clause (iii);

(5) by striking "For purposes of subparagraph (B)(i)" and inserting the following:

"(B) COVENANT REQUIREMENTS.—For purposes of subparagraphs (A)(ii)(I) and (C)(iii)";

(6) in subparagraph (B), as designated by paragraph (5), by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)(ii)"; and

(7) by adding at the end the following:

"(C) DEFERRAL.—

"(i) IN GENERAL.—The Administrator (in the case of real property at a Federal facility that is listed on the National Priorities List) or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii)(I) with respect to the property if the Administrator or the Governor, as the case may be, determines that—

"(I) the property is suitable for transfer for the use intended by the transferee;

"(II) the deed or other agreement proposed to govern the transfer between the United States and the transferee of the property contains the assurances set forth in clause (ii); and

"(III) the Federal agency requesting deferral has provided notice, by publication in a newspaper of general circulation in the vicinity of the property, of the proposed transfer and of the opportunity for the public to submit, within a period of not less than 30 days after the date of the notice, written comments on the finding by the agency that the property is suitable for transfer.

"(ii) REMEDIAL ACTION ASSURANCES.—With regard to a release or threatened release of a hazardous substance for which a Federal agency is potentially responsible under this section, the deed or other agreement proposed to govern the transfer shall contain assurances that—

"(I) provide for any necessary restrictions to ensure the protection of human health and the environment;

"(II) provide that there will be restrictions on use necessary to ensure required remedial investigations, remedial actions, and oversight activities will not be disrupted;

"(III) provide that all appropriate remedial action will be taken and identify the schedules for investigation and completion of all necessary remedial action; and

"(IV) provide that the Federal agency responsible for the property subject to transfer will submit a budget request to the Director of the Office of Management and Budget that adequately addresses schedules, subject to congressional authorizations and appropriations.

"(iii) WARRANTY.—When all remedial action necessary to protect human health and the environment with respect to any substance remaining on the property on the date of transfer has been taken, the United States shall execute and deliver to the transferee an appropriate document containing a warranty that all such remedial action has been completed, and the making of the warranty shall be considered to satisfy the requirement of subparagraph (A)(ii)(I).

"(iv) FEDERAL RESPONSIBILITY.—A deferral under this subparagraph shall not increase, diminish, or affect in any manner any rights or obligations of a Federal agency with respect to a property transferred under this subparagraph.".

(b) CONTINUED APPLICATION OF STATE LAW.—The first sentence of section 120(a)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(a)(4)) is amended by inserting "or facilities that are the subject of a deferral under subsection (h)(3)(C)" after "United States".

GLENN (AND HELMS) AMENDMENT NO. 4410

Mr. NUNN (for Mr. GLENN, for himself and Mr. HELMS) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. STRENGTHENING CERTAIN SANCTIONS AGAINST NUCLEAR PROLIFERATION ACTIVITIES.

(A) IN GENERAL.—Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended—

(1) by inserting after "any country has willfully aided or abetted" the following: ", or any person has knowingly aided or abetted,";

(2) by striking "or countries" and inserting ", countries, person, or persons";

(3) by inserting after "United States exports to such country" the following: "or, in the case of any such person, give approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of, exports to or by any such person for a 12-month period,";

(4) by inserting "(A)" immediately after "(4)";

(5) by inserting after "United States exports to such country" the second place it appears the following: ", except as provided in subparagraph (B),"; and

(6) by adding at the end the following:

"(B) In the case of any country or person aiding or abetting a non-nuclear-weapon state as described in subparagraph (A), the prohibition on financing by the Bank contained in the second sentence of that subparagraph shall not apply to the country or person, as the case may be, if the President determines and certifies in writing to the Congress that—

"(i) reliable information indicates that the country or person with respect to which the determination is made has ceased to aid or abet any non-nuclear-weapon state to acquire any nuclear explosive device or to acquire unsafeguarded special nuclear material; and

"(ii) the President has received reliable assurances from the country or person that such country or person will not, in the future, aid or abet any non-nuclear-weapon state in its efforts to acquire any nuclear explosive device or any unsafeguarded special nuclear material.

"(C) For purposes of subparagraphs (A) and (B)—

"(ii) the term 'country' has the meaning given to 'foreign state' in section 1603(a) of title 28, United States Code;

"(ii) the term 'knowingly' is used within the meaning of the term 'knowing' in section 104 of the Foreign Corrupt Practices Act; and

"(iii) the term 'person' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.".

(b) EFFECTIVE DATE.—(1) The amendments made by paragraphs (1) through (5) of subsection (a) shall apply to persons, and the amendment made by subsection (a)(6), shall apply to countries and persons, aiding or abetting non-nuclear weapon states on or after June 29, 1994.

(2) Nothing in this section or the amendments made by this section shall apply to obligations undertaken pursuant to guarantees, insurance, and the extension of credits (and participation in the extension of credits) made before the date of enactment of this Act.

CHAFEE AMENDMENT NO. 4411

Mr. MCCAIN (for Mr. CHAFEE) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VIII add the following:

SEC. 810. PILOT PROGRAM FOR TRANSFER OF DEFENSE TECHNOLOGY INFORMATION TO PRIVATE INDUSTRY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program to demonstrate online transfers of information on defense technologies to businesses in the private sector through an interactive data network involving Small Business Development Centers of institutions of higher education.

(b) COMPUTERIZED DATA BASE OF DEFENSE TECHNOLOGIES.—(1) Under the pilot program, the Secretary shall enter into an agreement with the head of an eligible institution of higher education that provides for such institution—

(A) to develop and maintain a computerized data base of information on defense technologies;

(B) to make such information available online to—

(i) businesses; and

(ii) other institutions of higher education entering into partnerships with the Secretary under subsection (c).

(2) The online accessibility may be established by means of any of, or any combination of, the following:

(A) Digital teleconferencing.

(B) International Signal Digital Network lines.

(C) Direct modem hookup.

(c) PARTNERSHIP NETWORK.—Under the pilot program, the Secretary shall seek to enter into agreements with the heads of several eligible institutions of higher education having strong business education programs to provide for the institutions of higher education entering into such agreements—

(1) to establish interactive computer links with the data base developed and maintained under subsection (b); and

(2) to assist the Secretary in making information on defense technologies available online to the broadest practicable number types and sizes of businesses.

(d) ELIGIBLE INSTITUTIONS.—For the purposes of this section an institution of higher education is eligible to enter into an agreement under subsection (b) or (c) if the institution has a Small Business Development Center.

(e) DEFENSE TECHNOLOGIES COVERED.—(1) The Secretary shall designate the technologies to be covered by the pilot program from among the existing and experimental technologies that the Secretary determines—

(A) are useful in meeting Department of Defense needs; and

(B) should be made available under the pilot program to facilitate the satisfaction of such needs by private sector sources.

(2) Technologies covered by the program should include technologies useful for defense purposes that can also be used for nondefense purposes (with or without modification).

(f) DEFINITIONS.—In this section:

(1) The term "Small Business Development Center" means a small business development center established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(2) The term "defense technology" means a technology designated by the Secretary of Defense under subsection (d).

(3) The term "partnership" means an agreement entered into under section (c).

(g) TERMINATION OF PILOT PROGRAM.—The pilot program shall terminate one year after the Secretary enters into an agreement under subsection (b).

(h) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4) for university research initiatives $3000000 is available for the pilot program.

THURMOND (AND NUNN) AMENDMENT NO. 4412

Mr. MCCAIN (for Mr. THURMOND, for himself and Mr. NUNN) proposed an amendment to the bill S. 1745 supra; as follows:

In section 216, strike out the section heading and insert in lieu therefore the following:

SEC. 216. TIER III MINUS UNMANNED AERIAL VEHICLE.

In section 3131(e), in the matter preceding paragraph (1), strike out "section 3101" and insert in lieu thereof "section 3101(b)(1)".

In section 3131(e)(1), strike out "and" after the semicolon.

In section 3131(e)(2), strike out the period at the end and insert in lieu thereof "; and".

At the end of section 3131(e), add the following:

(3) not more than $100,000,000 shall be available for other tritium production research activities.

In section 3132(a), strike out "requirement for tritium for" and insert in lieu thereof "tritium requirements for".

In section 3136(a), in the matter preceding paragraph (1), strike out "section 3102" and insert in lieu thereof "section 3102(b)".

In section 3136(a)(1), strike out "$43,000,000" and insert in lieu thereof "$65,700,000".

In section 3136(a)(2), strike out "$15,000,000" and insert in lieu thereof "$80,000,000".

In section 3136(a)(2), strike out "stainless steel" and insert in lieu thereof "non-aluminum clad".

BROWN AMENDMENT NO. 4413

Mr. BROWN proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II add the following:

SEC. 237. ANNUAL REPORT ON THREAT OF ATTACK BY BALLISTIC MISSILES CARRYING NUCLEAR, CHEMICAL, OR BIOLOGICAL WARHEADS.

(a) FINDINGS—Congress makes the following findings:

(1) The worldwide proliferation of ballistic missiles is a potential threat to the United States national interests overseas and challenges United States defense planning.

(2) In the absence of a national missile defense, the United States remains vulnerable to long-range missile threats.

(3) Russia has a ground-based missile defense system deployed around Moscow.

(4) Several countries, including Iraq, Iran, and North Korea may soon be technologically capable of threatening the United States and Russia with ballistic missile attack.

(b) REPORT REQUIRED.—(1) Each year, the President shall submit to Congress a report on the threats to the United States of attack by ballistic missiles carrying nuclear, biological, or chemical warheads.

(2) The President shall submit the first report not later than 180 days after the date of the enactment of this Act.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A list of all countries thought to have nuclear, chemical, or biological weapons, the estimated numbers of such weapons that each country has, and the destructive potential of the weapons.

(2) A list of all countries thought to have ballistic missiles, the estimated number of such missiles that each country has, and an assessment of the ability of those countries to integrate their ballistic missile capabilities with their nuclear, chemical, or biological weapon technologies.

(3) A comparison of the United States civil defense capabilities with the civil defense capabilities of each country that has nuclear, chemical, or biological weapons and ballistic missiles capable of delivering such weapons.

(4) An estimate of the number of American fatalities and injuries that could result, and an estimate of the value of property that could be lost, from an attack on the United States by ballistic missiles carrying nuclear, chemical, or biological weapons if the United States were left undefended by a national missile defense system covering all 50 States.

(5) Assuming the use of any existing theater ballistic missile defense system for defense of the United States, a list of the States that would be left exposed to nuclear ballistic missile attacks and the criteria used to determine which States would be left exposed.

(6) The means by which the United States is preparing to defend itself against the potential threat of ballistic missile attacks by North Korea, Iran, Iraq, and other countries obtaining ballistic missiles capable of delivering nuclear, chemical, and biological weapons in the near future.

(7) For each country that is capable of attacking the United States with ballistic missiles carrying a nuclear, biological, or chemical weapon, a comparison of—

(A) the vulnerability of the United States to such an attack if theater missile defenses were used to defend against the attack; and

(B) the vulnerability of the United States to such an attack if a national missile defense were in place to defend against the attack.

LEVIN AMENDMENT NO. 4414

Mr. LEVIN proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title I add the following:

Subtitle E—Reserve Components

SEC. 141. RESERVE COMPONENT EQUIPMENT.

(a) APPLICABILITY OF MODERNIZATION PRIORITIES.—The selection of equipment to be procured for a reserve component with funds authorized to be appropriated under section 105 shall be made in accordance with the highest priorities established for the modernization of that reserve component.

(b) REPORTS.—(1) Not later than December 1, 1996, each officer referred to in paragraph (2) shall submit to the congressional defense committees an assessment of the modernization priorities established for the reserve component or reserve components for which that officer is responsible.

(2) The officers required to submit a report under paragraph (1) are as follows:

(A) The Chief of the National Guard Bureau.

(B) The Chief of Army Reserve.

(C) The Chief of Air Force Reserve.

(D) The Director of Naval Reserve.

(E) The Commanding General, Marine Forces Reserve.

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
			SASC change		HNSC change		SAC change		HAC change			
	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
NATIONAL GUARD AND RESERVE EQUIPMENT												
RESERVE EQUIPMENT												
ARMY RESERVE												
Miscellaneous equipment				35,000		10,000		110,000		10,000		
25 ton trucks				15,000							15,000	
New procurement 2 5/5 ton trucks						15,000				15,000		
Tactical truck SLEP 2 5 ton						15,000				15,000		
Tactical truck SLEP 5 ton						10,000						10,000
Heavy truck modernization				30,000							30,000	
HEMTT bridge trans						4,000				9,000		
Dump trucks 20 tons						2,000				10,000		
Water purfication units						2,000				4,000		
Portable lighting systems w/trailers						4,000				4,000		
Automatic building machines						5,000				3,000		2,000
HMMWV maintenance trucks				10,000		2,000				6,000	4,000	
All-terrain forklift 10 ton						4,000				4,000		
All-terrain crane 20 ton						4,000				4,000		
Hydraulic excavator						3,000				3,000		

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
			SASC change		HNSC change		SAC change		HAC change			
	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
HEMTT wrecker						3,000				7,000		
Mk-19 grenade launcher						3,000				3,000		
Steam cleaner						2,000				2,000		
Coolant purification system						2,000						2,000
Small arms simulator						1,000				1,000		
High mobility trailer						1,000						1,000
Unit level logistics system						2,000				2,000		
SINCGARS						2,000						2,000
Palletized load system						4,000						4,000
Palletized trailers						2,000				2,000		
HEMTT cargo chassis						4,000				4,000		
ANGRS–231										2,000		
Laser leveling system										3,000		
Subtotal—Army Reserve				90,000		106,000		110,000		113,000	49,000	21,000
NAVY RESERVE												
Miscellaneous Equipment				16,000		10,000		30,000		5,000		
F/A 18 Upgrades				24,000							24,000	
C–9 Replacement Aircraft					4	160,000			4	160,000		
MIUW Van System Upgrades						10,000						10,000
Night Vision Goggles						2,000						2,000
C–9 Mods						3,000						3,000
P–3C Simulator Upgrade						2,000						2,000
Magic Lantern Spares						5,000				5,000		
P–3 Modernization										72,000		
Subtotal—Navy Reserve				40,000		192,000		30,000		242,000	24,000	17,000
MARINE CORPS RESERVE												
Miscellaneous Equipment				10,000		10,000		40,000		10,000		
LAV Improvements						2,000				2,000		
CH–53E				50,000	2	64,000			2	64,000		
AAV7A1 Modifications						2,000				2,000		
Night Vision Equipment						1,000				1,000		
Common End User Computers						4,000				4,000		
Fork Lifts						4,000				1,000		
M1A1 Tank Mod Kits										5,000		
AN/TPS–59										11,000		
Subtotal—Marine Corps Reserve				60,000		83,000		40,000		100,000		
AIR FORCE RESERVE												
Miscellaneous Equipment				10,000		10,000		50,000		10,000		
C–20G				30,000							30,000	
F–16 Avionics Upgrades						5,000				5,000		
Night Vision Devices						3,000				3,000		
A–10 Avionics Upgrades						7,000				7,000		
C–130 Avionics Upgrades						7,000				7,000		
HC–130P Tanker Conversion						3,000				3,000		
C–130 Modular Airborne Firefighting System						1,000				1,000		
F–16 Weapons Pylon Upgrades						1,000				1,000		
KC–135R Engine Kits						104,000				96,000		8,000
KC–135 Radar Replacement						5,000				5,000		
B–52 Avionics Upgrades						1,000				1,000		
Non-aircrew Training Systems						1,000				1,000		
EPLRS/SADL										8,000		
Subtotal—Air Force Reserve				40,000		148,000		50,000		148,000	30,000	8,000
Subtotal—Reserves				230,000		529,000		230,000		603,000	103,000	46,000
NATIONAL GUARD EQUIPMENT												
ARMY NATIONAL GUARD												
Miscellaneous Equipment				52,000		10,000		125,400		10,000		
MLRS				30,000							30,000	
Combat and Support Systems				23,000							23,000	
Tactical Trucks and Trailers				42,000							42,000	
Communications Electronics				13,000							13,000	
Logistics Service Support				10,000							10,000	
Night Vision Equipment				14,000		3,000				10,000	4,000	
Chem/Bio Defense Equipment				2,000							2,000	
Aircraft Equipment				21,000							21,000	
Infrastructure Equipment				17,000							17,000	
New Procurement Tactical Truck 5 Ton						4,000				4,000		
SLEP 2.5 Ton						15,000				15,000		
SLEP 5 Ton						4,000				4,000		
Crashworthy Internal Fuel Cells						5,000				5,000		
Small Arms Simulators						5,000						5,000
AH–1 Boresight devise						3,000				3,000		
Coolant Purification System						3,000				3,000		
Avenger I–COFT Simulator						4,000				4,000		
D7 Bulldozer w/Ripper						2,000						2,000
Water Purification Unit						1,000				1,000		
FADEC						10,000				10,000		
Digital System Test and Training Seminar						3,000				3,000		
Automatic Building Machines						3,000				1,000		2,000
AH–1 C–Nite						2,000				2,000		
Dump Trucks 20 Ton						3,000				3,000		
C–23 Sherpa Enhancement Program						28,000						28,000
Helicopter Simulators (ARMS)						5,000				15,000		
Dragon Modifications						2,000				2,000		
Vibration System Management Systems						3,000				3,000		
Distance Learning Equipment										29,000		
Laser Leveling Equipment										5,000		
Automatic Identification Technology										7,000		
Subtotal—Army National Guard				224,000		118,000		125,400		139,000	162,000	37,000
AIR NATIONAL GUARD												
Miscellaneous Equipment				10,000				40,000		5,000		
Sead Mission Upgrade				11,400							11,400	
F–16 HTS						10,000				10,000		

Title	FY 1997		Authorization				Appropriation				Hollow SASC	Hollow HNSC
			SASC change		HNSC change		SAC change		HAC change			
	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost	Qty.	Cost		
C–130J				284,400	2	105,000			2	105,000	179,400	
Theater Deployable Communications						17,000						17,000
C–26B						5,000						5,000
Automatic Building Machines						3,000				2,000		1,000
F–16 Improved Avionics Intermediate Shop						15,000				15,000		
AN/TLQ–32 Tadar Decoys						3,000				3,000		
C–130 Upgrades										5,000		
EPLRS / SADL										17,000		
Modular Medical Trauma Unit										4,000		
Subtotal—Air National Guard				305,800		158,000		40,000		166,000	190,800	23,000
Subtotal—National Guard				529,800		276,000		165,400		305,000	352,800	60,000
DOD												
MISC EQUIPMENT (Guard & Reserve Aircraft)												
C–130J								284,400				
C–9 Replacement Aircraft								80,000				
Miscellaneous												
Subtotal—Misc Equipment (Aircraft)								364,400				
Total, National Guard and Reserve Equipment				759,800		805,000		759,800		908,000	455,800	108,000

CONRAD (AND DORGAN) AMENDMENT NO. 4415

Mr. CONRAD (for himself and Mr. DORGAN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of section 1062, add the following:

(d) RETENTION OF B–52H AIRCRAFT ON ACTIVE STATUS.—(1) The Secretary of the Air Force shall maintain in active status (including the performance of standard maintenance and upgrades) the current fleet of B–52H bomber aircraft.

(2) For purposes of carrying out upgrades of B–52H bomber aircraft during fiscal year 1997, the Secretary shall treat the entire current fleet of such aircraft as aircraft expected to be maintained in active status during the five-year period beginning on October 1, 1996.

BROWN (AND OTHERS) AMENDMENT NO. 4416

Mr. MCCAIN (for Mr. BROWN, for himself, Mr. MCCAIN, Mr. SIMON, Mr. SANTORUM, Mr. ROTH, Ms. MIKULSKI, Mrs. HUTCHISON, Mr. BRADLEY, Mrs. KASSEBAUM, Mr. COHEN, Mr. LEVIN, and Mr. LIEBERMAN) proposed an amendment to amendment No. 4367 proposed by Mr. NUNN to the bill, S. 1745, supra; as follows:

Strike all after page 1, line 3, and insert in lieu thereof the following:

(a) Not later than December 1, 1996, the President shall transmit a report on NATO enlargement to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives. The report shall contain a comprehensive discussion of the following:

(1) Geopolitical and financial costs and benefits, including financial savings, associated with:

(A) enlargement of NATO;

(B) further delays in the process of NATO enlargement; and

(C) a failure to enlarge NATO.

(2) Additional NATO and U.S. military expenditures requested by prospective NATO members to facilitate their admission into NATO;

(3) Modifications necessary in NATO's military strategy and force structure required by the inclusion of new members and steps necessary to integrate new members, including the role of nuclear and conventional capabilities, reinforcement, force deployments, prepositioning of equipment, mobility, and headquarter locations;

(4) The relationship between NATO enlargement and transatlantic stability and security;

(5) The state of military preparedness and interoperability of Central and Eastern European nations as it relates to the responsibilities of NATO membership and additional security costs or benefits that may accrue to the United States from NATO enlargement;

(6) The state of democracy and free market development as it affects the preparedness of Central and Eastern European nations for the responsibilities of NATO membership, including civilian control of the military, the rule of law, human rights, and parliamentary oversight;

(7) The state of relations between prospective NATO members and their neighbors, steps taken by prospective members to reduce tensions, and mechanisms for the peaceful resolution of border disputes;

(8) The commitment of prospective NATO members to the principles of the North Atlantic Treaty and the security of the North Atlantic area;

(9) The effect of NATO enlargement on the political, economic and security conditions of European Partnership for Peace nations not among the first new NATO members;

(10) The relationship between NATO enlargement and EU enlargement and the costs and benefits of both;

(11) The relationship between NATO enlargement and treaties relevant to U.S. and European security, such as the Conventional Armed Forces in Europe Treaty; and

(12) The anticipated impact both of NATO enlargement and further delays of NATO enlargement on Russian foreign and defense policies and the costs and benefits of a security relationship between NATO and Russia.

(b) INDEPENDENT ASSESSMENT.—Not later than 15 days after enactment of this Act, the Majority Leader of the Senate and the Speaker of the House of Representatives shall appoint a chairman and two other members and the Minority Leaders of the Senate and House of Representatives shall appoint two members to serve on a bipartisan review group of non-governmental experts to conduct an independent assessment of NATO enlargement, including a comprehensive review of the issues in (a) 1 through 12 above. The report of the review group shall be completed no later than December 1, 1996. The Secretary of Defense shall furnish the review group administrative and support services requested by the review group. The expenses of the review group shall be paid out of funds available for the payment of similar expenses incurred by the Department of Defense.

(c) Nothing in this section should be interpreted or construed to affect the implementation of the NATO Participation Act of 1994, as amended (P.L. 103–447), or any other program or activity which facilitates or assists prospective NATO members.

JEFFORDS (AND PELL) AMENDMENT NO 4417

Mr. JEFFORDS (for himself and Mr. PELL) proposed an amendment to amendment No. 4112 proposed by Mr. FORD to the bill, S. 1745, supra; as follows:

On page 1, strike line 6 through line 2 on page 2, and insert the following: 7703(a)) is amended—

(1) by striking "2000 and such number equals or exceeds 15" and inserting "1000 or such number equals or exceeds 10"; and

(2) by inserting ", except that notwithstanding any other provision of this title the Secretary shall not make a payment computed under this paragraph for a child described in subparagraph (F) or (G) or paragraph (1) who is associated with Federal property used for Department of Defense activities unless funds for such payment are made available to the Secretary from funds available to the Secretary of Defense" before the period.

STEVENS AMENDMENT NO. 4418

Mr. WARNER (for Mr. STEVENS) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title subtitle F of title X, add the following:

SEC. 1072. FACILITY FOR MILITARY DEPENDENT CHILDREN WITH DISABILITIES, LACKLAND AIR FORCE BASE, TEXAS.

(a) FUNDING.—Of the amounts authorized to be appropriated by this Act for the Department of the Air Force, $2,000,000 may be available for the construction at Lackland Air Force Base, Texas, of a facility (and supporting infrastructure) to provide comprehensive care and rehabilitation services to children with disabilities who are dependents of members of the Armed Forces.

(b) Transfer of Funds.—Subject to subsection (c), the Secretary of the Air Force may grant the funds available under subsection (a) to the Children's Association for Maximum Potential (CAMP) for use by the association to defray the costs of designing and constructing the facility referred to in subsection (a).

(c) Lease of Facility.—The Secretary may not make a grant of funds under subsection (b) until the Secretary and the association enter into an agreement under which the Secretary leases to the association the facility to be constructed using the funds.

(2)(A) The term of the lease under paragraph (1) may not be less than 25 years.

(B) As consideration for the lease of the facility, the association shall assume responsibility for the operation and maintenance of the facility, including the costs of such operation and maintenance.

(3) The Secretary may require such additional terms and conditions in connection with the lease as the Secretary considers appropriate to protect the interests of the United States.

FORD (AND BROWN) AMENDMENT NO. 4419

Mr. FORD (for himself and Mr. Brown) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) Pilot Program.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) Program Requirements.—(1) The Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal year 1993 (Public Law 102-484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) Annual Report.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) Evaluation and Report.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is as safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) Limitation on Long Lead Contracting.—(1) Notwithstanding any other provision of law and except as provided in paragraph (2), the Secretary may not enter into any contract for the purchase of long lead materials considered to be baseline incineration specific materials for the construction of an incinerator at any site in Kentucky or Colorado within one year of the date of enactment of this act or, thereafter, until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky or the law of the State of Colorado, as the case may be, for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(2) Provided, however, the Secretary may enter into a contract described in paragraph (1) beginning 60 days after the date on which the Secretary submits to Congress—

(A) the report required by subsection (d)(2); and

(B) the certification of the executive agent that—

(i) there exists no alternative technology as safe and cost efficient as incineration for demilitarizing chemical munitions at non-bulk sites

(ii) that can meet the requirements of section 1412 of the Department of Defense Authorization Act, 1986.

(f) Assembled Chemical Munition Defined.—For the purpose of this section, the term "assembled chemical munition" means an entire chemical munition, including component parts, chemical agent, propellant, and explosive.

(g) Funding.—(1) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section. Such funds may not be derived from funds to be made available under the chemical demilitarization program for the alternative technologies research and development program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

CONRAD AMENDMENT NO. 4420

Mr. CONRAD proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II, insert the following:

SEC. . AIR FORCE NATIONAL MISSILE DEFENSE PLAN.

(a) Sense of the Senate.—It is the sense of the Senate that—

(1) the Air Force proposal for a Minuteman based national missile defense system is an important national missile defense option and is worthy of serious consideration; and

(2) The Secretary of Defense should give Air Force national missile defense proposal full consideration.

(b) Report.—Not later than 120 days after the enactment of this act, the Secretary of Defense shall provide the Congressional Defense Committees a report on the following matters in relation to the Air Force National Missile Defense Proposal:

(1) The cost and operational effectiveness of a system that could be developed pursuant to the Air Forces' plan.

(2) The Arms Control implications of such system.

(3) Growth potential to meet future threats.

(4) The Secretary's recommendation for improvements to the Air Force's plan.

SARBANES AMENDMENT NO. 4421

(Ordered to lie on the table.)

Mr. SARBANES submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title III, add the following:

SEC. 368. REPORTS ON PROVISION OF CERTAIN EMERGENCY SERVICES AT FORT MEADE, MARYLAND.

(a) Improvement of Fire Protection and Emergency Services.—The Secretary of Defense shall submit to Congress the results of a study on means of improving the provision of fire protection services and emergency services at Fort Meade, Maryland, in order to meet the requirements of the Department of Defense for such services at Fort Meade. The study shall address consolidation of the services concerned as a means of achieving the improvement.

(b) Facility for HazMat Protection Services for NSA.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on plans for the construction at Fort Meade of a facility adequate to provide fire protection services and hazardous materials protection services for the National Security Agency. The report shall address the funding required for the construction of the facility.

WARNER AMENDMENT NO. 4422

Mr. WARNER proposed an amendment to amendment No. 4388 proposed by Mr. Feingold to the bill, S. 1745, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 223. COST-BENEFIT ANALYSIS OF F/A-18E/F AIRCRAFT PROGRAM.

(a) Report on Program.—Not later than March 30, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the F/A-18E/F aircraft program.

(b) Content of Report.—The report shall contain the following:

(1) A review of the F/A-18E/F aircraft program.

(2) An analysis and estimate of the production costs of the program for the total number of aircraft realistically expected to be procured at each of three annual production rates as follows:

(A) 18 aircraft.

(B) 24 aircraft.

(C) 36 aircraft.

(3) A comparison of the costs and benefits of the program with the costs and benefits of the F/A-18C/D aircraft program taking into

account the operational combat effectiveness of the aircraft.

(c) LIMITATION ON USE OF FUNDS PENDING TRANSMITTAL OF REPORT.—No more than 90 percent of the funds authorized to be appropriated by this Act may be obligated or expended for the procurement of F/A–18E/F aircraft before the date that is 30 days after the date on which the congressional defense committees receive the report required under subsection (a).

DOMENICI AMENDMENT NO. 4423

Mr. MCCAIN (for Mr. DOMENICI) proposed an amendment to the bill, S. 1745, supra; as follow:

In section 201(4), strike out "$9,662,542,000" and insert in lieu thereof "$9,679,542,000".

BUMPERS (AND PRYOR) AMENDMENT NO. 4424

Mr. NUNN (for Mr. BUMPERS, for himself and Mr. PRYOR) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title XXVIII, add the following:

SEC. 2828. LAND CONVEYANCE, PINE BLUFF ARSENAL, ARKANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Economic Development Alliance of Jefferson County, Arkansas (in this section referred to as the "Alliance"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 1,500 acres and comprising a portion of the Pine Bluff Arsenal, Arkansas.

(b) REQUIREMENTS RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of property authorized under subsection (a) until—

(1) the completion by the Secretary of any environmental restoration and remediation that is required with the respect to the property under applicable law;

(2) the Secretary secures all permits required under law applicable regarding the conduct of the proposed chemical demilitarization mission at the arsenal; and

(3) the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a certification that the conveyance will not adversely affect the ability of the Departmentof Defense to conduct that chemical demilitarization mission.

(c) CONDITIONS OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the following conditions:

(1) That the Alliance agree not to carry out any activities on the property to be conveyed that interfere with the construction, operation, and decommissioning of the chemical demilitarization facility to be constructed at Pine Bluff Arsenal. If the Alliance fails to comply with its agreement in (1) the property conveyed under this section, all right, title and interest in and to the property shall revert to the United States and the United States shall have immediate right of entry thereon.

(2) That the property be used during the 25-year period beginning on the date of the conveyance only as the site of the facility known as the "Bioplex", and for activities related thereto.

(d) COSTS OF CONVEYANCE.—The Alliance shall be responsible for any costs of the Army associated with the conveyance of property under this section, including administrative costs, the costs of an environmental baseline survey with respect to the property, and the cost of any protection services required by the Secretary in order to secure operations of the chemical demilitarization facility from activities on the property after the conveyance.

(e) REVERSIONARY INTERESTS.—If the Secretary determines at any time during the 25-year period referred to in subsection (c)(2) that the property conveyed under this section is not being used in accordance with that subsection, all right, title, and interest in and to the property shall revert to the United States and the United States shall have immediate right of entry thereon.

(f) SALE OF PROPERTY BY ALLIANCE.—If at any time during the 25-year period referred to in subsection (c)(2) the Alliance sells all or a portion of the property conveyed under this section, the Alliance shall pay the United States an amount equal to the lesser of—

(1) the amount of the sale of the property sold; or

(2) the fair market value of the property sold at the time of the sale, excluding the value of any improvements to the property sold that have been made by the Alliance.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Alliance.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

KYL AMENDMENT NO. 4425

Mr. MCCAIN (for Mr. KYL) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II, add the following:

SEC. 223. SURGICAL STRIKE VEHICLE FOR USE AGAINST HARDENED AND DEEPLY BURIED TARGETS.

Of the amount authorized to be appropriated by section 201(4) for counterproliferation support program $3,000,000 shall be made available to the Air Combat Command for research and development into the near-term development of a capability to defeat hardened and deeply mined targets, including tunnels and deeply buried facilities for the production and storage of chemical, biological, and nuclear weapons and their delivery systems.

(1) Nothing in this section shall be construed as precluding the application of the requirements of the Competition in Contracting Act.

PELL AMENDMENT NO. 4426

Mr. NUNN (for Mr. PELL) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 54, between lines 22 and 23, insert the following:

"(c) NATIONAL COASTAL DATA CENTER.—(1) The Secretary of the Navy shall establish a National Coastal Data Center at each of two educational institutions that are either well-established oceanographic institutes or graduate schools of oceanography. The Secretary shall select for the center one institution located at or near the east coast of the continental United States and one institution located at or near the west coast of the continental United States.

"(2) The purpose of the center is to collect, maintain, and make available for research and educational purposes information on coastal oceanographic phenomena.

"(3) The Secretary shall complete the establishment of the National Coastal Data Center not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997.

DOMENICI AMENDMENT NO. 4427

Mr. MCCAIN (for Mr. DOMENICI) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 201(4), strike out "9,662,542,000" and insert in lieu thereof "$9,682,542,000".

FEINSTEIN (AND BIDEN) AMENDMENT NO. 4428

Mr. NUNN (for Mrs. FEINSTEIN, for herself and Mr. BIDEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON THE DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(l) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends or knows, that such explosive materials or information will be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce.".

(b) PENALTY.—Section 844(a) of title 18, United States Code, is amended—

(1) by striking "(a) Any person" and inserting "(a)(1) Any person"; and

(2) by adding at the end the following:

"(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined under this title, imprisoned not more than 20 years, or both.".

SHELBY (AND OTHERS) AMENDMENT NO. 4429

Mr. MCCAIN (for Mr. SHELBY, for himself, Mr. FAIRCLOTH, Mr. BRYAN, Mr. DODD, and Mr. GRAMM) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place in bill add the following new section:

SEC. . EXEMPTION FOR SAVINGS INSTITUTIONS SERVING MILITARY PERSONNEL.

Section 10(m)(3)(F) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(3)(F)) is amended to read as follows:

"(F) EXEMPTION FOR SPECIALIZED SAVINGS ASSOCIATIONS SERVING CERTAIN MILITARY PERSONNEL.—Subparagraph (A) does not apply to a savings association subsidiary of a savings and loan holding company if not less than 90 percent of the customers of the savings and loan holding company and the subsidiaries and affiliates of such company are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.".

JOHNSTON AMENDMENT NO. 4430

Mr. NUNN (for Mr. JOHNSTON) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 410, line 5, strike "$2,000,000" and insert "$5,000,000".

On page 410, line 10, strike "$2,000,000" and insert "$5,000,000".

On page 410, before line 14, add the following:

"(c) STUDY ON PERMANENT AUTHORIZATION FOR GENERAL PLANT PROJECTS.—Not later than February 1, 1997, the Secretary of Energy shall report to the appropriate congressional committees on the need for, and desirability of, a permanent authoirzation formula for defense and civilian general plant projects in the Department of Energy that includes periodic adjustments for inflation, including any legislative recommendations to enact such formula into permanent law. The report of the Secretary shall describe actions that would be taken by the Department to provide for cost control of general plant projects, taking into account the size and nature of such projects."

On page 413, line 25, strike "$2,000,000" and insert "$5,000,000".

HEFLIN (AND SHELBY) AMENDMENT NO. 4431

Mr. NUNN (for Mr. HEFLIN, for himself and Mr. SHELBY) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle A of title IX add the following:

SEC. 907. ACTIONS TO LIMIT ADVERSE EFFECTS OF ESTABLISHMENT OF NATIONAL MISSILE DEFENSE JOINT PROGRAM OFFICE ON PRIVATE SECTOR EMPLOYMENT.

The Director of the Ballistic Missile Defense Organization shall take such actions as are necessary in connection with the establishment of the National Missile Defense Joint Program Office to ensure that the establishment and execution of the new management structure will not include any planned reductions in Federal Government employees, or Federal Government contractors, supporting the national missile defense development program at any particular location outside the National Capitol Region (as defined in section 2674(f)(2) of Title 10, United States Code).

LOTT AMENDMENT NO. 4432

Mr. MCCAIN (for Mr. LOTT) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place, insert the following:

SEC. . OCEANOGRAPHIC SHIP OPERATIONS AND DATA ANALYSIS.

(a) Of the funds provided by Section 301(2), an additional $6,200,000 may be authorized for the reduction, storage, modeling and conversion of oceanographic data for use by the Navy, consistent with Navy's requirements.

(b) Such funds identified in (a) shall be in addition to such amounts already provided for this purpose in the budget request.

THURMOND AMENDMENT NO. 4433

Mr. LOTT (for Mr. THURMOND) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title II, add the following:

SEC 237. EXTENSION OF PROHIBITION ON USE OF FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

Section 235(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 232) is amended in the matter preceding paragraph (1) by inserting "or 1997" after "fiscal year 1996".

THE MOLLIE BEATTIE ALASKA WILDERNESS AREA ACT

MURKOWSKI (AND OTHERS) AMENDMENT NO. 4434

Mr. NICKLES (for Mr. MURKOWSKI, for himself, Mr. JEFFORDS, and Mr. GRAHAM) proposed an amendment to the bill (S. 1899) entitled the "Mollie Beattie Alaska Wilderness Area Act"; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"Section 702(3) of Public Law 96-487 is amended by striking 'Arctic National Wildlife Refuge Wilderness' and inserting 'Mollie Beattie Wilderness'. The Secretary of the Interior is authorized to place a monument in honor of Mollie Beattie's contributions to fish, wildlife, and waterfowl conservation and management at a suitable location that he designates within the Mollie Beattie Wilderness."

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON THE JUDICIARY

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, June 28, 1996, at 9 a.m. to hold a hearing on White House access to FBI summaries.

ADDITIONAL STATEMENTS

REMEMBERING SGT. MICHAEL SEAN SMITH

• Mr. SANTORUM. Mr. President, I rise today to take a few minutes to remember an American soldier who lost his life while serving his country. This remembrance is appropriate given the Senate's consideration of the Department of Defense authorization bill this week. This bill sets priorities for defense spending over the course of the next fiscal year. Frequently, this annual debate becomes bogged down in a discussion of weapons systems and defense contracts. Seemingly lost in this debate are the very men and women who serve in our Armed Forces; soldiers like U.S. Army Sgt. Michael Sean Smith who have sacrificed their lives in the line of duty.

Mr. President I rise to pay tribute to Sergeant Smith. Sergeant Smith died March 12, 1991, while serving his country in the Persian Gulf war. Sergeant Smith is survived by his wife Carmen, two children, and nine siblings, and is remembered fondly as a unique, friendly, and loving individual. As a medic with the 36th Medical Detachment, he faithfully served the United States with honor and integrity. Sergeant Smith's death represents a great loss, not only to his loved ones, but also to this Nation. It is through his ultimate sacrifice that we may all gain strength to be steadfast in our commitment, conviction, and dedication to our country as individual citizens, service men and women, and even members of the U.S. Senate.

It is with solemn respect that I ask my colleagues to remember a fallen hero—Sgt. Michael Sean Smith.

Thank you, Mr. President.•

ARGONNE NATIONAL LABORATORY

• Mr. SIMON. Mr. President, I would like to thank the great State of New York and IBM Corp. for sending to Illinois the distinguished scientist and research executive, Dr. Dean Eastman, who on July 15 becomes director of Argonne National Laboratory near Chicago.

As an essential part of this Nation's science and technology research establishment, Argonne long has been a world-class research center. It is one of the Nation's nine multiple program national laboratories, and the only one in the Midwest.

Dr. Eastman comes to Argonne at an especially challenging time for America's science community. As we approach the 21st Century, a time when this Nation and the world will increasingly rely upon technological breakthroughs by a dynamic and highly motivated scientific research establishment, not all of our citizens realize how vital such research is to the preservation and enhancement of our quality of life. Leaders of our scientific community today must therefore be persuasive educators, as well as efficient managers and talented scientists.

Fortunately for Argonne, for Illinois, and for the Nation, Dr. Eastman's record suggests he is more than equal to this challenge. He is a world-renowned expert on the electronic properties of materials and spectroscopy. Prior to his current position as vice president of technical strategy and development re-engineering with the IBM server group, he also served as IBM director of hardware development re-engineering at IBM's research division. In addition, he has been involved in many national science and engineering policy and advisory activities.

Dr. Eastman is a member of the National Academy of Sciences, the National Academy of Engineering and the

American Academy of Arts and Sciences. He was made an IBM Fellow in 1974 and received the Oliver E. Buckley Prize in 1980.

Mr. President, I welcome him and his family to Illinois, and wish him the very best as he undertakes the important national mission now in his charge.•

MEADOWWOOD SPRINGS SPEECH AND HEARING CAMP

Mr. HATFIELD. Mr. President, I am pleased to share with the Senate information about a very special facility in Oregon that I believe serves as a model for the nation.

Meadowwood Springs Speech and Hearing Camp was established in 1964 through the initiative of four University of Oregon students. These students saw the need for a speech and hearing development camp in the Pacific Northwest. They selected a secluded site in the Blue Mountains of Northeastern Oregon and established a camp for some of the most special children in our society—those with speech and hearing difficulties.

Only 15 children attended the camp's first session over 30 years ago. Today, the camp boasts over 100 student participants annually. There are now over 40 buildings on 143 acres in this beautiful forest setting. The buildings include cabins, an infirmary, a dinning hall, a store, a multipurpose building, and a swimming pool.

Children come to Meadowwood in order to improve their speech and hearing skills. The caring and loving environment at Meadowwood allows these children to develop skills at a significantly accelerated rate. In some cases, a child at Meadowwood may learn as much in a 2-week period as they may have learned in a span of 6 months in a traditional school setting.

The staff members at Meadowwood are a group of highly motivated and caring individuals. Many have specialized educational backgrounds in speech pathology and or audiology from acclaimed schools throughout the country. These devoted staff members are often drawn from local communities. In recent years, the staff-to-child ratio has been approximately 1-to-1. It is the care and commitment of the staff that make this unique facility what it is. They ensure that the children develop in a loving and nurturing environment.

I want to share with my colleagues one of the most remarkable elements of this venture—it receives no Federal funding. Meadowwood is a non-profit organization. It is funded through the generous donations of the Oregon Elks Association and individual contributions. In addition to financial contributions, Meadowwood also receives the very valuable gift of time from the many Oregonians who volunteer there.

The Oregon Elks Association and the other Oregonians deserve our highest praise. They have donated their time, money, and attention to Meadowwood and have made it a success. It is a place filled with growth and with the laughter of very special children. Meadowwood is a unique miracle.

As public officials, we must never lose sight of the human face that is behind nearly every issue we confront in this chamber. For this country to advance and become more prosperous in the future, we must place our highest priority on the needs of our children. I have reviewed many programs during my decades of public service. Few are better examples of the high commitment we must place on our children than the fine program at Meadowwood.•

HATTIE CARAWAY PORTRAIT

• Mr. PRYOR. Mr. President, I wish to pay a special tribute to a very important figure in the State of Arkansas and in the U.S. Senate. This past Monday, many Arkansans, congressional staffers, members of the Arkansas State Society, representatives from the U.S. Senate and Capitol historical offices, and a few of my fellow colleagues gathered just outside this Chamber for a ceremony honoring this distinguished American. We gathered to unveil the newest portrait being added to the Senate art collection—a portrait of the first woman ever elected to the U.S. Senate.

Mr. President, Hattie Caraway came to this distinguished body on November 13, 1931, following the death of her husband, Senator Thaddeus Caraway. A gubanatorial appointment and a special election allowed Senator Caraway to complete the remaining year of her husband's term. She then decided to do what no woman had done before her—win a seat in the U.S. Senate in her own right.

In the election year of 1932, Hattie Caraway, with the staunch support of Senator Huey P. Long of Louisiana, made her bid to hold her seat in this body. Hattie Caraway and Huey Long traveled across the State of Arkansas winning support and winning votes. This fascinating team spoke in over 35 communities during the first week of August 1931. Hattie Caraway won that election and became the first woman popularly elected to the U.S. Senate.

Mr. President, Senator Caraway, at first, spoke so infrequently that she became know as Silent Hattie. As she grew more accustomed to her new role, she emerged as a strong supporter of the New Deal legislation. She even had the honor of seconding the nomination of President Franklin Roosevelt at the 1936 Democratic National Convention. Hattie Caraway also served as the first woman to preside over the Senate—May 9, 1932—and the first to chair a Senate committee. Silent Hattie emerged as a respected and honored Member of this body.

Senator Caraway was re-elected in 1938 and went on to champion legislation important in the history of our country—most notably, she cosponsored the equal rights amendment in 1943. She served until the Democratic primary of 1944, when she was defeated by another political hero from Arkansas, J. William Fulbright, thus ending a historical career in the Senate.

Mr. President, Hattie Caraway has her place in history, and now she has her place in the U.S. Capitol. She watches over the main Senate hallway, just outside these doors. This portrait shows Senator Caraway dressed in her customary color of black, a sign of mourning for her husband. She is pictured in front of a map of the great State of Arkansas. The portrait is hung across from Senator Joe T. Robinson—a fellow Arkansan.

It has been my pleasure, Mr. President, to have the opportunity to help in the completion of this project. My good friend and colleague, Senator BUMPERS, along with his wife, Betty, as well as my wife, Barbara, who were both honorary cochairs, have all been involved in the selection of the Hattie Caraway Portrait Committee and completion of the portrait project. Senator BUMPERS and I were proud to appoint Mary Ellen Jesson of Fort Smith to chair the committee, which was made up of many fine and outstanding Arkansans, including Diane Alderson, Diane Blair, Cassie Brothers, the Honorable Irma Hunter Brown, Meredith Catlett, Gwen Cupp, Ann Dawson, Dorine Deacon, Mimi Dortch, Jacqueline Douglas, Lib Dunklin, Judy Gaddy, Jane Huffman, Dr. Charlotte Jones, Chloe Kirksey, Karen Lackey, Bev Lindsey, Donna Kay Matteson, Susan Mayes, Clarice Miller, Betty Mitchell, Julia Mobley, Nancy Monroe, Sylvia Prewitt, Billie Rutherford, Irene Samuel, and Helen Walton.

Mr. President, I would like to thank the Senate Commission on Art, in particular Kelly Johnston, who serves as both the executive secretary of this commission and as Secretary of the Senate, Howard Greene, the Senate Sergeant at Arms, and Diane Skvarla, Senate Curator, for all of their hard work and advice that they so freely gave. I would also like to acknowledge Melinda Smith, Senate Registrar, Dick Baker, Senate Historian, and Jo Quatannens, Assistant Senate Historian for their dedication to this project.

J.O. Buckley, an artist from Little Rock, was chosen by the members of the U.S. Senate Commission on Art to paint the portrait of Senator Caraway. He was chosen, Mr. President, from a group of outstanding Arkansas artists to add this piece of history to the U.S. Capitol. We are so pleased with the results and congratulate J.O. Buckley on his marvelous work.

We gathered here Monday night and had the privilege of hearing Prof. Diane

Blair and Dr. David Malone praise the outstanding career of Senator Caraway. We also had the privilege to be joined by my distinguished colleagues Senator STROM THURMOND and Senator NANCY KASSEBAUM, both of whom spoke about Hattie's historical and inspirational presence in this body.

Mr. President, I, as an American, an Arkansan, and a U.S. Senator, am proud to stand here today to pay tribute to Hattie Caraway—a woman dedicated to serving the citizens of my home State and this great country of ours.•

INDIANAPOLIS ATHLETIC CLUB SPORTS FOUNDATION BREAKFAST

Mr. LUGAR. Mr. President, the Indianapolis Indians professional baseball team has been an important institution in my life from the time that my dad, Marvin Lugar, took me to Indians' games in the 1940s. Those of us in Indiana who revere the Indianapolis Indians will celebrate two significant events in July when the final Indians' game is played at Bush Stadium on July 3 and the opening game at the new Victory Field takes place on July 11.

I thank the Indianapolis Athletic Club Sports Foundation for honoring the Indianapolis Indians at a breakfast on July 2, a great opportunity to assemble so many of the renowned Indians players that are still alive and active in support of baseball in our State.

The Indianapolis Athletic Club Sports Foundation has performed a vital role in bringing together and recognizing the important contributions to the Indianapolis community of the Indianapolis Indians and bringing together the people and much of the history that has meant so much to our community.

I can remember vividly, a home run hit by third baseman Joe Bestudik, the first time I had ever seen a baseball hit over the wall of a baseball park.

I can remember the thrill of attending baseball clinics given by professional players that allowed us to run the bases and gain some idea of the dimensions of the stadium.

One of my closest friends at Shortridge High School, Max Schumacher, was captain of our high school's baseball team. Following his graduation from Butler University in Indianapolis, Max joined the Indianapolis Indians' organization as ticket manager, became president in 1969, and has presided over one of the truly outstanding success stories of minor league baseball in America.

I congratulate Max, the remarkable board of directors he has assembled over the years, the Indian Hall of Fame members, and hundreds of thousands of baseball fans who have made the Indianapolis Indians such a remarkable pillar of strength.

At the time that I was elected mayor of Indianapolis in 1967, I gained a much better insight of how much the Indians mean to our city when so many civic leaders came to me and asked that the city of Indianapolis take over the ballpark and provide the funds for proper restoration and maintenance. It was a personal thrill to see the stature of the stadium rise again and a personal challenge each year to throw the first ball of the season from the pitcher's mound with hopes that it would not fly over the catcher's head or into the dirt.

Along with a large majority of Indians' fans, I will deeply miss the cool breezes and the great view of the city skyline that were a part of the summer evening at Bush Stadium, but I look forward to remarkable new opportunities for enjoyment of the Indianapolis Indians at a new stadium in the heart of a vital inner city of Indianapolis.

I thank all Hoosiers who are endeavoring to make both celebrations an important part of our Hoosier historical heritage.•

CONGRATULATIONS TO ANDY ASPIN, MINNESOTA POLICE OFFICER

• Mr. WELLSTONE. Mr. President, I rise to extend my heartiest congratulations to Andy Aspin, who has been named Minnesota Police Officer of the Year. A member of the Minneapolis Police Department, Fifth Precinct, Officer Aspin is a most deserving recipient of this high honor.

Throughout his career, Andy has shown admirable commitment and dedication to serving the police force and the entire Minneapolis community. He is especially worthy of this distinction because of the courage and confidence he exhibited in the August 22, 1995, pursuit of an armed murder suspect. Risking his life, he served his community above and beyond the call of duty.

As a strong supporter of the law enforcement community, I am always gratified when a police officer receives such richly deserved accolades. Too often, our society focuses its attention and acclaim on the famous and the infamous. Rarely do we notice the role models among us; the everyday heroes who give so much and receive so little in return.

Andy's fine work serves as a reminder of the goals to which we should all aspire: to serve others, to strengthen our communities, to live and work with honor and dignity and to help others to do the same.

It is a privilege for me to recognize this outstanding law enforcement officer who has protected in an exemplary manner the lives and property of the citizens of Minneapolis. Officer Aspin is truly a role model for our children, a source of pride for all Minnesotans, and a hero to all Americans.•

COMMEMORATING THE ST. DOMINIC REGIONAL HIGH SCHOOL STUDENTS

• Ms. SNOWE. Mr. President, I rise to recognize and congratulate 13 very special students from St. Dominic Regional High School in Lewiston, ME, whose team won honorable mention as a top-10 finalist in the "We the People * * * the Citizen and the Constitution" competition. Adam Feldman, Jay Fournier, Catherine Fredricks-Rehagen, Monique Gagnon, Nathan Hall, Rachel Lawrence, Carrie Luke, Jessica Morin, Peter Murray, Kathryn Piela, Paul Sheridan, Anne Theriault, and Jason Theriault have demonstrated exemplary understanding of the fundamental ideals incorporated in our Nation's most precious documents, the U.S. Constitution and the Bill of Rights. They, along with their teacher Rosanne Ducey, can be very proud of their accomplishment.

The "We the People * * * the Citizen and the Constitution" challenge was established by the Center for Civic Education, which was founded in 1987, under the auspices of the Commission of the Bicentennial of the U.S. Constitution. The Center for Civic Education aims to improve civic education in elementary and secondary schools by increasing both students' and teachers' understanding of our constitutional democracy, and has served over 20 million American students during its 8-year existence.

The "We the People * * * The Citizen and the Constitution" challenge held its national finals on April 27–29, where the St. Dominic class finished with honorable mention. This is a remarkable accomplishment, considering that high schools from throughout America are competing in this program. An incredible amount of preparation and commitment goes with competing in this challenge, and the success of these 13 students from St. Dominic Regional High School is a direct reflection on their dedication and hard work, as well as that of their instructor.

It is so important that our young men and women have a firm understanding about the documents upon which our Nation was founded, and how those documents are as relevant to our lives today as they were when they were written. Indeed, through this challenge, students do so much more than simply learn the content of our Constitution and Bill of Rights. They come to think about the meaning of these documents, how they have been interpreted over the years, and the ways in which they are very much living documents which continue to evolve even today. As these young people grow into adulthood, and the responsibilities that come with being citizens of this great country, they will be able to analyze and approach issues of the day with a firm understanding of the underpinnings of our democracy.

I am pleased and proud to know that these outstanding students from Maine will be well prepared for their further education, and to be full participants in and contributors to their country. Again, I congratulate these young Mainers and wish them all the best for what will certainly be a bright and successful future.●

HONORING LUCILLE MAURER

● Mr. SARBANES. Mr. President, I rise today to join the citizens of Maryland in honoring a distinguished public servant, and a respected role model, Lucille Maurer, who died earlier this month.

I am proud to have served with Lucy Maurer in the Maryland House of Delegates after her appointment in 1969. While Lucy was selected to serve the people of Montgomery County, her interests and efforts extended far beyond parochial concerns, encompassing all the citizens of Maryland, especially the children. A formula that she was instrumental in devising—and in fact bears her name—the Lee-Maurer formula, is still used by the State of Maryland to determine the amount of State educational assistance that each county receives, and ensures those jurisdictions most in need received the state assistance they require to assure educational opportunities for all of Maryland's children.

In addition to her commitment to the children of our State, Lucy was gifted with a keen grasp of State finances and budgeting issues which served her well as Maryland's first female treasurer. Elected to this position in 1987 by the State legislature, Lucy brought to the treasurer's office the same commitment and competence which characterized her service in the House of Delegates.

Throughout her 35-year career in public service, as well as in her work with organizations such as the PTA and the League of Women Voters, Lucille Maurer was a person who effectively brought people together for worthy purposes and with commendable results. She was a positive and unifying force in our State and her quiet competence and pleasant demeanor will be deeply missed. She was a good friend and respected colleague in the public service, and I would like to take this opportunity to extend my deepest and heartfelt sympathies to her husband, Ely and her sons, Stephen, Russell, and Edward.

Mr. President, in testimony to Lucy's exceptional efforts on behalf of the people of Maryland, I ask that the following articles from the Baltimore Messenger, the Baltimore Sun, and the Washington Post, which pay tribute to this respected and honored individual be printed in the RECORD.

The articles follow:

[From the Baltimore Messenger, June 26, 1996]

STATE OWES MAURER DEBT OF GRATITUDE

The death of Lucille Maurer is a sad reminder of how far Maryland government has come since the days when bankers controlled the state treasurer. Or, more accurately, when you had to be a banker to become state treasurer.

Partly because of reforms instituted by Maurer and the late Billy James, her immediate predecessor as state treasurer, those days are gone.

For decades before they came along, the office was a fiefdom of Baltimore bankers favored by the General Assembly. This flowed from the quaint practice of letting the House and Senate elect the treasurer by joint ballot. Because a delegate's vote in this process is equal to a senator's vote and because delegates outnumber senators, this is one of the few situations in which the House holds the upper hand.

Until 1966, the treasurer's post paid only $2,500 a year but was still one of the most prized jobs in Maryland politics.

The reason? Banks paid little or no interest on the hundreds of millions deposited in them by the state, and the treasurer decided whose banks got this bonanza.

He—it was always a man; Maurer was the only woman elected to the job in its 221-year history—also decided which politicians or other insiders got the juicy casualty insurance business on state property—schools, office buildings, even the State House and the governor's mansion itself.

One state treasurer insisted that any qualified agent could play in this little game. When I tried to pry the list of participants from him to check this, he refused and threw me out of his office. There was no freedom of information law then, but the game began to fall apart when his refusal was reported. An indignant legislator made him cough it up.

This led to more equitable distribution of the state insurance business. Then, with James and Maurer, came reform of the no-interest bank-deposit system.

James, a highly respected former Senate president, was the first to require that banks pay interest on state accounts. Maurer refined the practice to include offsets of some banking services in exchange for interest. Both ran the office responsibly and never confused the banks' interests with the public interest.

James, and now Maurer, are gone. But because they abolished an obsolescent, putrescent practice, the state owes lasting tribute to the memory of both.

MAURER, 73, DIES OF BRAIN TUMOR

(By Thomas Waldron and Marina Sarris)

Lucille Maurer, a suburban Washington legislator who championed state aid for Baltimore and later became Maryland's first woman treasurer, died yesterday at her home in Silver Spring of complications from a benign brain tumor. She was 73.

Mrs. Maurer's health problems forced her to resign as treasurer in January, ending a career in public service that spanned more than 35 years.

Friends and elected officials yesterday recalled a determined and incisive woman who brought a personable, optimistic approach to politics and life.

"To me, she's the model of a public servant," said state Del. Nancy K. Kopp, a Montgomery Democrat and long-time friend and colleague. "She was intelligent, dedicated and willing to go in and fight long, tough battles, battles that might last for years."

"She paved the way for a lot of women in politics early on, and she proved that a woman can produce as much as any man," said Sen. Ida G. Ruben, also of Montgomery County Democrat.

During her 16 years as a legislator, Mrs. Maurer was scarcely known outside political circles. But inside the State House, she was respected for her keen understanding of state finances and her statewide perspective on budget issues.

Mrs. Maurer was widely appreciated around the capital for her work crafting the complicated formula that has been used for two decades to determine the amount of state education aid each county receives—a formula known as Lee-Maurer, for Mrs. Maurer and former acting Gov. Blair Lee III.

Under the formula, the richer a county was, the less state aid it received, which benefited poorer areas such as Baltimore City.

While her concern for other jurisdictions won her acclaim in Annapolis, it did not always impress the people back home. Her aversion to parochialism helped cost her a Senate seat in 1986.

In 1987, the legislature elected her to the job of treasurer, where she oversaw state investments and the sale of state bonds.

As treasurer, Mrs. Maurer also was the first woman to sit on the Maryland Board of Public Works, the three-member panel that approves all major state contracts.

As a board member, she expressed herself firmly yet quietly, at least compared with her more outspoken and colorful colleagues, former Gov. William Donald Schaefer and Comptroller Louis L. Goldstein.

"She was a woman of passion, ability and intelligence," said Mr. Goldstein. "She held her own while we had some very unusual discussions back in the governor's private office."

Gov. Parris N. Glendening said, "Through persistence, professionalism and quiet persuasion, she epitomized the art of good government and good politics."

The former Lucille Darvin was born in New York City in 1922 and grew up in Rockland County, north of the city.

She received a degree in economics from the Women's College of the University of North Carolina. After working as an economist with the U.S. Tariff Commission, she received a master's degree from Yale University in 1945.

She moved to Montgomery County in 1950 and became active in community groups, particularly the League of Women Voters. That led to two terms on the county school board from 1960 to 1968.

In 1969, she was appointed to fill a vacancy in the House of Delegates representing a suburban district that took in parts of Wheaton and Silver Spring.

At that time, Mrs. Maurer was one of only a handful of women in the legislature. She won re-election to four four-year terms in the House.

As a legislator, Mrs. Maurer took on issues of concern to many mothers. bills to regulate public swimming pools and camps for children, for instance, and to strengthen laws on child abuse.

Colleagues recalled that she did her homework on the issues, took unwavering positions but remained cordial and diplomatic with her opponents.

"She never made a public display of a confrontation, but she let you know personally how she felt, in a quiet way," Mrs. Ruben said.

The Evening Sun wrote in a 1975 editorial, "Without the rancorous or strident tones too often heard on the subject, she has been a persuasive, constructive leader in the movement for women's rights."

Her career came to a crossroads in a hard-fought campaign for the state Senate in 1986. Her opponent, Idamae Garrott, accused her of caring too little about Montgomery County and worrying too much about the financial needs of Baltimore.

Senator Garrott's message resonated at home. "Montgomery County was feeling the pinch," Senator Ruben said. "Taxes were rising and people felt they were not getting the services they thought they should."

Mrs. Maurer lost, but rebounded quickly when the General Assembly elected her treasurer in early 1987.

A private burial is planned in Rockland County, N.Y. A memorial service will be held later in Maryland.

Mrs. Maurer is survived by her husband of 51 years, Ely Maurer, an assistant legal adviser in the U.S. State Department; three sons, Stephen Maurer of Swarthmore, Pa., Russell Maurer of Pepper Pike, Ohio, and Edward Maurer of Lido Beach, N.Y.; and seven grandchildren.

[From the Washington Post, June 22, 1996]

LUCILLE MAURER

For as long as anyone can remember, Montgomery County has been a wellspring of civic and public service, famed for its concentration of highly informed, superactive citizens who revel in pursuing the essentials of good local government. Out of this grassroots tradition and on to the high office of state treasurer came Lucille Maurer, an able, knowledgeable and beloved servant of her fellow Marylanders. Mrs. Maurer, who died this week at the age of 73, rose to recognition along the classic civic-path—from PTA to the League of Women Voters, two terms on the county school board, 18 years in the Maryland state legislature and nine years as treasurer until her resignation for health reasons last January.

Never one to seek the spotlight, Mrs. Maurer won attention and respect for her hard work, fairness and gentle approach to political solutions. Early on, her keen sense of local and state finances won her acclaim and additional responsibilities. If there was any quarrel with her performance in Annapolis, it came from those in her county who did not appreciate one of her greatest strengths: the times when she would forsake parochialism in the interest of statewide concerns. She believed that the health of the state as a whole was in the interests of her constituents—and worked to that end on funding formulas aimed at helping those areas most in need, and especially Maryland's poorest children.

When she became the state's first female treasurer and the highest-ranking state official from the Washington suburbs, Mrs. Maurer transformed the office, ending old-fashioned bookkeeping techniques, consolidating operations and selling off much of the state's stock portfolio before a downtown in the market. It was this blend of hard-nosed decision-making and personal congeniality that endeared Lucy Maurer to those with whom she worked as well as the many more whom she served with dedication, integrity and fondness.•

BURLEY IRRIGATION DISTRICT TRANSFER ACT

• Mr. CRAIG. Mr. President, last evening I introduced S. 1921, a bill to authorize the Secretary of the Interior to transfer certain facilities at the Minidoka project to the Burley Irrigation District. The introduction of this legislation results from a hearing I held in the Senate Energy Committee on May 23, 1995, on S. 620, a generic bill to transfer reclamation facilities. At that hearing, it became obvious a general transfer bill would not work; each reclamation project has unique qualities, and projects should be addressed individually or in distinct groupings. S. 1291 addresses one specific project in Idaho.

The Reclamation Act of 1902 was part of the history of Federal public land laws designed to transfer lands out of Federal ownership and settle this Nation. The origins of that policy predate the Constitution and derive from the early debates that led to the Northwest Ordinance of 1787. The particular needs and circumstances of the arid and semiarid lands west of the 100th meridian led to various proposals to reclaim the lands, including the Desert Land Act and the Carey Act. In his State of the Union Message of 1901, President Theodore Roosevelt finally called for the Federal Government to intervene to develop the reservoirs and works necessary to accomplish such irrigation. The reclamation program was enormously successful. It grew from the irrigation program contemplated by one President Roosevelt to the massive works constructed four decades later by the second President Roosevelt. For those of us in the Northwest, there is a very personal meaning to a line from Woody Guthrie's song about the Columbia that goes: "Your power is turning our darkness to dawn, so roll on Columbia, roll on."

If what is known now had been known then, some projects may have been constructed differently. However, that is not the question we have before us. The central question is whether and to what extent the Federal Government should seek to transfer the title and responsibility for these projects. Has the Federal mission been accomplished?

As I noted in my introductory statement to S. 620, the best transfer case would be the single purpose irrigation or municipal and industrial [M&I] system that is fully repaid, operation has long since been transferred, and the water rights are held privately. That is the case with the Burley Irrigation District transfer.

The transfer of title is not a new idea. Authority to transfer title to the All American Canal is contained in section 7 of the Boulder Canyon Project Act of 1928. General authority is contained in the 1955 Distribution Systems Loan Act. Recently, Congress passed legislation dealing with Elephant Butte and Vermejo.

The Burley Irrigation District is part of the Minidoka project that was built under the authorization of the 1902 Reclamation Act. By a contract executed in 1926, the district assumed the operation and maintenance of the system.

All construction contracts and costs for the canals system, pumping plants, power house, transmission lines, and houses have been paid in full. Contracts for storage space at Minidoka Dam, Jackson Dam, American Falls, and Palisades have been paid in full, along with all maintenance fees. This project is a perfect example of the Federal Government maintaining only a bare title, and that title should now be transferred to the project recipients who have paid for the facilities and rights of the Burley Irrigation District.•

MILLION PAGES PROJECT

• Mr. ROCKEFELLER. Mr. President, I rise today to commend the students, teachers, parents, and librarian Jeannie Riley at Meadows Elementary School in Huntington, WV. This group worked together in an outstanding effort to promote literacy through the million pages reading program.

Jeannie Riley wanted to challenge students at Meadows Elementary School to read 1 million pages by the end of the school year. She worked with school administrators, teachers, and parents to provide creative incentives for the students to read, using activities such as afternoon dances and the opportunity to throw pies at teachers. This innovative program encouraged family reading time and motivated students to read independently. The students enthusiastically accepted the challenge and worked very hard to meet their goal. They succeeded in their endeavor, a magnificent achievement by some motivated young people in my State.

Mr. President, we all know reading is an essential skill that enables children to communicate and convey ideas more effectively. Children who acquire good reading skills will be better equipped to compete in today's dynamic world that demands an education as a prerequisite for self-sufficiency and participating in a highly skilled work force. Illiteracy is a problem that plagues West Virginia as well as the Nation, and too many children reach adulthood lacking abilities they need for a secure future. Programs like the million pages project are consistent with goals set by the Department of Education. They also complement the goals of the National Commission on Children, a bipartisan group of policymakers, educators, and individuals that I led in looking for ways to strengthen families and better the lives of tomorrow's leaders.

The million pages project is a step in the right direction, going beyond basic classroom instruction to develop a love of reading and encourage the development of these vital skills. Programs such as the million pages project are helping to fight the battle of illiteracy and giving West Virginia's children a better chance for a bright future. This program serves as a fine example of what happens when people come together to promote a worthy cause, and I hope others will learn from the Meadows challenge.

Achieving this goal of 1 million pages is a great honor, and again, Mr. President, I sincerely congratulate the Meadows Elementary community. I applaud Jeannie Riley for working so hard to initiate the million pages project, the teachers of Meadows Elementary for embracing it with enthusiasm, the parents for reading to their children and supporting this initiative, and the students for their tremendous effort and persistence in reading their goal.•

SALUTING THE MICHIGAN PARTICIPANTS IN THE 1996 SUMMER OLYMPIC GAMES

• Mr. ABRAHAM. Mr. President, every 4 years, for 2 weeks the collective attention of the world falls upon those exceptional men and women who possess the drive, ability, and character to compete as Olympians. From July 19 to August 4, 1996, the centennial anniversary of the Modern Olympic Games will be held in Atlanta, GA. On this occasion, America's greatest athletes will face their counterparts from 197 countries.

All of our Nation's citizens have a vested personal interest, and deservedly so, in the accomplishments of our athletes and coaches. However, it is the families, friends, and neighbors of these individuals who are especially qualified in their pride. Olympic talent cannot be attained overnight, it takes years to hone and develop; undoubtedly an impossibility without the support and encouragement provided by local communities.

At least 30 individuals with distinct ties to my State of Michigan will take part in the upcoming centennial Games. Whether native born and raised, to attend school, to train, or to coach, they all share some sort of affiliation to the Great Lakes State. While the following men and women will participate in the Olympics first and foremost as Americans, I would like to take a moment to recognize them also as Michiganians:

Bob Allshouse, Birmingham, team leader, table tennis.

Frankie Andreu, Dearborn, men's road, cycling.

Thomas Carlton Bruner, Ann Arbor, 1,500m free, swimming.

Pam Bustin, Haslett, defender, field hockey.

David DeGraaf, Lansing, circle runner, team handball.

Tom Dolan, Ann Arbor, 400m free, 200m, 400m IM, swimming.

Greg Giovanazzi, Ann Arbor, assistant coach, volleyball.

Charlie Greene, East Lansing, assistant team leader, track and field.

Grant Hill, Detroit, forward, basketball.

Mora Kanim, Ann Arbor, assistant coach, volleyball.

Al Kastl, Mount Clemens, team leader, Greco-Roman wrestling.

Mike King, Grand Rapids, head coach, archery.

Charles Karch" Kiraly, Jackson, beach volleyball.

Tom Malchow, Ann Arbor, 200m fly, swimming.

Ann Marsh, Royal Oak, women's foil, Fencing.

Floyd Mayweather, Grand Rapids, featherweight, boxing.

Al Mitchell, Marquette, head coach, boxing.

Eric Namesnik, Ann Arbor, 400m IM, swimming.

Connie Paraskevin-Young, Detroit, women's track, cycling.

Suzanne Paxton, East Lansing, women's foil, fencing.

Jeffrey Pfaendtner, Detroit, men's lightweight four, rowing.

John Piersma, Ann Arbor, 200m, 400m free, 800m FR, swimming.

Annette Salmeen, Ann Arbor, 200m Fly, 800m FR, swimming.

Kent Steffes, Ann Arbor, beach volleyball.

Todd Sweeris, Grand Rapids, men's doubles, table tennis.

Sheila Taormina, Livonia, 800m FR, swimming.

Kirk Trost, Ann Arbor, assistant coach, wrestling.

Jon Urbanchek, Ann Arbor, assistant coach, swimming.

MaliVai Washington, Ann Arbor, men's doubles, tennis.

Eric Wunderlich, Ann Arbor, 200m breast, swimming.

The founder of the modern Olympic games, Baron Pierre de Coubertin, is credited with having written the Olympic Creed, which is as follows: "The most important thing in the Olympic Games is not to win but to take part, just as the most important thing in life is not the triumph but the struggle. The essential thing is not to have conquered but to have fought well."

It is inevitable that next month in Atlanta records will be broken, heroes will be born, and Olympic legends will be created. However, before the first event gets underway and the medal counts begin, each and every athlete and coach deserves our respect and admiration. For in the spirit of the Olympic Creed, the dedication to undergo the years of intense training and preparation necessary to become an Olympian, is a significant victory in itself.

To be chosen to represent one's country, and State, is an awesome responsibility; and I have full faith and confidence our athletes and coaches will perform with distinction. I salute these extraordinary men and women for their achievements thus far, and look forward to news of even greater successes on their part in the days ahead.•

RECOGNIZING THE CENTERS FOR DISEASE CONTROL AND PREVENTION FOR 50 YEARS OF LEADERSHIP AND ACHIEVEMENT IN SUPPORT OF PUBLIC HEALTH

• Mr. SIMON. Mr. President, today I have the distinct honor of recognizing the Centers for Disease Control and Prevention [CDC] for 50 years of activities dedicated to protecting the public health of the people of the United States. What began on July 1, 1946, as the Communicable Disease Center has expanded its purview to include a wide range of efforts in research and prevention of disease, disability, and injury. In service to humankind, our Nation and the world, CDC employees have distinguished the agency and themselves through their efforts in the laboratory, the office and the field at the Atlanta headquarters, several sites nationwide and locations spotting the globe.

In 1996, the activities of the CDC reflect the wide range of issues and activities necessary to promote the public health. The CDC is still a center of activity to combat infectious disease, but today, it is much more. The CDC's Epidemic Intelligence Service, established in 1951, continues to train doctors to solve the most complex medical mysteries and as the original focus of the CDC has expanded, new divisions devoted to occupational safety and health, chronic disease prevention and health promotion, injury prevention, health statistics, and environmental health have been established. The components of the CDC also reflect the diversity of society; currently there are offices dedicated to women's and minority health.

As we know, threats to the public health recognize no national boundaries. So today, the CDC also plays an important role in worldwide efforts to promote health, overcome global health threats, eradicate disease, and prevent illness, disability, and premature death. There is a small number of CDC staff members working around the world. During its first half century, the CDC has responded to health emergencies in such diverse locales as Love Canal, Philadelphia, New Mexico, Washington State, Southeast Asia, India, and Zaire.

CDC activities have paralleled the revolutionary advances in medical sciences made during the second half of the 20th century. Throughout the first 50 years of the CDC, we can point to events which represent significant milestones in the mission to promote a healthy nation. The litany of achievements is too long to list here, but includes a primary role in the eradication of smallpox; the identification of the linkage between smoking and cancer; the publication of public health statistics; the immunization of children; the tracking of health trends; and the surveillance and investigation of threats to health including polio, tuberculosis, HIV/AIDS, Legionnaires' disease, Ebola, and exposure to hazardous substances.

Promoting health is more than merely controlling the spread of microorganisms. Promoting health involves research and education. As early as 1947, the CDC established programs to communicate information to the public concerning specific health problems or illnesses. Through the years, there have been many topics covered including rabies, measles, gonorrhea, diabetes, nutrition for women of child-bearing age, breast cancer, and HIV/AIDS. Promoting health also demands that we focus on changing behavior which is clearly unsafe or potentially dangerous. To that end, the CDC has launched efforts concerning tobacco use and violence in our society.

During its 50 year history, the CDC has been in the forefront of efforts to combat more recent threats to health such as HIV/AIDS, as well as afflictions which have menaced us in the longer term, like cardiovascular disease. The CDC is also looking ahead by targeting more prevention efforts to youth; enhancing the capabilities of communities to detect, monitor, and overcome health problems; and developing partnerships which will enhance efforts to change unhealthy behavior. The CDC enters its sixth decade focused on priorities designed to detect, meet, and overcome threats to the health of the people of our Nation and the world.

Today, the CDC provides leadership and direction in the prevention and control of diseases and other health conditions. I commend the CDC for its past efforts and I am confident that as new menaces to the public health emerge and new priorities evolve, the CDC will remain vigilant, proactive, and poised to take action to protect the people of our Nation and the world.•

CONDOLENCES TO THE KING FAMILY OF BATTLE CREEK, MI, ON THE DEATH OF S. SGT. RONALD LEWIS KING, USAF

• Mr. ABRAHAM. Mr. President, I rise today to express my deep condolences to the King family of Battle Creek, MI, who lost S. Sgt. Ronald Lewis King due to the terrorist act which took place at the Khobar Towers housing facility in Dhahran, Saudi Arabia. My prayers and thoughts are with his mother, Mrs. Beatrice Robinson of Battle Creek, MI, and his wife, Mrs. Melvia Y. King of Bellevue, NE.

Staff Sergeant King was a contracting journeyman with the 55th Contracting Squadron from Offutt Air Force Base, NE. He was proudly serving our country in Saudi Arabia, and know I speak for many in the State of Michigan who feel this tragedy very deeply.

We must do everything we rightfully can to prevent future tragedies of this sort and to see to it that the perpetrators of this terrible act are brought to justice. I reiterate my support for the cooperative efforts between the United States and Saudi Arabia to ensure that those terrorists who committed this crime will be apprehended and prosecuted to the fullest extent of the law.•

SECURITIES INVESTMENT PROMOTIONS ACT

The text of the bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation, as passed by the Senate on June 27, 1996, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 3005) entitled "An Act to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Securities Investment Promotion Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Severability.

TITLE I—INVESTMENT ADVISERS SUPERVISION COORDINATION ACT

Sec. 101. Short title.
Sec. 102. Funding for enhanced enforcement priority.
Sec. 103. Improved supervision through State and Federal cooperation.
Sec. 104. Interstate cooperation.
Sec. 105. Disqualification of convicted felons.
Sec. 106. Continued State authority.
Sec. 107. Effective date.

TITLE II—FACILITATING INVESTMENT IN MUTUAL FUNDS

Sec. 201. Short title.
Sec. 202. Funds of funds.
Sec. 203. Flexible registration of securities.
Sec. 204. Facilitating use of current information in advertising.
Sec. 205. Variable insurance contracts.
Sec. 206. Prohibition on deceptive investment company names.
Sec. 207. Excepted investment companies.
Sec. 208. Performance fees exemptions.
Sec. 209. Reports to the Commission and shareholders.
Sec. 210. Books, records, and inspections.

TITLE III—REDUCING THE COST OF SAVING AND INVESTMENT

Sec. 301. Exemption for economic, business, and industrial development companies.
Sec. 302. Intrastate closed-end investment company exemption.
Sec. 303. Definition of eligible portfolio company.
Sec. 304. Definition of business development company.
Sec. 305. Acquisition of assets by business development companies.
Sec. 306. Capital structure amendments.
Sec. 307. Filing of written statements.
Sec. 308. Facilitating national securities markets.
Sec. 309. Regulatory flexibility.
Sec. 310. Analysis of economic effects of regulation.
Sec. 311. Privatization of EDGAR.
Sec. 312. Improving coordination of supervision.
Sec. 313. Increased access to foreign business information.
Sec. 314. Short-form registration.
Sec. 315. Church employee pension plans.
Sec. 316. Promoting global preeminence of American securities markets.
Sec. 317. Broker-dealer exemption from State law for certain de minimis transactions.
Sec. 318. Studies and reports.

SEC. 2. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

TITLE I—INVESTMENT ADVISERS SUPERVISION COORDINATION ACT

SEC. 101. SHORT TITLE.

This title may be cited as the "Investment Advisers Supervision Coordination Act".

SEC. 102. FUNDING FOR ENHANCED ENFORCEMENT PRIORITY.

There are authorized to be appropriated to the Securities and Exchange Commission, for the enforcement of the Investment Advisers Act of 1940, not more than $16,000,000 in each of fiscal years 1997 and 1998.

SEC. 103. IMPROVED SUPERVISION THROUGH STATE AND FEDERAL COOPERATION.

(a) STATE AND FEDERAL RESPONSIBILITIES.—The Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) is amended by inserting after section 203 the following new section:

"SEC. 203A. STATE AND FEDERAL RESPONSIBILITIES.

"(a) ADVISERS SUBJECT TO STATE AUTHORITIES.—

"(1) IN GENERAL.—No investment adviser that is regulated or required to be regulated as an investment adviser in the State in which it maintains its principal office and place of business shall register under section 203, unless the investment adviser—

"(A) has assets under management of not less than $25,000,000, or such higher amount as the Commission may, by rule, deem appropriate in accordance with the purposes of this title; or

"(B) is an adviser to an investment company registered under title I of this Act, or a company that has elected to be a business development company pursuant to section 54 of title I of this Act.

"(2) DEFINITION.—For purposes of this subsection, the term 'assets under management' means the securities portfolios with respect to which an investment adviser provides continuous and regular supervisory or management services.

"(b) ADVISERS SUBJECT TO COMMISSION AUTHORITY.—

"(1) IN GENERAL.—No law of any State or political subdivision thereof requiring the registration, licensing, or qualification as an investment adviser or supervised person of an investment adviser shall apply to any person—

"(A) that is registered under section 203 as an investment adviser, or that is a supervised person of such a person; or

"(B) that is not registered under section 203 because that person is excepted from the definition of an investment adviser under section 202(a)(11).

"(2) LIMITATION.—Nothing in this subsection shall prohibit the securities commission (or any agency or office performing like functions) of any State from—

"(A) requiring the filing with such commission, agency, or office of any document filed with the Commission by an investment adviser, together with a consent to service of process and requisite fees; or

"(B) investigating and bringing enforcement actions with respect to fraud or deceit against an investment adviser or person associated with an investment adviser.

"(c) EXEMPTIONS.—Notwithstanding subsection (a), the Commission, by rule or regulation upon its own motion, or by order upon application, may permit the registration with the Commission of any person or class of persons to which the application of subsection (a) would be unfair, a burden on interstate commerce, or otherwise inconsistent with the purposes of this section.

"(d) FILING DEPOSITORIES.—The Commission may, by rule, require an investment adviser—

"(1) to file with the Commission any fee, application, report, or notice required by this title or by the rules issued under this title through any entity designated by the Commission for that purpose; and

"(2) to pay the reasonable costs associated with such filing.

"(e) STATE ASSISTANCE.—Upon request of the securities commissioner (or any agency or officer performing like functions) of any State, the Commission may provide such training, technical assistance, or other reasonable assistance in connection with the regulation of investment advisers by the State.".

(b) ADVISERS NOT ELIGIBLE TO REGISTER.—Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended—

(1) in subsection (c), in the matter immediately following paragraph (2), by inserting "and that the applicant is not prohibited from registering as an investment adviser under section 203A" after "satisfied"; and

(2) in subsection (h), in the second sentence—

(A) by striking "existence or" and inserting "existence,"; and

(B) by inserting "or is prohibited from registering as an investment adviser under section 203A," after "adviser,".

(c) DEFINITION OF "SUPERVISED PERSON".—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)) is amended—

(1) by striking "requires—" and inserting "requires, the following definitions shall apply:"; and

(2) by adding at the end the following new paragraph:

"(25) 'Supervised person' means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.".

(d) CONFORMING AMENDMENT.—Section 203(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(a)) is amended by striking "subsection (b) of this section" and inserting "subsection (b) and section 203A".

SEC. 104. INTERSTATE COOPERATION.

Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–18a) is amended to read as follows:

"SEC. 222. STATE REGULATION OF INVESTMENT ADVISERS.

"(a) JURISDICTION OF STATE REGULATORS.—Nothing in this title shall affect the jurisdiction of the securities commissioner (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this title or the rules and regulations thereunder.

"(b) DUAL COMPLIANCE PURPOSES.—No State may enforce any law or regulation that would require an investment adviser to maintain any books or records in addition to those required under the laws of the State in which it maintains its principal place of business, if the investment adviser—

"(1) is registered or licensed as such in the State in which it maintains its principal place of business; and

"(2) is in compliance with the applicable books and records requirements of the State in which it maintains its principle place of business.

"(c) LIMITATION ON CAPITAL AND BOND REQUIREMENTS.—No State may enforce any law or regulation that would require an investment adviser to maintain a higher minimum net capital or to post any bond in addition to any that is required under the laws of the State in which it maintains its principal place of business, if the investment adviser—

"(1) is registered or licensed as such in the State in which it maintains its principal place of business; and

"(2) is in compliance with the applicable net capital or bonding requirements of the State in which it maintains its principal place of business.".

SEC. 105. DISQUALIFICATION OF CONVICTED FELONS.

(a) AMENDMENT.—Section 203(e) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(e)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) has been convicted during the 10-year period preceding the date of filing of any application for registration, or at any time thereafter, of—

"(A) any crime that is punishable by imprisonment for 1 or more years, and that is not described in paragraph (2); or

"(B) a substantially equivalent crime by a foreign court of competent jurisdiction.".

(b) CONFORMING AMENDMENTS.—Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended—

(1) in subsection (e)(6) (as redesignated by subsection (a) of this section), by striking "this paragraph (5)" and inserting "this paragraph";

(2) in subsection (f)—

(A) by striking "paragraph (1), (4), (5), or (7) of subsection (e) of this section" and inserting "paragraph (1), (5), (6), or (8) of subsection (e)";

(B) by striking "paragraph (3)" and inserting "paragraph (4)"; and

(C) by striking "said subsection" each place that term appears and inserting "subsection"; and

(3) in subsection (i)(1)(D), by striking "section 203(e)(5) of this title" and inserting "subsection (e)(6)".

SEC. 106. CONTINUED STATE AUTHORITY.

Notwithstanding any other provision of this title, or any amendment made by this title, a State or Territory of the United States, or the District of Columbia may continue to collect filing, registration, or licensing fees in amounts determined pursuant to State law as in effect on the day before the date of enactment of this Act, until otherwise specifically provided under a State law enacted on or after that date of enactment.

SEC. 107. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this Act.

TITLE II—FACILITATING INVESTMENT IN MUTUAL FUNDS

SEC. 201. SHORT TITLE.

This title may be cited as the "Investment Company Amendments Act of 1996".

SEC. 202. FUNDS OF FUNDS.

Section 12(d)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–12(d)(1)) is amended—

(1) in subparagraph (E)(iii)—

(A) by striking "in the event such investment company is not a registered investment company,"; and

(B) by inserting "in the event that such investment company is not a registered investment company," after "(bb)";

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively;

(3) by striking "this paragraph (1)" each place that term appears and inserting "this paragraph";

(4) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) This paragraph does not apply to securities of a registered open-end investment company or a registered unit investment trust (hereafter in this subparagraph referred to as the 'acquired company') purchased or otherwise acquired by a registered open-end investment company or a registered unit investment trust (hereafter in this subparagraph referred to as the 'acquiring company') if—

"(I) the acquired company and the acquiring company are part of the same group of investment companies;

"(II) the securities of the acquired company, securities of other registered open-end investment companies and registered unit investment trusts that are part of the same group of investment companies, Government securities, and short-term paper are the only investments held by the acquiring company;

"(III)(aa) the acquiring company does not pay and is not assessed any charges or fees for distribution-related activities with respect to securities of the acquired company, unless the acquiring company does not charge a sales load or other fees or charges for distribution-related activities; or

"(bb) any sales loads and other distribution-related fees charged with respect to securities of the acquiring company, when aggregated with any sales load and distribution-related fees paid by the acquiring company with respect to securities of the acquired fund, are not excessive under rules adopted pursuant to section 22(b) or section 22(c) by a securities association registered under section 15A of the Securities Exchange Act of 1934 or the Commission;

"(IV) the acquired company has a policy that prohibits it from acquiring any securities of registered open-end investment companies or registered unit investment trusts in reliance on this subparagraph or subparagraph (F); and

"(V) such acquisition is not in contravention of such rules and regulations as the Commission may from time to time prescribe with respect to acquisitions in accordance with this subparagraph, as necessary and appropriate for the protection of investors.

"(ii) For purposes of this subparagraph, the term 'group of investment companies' means any

2 or more registered investment companies that hold themselves out to investors as related companies for purposes of investment and investor services."; and

(5) by adding at the end the following new subparagraph:

"(J) The Commission, by rules and regulations, upon its own motion, or by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provision of this subsection, if and to the extent that such exemption is consistent with the public interest and the protection of investors.".

SEC. 203. FLEXIBLE REGISTRATION OF SECURITIES.

(a) Amendments to Registration Statements.—Section 24(e) of the Investment Company Act of 1940 (15 U.S.C. 80a–24(e)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by striking "(3) For" and inserting "For"; and

(3) by striking "pursuant to this subsection or otherwise".

(b) Registration of Indefinite Amount of Securities.—Section 24(f) of the Investment Company Act of 1940 (15 U.S.C. 80a–24(f)) is amended to read as follows:

"(f) Registration of Indefinite Amount of Securities.—

"(1) Registration of securities.—Upon the effective date of its registration statement, as provided by section 8 of the Securities Act of 1933, a face-amount certificate company, open-end management company, or unit investment trust, shall be deemed to have registered an indefinite amount of securities.

"(2) Payment of registration fees.—Not later than 90 days after the end of the fiscal year of an entity referred to in paragraph (1), the entity shall pay a registration fee to the Commission, calculated in the manner specified in section 6(b) of the Securities Act of 1933, based on the aggregate sales price for which its securities (including, for purposes of this paragraph, all securities issued pursuant to a dividend reinvestment plan) were sold pursuant to a registration of an indefinite amount of securities under this subsection during the previous fiscal year of the entity, reduced by—

"(A) the aggregate redemption or repurchase price of the securities of the entity during that year; and

"(B) the aggregate redemption or repurchase price of the securities of the entity during any prior fiscal year ending not more than 1 year before the date of enactment of the Investment Company Amendments Act of 1996, that were not used previously by the entity to reduce fees payable under this section.

"(3) Interest due on late payment.—An entity paying the fee required by this subsection or any portion thereof more than 90 days after the end of the fiscal year of the entity shall pay to the Commission interest on unpaid amounts, compounded daily, at the underpayment rate established by the Secretary of the Treasury pursuant to section 3717 of title 31, United States Code. The payment of interest pursuant to this paragraph shall not preclude the Commission from bringing an action to enforce the requirements of paragraph (2).

"(4) Rulemaking authority.—The Commission may adopt rules and regulations to implement this subsection.".

(c) Effective Date.—The amendments made by this section shall become effective on the earlier of—

(1) 1 year after the date of enactment of this Act; or

(2) the effective date of final rules or regulations issued in accordance with section 24(f) of the Investment Company Act of 1940, as amended by this section.

SEC. 204. FACILITATING USE OF CURRENT INFORMATION IN ADVERTISING.

Section 24 of the Investment Company Act of 1940 (15 U.S.C. 80a–24) is amended by adding at the end the following new subsection:

"(g) Additional Prospectuses.—In addition to any prospectus permitted or required by section 10(a) of the Securities Act of 1933, the Commission shall permit, by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors, the use of a prospectus for the purposes of section 5(b)(1) of that Act with respect to securities issued by a registered investment company. Such a prospectus, which may include information the substance of which is not included in the prospectus specified in section 10(a) of the Securities Act of 1933, shall be deemed to be permitted by section 10(b) of that Act.".

SEC. 205. VARIABLE INSURANCE CONTRACTS.

(a) Unit Investment Trust Treatment.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a–26) is amended by adding at the end the following new subsection:

"(e) Exemption.—

"(1) In general.—Subsection (a) does not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account.

"(2) Limitation on sales.—It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract, unless—

"(A) the fees and charges deducted under the contract, in the aggregate, are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company, and the insurance company so represents in the registration statement for the contract; and

"(B) the insurance company—

"(i) complies with all other applicable provisions of this section, as if it were a trustee or custodian of the registered separate account;

"(ii) files with the insurance regulatory authority of the State or territory of the United States or of the District of Columbia in which is located the principal place of business of the insurance company, an annual statement of its financial condition, which most recent statement indicates that the insurance company has a combined capital and surplus, if a stock company, or an unassigned surplus, if a mutual company, of not less than $1,000,000, or such other amount as the Commission may from time to time prescribe by rule, as necessary or appropriate in the public interest or for the protection of investors; and

"(iii) together with its registered separate accounts, is supervised and examined periodically by the insurance authority of such State, territory, or the District of Columbia.

"(3) Fees and charges.—For purposes of paragraph (2), the fees and charges deducted under the contract shall include all fees and charges imposed for any purpose and in any manner.

"(4) Regulatory authority.—The Commission may issue such rules and regulations to carry out paragraph (2)(A) as it determines are necessary or appropriate in the public interest or for the protection of investors.".

(b) Periodic Payment Plan Treatment.—Section 27 of the Investment Company Act of 1940 (15 U.S.C. 80a–27) is amended by adding at the end the following new subsection:

"(i)(1) This section does not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account, except as provided in paragraph (2).

"(2) It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract unless—

"(A) such contract is a redeemable security; and

"(B) the insurance company complies with section 26(e) and any rules or regulations issued by the Commission under section 26(e).".

SEC. 206. PROHIBITION ON DECEPTIVE INVESTMENT COMPANY NAMES.

Section 35(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–34(d)) is amended to read as follows:

"(d) It shall be unlawful for any registered investment company to adopt as a part of the name or title of such company, or of any securities of which it is the issuer, any word or words that the Commission finds are materially deceptive or misleading. The Commission is authorized, by rule, regulation, or order, to define such names or titles as are materially deceptive or misleading.".

SEC. 207. EXCEPTED INVESTMENT COMPANIES.

(a) Amendments.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), by inserting after the first sentence the following: "Such issuer shall be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer.";

(2) in subparagraph (A) of paragraph (1)—

(A) by inserting after "issuer," the first place that term appears, the following: "and is or, but for the exception provided for in this paragraph or paragraph (7), would be an investment company,"; and

(B) by striking "unless, as of" and all that follows through the end of the subparagraph and inserting a period;

(3) in paragraph (2)—

(A) by striking "and acting as broker," and inserting "acting as broker, and acting as market intermediary,";

(B) by inserting "(A)" after "(2)"; and

(C) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'market intermediary' means any person that regularly holds itself out as being willing contemporaneously to engage in, and that is regularly engaged in, the business of entering into transactions on both sides of the market for a financial contract or one or more such financial contracts; and

"(ii) the term 'financial contract' means any arrangement that—

"(I) takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets;

"(II) is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and

"(III) is entered into in response to a request from a counter party for a quotation, or is otherwise entered into and structured to accommodate the objectives of the counter party to such arrangement."; and

(4) by striking paragraph (7) and inserting the following:

"(7)(A) Any issuer, the outstanding securities of which are owned exclusively by persons who,

at the time of acquisition of such securities, are qualified purchasers, and which is not making and does not at that time propose to make a public offering of such securities. Securities that are owned by persons who received the securities from a qualified purchaser as a gift or bequest, or in a case in which the transfer was caused by legal separation, divorce, death, or other involuntary event, shall be deemed to be owned by a qualified purchaser, subject to such rules, regulations, and orders as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) Notwithstanding subparagraph (A), an issuer is within the exception provided by this paragraph if—

"(i) in addition to qualified purchasers, outstanding securities of that issuer are beneficially owned by not more than 100 persons who are not qualified purchasers, if—

"(I) such persons acquired such securities on or before April 30, 1996; and

"(II) at the time such securities were acquired by such persons, the issuer was excepted by paragraph (1); and

"(ii) prior to availing itself of the exception provided by this paragraph—

"(I) such issuer has disclosed to each beneficial owner that future investors will be limited to qualified purchasers, and that ownership in such issuer is no longer limited to not more than 100 persons; and

"(II) concurrently with or after such disclosure, such issuer has provided each beneficial owner with a reasonable opportunity to redeem any part or all of their interests in the issuer, notwithstanding any agreement to the contrary between the issuer and such persons, for that person's proportionate share of the issuer's net assets.

"(C) Each person that elects to redeem under subparagraph (B)(ii)(II) shall receive an amount in cash equal to that person's proportionate share of the issuer's net assets, unless the issuer elects to provide such person with the option of receiving, and such person agrees to receive, all or a portion of such person's share in assets of the issuer. If the issuer elects to provide such persons with such an opportunity, disclosure concerning such opportunity shall be made in the disclosure required by subparagraph (B)(ii)(I).

"(D) An issuer that is excepted under this paragraph shall nonetheless be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) relating to the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer.

"(E) For purposes of determining compliance with this paragraph and paragraph (1), an issuer that is otherwise excepted under this paragraph and an issuer that is otherwise excepted under paragraph (1) shall not be treated by the Commission as being a single issuer for purposes of determining whether the outstanding securities of the issuer excepted under paragraph (1) are beneficially owned by not more than 100 persons or whether the outstanding securities of the issuer excepted under this paragraph are owned by persons that are not qualified purchasers. Nothing in this subparagraph shall be construed to establish that a person is a bona fide qualified purchaser for purposes of this paragraph or a bona fide beneficial owner for purposes of paragraph (1).".

(b) DEFINITION OF QUALIFIED PURCHASER.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)) is amended by adding at the end the following new paragraph:

"(51)(A) 'Qualified purchaser' means—

"(i) any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 3(c)(7) with that person's qualified purchaser spouse) who owns not less than $5,000,000 in investments, as defined by the Commission;

"(ii) any company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

"(iii) any trust that is not covered by subparagraph (B) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i), (ii), or (iv);

"(iv) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments; or

"(v) any person that the Commission, by rule or regulation, has determined does not need the protections of this title, after consideration of factors such as—

"(I) a high degree of financial sophistication, including extensive knowledge of and experience in financial matters;

"(II) a substantial amount of assets owned or under management;

"(III) relationship with an issuer; and

"(IV) such other factors as the Commission may determine to be consistent with the purposes of this paragraph.

"(B) The Commission may adopt such rules and regulations applicable to the persons and trusts specified in clauses (i) through (v) of subparagraph (A) as it determines are necessary or appropriate in the public interest or for the protection of investors.

"(C) The term 'qualified purchaser' does not include a company that, but for the exceptions provided for in paragraph (1) or (7) of section 3(c), would be an investment company (hereafter in this paragraph referred to as an 'excepted investment company'), unless all beneficial owners of its outstanding securities (other than short-term paper), determined in accordance with section 3(c)(1)(A), that acquired such securities on or before April 30, 1996 (hereafter in this paragraph referred to as 'pre-amendment beneficial owners'), and all pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of any excepted investment company that, directly or indirectly, owns any outstanding securities of such excepted investment company, have consented to its treatment as a qualified purchaser. Unanimous consent of all trustees, directors, or general partners of a company or trust referred to in clause (ii) or (iii) of subparagraph (A) shall constitute consent for purposes of this subparagraph.".

(c) CONFORMING AMENDMENTS.—Section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(a)) is amended—

(1) by striking "(1)" and inserting "(A)";

(2) by striking "(2)" and inserting "(B)";

(3) by striking "(3)" and inserting "(C)";

(4) by inserting "(1)" after "(a)";

(5) by striking "As used" and inserting "(2) As used"; and

(6) in paragraph (2)(C), as designated by paragraph (5) of this subsection—

(A) by striking "which are" and inserting the following: "which (i) are"; and

(B) by inserting before the period at the end, the following: ", and (ii) are not relying on the exception from the definition of investment company in paragraph (1) or (7) of subsection (c)".

(d) RULEMAKING REQUIRED.—

(1) IMPLEMENTATION OF SECTION 3(C)(1)(B).—Not later than 1 year after the date of enactment of this Act, the Commission shall prescribe rules to implement the requirements of section 3(c)(1)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)(B)).

(2) IDENTIFICATION OF INVESTMENTS.—Not later than 180 days after the date of enactment of this Act, the Commission shall prescribe rules defining the term, or otherwise identifying, "investments" for purposes of section 2(a)(51) of the Investment Company Act of 1940, as added by this Act.

(3) EMPLOYEE EXCEPTION.—Not later than 1 year after the date of enactment of this Act, the Commission shall prescribe rules pursuant to its authority under section 6 of the Investment Company Act of 1940 to permit the ownership of securities by knowledgeable employees of the issuer of the securities or an affiliated person without loss of the exception of the issuer under paragraph (1) or (7) of section 3(c) of that Act from treatment as an investment company under that Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the earlier of—

(1) 180 days after the date of enactment of this Act; or

(2) the date on which the rulemaking required under subsection (d)(2) is completed.

SEC. 208. PERFORMANCE FEES EXEMPTIONS.

Section 205 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–5) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "or" at the end;

(B) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(4) apply to an investment advisory contract with a company excepted from the definition of an investment company under section 3(c)(7) of title I of this Act; or

"(5) apply to an investment advisory contract with a person who is not a resident of the United States."; and

(2) by adding at the end the following new subsection:

"(e) The Commission, by rule or regulation, upon its own motion, or by order upon application, may conditionally or unconditionally exempt any person or transaction, or any class or classes of persons or transactions, from subsection (a)(1), if and to the extent that the exemption relates to an investment advisory contract with any person that the Commission determines does not need the protections of subsection (a)(1), on the basis of such factors as financial sophistication, net worth, knowledge of and experience in financial matters, amount of assets under management, relationship with a registered investment adviser, and such other factors as the Commission determines are consistent with this section.".

SEC. 209. REPORTS TO THE COMMISSION AND SHAREHOLDERS.

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a–29) is amended—

(1) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company filed under this title;";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (g), and (h), respectively;

(3) by inserting after subsection (b) the following new subsection:

"(c)(1) The Commission shall take such action as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons in exercising its authority—

"(A) under subsection (f); and

"(B) under subsection (b)(1), if the Commission requires the filing of information, documents, and reports under that subsection on a basis more frequently than semiannually.

"(2) Action taken by the Commission under paragraph (1) shall include considering, and requesting public comment on—

"(A) feasible alternatives that minimize the reporting burdens on registered investment companies; and

"(B) the utility of such information, documents, and reports to the Commission in relation to the costs to registered investment companies and their affiliated persons of providing such information, documents, and reports.";

(4) by inserting after subsection (e) (as redesignated by paragraph (2) of this section), the following new subsection:

"(f) The Commission may, by rule, require that semi-annual reports containing the information set forth in subsection (e) include such other information as the Commission deems necessary or appropriate in the public interest or for the protection of investors."; and

(5) in subsection (g) (as redesignated by paragraph (2) of this section), by striking "subsections (a) and (d)" and inserting "subsections (a) and (e)".

SEC. 210. BOOKS, RECORDS, AND INSPECTIONS.

Section 31 of the Investment Company Act of 1940 (15 U.S.C. 80a–30) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a)(1) Each registered investment company, and each underwriter, broker, dealer, or investment adviser that is a majority-owned subsidiary of such a company, shall maintain and preserve such records (as defined in section 3(a)(37) of the Securities Exchange Act of 1934) for such period or periods as the Commission, by rules and regulations, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Each investment adviser that is not a majority-owned subsidiary of, and each depositor of any registered investment company, and each principal underwriter for any registered investment company other than a closed-end company, shall maintain and preserve for such period or periods as the Commission shall prescribe by rules and regulations, such records as are necessary or appropriate to record such person's transactions with such registered company.

"(2) In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and for the protection of investors, to avoid unnecessary recordkeeping by, and minimize the compliance burden on, persons required to maintain records under this subsection (hereafter in this section referred to as 'subject persons'). Such steps shall include considering, and requesting public comment on—

"(A) feasible alternatives that minimize the recordkeeping burdens on subject persons;

"(B) the necessity of such records in view of the public benefits derived from the independent scrutiny of such records through Commission examination;

"(C) the costs associated with maintaining the information that would be required to be reflected in such records; and

"(D) the effects that a proposed recordkeeping requirement would have on internal compliance policies and procedures.

"(b) All records required to be maintained and preserved in accordance with subsection (a) shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. For purposes of such examinations, any subject person shall make available to the Commission or its representatives any copies or extracts from such records as may be prepared without undue effort, expense, or delay as the Commission or its representatives may reasonably request. The Commission shall exercise its authority under this subsection with due regard for the benefits of internal compliance policies and procedures and the effective implementation and operation thereof.";

(2) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (b) the following new subsections:

"(c) Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any internal compliance or audit records, or information contained therein, provided to the Commission under this section. Nothing in this subsection shall authorize the Commission to withhold information from the Congress or prevent the Commission from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of the jurisdiction of that department or agency, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this section shall be considered a statute described in subsection (b)(3)(B) of such section 552.

"(d) For purposes of this section—

"(1) the term 'internal compliance policies and procedures' means policies and procedures designed by subject persons to promote compliance with the Federal securities laws; and

"(2) the term 'internal compliance and audit record' means any record prepared by a subject person in accordance with internal compliance policies and procedures.".

TITLE III—REDUCING THE COST OF SAVING AND INVESTMENT

SEC. 301. EXEMPTION FOR ECONOMIC, BUSINESS, AND INDUSTRIAL DEVELOPMENT COMPANIES.

Section 6(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(a)) is amended by adding at the end the following new paragraph:

"(5)(A) Any company that is not engaged in the business of issuing redeemable securities, the operations of which are subject to regulation by the State in which the company is organized under a statute governing entities that provide financial or managerial assistance to enterprises doing business, or proposing to do business, in that State if—

"(i) the organizational documents of the company state that the activities of the company are limited to the promotion of economic, business, or industrial development in the State through the provision of financial or managerial assistance to enterprises doing business, or proposing to do business, in that State, and such other activities that are incidental or necessary to carry out that purpose;

"(ii) immediately following each sale of the securities of the company by the company or any underwriter for the company, not less than 80 percent of the securities of the company being offered in such sale, on a class-by-class basis, are held by persons who reside or who have a substantial business presence in that State;

"(iii) the securities of the company are sold, or proposed to be sold, by the company or by any underwriter for the company, solely to accredited investors, as that term is defined in section 2(15) of the Securities Act of 1933, or to such other persons that the Commission, as necessary or appropriate in the public interest and consistent with the protection of investors, may permit by rule, regulation, or order; and

"(iv) the company does not purchase any security issued by an investment company or by any company that would be an investment company except for the exclusions from the definition of the term 'investment company' under paragraph (1) or (7) of section 3(c), other than—

"(I) any debt security that is rated investment grade by not less than 1 nationally recognized statistical rating organization; or

"(II) any security issued by a registered open-end investment company that is required by its investment policies to invest not less than 65 percent of its total assets in securities described in subclause (I) or securities that are determined by such registered open-end investment company to be comparable in quality to securities described in subclause (I).

"(B) Notwithstanding the exemption provided by this paragraph, section 9 (and, to the extent necessary to enforce section 9, sections 38 through 51) shall apply to a company described in this paragraph as if the company were an investment company registered under this title.

"(C) Any company proposing to rely on the exemption provided by this paragraph shall file with the Commission a notification stating that the company intends to do so, in such form and manner as the Commission may prescribe by rule.

"(D) Any company meeting the requirements of this paragraph may rely on the exemption provided by this paragraph upon filing with the Commission the notification required by subparagraph (C), until such time as the Commission determines by order that such reliance is not in the public interest or is not consistent with the protection of investors.

"(E) The exemption provided by this paragraph may be subject to such additional terms and conditions as the Commission may by rule, regulation, or order determine are necessary or appropriate in the public interest or for the protection of investors.".

SEC. 302. INTRASTATE CLOSED-END INVESTMENT COMPANY EXEMPTION.

Section 6(d)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(d)(1)) is amended by striking "$100,000" and inserting "$10,000,000, or such other amount as the Commission may set by rule, regulation, or order".

SEC. 303. DEFINITION OF ELIGIBLE PORTFOLIO COMPANY.

Section 2(a)(46)(C) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(46)(C)) is amended—

(1) in clause (ii), by striking "or" at the end;

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following:

"(iii) it has total assets of not more than $4,000,000, and capital and surplus (shareholders' equity less retained earnings) of not less than $2,000,000, except that the Commission may adjust such amounts by rule, regulation, or order to reflect changes in 1 or more generally accepted indices or other indicators for small businesses; or".

SEC. 304. DEFINITION OF BUSINESS DEVELOPMENT COMPANY.

Section 2(a)(48)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(48)(B)) is amended by adding at the end the following: "provided further that a business development company need not make available significant managerial assistance with respect to any company described in paragraph (46)(C)(iii), or with respect to any other company that meets such criteria as the Commission may by rule, regulation, or order permit, as consistent with the public interest, the protection of investors, and the purposes of this title; and".

SEC. 305. ACQUISITION OF ASSETS BY BUSINESS DEVELOPMENT COMPANIES.

Section 55(a)(1)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-54(a)(1)(A)) is amended—

(1) by striking "or from any person" and inserting "from any person"; and

(2) by inserting before the semicolon ", or from any other person, subject to such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors".

SEC. 306. CAPITAL STRUCTURE AMENDMENTS.

Section 61(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-60(a)) is amended—

(1) in paragraph (2), by striking "if such business development company" and all that follows through the end of the paragraph and inserting a period;

(2) in paragraph (3)(A)—

(A) by striking "senior securities representing indebtedness accompanied by";

(B) by inserting "accompanied by securities," after "of such company,"; and

(C) in clause (ii), by striking "senior"; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the period at the end of clause (iv) and inserting "; and"; and

(C) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) a business development company may issue warrants, options, or rights to subscribe to, convert to, or purchase voting securities not accompanied by securities, if—

"(i) such warrants, options, or rights satisfy the conditions in clauses (i) and (iii) of subparagraph (A); and

"(ii) the proposal to issue such warrants, options, or rights is authorized by the shareholders or partners of such business development company, and such issuance is approved by the required majority (as defined in section 57(o)) of the directors of or general partners in such company on the basis that such issuance is in the best interests of the company and its shareholders or partners.".

SEC. 307. FILING OF WRITTEN STATEMENTS.

Section 64(b)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-63(b)(1)) is amended by inserting "and capital structure" after "portfolio".

SEC. 308. FACILITATING NATIONAL SECURITIES MARKETS.

Section 18 of the Securities Act of 1933 (15 U.S.C. 77r) is amended to read as follows:

"SEC. 18. EXEMPTION FROM STATE CONTROL OF SECURITIES OFFERINGS.

"(a) EXEMPTION FROM STATE LAW FOR REGISTERED SECURITIES.—Except with respect to offerings described in subsection (b) and as otherwise specifically provided in this section, no law, rule, regulation, order, or other administrative action of any State or Territory of the United States, or the District of Columbia, or any political subdivision thereof—

"(1) requiring, or with respect to, registration or qualification of securities or securities transactions shall directly or indirectly apply to an offering subject to a registration statement filed pursuant to this title;

"(2) shall directly or indirectly prohibit, limit, or impose conditions upon the use of any offering document, including any prospectus contained in a registration statement that has been filed with the Commission; or

"(3) shall directly or indirectly prohibit, limit, or impose conditions upon the offer or sale of any security registered with the Commission under this title based on the merits of such offering or issuer.

"(b) SPECIAL RULES FOR CERTAIN OFFERINGS.—Except with respect to a security of an investment company that is registered under the Investment Company Act of 1940, the provisions of subsection (a) shall not apply to—

"(1) an offering—

"(A) by an issuer that is a blank check company, as defined in section 7(b), or a direct participation investment program;

"(B) of penny stock; or

"(C) giving effect to a limited partnership rollup transaction;

"(2) an offering of a security, if a person associated with the offering is subject to a statutory disqualification, as defined in section 3(a)(39) of the Securities Exchange Act of 1934, or any substantially equivalent State law; or

"(3) an offering of a security that—

"(A) is not listed on the New York Stock Exchange, the American Stock Exchange, or the National Market Segment of the National Association of Securities Dealers Automated Quotation System Stock Market;

"(B) is not listed, authorized for listing, or authorized for trading on a national securities exchange (or tier or segment thereof) that has standards for listing or for trading authorization that the Commission determines, by rule (on its own initiative or on the basis of a petition), are substantially similar to the standards for listing or for trading authorization that are applicable to securities described in subparagraph (A); or

"(C) will not be listed or authorized for trading as described in subparagraph (A) or (B) upon completion of the transaction.

"(c) EXEMPTION FROM STATE LAW FOR TRANSACTIONS IN SECURITIES WITH QUALIFIED PURCHASERS.—Notwithstanding subsection (b), subsection (a) shall apply with respect to offers and sales to qualified purchasers, as defined by the Commission.

"(d) PRESERVATION OF FILING REQUIREMENTS.—

"(1) IN GENERAL.—Nothing in this section shall prohibit the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, from requiring the filing of any documents filed with the Commission pursuant to this title solely for notice purposes, along with a consent to service of process and requisite fee, except that no such filing, consent, or fee may be required with respect to securities, or transactions relating to securities that are of the same class, or are senior to such a class, as securities described in subsection (b)(3).

"(2) CONTINUED STATE AUTHORITY.—Notwithstanding paragraph (1), a State or Territory of the United States, or the District of Columbia may continue to collect filing or registration fees with respect to securities or securities transactions in amounts determined pursuant to State law as in effect on the day before the date of enactment of the Securities Investment Promotion Act of 1996, until otherwise specifically provided under a State law enacted on or after that date of enactment.

"(e) PRESERVATION OF STATE AUTHORITY.—Nothing in this section shall affect the jurisdiction of the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia pursuant to the laws of such State or Territory, with respect to any fraud or broker-dealer conduct in connection with securities or securities transactions.".

SEC. 309. REGULATORY FLEXIBILITY.

(a) UNDER THE SECURITIES ACT OF 1933.—Title I of the Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended by adding at the end the following new section:

"SEC. 28. GENERAL EXEMPTIVE AUTHORITY.

"The Commission, by rule or regulation, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation issued under this title, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.".

(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding at the end the following new section:

"SEC. 36. GENERAL EXEMPTIVE AUTHORITY.

"(a) IN GENERAL.—Except as provided in subsection (b), the Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation issued under this title, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. The Commission shall, by rule or regulation, determine the procedures under which an exemptive order under this section shall be granted and may, in its sole discretion, decline to entertain any application for an order of exemption under this section.

"(b) LIMITATION.—The Commission may not, under this section, exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from section 15C or the rules or regulations issued thereunder or (for purposes of section 15C and the rules and regulations issued thereunder) from the definitions in paragraphs (42), (43), (44), or (45) of section 3(a).".

SEC. 310. ANALYSIS OF ECONOMIC EFFECTS OF REGULATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the Economic Analysis Program, including funding for the Office of Economic Analysis of the Securities and Exchange Commission, $6,000,000 for fiscal year 1997, and $6,000,000 for fiscal year 1998.

(b) ANALYSIS OF ECONOMIC EFFECTS OF REGULATION.—

(1) IN GENERAL.—The Chief Economist of the Commission shall prepare a report on each proposed regulation of the Commission. Such report shall be provided to each Commissioner and shall be published in the Federal Register before any such regulation of the Commission may become effective.

(2) REPORT CONTENTS.—The report required by this subsection shall include—

(A) an analysis of the likely effects of the proposed regulation on the economy of the United States, and particularly upon the securities markets and the participants in those markets; and

(B) the estimated impact of the proposed regulation upon economic and market behavior, including any impact on market liquidity, the costs of investment, and the financial risks of investment.

SEC. 311. PRIVATIZATION OF EDGAR.

Not later than 180 days after the date of enactment of this Act, the Commission shall submit to the Congress a report on the Electronic Data Gathering Analysis and Retrieval System consisting of the Commission's plan for promoting competition and innovation of the system through privatization of all or any part of the system. Such plan shall include such recommendations for action as may be necessary to implement the plan.

SEC. 312. IMPROVING COORDINATION OF SUPERVISION.

Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended by adding at the end the following new subsection:

"(l) COORDINATION OF EXAMINING AUTHORITIES.—

"(1) OBJECTIVE.—The Commission and the examining authorities shall promote effective and efficient oversight of the activities of brokers and dealers, avoiding redundancy, while maintaining the highest level of examination and oversight quality.

"(2) ELIMINATION OF DUPLICATION.—The Commission and the examining authorities, through cooperation and coordination of examination and oversight activities, shall eliminate any unnecessary and burdensome duplication in the examination process.

"(3) COORDINATION OF EXAMINATIONS.—The Commission and the examining authorities shall share such information, including reports of examinations, customer complaint information, and other nonpublic regulatory information, as appropriate to foster a coordinated approach to regulatory oversight of brokers and dealers that are subject to examination by more than one examining authority.

"(4) EXAMINATIONS FOR CAUSE.—At any time, any examining authority may conduct an examination for cause of any broker or dealer subject to its jurisdiction.

"(5) CONFIDENTIALITY.—

"(A) IN GENERAL.—The provisions of section 24 shall apply to the sharing of information in accordance with this subsection. The Commission shall take appropriate action under section 24(c) to assure that such information is not inappropriately disclosed.

"(B) APPROPRIATE DISCLOSURE NOT PROHIBITED.—Nothing in this paragraph shall authorize the Commission or any examining authority to withhold information from the Congress, or prevent the Commission or any examining authority from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission.

"(6) DEFINITION.—For purposes of this subsection, the term 'examining authority' means the self-regulatory organizations registered with the Commission under this title (other than registered clearing agencies) with the authority to examine, inspect, and otherwise oversee the activities of a registered broker or dealer.".

SEC. 313. INCREASED ACCESS TO FOREIGN BUSINESS INFORMATION.

(a) THE SECURITIES ACT OF 1993.—Section 2(3) of the Securities Act of 1933 (15 U.S.C. 77b(3)) is amended in the third sentence—

(1) by striking "not include preliminary" and inserting "not include (A) preliminary"; and

(2) by inserting before the period "; or (B) solely for purposes of section 5, press conferences held outside of the United States, public meetings with issuer representatives conducted outside of the United States, or press related materials released outside of the United States in which an offshore offering is discussed, irrespective of whether journalists from the United States or journalists for publications (including on-line services) with circulation in the United States attend such press conferences or meetings or receive such press related materials.".

(b) THE SECURITIES EXCHANGE ACT OF 1934.—Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(i) TREATMENT OF PRESS RELATED MATERIALS.—

"(1) IN GENERAL.—Any person making a tender offer for, or a request or invitation for tenders of, the securities of a foreign issuer may grant journalists from the United States or journalists for publications (including on-line services) with circulation in the United States access to press conferences occurring outside of the United States, meetings with its representatives conducted outside of the United States, or press related materials released outside of the United States in which an offshore tender offer is discussed, without being deemed to have used the jurisdictional means specified in subsection (d)(1) or becoming subject to any regulations promulgated by the Commission, pursuant to subsection (e) of this section or section 13(e), or otherwise, that relate to tender offers or requests or invitations for tenders.

"(2) DEFINITION.—For purposes of this subsection, the term 'foreign issuer' means any corporation or other organization—

"(A) that is incorporated or organized under the laws of any foreign country; or

"(B) the principal place of business of which is located in a foreign country.".

SEC. 314. SHORT-FORM REGISTRATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Commission shall amend Form S-3 (17 C.F.R. 239.13, relating to registration under the Securities Act of 1933, of securities of certain issuers offered pursuant to certain types of transactions) to allow such form, or its equivalent, to be used for primary offerings by a registrant if—

(1) the outstanding stock of the registrant held by nonaffiliates of the registrant has an adequate aggregate market value, as determined by the Commission; and

(2) such registrant otherwise meets the eligibility requirements for registration using such form, or its equivalent.

(b) ADJUSTMENTS.—Any adjustment to the adequate aggregate market value threshold referred to in subsection (a)(1) by the Commission following the date of enactment of this Act shall apply equally to voting and nonvoting common shares and such other securities as the Commission shall establish.

(c) DEFINITION.—For purposes of this section, the term "stock" includes voting and nonvoting common shares, and such other securities as the Commission shall establish.

SEC. 315. CHURCH EMPLOYEE PENSION PLANS.

(a) AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)) is amended by adding at the end the following new paragraph:

"(14) Any church plan described in section 414(e) of the Internal Revenue Code of 1986, if, under any such plan, no part of the assets may be used for, or diverted to, purposes other than the exclusive benefit of plan participants or beneficiaries, or any company or account that is—

"(A) established by a person that is eligible to establish and maintain such a plan under section 414(e) of the Internal Revenue Code of 1986; and

"(B) substantially all of the activities of which consist of—

"(i) managing or holding assets contributed to such church plans or other assets which are permitted to be commingled with the assets of church plans under the Internal Revenue Code of 1986; or

"(ii) administering or providing benefits pursuant to church plans.".

(b) AMENDMENT TO THE SECURITIES ACT OF 1933.—Section 3(a) of the Securities Act of 1933 (15 U.S.C. 77c(a)) is amended by adding at the end the following new paragraph:

"(13) Any security issued by or any interest or participation in any church plan, company or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940.".

(c) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—

(1) EXEMPTED SECURITIES.—Section 3(a)(12)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)) is amended—

(A) in clause (v), by striking "and" at the end;

(B) by redesignating clause (vi) as clause (vii); and

(C) by inserting after clause (v) the following new clause:

"(vi) solely for purposes of sections 12, 13, 14, and 16 of this title, any security issued by or any interest or participation in any church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940; and".

(2) EXEMPTION FROM BROKER-DEALER PROVISIONS.—Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following new subsection:

"(f) CHURCH PLANS.—No church plan described in section 414(e) of the Internal Revenue Code of 1986, no person or entity eligible to establish and maintain such a plan under the Internal Revenue Code of 1986, no company or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, and no trustee, director, officer or employee of or volunteer for such plan, company, account person, or entity, acting within the scope of that person's employment or activities with respect to such plan, shall be deemed to be a 'broker', 'dealer', 'municipal securities broker', 'municipal securities dealer', 'government securities broker', 'government securities dealer', 'clearing agency', or 'transfer agent' for purposes of this title—

"(1) solely because such plan, company, person, or entity buys, holds, sells, trades in, or transfers securities or acts as an intermediary in making payments in connection with transactions in securities for its own account in its capacity as trustee or administrator of, or otherwise on behalf of, or for the account of, any church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940; and

"(2) if no such person or entity receives a commission or other transaction-related sales compensation in connection with any activities conducted in reliance on the exemption provided by this subsection.".

(d) AMENDMENT TO THE INVESTMENT ADVISERS ACT OF 1940.—Section 203(b) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(b)) is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(5) any plan described in section 414(e) of the Internal Revenue Code of 1986, any person or entity eligible to establish and maintain such a plan under the Internal Revenue Code of 1986, or any trustee, director, officer, or employee of or volunteer for any such plan or person, if such person or entity provides investment advice exclusively to any plan, person, or entity or any company, account, or fund that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940.".

(e) AMENDMENT TO THE TRUST INDENTURE ACT OF 1939.—Section 304(a)(4)(A) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd(4)(A)) is amended by striking "or (11)" and inserting "(11), or (14)".

(f) PROTECTION OF CHURCH EMPLOYEE BENEFIT PLANS UNDER STATE LAW.—

(1) REGISTRATION REQUIREMENTS.—Any security issued by or any interest or participation in any church plan, company, or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, as added by subsection (a) of this section, and any offer, sale, or purchase thereof, shall be exempt from any law of a State that requires registration or qualification of securities.

(2) TREATMENT OF CHURCH PLANS.—No church plan described in section 414(e) of the Internal Revenue Code of 1986, no person or entity eligible to establish and maintain such a plan under the Internal Revenue Code of 1986, no company or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, as added by subsection (a) of this section, and no trustee, director, officer, or employee of or volunteer for any such plan, person, entity, company, or account shall be required to qualify, register, or be subject to regulation as an investment company or as a broker, dealer, investment adviser, or agent under the laws of any State solely because such plan, person, entity, company, or account buys, holds, sells, or trades in securities for its own account or in its capacity as a trustee or administrator of or otherwise on behalf of, or for the account of, or provides investment advice to, for, or on behalf of, any such plan, person, or entity or any company or account that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940, as added by subsection (a) of this section.

(g) AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-29) is amended by adding at the end the following new subsections:

"(g) DISCLOSURE TO CHURCH PLAN PARTICIPANTS.—A person that maintains a church plan that is excluded from the definition of an investment company solely by reason of section 3(c)(14) shall provide disclosure to plan participants, in writing, and not less frequently than annually, and for new participants joining such a plan after May 31, 1996, prior to joining such plan, that—

"(1) the plan, or any company or account maintained to manage or hold plan assets and interests in such plan, company, or account, are not subject to registration, regulation, or reporting under this title, the Securities Act of 1933, the Securities Exchange Act of 1934, or State securities laws; and

"(2) plan participants and beneficiaries therefore will not be afforded the protections of those provisions.

"(h) NOTICE TO COMMISSION.—The Commission may issue rules and regulations to require any person that maintains a church plan that is excluded from the definition of an investment company solely by reason of section 3(c)(14) to file a notice with the Commission containing such information and in such form as the Commission may prescribe as necessary or appropriate in the public interest or consistent with the protection of investors.".

SEC. 316. PROMOTING GLOBAL PREEMINENCE OF AMERICAN SECURITIES MARKETS.

It is the sense of the Congress that—

(1) the United States and foreign securities markets are increasingly becoming international securities markets, as issuers and investors seek the benefits of new capital and secondary market opportunities without regard to national borders;

(2) as issuers seek to raise capital across national borders, they confront differing accounting requirements in the various regulatory jurisdictions;

(3) the establishment of a high-quality comprehensive set of generally accepted international accounting standards in cross-border securities offerings would greatly facilitate international financing activities and, most significantly, would enhance the ability of foreign corporations to access and list in United States markets;

(4) in addition to the efforts made before the date of enactment of this Act by the Commission to respond to the growing internationalization of securities markets, the Commission should enhance its vigorous support for the development of high-quality international accounting standards as soon as practicable; and

(5) the Commission, in view of its clear authority under law to facilitate the access of foreign corporations to list their securities in United States markets, should report to the Congress, not later than 1 year after the date of enactment of this Act, on progress in the development of international accounting standards and the outlook for successful completion of a set of international standards that would be acceptable to the Commission for offerings and listings by foreign corporations in United States markets.

SEC. 317. BROKER-DEALER EXEMPTION FROM STATE LAW FOR CERTAIN DE MINIMIS TRANSACTIONS.

(a) IN GENERAL.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

"(h) EXEMPTION FROM STATE LAW FOR CERTAIN DE MINIMIS TRANSACTIONS.—

"(1) IN GENERAL.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof may prohibit an associated person of a broker or dealer from affecting a transaction described in paragraph (2) for a customer in such State if—

"(A) such associated person is not ineligible to register with such State for any reason other than such a transaction;

"(B) such associated person is registered with a registered securities association and at least one State; and

"(C) the broker or dealer with which such person is associated is registered with such State.

"(2) DESCRIBED TRANSACTIONS.—

"(A) IN GENERAL.—A transaction is described in this paragraph if—

"(i) such transaction is effected—

"(I) on behalf of a customer that, for 30 days prior to the day of the transaction, maintained an account with the broker or dealer; and

"(II) by an associated person of the broker or dealer—

"(aa) to which the customer was assigned for 14 days prior to the day of the transaction; and

"(bb) who is registered with a State in which the customer was a resident or was present for at least 30 consecutive days during the one-year period prior to the day of the transaction;

"(ii) the transaction is effected—

"(I) on behalf of a customer that, for 30 days prior to the day of the transaction, maintains an account with the broker or dealer; and

"(II) within the period beginning on the date on which such associated person files an application for registration with the State in which the transaction is effected and ending on the earlier of—

"(aa) 60 days after the date on which the application is filed; or

"(bb) the date on which such State notifies the associated person that it has denied the application for registration or has stayed the pendency of the application for cause.

"(B) RULES OF CONSTRUCTION.—For purposes of subparagraph (A)(i)(II)—

"(i) each of up to 3 associated persons of a broker or dealer who are designated to effect transactions during the absence or unavailability of the principal associated person for a customer may be treated as an associated person to which such customer is assigned; and

"(ii) if the customer is present in another State for 30 or more consecutive days or has permanently changed his or her residence to another State, a transaction is not described in this paragraph, unless the association person of the broker or dealer files an application for registration with such State not later than 10 business days after the later of the date of the transaction, or the date of the discovery of the presence of the customer in the other State for 30 or more consecutive days or the change in the customer's residence.".

(b) TECHNICAL AMENDMENT.—Section 28(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(a)) is amended by striking "Nothing" and inserting "Except as otherwise specifically provided in this title, nothing".

SEC. 318. STUDIES AND REPORTS.

(a) IMPACT OF TECHNOLOGICAL ADVANCES.—

(1) STUDY.—

(A) IN GENERAL.—The Commission shall conduct a study of—

(i) the impact of technological advances and the use of on-line information systems on the securities markets;

(ii) how such technologies have changed the way in which the securities markets operate; and

(iii) any steps taken by the Commission to address such changes.

(B) CONSIDERATIONS.—In conducting the study under subparagraph (A), the Commission shall consider how the Commission has adapted its enforcement policies and practices in response to technological developments with regard to—

(i) disclosure, prospectus delivery, and other customer protection regulations;

(ii) intermediaries and exchanges in the domestic and international financial services industry;

(iii) reporting by issuers, including communications with holders of securities;

(iv) the relationship of the Commission with other national regulatory authorities and organizations to improve coordination and cooperation; and

(v) the relationship of the Commission with State regulatory authorities and organizations to improve coordination and cooperation.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under paragraph (1).

(b) SHAREHOLDER PROPOSALS.—

(1) STUDY.—The Commission shall conduct a study of—

(A) whether shareholder access to proxy statements pursuant to section 14 of the Securities Exchange Act of 1934 has been impaired by recent statutory, judicial, or regulatory changes; and

(B) the ability of shareholders to have proposals relating to corporate practices and social issues included as part of proxy statements.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under paragraph (1), together with any recommendations for regulatory or legislative changes that it considers necessary to improve shareholder access to proxy statements.

(c) PREFERENCING.—

(1) STUDY.—The Commission shall conduct a study of the impact on investors and the national market system of the practice known as "preferencing" on one or more registered securities exchanges, including consideration of—

(A) how preferencing impacts—

(i) the execution prices received by retail securities customers whose orders are preferenced; and

(ii) the ability of retail securities customers in all markets to obtain executions of their limit orders in preferenced securities; and

(B) the costs of preferencing to such customers.

(2) REPORT.—Not later than 6 months after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under paragraph (1).

(3) DEFINITION.—For purposes of this subsection, the term "preferencing" refers to the practice of a broker acting as a dealer on a national securities exchange, directing the orders of customers to buy or sell securities to itself for execution under rules that permit the broker to take priority in execution over same-priced orders or quotations entered prior in time.

MARK O. HATFIELD UNITED STATES COURTHOUSE

The text of the bill (S. 1636) to designate the United States Courthouse under construction at 1030 Southwest 3d Avenue, Portland, OR, as the "Mark O. Hatfield United States Courthouse," and for other purposes, as passed by the Senate on June 27, 1996, is as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF MARK O. HATFIELD UNITED STATES COURTHOUSE.

The United States Courthouse under construction at 1030 Southwest 3rd Avenue in Portland, Oregon, shall be known and designated as the "Mark O. Hatfield United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the courthouse referred to in section 1 shall be deemed to be a reference to the "Mark O. Hatfield United States Courthouse".

SEC. 3. EXTENSION OF FDR MEMORIAL MEMBER TERMS.

The first section of the Act entitled "An Act to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt", approved August 11, 1955 (69 Stat. 694) is amended by adding at the end thereof the following: "A Commissioner who ceases to be a Member of the Senate or the House of Representatives may, with the approval of the appointing authority, continue to serve as a Commissioner for a period of up to one year after he or she ceases to be a Member of the Senate or the House of Representatives.".

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on January 3, 1997.

COMPLIMENTS TO THE MAJORITY LEADER AND MANAGERS OF THE BILL

Mr. NICKLES. Mr. President, at the conclusion of this week, I compliment the majority leader, Senator LOTT, for his leadership and tireless efforts to get a lot of things moving. After a long week, a lot of work was done to complete, for all practical purposes, the Department of Defense bill, which we will be voting on early when we return.

Also, I wish to compliment Senator DASCHLE and Senator NUNN, as well as Senator THURMOND, Senator MCCAIN, and Senator WARNER for their leadership in passing this very important bill. They have put in a lot of effort and time in the last couple of days. Some were wondering whether or not we would be able to pass the bill.

In addition, I compliment the majority leader, because during the process this week, he was able to break the logjam on the minimum wage bill. Again, that was one that we have been wrestling with for a long time, and we will be voting on that when we return for debate on July 8 and a vote on the July 9, as well as action on the TEAM bill. I compliment him on that.

It is a little disappointing that we have not yet made greater progress on the so-called health bill, the Kassebaum-Kennedy bill. As a matter of fact, there has been an objection placed by Democrat Members on appointing conferees. That is very unusual. It has been 40 some days now that they have opposed appointing conferees on that piece of legislation. I hope they will reconsider. I heard Senator KENNEDY speaking on that earlier today. He was critical of the medical savings accounts provisions. I think we made a very generous offer on medical savings accounts. Hopefully, that will be resolved and we can complete action on that bill which will solve a lot of problems for preexisting illnesses and coverage for small business, allowing deductibility. That is important legislation that is broadly supported by Congress. Hopefully, we will have appointees and go to conference.

By and large, I compliment the majority leader. He has had a very active and successful week.

EXECUTIVE SESSION

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate go into executive session to consider calendar No. 563, the nomination of Christopher Hill; that the Senate proceed to a vote on the nomination, and following the vote, the President be immediately notified of the Senate's action, and the Senate immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed, as follows:

Christopher Robert Hill, of Rhode Island, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the former Yugoslav Republic of Macedonia.

Mr. NICKLES. Mr. President, I announce for the benefit of the Senate that the Senator from Kentucky, Senator MCCONNELL, votes in the negative on the confirmation of Mr. Hill, and I ask that his statement be placed in the RECORD at this point as if read.

Mr. MCCONNELL. Mr. President, for several months, I have tried to get a straight answer from the administration on the legal justification for the deployment of United States troops under United Nations' command in Macedonia. While the soldiers have a mission, I do not believe they have a clear, legal mandate.

The question of our involvement in Macedonia was first brought to my attention by Ron Ray, a constituent of mine who is representing Michael New. Apparently, Michael New asked his commanding officer to provide some explanation as to why an American Army specialist was being asked to wear a U.N. uniform and deploy to Macedonia under the U.N. flag.

In a recent hearing with Ambassador Madeliene Albright, usually one of the more plain spoken members of the President's foreign policy team, we reviewed the procedures for deploying American troops under the U.N. flag. She offered the view that while there were clear guidelines defining chapter VII deployments, using chapter VI to justify a mission had evolved as a matter of U.N. custom and tradition.

Since 1948, 27 peace operations have been authorized by the U.N. Security Council. In addition to being authorized by a specific chapter of the U.N. Charter, U.S. troop deployments must be authorized consistent with U.S. legal requirements spelled out in the United Nations Participation Act.

In July 1993, President Clinton wrote the Congress stating,

> U.N. Security Council Resolution 795 established the UNPROFOR Macedonia mission under a chapter VI of the U.N. Charter and UNPROFOR Macedonia is a peacekeeking force under chapter VI of the Charter.

But this assertion is not substantiated by the record of resolutions and reports passed by the United Nations.

Between 1991 and the end of 1995, the United Nations passed 97 Security Council resolutions related to the former Yugoslavia. In addition, 13 reports were issued by to U.N. Secretary General relative to the mandate of the UNPROFOR Macedonia operation. None of these resolutions or reports mention a chapter VI mandate for Macedonia. In fact, there are 27 resolutions which specifically refer to UNPROFOR, which includes Macedonia, as chapter VII. It is worth pointing to just one of these resolutions which states that the U.N. Security Council was:

> Determined to ensure the security of UNPROFOR and its freedom of movement for all its missions (i.e. Macedonia) and to these ends was acting under chapter VII of the charter of the United Nations.

In spite of the record, the administration continues to insist that Macedonia is a chapter VI operation. When I asked them to document this determination, I was provided the following guidance by the Acting Assistant Secretary of State:

> The U.N. Charter authority underlying the mandate of a U.N. peace operation depends on an interpretation of the relevant resolutions of the U.N. Security Council. As a matter of tradition, the Security Council explicitly refers to a "chapter VII" when it authorizes an enforcement operation under that chapter. The absence of a reference to chapter VII in a resolution authorizing or establishing a peacekeeping operation thus indicates that the operation is not considered by the Security Council to be an enforcement operation. Neither does the Security Council refer explicitly to "chapter VI" in its resolutions pertaining to peacekeeping operations. This practice evolved over time as a means for the Security Council to develop practical responses to problems without unnecessarily invoking the full panoply of provisions regarding the use of force under chapter VII, and without triggering other Charter provisions that might impede Member States on the Security Council if chapter VI were referenced.

In essence, what this explanation means is U.S. troops can be deployed in harm's way as a matter of U.N. tradition rather than U.S. law. It means U.S. soldiers are deployed in a combat zone with an absence of reference to the actual legal mandate because the U.N. Security Council does not want to refer explicitly to chapter VI due to a reluctance to inconvenience Member states on the Security Council.

Mr. President, let me try to add a little clarity to just what the Acting Assistant Secretary means when stating the administration does not want to invoke a panoply of provisions regarding the use of force. In simple English, when a chapter VII mission is authorized by the United Nations, U.S. law requires the operation to be approved by the Congress. In simple terms, the State Department is using a chapter VI designation to avoid having to come to the Congress to justify the financial and military burden the United States has assumed in Macedonia.

What the State Department calls a panoply of provisions problem, I call surrendering U.S. interests to U.N. command. This is not the first time Congress has been circumvented. I had hoped the administration had learned from our experience in Somalia. I had hoped the tragic loss of life would help the President understand the value and importance of a full congressional debate and approval of the merits of deploying American soldiers overseas into hostile conditions. Apparently, the lesson is lost on this administration. When the United Nations calls, we send our young men and women to serve.

Mr. President, I have taken the time to review the circumstances of our military involvement in Macedonia, in order to explain my vote against Chris Hill, the President's nominee to be our Ambassador. While I have no objection to Mr. Hill personally, I intend to vote against his nomination as a matter of principle—to express my strong opposition to what I view as an unjustified U.N. mission with a questionable legal mandate that is risking the lives of American soldiers.

I understand that a majority of members expressed their desire to move forward with this and several other nominations, and that the majority leader would like to accommodate these requests. I very much appreciate his offering those of us who oppose the administration's continued blind pursuit of a misguided U.N. agenda the opportunity to express our opposition through this vote.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MOLLIE BEATTIE WILDERNESS AREA ACT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Energy Committee be discharged from further consideration of S. 1899, and further that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

> A bill (S. 1899) entitled the Mollie Beattie Wilderness Area Act.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4434

(Purpose: To amend S. 1899)

Mr. NICKLES. Mr. President, I send an amendment to the desk on behalf of Mr. MURKOWSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Oklahoma [Mr. NICKLES], for Mr. MURKOWSKI, for himself, Mr. JEFFORDS, and Mr. GRAHAM, proposes an amendment numbered 4434.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Strike all after the enacting clause and insert in lieu thereof the following:
>
> "Section 702(3) of Public Law 94-487 is amended by striking "Arctic National Wildlife Refuge Wilderness" and inserting "Mollie Beattie Wilderness". The Secretary of the Interior is authorized to place a monument in honor of Mollie Beattie's contributions to fish, wildlife, and waterfowl conservation and management at a suitable location that he designates within the Mollie Beattie Wilderness."

Mr. JOHNSTON. Mr. President, like many of my colleagues, I rise to express my profound sadness concerning the death last night of Mollie Beattie. Until a few weeks ago, Mollie had served the Nation as the Director of the U.S. Fish and Wildlife Service. Ms. Beattie, who was the Service's first female Director, was a very warm and talented public servant. She had a gift for working with people an was interested in solving problems; two traits that are all too rare in these days of partisanship and confrontation. She was also a knowledgeable and hard working professional who put her considerable training and expertise to work every day in dealing with the many complex issues facing the Fish and Wildlife Service.

Ms. Beattie's dedication to her work went beyond the norm, as evidenced by her willingness to support new and exciting concepts for fish and wildlife protection. Just last year, she traveled to Louisiana for a ground-breaking ceremony on the research center for endangered species, the ACRES facility, which was dedicated earlier this month at the Audubon Institute in New Orleans. The facility is dedicated to using the latest reproductive technology to help stem the rising tide of extinction among the world's most threatened animals. Her support was essential to making this effort a reality.

Mollie was well liked by all who knew her, even those who did not always agree with her on policy matters or her efforts to promote the views of the Department of the Interior, because she reminded us that people in public service can disagree without being disagreeable. That is a good lesson for all of us to think about, Mr. President, as we remember Mollie and mourn her loss.

My thoughts and prayers, and those of my colleagues, are with Mollie's family and friends.

Mr. KEMPTHORNE. Mr. President, I am saddened to hear that Mollie Beattie died last night after a yearlong battle against brain cancer. Mollie was the first female Director of the U.S. Fish and Wildlife Service and served in that position until earlier this month. I wish to offer my condolences to her husband Rick Schwolsky of Grafton, VT, and to her mother, Patricia Beattie and sister, Jane Beattie, both of Ketchum, ID.

I appreciated Mollie's honesty and candor with me and my staff, whether in public hearings before a committee or in a private meeting in my office. All of my experiences with Mollie were positive. While we didn't always approach a situation from the same perspective, we shared the common goal of doing what is right for species and people.

When Mollie testified on the role of recovery in the Endangered Species Act before my Drinking Water, Fisheries and Wildlife Subcommittee last year, we found that the goals we envisioned for endangered species were very much in harmony.

I agreed with her testimony that, "Recovery is the soul and the purpose of the Endangered Species Act." In fact, one of my principles of ESA reform is to return to the original intent of the act, which was to recover species. And on our watch, we have been making progress toward that purpose.

Director Beattie was active in negotiations with Senators CHAFEE, BAUCUS, REID and me on a number of bipartisan changes to the Endangered Species Act. Prominent among these improvements is a new, more rigorous recovery section. If made a part of the law, the new recovery planning process will actually recover species and make them once again a part of a healthy biologically diverse habitat.

I want to recognize the firmness and clarity of purpose that Mollie Beattie brought to the process of negotiating a reformed Endangered Species Act. Now it is up to the rest of us to get this reform passed and implemented. I can't think of a better tribute to her than to make real progress toward recovery of the species that she clearly cared about very much.

Mr. BAUCUS. Mr. President, it is with great sadness and regret that I rise today in support of S. 1899, a bill to name the Arctic National Wildlife Refuge Wilderness for Mollie Beattie, the former Director of the U.S. Fish and Wildlife Service. As most of you now know, Mollie passed away last night after a long battle with brain cancer.

She fought that battle gallantly with great courage and dignity, just as she had fought so hard for this Nation's fish and wildlife resources during her recent tenure as the first woman Director of the U.S. Fish and Wildlife Service. I extend my heartfelt condolences to her husband Rick Schwolsky, and the rest of her family.

Mr. President, the Nation owes Mollie a deep debt of gratitude. In a time of unprecedented challenge to some of this Nation's most important environmental laws, Mollie stepped forward to remind us that threatened and endangered species, and the national wildlife refuges on which many of those species depend, must be protected for future generations of Americans to treasure and enjoy. It is therefore fitting that one of the most magnificent wilderness areas in the United States, the Arctic National Wildlife Refuge Wilderness, be named for her.

I hope my colleagues, on both sides of the aisle, will join me and the sponsors of this bill in ensuring its quick passage for signature by President Clinton. It is a small tribute to a truly outstanding individual who has made an invaluable contribution during her lifetime to the benefit of the entire country.

Mr. REID. Mr. President, last night Mollie Beattie passed away after a hard battle with cancer throughout which she continued to show her dedication to the Fish and Wildlife Service and her public duty.

Those who serve in government are often maligned and denigrated in today's press. But Mollie's example will shine as one who committed her life and career to the public good. Her life was an example of courage and purpose. The U.S. Fish and Wildlife Service, Department of the Interior, and the Nation have lost a dedicated public servant.

When Mollie joined the Department of the Interior in 1993, she faced serious threats by those who wanted to turn the clock back on endangered species preservation. Mollie persevered and initiated necessary administrative reform of the Endangered Species Act. Her work on habitat and species stewardship is a foundation for future conservation efforts.

I am honored to have known her and recognize the service that she bestowed the Nation by her energy and focus.

Mr. LAUTENBERG. Mr. President, I rise to pay tribute to Mollie Beattie, who embodied the best of government service—diplomatic, creative, dedicated and thoughtful.

Mollie, who recently stepped down as Director of the Fish and Wildlife Service, passed away last night, after a courageous fight with brain cancer.

When Mollie joined the national political fray as Director about 3 years ago, no doubt she knew what she was in for. She knew she was jumping into a portfolio of among the most contentious national issues—administration and reauthorization of the Endangered Species Act, the Pacific Northwest forest issue, and wetlands and habitat protection, to name a few. She didn't back down. Instead, she charged ahead, viewing her role as a consensus builder, a communicator, an advocate, and a pioneer towards a new way of doing business.

She cared deeply about our Nation's fish, our wildlife, our open spaces, our forests, indeed, all our natural resources. Her depth of feeling and dedication gave her the strength to approach her role as Director with vitality and optimism, even in the face of increased budget cuts and intensified public scrutiny. And, as is rare in public service, she found more admirers and accorded more respect every day she was on the job.

She recognized the importance of our ecosystem and the species upon which it depends, including our own. She recognized the importance of jobs and the economy, upon which we depend as well. She sought to work within this structure and needs, with the optimism and faith that it could be done.

Mr. President, Mollie said it best when she testified to the Senate Environment and Public Works Committee almost 3 years ago, on July 28, 1993:

> I would ask the Service to deliver this broad message about the conservation of fish and wildlife: that the choice between people and animals is not a real one because nature binds us to a common fate. We must have jobs and development that maintain all species, including our own. The public must be given faith that this is possible given some new ways of thinking and doing business.

Perhaps the most telling indication of Mollie's extraordinary ability to bridge the gap is a survey of the laudatory comments that we are hearing today. The Defenders of Wildlife said, "Whatever success society ultimately achieves in the crucial fight to protect endangered species and conserve our precious but deteriorating biological diversity, it will be due in part to the conservation advances for which she was directly responsible and to the commitment to responsible stewardship she inspired in literally thousands of friends and admirers."

And, from the Chairman of the House Resources Committee, Congressman DON YOUNG: "She was able to bring all sides of an issue to the table in order to reach common sense agreements. Because of this she was respected by all of those who knew and worked with her."

These two comments embody Mollie's spirit and effectiveness as a leader.

Today the Senate will pass a bill, sponsored by Senators MURKOWSKI, STEVENS, LEAHY, and JEFFORDS, to designate 8 million acres of wilderness in the Arctic National Wildlife Refuge, the Mollie Beattie Alaska Wilderness Area. This bill is a fitting tribute to a respected professional and government servant.

Mr. President, Mollie Beattie—conservationist, academic, communicator, and leader—will be missed.

Mr. LIEBERMAN. Mr. President, I know all of my colleagues in the Senate are saddened to hear of the passing last night of Mollie Beattie who, until her very recent resignation for medical reasons, was Director of the U.S. Fish and Wildlife Service.

She has been a good friend, a devoted citizen and public servant, and a champion for God's creatures when others did not always have the courage and grace to step forward. It is my sincere hope that her vision of a brighter and more abundant future for our Nation's wildlife heritage will become a reality for us, and for the many generations of Americans that follow. I would like her family and her husband, Rick, to know that our thoughts and prayers are with him, and Mollie, always.

I am reminded of the quote by Admiral Rickover that: "the more you sweat in peace, the less you bleed in war." I think Mollie's professional life is a testament to this great truth. She toiled as a public servant not just in Federal Government, but in State government and academia, to ensure that democracy represented our deep concern for our wildlife heritage, and that we avoided senseless losses that might otherwise occur in the heat of conflict.

She worked to ensure that our scientific knowledge, education, and public awareness recognize the values and complexities of our relationship with fish and wildlife, and with our broader natural heritage.

It is the real human sacrifice of people like Mollie, working day in and day out with honesty, integrity, intelligence, and sensitivity, that spares us the crisis of mismanagement and neglect that all too often has avoidable, irreversible consequences. Much of the peace and abundant life we enjoy as Americans is founded on such devotion.

On Monday of this week my good friend, Senator STEVENS, honored a last request of Mollie's by introducing a bill to name 8 million acres of the 19 million acre Arctic National Wildlife Refuge as the Mollie Beattie Wilderness Area. Senator STEVENS is to be commended for such a decent and honorable act, and I am pleased to offer my support.

I understand Mollie had a special connection with this part of the Brooks Range after visiting it a few years ago, and that she wished to have her ashes spread there. Of all the many special natural areas in this Nation Mollie visited, this pristine landscape on the North Slope of Alaska must have made the greatest impression on her.

It is no secret that other parts of this refuge have been the source of discord in the Senate. But I think it is entirely fitting that we might join hands to bless one special part of it in Mollie's name. By doing so, we can remember that this land was saved in peace and remembrance, and not in conflict.

Mollie will be missed, but not forgotten.

Mr. NICKLES. Mr. President, I ask unanimous consent that the amendment be considered agreed to, the bill be deemed read the third time, passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4434) was agreed to.

The bill (S. 1899), as amended, was deemed read the third time, and passed, as follows:

S. 1899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 702(3) of Public Law 96-487 is amended by striking "Arctic National Wildlife Refuge Wilderness" and inserting "Mollie Beattie Wilderness". The Secretary of the Interior is authorized to place a monument in honor of Mollie Beattie's contributions to fish, wildlife, and waterfowl conservation and management at a suitable location that he designates within the Mollie Beattie Wilderness.

HOUSE OF REPRESENTATIVES ADMINISTRATIVE REFORM TECHNICAL CORRECTIONS ACT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to immediate consideration of Calendar Order No. 441, H.R. 2739.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2739) to provide for a representational allowance for Members of the House of Representatives to make technical and conforming changes and sundry provisions of law in consequence of administrative reforms in the House of Representatives, and for other purposes.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, I ask unanimous consent that the committee amendments be agreed to, the bill be deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

The bill (H.R. 2739), as amended, was deemed read the third time, and passed.

ORDER FOR STAR PRINT

Mr. NICKLES. Mr. President, I ask unanimous consent that the report 104-80 to accompany S. 141 be star printed with the changes that I understand are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

PEOPLE'S REPUBLIC OF CHINA TO ALLOW AN ELECTED LEGISLATURE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 463, Senate Resolution 271.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 271) expressing the sense of the Senate with respect to the international obligation of the People's Republic of China to allow an elected legislature in Hong Kong after June 30, 1996.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 271) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 271

Whereas under the Sino-British Joint Declaration on the Question of Hong Kong of

1984, the People's Republic of China will assume sovereignty over Hong Kong on July 1, 1997.

Whereas both the People's Republic of China and Great Britain committed themselves to the Joint Declaration's explicit provisions for Hong Kong's future;

Whereas the Joint Declaration is a binding international agreement registered at the United Nations that guarantees Hong Kong a "high degree of autonomy" except in defense and foreign affairs, an elected legislature, an executive accountable to the elected legislature, and an independent judiciary with final power of adjudication over Hong Kong law;

Whereas the United States-Hong Kong Policy Act of 1992 expresses the support of the United States Congress for full implementation of the Joint Declaration and declared that—

(1) the United States has a "strong interest in the continued vitality, prosperity, and stability of Hong King";

(2) "the human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong";

(3) "a fully successful transition in the exercise of sovereignty over Hong Kong must safeguard human rights in and of themselves"; and

(4) "human rights also serve as a basis for Hong Kong's continued economic prosperity";

Whereas on September 17, 1995, the Legislative Council was elected for a 4-year term expiring in 1999;

Whereas the election of Hong Kong's legislature is the cornerstone of the principle that the people of Hong Kong shall enjoy "one country, two systems" after the Government of the People's Republic of China assumes sovereignty over Hong Kong; and

Whereas the Government of the People's Republic of China and its appointed Preparatory Committee have announced their intention to abolish the elected Legislative Council and appoint a provisional legislature: Now, therefore, be it

Resolved, That (a) the Senate finds that—

(1) respect for Hong Kong's autonomy and preservation of its institutions will contribute to the stability and economic prosperity of the region; and

(2) the United States has an interest in compliance with treaty obligations.

(b) It is the sense of the Senate that—

(1) the People's Republic of China and the United Kingdom should uphold their international obligations specified in the Joint Declaration, including the commitment to an elected legislature in Hong Kong after June 30, 1997;

(2) the establishment of an appointed legislature would be a violation of the Joint Declaration, and the People's Republic of China should allow the Legislative Council elected in September 1995 to serve its full elected term; and

(3) the President and the Secretary of State should communicate to the People's Republic of China and to the Hong Kong government and Legislative Council the full support of the United States Government and the people of the United States for Hong Kong's autonomy and the interest of the United States in full compliance by both the People's Republic of China and Great Britain with the Joint Declaration as a matter of international law.

SEC. 2. As used in this resolution, the term "Joint Declaration" means the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong, done at Beijing on December 19, 1984.

SEC. 3. The Secretary of State shall transmit a copy of this resolution to the President and the Secretary of State.

PROVIDING FOR THE DISTRIBUTION OF THE FILM "FRAGILE RING OF LIFE"

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar order No. 464, H.R. 2070.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2070) to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life."

Mr. NICKLES. I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2070) was deemed read the third time, and passed.

CONGRATULATIONS TO THE PEOPLE OF THE REPUBLIC OF SIERRA LEONE

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar Order No. 465, House Concurrent Resolution 160.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 160) congratulating the people of the Republic of Sierra Leone on the success of their recent democratic multiparty elections.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. NICKLES. Mr. President, I ask unanimous consent that the concurrent resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements related to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 160) was agreed to.

NATIONAL CHILDREN'S ISLAND ACT OF 1995

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 469, H.R. 1508.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1508) to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, there are several letters that I would like to submit for the RECORD as the Senate considers H.R. 1508, the National Children's Island Act. The letters are addressed to me as chairman of the Governmental Affairs Committee and express support of both former and current elected officials in the District of Columbia for this bill.

I ask unanimous consent to print in the RECORD the following letters:

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 17, 1996.

Sen. TED STEVENS,
Senate Hart Building,
Washington, DC.

DEAR CHAIRMAN STEVENS: The National Children's Island Act of 1995, passed the House on October 30, 1995 by a unanimous voice vote, and I understand that the bill will come before your Senate Government Affairs Committee tomorrow. I urge passage of the bill, which was overwhelmingly passed by the D.C. City Council and has the support of the city administration.

H.R. 1508 calls for the transfer of ownership of Heritage and portions of Kingman Island, located within the Anacostia River, from the National Park Service to the District of Columbia for the purposes of creating a cultural, educational and family oriented-park.

The National Children's Island project will transform a wasteland area into an educational park featuring pavilions designed to expand awareness in such areas as communications and computers, medicine, science and the environment. It will offer area youth a badly needed recreational facility. Furthermore, a share of the park's revenues have been earmarked to provide educational opportunities through grants and scholarships for our neighborhood children.

When the House of Representatives first considered this legislation, I met on several occasions with residents who were supporters and opponents of the bill, and all have contributed to its final version. Over the course of several months and countless meetings, several valid concerns were raised and addressed in the Chairman's Mark at my request:

A provision specifying that the District of Columbia's review of the project must be in full compliance with all provisions of the National Environmental Policy Act of 1969;

A requirement that the National Capital Planning Commission review and approve the project;

A prohibition against public parking on the Islands;

A provision requiring National Children's Island to comply with previously agreed upon design parameters. Specifically, buildings cannot exceed fifty feet in height, and no more than five acres can be under roof and no more than 23% of the surface can be paved; and

A requirement that National Children's Island establish an escrow fund to restore the lands in the event they are returned to the National Park Service. Specifically, they must remove any buildings and landscape the area.

National Children's Island will offer the District of Columbia significant economic opportunities at a time when, as you know, the city is in dire financial condition. For example, over 1,700 new, full and part-time jobs and an estimated $8.9 million in annual sales tax revenues will result. In light of the District's current state of financial crisis, the City Council and he city administrators have strongly supported the project, and I believe that on a home rule basis, it should proceed.

Thank you for your consideration.

Sincerely,

ELEANOR HOLMES NORTON.

WALTER E. WASHINGTON,
ATTORNEY AT LAW,
Washington, DC, May 30, 1996.

Hon. TED STEVENS,
Chairman, Senate Governmental Affairs Committee, Washington, DC.

DEAR SENATOR STEVENS: During my term as the first elected mayor of the District of Columbia, it was my pleasure to organize the City's Bicentennial Commission to help the United States' 200th birthdate during that year-long national celebration. One of the projects that the citizens on that commission strongly recommended was the National Children's Island project. prior to the citizens of the District supporting this project, the National Park Service had been trying to develop these islands as a part of its overall plan for the development of the Anacostia River basin for ten years.

When I heard that your committee was about to take up H.R. 1508, the National Children's Island Act of 1995, I was overjoyed as it has been a long hard struggle for a very worthy project to take so long to become a reality. I want to convey my strongest support for H.R. 1508, and urge your committee to move this legislation through the Senate as early as is practical.

As an elected official, you must know how frustrating it can be to devote your time and energy to worthwhile projects that never see the light of day. I held a ground breaking ceremony and started initial construction and sought major financing for this project in 1976 and since that time the project has for the most part been tied up in red tape. I would very much like to be able to attend the opening of the project, which I am assured, only needs this legislation to speed into the planning, design and construction process. This can only happen with your help.

This project means a great deal to our citizens, as well as to the District's economic base. Please help us get rid of a dump site and help us create an environmentally safe, attractive, fun-filled learning place for our children and their families.

Sincerely,

WALTER E. WASHINGTON.

THE DISTRICT OF COLUMBIA,
Washington, DC, June 18, 1996.

Hon. TED STEVENS,
U.S. Senate,
Washington, DC.

DEAR SENATOR STEVENS: I am writing to emphasize the District of Columbia's support for H.R. 1508, the National Children's Island Act of 1995.

I strongly urge passage of this legislation exactly as it is written. The current language of the bill is a result of months and even years of discussion, compromise and fine-tuning, with input from various sectors: the National Park Service, the National Capital Planning Commission, environmentalists, community advocates, the District government and residents of the neighborhoods bordering the Children's Island project. All of these entities have had an opportunity to weigh in, and I strongly believe that H.R. 1508 represents the absolute best compromise language possible. H.R. 1508, exactly as it is written, protects the environment and the interests of the community. It also provides the District of Columbia with the ability to efficiently take this project to completion.

National Children's Island (NCI), is not a new concept. In fact, the District has worked for more than 20 years with the National Children's Island Inc., a local non-profit organization, to move this project forward. Unfortunately, the National Children's Island project has been paralyzed by overlapping layers of Federal and District government laws, rules and regulations. H.R. 1508 is designed to eliminate this bureaucratic gridlock and simplify a process that has become extremely cumbersome and has taken far too long to complete.

The thrust of H.R. 1508 is to make the National Children's Island project, a home-rule, District project by transferring legal title of Heritage Island and a portion of Kingman Island to the District and by subjecting Children's Island to the laws and regulations of the District. In addition, a variety of other protective provisions designed to ensure that this project moves forward in a responsible manner are included in the bill. Some of these protections include:

A provision calling for title to the Islands to revert back to the Federal government in the event the Islands are converted to a use other than as specified. (page 6, lines 13–17).

Subjecting the National Children's Island, Inc., to the "Children's Island Development Plan Act of 1993," D.C. Act 10–110, which requires that the National Children's Island project be subject to the review and approval of the District Council. (page 2, lines 20–22 and page 8, lines 17–18).

Calling for final design plans for National Children's Island to be approved by the National Capital Planning Commission, (NCPC), and to be in full compliance with the National Environmental Policy Act of 1969, (NEPA), before construction can commence. (page 8, lines 12–21).

I would like to point out that the National Children's Island project enjoys the overwhelming support of the Council of the District of Columbia, and more than 70 community organizations have sent letters in support of the project. The project is also in full compliance with the District of Columbia's Comprehensive Plan. Specifically, DCMR Title 10, Section 1735(h) guides the District to avoid commercial development that would adversely affect the neighborhoods adjacent to Kingman Island (Children's Island) and explicitly dictates that the parcels be used for community and city-wide recreation. In fact, the public planning process has advised this project from the beginning, and will continue as a key requirement of the Master Planning process.

For all of these reasons, I therefore ask you to support H.R. 1508 in its present form and support the District's effort to bring a worthwhile, viable project to our beloved District of Columbia and to our children.

Sincerely yours,

MARION BARRY, Jr.,
Mayor.

COUNCIL OF THE DISTRICT OF COLUMBIA,
Washington, DC, June 18, 1996.

Hon. TED STEVENS, Chairman,
Hon. JOHN GLENN, Ranking Member,
Senate Governmental Affairs Committee,
Washington, DC.

DEAR CHAIRMAN STEVENS AND SENATOR GLENN: I am writing to request your support for H.R. 1508, the National Children's Island Act of 1995, which was introduced by Congresswoman Eleanor Holmes Norton and approved by the House of Representatives, and which is currently pending in the Senate Governmental Affairs Committee. This legislation, which provides for the transfer of the ownership of Heritage Island and a portion of Kingman Island ("Children's Island") located on the Anacostia River from the National Park Service to the District of Columbia, will facilitate an environmentally sensitive development of Children's Island which will provide significant recreational, educational and economic benefits for the District of Columbia.

A transfer of jurisdiction over this property was previously approved by the Council of the District of Columbia on July 13, 1993, and by the National Capital Planning Commission ("NCPC") on January 7, 1993. The NCPC found that the proposed use of Children's Island—as a family-oriented recreational and educational park on 32 acres and a free children's playground on 13.5 acres—would serve to enhance the recreational potential of both the parkland and the river, and that the proposed use is consistent with both the Comprehensive Plan for the National Capital and the previously approved concept plans for this portion of the Anacostia park system.

Although I was not on the Council at the time, the Children's Island Development Plan Act of 1993 (D.C. Law 10–57, effective November 20, 1993) was unanimously approved by the Council three years ago. Enclosed for your information is a copy of the law, along with the accompanying Report by the Council's Committee of the Whole ("Report"), which stated:

The Children's Island project envisions a development which will transform an inaccessible, man-made, trash-filled property with little redeeming value into an expertly designed and beautifully landscaped park which has recreational, educational and cultural activities and exhibits for residents and tourists of all ages.

The Report also estimated that the Children's Island project would generate approximately 1,700 permanent part-time and full-time jobs and millions of dollars in desperately needed new tax revenues to the District.

As you may know, D.C. Law 10–57 requires that, in addition to all other requirements for approvals, permits and procedures which are necessary to allow the development of Children's Island, a development plan for Children's Island must be prepared and submitted to the D.C. Council for review and approval. The law requires this development plan to include, among other information, an environmental impact statement ("EIS") which would identify all measures necessary to mitigate or eliminate any adverse impacts from the proposed development. The EIS process will ensure that the Children's Island development proposal will be subject to full community and governmental participation in a comprehensive assessment of its impacts.

In summary, I urge your favorable consideration of legislation to facilitate the development of Children's Island as a recreational and educational park that will be accessible to and enjoyed by millions of area residents and visitors to our nation's capital each year. The project offers the opportunity to provide the public with an amenity in the eastern part of the District that would be similar in landscaping, density and cultural value as that provided by the National Zoo in the western part of our city. Moreover, the Children's Island project—like the proposed arena, convention center and municipal parking projects in the District each of which has required Congressional legislation to move forward—is an important component in the ongoing effort to revitalize the District's traditional position as the economic and cultural heart of this region.

Sincerely,

DAVID A. CLARKE,
Chairman.

Mr. NICKLES. Mr. President, I ask unanimous consent the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1508) was deemed read for the third time and passed.

MOST-FAVORED-NATION TREATMENT FOR BULGARIA

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar Order No. 399, H.R. 2853.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows.

A bill (H.R. 2853) to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2853) was deemed read for the third time, and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar en bloc: Executive Calendar Nos. 608, 665 through 674, and all nominations on the Secretary's desk in the Air Force, the Army, and Marine Corps.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed as follows:

ARMY

The following-named officer for reappointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Gen. John H. Tilelli, Jr., 152-30-5952. U.S. Army.

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Dennis L. Benchoff, 199-30-6683

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William M. Steele, 252-70-0433.

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Joseph W. Kinzer, 214-36-9403.

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Joseph E. DeFrancisco, 069-34-7511.

MARINE CORPS

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601(a), title 10, United States Code:

To be lieutenant general

Maj. Gen. Peter Pace, 145-36-7426.

NAVY

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, sections 601 and 5141:

CHIEF OF NAVAL PERSONNEL

To be vice admiral

Rear Adm. Daniel T. Oliver, 248-72-7150.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Charles S. Abbott, 216-42-8270.

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be admiral

Vice Adm. Thomas J. Lopez, 232-66-4372.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Vice Adm. Donald L. Pilling, 055-36-5233.

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Vice Adm. John S. Redd, 478-54-6017.

IN THE AIR FORCE, ARMY, MARINE CORPS

Air Force nominations beginning Brian K. Bakshas, and ending Stephen D. White, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1996.

Air Force nominations beginning Daniel A. Babine, and ending William J. Weigel, Jr., which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1996.

Air Force nominations beginning Justin L. Abold, and ending Kathleen M. Zendejas, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1996.

Air Force nominations beginning Larry D. Biggers, and ending John J. McGraw, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1996.

Army nominations beginning Gregory K. Austin, and ending Robert M. Traynor, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1996.

Army nominations beginning Gregory B. Baxter, and ending Mary F. Sippell, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1996.

Marine Corps nominations beginning Mark D. Abelson, and ending Peter D. Zoretic, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1996.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR MONDAY, JULY 8, 1996

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment under the provisions of House Concurrent Resolution 192 until the hour of 12:30 p.m. on Monday, July 8; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until the hour of 3:30 p.m. with Senators permitted to speak for up to 5 minutes each with the following Senators in control of the stated time: Senator KENNEDY, or his designee, from 12:30 p.m. to 2 p.m.; Senator COVERDELL, or his designee, from 2 p.m. until 2:30 p.m.

I further ask unanimous consent that at 3:30 p.m. the Senate begin consideration of H.R. 3448, the small business tax package, as under a previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. NICKLES. Mr. President, for the information of all Senators, under the previous order the Senate will be debating the small business tax package when the Senate reconvenes from the Independence Day break. When the Senate completes all debate on Monday, July 8, we will recess over until Tuesday at 9:30 a.m., at which time the Senate will resume consideration of the small business tax package. Under the order, the Senate will begin voting at 2:15 p.m. on Tuesday on amendments offered to H.R. 3448. I now ask unanimous consent that the votes occur in the order in which the amendments were offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. I further ask unanimous consent that following the votes scheduled to begin at 2:15 on Tuesday, the Senate begin consideration of the TEAM Act under a previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Also, as a reminder to all Senators, there will be a cloture vote on the motion to proceed to S. 1788, the right-to-work bill, at the hour of 12 noon on Wednesday, July 10.

Finally, I remind Senators that the vote on passage of the DOD authorization bill will occur at 9:30 a.m. on Wednesday, July 10.

I further ask unanimous consent that following the vote on the right-to-work bill, the Senate proceed to vote on amendments and passage with respect to the TEAM Act in the order in which they were offered and debated on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Democratic leader.

THE EXECUTIVE CALENDAR

Mr. DASCHLE. Mr. President, regrettably, we are not going to be able to confirm a number of judges that I had hoped would be confirmed this afternoon. We were presented with a list of 10. Somebody on the other side objected to one of those 10. But hours after our last vote, after everybody had left and were on airplanes and in places where they could not be contacted, we were not in the position to be able to contact a number of Senators who also had judges. There are 23 judges that are currently on the calendar; 23 nominations. There are 68 vacancies.

Not one judge has been confirmed in this session of Congress—not one. This to our knowledge is unprecedented. So late in the day, after we cooperated all day long—yesterday, today—working as diligently as we could to accommodate the other side in getting the legislation to the point where we were able to call now for third reading and then a final vote next week, we find that on our list of judges to be considered we could not even get up 10—not 10 out of the 23. Those nine we did call up were given to us about an hour ago, after everybody was gone.

Mr. President, I have to say this is increasingly a matter that is of great concern to our colleagues and will be a factor in our cooperation as we consider other issues in the coming weeks.

We have to resolve this matter. It is just unacceptable that that number of judges would not be given their opportunity to be considered. Careers, families, futures are all at stake here. They are all on the line. It is one thing to deal with a bill—I understand that—but to deal with somebody's life, to deal with somebody's future and career and to deal with it so cavalierly is unacceptable.

So we are going to have to deal with this when we get back, and I must say it is going to be a long, hot summer if we cannot deal with it more successfully than we have so far. I am disappointed, very disappointed that we could not even do those 23 on the calendar today. But I look forward to working with the majority leader with an expectation we will when we get back.

I yield the floor.

Mr. NICKLES. Mr. President, just a comment to follow up on the minority leader's comment on the judges, as the minority leader is aware, we have a new leadership team on this side. And to say the least, we have had our hands full the last couple weeks—not even 2 weeks yet, I think. We have made some progress, but it has not been easy. We made progress as I mentioned earlier, and I complimented the minority leader for his assistance in making this happen. We finally were able to bring to closure the Department of Defense authorization bill. After long, difficult negotiations, it looks as if we are on our way towards finalizing action on the minimum wage.

Some of us are very frustrated on this side, though, that Members on the Democrat side of the aisle have objected to appointing conferees on the health bill. That is unprecedented. It is 40-some-odd days, I think about 45 days since we requested conferees be appointed. We would like to have that resolved.

And so my point being, there are frustrations maybe on both sides. This side was prepared and willing to move on several judges, and I am sure that this will still be pending when we return early in July. I will look forward to working with the minority leader to see if we cannot come up to a successful resolution.

The new leadership team, though, I will tell you, because we spent so much time in working on the DOD authorization bill, working on the health bill, working on the minimum wage agreement, which included the TEAM Act and other provisions, we really have not had time to focus on these nominations.

So I just mention that.

ADJOURNMENT UNTIL MONDAY, JULY 8, 1996, AT 12:30 P.M.

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the provisions of House Concurrent Resolution 192, the adjournment resolution.

Thereupon, the Senate, at 5:58 p.m., adjourned until Monday, July 8, 1996, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate June 28, 1996:

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

BARBARA BLUM, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2002. (REAPPOINTMENT)

STATE JUSTICE INSTITUTE

SOPHIA H. HALL, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1997, VICE JOHN F. DAFFRON, JR., TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28, 1996:

DEPARTMENT OF STATE

ALFRED C. DECOTIIS, OF NEW JERSEY, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO

THE FIFTIETH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

CHRISTOPHER ROBERT HILL, OF RHODE ISLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

GEN. JOHN H. TILELLI, JR [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DENNIS L. BENCHOFF [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM M. STEELE [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH W. KINZER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH E. DEFRANCISCO [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF SECTION 601(A), TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. PETER PACE [redacted]

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5141:

CHIEF OF NAVAL PERSONNEL

To be vice admiral

REAR ADM. DANIEL T. OLIVER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601:

To be vice admiral

REAR ADM. (SELECTEE) CHARLES S. ABBOTT [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601:

To be admiral

VICE ADM. THOMAS J. LOPEZ [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601:

To be vice admiral

VICE ADM. DONALD L. PILLING [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE UNITED STATES NAVY ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE TO UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. JOHN S. REDD [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING BRIAN K. BAKSHAS, AND ENDING STEPHEN D. WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 18, 1996.

AIR FORCE NOMINATIONS BEGINNING DANIEL A. BABINE, AND ENDING WILLIAM J. WEIGEL, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 18, 1996.

AIR FORCE NOMINATIONS BEGINNING JUSTIN L. ABOLD, AND ENDING KATHLEEN M. ZENDEJAS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 18, 1996.

AIR FORCE NOMINATIONS BEGINNING LARRY D. BIGGERS, AND ENDING JOHN J. MCGRAW, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1996.

IN THE ARMY

ARMY NOMINATIONS BEGINNING GREGORY K. AUSTIN, AND ENDING ROBERT M. TRAYNOR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1996.

ARMY NOMINATIONS BEGINNING *GREGORY B. BAXTER, AND ENDING MARY F. SIPPELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1996.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING MARK D. ABELSON, AND ENDING PETER D. ZORETIC, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 21, 1996.

HOUSE OF REPRESENTATIVES—*Monday, July 8, 1996*

The House met at 12 noon and was called to order by the Speaker pro tempore [Ms. GREENE of Utah].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 8, 1996.

I hereby designate the Honorable ENID GREENE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Breathe into our hearts, O God, the fullness of beauty and grace; lift our eyes, O God, so we see the majesty of Heaven and Earth; encourage our voices, O God, to sing with praise and thanksgiving for the gifts of life; open our hands, O God, so we do the works of justice and mercy and in all things may we know that we are Your people, and You are our God. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ELECTION OF THE HONORABLE ENID GREENE OF UTAH AS SPEAKER PRO TEMPORE THROUGH WEDNESDAY, JULY 10, 1996

Mr. LIVINGSTON. Madam Speaker, I offer a privileged resolution (H. Res. 471) electing Representative ENID GREENE of Utah to act as Speaker pro tempore, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 471

Resolved, that the Honorable ENID GREENE, a Representative from the State of Utah, be, and she is hereby, elected Speaker pro tempore through Wednesday, July 10, 1996.

SEC. 2. The Clerk of the House shall notify the President and the Senate of the election of the Honorable ENID GREENE as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF THE HONORABLE ENID GREENE OF UTAH AS SPEAKER PRO TEMPORE THROUGH WEDNESDAY, JULY 10, 1996

The SPEAKER pro tempore. Would the gentleman from Louisiana [Mr. LIVINGSTON] administer the oath of office to the Chair?

Ms. GREENE of Utah took the oath of office, administered to her by the gentleman from Louisiana [Mr. LIVINGSTON], as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORTS ON DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS BILL, 1997, AND DEPARTMENTS OF TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 1997

Mr. LIVINGSTON. Madam Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight, July 8, 1996, to file two privileged reports on bills making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1997, and for other purposes; and the Departments of the Treasury, Postal Service and General Government for the fiscal year ending September 30, 1997, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXI, all points of order are reserved on the bills.

REPORT ON H.R. 3754, LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1997

Mr. LIVINGSTON, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–657), on the bill (H.R. 3754) making appropriations for the legislative branch for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 1, 1996.

The Honorable NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following messages from the Secretary of the Senate on Monday, July 1, 1996 at 12:15 p.m.:

That the Senate passed S. 1636; that the Senate passed S. 1899; that the Senate passed without amendment H.R. 1508; that the Senate passed without amendment H.R. 2070; that the Senate passed with amendments H.R. 2679; that the Senate passed with amendments H.R. 2739; that the Senate passed without amendment H.R. 2853; that the Senate passed with amendment and requested conference H.R. 3005; that the Senate passed with amendment H.R. 3121; that the Senate passed without amendment H. Con. Res. 160.

With warm regards,

ROBIN H. CARLE, *Clerk.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Friday, June 28, 1996:

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

H.R. 1880. An Act to designate the United States post office building located at 102 South McLean, Lincoln, IL, as the "Edward Madigan Post Office Building";

H.R. 2704. An Act to provide that the United States post office building that is to be located at 7436 South Exchange Avenue, Chicago, IL, shall be known and designated as the "Charles A. Hayes Post Office Building"; and

H.R. 3364. An Act to designate the Federal Building and United States courthouse located at 235 North Washington Avenue in Scranton, PA, as the "William J. Nealon Federal Building and United States Courthouse".

And the Speaker pro tempore (Mrs. MORELLA) signed the following enrolled bill on Wednesday, July 3, 1996:

H.R. 2070. An Act to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life."

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. LIPINSKI.
Mr. UNDERWOOD.
Mr. SCHUMER.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

On June 28, 1996:

H.R. 1880. An act to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building";

H.R. 2704. An act to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue, Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building"; and

H.R. 3364. An act to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

On July 2, 1996:

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park;

H.R. 2070. An act to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life"; and

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 9, 1996, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3925. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sheep Promotion, Research, and Information Program (Docket No. LS-96-004 FR) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3926. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Viruses, Serums, Toxins, and Analogous Products; Marek's Disease Vaccines [APHIS Docket No. 94-046-2] received July 2, 1996, pursuant to 5 U.S.C. 801 (a)(1)(A); to the Committee on Agriculture.

3927. A letter from the Acting Architect of the Capitol, transmitting the report of all expenditures during the period October 1, 1995 through March 31, 1996, pursuant to 40 U.S.C. 162b; to the Committee on Appropriations.

3928. A letter from the Assistant Secretary, Department of Education, transmitting notice of final priorities for fiscal year 1996—Safe and Drug-Free Schools and Communities Federal Activities Grants Program (Drug and Violence Prevention), pursuant to 20 U.S.C. 1232(f); to the Committee on Economic and Educational Opportunities.

3929. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the notice of final funding priorities for the Safe and Drug-Free Schools and Communities Federal Activities Grants Program (Drug and Violence Prevention), pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Economic and Educational Opportunities.

3930. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the notice of final funding priorities for the Safe and Drug-Free Schools and Communities Federal Activities Grants Program (Hate Crimes Prevention), pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Economic and Educational Opportunities.

3931. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Triphenyltin Hydroxide; Tolerance Revision (FRL-5381-4) (RIN: 2070-AB78) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3932. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Title V Clean Air Act Final Interim Approval of Operating Permits Program; Permits Program; Maryland (FRL-5530-4) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3933. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Control Strategy: Ozone (03); Tennessee (FRL-5529-3) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3934. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Requirements for Preparation, Adoption, and Submittal of Implementation Plan (FRL-5531-6) (RIN: 2060-AS01) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3935. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval of State Programs and Delegation of Federal Authorities (FRL-5531-3) received July 2, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3936. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions Phase III—Decharacterized Wastewaters, Carbamate Wastes, and Spent Potliners (RIN-2050-AD38) received July 2, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3937. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Rule Making Findings of Failure to Submit Required State Implementation Plans for Nonattainment Areas of Ozone (FRL-5536-1) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3938. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Registration of Fuels and Fuel Additives: Minor Changes to the Testing Requirements for Registration (FRL-5532-4) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3939. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan for Monterey Bay Unified Air Pollution Control District (FRL-5524-2) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3940. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Tolerance for 1-[[2-(2,4-Dichlorophenyl)-4-propyl-1,3-dioxolan-2-yl] methyl]-1H-1,2,4-triazole (FRL-5381-7) (RIN: 2070-AB78) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3941. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rules—Amendment to Parts 20 and 24 of the Commission's rules—Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap [WT Docket No. 96-59] and Amendment of the Commission's Cellular/PCS Cross-Ownership Rule [GN Docket No. 90-314] received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3942. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—National Exchange Carrier Association Proposed Modifications to the Interstate Average Schedule Formulas (AAD 96-2) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3943. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Federal-State Joint Board on Universal Service [CC Docket No. 96-45] received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3944. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Part 95 of the Commission's Rules to Allow Interactive Video and Data Service Licensees to Provide Mobile Service to Subscribers [WT Docket No. 95-47] received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3945. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—1996 Annual Access Tariff Filings; National Exchange Carrier Association Universal Service Fund and Lifeline Assistance Rates; NYNEX Telephone Company Petition to Advance the Effective Date of the 5.3 X-Factor to January 1, 1995 (Transmittal No. 70) received June 26, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3946. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Medical Devices; Humanitarian Use Devices; Final Rule [Docket No. 91N-0404] (RIN: 0910-AA09) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3947. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed issuance of export license agreement for the transfer of defense articles or defense services sold commercially to Egypt (Transmittal No. DTC-29-96), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3948. A communication from the President of the United States, transmitting his annual report reviewing all activities of U.S. Government departments and agencies during calendar year 1995 relating to the prevention of nuclear proliferation, pursuant to 22 U.S.C. 3281(a); to the Committee on International Relations.

3949. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

3950. A letter from the Deputy Director for Operations and Benefits, District of Columbia Retirement Board, transmitting the financial disclosure statement of a board member, pursuant to D.C. Code, section 1-732 and 1-734(a)(1)(A); to the Committee on Government Reform and Oversight.

3951. A letter from the Administrator, Agency for International Development, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995 through March 31, 1996, and the semiannual report on audit management for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3952. A letter from the Chairman, Federal Housing Finance Board, transmitting the Board's management report for the period ending December 31, 1995, pursuant to Public Law 101-576, section 306(a) (104 Stat. 2854); to the Committee on Government Reform and Oversight.

3953. A letter from the Inspector General, General Services Administration, transmitting the Office's audit report register for the period ending March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3954. A letter from the Chairman, President and CEO, National Railroad Passenger Corporation, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3955. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Pay Under the General Schedule; Termination of Interim Geographic Adjustments (RIN: 3206-AH09) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3956. A letter from the Secretary of Defense, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3957. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Final Rule To Allow for the Extension of the Bid Acceptance/Rejection Time Period (RIN: 1010-AC18) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3958. A letter from the Director, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Northeastern United States [Docket No. 960612172-6172-01] (RIN: 0648-AI21) received July 2, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3959. A letter from the Program Managment Officer, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries off West Coast States and in the Western Pacific [Docket No. 960614176-6176-01] (RIN: 0648-AI18) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3960. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Pacific Cod by Vessels Using Trawl Gear [Docket No. 96-129019-6019-01, I.D. 062196C] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3961. A letter from the Attorney General of the United States, transmitting the annual report on the operations of the private counsel debt collection project for fiscal year 1995, pursuant to 31 U.S.C. 3718(c); to the Committee on the Judiciary.

3962. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Fees Assessed for Defaulted Payments (RIN: 1115-AD92) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3963. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Acquisition of Citizenship; Equal Treatment of Women in Conferring Citizenship on Children Born Abroad (RIN: 1115-AD75) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3964. A letter from the National Council on Radiation Protection and Measurements, transmitting the 1995 annual report of independent auditors who have audited the records of the National Council on Radiation Protection and Measurements, pursuant to Public Law 88-376, section 14(b) (78 Stat. 323); to the Committee on the Judiciary.

3965. A letter from the General Counsel, National Tropical Botanical Garden, transmitting the annual audit report of the National Tropical Botanical Garden, calendar year 1995, pursuant to Public Law 88-449, section 10(b) (78 Stat. 498); to the Committee on the Judiciary.

3966. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation entitled the "Water Resources Development Act of 1996"; to the Committee on Transportation and Infrastructure.

3967. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Navigational Safety Equipment for Towing Vessels (U.S. Coast Guard) (RIN: 2115-AE91) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3968. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments (U.S. Coast Guard) (RIN: 2115-AF33) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3969. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Macy's 1996 Fourth of July Fireworks, East River, New York (U.S. Coast Guard) (RIN: 2115-AA97) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3970. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River (U.S. Coast Guard) (RIN: 2115-AA97) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3971. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Heritage of Pride Fireworks Display, Hudson River, NY (U.S. Coast Guard) (RIN: 2115-AA97) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3972. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Kentucky Drag Boat Association Races Green River Mile 70.0-71.5, Livermore, KY (U.S. Coast Guard) (RIN: 2115-AE46) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3973. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—100th Anniversary of Fort Hancock's Fireworks Display, Sandy Hook Bay, NJ (U.S. Coast Guard) (RIN: 2115-AA97) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3974. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; La Grande, Oregon (Federal Aviation Administration) [Docket No. 96-ANM-008] (RIN: 2120-AA66) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3975. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Jackson, WY (Federal Aviation Administration) [Docket No. 96–ANM–004] (RIN: 2120–AA66) (1996–0079) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3976. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Abilene, KS and Independence, KS (Federal Aviation Administration) [Docket No. 96–ACE–4] (RIN: 2120–AA66) (1996–0080) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3977. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; de Havilland DHC–8–301, –311, and –315 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–268–AD] (RIN: 2120–AA64) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3978. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Leather Tanning and Finishing Effluent Limitations Guidelines Pretreatment Standards New and Existing Sources [FRL–5527–4] (RIN: 2040–AC48) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3979. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Reestablishing Rulemaking Procedures (RIN: 2900–AI32) received June 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3980. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update (Notice 96–36) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3981. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low Income Housing Credit (Revenue Ruling 96–33) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3982. A letter from the Administrator's of Federal Aviation Administration and National Aeronautics and Space Administration, transmitting a joint report to Congress on the progress being made under the Subsonic Noise Reduction Technology Program, fiscal year 1995, pursuant to 49 U.S.C. app. 1353 note; jointly, to the Committee on Science and Transportation and Infrastructure.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of June 27, 1996]

Mr. ROBERTS: Committee on Agriculture. H.R. 3464. A bill to make a minor adjustment in the exterior boundary of the Devils Backbone Wilderness in the Mark Twain National Forest, MO, to exclude a small parcel of land containing improvements; with an amendment (Rept. 104–654, Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 1514. A bill to authorize and facilitate a program to enhance safety, training, research, and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes; with an amendment (Rept. 104–655, Pt. 1). Ordered to be printed.

Mr. HYDE: Committee on the Judiciary. H.R. 2740. A bill to protect sports fans and communities throughout the Nation, and for other purposes; with an amendment (Rept. 104–656, Pt. 1). Ordered to be printed.

[Submitted July 8, 1996]

Mr. PACKARD: Committee on Appropriations. H.R. 3754. A bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–657). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3290. A bill to authorize appropriations for the Bureau of Land Management for each of the fiscal years 1997 through 2002 (Rept. 104–658). Referred to the Committee of the Whole House on the State of the Union.

Mr. PORTER: Committee on Appropriations. H.R. 3755. A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–659). Referred to the Committee of the Whole House on the State of the Union.

Mr. LIGHTFOOT: Committee on Appropriations. H.R. 3756. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–660). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

[Omitted from the Record of June 27, 1996]

Pursuant to clause 5 of rule X the Committee on Resources discharged from further consideration H.R. 3464; referred to the Committee of the Whole House on the State of the Union.

[Omitted from the Record of June 28, 1996]

Pursuant to clause 5 of rule X the Committee on House Oversight discharged from further consideration H.R. 1734; referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL PURSUANT TO RULE X

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of June 27, 1996]

H.R. 1514. Referral to the Committee on Science extended for a period ending not later than July 26, 1996.

H.R. 2740. Referral to the Committee on Commerce extended for a period ending not later than September 6, 1996.

H.R. 3464. Referral to the Committee on Resources extended for a period ending not later than June 27, 1996.

[The following action occurred on July 1, 1996]

H.R. 1816. Referral to the Committee on Commerce extended for a period ending not later than August 1, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PALLONE (for himself, Mr. BREWSTER, Mr. FOX, Mr. FROST, Mr. ENGEL, Mr. TORRICELLI, Mr. LIPINSKI, Mr. FRAZER, Mr. THOMPSON, Ms. BROWN of Florida, Mr. ACKERMAN, Mr. CRAMER, Mr. DELLUMS, and Mrs. LOWEY):

H.R. 3757. A bill to amend title XVIII of the Social Security Act to provide for coverage of pharmaceutical care services under part B of the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LIVINGSTON:

H. Res. 471. Resolution electing Representative Enid Greene of Utah to act as Speaker pro tempore; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII,

235. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, relative to House Concurrent Resolution No. 109 memorializing the U.S. Congress to provide for purposes of the Federal income tax that expense reimbursements for schoolbus drivers not be included in wages; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 969: Mr. FRANK of Massachusetts.

H.R. 1100: Mr. HORN, Mr. MINGE, Mr. OLVER, and Mr. UNDERWOOD.

H.R. 1281: Mr. YATES and Mr. MCHALE.

H.R. 1608: Mr. SHAYS.

H.R. 2270: Mr. MCINTOSH.

H.R. 3119: Mr. SANDERS.

H.R. 3195: Mr. JOHNSTON of Florida.

H.R. 3241: Mr. JEFFERSON.

H.R. 3393: Mr. YATES.

H.R. 3568: Mr. HOLDEN, Mr. FATTAH, and Mr. FOX.

H.R. 3630: Ms. MOLINARI.

H. Con. Res. 179: Mr. DAVIS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

73. The SPEAKER presented a petition of Leslie G. Woods Post 217, American Legion, IL, relative to the American Legion's support of H.R. 3321; which was referred to the Committee on Veterans' Affairs.

SENATE—*Monday, July 8, 1996*

The Senate met at 12:30 p.m., and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our prayer today will be led by Father Paul Lavin, pastor of St. Joseph's on Capitol Hill, Washington, DC.

PRAYER

The guest Chaplain, Father Paul Lavin, pastor of St. Joseph's on Capitol Hill, offered the following prayer:

Let us listen to the word of the Lord in Psalm 18:

I would love thee, O Lord, my strength.

The Lord is my rock, and my fortress, and my deliverer; my God, my strength, in whom I trust; my buckler, and the horn of my salvation.

I will call upon the Lord, who is worthy to be praised.

Let us pray:

We stand before You, O Lord conscious of our sinfulness but aware of Your love for us.

Come to us, remain with us, and enlighten our hearts.

Give us light and strength to know Your will to make it our own and to live it in our lives.

Guide us by Your wisdom, support us by Your power, keep us faithful to all that is true.

You desire justice for all: Enable us to uphold the rights of others; do not allow us to be misled by ignorance or corrupted by fear or favor.

Glory and praise to You for ever and ever. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, today there will be a period for morning business until the hour of 3:30 p.m., with Senator KENNEDY or his designee in control of the time from 12:30 to 2 p.m., and Senator COVERDELL or his designee in control of the time from 2 until 3:30 p.m.

Following morning business, the Senate will begin consideration of H.R. 3448, the small business tax package legislation. Under the consent agreement reached, there are a limited number of amendments in order to that bill and all debate time will be used today. No rollcall votes will occur during today's session. Therefore, any votes ordered on the amendments will occur at 2:15 on Tuesday.

On Tuesday, following the completion of H.R. 3448, the Senate will begin consideration of S. 295, the TEAM Act. As a reminder to all Senators, any votes ordered on amendments to the TEAM Act will occur during Wednesday's session of the Senate. Senators should also be reminded that, under a previous order, the Senate will vote on passage of the Department of Defense authorization bill at 9:30 on Wednesday, although I should note that because of the likelihood of a signing at the White House of the church burning legislation, we are working to see if we might defer that vote until, I believe, 12 o'clock on Wednesday. But we will make that official later on during the day, if we get it all worked out.

Immediately following that vote, the Senate will proceed to the House of Representatives for a joint meeting of Congress to hear an address by the Prime Minister of Israel. Of course, if we do not have that vote at 9:30, we will assemble here and we will go right to the House for that joint meeting.

Due to the joint meeting, it may be necessary to postpone the vote on the passage of DOD until later in the afternoon on Tuesday, as I have already announced. We will make that announcement as soon as possible today.

At noon on Wednesday, there will be a vote on the motion to invoke cloture on the motion to proceed to S. 1788, the National Right To Work Act.

Finally, I should say the appropriations process has to move forward. I anticipate we will take actions this week on appropriations measures. The first will be the Department of Defense appropriations bill, to be followed by the foreign operations appropriations bill.

All Members should plan their schedules to anticipate votes, probably into the early evening on Tuesday and on Wednesday, although we hope not to go late. Then, on Thursday, depending on what progress we have made on the DOD appropriations bill and the foreign ops appropriations bill, we could go late into the evening on Thursday.

I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. CRAIG). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes. The time between 12:30 and 2 p.m. shall be under the control of the Senator from Massachusetts, Senator KENNEDY, or his designee.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MINIMUM WAGE

Mr. KENNEDY. Mr. President, tomorrow, July 9, is minimum wage day in the U.S. Senate. The Senate will finally have an up-or-down vote on a fair increase in the minimum wage. The minimum wage has been stuck at its current level of $4.25 an hour for some 5 years. The increase that we propose to $5.15 an hour should have gone into effect at least a year ago. But for 18 months Republicans refused to allow this Senate to vote.

Now the long overdue vote is about to take place, but the Republican obstruction has not ended. Opponents of the minimum wage have devised a shameless trick to prevent as much of the increase as possible, by delaying it and by denying it to large numbers of deserving American workers.

The Republican amendment is a sham. It purports to raise the minimum wage from $4.25 to $5.15 an hour, but in fact it will deny that increase to most Americans who would otherwise receive it. To paraphrase the words of a country and western song, "One step forward, two steps back, you don't get a raise with a trick like that."

Under our Democratic proposal, more than 13 million Americans will receive a raise when the minimum wage bill is passed. Under the Republican amendment, most of these workers would never see that raise. First, the Republican amendment exempts more than 4 million workers, almost half of all the minimum wage workers earning between $4.25 and $5.15 an hour, by creating a permanent subminimum wage for the first 6 months on the job.

Second, the Republican amendment exempts two-thirds of all workers eligible for the increase by exempting the 10 million workers and businesses with annual sales of less than $500,000 a year.

Third, the Republican amendment exempts the 2 million employees in restaurants and other establishments who rely on tips for part of that income.

These three exemptions clearly overlap. Some workers will be caught by all three exemptions. The Republicans have left no stone unturned in their cynical attempt to find as many ways as possible to deny a fair increase in the minimum wage to as many American workers as possible. But Republicans are not even satisfied with these massive exemptions. They also want to delay the increase in the minimum wage for anyone who still qualifies to receive it.

As one more insult to American workers, the Republican amendment would delay the increase by 6 more months, until January 1997. No increase at all for anyone in 1996 is the last line of defense for Republicans in their unseemly battle against the minimum wage.

So, President Clinton is correct to say, as he did in his veto letter of June 28, 1996, that he will veto a minimum wage increase that contains any of these Republican tricks.

Make no mistake, a vote for the Bond amendment is a vote to kill the minimum wage increase for now and for the foreseeable future. That is the strategy of the Republicans and their right-wing allies.

The National Retail Federation has mounted a campaign in support of the Republican amendment. They sent out an action alert last week, in which they abandon any pretense that the Republican amendment is anything other than an attempt to kill the minimum wage increase. The Republican amendment, they say, "is our last chance and best hope for stopping the minimum wage increase this year."

Mr. President, I will include it all in the RECORD. On page 1, the bottom of page 1, it says, "It is our last chance and best hope for stopping the minimum wage increase this year," to support the Bond amendment. Then it lists a number of the Senators who should be targeted by their organization.

I ask unanimous consent the letter and list be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL RETAIL FEDERATION

MEMORANDUM

To: Government and Legal Affairs Committee, National Association Executives.

From: John J. Motley III, Senior Vice President, Government and Public Affairs.

Re action needed on minimum wage.

Date: July 1, 1996.

Attached for your review and use is an action alert describing the current situation with the minimum wage increase in the U.S. Senate.

The Senate will vote on the minimum wage increase on July 9. NRF is working to pass the Bond amendment and defeat the Kennedy amendment.

For those of you with operations in the targeted states—Arkansas, Colorado, Maine, Nebraska, New York, Pennsylvania, South Dakota, and Vermont—any help you could lend getting Senators to support the Bond amendment would be much appreciated. NRF members and the state retail association executives based in the target states have already received a copy of the action alert.

The vote will be close. If more than two Republicans vote against Bond and not one Democrat votes for it, we cannot win.

Passing the Bond amendment is probably our best change to kill the minimum wage increase. If you have any questions, please contact me or Kent Knutson at (202) 783–7971. Many thanks.

Several Senators are undecided on the Bond amendment and need to hear from you. The vote will be extremely close, so please take a minute to call, FAX, or write and urge them to vote for the Bond amendment and against the Kennedy amendment.

SENATORS WHO NEED TO HEAR FROM YOU

State and Senator	Phone	Fax
Arkansas:		
Dale Bumpers	(202) 224–4843	224–6435
David Pryor	(202) 224–2353	228–3973
Colorado: Ben Nighthorse Campbell	(202) 224–5852	224–1933
Maine:		
Bill Cohen	(202) 224–2523	224–2693
Olympia Snowe	(202) 224–5344	224–1946
Nebraska:		
Bob Kerrey	(202) 224–6551	224–7645
Jim Exon	(202) 224–4224	224–5213
New York: Alfonse D'Amato	(202) 224–6542	224–5871
Pennsylvania:		
Arlen Specter	(202) 224–4254	228–1229
Rick Santorum	(202) 224–6324	228–0604
South Dakota: Larry Pressler	(202) 224–5842	228–0368
Vermont: Jim Jeffords	(202) 224–5141	228–1932

Please send a copy of any correspondence to NRF, Attention: Grassroots Department at fax (202) 737–2849.

Don't hesitate to call if you have any questions at (202) 783–7971. Thanks so much for your help.

Mr. KENNEDY. So the battle lines are clearly drawn.

I urge the Senate to stand with American working families, not against them. I urge the Senate to stand for the basic principle that the minimum wage should be a living wage; that no American who works for a living should have to live in poverty.

Tomorrow's vote will be one of the most important votes in the U.S. Senate this year. Millions of hard-working men and women are struggling to lift themselves out of poverty and provide a decent life for their families. They are looking to us for hope and help, and it is time for them to get a raise.

Our Democratic proposal would raise the minimum wage to $5.15 an hour in two 45-cent steps. The first step would take place as of July 4 this year, and I mention, Mr. President, that is in the legislation, but, obviously, since that date has passed, with the passage of our amendment, it is hoped that in conference we can delay the implementation of that for 30 days after the President signs. That will give a reasonable period of time for it to be implemented and reasonable notification to those who are going to have to pay it.

As of that date, the minimum wage would be $4.70 an hour. The second part of the increase, to $5.15, would take place on July 4 next year. Raising the minimum wage is critical for millions of low-wage workers who are directly affected by it, and it is critical for the economy as a whole.

The widening income gap is a worsening problem in the United States, and the declining purchasing power of the minimum wage is a significant problem.

Mr. President, this chart shows how America grew from 1950 to 1978—"Growing Together, Real Family Income Growth by Quintile." What we see is those at the bottom level of the economic ladder actually grew 138 percent. They grew more than any other sector of our economy. The second quintile at 98 percent; the third at 106 percent; the fourth at 111 percent; and the top 20 percent at 99 percent. All America grew together, and if there was any answer, it was that all Americans were playing by the rules, working hard providing for their families, which was part of the whole American growth pattern.

But look what has happened since. This first chart represents 1950 to 1978. Now on this second chart, we have from 1979 to 1994. This chart reflects real family income growth by quintile, but it is growing apart. The largest continuing growth has been on the top 20 percent, and if you went to the top 5 percent, you would see that percent of growth even higher. If you went to the top 1 percent, the wealthiest individuals and corporations, you would see that those numbers would go up even higher.

What has happened is, on the bottom 20 percent, you see the real family income had an actual decline of 11 percent from 1979 to 1994. This does not represent what I think most Americans expect, hope for, and think is fair. What they expect is that all Americans will grow and participate in an expanding economy. Quite to the contrary. We see those who are on the bottom 20 percent have seen the most serious decline in family income. It is in this particular group that the minimum wage workers are most adversely affected.

Since 1979, 97 percent of the increase in real household income has gone to the wealthiest 20 percent of American families, while only 3 percent has gone to the other 80 percent. The real family income of most American families has declined since 1979, while the real income of the top 20 percent of families grew by 18 percent. Part of the decline in income for working families has been caused by the drop in the purchasing power of the minimum wage, which has fallen almost 30 percent since 1979. It is worth 50 cents an hour less today than when it was last raised in 1991.

Mr. President, this chart reflects the declining real value of the minimum wage over the period from 1960 up to 1995. What we see is the real purchasing value. It has been gradually increasing at the lower levels, which I will get to in a few moments. But this chart represents the real minimum wage, from 1960 to 1995, and going back to 1969, 1970 in purchasing power, it would be $6.45 today instead of $4.25. That is a $2 spread in purchasing power for working families, not to families who are on welfare, but working families who want to keep off welfare. They are playing by the rules: 40 hours a week, 52 weeks of the year.

Effectively, they have taken a significant cut in their purchasing power, from $6.45 down to what it would be now at $4.25. This represents the declining value of the purchasing power for families. In 1991, the last time the minimum wage was increased, we got a slight blip and now it has gone right back down, at the present time, even below where it was in 1989.

Incredibly, the economy today is a great deal stronger than it was in 1989. Still, in 1989, we have had not only virtually all of the Democrats voting for an increase in the minimum wage, but we had Republicans as well. We had Republicans as well. Senator Dole voted for an increase. Speaker GINGRICH at that time voted for the increase in the minimum wage when our economy was not as strong.

Now we find the purchasing power is right back to where it was in 1989. The economy is a great deal stronger, and we have been seeing the complete opposition by the leadership of the House of Representatives that said we will not give an opportunity to vote on an increase in the minimum wage.

Finally, the American people spoke about that issue, and finally, reluctantly, the House of Representatives increased the minimum wage with some courageous Republicans who supported it.

Now, after over a year of trying to get a vote on the minimum wage by attaching it, or threatening to attach it, to any of the different pieces of legislation that came along, we are now in a position where we will get an opportunity to vote on the minimum wage, not just to vote on increasing the minimum wage, which has been the tradition, historic tradition of the increases in minimum wage, but we will vote on a proposal of our Republican friends that I described earlier that on the one hand would appear to give the increase in the minimum wage, but, on the other hand clearly takes it back.

So that, Mr. President, is how we find this debate, both today and tomorrow, and why we believe that it is so important that Americans will let their Members of Congress know again that working families ought to be entitled to an increase in the minimum wage to, not even bring the working families out of poverty, but at least give them about $1,800 more, which is a good deal more income for families. It would reflect about a 22- or 23-percent increase in their wages, enough to support groceries for 7 months of the year, probably pay for tuition for 1 year for a son or daughter to attend the college in their home State, and so on, probably the premium for some health insurance programs that they may be able to provide either for their children, perhaps for themselves. It represents a very significant and important increase for those who are working.

Mr. President, as a nation, we are moving, as I mentioned, farther and farther away from the fundamental principle that honest work should pay an honest wage, and full-time, year-round workers should be able to keep their families out of poverty. Today a nurse's aide, a janitor, a child care worker—Mr. President, that is what we are talking about, those who are making the minimum wage.

We will have an opportunity to put some names and, hopefully, some faces and some lives out here in the course of this debate in the next couple of days. But basically they are teachers' aides, those who are working with the children in our classrooms all over this country, increasingly challenged by all of the challenges which are there in the schools of our Nation, trying to provide help and assistance to a teacher so a teacher can teach.

They are nurses' aides and health care workers. Some are in those schools. Health care workers are primarily, perhaps, in nursing homes who are looking after parents to make sure that those parents are going to be treated fairly and decently, taking care of them, washing them, feeding them, changing them, some of the most difficult, trying work that anyone could ask for in this country. They do it and do it well and do it with a sense of respect and decency.

They are janitors who, long after men and women who are in the major companies and corporations in the buildings of this Nation go home for the day, they are in there, after dark, and spend many long hours into the evening cleaning up those buildings and may be lucky enough to get home before their kids go out and go to school in the morning, to see them for a few hours.

Mr. President, these are the men and women who are doing the tough, difficult work that is out there in America to be done. They do it with pride and dignity. They do it to provide for their families, for their loved ones. We evidently are coming to the point where we may have an opportunity to see some increase, and we are faced with Republican opposition to undermine the very modest increase.

This is a modest increase, Mr. President. When we first introduced what is the legislation that we will be voting on, we wanted it 3 years at 50 cents, and a cost-of-living increase. That does not seem to me to be enormously radical. It would probably bring this back up to here in terms of the purchasing power of the minimum wage. But now we are back to 45 cents—45 cents—and for 2 years without the cost-of-living increase. And we are facing opposition for that very, very modest, modest increase.

So today, Mr. President, a nurse's aide, a janitor, a child care worker, anyone else who makes a minimum wage earns just $8,800 for 52 weeks of work at 40 hours a week, more than $6,000 below the poverty level for a family of four. According to the old saying, "The rich get richer; the poor get poorer." But that should not be the Nation's economic policy.

Today, one out of every nine families with a full-time worker lives in poverty without enough money to feed and clothe their children and keep a roof over their heads. Rich America is getting richer. The stock market may be sputtering, but the increase has gone to more than 400 percent since 1992. Real wages have declined by 15 percent. As the values of Wall Street have soared, the values of Main Street have fallen farther and farther behind.

Mr. President, this chart indicates again the comparison, using one indicator, and that is what is happening on Wall Street. I know there are other indicators; we can get into those as well. But what we have seen is the enormous growth, adjusted to inflation, in what has happened in the Dow Jones industrial average over the period from 1979 through 1995. What has happened to the minimum wage? Here are hard-working workers who are doing the difficult jobs that need to be done, and here we see the Dow Jones industrial average going up and continuing to go up.

In the Senate, we have given ourselves three pay increases since the last increase in the minimum wage in 1991. Congressional pay raises have totaled $31,000, a 31-percent increase. The bill before the Senate calls for 90 cents in the minimum wage over the next 2 years, a 22-percent increase.

Mr. President, it is time to support those who work for a living instead of living off welfare. I must say, Mr. President, that if you want to talk about real welfare reform, it is increasing the minimum wage. Let us get people who can work and want to work back to work and give them a livable wage. An interesting fact, Mr. President, is that if you get this increase in the minimum wage, you see the savings in the safety net. You see significant, hundreds of millions of dollars of reductions in payments of AFDC, you see hundreds of millions of dollars of reductions in the Medicaid Program, in the Food Stamp Program.

You have more than 300,000 children who would come out of poverty; well over 100,000 families coming out of poverty; they will not be eligible for those expenditures. That is only with a very modest increase in the minimum wage. Why should the Federal taxpayer be paying in to a fund that supports these safety-net programs to subsidize those who are not paying a fair wage? That is what this is about, too; subsidizing many of those companies that refuse to provide a livable wage. They are getting subsidization for their workers with the other safety-net programs.

Those safety-net programs were never devised for that particular purpose. If you provide this modest increase in the minimum wage, you are going to be saving the taxpayers an additional amount.

I believe the overpowering and overwhelming argument is that we ought to have a basic standard of fairness and justice in our economy. The economy ought to move in a way that is not going to serve just the wealthiest individuals but is going to serve all Americans. That is what this country ought to be about and what it is about when it is at its best. These hard-working Americans deserve this kind of assurance that they are going to be able to provide for their families.

But if you do not like that argument and you are only persuaded, as so many apparently are in this body, by what is going to be actually expended in terms of the taxpayers, this is a good bargain for those individuals as well.

Mr. President, what we are talking about here are 13 million Americans who will receive a pay increase from this legislation—13 million Americans.

Mr. President, we hear often on this floor that the best way to get any increase for working Americans is to insist on the balanced budget amendment. I support a balanced budget, not with the priorities that have been outlined by our Republican friends. But that is a debate for a different time. But the interesting fact remains, Mr. President, that if our Republican friends were able to get the balanced budget amendment through, according to their own CBO, it would mean a one-half of 1 percent increase in the income of those 13 million workers who are working at a minimum wage level—one-half of 1 percent.

This minimum wage program which we support will amount to a 4 percent increase for the 40 percent of the lowest income American workers. We can do that virtually by adopting this particular program that has passed the House of Representatives and will be before the U.S. Senate tomorrow. This can make an important difference—an important difference—to the real income of working families as compared to what we are asked to do by our Republican friends saying, "Well, let's just go ahead and balance the budget. That will reflect itself in greater opportunities for those workers." Even their own figures do not justify that position.

Mr. President, as many as 2.3 million children live in poor or near-poor families where workers will get a raise. This is a children's issue. This is a children's issue. Of this, 1.52 million are living in families with just one breadwinner. We will probably even hear in the debate that this really is not an important issue because it only affects the 10, 13 million Americans in a work force of 129, 130 million Americans. It is enormously important to those children, the million and a half of those children whose whole position is being threatened now in the cuts in the Medicaid Program, the transfer, the reduction in immunization and all of the screening programs that are out there, when we know that two-thirds of the children on Medicaid have parents who are working.

I do not understand what it is with our Republican friends, what they have against children of working families. But that is the fact of the impact of many of these cuts, both in the Medicaid Program, the education program, and the opposition to the increase in the minimum wage. It is callous. It is wrong. But, nonetheless, we are faced with it. We will have an opportunity tomorrow to make a judgment whether we are going to stand with the children, the needy children, the poor children that did not, as a matter of choice, choose to grow up in a household where their families are making the minimum wage at this time.

Mr. KYL assumed the Chair.

Mr. KENNEDY. Now, Mr. President, this is not only children, but this is also about women in our society. The greatest percent are women; 64 or 65 percent of the minimum wage workers are women in our society. Seven million women and more than 5 million adult women will receive a fair raise if the minimum wage is increased.

Who are the 5 million adult women? Two million are single heads of households with at least one dependent. They are raising families, caring for children, trying to get by on a poverty-level wage. It is time for them to get a raise.

Mr. President, 60 percent of minimum wage workers are married. They contribute an average of 51 percent of family earnings. We are not talking about teenagers earning pocket money. We will hear talk about that later this afternoon, I am sure. We are talking about people whose families depend on them for their survival and well-being. It is time for them to get a raise.

The large numbers of minimum wage workers who are women work in hospitals, food services, and restaurants, where they work as cashiers, clean hotel rooms and work in laundries. Their jobs are hard, but they perform them with dignity and commitment, and do the best they can to provide for their families. It is time for them to get a raise.

An additional large number of minimum wage earners who are women work directly with children in child care and as teachers aides. They deserve more respect for the care that they give the Nation's children, the 52 million children, that are in our K through 12 across this Nation. With all the challenges that they are facing, it is time they get a raise.

Another major industry that employs large numbers of women just above the minimum wage is in the health care area, especially the occupations of nurses' aides, home care aides. They are some of the most difficult jobs in our society, caring for the sick and the helpless, washing them, feeding them, cleaning their bedpans. It is time they get a raise.

What will the minimum wage increase mean for a family living in poverty? We mentioned what it means in groceries, what it means in health care costs, including prescription drugs, out-of-pocket expenses, utility bills or basic housing costs lasting for a period of some 4 months. All of that has been mentioned.

Mr. President, a point that we will hear, I am sure, later this afternoon, "We are opposed because they really are the wealthy teenagers that are involved in this program. They are not really people involved in the minimum wage." We will also hear, as I have already heard during the course of this debate, that question about whether this increase in the minimum wage helps minorities in the workplace.

Based on census data of 1.5 million African-Americans between $4.25 and $5.15 an hour, 17 percent of all hourly African American workers are making that minimum wage. One million are women. Raising the minimum wage will provide a modest increase for the poorest African-Americans raising children and struggling to survive. It is time for them to get a raise.

I hope those opposed to our position will minimize the amount of time they spend on this issue as being the great defenders of minorities. We heard that all the time in all the past debates.

I ask unanimous consent to have printed in the RECORD several excellent letters referencing the minimum wage.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
Washington, DC, March 19, 1996.

Re Fair Minimum Wage.

DEAR SENATOR: I am writing to you today on behalf of the National Association for the Advancement of Colored People (NAACP), the nation's oldest and largest civil rights organization, in strong support of a fair minimum wage. Specifically, the NAACP seeks the swift passage of "The Working Wage Increase Act of 1995" (S.413). We have been informed that this bill may be scheduled for a Senate floor vote later this week.

This important legislation provides for an increase in the current minimum wage by 90 cents an hour, to $5.15, over two years. It is clearly a step in the right direction to improve the income and the quality of living for all Americans through an increase in the minimum wage. This is particularly true for African Americans, who disproportionately constitute a large segment of minimum wage earners with below poverty level incomes.

Legislation increasing the minimum wage is a measure long overdue for hardworking Americans who are desperately trying to make ends meet. The real value of the minimum wage is at a forty year low. The minimum wage was first set at 25 cents an hour in 1938 under the Fair Labor Standards Act (FLSA). Moreover, Congress last raised the minimum wage with bi-partisan support in 1989 from $3.35 an hour to $4.25 an hour over two years.

In addition to the merits of arguments supporting an increased minimum wage, the NAACP also believes that this initiative fits squarely into the welfare reform debate. The NAACP supports meaningful welfare reform. We believe that meaningful welfare reform includes elements that encourage and support work; that hold both parents responsible for the economic support of their children; and that move poor families from dependency to economic self-sufficiency.

The NAACP maintains that Senators who are calling for welfare reform should back efforts to increase the minimum wage since, as a practical matter, the current minimum wage is a disincentive to working and an incentive to remaining on welfare.

For all of these reasons, we strongly urge you to vote in favor of S.413 when it advances to a Senate floor vote in the next few days. Thank you for your consideration of our views.

Sincerely,

WADE HENDERSON,
Director.

NATIONAL URBAN LEAGUE, INC.,
Washington, DC, March 19, 1996.

DEAR SENATOR: The National Urban League believes that raising the minimum wage is an eminently sensible step. It would mean affirming a pro-work, pro-family stance that should be welcomed by all who believe work should be rewarded and that ways must be found to boost the eroding incomes of low-wage workers. The Senate can take immediate action by passing the legislation that would raise the minimum wage from its current level of $4.25 to $5.15 an hour over two years.

The prevailing minimum wage has now reached its lowest level in 40 years. Erosion of the minimum wage is a major factor in the sharp decline in the living standards of the poorest families. A person who works full time—40 hours per week, 50 weeks per year—at the current Federal minimum wage brings home only $8,500 for an entire year's work.

Contrary to the assumption that the prime beneficiaries would be affluent teenagers, studies reveal that only a tenth of minimum wage workers are teenagers in families with above average incomes. The typical minimum wage worker is an adult woman who works full time or more than twenty hours weekly. Seventy-six percent of the benefits of the increased minimum wage would go to families with below average incomes. And over a fourth of those low wage workers are black and Hispanic, therefore the impact of a higher minimum wage would have an immediate impact on minority purchasing power.

Raising the minimum wage should get bipartisan support as a way to help poor families raise their living standards and as a way to close the income gap that threatens American ideals of fairness and equality.

Sincerely,

HUGH B. PRICE,
President and Chief Executive Officer.

NATIONAL HISPANA LEADERSHIP INSTITUTE,
Arlington, VA, March 18, 1996.

DEAR SENATOR: The National Hispana Leadership Institute represents over 200 professional Hispanic women from throughout the United States who are leaders in their communities. These women are directors of non-profit and government agencies, political appointees, elected officials and corporate employees.

I am writing on their behalf in support of the minimum wage increase to $5.15 over the next two years. Statistics indicate that: (1) six out of ten workers earning the minimum wage or less are women, (2) overall, more than half of low-wage women workers are mothers; of these nearly half are the sole wage earners in their families, (3) in 1995, a single mother with two children earning the minimum wage, full-time, year round earned $8,840 annually, 27 percent below the poverty line for a family of three. The statistics noted here are even worse for Hispanic women.

It is time that this country began to take care of its families and children. Corporate profits and the salaries of CEO's continue to rise while Americans are laid off work, employee benefits cut and government services curtailed. The gap between the rich and the poor continues to increase; the rich get richer and the poor get poorer. What does that mean for the future of our country?

I urge you to vote in favor of the minimum wage increase.

Sincerely yours,

NANCY LEON,
President.

LEADERSHIP CONFERENCE ON CIVIL RIGHTS,
Washington, DC, March 19, 1996.

DEAR SENATOR: The Leadership Conference on Civil Rights, a coalition of 180 national organizations representing minorities, women, persons with disabilities, older Americans, labor, gays and lesbians, religious groups, and minority businesses and professions, would like to express its strong support for legislation that would raise the minimum wage to $5.15 per hour.

As you know, Congress enacted the minimum wage to protect working families against poverty. However, a single mother with two children who works full time at $4.25 per hour will find that her family remains trapped nearly 30 percent below the federal poverty level. Thus, a permanent underclass is maintained. It is incumbent upon the United States Congress to raise the minimum wage and improve the quality of life for low income workers.

A minimum wage increase would benefit many American workers. More than 12 million workers would benefit directly if Congress raised the minimum wage to $5.15 per hour, and several million more who earn slightly more than $5.15 per hour would experience an increase from the ripple effect that results when the minimum wage is raised.

The last minimum wage increase in 1989 received strong bipartisan support. The Senate passed the increase by a vote of 89 to 8, and the House by a vote of 382 to 37. It was signed into law by President Bush.

The Leadership Conference strongly urges you to vote for legislation to raise the minimum wage to $5.15 per hour.

Sincerely,

RICHARD WOMACK,
Acting Executive Director.
DOROTHY I. HEIGHT,
Chairperson.

MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND,
Washington, DC, March 19, 1996.

DEAR SENATOR: The time has come to raise the minimum wage to a living wage. On behalf of the Mexican American Legal Defense and Educational Fund (MALDEF), I urge your support of S. 413, a proposal to raise the minimum wage to protect the nation's working families.

Today's minimum wage is at its lowest value in forty years. During this time, the purchasing power of the minimum wage has fallen to its second lowest level. The effect has been devastating to many American families, but particularly worse for Latinos. Because Latinos represent 17% of the minimum wage work force, this decline in the value of work has a severe impact on our community. Latino families are more likely to live below the poverty line, and Latino children are twice as likely to be living in poverty than non-Hispanic children.

By moderately raising the minimum wage, we will all benefit. Over a dozen empirical studies have shown that an increase in the minimum wage would not have a negative impact on employment. Instead of having the largest wage gap of any industrial country, Congress can act to keep jobs while protecting American working families against poverty.

Help lift families out of poverty and improve the lives of over 11 million American workers now dependent on minimum wage jobs. Please support S. 413.

Sincerely,

ANTONIA HERNANDEZ,
President and General Counsel.

MIGRANT LEGAL ACTION PROGRAM, INC.,
Washington, DC, March 18, 1996.

Re Minimum Wage Increase (S. 413).

DEAR SENATOR: We are writing to urge you to support S. 413, which would aid America's working families by increasing the minimum wage from $4.25 to $5.15 per hour.

If the minimum wage were to stay at its current level, it would be at the lowest level in real (inflation-adjusted) dollars in the last 40 years. The real value of the minimum wage is now 27% lower than it was in 1979, and has fallen 45 cents in real value since its last increase in April 1991. The last minimum wage increase—also 90 cents—garnered strong bipartisan support. That increase was passed by votes of 382 (including 135 Republicans) to 37 in the House and 89 (including 36 Republicans) to 8 in the Senate. Both Senator Dole and Representative Gingrich voted in favor of that increase.

Empirical evidence shows that this proposal can increase wages without costing jobs. More than a dozen studies have found that moderate increases in the minimum wage do not have significant effect on employment. These studies include state-specific research that shows that large state increases in the minimum wage did not result in significant job impacts. As Nobel Laureate Robert Solow stated, "[T]he evidence of job loss is weak. And the fact that evidence is weak suggests that the impact on jobs is small."

The Migrant Legal Action Program works on behalf of the millions of migrant and seasonal farmworkers in the United States. An estimated 1.65 million farmworkers would benefit from the proposed minimum wage increase. Despite their critical role in providing stoop labor to prune, tend, harvest, and pack our nation's fruit and vegetables, migrant farmworkers are among the most impoverished and exploited populations in this country. At least two-thirds of all migrant farmworkers live below the poverty line. The majority of migrant farmworkers earn on average $4.47 per hour. Research indicates that an increase in the minimum wage of $5.15

would have a "ripple" effect, raising the wages of farmworkers who earn within 50 cents of the new minimum wage. Thus, a rise in the minimum wage would be a significant boost to the standard of living of migrant farmworkers.

We strongly urge you to support Americans' low-wage workers, including farmworkers, by voting in favor of S. 413.

Sincerely,

ROGER C. ROSENTHAL,
Executive Director.

Mr. KENNEDY. Mr. President, excerpts from the excellent statement from the NAACP state:

> It is clearly a step in the right direction to improve the income and the quality of living for all Americans through an increase in the minimum wage. This is particularly true for African Americans, who disportionately constitute a large segment of minimum wage earners with below poverty level incomes. . . For all of these reasons, we strongly urge you to vote in favor of S. 413 . . .

"The National Urban League," the same, "believes that raising the minimum wage is an eminently sensible step. It would mean affirming a pro-work pro-family stance that should be welcomed by all who believe work should be rewarded * * *."

This continues with the National Hispanic Leadership Institute: "It is time that this country began to take care of families and children."

This is a women's issue. It is an issue of justice. It is a children's issue. Mr. President, it is a family issue—a family issue.

I will not take the time of the Senate now to recount the stories that we heard during our forums on the increase in the minimum wage, where we find a father and a mother not just having one minimum wage job, but each having two minimum wage jobs—two minimum wage jobs. When they testified or told us about their life's experience, they did not complain about working hard. They did not complain about backbreaking hours or hard, difficult, dreary work that is repetitive in so many ways. They did not complain. Their principle complaint was they did not have enough time with their children, that they did not see their children together, that the only time they see their children together is perhaps for a few hours on a Sunday. They always saw their children apart. We heard that time in and time out, Mr. President.

I hope we will not hear a lot of arguments about families, which we always do, and then when we have something that can make a real difference in terms of families, we find opposition to it. This is a families issue. It is a mother's issue, a child's issue, an issue of justice and fairness, an issue of identifying and rewarding work. It is family issue, and it is an economic issue for the reasons I outlined, in saving the taxpayer.

It goes on, Mr. President. Another letter, from MALDEF:

> The time has come to raise the minimum wage to a living wage.

Mexican American Legal Defense and Educational Fund, the Leadership Conference on Civil Rights, Migrant Legal Action Program, all excellent letters. I hope those who come out in opposition, who say, "We do not want to see a great dislocation of jobs," this opens an opportunity for minorities, blacks, and browns. The organizations that speak to them and the individuals that speak on this issue overwhelmingly support an increase.

Nowhere in America is there higher support than among those that are receiving the minimum wage, even when all the arguments are made, and I think inappropriately, about the dangers to those individuals—their jobs. I will come back to that issue.

Mr. President, this is a public health issue, as shown in a recent study by the Harvard School of Public Health and published in the British Medical Journal. Income inequality is a major public health problem. Measures such as raising the minimum wage, reducing the gap between the rich and poor will have a beneficial impact on the Nation's health. Findings show that reducing the income gap is correlated with mortality, even after adjusting for age and smoking. It is especially correlated with infant mortality, coronary heart disease, cancer, homicide, higher mortality from treatable diseases. One striking result is that the relationship between income inequality and mortality rates remained even after controlling for poverty. Greater income inequality was actually correlated with increased mortality rates for all income levels, not only for the poor.

So, Mr. President, for those that are opposed to the position we have advanced here this afternoon about what the impact of this is going to be on employment, we have included the series of studies on the impact on employment. I will come back to those issues in just a few moments, but these are some of the most recent studies, seven recent minimum wage studies on the impact of our increase in the minimum wage and what it would have on employment. These are the subjects of the study: New Jersey, Pennsylvania fast food restaurants, minimum wage raised to $5.05 in April 1992; increase in the wage, 11 percent. Did employment go down? No, employment goes up.

Right across the chart, Texas fast food restaurants, minimum wage rises to $4.25 in 1991. Mr. President, Texas has one of the highest numbers of people that would benefit with this increase in minimum wage. Wages go up 8 percent, and employment up 20 percent.

It goes on. California teenagers, minimum wage rises in 1988, 10 percent in wages, employment up 12 percent. Cross-State teenagers, cross-State workers with low-predicted wages from 1989 to 1992—we see the numbers constantly go up. And you can say, Mr. President, even the study with the 101 economists, 3 Nobel laureates, in their study—I am referring now to the leading economists for the higher minimum wage, Nobel laureates, with 101 signers of a statement backing a 90-cent hike over 2 years. I will include the whole statement on it. It is only 2 pages long. It says:

> Most policies to boost the income of low-wage workers have positive and negative features. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives . . . For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.
>
> We believe that a Federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost to the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a 2-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

I ask unanimous consent that the entire document be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Center on Budget and Policy Priorities, Oct. 2, 1995]

LEADING ECONOMISTS CALL FOR HIGHER MINIMUM WAGE

THREE NOBEL WINNERS AMONG 101 SIGNERS OF STATEMENT BACKING 90-CENT HIKE OVER TWO YEARS

An eminent group of economists—including three recipients of the Nobel Prize in Economics—have endorsed an increase in the federal minimum wage in a statement released today.

Among the 101 signatories of the statement are seven past president of the American Economics Association and experts in disciplines ranging from labor markets and industrial relations to income distribution and poverty. Their statement was released by two Washington-based research organizations, the Center on Budget and Policy Priorities and the Economic Policy Institute.

The statement notes that "After adjusting for inflation, the value of the minimum wage is at its second-lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s . . . " The purchasing power of the minimum wage reached its lowest level right before the last increase in 1990.

"We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities . . . Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor, market, affected workers and the economy would be positive," the economists' statement continues. (Such an increase has been proposed this year in both the Senate and the House of Representatives.)

The statement's release comes as Congress is actively considering reductions in the

Earned Income Tax Credit. Workers who are affected by a stagnant minimum wage are in large part the same people who would be hurt by proposed EITC cuts.

Opponents of a higher minimum wage sometimes claim that economic opinion is settled against any increase. The statement shows that this claim is inaccurate; there is substantial support within the Economics profession for a moderate increase.

The three Novel winners backing the minimum wage increase are Kenneth J. Arrow of Stanford, Lawrence R. Klein of the University of Pennsylvania, and James Tobin of Yale. Each has served as president of the American Economics Association. The other AEA past presidents signing the statement are Moses Abramovitz of Stanford, Robert Eisner of Northwestern, John Kenneth Galbraith of Harvard, and William Vickrey of Columbia.

STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

As economists who are concerned about the erosion in the living standards of households dependent on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.

Since the early 1970s, the benefits of economic growth have been unevenly distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.

In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s—as well as updates of the traditional time-series studies—suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.

Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly, jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

Mr. KENNEDY. It is not only these economists and others. I was interested in Business Week not long ago, May 20, 1996—I will include this in the Record—a commentary on "Minimum Wage Argument You Haven't Heard Before." This is Business Week. We all hear a lot about the AFL–CIO supporting the increase. Here is a very interesting thing. We have the economists, and you have DRI, the econometric study up at the Wharton School, one of the most respected computer analyses in terms of economic forecasts estimated. The most they saw would be a 20,000 job loss for the minimum wage.

So you are talking negligible. You have other studies in here. There is the New Jersey-Pennsylvania study, which showed that it increased employment because people not in the wage market saw that they could get a livable wage and went back in. So the total number of workers that were working increased. Therefore, their taxes for their local communities, State and Federal increased as well.

Mr. President, in this "Minimum Wage Argument You Haven't Heard Before"—I will include it all—it says:

As long as it's not overdone, lifting the minimum wage may create overall economic gains that outweigh any short term job loss. In fact, if it keeps productivity rising, slowly boosting labor prices may actually be good for the economy in the long run. "Most economists oppose the minimum wage because they haven't thought through the connection to productivity," says Northwestern University economist Robert J. Gordon.

If this argument is correct, raising the minimum wage might not hurt the economy and could even pay for itself. Economists have preached the virtues of productivity growth since the Luddites and before. But the extra efficiency lowers prices, so consumers buy more goods and expand output—and the economy gains in the long run.

". . . If raising the minimum spurs technical innovations, it could make a real difference in productivity and leave the economy better off," says David B. Neumark, a Michigan State University economist.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Minimum-Wage Argument You Haven't Heard Before

(By Aaron Bernstein)

Most economists dislike the minimum wage for a simple reason: Raise the price of anything, whether it's lettuce or labor, and buyers can afford less of it. Such elementary logic convinces economists that jacking up the wage floor prices some workers out of a job.

But there's more to the subject than that. Because the relative prices of labor and capital influence corporate investment decisions, minimum-wage levels may affect productivity. If pay rates fall, employers have a greater incentive to buy labor instead of new technology. As a result, productivity growth, the key to higher living standards, slacks off. By the same token, raising pay can spur efficiency.

PAY FOR ITSELF?

As long as it's not overdone, lifting the minimum wage may create overall economic gains that outweigh any short-term job losses. In fact, if it keeps productivity rising, slowly boosting labor prices may actually be good for the economy in the long run. "Most economists oppose the minimum wage because they haven't thought through the connection to productivity," says Northwestern University economist Robert J. Gordon.

The best way to see his point is to look at productivity growth, which has slumped to about 1% a year since 1973 from 3% in prior decades. One reason for the decline is the shift in prices of labor and capital, says Gordon and other economists. Baby boomers and women flooded the economy with cheap labor in the 1970s, they argue, and then the prices of capital exploded in the 1980s, when interest rates went through the ceiling. The result: Employment boomed in low-wage service industries, but productivity sagged as new technology became more pricey. "This is one possible explanation for the slowdown in technological progress," says Paul M. Romer, a productivity expert at the University of California at Berkeley.

If this argument is correct, raising the minimum wage might not hurt the economy and could even pay for itself. Economists have preached the virtues of productivity growth since the Luddites and before. Yes, jobs are lost when employers swap technology for labor. But the extra efficiency lowers prices, so consumers buy more goods and expand output—and the economy gains in the long run. Economists applaud fast-food chains that install automated french-fry cookers and lay off workers. Why should the result be different just because the employer was jolted into action by higher labor costs?

Of course, a minimum wage pegged too high would be a problem. A minimum of $13 an hour, say—the average wage for the economy as a whole—would be a disaster. Everyone still working would be in high-wage, more productive jobs, so the economy would produce more per worker. But half the workforce would be unemployed, so total output would collapse.

EDUCATION

One solution: peg the minimum wage to a fixed percentage of average wages. That way, employers have a steady incentive to search out the most efficient methods of doing business. Yet the incentive isn't likely to become a hurdle that companies can't figure out how to overcome. "If raising the minimum spurs technical innovations, it could make a real difference in productivity and leave the economy better off," concedes David B. Neumark, a Michigan State University economist who writes on the minimum wage.

Neumark and other skeptics still oppose an increase, however, because they doubt that the economic gains would materialize. Their fear: some low-skilled workers will never work again. If so, efficiency gains might not offset the output lost from their labor.

That's why setting a wage floor in today's high-skills economy must be combined with policies aimed at helping young people—who comprise half of all minimum-wage workers—to complete their schooling or vocational training. "Yes, raising the minimum would lift productivity,but then you have to help those on the bottom to keep up," says Harvard University economist Dale W. Jorgenson.

A rising wage floor may boost living standards. It also ensures that low-wage workers aren't left behind. That's good for the economy and society alike.

Mr. KENNEDY. Mr. President, something that I think may have had some impact over the history of these debates on the increase in the minimum wage is that we found that Republican Presidents like General Eisenhower, President Nixon, and George Bush all supported increases in the minimum wage. That is why so many of us are startled by the fact that there has been such extraordinary opposition to this whole effort to get an increase in the minimum wage.

For the reasons I have outlined here before, Republican Presidents have supported this. In 1989, Speaker GINGRICH AND BOB DOLE supported it. Yet, we have had this extraordinary difficulty in gaining support for an increase in the minimum wage.

Now, Mr. President, let us take not just the studies that have been done in reviewing past increases, but let us take the most recent examples of increases in the minimum wage and what happened in the States that have seen some increase in the minimum wage. State experiences also prove that minimum wage does not kill jobs.

Both Vermont and Massachusetts raised their State minimum wage to $4.75 in January of this year, while our neighbors in New Hampshire and New York did not. What happened since then? Have we lost jobs in Massachusetts and Vermont? Far from it. Since January, when these States raised their minimum wage, unemployment in both Massachusetts and Vermont has fallen. We have not lost jobs, we have added them. In fact, unemployment fell where the minimum wage was increased and rose where the minimum wage was frozen at $4.25.

Giving working Americans a living wage will not cost jobs. Making all employers pay a living wage will not cost jobs. The minimum wage law in Massachusetts does not exempt businesses with sales of $500,000 or less, and neither does the minimum wage law in Vermont.

Is the minimum wage a serious problem for small business? No, it is not. The studies cited by the Small Business Administration show that only 7 percent of small businesses consider the minimum wage a critical problem. Even a survey prepared by the National Federation of Independent Businesses, which every Member of this body knows is such an advocate in terms of small business, ranked the minimum wage as 62d in importance—62d in importance—out of 75 issues.

Another study, funded by the NFIB Foundation, revealed that even among the smallest of small business—those with less than 10 employees—only 6 percent considered the minimum wage a critical problem.

So, Mr. President, you can see that the States in the most recent times this year that have increased the minimum wage have not lost employment. The results are very similar to what the various studies have shown, that in a number of instances—not all, but in many instances—the increase in the minimum wage has attracted more people into the job market.

You have the outstanding economists that have recognized that an increase in the minimum wage would have effectively a de minimus, negligible impact in terms of the job market. DRI, one of the most respected econometric models, has found that in this most recent analysis that it is a virtually negligible loss of employment. And you find that the States have actually seen an increase in the minimum wage in the last several months. They have not seen a decline in the employment. They have actually seen an increase in the total number of employment.

Mr. President, we are all aware of the stark disparity in compensation in the workplace. The news is full of stories about huge compensation packages for CEO's, and a recent study done by Pearl, Meyer & Partners, a New York compensation consulting fund, found the compensation of CEO's in 30 major companies was 212 times higher than the pay of the average American worker.

Again and again, the financial pages tell the story of the shocking disparity between CEO compensation and pay for the average employees. On April 9, for example, a Washington Post study reported the $65 million compensation package for the CEO of Green Tree Financial Corp.

On that same day the Wall Street Journal published an 18-page section devoted solely to executive pay and the way it has risen through the roof. High-flying executive wages have risen through the roof. High-flying compensation packages like these are increasingly common, and they stand in stark contrast to the minimum wage that has been stuck in the basement for the last 5 years.

Mr. President, one of the groups that is strongest in opposition to the increase has been the food industry and restaurants which have developed a special provision in this Republican proposal as well so they effectively can circumvent any increase in the minimum wage, even though half of the women who work in restaurants across the country take on average $250 home a week. With their dependents you see that they are well below the poverty program. The restaurant industry has been able to carve out their own kinds of protection on it. We have gone through that. I will either take time tomorrow, or later to go through this in greater detail.

But I was particularly interested in looking through the compensation for those in the restaurant industry. What you find is this extraordinary explosion and increase in the salaries of those in the restaurant industries. They have increased dramatically, and no one is begrudging that they are doing very well in terms of the payments. But I daresay it is not very convincing when we hear about the problems the restaurant industry is having, and we see the total work force increasing, the profits going up, and the increase in the CEO's of these various food chain and food restaurant chains—low-wage fast-food restaurants—that are the strongest in opposition to this. We see that their salaries and compensation is going right up through the roof in spite of the fact that by and large most of them have had very, very substantial profits over the period of these recent years—significant profits; dramatic increase in the compensation of the CEO's; and effectively blind opposition to any increase in the minimum wage.

Mr. President, I will maybe go into that in greater detail as we have a chance to go through the debate.

Our Democratic Senators say raise the minimum wage. Our Republicans say let them eat cake. At best the last minimum wage was a very minimum wage. The minimum wage which you can have is effectively the minimum-minimum wage.

What possible rationale can there be for forcing millions of Americans to continue to work, as everyone knows, for wages so low that they cannot support a family? Republicans say the reason is to save jobs. But the fact is the modest increase we are proposing will not cause job loss and may even lead to an increase in employment.

One reason for that result is reflected in the analysis that Salomon Bros. recently released in a U.S. Equity Research Report of April 22, 1996. Salomon Bros. predicted that retail businesses would benefit from an increase in the minimum wage due to the enhanced purchasing power.

This is not a publication by the AFL–CIO. Here is Salomon Brothers' study of April 22, 1996.

> We believe that many retailers, especially discounters, would benefit from an increase in the minimum wage due to the enhanced purchasing power you create for many lower income consumers.

It is interesting that that concept has finally been accepted. Henry Ford understood it at the very beginning of the production of Fords. He understood that the only way he was going to sell his product was to give a decent enough wage so his workers could afford it. That is a lesson that we are coming back to.

So, Mr. President, we have other reasons from the business community that has indicated what their assessment about the impact of the minimum wage is.

So when we come out here later on this afternoon and tomorrow and say, "Well, enormous job loss, inflation loss," the best estimate is that the impact of inflation is one-tenth of 1 percent.

Mr. President, in spite of the sensible studies like this, The National Restaurant Association claims that a minimum wage increase would be a job killer even though the restaurant industry has seen enormous employment growth since the last minimum wage. In fact, the actual experience of the restaurant industry shows the minimum wage increase would be good for business and good for the economy. For 3 years, before the two-step minimum wage in 1990–91, employment growth in the restaurant industry was falling along with the real wages of minimum wage workers. Restaurant industry growth in employment growth fell from 3.1 percent in 1987 to 2.8 percent in 1988, 2.3 percent in 1989, and 1.7 in 1990.

This is the decline in the growth of, annual employment growth, "Eating and Drinking Establishments." It is very interesting that it was in 1990 when the minimum wage went in, in 1991. After the last minimum wage actually went in, we see this dramatic increase in terms of employment. Nonetheless, we just had an enormous 800,000 new jobs in the industry from 1991 to 1995. That is what our Republican friends call "job killing."

I say let us have more of it.

With respect to the Republican proposal for the small business subminimum, it is critical to remember that the last minimum wage increase took effect 5 long years ago. The coverage was expanded at the time to include employees and small restaurants who formally had been excluded. According to the Republican dogma, that expansion should have compounded the job killing effect of the increase. But it did not. Instead, the restaurant industry has enjoyed greater job growth, record profits, mind boggling increases in CEO pay. A subminimum wage is not needed. Small businesses do not need it, and their employees do not deserve that harsh and unfair treatment.

It is no wonder that America is growing apart as a Nation when so much effort is being expended to help those at the top of the ladder while ignoring the families at bottom of the ladder.

By lifting families out of poverty, an increase in the minimum wage of $5.15 an hour has additional benefits to society in terms of saving expenditures under the safety net.

Regrettably, our Republican colleagues continue to try to do all they can to undermine a fair increase in the minimum wage. At every turn, wherever they can, they take away the protection of minimum wage from various groups of workers and delay increases. That is what they try to do. Their goal is to see that any bill that passes leaves us with the result that more people are hurt than helped by the legislation. And that is what the Republican amendment would do.

First, they want to put off any raise until January 1, 1997, at the earliest. That means for another 6 months minimum wage workers will go without a raise as they already have for more than 5 years. They will be denied approximately $500 more in additional pay they would receive over the next 6 months—$500 they could have to buy medicine for children, new school clothes, Christmas presents. Surely our Republican colleagues must find this kind of meanness embarrassing.

Next, the Republican opponents to the minimum wage propose to create a subminimum wage for any worker who takes a job with a new employer. At least the House of Representatives targeted that on teenagers. And then they had a shorter period of time of 90 days. But they had it on teenagers. This is 160 days. And grownups, even if you have been a laid-off skilled worker that has worked for 20 or 30 years, for the first 6 months you are not going to get any increase. Our Republican friends know that about 40 percent of those that get the minimum wage are rotating every year.

So effectively it excludes anywhere from 40 to 45 percent of the total individuals that would be eligible for a minimum wage increase. At least they are true enough more than the last time in 1989 when they called this job training, except there was no requirement that any worker get an hour of training or an hour of education—no requirement on the employers at all. They just say that we need to have them have job training and education on that program because there was no requirement at all that they have it. Now we are talking for a period of 6 months. If you move from one job to another job, which so many of the workers do, you would be excluded. You come to the second job, and you start off there. They say for 6 months you do not get an increase above $4.25. Does not anyone think that might be an incentive for the employer to dismiss those workers? Of course, it will be. Of course, it will be.

I hope our Republican friends will talk to that issue. It will be an additional incentive to dismiss those and hire some others for the $4.25 and save themselves 20 or 22 percent on the employment of those people. But the American people are beginning to understand this issue, and hopefully Senators will reflect their views tomorrow when we will vote on this issue.

What they call an "opportunity" wage is really only an opportunity for the employer. It is not an opportunity for the employee. It is an opportunity for the employer to say that after 6 months you are dismissed, and I am going to bring somebody else in here and pay them $4.25. That is what the opportunity wage under the Bond amendment is really all about.

Mr. President, people that will be hurt most by this are the downsized, the laid-off workers who cannot find jobs equivalent to the job they lost. Not only will they endure the indignity of having their wages fall to the minimum, they will find themselves falling to a subminimum wage as well.

This past year has been a time of economic expansion and relative prosperity for the economy as a whole. But again and again, we see stories of white- and blue-collar workers laid off after long careers in good jobs. Many of these workers have found themselves forced to accept minimum-wage jobs after being laid off by a downsizing employer.

The Republican answer to their pain is to make it even more painful so that these workers fall even further and suffer even deeper financial loss.

Minimum-wage jobs are the least skilled jobs. They are jobs for which little or no job training is needed—at most, a few hours or days. Yet, the Republican amendment doubles the duration of the subminimum wage in the House bill, from the 90 to 180 days—far beyond any reasonable training period or tryout period.

There is no good reason for this harsh proposal.

What they have done is to say, look, we have the opportunity wage of 180 days, 6 months. So that will affect probably 40 percent. Then we cut out the restaurant industry employees from being able to participate. That is going to be another several hundreds of thousands of workers. And then they delay the implementing date. That is going to save the industries hundreds of millions of dollars in terms of wages paid out. Gradually through all of this, with the larger carve-out of any small business under $500,000—and those could be as high as 10 million—if you put all of these together, they will be able to say, look, we voted for an increase in the minimum wage.

The American people are going to understand that that is basically devious, deceptive and demeans, I think, any argument that they are basically for any increase for these working families. Rather than just give us an opportunity to vote on this up and down, no, we cannot. We will have an opportunity, but it will certainly be clouded by this attempt to try to say, look, you can have it both ways. You can have a vote for the minimum wage, and yet you will also protect these various special interest groups. In fact, in the real Republican view, the only good minimum wage is no minimum wage. They would repeal it if they could.

It is so interesting to me that in the period of these past months we have seen the attempts to dismantle the Medicare Program, the assaults that have been made on Social Security, and they have been made on Social Security, although our Republican friends will not say it, because Medicare is a part of Social Security; we can point that out, and it has been pointed out during the course of the previous debate and will again on the various budget issues. So they are opposed to Social Security, opposed to Medicare, and opposed to an increase in the minimum wage, those three essential items which have been such lifelines to millions of American families, to working families, to the elderly people in this country who have toiled and worked so hard for a better America.

The subminimum wage in the House-passed bill is bad enough. It applies only to teenagers. Many of the 18- and 19-year-olds need a living wage as much as any adult, especially if they are young welfare mothers willing to work for a living. The notion that they need training for 3 months in jobs like burger flipping or bagging groceries is absurd.

The Senate Republican proposal is even more objectionable because it imposes a longer subminimum wage.

We will, hopefully, have a chance to respond to points that will be raised by our Republican friends in justification of their proposal perhaps later on this afternoon. I have not taken the time of the Senate to go through other provisions of this bill that has been coupled with the small business tax relief. In fact, the benefits of this bill to businesses are enormous. It provides $15 billion in tax breaks to businesses over a 10-year period. For all the time that we have been talking about the deficit, I hope we are going to hear from our Republican friends as to where they are getting that $15 billion.

Sure, we ought to try to provide some help and relief to the smallest businesses that may be affected, but this is $15 billion that someone is going to have to make up somewhere. Someone is going to have to make it up. Add that to the deficit. Add that to the deficit, or at least respect the intelligence of the American people sufficiently to tell us how you are going to offset that. And can anyone believe that business is being hurt, not helped, with this legislation? Yet, the Senate is knee-deep in crocodile tears shed by Republicans who feel that business is being hurt.

Small business can now deduct up to $17,000 in expenses for new investment in a year the investment is made rather than deducting it over the life of the investment as the normal accounting rules require. This bill would gradually increase the deduction to $25,000. It goes on.

The bill opens up a loophole for corporations that we successfully closed in 1993.

In the 1993 reconciliation act, multinational corporations were required to pay taxes on excess profits and cash on hand from their operations in foreign countries. This provision was the first step needed to close the runaway plant loophole, and it reduced the tax incentives that encouraged U.S. companies to move jobs overseas. That was closed down in 1993, and it is being reopened again—a provision that will provide tax incentives to move American jobs overseas.

This bill provides tax breaks for business owners who run convenience stores with gasoline outlets. It provides tax breaks to banks and investment companies, tax credits to small wineries, helps farmers located in empowerment zones. It goes on. Yet they attempt to deny a fair increase in the minimum wage to millions of low-income Americans. There is no justification for denying even one working American the right to a living wage.

So Senators who preach about family values should practice family values, too. This is our chance to speak to the people who struggle the hardest to make ends meet, to abide by the work ethic, who believe in the American dream of working hard in order to get ahead, yet who find themselves slipping farther and farther behind, no matter how hard they try. We know the hardships they face.

In one family I met last year, the husband works 30 to 35 hours a week at $4.25 for a pizza chain. He works split shifts and evenings. His wife works 40 hours a week at a similar wage. She staggers her work hours so she or her husband can be home to take care of their young children. They have no health coverage. They cannot afford child care, let alone a medical savings account. Because they work different hours, they are rarely able to spend time together, and they worry about trying to save to send their children to college because both of them are still paying off loans for the 1 year of college they attended.

Large numbers of minimum wage workers have similar stories. They are bright, hard-working Americans often with high school educations and dreaming of a brighter future, but they are barely scraping by because the law allows their work to be undervalued and underpaid.

I urge the Senate to do the right thing for them, for the 13 million other Americans who will get a raise if this amendment is approved. Now is the time to make the minimum wage a fair wage. No one who works for a living should have to live in poverty.

Mr. President, I ask unanimous consent, in addition to those articles and periodicals I referred to in my statement, to have printed in the RECORD a "List of Signatories to Economists Statement of Support for a Minimum Wage Increase."

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SIGNATORIES TO ECONOMISTS STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

Aaron, Henry—Brookings Institution.
Abramovitz, Moses—Stanford University.
Allen, Steven G.—North Carolina State University.
Altonji, Joseph G.—Northwestern University.
Appelbaum, Eileen—Economic Policy Institute.
Arrow, Kenneth J.—Stanford University.
Bartik, Timothy J.—Upjohn Institute.
Bator, Francis M.—Harvard University.
Bergmann, Barbara—American University.
Blanchard, Olivier—Massachusetts Institute of Technology.
Blanchflower, David—Dartmouth College.
Blank, Rebecca—Northwestern University.
Bluestone, Barry—University of Massachusetts Boston.
Bosworth, Barry—Brookings Institution.
Briggs, Vernon M.—Cornell University.
Brown, Clair—University of California at Berkeley.
Browne, Robert S.—Howard University.
Burtless, Gary—Brookings Institution.
Burton, John—Rutgers University.
Chimerine, Lawrence—Economic Strategy Institute.
Danziger, Sheldon—University of Michigan.
Darity, William Jr.—University of North Carolina.
DeFreitas, Gregory—Hofstra University.
Diamond, Peter A.—Massachusetts Institute of Technology.
Duncan, Greg J.—Northwestern University.
Ehrenberg, Ronald A.—Cornell University.
Eisener, Robert—Northwestern University.
Ferguson, Ronald F.—Harvard University.
Faux, Jeff—Economic Policy Institute.
Galbraith, James K.—University of Texas at Austin.
Galbraith, John Kenneth—Harvard University.
Garfinkel, Irv—Columbia University.
Gibbons, Robert—Stanford University.
Glickman, Norman—Rutgers University.
Gordon, David M.—New School for Social Research.
Gordon, Robert J.—Northwestern University.
Gramlich, Edward—University of Michigan.
Gray, Wayne—Clark University.
Harrison, Bennett—Harvard University.
Hartmann, Heidi—Institute for Women's Policy Research.
Haveman, Robert H.—University of Wisconsin.
Heilbroner, Robert—New School for Social Research.
Hirsch, Barry T.—Florida State University.
Hirschman, Albert O.—Princeton University.
Hollister, Robinson G.—Swarthmore College.
Holzer, Harry J.—Michigan State University.
Howell, David R.—New School for Social Research.
Hurley, John—Jackson State University.
Jacoby, Sanford M.—University of California at Los Angeles.
Kahn, Alfred E.—Cornell University.
Kamerman, Sheila B.—Columbia University.
Katz, Harry C.—Cornell University.
Katz, Lawrence—Harvard University.
Klein, Lawrence R.—University of Pennsylvania.
Kleiner, Morris M.—University of Minnesota.
Kochan, Thomas A.—Massachusetts Institute of Technology.
Lang, Kevin—Boston University.
Lester, Richard A.—Princeton University.
Levy, Frank—Massachusetts Institute of Technology.

Lindbloom, Charles E.—Yale University.
Madden, Janice F.—University of Pennsylvania.
Mangum, Garth—University of Utah.
Margo, Robert—Vanderbilt University.
Markusen, Ann—Rutgers University.
Marshall, Ray—University of Texas at Austin.
Medoff, James L.—Harvard University.
Meyer, Bruce—Northwestern University.
Minsky, Hyman P.—Bard College.
Mishel, Lawrence—Economic Policy Institute.
Montgomery, Edward B.—University of Maryland.
Murnane, Richard J.—Harvard University.
Musgrave, Peggy B.—University of California at Santa Cruz.
Musgrave, Richard A.—University of California at Santa Cruz.
Nichols, Donald—University of Wisconsin.
Ooms, Van Doom—Committee for Economic Development.
Osterman, Paul—Massachusetts Institute of Technology.
Packer, Arnold—Johns Hopkins University.
Papadimitriou, Dimitri B.—Jerome Levy Economics Institute.
Perry, George L.—Brookings Institution.
Peterson, Wallace C.—University of Nebraska at Lincoln.
Pfeifer, Karen—Smith College.
Piore, Michael—Massachusetts Institute of Technology.
Polenske, Karen—Massachusetts Institute of Technology.
Quinn, Joseph—Boston College.
Reich, Michael—University of California at Berkeley.
Reynolds, Lloyd G.—Yale University.
Scherer, F.M.—Harvard University.
Schor, Juliet B.—Harvard University.
Shaikh, Anwar—Jerome Levy Economics Institute.
Smeeding, Tim—Center for Advanced Study in the Behavioral Sciences.
Smolensky, Eugene—University of California at Berkeley.
Stromsdorfer, Ernst W.—Washington State University.
Summers, Anita A.—University of Pennsylvania.
Summers, Robert—University of Pennsylvania.
Tobin, James—Yale University.
Vickrey, William—Columbia Unviersity.
Voos, Paula B.—University of Wisconsin.
Vroman, Wayne—Urban Institute.
Watts, Harold—Columbia University.
Whalen, Charles J.—Jerome Levy Economics Institute.
Wolff, Edward—New York University.

SMALL BUSINESS EXEMPTION

Mr. KENNEDY. Finally, Mr. President, an op-ed article in today's USA Today by Jack Faris, president and CEO of the National Federation of Independent Business, perpetuates the fallacy that Congress acted by mistake in 1989 when it increased the small business exemption under the so-called enterprise coverage test, but failed to do so for the so-called individual coverage test. In fact, Congress was well aware of the effect of its actions in 1989. There was no mistake.

Since the beginning, the minimum wage has covered large numbers of workers engaged in interstate commerce, regardless of the size of the firms they work for.

In fact, the original minimum wage, enacted in 1938, contained only the individual coverage test. That coverage was based on the view that Congress had broad power under the commerce clause of the Constitution to protect workers even in the smallest firms, as long as the workers were involved in interstate commerce.

From 1938 to 1961, coverage was based only on that principle—individual coverage—a case-by-case, worker-by-worker analysis as to whether the actual work involved interstate commerce.

At the beginning, the minimum wage also contained numerous exemptions based largely on policy decisions and interest group pressures. In some cases, entire industries or occupations were excluded from coverage. In the years since 1938, the major goals of Congress have been not only to increase the purchasing power of the minimum wage—or at least prevent a decline in its purchasing power because of inflation—but also to reduce the scope of these broad exemptions.

Notwithstanding the numerous industry specific exemptions, Congress never enacted a general exemption for small businesses. Since the beginning, many workers in very small firms have continued to be protected by the minimum wage under the individual coverage test.

In 1961, with the economy having grown rapidly in the years after World War II, and with vastly increased economic activities crossing State lines, Congress changed the definition of coverage of the minimum wage to achieve coverage in a more practical way.

The 1961 act specified that all workers in enterprises with more than a certain level of annual sales would be regarded as engaged in interstate commerce, and would therefore be covered by the minimum wage, whether or not the particular activities of individual workers in the firms involved interstate commerce. This new test of coverage was widely referred to as enterprise coverage.

The sales figure for the standard was set at various levels for various industries. For enterprises comprised exclusively of retail service establishments, the threshold for coverage was set at $362,500. For most other industries, the threshold was $250,000. But for hospitals, schools, public agencies, and enterprises engaged in construction, laundry, or drycleaning, the threshold was zero—all employees in those industries were covered, regardless of the size of their firm.

The addition of enterprise coverage was an expansion, not a reduction, of coverage. It was not a small business exemption from coverage—it was a large business expansion of coverage. It meant that workers in firms with sales above the threshold were protected by the minimum wage, regardless of their personal status in interstate commerce. They were covered, because their employers were involved in interstate commerce.

Under the 1961 act, workers in firms below the specified level of annual sales continued to be covered under the previous case-by-case, worker-by-worker standard, the so-called individual coverage.

One result of the broad increase in coverage by the 1961 act under enterprise coverage was the narrowing of the previous blanket exemption for workers in small retail firms and service firms. Workers in firms below the threshold in those industries for enterprise coverage continued to be exempted from individual coverage, even if they were engaged in interstate commerce. Above the threshold, workers in those industries were covered for the first time by the minimum wage.

That basic dual structure of enterprise coverage and individual coverage has continued since 1961. In 1989, Congress enacted a large increase in the threshold of coverage under the enterprise test—to $500,000 in annual sales. That increase, if enacted by itself, would have reversed the 50-year history of expansions of coverage of the minimum wage, by excluding an estimated 3 million workers from its coverage under the enterprise test.

That reduction in coverage was unacceptable by itself—so Congress offset the reduction by repealing the blanket exemption for workers in retail and service firms under the individual coverage test. For such firms, the pre-1961 case-by-case worker-by-worker test was reinstated. If the workers were engaged in interstate commerce, they were covered by the minimum wage.

In recent years, some, like Mr. Faris, have attempted to argue that Congress mistakenly repealed the blanket exemption for these small retail and service firms. It is clear that some Members of Congress thought they were voting for a blanket small business exemption when they voted to increase the threshold for the enterprise test to $500,000. But those Members of Congress were ignoring the longstanding principle of individual coverage—which the 1989 act did not abandon, and for good reason.

The overall legislative history of the 1989 act makes very clear that Congress intended to repeal the exemption for small retail and service firms. Otherwise, the entire legislation would have made no sense. The large increase in the threshold for enterprise coverage would have meant that 3 million workers were no longer covered by the minimum wage. Repeal of the exemption for small retail and service firms under individual coverage expanded that aspect of coverage by about the same number of workers. That result was intended by Congress, since the expansion of individual coverage offset the reduction in enterprise coverage. Without that fundamental compromise, the 1989 act would never have been approved by Congress.

So I hope my Republican colleagues will reflect again on this legislative history, and reconsider their attempt to reduce coverage of the minimum wage by exempting so many workers from its protection. Those who work for small firms deserve an increase in the minimum wage. They have waited 5 years for a fair increase, and now is the time for Congress to enact it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MINIMUM WAGE

Mr. DASCHLE. Mr. President, I commend my colleague, the senior Senator from Massachusetts, for his excellent remarks this morning in discussing the important issue of the minimum wage.

Harry Truman once said: "Republicans favor a minimum wage, the minimum possible wage." I think that a lot of what was said in the 1940's may be applicable today, with a 1996 twist, which is: The minimum possible wage for the minimum number of people to be affected. That, really, is the debate that we will have today and tomorrow with regard to the Bond amendment.

I want to call everyone's attention to the Bond amendment for what it is and what it is not. The Bond amendment, in many cases and in many ways, could be described as a Swiss cheese approach to the minimum wage; Swiss cheese, because it has so many holes it does not provide for the kind of continuity, the kind of opportunity that everyone ought to have if the minimum wage is to be an applicable national wage.

There are four very specific issues that it addresses in a very harmful manner, for those who are dependent upon the minimum wage. I want to discuss very briefly each of those four this afternoon. Suffice it to say, the Bond amendment is truly a vote against the minimum wage and against working families who depend upon it. It gives with one hand and takes with the other. It uses exemptions, denials, and delays to provide minimum wage increases to a minimum possible number of people. It is a more extreme version of this amendment than what was defeated in the House a couple of months ago.

The Bond amendment, No. 1, effectively denies an increase to all workers for the first 6 months of employment. It does not matter whether you are young or you are old, whether you are working for summer earnings or have to feed a family, whether you are with or without any experience, that provision in the Bond amendment would simply deny, for 6 months of employment, any opportunity to benefit whatsoever from the minimum wage.

The House-passed bill applies the subminimum to workers under the age of 20 for the first 3 months of employment. Already that is an extreme provision in some respects. The Bond amendment is even worse. The high turnover in these jobs is an inevitability, so many workers would never get an increase. I can see in some cases right now where someone will work for 5 months and 2 weeks and then find he or she is going to be left without work because to increase that person's wage would be something the small business owner may not want to do. So, in essence, you are going to get churning of people, regardless of what age they are; working for 5 months and 2 weeks or 5 months and 3 weeks, only to be denied a minimum wage job after that.

I believe most employers are very honest, hard-working people who care a lot of about their employees. But how many unscrupulous employers will there be, people who will find ways in which to avoid the law, avoid paying the minimum wage, avoid living up to their responsibility and find a way to keep people at this extraordinarily low, subminimum level?

The President feels so strongly about this provision alone that he said he would veto the bill if this provision is in the legislation when it reaches his desk.

Second, the Bond amendment denies an increase for any employee of companies with less than $500,000 in annual sales. Mr. President, these companies employ 10.5 million people. They make up two-thirds of all workplaces today. They include not only retail and service establishments, but manufacturing firms as well. Their employees already are denied benefits of most Federal worker protection laws. They earn lower wages, get fewer benefits, and have less job security than virtually anybody in the country. They should not be stripped of their minimum wage protections as well.

Over and above everything else, to say that a worker who only has the option of working in a company with sales less than $500,000, who probably does not get health insurance, probably does not get any other worker protection at the Federal level and probably has less job security, but at the same time now may also be denied even minimum wage protection is wrong. That is extreme, and that is something that we simply must oppose.

A third provision denies any raise to waitresses or waiters or other tipped employees. Right now employers need to pay only 50 percent of the minimum wage, or $2.13 an hour for tipped employees. Instead of maintaining that 50 percent employer payment, the Bond amendment freezes it for all perpetuity at $2.13. We could be here 20 years from now, and if the Bond amendment were to be adopted, anybody who worked in a restaurant would be frozen at $2.13, dependent entirely upon tips for any kind of an increase in a living wage.

This is especially a problem for women, because 80 percent of tipped employees today are women. In 1995, about half of full-time waitresses earned roughly $250 a week, less than the poverty level for a family of three. Just last year, half of the full-time people who worked on tips earned roughly $250 a week. So what we are going to tell all of those people, 80 percent of whom are women, is, "You're going to have to live with a frozen minimum wage at $2.13 an hour for all perpetuity. There isn't any option for an increase. You don't have any opportunity to see your wages increase along with everybody else's. That $250 that you may be getting right now to feed your two kids, well, keep in mind we want to keep you off welfare, we're going to kick you off welfare, we're going to tell you to go get a job, go get child support, get health insurance, go find a way to clothe and house your kids, do all of that, but we're going to freeze your wage at $2.13 an hour."

Mr. President, I cannot believe that this body is prepared to say that. If we want to reward work, if we want to protect families, if we want to find ways to ensure the children are going to grow in an environment that allows a mother to be home at least part of the time instead of getting three and four jobs, staying at home with children instead of working at wages that pay $2.13 an hour, then it would seem to me that they, above and beyond just about anybody else, ought to be entitled to some increase in the minimum wage.

The final thing is, this amendment delays the date of the minimum wage for another 6 months. When the House Members passed their bill, they said it was going to go into effect virtually on Independence Day, on July 4—actually, July 1, a couple of days before Independence Day—in the hopes that maybe some families out there could declare some independence economically, some opportunity to be a little freer than they are right now.

The Bond amendment says, "No, no, that's too fast. If you earn minimum wage today, we're going to ask you to wait until after next Christmas before you're entitled to any increase in the minimum wage. You're not going to get it in July, you're not going to get it by Labor Day, the day we set aside to honor working families. No, we're going to make you wait until after next Christmas. We're going to wait until next January before this wage goes into effect." This is on top of months of delay caused by a Republican filibuster to the minimum wage.

Mr. President, minimum wage workers have gone without a raise now for 5 years. We have had raises. Most people have had raises in this country over the last 4 and 5 years. How remarkable it is that those same people who espouse welfare reform, who want to join with us in providing real opportunities for work, to encourage work, would say that the one thing that would probably encourage work more than anything else, an increase in the minimum wage, is something we just should not do. We should not do it for tipped employees, we should not do it for employees in businesses that have less than a $500,000 gross income, we should not do it for the first 180 days for anybody who is on minimum wage. Regardless of what else happens, we better not even do it until 1997.

I must tell you, Mr. President, I have a hard time understanding the motivation for those who would want to say that to over 10.5 million people—actually close to 14 million workers—in this country. This delay equals the loss of more than $500 in pay, money that could go for the health care and the food and housing that kids are going to need.

Every day on the floor somebody with good judgment and with good reason comes to lament the destruction of the family, comes to lament the destruction of this nuclear core that we think so much about and that we think really is the key to a civilized society. We cannot understand why there are teenagers out on the street making trouble for the rest of society. We do not understand why they lost their values. We cannot figure out why there is an increase in juvenile crime and truancy and all the other problems.

Mr. President, I will tell you why. The reason is because more and more mothers and fathers are forced to leave their homes, unable to take care of their children, because they have three or four jobs they have to hold to make ends meet. That is what this is all about.

So if we are ever going to get back to making sure that the family is protected, making sure those children have core values with which to ensure that they will be productive parts of society, then it seems to me we have to understand that it all starts with the paycheck and whether or not families have the dignity and the opportunity that they must be accorded to ensure that there is some paycheck security in their families.

Minimum wage workers are not what many people think they are. Two-thirds of them are adults; 40 percent are sole breadwinners; 60 percent are women. Minimum wage workers' earnings account for almost half of the families' total earnings today.

So, Mr. President, this is going to be, of all the votes we cast, one of the most critical votes we are going to cast this year, because it sends a clear message out there that we hear you, we know how insecure so many people feel today because of their inability to pay their bills. Not that they are not working hard enough; they are working harder and longer than other families in history. They are making the hard choices about going out and finding another job or staying home and taking care of their children.

America is going to watch this vote. They are going to watch to see whether we vote for the Swiss cheese Bond amendment, the one with all the holes in it, the one that devastates the minimum wage law for the first time in decades, or whether we are going to stand up and say, at long last, America needs a raise after 5 years.

Those who are on minimum wage deserve it. If we want to keep them off welfare, they deserve at least a 90-cent increase. That is all we are proposing here. It is time we do it. Inflation has eaten away 95 percent of the last increase. At the current level of $4.25 an hour, many minimum wage workers who work 40 hours a week do not earn enough to keep their families out of poverty. How sad that is today.

So unless we act, the minimum wage is going to fall to the lowest level in 40 years. This does not have to be partisan. The last time we voted on this it was bipartisan. Six weeks ago, the House voted overwhelmingly in favor of it; 93 House Republicans voted for it. The vast majority, I am told, over 80 percent of the American people, want to see it increased.

This is a chance to do something right. It is a chance for us to stop stalling, to send a clear message to people across this land that we recognize how important your paycheck and your long-term security is, we recognize how important your family is, we recognize that if we are going to urge you to stay off welfare and go to work, that you need a wage to do it. That is what this does. It is important we pass a minimum wage increase. It is important we defeat the Bond amendment. It is important at long last we sign the increase into law.

Mr. KENNEDY. Will the Senator yield for a very brief question?

Mr. DASCHLE. Yes. I will be happy to.

Mr. KENNEDY. Mr. President, I included in the RECORD the statement by the National Retail Federation that was put out on July 1. The National Retail Federation is the largest retail trade association in the country. In their front page they referenced the minimum wage fight in the Senate. They say President Clinton says he will veto the minimum wage increase if it passes, talking about this particular proposal. "Let him." "It is our last chance and best hope for stopping the minimum wage increase this year," referring to the Bond amendment.

So here is the largest retail association saying effectively that the best way to stop any increase in the minimum wage is to support the Bond amendment. I have concluded that was really a devious measure in the sense that people want to have it both ways.

This is my question: Whether the Senator would think that the argument might be made to those who support the Bond amendment, well, you can vote for it; it is an increase in the minimum wage. But on the other hand, for reasons that the Senator has outlined so well this afternoon, effectively it gives with the one hand and takes away with the other hand.

I am just wondering if this is really the purpose: Our best chance and best hope for stopping the minimum wage increase this year. Here is the largest retail organization making this clear statement. We ought to call a spade a spade and say that effectively the Bond amendment is really an effort to stop and halt any increase to the minimum wage. That would be the result of it were it to pass. So the vote would be very clear in terms of who is on the side of working families and who is not. I am just wondering what conclusion the Senator from South Dakota would reach on that.

Mr. DASCHLE. Mr. President, if I could—I will use whatever leader time I may require. I know our time runs out at 2 o'clock. Given the fact no one else is here at this point, I will use leader time to the extent necessary to respond to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator may use his leader time.

Mr. DASCHLE. The Senator from Massachusetts is absolutely right. In many respects, I think there are some of our colleagues who would like to have it both ways. They would like to say, "Yes, I voted for a minimum wage increase," but then go tell some of their business constituents, "But really I didn't. I really didn't. This is not a real minimum wage because we exempt virtually everybody."

I was home last weekend, and I just took my own poll. I asked retailers, I asked people in just about every line of business I could find in South Dakota, "What do you think? What do you think about raising the minimum wage? Is this something that you oppose? Would this hurt you badly? What are your thoughts?"

I was amazed, just amazed at the level of sophistication, about the compassion, about the recognition of the importance of this issue, about how troubled many of our employers are in watching their employees try to make ends meet by holding down two and three jobs, because they know that one job is not going to be enough.

One employer told me, "You know, TOM, I really don't know how these employees do it today. I go home and I watch the baseball game at night when I finish work. Some of my employees go to their second job. And their spouses are already at a second or third job. I don't know, but more and more I'm seeing their kids out in the streets because I know they're not home taking care of them."

I had an employee tell me the only dinner—the only dinner—they have together is after church on Sunday once a week. The whole family now gets together for dinner once, on a Sunday, because they have no time during the week, no time because everybody is working even harder carrying out second and third jobs. As a result, the kids cook for themselves. The kids are doing whatever they have to. Hopefully they are doing their homework.

But, Mr. President, that is exactly what we are trying to talk about here. We are trying to address a real and growing problem. If we are serious about family, if we are serious about trying to keep them together and teach our youngsters values, who is to do it if the family is not together? Can you teach all the values that you have to share with a young person growing up on a Sunday after church? I do not think so.

So, while some of our colleagues would like very much to be able to say, "I voted for a minimum wage," but then secretly, "I voted to gut it," let me tell you, there are a lot of business people, at least in South Dakota, who see it for what it is, who recognize that we have to do what is honorable here. It is time we recognized that people on minimum wage need more than just $4.25 an hour to survive if they are going to take care of their kids. So I appreciate very much the distinguished Senator's raising the question. I yield the floor.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Georgia, Mr. COVERDELL, is to control the next 90 minutes.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. It is my understanding that for the next 90 minutes, I or my designee have control of that time.

The PRESIDING OFFICER. The Senator is correct.

Mr. COVERDELL. Very good.

FBI FILES AT THE WHITE HOUSE

Mr. COVERDELL. Mr. President, on Wednesday, July 3, which, incidentally, was the cost-of-Government day, which means the last day after which an American family finally quit paying Government—July 4 took on a special meaning because it was not only Independence Day, but because it is the first day a family could keep its own check. But, interestingly enough, in the midst of all the debate, a very interesting editorial appeared in the Washington Post, which characterizes itself as an independent newspaper.

On July 3, the Washington Post said, "FBI Files and the ex-FBI Author." That was the name of the article. It says:

> Controversy swirls around both [these issues], but it ought to be possible to separate the probe of the improperly requisitioned FBI reports by the Clinton White House from the effort to sort out fact from fiction in former FBI agent Gary Aldrich's book about life at the White House.

I agree with this. I agree that the commentary of a popular book ought to be separate from the very, very serious issue of hundreds of our citizens' personal FBI files going to the—hundreds. At this time the current number keeps going up. It started out 300. Then it went to 407. Then it went to 600. Then 700. The last report I have seen is 900. It is almost beyond belief. Both that the White House could request those personal files and that those files could be violated by our own Federal Bureau of Investigation.

The Post says:

> The three probes need to find out if the country has an abuse of presidential power on its hands or whether it is witnessing yet one more White House staff-administered blow to this president's prestige.

Mr. President, for my own part, while there is deep concern about what has transpired at the White House, I think so far the public discourse underestimates what transpired at the Federal Bureau of Investigation. It is beyond my understanding how this many personal files or the data in those files could be copied and so routinely made available to the White House without fire alarms and sirens going off from the front to the back door and all the way to the Director's office. I cannot imagine how this could happen. Now, the Director has said there was an egregious breach of honor between the White House and the FBI, but much more will have to be answered than that simple question.

Mr. President, I see we have been joined by the distinguished Senator from Arizona. I yield up to 15 minutes to the Senator from Arizona for his remarks.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from Georgia both for taking time to get into this matter and also for yielding time to me.

I was perplexed, to say the least, as I sat through hearings as a member of the Senate Judiciary Committee just before the Fourth of July break, hearing testimony from Mr. Livingstone and others regarding this matter of the FBI files. I am going to come back to some conclusions that came out of that hearing and some questions that remain in a moment.

I thought, first, perhaps, it would be useful to discuss generally what we have here. There have been, especially in the time since Watergate, numerous investigations of officials involved in different administrations. To some extent, I think this has been politically motivated. To a large extent, I think it is a process that is important in a democracy, because people need to have confidence in their Government, particularly when people in high places are accused of wrongdoing or there is a potential of wrongdoing. We have established a system whereby an independent kind of investigator or prosecutor called the special counsel is appointed by the Attorney General, with court acquiescence, to investigate matters. There have been prosecutions from time to time in administrations since the Watergate matter that have demonstrated it is wise to have these kinds of special counsel available to look into such matters.

While there may be some politics involved, and certainly Republicans believe there is politics involved in some of the investigations in the Reagan and Bush administrations, and I am sure that some Democrats believe there is glee in Republican ranks to find things wrong now in a Democratic administration, the fact is it is still important to try to get to the bottom of some of these matters, particularly where it goes beyond politics. I think it can be demonstrated with this administration that it has gone far beyond politics, that there has been wrongdoing, and that there are people in this administration that, to say the least, have been ethically challenged.

As a matter of fact, Mr. President, according to an article written by Mary McGrory in the Washington Post,

> President Clinton said that his administration would be the most ethical administration in the history of the Republic.

That was shortly after he was inaugurated. I think history will reveal that this is one of the most ethically challenged administrations in the history of the Republic. This FBI scandal is, frankly, just the latest of the scandals in the Clinton White House. As the Senator from Georgia pointed out, this involves the misuse of about 900—at least that is the number we have so far—900 FBI files.

Going back to reflect on what has occurred earlier in this administration, and again this is not really partisan because if you look at the last three Presidents, President Carter, President Reagan, and President Bush, I think almost all Americans would agree that all three of these Presidents had the highest ethical standards, Carter a Democrat, the other two Republicans. It did not matter what their politics were. I think most Americans believe that all three of them are people of the greatest integrity and repute. To the extent there was any wrongdoing in any of their administrations each one of them had accusations made, they took responsibility, they tried to clean house, and their integrity, I think, remains without question.

In this particular administration, look at what we have. We have first of all, Roger Altman, Treasury Secretary who misled Congress about his discussions of a Whitewater-connected S&L. He resigned. Henry Cisneros, the HUD Secretary under investigation by court-appointed counsel for lying to the FBI. Mike Espy, former Secretary of Agriculture, under investigation for taking illegal gifts. He resigned. Web Hubble, a very close associate of the President and First Lady, Associate Attorney General, has been sentenced to 21 months in jail for mail fraud and tax evasion. William Kennedy, former associate White House counsel, and possibly one of the people involved in the hirings of Craig Livingstone, failed to pay Social Security taxes and resigned. Bernard Nussbaum, former White House counsel, resigned his post after being accused of improper contacts with Whitewater investigators. David Watkins, former White House director of administration, resigned after he used a Presidential helicopter to play golf. Hazel O'Leary, Secretary of Energy, has committees looking after her travel, and though she is still in the job, questions remain. More than a dozen indictments relating generally to Whitewater, most resulting in plea bargains, if not convictions. As a matter of fact, three close associates of the President were convicted by a jury, including the President's hand-picked successor, Gov. Jim Guy Tucker.

Then the Travelgate matter. It was as a result of the Travelgate investigation that the information about the FBI files came out. It was, really, quite by accident. The House committee investigating the Travelgate matter had asked for 3,000 documents, all of which had been denied by the White House, 3,000 documents. Finally, under threat of subpoena and contempt of Congress if they did not comply with the subpoena, the White House agreed to turn over one-third of those documents. It was one of those 1,000 documents that led investigators of the House committee into the FBI file issue, because there was a reference to FBI files having been obtained, I think, perhaps, relating to Billy Dale who was the fired head of the Travel Office of the White House. The rest, as is commonly said, is history.

It was learned first that there were about 300 files, then 400, and as the Senator from Georgia pointed out, it may now be as many as 900 files improperly obtained, most of which were reviewed. It is unclear whether information in those files has been revealed to people improperly. In any event, the mere review of those files was improper, as was the acquisition of those files from the FBI. Also, quite improper was the storage of the files then in the White House, rather than having them returned to the FBI. The fact they were not secure and many people had access to them who should not have had access to them, we do not know yet what might have been done with those files and whether information was copied or used. We may not know for a long time whether information in those files, stored away in somebody's drawer, might later come back to haunt some of the people whose files were improperly obtained.

All of this is beginning to come out. It is not coming out from the White House. It is having to be gathered by the House committee, the Senate committee, the special prosecutor. Just little bits and pieces of information keep coming out. There is no coming clean by this administration, which was going to be the most ethical in history. As a matter of fact, the President originally attributed this whole matter to a bureaucratic snafu. Now, I think one of two things is true, Mr. President, but a bureaucratic snafu is not one of them.

Here is what we know for a fact: A political operative, so described in the press, I am talking about Craig Livingstone, part of his responsibilities in previous campaigns had been opposition research, and part of it had been to cause Republicans traveling around George Bush, I think, in particular, trouble when he stopped at various locations. But Craig Livingstone has had a history in Democratic campaigns of snooping on the opposition, learning facts. I believe it was by his own admission or perhaps he was proud of the fact that he learned things about the Dan Quayle campaign, took them back to the Mondale campaign, and, as a result of that in the debate that Dan Quayle and Lloyd Bentsen had, Bentsen was able to come up with the great line, "You're no John Kennedy," because Livingstone had learned in advance that Quayle was going to compare himself during this debate to John Kennedy.

So here you have a man who has admitted that he is a political snoop—some say dirt digger, but let us use the term that is generally applied, and that is a person skilled in "opposition research," an individual who finds out things about the opposition in political campaigns, a person with no professional security experience whatsoever.

Now, when this administration comes into power, people who have been there through Democrat and Republican administrations, nonpartisan, professional security people, who have been in charge of White House personnel files, to get clearance so that the people who are in the White House are all cleared, are let go. Mr. Livingstone is brought in, and nobody seems to remember who hired him. Nobody can recall. This is the first job this guy has in the White House, and he cannot remember who hired him. I think if I got a job in the White House, I would remember who hired me. But that is another matter.

This person, with no experience whatsoever, certainly not a professional in security matters, is put in charge of what? He is put in charge of the most sensitive material on any American citizen—their FBI file. These are the things which people have had to tell the FBI in order to get clearance. They are the most sensitive things about their history that exist. These FBI files, then, are routinely reviewed by the security office in order to give these clearances. Craig Livingstone is specifically given the job of clearing people for the ability to be in the White House and have access to the White House.

Now, is it a coincidence that somebody who is skilled primarily in opposition research in political campaigns just happens to come across 300, 400, 600, maybe 900 FBI files—almost exclusively of Republicans—and that he then has a friend of his, who also has been involved in this kind of political activity, review those files? Is it just coincidence that a person with that kind of background then begins to conduct this kind of activity? Maybe so. That is one possibility. The other possibility is that he was told to do it and he was following orders. Those are the two possibilities, Mr. President.

There was no bureaucratic snafu because there was no bureaucrat involved. There was a paid political operative involved. One of the things that I think we need to find out is exactly what did Craig Livingstone and Anthony Marceca do when they worked in the various Presidential campaigns that they worked in? Were they involved, as has been reported, in doing opposition research? Why were they hired? Who made the decision to hire them? Why were they hired? People with no security background skills, but very skilled in opposition research—apparently—according to Craig Livingstone's own comments in his hometown newspaper. Why were they hired? Who hired them? What instructions were they given? Were they simply operating on their own? Based upon the information that has come out in the hearings, it is very unclear whether or not anybody gave them instructions. It is not resolved yet. That is an open question. It may be that if you hire a plumber, you will assume he will do plumbing. And if you hire an opposition researcher, the assumption is that he will do some opposition research for you. Maybe there does not have to be an explicit instruction. As a matter of fact, maybe under the doctrine of plausible deniability here, the instructions were given in a wink and a nod so that anybody higher up in the White House could say, "Gee, I never told him to dig up dirt on Republicans. I guess he just did that on his own. We certainly did not ask him to do it."

So it seems to me that one of two things is true. When you hire a political operative, a person who is skilled in opposition research, by his own account, and he happens to gather up the files of the opposition on, in effect, 800 or 900 Republicans, it could be coincidence. That could be true. It could also be that it was intentional. If it was intentional, it was for the purpose of learning information about these people which could later be used for political purposes. There has been a lot of speculation about possible motives. There is no question that Billy Dale, the head of the travel office, was greatly mistreated by this administration. The FBI was brought in to investigate. He was eventually prosecuted and, of course, he was found innocent. But his file was among those requested, and the files were from A to G, and that certainly falls within that area. So it could have been to get information on him, and the rest of the files were used for cover.

It could have been that this administration, intent on learning everything it could about 900 Republicans—there were something like a thousand people who needed access to the White House, who needed clearance, and they had not even complied with the FBI yet so they could be cleared. It was a year or two before many people who needed security clearances in this administration were cleared. It finally became a scandal about this same time. Dee Dee Myers, the press secretary, did not even have clearance. Time after time, people who needed clearance put off interviews with the FBI, refused to give them information. It was not until after this that the GAO did an audit and the White House had to clean up its act and at least get the information together to provide the security clearances for people who required access to the White House.

There is speculation that in order to, in effect, cover for that deficiency and inadequacy, the thought was that if we dig up some dirt on Republicans, that will even it out and there will not be so much heat put on us. Maybe it was simply for future use, or for present and future use. We do not know. We have not gotten answers to some questions yet. Either it was an enormous coincidence, or there was something more sinister behind it.

In either event, it was wrong, and no one has denied that access to these FBI files by people who should not have had access for these reasons was wrong, was unethical and, perhaps, depending upon if IRS material was in the files, for example, was illegal as well.

So let us just conclude with some questions here that I think we are going to need to get the answers to before we make any accusations. I do not think we know enough yet to make accusations. Here are some of the questions I would like to have answered. Let us tie down exactly who hired Livingstone and why. It was, as George Stephanopolous points out, an incredibly loose, informal, and I would say negligent approach to hiring one of the most important people in the White House. He happened to be on board when Kennedy got there and, therefore, they just assumed he should be the guy in charge. So his employment was then ratified. Well, who decided all of that, and on what basis was Livingstone hired as opposed to some professional?

As a matter of fact, the White House had a recommendation before it by the then chairman of the Senate Intelligence Committee, my predecessor, Senator DeConcini from Arizona—a Democrat, by the way. After reviewing the White House security office situation, that committee made recommendations, conveyed by Senator DeConcini, that the White House had to get its act together and appoint a professional, nonpartisan person to head this office. That was not done. As a matter of fact, I have read that letter of transmittal. There was a very nice response back by the then White House counsel, Lloyd Cutler, who thanked Senator DeConcini for the information and said they would get back to the committee after deciding what to do. As far as I know, there was never any further response. It was known that there was a problem here. So, in a bipartisan way, recommendations were made to the White House to clean it up. But it apparently was not cleaned up.

Who discussed this within the White House? Why were the political operatives put in charge of reviewing these files? What activities did Livingstone and Marceca actually perform in the Democratic campaigns of George McGovern, Ed Muskie, Geraldine Ferraro, AL GORE, Bill Clinton, and others? Are these men the political opposition researchers, dirt diggers, spoofs, or whatever you want to call it? Did Livingstone infiltrate the Dan Quayle campaign? Who gave them their instructions and what were they?

Did anyone in the White House ever become aware of any of the information from those files? This information only came to light, as I said, because the House oversight committee was going to subpoena it from the White House. But there are still 2,000 documents that have not been reviewed. There is now an arrangement under which the House committee can look at those 2,000 documents. But they cannot be taken out of the White House possession. What is in those 2,000 documents?

Finally, when the problem was discovered, why did the White House not come forward? Why was Craig Livingstone hired? If it was merely a mistake, as the White House indicated, one would have thought, if this is the most ethical White House in the history of the Republic, that the White House would have come forward and would have said, "We want to find out something here; we want to make everybody aware of it; here is a big mistake; here is what it is." You would have assumed they would have come forward.

One of the suggestions of wrongdoing is there is an attempt to cover up. Certainly in this case there has been an attempt to cover up.

So I realize these are more questions than answers but I think these are the things that we need to get out, and we need to find the answers to. And in this case, unlike the assertion with regard to certain other situations, there is already an acknowledgment by everyone that there was something wrong done. It was a question about whether it was intentional, or just accidental. But clearly it was wrong.

So I do not think we can have the excuse that we should not be spending money to look into this, that there should not be hearings to get to the bottom of it, and so on. Remember that when there is any illegality, or impropriety, or something that is wrong and gives people less confidence in their Government, we need to get to the bottom of it because the essence of a democratic republic, such as ours, is that the people run their government, they have confidence in it, they have trust in it, and when that lags, when that fails, when it frays, then the very fabric of our Government begins to come apart.

So, Mr. President, I commend the Senator from Georgia for having this discussion to bring some of these questions to the floor; to raise some of the questions that we still need to get answers to. And I think it is appropriate, both for this body and for the House of Representatives, to continue the investigation to get to the bottom of the matter so that at a very minimum nothing like this can ever happen again. It is people's lives that have been intruded into here; innocent people. And the power of the Federal Government and of the White House should never be used for political retribution, or to disclose the deepest secrets of any individual for improper purposes.

Therefore, we have every reason, I think, to ask these questions and to try to get to the bottom of this FBI file matter.

Again, I thank the Senator from Georgia for bringing this matter to the light of day.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I want to pay particular compliment to the Senator from Arizona. I believe he has framed the substance of this issue very succinctly, in a way that is most understanding in the phrasing of the questions for which we must resolve. It was exceedingly well done. I want to compliment the Senator from Arizona for his usual form as he deals with this very, very sensitive subject.

Mr. President, I want to go back to the Washington Post editorial that appeared on July 3. They point out that we now have three separate inquiries, or investigations into what went wrong between the White House and the FBI. There is the House inquiry, a Senate inquiry, and, of course, the Justice Department has now turned this matter over to Independent Counsel, Kenneth Starr.

They say:

> The three probes need to find out if the country has an abuse of Presidential power on its hands or whether it is witnessing yet one more White House staff-administered blow to this President's prestige.

Then they go on again to say that we need to separate these probes from the books that are appearing on a regular basis, and I concur with that entirely.

It goes on to say:

> Four days of congressional hearings, however, have yet to adequately explain why hundreds of FBI reports on employees of former Republican administrations ended up in the office of former party operative and now resigned White House personnel security director Craig Livingstone. For nearly two years, sensitive FBI documents were maintained in an office and vault where political advance types, interns and volunteers—without security clearances—could have had easy access to them. What happened to security standards?

This is a question that every American citizen will now want answered, and answered quickly.

Mr. President, we have been joined by the Senator from Montana, and I yield up to 10 minutes to the Senator from Montana.

Mr. BURNS. Mr. President, I thank my friend from Georgia.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Thank you, Mr. President.

Mr. President, we have all come off of a week of vacation with a lot of travel. You get to visit with a lot of people. We think that the whole world is focused in on what happens here in Washington, DC. To our surprise it is not. Maybe that is something to be thankful about.

Mr. President, I am baffled after coming off this vacation that I can be sitting in a committee hearing with CEO's and president's of companies like Netscape, like Microsoft; like all of the companies that have come to be, within the last 10 or 15 years, powerful; and companies in the new technologies that we are using today, listening to these president's and CEO's argue for strong encryption technology that is vital to the future of businesses while at the same moment this administration is apologizing to the American people for the exposure of confidential FBI files—I just find absolutely unbelievable that this kind of snafu could be permitted by and enacted by several of the employees at the White House that have unlimited access to extremely—I say "extremely"—confidential information on hundreds of prominent Americans.

After this incident, it gives me pause. And it might be clear that not only does this President believe in big Government, but, I add, does he also believe in Big Brother? Contrary to popular opinion, Big Brother is probably watching and listening to all of us.

A startling fact revealed this week is that over the last 4 years electronic eavesdropping has increased by 100 percent; from 340 in 1993 to an estimated 700 in 1996. Does that mean that we have more criminal activity? I do not think so. I think in fact that most of the crime figures are going the other way. The 1994 Communications Assistance for Law Enforcement Act mandates that all of the Nation's telephone carriers build special access for Government wiretappers as these new telephone companies develop new digital telephone systems, and that access makes it easier for the Government to listen to just about anybody or anything that they want to.

Right now in this country among the business community—and after the passage of the 1996 Telecommunications Act that allowed this new superinformation highway to be built and to be advanced—we are seeing that information highway used for many purposes: Business creation, national security, communications, and exchanging information. Most of the integrity of that information highway will depend on the kind of encryption or the codes that we can put so that whoever we mail to we make sure that it is for their eyes only and that it has not been monkeyed with or tampered with.

Any of the three is crucial in doing business on today's information highway. It is just like you drive a truck. If you want to ship some goods to Pennsylvania, you use a public highway. That could be called the Internet. What do you do? You lock the truck. The truck gets on the highway, gets off the highway. You want to make sure that your property is protected. That is very essential in this business, this business of high tech and using the information highway.

So basically, we need security through encryption technology to protect our bank transactions, our health transactions—telemedicine is a reality nowadays. We will deliver our medical services via the information highway. Your medical records should be kept secure—Internet commerce; in other words, if you are doing business on the Internet, you have communiques for your people, their eyes only—and, of course, software security.

There is intense international competition in the technology of encryption. So, Mr. President, we do not live in a vacuum. Other countries are developing encryption technology. But American software companies are hurt by the old World War II-type mentality to encryption technology.

Ironically, the only obstacle to creating the safe environment in cyberspace is none other than the White House. The President actually argues it is imperative for Government to keep a decoder key, a decoder key—they call it key escrow—of each company's encryption codes for public safety. I am wondering whose safety they are really looking out for.

This graph sums it up for us. Confidential FBI files and back door gateways to our computers are off limits. It is off limits. People can understand a snafu, but they do not understand when their privacy has been invaded without their knowledge and without them giving authority to look at that information.

If you are having security troubles with confidential paper files, how can the Government be trusted with highly sensitive proprietary encryption codes for multibillion-dollar high-tech companies? I just happen to believe that the American people have real concerns about Big Brother. It is called trust. They just do not trust the Federal Government to have any kind of control over their privacy anymore. And using the FBI to investigate anybody is only the tip of the iceberg when it comes to the potential for corruption in the computer industry.

I have America on my mind today, and I am really concerned about the stand that the administration has taken on encryption. I was in Palo Alto on Monday, a week ago, talking about this very thing and, yes, it is something that we are not allowed to export, an encryption that goes beyond the 40-bit-link standard. We can buy it in this country. We can use it in this country. It is about a $15 billion a year export business that was locking our software production. You can talk about strictly a business deal, but basically we must have encryption if we are to move more things electronically, even for national security.

I urge the President to rethink his position on encryption technology and just support the efforts to protect the privacy of U.S. citizens. I take that very seriously. I think this Government should take it very seriously. And I think the people of this country should have very, very serious concerns with even a little snafu. And it is not a little snafu, folks. It is not little. It is big. And it is just the basis of a free society.

Mr. President, I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Montana. He brings to the Senate floor a unique expertise on privacy in the new technology and I appreciate very much his sharing that with us here this afternoon.

In just one moment I am going to yield to the Senator from Idaho, but returning to this editorial as a postscript of what we heard from the Senator from Montana and a prelude to what we will hear from the Senator from Idaho, it goes on to say, and I quote:

> A deeply disturbing picture already has emerged based on sworn depositions the House Committee on Reform and Oversight obtained from Mr. Livingstone and his handpicked detailee, Army civilian investigator and political operative, Anthony Marceca. The deposition of former White House counsel William Kennedy III adds to the concern.

Adds to the concern.

> If the new administration attached much importance to security requirements for White House employment, it is not evident.

I repeat: "It is not evident."

With that, Mr. President, I yield up to 15 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The senior Senator from Idaho is recognized for up to 15 minutes.

Mr. CRAIG. Mr. President, I thank my colleague, the Senator from Georgia, and also the Senator from Montana, for their comments on this very critical issue.

I see two lines of thought when it comes to the White House and the responsibility as it relates to the FBI files and controversy. The first line is that the White House masterminded the request for the FBI files in order to compile a political enemies list and make trouble for their political opponents. That is the first line I think any reasonable person listening might gather.

The second line is that Craig Livingstone operated independently, and if the White House is guilty of anything then it is guilty only of incompetence or sheer ignorance. Somehow one of those lines in the hearings that are underway must prevail.

Now, if none of those are true, then I would offer a third option, what I call the agricultural approach. Maybe it is from my background, but it goes something like this. In farming country, you should not be too surprised if you are growing wheat and you plant wheat that wheat is what you get.

What am I saying here? I am saying that if you plant a political operative as a director of the Office of Personnel Security, and a political operative who boasts about helping in the dirty tricks of the last Clinton campaign, you should not be too surprised if you harvest a crop of dirty tricks and FBI files. In other words, you reap what you sow, and it appears that the White House has sown some pretty bad seed in the Office of Personnel Security.

The point is that even if the White House did not plan this operation, it has established the kind of culture that allows and even encourages abuse of power to occur.

What do I mean by that? I mean an approach to Government that is fundamentally at odds with the concept of the limited central authority. I mean an elitist view that casually accepts the misuse of power as long as the individuals involved are members of the politically correct circle driven by politically correct goals. I mean an environment where honor and character get lost somewhere in the political spin of the week.

It is not just Craig Livingstone or Anthony Marceca. In a previous White House, Republican or Democrat, those two would have been stopped well before any confidential files were ever requested. In fact, someone like Mr. Livingstone, with his background and lack of professional credentials, simply would not have made it to any post in any other White House except this one.

Even the President's own party recognized the potential problems that they are now having to live with. Former Senator Dennis DeConcini reviewed White House security operations 2 years previously and recommended a number of changes, including getting a new chief of security who was nonpartisan and professionally qualified.

That is a Democrat Senator saying to a Democrat White House: You have a problem down there, and you ought to fix it so you do not have a problem. Of course, he was ignored. But in a culture that rewards political gamesmanship, the most qualified individuals are those with the greatest skills on outwitting the opposition. And in that culture, Craig Livingstone was not just adequate, he was an outstanding candidate for the job. His fellow political operative, Anthony Marceca, was an outstanding candidate for his assistant.

In that culture, it was no big deal to abuse the FBI and violate the privacy rights of innocent citizens; just make sure you do it for the right reasons, make sure nobody can prove anything bad came of it. That is the name of the game in this White House, and I think all of this is going to show that is the kind of game Mr. Livingstone and Mr. Marceca were part of.

You would think an administration that prides itself on dedication to civil liberties would have shown a lot more concern about the so-called snafu, if it really was any surprise at all. After all, we are not talking about dropping by the local library and looking up some public official in "Who's Who," or asking for an official biography on someone. These are highly confidential FBI files that can contain very embarrassing and even false information.

Senators cannot get these files. You and I would need a good, official reason, an authorization, and even then we would have to review the files in a strictly controlled setting in the presence—let me repeat—in the presence of an FBI agent. You and I could not pick up the phone and demand these files but for only official reasons, and then if they were brought to us under those official reasons, that FBI person would remain present so we would never be allowed to copy or take notes from these files. Yet here these files were just dumped at the White House, by all reports, and we have discovered that they were accessible to interns and others without security clearances.

Where are the White House civil libertarians, who should be raising the roof about this breach of trust and this abuse of power? The Constitution is not self-enforcing. Our liberties require actual defenders and actual champions. Yet, in the culture of the present administration, this misconduct gets nothing more than labeled as a bureaucratic snafu?

How did Mr. Marceca's lawyer put it? He said his client's files "show a bureaucratic process being carried out by a bureaucrat * * *" I guess we are supposed to assume that anything a bureaucrat does will be OK because, after all, the Clinton administration's motives, of course, were beyond question, and whatever is done in advance of its goals is, therefore, justifiable. Is that what the American people are being served up at this moment, and is that what they are expected to accept?

I do not buy that explanation. I hope no one listening will. Neither does a majority of the American people, I think. If you look at the polls, they are not buying it, thank goodness.

Let me repeat that. A majority of the American people do not believe the official White House explanation, and that is despite the fact that the media is doing its best to downplay the entire fiasco. Maybe the American people realize that the bureaucracy is not a thing, it is people, presumably officials, who are accountable to the public for their actions. Maybe they do not agree that supposedly noble motives of the Clinton bureaucracy justify every action. No, I do not think they believe that either. Or maybe this is just an implausible story, and maybe it is just one too many, story after story, spin after spin, that has come out of this White House. Thank goodness the American people are starting to disbelieve.

Let us not forget how we learned about these files, though, in the first place. While we are trying to understand the spin of false information, the House committee investigating the improper firing of Billy Dale and other White House travel officials or employees had to threaten jail to the White House counsel in order to shake relevant documents loose. It had already been determined that these people had been fired in a false way. It was in those documents, which they had to threaten the highest level of effort on the part of this Congress to get, that we discovered that Billy Dale's files were requested, and that was only the beginning of an effort that uncovered all of this much larger request.

Originally, if you remember, Mr. President, we were told it was only 300 files. Then, lo and behold, 400 files. And, my goodness, now it is 700 files. Originally, we were told an outdated list was at the bottom of the bureaucratic snafu. Then we learned no such list could possibly have been generated at the time through the normal resources.

We cannot find out for sure who hired Mr. Livingstone, and no one has yet to explain why this work on confidential files of Republican appointees and former National Security Council staff was given priority well beyond the publicized backlog of an unfinished check on security clearances of hundreds of Clinton appointees. I must tell you, none of it makes sense. None of their stories seem to fit. All of their stories are a bit different.

How, then, can Mr. Marceca take the fifth? Why would he take the fifth? Is it his own files he is concerned about? Something is wrong, dramatically wrong.

Mr. President, to their credit, members of the President's party have denounced this as a clear abuse of power. "Whose power, the President's?"

"Well, of course not. Bill didn't know about it"—excuse me—"the President didn't know anything about this. It was somebody down the line."

Let me suggest a culture, a style, a way of doing business in this White House that starts at the top. It starts with the President. He was the one who said we will have the most ethical White House and the most ethical administration in the history of our country.

Mr. President, you did not keep any of your campaign promises. This is one promise as a President that you have not kept either. This is a White House and an administration that is now ripped and torn with controversy. Now a hit list, a campaign list, to go after Republicans or anyone else who might get in their way. I am sorry, this one does not wash. I think the American people recognize it does not wash, either.

I think it is time the White House comes clean. Obviously, I think it is time this administration, and maybe this President, tell us the truth.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I appreciate the comments made by the senior Senator from Idaho. I think he has raised questions that clearly are on the mind of every American.

In one moment, I am going to yield up to 7 minutes to the senior Senator from South Carolina, but I am first going back to this very telling editorial. I have been quoting it all afternoon. This is from the Washington Post of July 3:

> Not only was Mr. Livingstone professionally unqualified for his job, but also his own background investigation raised questions regarding his suitability to fill such a sensitive position. Yet, when FBI background investigations on White House employees arrived at the White House, they were adjudicated by Mr. Livingstone, of all people, according to his superior, Mr. Kennedy.

As has been raised by every speaker here this afternoon, the incongruities of a person with no security background holding this responsibility and arbitrarily skimming through hundreds of personal records that he was able to obtain from the FBI produces a series of formidable questions about the integrity of our Government and our system and the rights of our individual citizens.

Mr. President, I yield up to 7 minutes at this time to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. THOMPSON). The senior Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, it is appropriate that the Senate and the House of Representatives continue to examine the troubling developments recently uncovered at the White House. The American people have a right to know the details and intentions of requests from the Clinton administration to the FBI for hundreds and hundreds of sensitive background files on private citizens.

FBI Director Freeh has ordered new procedures to protect sensitive background material following unjustified and improper requests by the Clinton White House for over 700 FBI background files. Director Freeh has said that the White House had no justification for gathering these files and that the situation was an egregious violation of privacy. Director Freeh said that the requests from President Clinton's operatives in many instances served no official purpose and at one point he stated that the FBI had been victimized.

The White House has said that its collection of FBI files of private citizens was an innocent mistake. That is their response before the facts are examined and seems to reflect an instinctual reaction by the White House anytime questions arise concerning their operations. The facts have yet to be fully examined and it strikes me as premature and politically convenient to describe this situation as a "bureaucratic snafu."

Initially, the White House would have us believe that Mr. Marceca was a random detailee from the Army who had been arbitrarily selected to work temporarily at the White House. We have since learned that Mr. Marceca—who along with Mr. Livingstone handled the sensitive files—is actually a seasoned Democrat political operative. They both have extensive political campaign experience. Mr. Marceca sought the post at the White House to work with his friend, Mr. Livingstone, and officials in the White House counsel's office wrote to the Secretary of Defense requesting his assignment.

Recently, we learned that Craig Livingstone—who was the White House personnel security director—boasted on his résumé that he staged counterevents for President Clinton during the 1992 Presidential campaign. Earlier, we learned that his experience in personnel security was limited to his work with President and Mrs. Clinton's Hollywood producer friends during the Inaugural activities. Clearly, Craig Livingstone was not qualified to serve as the head of the White House personnel security office.

The one thing we have yet to learn is who hired Craig Livingstone. No one takes credit for his employment. Although a retired FBI agent says that he was told by White House counsel that Mrs. Clinton wanted him in that position. Mrs. Clinton has denied being responsible.

At one point senior Presidential adviser, George Stephanopoulos, praised Craig Livingstone saying he was the man to see whenever you wanted anything done. Lately, Mr. Stephanopolous has said he does not know Livingstone that well, has only seen him around. The Washington Post has referred to Craig Livingstone as a phantom appointment. In a June 28 editorial, the Washington Post went on to say,

> At this stage, nobody at the White House will claim credit for Craig Livingstone. It gets you wondering whether there are other people working in sensitive spots in the White House who are, well, just there, and whose hiring cannot be accounted for . . . So people just walk in off the street, sit down at a desk and send for files—or what?

Mr. President, as you know, we are at this point because the White House only recently turned over documents pursuant to a long-ago subpoena from the House Oversight Committee. Within the documents submitted, the House Oversight Committee found a White House request to the FBI for sensitive background files on Billy Ray Dale. The request for FBI background on Mr. Dale was dated 7 months after he had been wrongly fired as head of the White House Travel Office. It was only after this was discovered by the House Oversight Committee did the White House admit it had collected FBI reports on hundreds of private citizens.

Mr. President, it is important that hearings continue because right now we have more questions than answers. The American people demand accountability. The American people want to know what right Clinton administration officials have to request hundreds upon hundreds of sensitive FBI files on private citizens. What were they doing with this information? This latest troubling development within the Clinton administration represents a dangerous practice and one that deserves careful scrutiny. It is my hope that we will continue to examine this matter and uncover all of the facts for the American people.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I yield up to 15 minutes to the distinguished assistant majority leader, the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my colleague from Georgia for his leadership today and many times on the floor.

The issue I am going to address today is not one that I enjoy, but it is one about which, I think, the American people are entitled to the facts. I want to read a quote that was made in January 1993 by President Clinton:

> I promise the most ethical administration in the history of the Republic.

January 24, 1993, quoted in the Washington Post.

This administration has been anything but ethical. As a matter of fact, there has been a litany, a continuation of scandals that have been plaguing this administration. Some people say they are much to do about nothing. I disagree. I am afraid some of these scandals are quite serious. A lot are serious violations of the law, if they turn out to be proven true. Let me touch on a couple of them.

Probably the most famous one is Whitewater. I heard a reporter saying, "Well, there is not a whole lot of substance to that." Yet, the Governor of Arkansas lost his job over Whitewater. There must have been some substance to the allegations.

Obstruction of justice is against the law, and there were reports that were subpoenaed that took over 2 years to surface, and they surfaced adjacent to Mrs. Clinton's quarters, or in her library, which had very limited access. Obstruction of justice is against the law, and those files just recently somehow appeared.

There is information in Vincent Foster's office that dealt with tax returns and dealt with Whitewater and dealt with a lot of different things that, again, mysteriously disappeared for months. Reports are that they were actually in the personal quarters of President and Mrs. Clinton. Those are serious violations of the law if they are obstructing justice, obstruction of the investigation of Mr. Foster's death.

A lot of other things have come to light. I will just run through a litany of them very quickly. In the book "Blood Sport," Mr. Stewart talked about the Clinton's deducting $20,000 in a principal payment. I think everyone knows that you deduct interest; you cannot deduct principal. My son is 26 years old. He recently purchased a townhouse. He knows you deduct interest; you cannot deduct principal. Yet you had a Rhodes scholar and an attorney, the President and Mrs. Clinton, and they deducted $20,000 or more in principal. That is a violation of law. That is tax evasion, and that is wrong.

Consider Mrs. Clinton's profits that were made from a $1,000 investment in cattle futures or commodity trading that grew to $100,000 in 10 months, that defies probability. I heard some people say that the chances of that happening are one out of a billion. It is not possible. Certainly it looks corrupt. Again, I remember President Clinton's speech in 1992. He said, "The decade of greed is over." But yet you see this type of thing going on.

There is a trial in Arkansas right now where two bankers are accused of illegally getting $53,500 in cash for the Clinton campaign. I heard President Clinton is not on trial. I have not heard anybody say, "Well, what were they doing with $53,000 in cash?" Every person in this room that has run a campaign—we all have campaigns, and maybe you need a couple hundred dollars in cash every once in awhile, maybe. But you do not need $53,000 in cash for anything that is legal. I have not heard that question being asked. Maybe it was legal. Maybe it is legal to take $10,000 in cash and distribute it around the State, or $50,000. But I cannot imagine it.

To me it sounds very unethical. Yet that trial is going on today on whether or not the funds were laundered, and what his involvement was, and whether jobs were involved quid pro quo for exchange of those kinds of contributions. But why in the world would somebody have $53,000 in cash? I have run three statewide campaigns. I do not know that we ever had $1,000 in cash. I cannot imagine $53,000.

They knew they were breaking the law, a community of individuals did, when they were withdrawing the money from the bank because they tried to hide it. So they knew there was some risk. But somebody in the campaign wanted a lot of cash. That is directly related to, at that time, Governor Clinton.

Now, Mr. President, we get into this scandal, this latest one, Filegate. What brought some of that about? Travelgate and the fact that seven members of the travel office of the White House were fired. I have always said they had a right to put in their own people, but they did not have a right to call in the FBI to try to justify an abuse of power by firing them and then prosecuting Billy Dale. Billy Dale's FBI file was requested 7 months after he was fired. That is a real abuse of power.

They did not need the FBI file then, yet they requested the file on him and hundreds of others, maybe several hundred. And 408 was the number that people are using now. Originally, it was a couple hundred, then 400. Now we find maybe another 300, maybe Mr. Marceca had several hundred others. Maybe well over 1,000 files the White House had on individuals. But the FBI files were certainly an abuse of power. The 408 were almost all on Republicans. So if it was not political, why were they only investigating Republicans? Why were they investigating individuals who had not had access to the White House in over a year or longer?

These files were requested in December 1993 and early 1994, all upon Republicans who left the White House at least a year earlier. These were for permanent access to the White House so they would have open access to come and go as you please. The individuals whose FBI files were collected did not need permanent access to the White House. They could get a visitor's pass like anybody here can. If you go visit the White House or if you have a special guest, you get a pass for a day. You do not need an FBI background check for a visitor's pass. But a background check was requested by the White House for these at least 408 individuals.

This is a real abuse of power. A real abuse of power. Maybe an egregious abuse of power. It is particularly egregious that the White House requested the FBI file on Billy Dale whom they previously fired. Yet, not only did they fire him, but they prosecuted him and persecuted him and wanted to try to justify their firing of him. They did not have a good reason to fire him except maybe to replace him with some cronies. So they tried to justify their firing of him by pulling in the FBI. That is an abuse of power, and certainly should be reviewed.

But when we find out now that they requested the files of 408 others, and they were in the hands of not national security people, they were in the hands of Mr. Livingstone and Mr. Marceca, two people who would be charitably defined as political hacks, hatchet men, people who wanted to dig up dirt on opponents, and did that in past campaigns, and had access to private files which could destroy the lives and careers of individuals, that is unbelievable. And it happened, happened in this administration. For President Clinton to say it was a bureaucratic snafu I think belittles the intelligence of the American people.

Mr. President, when Senators receive an FBI file—it is done very seldom. I have only done it a couple times, a few times. Any time I have had an FBI file in my office, that FBI file has also been accompanied by an FBI agent or a staff member with particular security clearance. That file does not leave the presence of the FBI agent or that staff member with special clearance. I cannot Xerox it. I cannot photocopy it. I cannot take notes from it. I cannot do anything with it. I cannot pick somebody and say, here is what it says. I can read it and hand it back. That file does not leave the presence of an FBI agent or that special staff member.

That file, when it leaves my office, is returned to a locked vault. It is not obtainable or accessible by anyone. To think that the White House obtained hundreds and evidently were trying to get hundreds more, had those in not a secure area, not in an area that was protected, under the control of a couple of political hacks, for whatever reason, is really not acceptable. We would not have found out this information if it had not been for the House of Representatives and their threatening contempt-of-Congress action against this administration.

So, Mr. President, it is with real regret, but when I read the President's quote of January 4, 1993, which says, "I promise the most ethical administration in the history of the Republic," I just laugh. This may be the most unethical administration. It certainly brings back comparisons to Watergate and the Nixon administration. But this administration may even exceed some of the abuses of power that transpired at that time. I do not say that lightly. It is with real regret.

Mr. President, I just urge the White House to begin cooperating, as the President said that he would. They have yet to date to release all information that the House committee has requested. We still do not know who hired Mr. Livingstone. We do not know what are in the files Mr. Marceca has. Mr. Marceca has taken the fifth. He refused to testify before a Senate committee. That is his right to do so. Maybe the White House should encourage him, "No, don't take the fifth. Go ahead and tell everything you know. Release the information. Let's see what was on your disc that has all this information on Republicans, and so on. Let the information come out. Let's find out the truth."

Let us find out the truth on Mrs. Clinton's commodity trading. How did she make a profit that goes from $1,000 to $100,000 in 10 months? We need to find out answers to that. What did happen to the billing records or to the Rose Law Firm Whitewater billing records that were in the White House for 2 years?

We need answers to these questions. I heard Mr. Clinton say, "I hope we find out the answers." But the White House really has not cooperated. Certainly, they have not been the most ethical administration in the history of the Republic. Quite the contrary, they may be the most unethical administration in the history of the Republic. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. In just a moment I am going to yield, but I first want to thank the assistant majority leader for the contributions he has made in the grave questions that are hanging over Washington here today. As usual he has done it in an exemplary manner.

I am going to read one more quote, and then I am going to yield to the Senator from Idaho. This is in the Washington Post, Wednesday, July 3. It says:

> It doesn't get any better with Anthony Marceca, the on-loan Army civilian who improperly requisitioned and reviewed more than 700 FBI files. Mr. Marceca, it now turns out, wasn't retained at the White House following his 6-month stint. Again from Mr. Kennedy's deposition: "Tony's background had come in, and there were some problems revealed with it that made me think it might be better if he kind of went back to where he was." And Mr. Marceca did. But he returned to Mr. Livingstone's White House office long enough, reportedly, to gain unauthorized access to his own FBI file, which enabled him to sue two sources he believed provided negative testimony against him. What a pair.

So the Washington Post is saying. What a pair Tony Marceca and Mr. Livingstone have turned out to be. It is beyond comprehension that these people would be at the center of security in the White House of the United States of America.

Mr. President, I yield up to 5 minutes to the Senator from Idaho.

Mr. KEMPTHORNE. I thank the Senator from Georgia for his efforts today. Mr. President, I will address this issue from the aspect of the type of security and sensitivity that surrounds an individual FBI file, Federal Bureau of Investigation. I come at it as a member of the Senate Armed Services Committee.

From time to time, it was my responsibility to review the FBI file of a nominee who would be coming forward for Senate confirmation. When I review that file, it would be done in the privacy of my office. No staff members were allowed to be present. Those are the rules under which we must operate. The individual bringing the sealed file over—in this case, it would be from the White House general counsel, or it could be an FBI agent—remains in the room with the individual Senator as we review this extremely sensitive material.

Now, what type of material is in there? It can include the tax information of the person that has been reviewed, the personal finances back just as far as you want to go, the credit histories of the individual. If you had some problems in the past with your credit, if you had some areas that have been a problem, they are identified. The international travel which you have taken: Where have you been, why were you there, who did you see? The education, of course, including your college and high school grades; your work history; your health.

I spoke to a highly successful professional who has had to have an FBI file constructed on his behalf only to have him contacted and asked, "Well, have you had a mental disorder in the past, in fact, at the age of 18?" This individual has to think and say, "Well, at one time I went in and because of stress that we were going through, work related," the individual is a workaholic, the physician had put down mental exhaustion. Is that what is recorded, then, as a mental disorder in this file?

How many Americans would like to have interviews conducted among their neighbors and among their coworkers and friends, again, for as many years back? Do you think perhaps somewhere in that history there is somebody that may have a beef, somebody that maybe does not think you are just as good as others may think you are? They can share that, and none of these have to be corroborated or substantiated, but they go into those files. That is how sensitive this material is.

Now, I have described for you the process that an individual Member of the Senate goes through when called upon to review an FBI file, one file. Now, how in the world do we make this quantum jump that someone who was a political operative, that nobody in the White House can now determine whoever hired this person, can call up the Federal Bureau of Investigation, probably one of the most highly regarded law enforcement agencies of the entire world, to have some political operative call the FBI and say, "I want these files." Not just one file, two files, but as has been substantiated, hundreds of files, hundreds of files.

If I were a member of the Federal Bureau of Investigation, I would feel that my entire credibility was being questioned, that this sort of political operation has somehow clouded over that law enforcement agency. I believe that not only does it question the credibility of the Federal Bureau of Investigation, but I think it has created an enormous cloud over the people's house, the White House of the United States of America, where political operatives have access to those files of the Federal Bureau of Investigation, and nobody knows how it happened or how that person was hired. Yet, that person is the director of personnel security for the White House. Something is wrong. Something is very, very wrong.

I yield the floor.

Mr. COVERDELL. Mr. President, I thank the Senator from Idaho. I think he has added a very important ingredient. While many citizens, I think, understand how sensitive the FBI files are by their nature, that it is a collection of truth and gospel, nevertheless, recorded in the files, he has hit on a very sensitive nerve, that by discussing what is on the inside of those files he is telling all American citizens how very, very sensitive these files are and how damaging they can be, and for those reasons the FBI has traditionally guarded these files jealously, which is why I will refer to that in a minute, why Director Freeh is so disturbed about circumstances that have occurred here. I thank the Senator from Idaho.

Mr. President, I have been in the mood to quote newspapers here this afternoon. I have a copy of today's Washington Times. It has a photograph of the Vice President announcing his bid for President in 1988. The heading is, "Oh, That Guy: The Controversy Surrounding Filegate Will Undoubtedly Intensify This Week as Congress Reconvenes After the Fourth of July Recess." It goes on to say that the Vice President doesn't recall much about his 1988 campaign as it relates to Mr. Livingstone. He does offer that the advance man performed well in his duties, but the picture is most interesting because it is the Vice President and Mrs. Gore, one other fellow, and Mr. Livingstone, right, front and center.

Mr. President, in the testimony that we have heard this morning or the statements that have been made time and time again, we refer to the number of files, which, as I said, went from 300 to 400 to 600 to 700, and now I have seen a figure of 900. I believe, as important as the discussion is about what was going on at the White House, is the question, what was going on at the Federal Bureau of Investigation?

I cite in this June 14 for immediate release from the Office of the Director of the Federal Bureau of Investigation: "The FBI inquiry has also discovered Director Freeh said that the White House has identified 408 files sought and received by the White House without jurisdiction. Freeh said those files had been voluntarily surrendered by the White House to the FBI," and it goes on with a series of numbers.

My question is, after intense "inquiry" of the Federal Bureau of Investigation, how is it that the number of files certified by the FBI that were turned over to the White House is not the right number? One would think after ordering sweeping new measures to protect sensitive background investigation files and an inquiry in the FBI itself that by now there would be no question as to the number of files that had been obtained by the White House from the FBI.

I hope that the appropriate committees of jurisdiction will pursue answers from the FBI as to how in the world, given the long history and the depth of the sensitivity of these files, how in the world a siren would not go off by the time you had gotten to hundreds and hundreds of these files leaving the FBI.

I want to read another statement or two from this report, and then I am going to yield my time back. I know the Senator from Virginia is anxious to do a statement in morning business. I will not be but a minute or two longer.

> It is important to note, Director Freeh said, that the FBI report contains this finding on the files requested by and given to the White House. Among the unquestionably unjustified acquisitions were reports relating to discharged travel office employees, Billy Ray Dale and Barnaby Brasseux. Director Freeh ordered the inquiry on learning a week ago that the White House requested and received a background file of Dale, a former White House travel director, months after he was fired. This does not sound like an arbitrary bureaucratic error, particularly in light of the difficulties the White House has had with Mr. Dale.
>
> The FBI inquiry was expanded when it was learned that the White House earlier—the Clinton administration—also requested and received a large number of files on officials in the previous Bush administration and other persons. In addition, the FBI learned the White House requested and received the FBI file on a second discharged travel employee, Brasseux.

I am reading directly from the material given to the public by the Federal Bureau of Investigation.

It says:

> In the past, the FBI routinely filled White House requests for copies of previous background files without checking to see if there were pending criminal investigations of the subject. Under new procedures, there will be checks on all subjects to determine if there are criminal investigations. Director Freeh said it is now clear that the system was very vulnerable to misuse and that government officials, over several decades, including himself, had not provided adequate oversight of the system, resulting now in violations of privacy.

In addition, Mr. President, we currently have letters from the House committee chairman on ways and means to the Internal Revenue Department, IRS, the Commissioner, to determine if any of the data with regard to confidential tax matters is in this material, because if it is, that is a felony. Thorough clarification should be forthcoming from the Internal Revenue Service to comfort us that none of this information that was so willy-nilly distributed throughout the White House found its way into their hands, including material from the Internal Revenue Service.

So, as has been demonstrated here this afternoon, there are a host of legitimate questions that have deep meaning with regard to the protection of the rights of individual citizens in these United States of America.

Mr. President, with that, I conclude my remarks and yield back any time remaining that was dedicated to my control.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

(The remarks of Mr. ROBB and Mr. MOYNIHAN pertaining to the submission of Senate Resolution 276 are located in today's RECORD under "Submissions of concurrent and Senate resolutions.")

FAREWELL TO PATTY DEUTSCHE

Mr. BURNS. Mr. President, I rise today to say farewell to my legislative assistant, Patty Deutsche. She has been with me for over 7 years and I will certainly miss her.

She arrived in my office with almost no knowledge of Montana but quickly became one of us. It did not take long for her to figure out that 60 miles on a map did not necessarily mean a car ride of 60 minutes. And since she began as my scheduler, that was important. She ran my life for 2 years—both in the office and on the road—and made my new life in Washington, DC, that much easier.

When she moved to the legislative side, I knew she would attack the issues with just as much energy and competence. Though the issues she handled fell under committees on which I did not serve, they tended to be the hot topics. From health care to welfare, Medicare to Social Security, small business to labor unions, veterans and the aging to abortion, education and family issues—she learned the issues, knew them well, and was always my dependable source when I needed an update. She had her finger on the pulse here in the District of Columbia and her finger on the pulse in Montana and I know my constituents appreciated that and benefited from that.

Being a Californian in Montana is not easy, but she was quickly accepted by even the most ardent Montana natives. They never had an opportunity to question her loyalties. She worked for Montana and Montana's residents as if it were her own home State.

After 5 years handling these many legislative issues, she has accomplished a lot. She has been instrumental in promoting rural health care, from the fight over health care reform in 1994 to the promotion of telemedicine. She has helped me fight for small businesses—and that is crucial to my State. And she has always been a voice of reason when it comes to questions of morals, ethics, family values, and what is right. I have teased her about being to the right of Attila, but I always knew I could count on her opinion to be well thought out, strong, and conservative.

But aside from her tremendous dedication to her work, her sense of humor will be missed. She brought levity to stressful times. Her counseling chair was always available, not just to me but to other staff as well. Whether providing an open ear, objective advice or a funny story, Patty managed to find time for others as well as get her work done.

Mr. President, longevity is not the norm on the Hill and keeping staff as long as 7 years is rare. I have been lucky to have Patty on my staff almost since I first arrived in town. And though I will miss her terribly, she knows she will always have a home here and in Montana. She is moving to Louisville, KY, to be the manager of government relations for Vencor, Inc. And I hope they realize what a treasure they are getting in Patty. I have no doubt that she will embrace her new job and that Louisville will embrace her.

Patty Deutsche has served me well and she has served Montana well. I know the folks with whom she has built relationships in the Big Sky Country will feel her absence, but Patty is the type that will continue to nurture those relationships, whether she represents Montana or not. That is just the way she is.

Today is her last day working for me and she will soon leave for Kentucky. I wish her the best of luck and all the happiness in the world. God bless you, Patty.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business, Friday, July 5, 1996, the Federal debt stood at $5,153,659,808,407.00.

On a per capita basis, every man, woman, and child in America owes $19,429.74 as his or her share of that debt.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SMALL BUSINESS JOB PROTECTION ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 3448, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employers owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment; as follows:

H.R. 3448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Job Protection Act of 1996".

(b) TABLE OF CONTENTS.—

TITLE I—SMALL BUSINESS AND OTHER TAX PROVISIONS

Sec. 1101. Amendment of 1986 Code.

Sec. 1102. Underpayments of estimated tax.

Subtitle A—Expensing; Etc.

Sec. 1111. Increase in expense treatment for small businesses.

Sec. 1112. Treatment of employee tips.

Sec. 1113. Treatment of dues paid to agricultural or horticultural organizations.

Sec. 1114. Clarification of employment tax status of certain fishermen.

Sec. 1115. Modifications of tax-exempt bond rules for first-time farmers.

Sec. 1116. Newspaper distributors treated as direct sellers.

Sec. 1117. Application of involuntary conversion rules to presidentially declared disasters.

Sec. 1118. Class life for gas station convenience stores and similar structures.

Sec. 1119. Treatment of abandonment of lessor improvements at termination of lease.

Sec. 1120. Deductibility of business meal expenses for certain seafood processing facilities.

Sec. 1121. Clarification of tax treatment of hard cider.

Sec. 1122. Special rules relating to determination whether individuals are employees for purposes of employment taxes.

Subtitle B—Extension of Certain Expiring Provisions

Sec. 1201. Work opportunity tax credit.

Sec. 1202. Employer-provided educational assistance programs.

Sec. 1203. Research credit.

Sec. 1204. Orphan drug tax credit.

Sec. 1205. Contributions of stock to private foundations.

Sec. 1206. Extension of binding contract date for biomass and coal facilities.

Sec. 1207. Moratorium for excise tax on diesel fuel sold for use or used in diesel-powered motorboats.

Subtitle C—Provisions Relating to S Corporations

Sec. 1301. S corporations permitted to have 75 shareholders.

Sec. 1302. Electing small business trusts.

Sec. 1303. Expansion of post-death qualification for certain trusts.

Sec. 1304. Financial institutions permitted to hold safe harbor debt.

Sec. 1305. Rules relating to inadvertent terminations and invalid elections.

Sec. 1306. Agreement to terminate year.

Sec. 1307. Expansion of post-termination transition period.

Sec. 1308. S corporations permitted to hold subsidiaries.

Sec. 1309. Treatment of distributions during loss years.

Sec. 1310. Treatment of S corporations under subchapter C.

Sec. 1311. Elimination of certain earnings and profits.

Sec. 1312. Carryover of disallowed losses and deductions under at-risk rules allowed.

Sec. 1313. Adjustments to basis of inherited S stock to reflect certain items of income.

Sec. 1314. S corporations eligible for rules applicable to real property subdivided for sale by noncorporate taxpayers.

Sec. 1315. Financial institutions.

Sec. 1316. Certain exempt organizations allowed to be shareholders.

Sec. 1317. Effective date.

Subtitle D—Pension Simplification

CHAPTER 1—SIMPLIFIED DISTRIBUTION RULES

Sec. 1401. Repeal of 5-year income averaging for lump-sum distributions.

Sec. 1402. Repeal of $5,000 exclusion of employees' death benefits.

Sec. 1403. Simplified method for taxing annuity distributions under certain employer plans.

Sec. 1404. Required distributions.

CHAPTER 2—INCREASED ACCESS TO RETIREMENT PLANS

SUBCHAPTER A—SIMPLE SAVINGS PLANS

Sec. 1421. Establishment of savings incentive match plans for employees of small employers.

Sec. 1422. Extension of simple plan to 401(k) arrangements.

SUBCHAPTER B—OTHER PROVISIONS

Sec. 1426. Tax-exempt organizations eligible under section 401(k).

Sec. 1427. Homemakers eligible for full IRA deduction.

CHAPTER 3—NONDISCRIMINATION PROVISIONS

Sec. 1431. Definition of highly compensated employees; repeal of family aggregation.

Sec. 1432. Modification of additional participation requirements.

Sec. 1433. Nondiscrimination rules for qualified cash or deferred arrangements and matching contributions.

Sec. 1434. Definition of compensation for section 415 purposes.

CHAPTER 4—MISCELLANEOUS PROVISIONS

Sec. 1441. Plans covering self-employed individuals.

Sec. 1442. Elimination of special vesting rule for multiemployer plans.

Sec. 1443. Distributions under rural cooperative plans.

Sec. 1444. Treatment of governmental plans under section 415.

Sec. 1445. Uniform retirement age.

Sec. 1446. Contributions on behalf of disabled employees.

Sec. 1447. Treatment of deferred compensation plans of State and local governments and tax-exempt organizations.

Sec. 1448. Trust requirement for deferred compensation plans of State and local governments.

Sec. 1449. Transition rule for computing maximum benefits under section 415 limitations.

Sec. 1450. Modifications of section 403(b).

Sec. 1451. Waiver of minimum period for joint and survivor annuity explanation before annuity starting date.

Sec. 1452. Repeal of limitation in case of defined benefit plan and defined contribution plan for same employee; excess distributions.

Sec. 1453. Tax on prohibited transactions.

Sec. 1454. Treatment of leased employees.

Sec. 1455. Uniform penalty provisions to apply to certain pension reporting requirements.

Sec. 1456. Retirement benefits of ministers not subject to tax on net earnings from self-employment.
Sec. 1457. Model forms for spousal consent and qualified domestic relations forms.
Sec. 1458. Treatment of length of service awards to volunteers performing fire fighting or prevention services, emergency medical services, or ambulance services.
Sec. 1459. Date for adoption of plan amendments.

Subtitle E—Revenue Offsets

Part I—General Provisions

Sec. 1601. Modifications of Puerto Rico and possession tax credit.
Sec. 1602. Repeal of exclusion for interest on loans used to acquire employer securities.
Sec. 1603. Repeal of exclusion for punitive damages.
Sec. 1604. Extension and phasedown of luxury passenger automobile tax.
Sec. 1605. Termination of future tax-exempt bond financing for local furnishers of electricity and gas.
Sec. 1606. Repeal of financial institution transition rule to interest allocation rules.
Sec. 1607. Extension of airport and airway trust fund excise taxes.
Sec. 1608. Basis adjustment to property held by corporation where stock in corporation is replacement property under involuntary conversion rules.
Sec. 1609. Extension of withholding to certain gambling winnings.
Sec. 1610. Treatment of certain insurance contracts on retired lives.
Sec. 1611. Treatment of contributions in aid of construction.

Part II—Financial Asset Securitization Investments

Sec. 1621. Financial asset securitization investment trusts.

Part III—Treatment of Individuals Who Expatriate

Sec. 1631. Revision of tax rules on expatriation.
Sec. 1632. Information on individuals expatriating.
Sec. 1633. Report on tax compliance by United States citizens and residents living abroad.

Subtitle F—Technical Corrections

Sec. 1701. Coordination with other subtitles.
Sec. 1702. Amendments related to Revenue Reconciliation Act of 1990.
Sec. 1703. Amendments related to Revenue Reconciliation Act of 1993.
Sec. 1704. Miscellaneous provisions.

Subtitle G—Other Provisions

Sec. 1801. Exemption from diesel fuel dyeing requirements with respect to certain States.
Sec. 1802. Treatment of certain university accounts.
Sec. 1803. Modifications to excise tax on ozone-depleting chemicals.
Sec. 1804. Tax-exempt bonds for sale of Alaska Power Administration facility.
Sec. 1805. Nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.
Sec. 1806. Qualified State tuition programs.

TITLE II—PAYMENT OF WAGES

Section 1. Short title.
Sec. 2. Proper compensation for use of employer vehicles.
Sec. 3. Effective date.
Sec. 4. Minimum wage increase.
Sec. 5. Fair Labor Standards Act Amendments.

TITLE I—SMALL BUSINESS AND OTHER TAX PROVISIONS

SEC. 1101. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 1102. UNDERPAYMENTS OF ESTIMATED TAX.

No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 (relating to failure to pay estimated tax) with respect to any underpayment of an installment required to be paid before the date of the enactment of this Act to the extent such underpayment was created or increased by any provision of this title.

Subtitle A—Expensing; Etc.

SEC. 1111. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) General Rule.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) Dollar limitation.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed the following applicable amount:

"If the taxable year begins in:	The applicable amount is:
1997	18,000
1998	18,500
1999	19,000
2000	20,000
2001	24,000
2002	24,000
2003 or thereafter	25,000."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1996.

SEC. 1112. TREATMENT OF EMPLOYEE TIPS.

(a) Employee Cash Tips.—

(1) Reporting requirement not considered.—Subparagraph (A) of section 45B(b)(1) (relating to excess employer social security tax) is amended by inserting "(without regard to whether such tips are reported under section 6053)" after "section 3121(q)".

(2) Taxes paid.—Subsection (d) of section 13443 of the Revenue Reconciliation Act of 1993 is amended by inserting ", with respect to services performed before, on, or after such date" after "1993".

(3) Effective date.—The amendments made by this subsection shall take effect as if included in the amendments made by, and the provisions of, section 13443 of the Revenue Reconciliation Act of 1993.

(b) Tips for Employees Delivering Food or Beverages.—

(1) In general.—Paragraph (2) of section 45B(b) is amended to read as follows:

"(2) Only tips received for food or beverages taken into account.—In applying paragraph (1), there shall be taken into account only tips received from customers in connection with the delivering or serving of food or beverages for consumption if the tipping of employees delivering or serving food or beverages by customers is customary."

(2) Effective date.—The amendment made by paragraph (1) shall apply to tips received for services performed after December 31, 1996.

SEC. 1113. TREATMENT OF DUES PAID TO AGRICULTURAL OR HORTICULTURAL ORGANIZATIONS.

(a) General Rule.—Section 512 (defining unrelated business taxable income) is amended by adding at the end the following new subsection:

"(d) Treatment of Dues of Agricultural or Horticultural Organizations.—

"(1) In general.—If—

"(A) an agricultural or horticultural organization described in section 501(c)(5) requires annual dues to be paid in order to be a member of such organization, and

"(B) the amount of such required annual dues does not exceed $100,

in no event shall any portion of such dues be treated as derived by such organization from an unrelated trade or business by reason of any benefits or privileges to which members of such organization are entitled.

"(2) Indexation of $100 amount.—In the case of any taxable year beginning in a calendar year after 1995, the $100 amount in paragraph (1) shall be increased by an amount equal to—

"(A) $100, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1994' for 'calendar year 1992' in subparagraph (B) thereof.

"(3) Dues.—For purposes of this subsection, the term 'dues' means any payment (whether or not designated as dues) which is required to be made in order to be recognized by the organization as a member of the organization.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1994.

SEC. 1114. CLARIFICATION OF EMPLOYMENT TAX STATUS OF CERTAIN FISHERMEN.

(a) Clarification of Employment Tax Status.—

(1) Amendments of internal revenue code of 1986.—

(A) Determination of size of crew.—Subsection (b) of section 3121 (defining employment) is amended by adding at the end the following new sentence:

"For purposes of paragraph (20), the operating crew of a boat shall be treated as normally made up of fewer than 10 individuals if the average size of the operating crew on trips made during the preceding 4 calendar quarters consisted of fewer than 10 individuals.".

(B) Certain cash remuneration permitted.—Subparagraph (A) of section 3121(b)(20) is amended to read as follows:

"(A) such individual does not receive any cash remuneration other than as provided in subparagraph (B) and other than cash remuneration—

"(i) which does not exceed $100 per trip;

"(ii) which is contingent on a minimum catch; and

"(iii) which is paid solely for additional duties (such as mate, engineer, or cook) for which additional cash remuneration is traditional in the industry,".

(C) Conforming amendment.—Section 6050A(a) is amended by striking "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting "; and", and by adding at the end the following new paragraph:

"(5) any cash remuneration described in section 3121(b)(20)(A).".

(2) Amendment of social security act.—

(A) Determination of size of crew.—Subsection (a) of section 210 of the Social Security Act is amended by adding at the end the following new sentence:

"For purposes of paragraph (20), the operating crew of a boat shall be treated as normally made up of fewer than 10 individuals if the average size of the operating crew on trips made during the preceding 4 calendar quarters consisted of fewer than 10 individuals.".

(B) CERTAIN CASH REMUNERATION PERMITTED.—Subparagraph (A) of section 210(a)(20) of such Act is amended to read as follows:

"(A) such individual does not receive any additional compensation other than as provided in subparagraph (B) and other than cash remuneration—

"(i) which does not exceed $100 per trip;

"(ii) which is contingent on a minimum catch; and

"(iii) which is paid solely for additional duties (such as mate, engineer, or cook) for which additional cash remuneration is traditional in the industry,".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after December 31, 1994.

SEC. 1115. MODIFICATIONS OF TAX-EXEMPT BOND RULES FOR FIRST-TIME FARMERS.

(a) ACQUISITION FROM RELATED PERSON ALLOWED.—Section 147(c)(2) (relating to exception for first-time farmers) is amended by adding at the end the following new subparagraph:

"(G) ACQUISITION FROM RELATED PERSON.—For purposes of this paragraph and section 144(a), the acquisition by a first-time farmer of land or personal property from a related person (within the meaning of section 144(a)(3)) shall not be treated as an acquisition from a related person, if—

"(i) the acquisition price is for the fair market value of such land or property, and

"(ii) subsequent to such acquisition, the related person does not have a financial interest in the farming operation with respect to which the bond proceeds are to be used."

(b) SUBSTANTIAL FARMLAND AMOUNT DOUBLED.—Clause (i) of section 147(c)(2)(E) (defining substantial farmland) is amended by striking "15 percent" and inserting "30 percent".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 1116. NEWSPAPER DISTRIBUTORS TREATED AS DIRECT SELLERS.

(a) IN GENERAL.—Section 3508(b)(2)(A) is amended by striking "or" at the end of clause (i), by inserting "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) is engaged in the trade or business of the delivering or distribution of newspapers or shopping news (including any services directly related to such trade or business),".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to services performed after December 31, 1995.

SEC. 1117. APPLICATION OF INVOLUNTARY CONVERSION RULES TO PRESIDENTIALLY DECLARED DISASTERS.

(a) IN GENERAL.—Section 1033(h) is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4) and by inserting after paragraph (1) the following new paragraph:

"(2) TRADE OR BUSINESS AND INVESTMENT PROPERTY.—If a taxpayer's property held for productive use in a trade or business or for investment is compulsorily or involuntarily converted as a result of a Presidentially declared disaster, tangible property of a type held for productive use in a trade or business shall be treated for purposes of subsection (a) as property similar or related in service or use to the property so converted.".

(b) CONFORMING AMENDMENTS.—Section 1033(h) is amended—

(1) by striking "residence" in paragraph (3) (as redesignated by subsection (a)) and inserting "property",

(2) by striking "PRINCIPAL RESIDENCES" in the heading and inserting "PROPERTY", and

(3) by striking "(1) IN GENERAL.—" and inserting "(1) PRINCIPAL RESIDENCES.—".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared after December 31, 1994, in taxable years ending after such date.

SEC. 1118. CLASS LIFE FOR GAS STATION CONVENIENCE STORES AND SIMILAR STRUCTURES.

(a) IN GENERAL.—Section 168(e)(3)(E) (classifying certain property as 15-year property) is amended by striking "and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", and", and by adding at the end the following new clause:

"(iii) any section 1250 property which is a retail motor fuels outlet (whether or not food or other convenience items are sold at the outlet)."

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 168(g)(3) is amended by inserting after the item relating to subparagraph (E)(ii) in the table contained therein the following new item:

"(E)(iii) .... 20".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property which is placed in service on or after the date of the enactment of this Act and to which section 168 of the Internal Revenue Code of 1986 applies after the amendment made by section 201 of the Tax Reform Act of 1986. A taxpayer may elect (in such form and manner as the Secretary of the Treasury may prescribe) to have such amendments apply with respect to any property placed in service before such date and to which such section so applies.

SEC. 1119. TREATMENT OF ABANDONMENT OF LESSOR IMPROVEMENTS AT TERMINATION OF LEASE.

(a) IN GENERAL.—Paragraph (8) of section 168(i) is amended to read as follows:

"(8) TREATMENT OF LEASEHOLD IMPROVEMENTS.—

"(A) IN GENERAL.—In the case of any building erected (or improvements made) on leased property, if such building or improvement is property to which this section applies, the depreciation deduction shall be determined under the provisions of this section.

"(B) TREATMENT OF LESSOR IMPROVEMENTS WHICH ARE ABANDONED AT TERMINATION OF LEASE.—An improvement—

"(i) which is made by the lessor of leased property for the lessee of such property, and

"(ii) which is irrevocably disposed of or abandoned by the lessor at the termination of the lease by such lessee,

shall be treated for purposes of determining gain or loss under this title as disposed of by the lessor when so disposed of or abandoned."

(b) EFFECTIVE DATE.—Subparagraph (B) of section 168(i)(8) of the Internal Revenue Code of 1986, as added by the amendment made by subsection (a), shall apply to improvements disposed of or abandoned after June 12, 1996.

SEC. 1120. DEDUCTIBILITY OF BUSINESS MEAL EXPENSES FOR CERTAIN SEAFOOD PROCESSING FACILITIES.

(a) IN GENERAL.—Subparagraph (E) of section 274(n)(2) is amended by striking "or" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", or", and by inserting after clause (iv) the following new clause:

"(v) provided at a remote seafood processing facility located in the United States north of 53 degrees north latitude."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 1121. CLARIFICATION OF TAX TREATMENT OF HARD CIDER.

(a) HARD CIDER CONTAINING NOT MORE THAN 7 PERCENT ALCOHOL TAXED AS WINE.—Subsection (b) of section 5041 (relating to imposition and rate of tax) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting "; and", and by adding at the end the following new paragraph:

"(6) On hard cider derived primarily from apples or apple concentrate and water, containing no other fruit product, and containing at least one-half of 1 percent and not more than 7 percent of alcohol by volume, 22.6 cents per wine gallon."

(b) EXCLUSION FROM SMALL PRODUCER CREDIT.—Paragraph (1) of section 5041(c) (relating to credit for small domestic producers) is amended by striking "subsection (b)(4)" and inserting "paragraphs (4) and (6) of subsection (b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 1122. SPECIAL RULES RELATING TO DETERMINATION WHETHER INDIVIDUALS ARE EMPLOYEES FOR PURPOSES OF EMPLOYMENT TAXES.

(a) IN GENERAL.—Section 530 of the Revenue Act of 1978 is amended by adding at the end the following new subsection:

"(e) SPECIAL RULES FOR APPLICATION OF SECTION.—

"(1) NOTICE REQUIREMENTS.—

"(A) WRITTEN AGREEMENT REQUIRED BETWEEN TAXPAYER AND INDIVIDUAL.—The provisions of subsection (a)(1) shall not apply with respect to a taxpayer and any individual unless such taxpayer and individual sign a statement (at such time and in such form as the Secretary may prescribe) which provides that such individual will not be treated as an employee of the taxpayer for purposes of employment taxes.

"(B) NOTICE OF AVAILABILITY OF SECTION.—An officer or employee of the Internal Revenue Service shall, before or at the commencement of any audit relating to the employment status of one or more individuals who perform services for the taxpayer, provide the taxpayer with a written notice of the provisions of this section.

"(2) RULES RELATING TO STATUTORY STANDARDS.—For purposes of subsection (a)(2)—

"(A) a taxpayer may not rely on an audit commenced after December 31, 1996, for purposes of subparagraph (B) thereof unless such audit included an examination for employment tax purposes of whether the individual involved (or any individual holding a position substantially similar to the position held by the individual involved) should be treated as an employee of the taxpayer,

"(B) in no event shall the significant segment requirement of subparagraph (C) thereof be construed to require a reasonable showing of the practice of more than 25 percent of the industry (determined by not taking into account the taxpayer), and

"(C) in applying the long-standing recognized practice requirement of subparagraph (C) thereof—

"(i) such requirement shall not be construed as requiring the practice to have continued for more than 10 years, and "(ii) a practice shall not fail to be treated as long-standing merely because such practice began after 1978.

"(3) AVAILABILITY OF SAFE HARBORS.—Nothing in this section shall be construed to provide that subsection (a) only applies where the individual involved is otherwise an employee of the taxpayer.

"(4) BURDEN OF PROOF.—

"(A) IN GENERAL.—If—

"(i) a taxpayer establishes a prima facie case that it was reasonable not to treat an individual as an employee for purposes of this section, and

"(ii) the taxpayer has fully cooperated with reasonable requests from the Secretary of the Treasury or his delegate,

then the burden of proof with respect to such treatment shall be on the Secretary.

"(B) EXCEPTION FOR OTHER REASONABLE BASIS.—In the case of any issue involving whether the taxpayer had a reasonable basis not to treat an individual as an employee for purposes of this section, subparagraph (A) shall only apply for purposes of determining whether the taxpayer meets the requirements of subparagraph (A), (B), or (C) of subsection (a)(2)."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall apply to periods after December 31, 1996.

(2) NOTICE REQUIREMENTS.—

(A) WRITTEN AGREEMENT.—In the case of individuals who first perform services for a taxpayer before January 1, 1997, the requirements of section 530(e)(1)(A) of the Revenue Act of 1978 (as added by subsection (a)) shall not apply before January 1, 1998, unless the taxpayer elects to apply such requirements before such date.

(B) NOTICE BY INTERNAL REVENUE SERVICE.—Section 530(e)(1)(B) of the Revenue Act of 1978 (as added by subsection (a)) shall apply to audits which commence after December 31, 1996.

(3) BURDEN OF PROOF.—

(A) IN GENERAL.—Section 530(e)(4) of the Revenue Act of 1978 (as added by subsection (a)) shall apply to disputes involving periods after December 31, 1996.

(B) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of the burden of proof with respect to disputes involving periods before January 1, 1997.

Subtitle B—Extension of Certain Expiring Provisions

SEC. 1201. WORK OPPORTUNITY TAX CREDIT.

(a) AMOUNT OF CREDIT.—Subsection (a) of section 51 (relating to amount of credit) is amended by striking "40 percent" and inserting "35 percent".

(b) MEMBERS OF TARGETED GROUPS.—Subsection (d) of section 51 is amended to read as follows:

"(d) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

"(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

"(A) a qualified IV–A recipient,

"(B) a qualified veteran,

"(C) a qualified ex-felon,

"(D) a high-risk youth,

"(E) a vocational rehabilitation referral,

"(F) a qualified summer youth employee, or

"(G) a qualified food stamp recipient.

"(2) QUALIFIED IV–A RECIPIENT.—

"(A) IN GENERAL.—The term 'qualified IV–A recipient' means any individual who is certified by the designated local agency as being a member of a family receiving assistance under a IV–A program for at least a 9-month period ending during the 9-month period ending on the hiring date.

"(B) IV–A PROGRAM.—For purposes of this paragraph, the term 'IV–A program' means any program providing assistance under a State plan approved under part A of title IV of the Social Security Act (relating to assistance for needy families with minor children) and any successor of such program.

"(3) QUALIFIED VETERAN.—

"(A) IN GENERAL.—The term 'qualified veteran' means any veteran who is certified by the designated local agency as being—

"(i) a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least a 9-month period ending during the 12-month period ending on the hiring date, or

"(ii) a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

"(B) VETERAN.—For purposes of subparagraph (A), the term 'veteran' means any individual who is certified by the designated local agency as—

"(i)(I) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, or

"(II) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

"(ii) not having any day during the 60-day period ending on the hiring date which was a day of extended active duty in the Armed Forces of the United States.

For purposes of clause (ii), the term 'extended active duty' means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

"(4) QUALIFIED EX-FELON.—The term 'qualified ex-felon' means any individual who is certified by the designated local agency—

"(A) as having been convicted of a felony under any statute of the United States or any State,

"(B) as having a hiring date which is not more than 1 year after the last date on which such individual was so convicted or was released from prison, and

"(C) as being a member of a family which had an income during the 6 months immediately preceding the earlier of the month in which such income determination occurs or the month in which the hiring date occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard.

Any determination under subparagraph (C) shall be valid for the 45-day period beginning on the date such determination is made.

"(5) HIGH-RISK YOUTH.—

"(A) IN GENERAL.—The term 'high-risk youth' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 25 on the hiring date, and

"(ii) as having his principal place of abode within an empowerment zone or enterprise community.

"(B) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—In the case of a high-risk youth, the term 'qualified wages' shall not include wages paid or incurred for services performed while such youth's principal place of abode is outside an empowerment zone or enterprise community.

"(6) VOCATIONAL REHABILITATION REFERRAL.—The term 'vocational rehabilitation referral' means any individual who is certified by the designated local agency as—

"(A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

"(B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

"(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or

"(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

"(7) QUALIFIED SUMMER YOUTH EMPLOYEE.—

"(A) IN GENERAL.—The term 'qualified summer youth employee' means any individual—

"(i) who performs services for the employer between May 1 and September 15,

"(ii) who is certified by the designated local agency as having attained age 16 but not 18 on the hiring date (or if later, on May 1 of the calendar year involved),

"(iii) who has not been an employee of the employer during any period prior to the 90-day period described in subparagraph (B)(i), and

"(iv) who is certified by the designated local agency as having his principal place of abode within an empowerment zone or enterprise community.

"(B) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified summer youth employee—

"(i) subsection (b)(2) shall be applied by substituting 'any 90-day period between May 1 and September 15' for 'the 1-year period beginning with the day the individual begins work for the employer', and

"(ii) subsection (b)(3) shall be applied by substituting '$3,000' for '$6,000'.

The preceding sentence shall not apply to an individual who, with respect to the same employer, is certified as a member of another targeted group after such individual has been a qualified summer youth employee.

"(C) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—Paragraph (5)(B) shall apply for purposes of subparagraph (A)(iv).

"(8) QUALIFIED FOOD STAMP RECIPIENT.—

"(A) IN GENERAL.—The term 'qualified food stamp recipient' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 25 on the hiring date, and

"(ii) as being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for the 3-month period ending on the hiring date.

"(B) PARTICIPATION INFORMATION.—Notwithstanding any other provision of law, the Secretary of the Treasury and the Secretary of Agriculture shall enter into an agreement to provide information to designated local agencies with respect to participation in the food stamp program.

"(9) HIRING DATE.—The term 'hiring date' means the day the individual is hired by the employer.

"(10) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49–49n).

"(11) SPECIAL RULES FOR CERTIFICATIONS.—

"(A) IN GENERAL.—An individual shall not be treated as a member of a targeted group unless—

"(i) on or before the day on which such individual begins work for the employer, the employer has received a certification from a designated local agency that such individual is a member of a targeted group, or

"(ii)(I) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and

"(II) not later than the 21st day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for such a certification from such agency.

For purposes of this paragraph, the term 'pre-screening notice' means a document (in such form as the Secretary shall prescribe) which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group.

"(B) INCORRECT CERTIFICATIONS.—If—

"(i) an individual has been certified by a designated local agency as a member of a targeted group, and

"(ii) such certification is incorrect because it was based on false information provided by such individual,

the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

"(C) EXPLANATION OF DENIAL OF REQUEST.—If a designated local agency denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial."

(c) MINIMUM EMPLOYMENT PERIOD.—Paragraph (3) of section 51(i) (relating to certain individuals ineligible) is amended to read as follows:

"(3) INDIVIDUALS NOT MEETING MINIMUM EMPLOYMENT PERIOD.—No wages shall be taken into account under subsection (a) with respect to any individual unless such individual either—

"(A) is employed by the employer at least 180 days (20 days in the case of a qualified summer youth employee), or

"(B) has completed at least 375 hours (120 hours in the case of a qualified summer youth employee) of services performed for the employer."

(d) TERMINATION.—Paragraph (4) of section 51(c) (relating to wages defined) is amended to read as follows:

"(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer—

"(A) after December 31, 1994, and before October 1, 1996, or

"(B) after September 30, 1997."

(e) REDESIGNATION OF CREDIT.—

(1) Sections 38(b)(2) and 51(a) are each amended by striking "targeted jobs credit" and inserting "work opportunity credit".

(2) The subpart heading for subpart F of part IV of subchapter A of chapter 1 is amended by striking "**Targeted Jobs Credit**" and inserting "**Work Opportunity Credit**".

(3) The table of subparts for such part IV is amended by striking "targeted jobs credit" and inserting "work opportunity credit".

(4) The heading for paragraph (3) of section 1396(c) is amended by striking "TARGETED JOBS CREDIT" and inserting "WORK OPPORTUNITY CREDIT".

(f) TECHNICAL AMENDMENT.—Paragraph (1) of section 51(c) is amended by striking ", subsection (d)(8)(D),".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after September 30, 1996.

SEC. 1202. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS.

(a) EXTENSION.—Subsection (d) of section 127 (relating to educational assistance programs) is amended by striking "December 31, 1994" and inserting "December 31, 1996".

(b) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1994.

(2) EXPEDITED PROCEDURES.—The Secretary of the Treasury shall establish expedited procedures for the refund of any overpayment of taxes imposed by the Internal Revenue Code of 1986 which is attributable to amounts excluded from gross income during 1995 or 1996 under section 127 of such Code, including procedures waiving the requirement that an employer obtain an employee's signature where the employer demonstrates to the satisfaction of the Secretary that any refund collected by the employer on behalf of the employee will be paid to the employee.

SEC. 1203. RESEARCH CREDIT.

(a) IN GENERAL.—Subsection (h) of section 41 (relating to credit for research activities) is amended to read as follows:

"(h) TERMINATION.—

"(1) IN GENERAL.—This section shall not apply to any amount paid or incurred—

"(A) after June 30, 1995, and before July 1, 1996, or

"(B) after June 30, 1997."

"(2) COMPUTATION OF BASE AMOUNT.—In the case of any taxable year with respect to which this section applies to a number of days which is less than the total number of days in such taxable year, the base amount with respect to such taxable year shall be the amount which bears the same ratio to the base amount for such year (determined without regard to this paragraph) as the number of days in such taxable year to which this section applies bears to the total number of days in such taxable year."

(b) BASE AMOUNT FOR START-UP COMPANIES.—Clause (i) of section 41(c)(3)(B) (relating to start-up companies) is amended to read as follows:

"(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if—

"(I) the first taxable year in which a taxpayer had both gross receipts and qualified research expenses begins after December 31, 1983, or

"(II) there are fewer than 3 taxable years beginning after December 31, 1983, and before January 1, 1989, in which the taxpayer had both gross receipts and qualified research expenses."

(c) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—Subsection (c) of section 41 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

"(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the sum of—

"(i) 1.65 percent of so much of the qualified research expenses for the taxable year as exceeds 1 percent of the average described in subsection (c)(1)(B) but does not exceed 1.5 percent of such average,

"(ii) 2.2 percent of so much of such expenses as exceeds 1.5 percent of such average but does not exceed 2 percent of such average, and

"(iii) 2.75 percent of so much of such expenses as exceeds 2 percent of such average.

"(B) ELECTION.—An election under this paragraph may be made only for the first taxable year of the taxpayer beginning after June 30, 1996. Such an election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary."

(d) INCREASED CREDIT FOR CONTRACT RESEARCH EXPENSES WITH RESPECT TO CERTAIN RESEARCH CONSORTIA.—Paragraph (3) of section 41(b) is amended by adding at the end the following new subparagraph:

"(C) AMOUNTS PAID TO CERTAIN RESEARCH CONSORTIA.—

"(i) IN GENERAL.—Subparagraph (A) shall be applied by substituting '75 percent' for '65 percent' with respect to amounts paid or incurred by the taxpayer to a qualified research consortium for qualified research on behalf of the taxpayer and 1 or more unrelated taxpayers. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related taxpayers.

"(ii) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization which—

"(I) is described in section 501(c)(3) or 501(c)(6) and is exempt from tax under section 501(a),

"(II) is organized and operated primarily to conduct scientific research, and

"(III) is not a private foundation."

(e) CONFORMING AMENDMENT.—Subparagraph (D) of section 28(b)(1) is amended by inserting ", and before July 1, 1996, and periods after June 30, 1997" after "June 30, 1995".

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after June 30, 1996.

(2) SUBSECTIONS (c) AND (d).—The amendments made by subsections (c) and (d) shall apply to taxable years beginning after June 30, 1996.

SEC. 1204. ORPHAN DRUG TAX CREDIT.

(a) RECATEGORIZED AS A BUSINESS CREDIT.—

(1) IN GENERAL.—Section 28 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is transferred to subpart D of part IV of subchapter A of chapter 1, inserted after section 45B, and redesignated as section 45C.

(2) CONFORMING AMENDMENT.—Subsection (b) of section 38 (relating to general business credit) is amended by striking "plus" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting ", plus", and by adding at the end the following new paragraph:

"(12) the orphan drug credit determined under section 45C(a)."

(3) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart B of such part IV is amended by striking the item relating to section 28.

(B) The table of sections for subpart D of such part IV is amended by adding at the end the following new item:

> "Sec. 45C. Clinical testing expenses for certain drugs for rare diseases or conditions."

(b) CREDIT TERMINATION.—Subsection (e) of section 45C, as redesignated by subsection (a)(1), is amended to read as follows:

"(e) TERMINATION.—This section shall not apply to any amount paid or incurred—

"(A) after December 31, 1994, and before July 1, 1996, or

"(B) after June 30, 1997."

(c) NO PRE-JULY 1, 1996 CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

"(7) NO CARRYBACK OF SECTION 45C CREDIT BEFORE JULY 1, 1996.—No portion of the unused business credit for any taxable year which is attributable to the orphan drug credit determined under section 45C may be carried back to a taxable year ending before July 1, 1996."

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 45C(a), as redesignated by subsection (a)(1), is amended by striking "There shall be allowed as a credit against the tax imposed by this chapter for the taxable year" and inserting "For purposes of section 38, the credit determined under this section for the taxable year is".

(2) Section 45C(d), as so redesignated, is amended by striking paragraph (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(3) Section 29(b)(6)(A) is amended by striking "sections 27 and 28" and inserting "section 27".

(4) Section 30(b)(3)(A) is amended by striking "sections 27, 28, and 29" and inserting "sections 27 and 29".

(5) Section 53(d)(1)(B) is amended—

(A) by striking "or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)," in clause (iii), and

(B) by striking "or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)" in clause (iv)(II).

(6) Section 55(c)(2) is amended by striking "28(d)(2),".

(7) Section 280C(b) is amended—

(A) by striking "section 28(b)" in paragraph (1) and inserting "section 45C(b)",

(B) by striking "section 28" in paragraphs (1) and (2)(A) and inserting "section 45C(b)", and

(C) by striking "subsection (d)(2) thereof" in paragraphs (1) and (2)(A) and inserting "section 38(c)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years ending after June 30, 1996.

SEC. 1205. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subparagraph (D) of section 170(e)(5) (relating to special rule for contributions of stock for which market quotations are readily available) is amended to read as follows:

"(D) TERMINATION.—This paragraph shall not apply to contributions made—

"(A) after December 31, 1994, and before July 1, 1996, or

"(B) after June 30, 1997."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after June 30, 1996.

SEC. 1206. EXTENSION OF BINDING CONTRACT DATE FOR BIOMASS AND COAL FACILITIES.

(a) IN GENERAL.—Subparagraph (A) of section 29(g)(1) (relating to extension of certain facilities) is amended by striking "January 1, 1997" and inserting "January 1, 1998" and by striking "January 1, 1996" and inserting "the date which is 6 months after the date of the enactment of the Small Business Job Protection Act of 1996".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 1207. MORATORIUM FOR EXCISE TAX ON DIESEL FUEL SOLD FOR USE OR USED IN DIESEL-POWERED MOTORBOATS.

(a) IN GENERAL.—Subparagraph (D) of section 4041(a)(1) (relating to the imposition of tax on diesel fuel and special motor fuels) is amended by redesignating clauses (i) and (ii) as clauses (ii) and (iii), respectively, and by inserting before clause (ii) (as redesignated) the following new clause:

"(i) no tax shall be imposed by subsection (a) or (d)(1) during the period after June 30, 1996, and before July 1, 1997,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

Subtitle C—Provisions Relating to S Corporations

SEC. 1301. S CORPORATIONS PERMITTED TO HAVE 75 SHAREHOLDERS.

Subparagraph (A) of section 1361(b)(1) (defining small business corporation) is amended by striking "35 shareholders" and inserting "75 shareholders".

SEC. 1302. ELECTING SMALL BUSINESS TRUSTS.

(a) GENERAL RULE.—Subparagraph (A) of section 1361(c)(2) (relating to certain trusts permitted as shareholders) is amended by inserting after clause (iv) the following new clause:

"(v) An electing small business trust.".

(b) CURRENT BENEFICIARIES TREATED AS SHAREHOLDERS.—Subparagraph (B) of section 1361(c)(2) is amended by adding at the end the following new clause:

"(v) In the case of a trust described in clause (v) of subparagraph (A), each potential current beneficiary of such trust shall be treated as a shareholder; except that, if for any period there is no potential current beneficiary of such trust, such trust shall be treated as the shareholder during such period.".

(c) ELECTING SMALL BUSINESS TRUST DEFINED.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

"(e) ELECTING SMALL BUSINESS TRUST DEFINED.—

"(1) ELECTING SMALL BUSINESS TRUST.—For purposes of this section—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'electing small business trust' means any trust if—

"(i) such trust does not have as a beneficiary any person other than (I) an individual, (II) an estate, or (III) an organization described in paragraph (2), (3), (4), or (5) of section 170(c) which holds a contingent interest and is not a potential current beneficiary,

"(ii) no interest in such trust was acquired by purchase, and

"(iii) an election under this subsection applies to such trust.

"(B) CERTAIN TRUSTS NOT ELIGIBLE.—The term 'electing small business trust' shall not include—

"(i) any qualified subchapter S trust (as defined in subsection (d)(3)) if an election under subsection (d)(2) applies to any corporation the stock of which is held by such trust, and

"(ii) any trust exempt from tax under this subtitle.

"(C) PURCHASE.—For purposes of subparagraph (A), the term 'purchase' means any acquisition if the basis of the property acquired is determined under section 1012.

"(2) POTENTIAL CURRENT BENEFICIARY.—For purposes of this section, the term 'potential current beneficiary' means, with respect to any period, any person who at any time during such period is entitled to, or at the discretion of any person may receive, a distribution from the principal or income of the trust. If a trust disposes of all of the stock which it holds in an S corporation, then, with respect to such corporation, the term 'potential current beneficiary' does not include any person who first met the requirements of the preceding sentence during the 60-day period ending on the date of such disposition.

"(3) ELECTION.—An election under this subsection shall be made by the trustee. Any such election shall apply to the taxable year of the trust for which made and all subsequent taxable years of such trust unless revoked with the consent of the Secretary.

"(4) CROSS REFERENCE.—

"For special treatment of electing small business trusts, see section 641(d).".

(d) TAXATION OF ELECTING SMALL BUSINESS TRUSTS.—Section 641 (relating to imposition of tax on trusts) is amended by adding at the end the following new subsection:

"(d) SPECIAL RULES FOR TAXATION OF ELECTING SMALL BUSINESS TRUSTS.—

"(1) IN GENERAL.—For purposes of this chapter—

"(A) the portion of any electing small business trust which consists of stock in 1 or more S corporations shall be treated as a separate trust, and

"(B) the amount of the tax imposed by this chapter on such separate trust shall be determined with the modifications of paragraph (2).

"(2) MODIFICATIONS.—For purposes of paragraph (1), the modifications of this paragraph are the following:

"(A) Except as provided in section 1(h), the amount of the tax imposed by section 1(e) shall be determined by using the highest rate of tax set forth in section 1(e).

"(B) The exemption amount under section 55(d) shall be zero.

"(C) The only items of income, loss, deduction, or credit to be taken into account are the following:

"(i) The items required to be taken into account under section 1366.

"(ii) Any gain or loss from the disposition of stock in an S corporation.

"(iii) To the extent provided in regulations, State or local income taxes or administrative expenses to the extent allocable to items described in clauses (i) and (ii).

No deduction or credit shall be allowed for any amount not described in this paragraph, and no item described in this paragraph shall be apportioned to any beneficiary.

"(D) No amount shall be allowed under paragraph (1) or (2) of section 1211(b).

"(3) TREATMENT OF REMAINDER OF TRUST AND DISTRIBUTIONS.—For purposes of determining—

"(A) the amount of the tax imposed by this chapter on the portion of any electing small business trust not treated as a separate trust under paragraph (1), and

"(B) the distributable net income of the entire trust,

the items referred to in paragraph (2)(C) shall be excluded. Except as provided in the preceding sentence, this subsection shall not affect the taxation of any distribution from the trust.

"(4) TREATMENT OF UNUSED DEDUCTIONS WHERE TERMINATION OF SEPARATE TRUST.—If a portion of an electing small business trust ceases to be treated as a separate trust under paragraph (1), any carryover or excess deduction of the separate trust which is referred to in section 642(h) shall be taken into account by the entire trust.

"(5) ELECTING SMALL BUSINESS TRUST.—For purposes of this subsection, the term 'electing small business trust' has the meaning given such term by section 1361(e)(1).".

(e) TECHNICAL AMENDMENT.—Paragraph (1) of section 1366(a) is amended by inserting ", or of a trust or estate which terminates," after "who dies".

SEC. 1303. EXPANSION OF POST-DEATH QUALIFICATION FOR CERTAIN TRUSTS.

Subparagraph (A) of section 1361(c)(2) (relating to certain trusts permitted as shareholders) is amended—

(1) by striking "60-day period" each place it appears in clauses (ii) and (iii) and inserting "2-year period", and

(2) by striking the last sentence in clause (ii).

SEC. 1304. FINANCIAL INSTITUTIONS PERMITTED TO HOLD SAFE HARBOR DEBT.

Clause (iii) of section 1361(c)(5)(B) (defining straight debt) is amended by striking "or a trust described in paragraph (2)" and inserting "a trust described in paragraph (2), or a person which is actively and regularly engaged in the business of lending money".

SEC. 1305. RULES RELATING TO INADVERTENT TERMINATIONS AND INVALID ELECTIONS.

(a) GENERAL RULE.—Subsection (f) of section 1362 (relating to inadvertent terminations) is amended to read as follows:

"(f) INADVERTENT INVALID ELECTIONS OR TERMINATIONS.—If—

"(1) an election under subsection (a) by any corporation—

"(A) was not effective for the taxable year for which made (determined without regard to subsection (b)(2)) by reason of a failure to meet the requirements of section 1361(b) or to obtain shareholder consents, or

"(B) was terminated under paragraph (2) or (3) of subsection (d),

"(2) the Secretary determines that the circumstances resulting in such ineffectiveness or termination were inadvertent,

"(3) no later than a reasonable period of time after discovery of the circumstances resulting in such ineffectiveness or termination, steps were taken—

"(A) so that the corporation is a small business corporation, or

"(B) to acquire the required shareholder consents, and

"(4) the corporation, and each person who was a shareholder in the corporation at any time during the period specified pursuant to this subsection, agrees to make such adjustments (consistent with the treatment of the corporation as an S corporation) as may be required by the Secretary with respect to such period,

then, notwithstanding the circumstances resulting in such ineffectiveness or termination, such corporation shall be treated as an S corporation during the period specified by the Secretary.".

(b) LATE ELECTIONS, ETC.—Subsection (b) of section 1362 is amended by adding at the end the following new paragraph:

"(5) AUTHORITY TO TREAT LATE ELECTIONS, ETC., AS TIMELY.—If—

"(A) an election under subsection (a) is made for any taxable year (determined without regard to paragraph (3)) after the date prescribed by this subsection for making such election for such taxable year or no such election is made for any taxable year, and

"(B) the Secretary determines that there was reasonable cause for the failure to timely make such election,

the Secretary may treat such an election as timely made for such taxable year (and paragraph (3) shall not apply).".

(c) EFFECTIVE DATE.—The amendments made by subsection (a) and (b) shall apply with respect to elections for taxable years beginning after December 31, 1982.

SEC. 1306. AGREEMENT TO TERMINATE YEAR.

Paragraph (2) of section 1377(a) (relating to pro rata share) is amended to read as follows:

"(2) ELECTION TO TERMINATE YEAR.—

"(A) IN GENERAL.—Under regulations prescribed by the Secretary, if any shareholder terminates the shareholder's interest in the corporation during the taxable year and all affected shareholders and the corporation agree to the application of this paragraph, paragraph (1) shall be applied to the affected shareholders as if the taxable year consisted of 2 taxable years the first of which ends on the date of the termination.

"(B) AFFECTED SHAREHOLDERS.—For purposes of subparagraph (A), the term 'affected shareholders' means the shareholder whose interest is terminated and all shareholders to whom such shareholder has transferred shares during the taxable year. If such shareholder has transferred shares to the corporation, the term 'affected shareholders' shall include all persons who are shareholders during the taxable year.".

SEC. 1307. EXPANSION OF POST-TERMINATION TRANSITION PERIOD.

(a) IN GENERAL.—Paragraph (1) of section 1377(b) (relating to post-termination transition period) is amended by striking "and" at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) the 120-day period beginning on the date of any determination pursuant to an audit of the taxpayer which follows the termination of the corporation's election and which adjusts a subchapter S item of income, loss, or deduction of the corporation arising during the S period (as defined in section 1368(e)(2)), and".

(b) DETERMINATION DEFINED.—Paragraph (2) of section 1377(b) is amended by striking subparagraphs (A) and (B), by redesignating subparagraph (C) as subparagraph (B), and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) a determination as defined in section 1313(a), or".

(c) REPEAL OF SPECIAL AUDIT PROVISIONS FOR SUBCHAPTER S ITEMS.—

(1) GENERAL RULE.—Subchapter D of chapter 63 (relating to tax treatment of subchapter S items) is hereby repealed.

(2) CONSISTENT TREATMENT REQUIRED.—Section 6037 (relating to return of S corporation) is amended by adding at the end the following new subsection:

"(c) SHAREHOLDER'S RETURN MUST BE CONSISTENT WITH CORPORATE RETURN OR SECRETARY NOTIFIED OF INCONSISTENCY.—

"(1) IN GENERAL.—A shareholder of an S corporation shall, on such shareholder's return, treat a subchapter S item in a manner which is consistent with the treatment of such item on the corporate return.

"(2) NOTIFICATION OF INCONSISTENT TREATMENT.—

"(A) IN GENERAL.—In the case of any subchapter S item, if—

"(i)(I) the corporation has filed a return but the shareholder's treatment on his return is (or may be) inconsistent with the treatment of the item on the corporate return, or

"(II) the corporation has not filed a return, and

"(ii) the shareholder files with the Secretary a statement identifying the inconsistency,

paragraph (1) shall not apply to such item.

"(B) SHAREHOLDER RECEIVING INCORRECT INFORMATION.—A shareholder shall be treated as having complied with clause (ii) of subparagraph (A) with respect to a subchapter S item if the shareholder—

"(i) demonstrates to the satisfaction of the Secretary that the treatment of the subchapter S item on the shareholder's return is consistent with the treatment of the item on the schedule furnished to the shareholder by the corporation, and

"(ii) elects to have this paragraph apply with respect to that item.

"(3) EFFECT OF FAILURE TO NOTIFY.—In any case—

"(A) described in subparagraph (A)(i)(I) of paragraph (2), and

"(B) in which the shareholder does not comply with subparagraph (A)(ii) of paragraph (2),

any adjustment required to make the treatment of the items by such shareholder consistent with the treatment of the items on the corporate return shall be treated as arising out of mathematical or clerical errors and assessed according to section 6213(b)(1). Paragraph (2) of section 6213(b) shall not apply to any assessment referred to in the preceding sentence.

"(4) SUBCHAPTER S ITEM.—For purposes of this subsection, the term 'subchapter S item' means any item of an S corporation to the extent that regulations prescribed by the Secretary provide that, for purposes of this subtitle, such item is more appropriately determined at the corporation level than at the shareholder level.

"(5) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—

"For addition to tax in the case of a shareholder's negligence in connection with, or disregard of, the requirements of this section, see part II of subchapter A of chapter 68.".

(3) CONFORMING AMENDMENTS.—

(A) Section 1366 is amended by striking subsection (g).

(B) Subsection (b) of section 6233 is amended to read as follows:

"(b) SIMILAR RULES IN CERTAIN CASES.—If a partnership return is filed for any taxable year but it is determined that there is no entity for such taxable year, to the extent provided in regulations, rules similar to the rules of subsection (a) shall apply.".

(C) The table of subchapters for chapter 63 is amended by striking the item relating to subchapter D.

SEC. 1308. S CORPORATIONS PERMITTED TO HOLD SUBSIDIARIES.

(a) IN GENERAL.—Paragraph (2) of section 1361(b) (defining ineligible corporation) is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(b) TREATMENT OF CERTAIN WHOLLY OWNED S CORPORATION SUBSIDIARIES.—Section 1361(b) (defining small business corporation) is amended by adding at the end the following new paragraph:

"(3) TREATMENT OF CERTAIN WHOLLY OWNED SUBSIDIARIES.—

"(A) IN GENERAL.—For purposes of this title—

"(i) a corporation which is a qualified subchapter S subsidiary shall not be treated as a separate corporation, and

"(ii) all assets, liabilities, and items of income, deduction, and credit of a qualified subchapter S subsidiary shall be treated as assets, liabilities, and such items (as the case may be) of the S corporation.

"(B) QUALIFIED SUBCHAPTER S SUBSIDIARY.—For purposes of this paragraph, the term 'qualified subchapter S subsidiary' means any domestic corporation which is not an ineligible corporation (as defined in paragraph (2)), if—

"(i) 100 percent of the stock of such corporation is held by the S corporation, and

"(ii) the S corporation elects to treat such corporation as a qualified subchapter S subsidiary.

"(C) TREATMENT OF TERMINATIONS OF QUALIFIED SUBCHAPTER S SUBSIDIARY STATUS.—For purposes of this title, if any corporation which was a qualified subchapter S subsidiary ceases to meet the requirements of subparagraph (B), such corporation shall be treated as a new corporation acquiring all of its assets (and assuming all of its liabilities) immediately before such cessation from the S corporation in exchange for its stock.

"(D) ELECTION AFTER TERMINATION.—If a corporation's status as a qualified subchapter S subsidiary terminates, such corporation (and any successor corporation) shall not be eligible to make—

"(i) an election under subparagraph (B)(ii) to be treated as a qualified subchapter S subsidiary, or

"(ii) an election under section 1362(a) to be treated as an S corporation,

before its 5th taxable year which begins after the 1st taxable year for which such termination was effective, unless the Secretary consents to such election."

(c) CERTAIN DIVIDENDS NOT TREATED AS PASSIVE INVESTMENT INCOME.—Paragraph (3) of section 1362(d) is amended by adding at the end the following new subparagraph:

"(F) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.".

(d) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 1361 is amended by striking paragraph (6).

(2) Subsection (b) of section 1504 (defining includible corporation) is amended by adding at the end the following new paragraph:

"(8) An S corporation.".

SEC. 1309. TREATMENT OF DISTRIBUTIONS DURING LOSS YEARS.

(a) ADJUSTMENTS FOR DISTRIBUTIONS TAKEN INTO ACCOUNT BEFORE LOSSES.—

(1) Subparagraph (A) of section 1366(d)(1) (relating to losses and deductions cannot exceed shareholder's basis in stock and debt) is amended by striking "paragraph (1)" and inserting "paragraphs (1) and (2)(A)".

(2) Subsection (d) of section 1368 (relating to certain adjustments taken into account) is amended by adding at the end the following new sentence:

"In the case of any distribution made during any taxable year, the adjusted basis of the stock shall be determined with regard to the adjustments provided in paragraph (1) of section 1367(a) for the taxable year.".

(b) ACCUMULATED ADJUSTMENTS ACCOUNT.—Paragraph (1) of section 1368(e) (relating to accumulated adjustments account) is amended by adding at the end the following new subparagraph:

"(C) NET LOSS FOR YEAR DISREGARDED.—

"(i) IN GENERAL.—In applying this section to distributions made during any taxable year, the amount in the accumulated adjustments account as of the close of such taxable year shall be determined without regard to any net negative adjustment for such taxable year.

"(ii) NET NEGATIVE ADJUSTMENT.—For purposes of clause (i), the term 'net negative adjustment' means, with respect to any taxable year, the excess (if any) of—

"(I) the reductions in the account for the taxable year (other than for distributions), over

"(II) the increases in such account for such taxable year.".

(c) CONFORMING AMENDMENTS.—Subparagraph (A) of section 1368(e)(1) is amended—

(1) by striking "as provided in subparagraph (B)" and inserting "as otherwise provided in this paragraph", and

(2) by striking "section 1367(b)(2)(A)" and inserting "section 1367(a)(2)".

SEC. 1310. TREATMENT OF S CORPORATIONS UNDER SUBCHAPTER C.

Subsection (a) of section 1371 (relating to application of subchapter C rules) is amended to read as follows:

"(a) APPLICATION OF SUBCHAPTER C RULES.—Except as otherwise provided in this title, and except to the extent inconsistent with this subchapter, subchapter C shall apply to an S corporation and its shareholders.".

SEC. 1311. ELIMINATION OF CERTAIN EARNINGS AND PROFITS.

(a) IN GENERAL.—If—

(1) a corporation was an electing small business corporation under subchapter S of chapter 1 of the Internal Revenue Code of 1986 for any taxable year beginning before January 1, 1983, and

(2) such corporation is an S corporation under subchapter S of chapter 1 of such Code for its first taxable year beginning after December 31, 1996,

the amount of such corporation's accumulated earnings and profits (as of the beginning of such first taxable year) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under such subchapter S.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 1362(d), as amended by section 1308, is amended—

(A) by striking "SUBCHAPTER C" in the paragraph heading and inserting "ACCUMULATED",

(B) by striking "subchapter C" in subparagraph (A)(i)(I) and inserting "accumulated", and

(C) by striking subparagraph (B) and redesignating the following subparagraphs accordingly.

(2)(A) Subsection (a) of section 1375 is amended by striking "subchapter C" in paragraph (1) and inserting "accumulated".

(B) Paragraph (3) of section 1375(b) is amended to read as follows:

"(3) PASSIVE INVESTMENT INCOME, ETC.—The terms 'passive investment income' and 'gross receipts' have the same respective meanings as when used in paragraph (3) of section 1362(d).".

(C) The section heading for section 1375 is amended by striking "**subchapter c**" and inserting "**accumulated**".

(D) The table of sections for part III of subchapter S of chapter 1 is amended by striking "subchapter C" in the item relating to section 1375 and inserting "accumulated".

(3) Clause (i) of section 1042(c)(4)(A) is amended by striking "section 1362(d)(3)(D)" and inserting "section 1362(d)(3)(C)".

SEC. 1312. CARRYOVER OF DISALLOWED LOSSES AND DEDUCTIONS UNDER AT-RISK RULES ALLOWED.

Paragraph (3) of section 1366(d) (relating to carryover of disallowed losses and deductions to post-termination transition period) is amended by adding at the end the following new subparagraph:

"(D) AT-RISK LIMITATIONS.—To the extent that any increase in adjusted basis described in subparagraph (B) would have increased the shareholder's amount at risk under section 465 if such increase had occurred on the day preceding the commencement of the post-termination transition period, rules similar to the rules described in subparagraphs (A) through (C) shall apply to any losses disallowed by reason of section 465(a).".

SEC. 1313. ADJUSTMENTS TO BASIS OF INHERITED S STOCK TO REFLECT CERTAIN ITEMS OF INCOME.

(a) IN GENERAL.—Subsection (b) of section 1367 (relating to adjustments to basis of stock of shareholders, etc.) is amended by adding at the end the following new paragraph:

"(4) ADJUSTMENTS IN CASE OF INHERITED STOCK.—

"(A) IN GENERAL.—If any person acquires stock in an S corporation by reason of the death of a decedent or by bequest, devise, or inheritance, section 691 shall be applied with respect to any item of income of the S corporation in the same manner as if the decedent had held directly his pro rata share of such item.

"(B) ADJUSTMENTS TO BASIS.—The basis determined under section 1014 of any stock in an S corporation shall be reduced by the portion of the value of the stock which is attributable to items constituting income in respect of the decedent.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of decedents dying after the date of the enactment of this Act.

SEC. 1314. S CORPORATIONS ELIGIBLE FOR RULES APPLICABLE TO REAL PROPERTY SUBDIVIDED FOR SALE BY NONCORPORATE TAXPAYERS.

(a) IN GENERAL.—Subsection (a) of section 1237 (relating to real property subdivided for sale) is amended by striking "other than a corporation" in the material preceding paragraph (1) and inserting "other than a C corporation".

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 1237(a)(2) is amended by inserting "an S corporation which included the taxpayer as a shareholder," after "controlled by the taxpayer,".

SEC. 1315. FINANCIAL INSTITUTIONS.

Subparagraph (A) of section 1361(b)(2) (defining ineligible corporation), as redesignated by section 1308(a), is amended to read as follows:

"(A) a financial institution which uses the reserve method of accounting for bad debts described in section 585 or 593,".

SEC. 1316. CERTAIN EXEMPT ORGANIZATIONS ALLOWED TO BE SHAREHOLDERS.

(a) ELIGIBILITY TO BE SHAREHOLDERS.—

(1) IN GENERAL.—Subparagraph (B) of section 1361(b)(1) (defining small business corporation) is amended to read as follows:

"(B) have as a shareholder a person (other than an estate, a trust described in subsection (c)(2), or an organization described in subsection (c)(7)) who is not an individual,".

(2) ELIGIBLE EXEMPT ORGANIZATIONS.—Section 1361(c) (relating to special rules for applying subsection (b)) is amended by adding at the end the following new paragraph:

"(7) CERTAIN EXEMPT ORGANIZATIONS PERMITTED AS SHAREHOLDERS.—For purposes of subsection (b)(1)(B), an organization which is—

"(A) described in section 401(a) or 501(c)(3), and

"(B) exempt from taxation under section 501(a),

may be a shareholder in an S corporation."

(b) CONTRIBUTIONS OF S CORPORATION STOCK.—Section 170(e)(1) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new sentence: "For purposes of applying this paragraph in the case of a charitable contribution of stock in an S corporation, rules similar to the rules of section 751 shall apply in determining whether gain on such stock would have been long-term capital gain if such stock were sold by the taxpayer."

(c) TREATMENT OF INCOME.—Section 512 (relating to unrelated business taxable income), as amended by section 1113, is amended by adding at the end the following new subsection:

"(e) SPECIAL RULES APPLICABLE TO S CORPORATIONS.—

"(1) IN GENERAL.—If an organization described in section 1361(c)(7) holds stock in an S corporation—

"(A) such interest shall be treated as an interest in an unrelated trade or business; and

"(B) notwithstanding any other provision of this part, all items of income, loss, deduction or credit taken into account under section 1366(a) and any gain or loss on the disposition of the stock in the S corporation shall be taken into account in computing the unrelated business taxable income of such organization.

"(2) DISPOSITION GAIN.—For purposes of paragraph (1), gain on the sale or other disposition of C corporation stock which was an S corporation at any time the organization held such stock shall be treated as gain from the disposition of stock in an S corporation to the extent of any gain which the organization would have realized if it had sold the stock for fair market value as of the last day of the corporation's last taxable year as an S corporation."

(d) CERTAIN BENEFITS NOT APPLICABLE TO S CORPORATIONS.—

(1) CONTRIBUTION TO ESOPS.—Paragraph (9) of section 404(a) (relating to certain contributions to employee ownership plans) is amended by inserting at the end the following new subparagraph:

"(C) S CORPORATIONS.—This paragraph shall not apply to an S corporation."

(2) DIVIDENDS ON EMPLOYER SECURITIES.—Paragraph (1) of section 404(k) (relating to deduction for dividends on certain employer securities) is amended by striking "a corporation" and inserting "a C corporation".

(3) EXCHANGE TREATMENT.—Subparagraph (A) of section 1042(c)(1) (defining qualified securities) is amended by striking "domestic corporation" and inserting "domestic C corporation".

(e) CONFORMING AMENDMENT.—Clause (i) of section 1361(e)(1)(A), as added by section 1302, is amended by striking "which holds a contingent interest and is not a potential current beneficiary".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 1317. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, the amendments made by this subtitle shall apply to taxable years beginning after December 31, 1996.

(b) TREATMENT OF CERTAIN ELECTIONS UNDER PRIOR LAW.—For purposes of section 1362(g) of the Internal Revenue Code of 1986 (relating to election after termination), any termination under section 1362(d) of such Code in a taxable year beginning before January 1, 1997, shall not be taken into account.

Subtitle D—Pension Simplification

CHAPTER 1—SIMPLIFIED DISTRIBUTION RULES

SEC. 1401. REPEAL OF 5-YEAR INCOME AVERAGING FOR LUMP-SUM DISTRIBUTIONS.

(a) IN GENERAL.—Subsection (d) of section 402 (relating to taxability of beneficiary of employees' trust) is amended to read as follows:

"(d) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a), (b), and (c), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a).".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 402(e)(4) (relating to other rules applicable to exempt trusts) is amended to read as follows:

"(D) LUMP-SUM DISTRIBUTION.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'lump sum distribution' means the distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(I) on account of the employee's death,

"(II) after the employee attains age 59½,

"(III) on account of the employee's separation from service, or

"(IV) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Subclause (III) of this clause shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and subclause (IV) shall be applied only with respect to an employee within the meaning of section 401(c)(1). For purposes of this clause, a distribution to two or more trusts shall be treated as a distribution to one recipient. For purposes of this paragraph, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(ii) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the balance to the credit of an employee under clause (i)—

"(I) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(II) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions of this paragraph shall be applied without regard to community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This paragraph shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this paragraph, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this paragraph, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(vii) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this paragraph, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this clause, the balance to the credit of the alternate payee shall not include any amount payable to the employee.".

(2) Section 402(c) (relating to rules applicable to rollovers from exempt trusts) is amended by striking paragraph (10).

(3) Paragraph (1) of section 55(c) (defining regular tax) is amended by striking "shall not include any tax imposed by section 402(d) and".

(4) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(d)) is hereby repealed.

(5) Section 401(a)(28)(B) (relating to coordination with distribution rules) is amended by striking clause (v).

(6) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions that must be lump-sum distributions) is amended to read as follows:

"(ii) LUMP-SUM DISTRIBUTION.—For purposes of this subparagraph, the term 'lump-sum distribution' has the meaning given such term by section 402(e)(4)(D) (without regard to subclauses (I), (II), (III), and (IV) of clause (i) thereof).".

(7) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(8) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(9) Section 691(c) (relating to deduction for estate tax) is amended by striking paragraph (5).

(10) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(11) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(12) Section 4980A(c)(4) is amended—

(A) by striking "to which an election under section 402(d)(4)(B) applies" and inserting "(as defined in section 402(e)(4)(D)) with respect to which the individual elects to have this paragraph apply",

(B) by adding at the end the following new flush sentence:

"An individual may elect to have this paragraph apply to only one lump-sum distribution.", and

(C) by striking the heading and inserting:

"(4) SPECIAL ONE-TIME ELECTION.—".

(13) Section 402(e) is amended by striking paragraph (5).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

(2) RETENTION OF CERTAIN TRANSITION RULES.—The amendments made by this section shall not apply to any distribution for which the taxpayer is eligible to elect the benefits of section 1122 (h)(3) or (h)(5) of the Tax Reform Act of 1986. Notwithstanding the preceding sentence, individuals who elect such benefits after December 31, 1999, shall not be eligible for 5-year averaging under section 402(d) of the Internal Revenue Code of 1986 (as in effect immediately before such amendments).

SEC. 1402. REPEAL OF $5,000 EXCLUSION OF EMPLOYEES' DEATH BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 101 is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 101 is amended by striking "subsection (a) or (b)" and inserting "subsection (a)".

(2) Sections 406(e) and 407(e) are each amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(3) Section 7701(a)(20) is amended by striking ", for the purpose of applying the provisions of section 101(b) with respect to employees' death benefits".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to decedents dying after the date of the enactment of this Act.

SEC. 1403. SIMPLIFIED METHOD FOR TAXING ANNUITY DISTRIBUTIONS UNDER CERTAIN EMPLOYER PLANS.

(a) GENERAL RULE.—Subsection (d) of section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended to read as follows:

"(d) SPECIAL RULES FOR QUALIFIED EMPLOYER RETIREMENT PLANS.—

"(1) SIMPLIFIED METHOD OF TAXING ANNUITY PAYMENTS.—

"(A) IN GENERAL.—In the case of any amount received as an annuity under a qualified employer retirement plan—

"(i) subsection (b) shall not apply, and

"(ii) the investment in the contract shall be recovered as provided in this paragraph.

"(B) METHOD OF RECOVERING INVESTMENT IN CONTRACT.—

"(i) IN GENERAL.—Gross income shall not include so much of any monthly annuity payment under a qualified employer retirement plan as does not exceed the amount obtained by dividing—

"(I) the investment in the contract (as of the annuity starting date), by

"(II) the number of anticipated payments determined under the table contained in clause (iii) (or, in the case of a contract to which subsection (c)(3)(B) applies, the number of monthly annuity payments under such contract).

"(ii) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) and (3) of subsection (b) shall apply for purposes of this paragraph.

"(iii) NUMBER OF ANTICIPATED PAYMENTS.—

"If the age of the primary annuitant on the annuity starting date is:	The number of anticipated payments is:
Not more than 55	360
More than 55 but not more than 60	310
More than 60 but not more than 65	260
More than 65 but not more than 70	210
More than 70	160.

"(C) ADJUSTMENT FOR REFUND FEATURE NOT APPLICABLE.—For purposes of this paragraph, investment in the contract shall be determined under subsection (c)(1) without regard to subsection (c)(2).

"(D) SPECIAL RULE WHERE LUMP SUM PAID IN CONNECTION WITH COMMENCEMENT OF ANNUITY PAYMENTS.—If, in connection with the commencement of annuity payments under any qualified employer retirement plan, the taxpayer receives a lump sum payment—

"(i) such payment shall be taxable under subsection (e) as if received before the annuity starting date, and

"(ii) the investment in the contract for purposes of this paragraph shall be determined as if such payment had been so received.

"(E) EXCEPTION.—This paragraph shall not apply in any case where the primary annuitant has attained age 75 on the annuity starting date unless there are fewer than 5 years of guaranteed payments under the annuity.

"(F) ADJUSTMENT WHERE ANNUITY PAYMENTS NOT ON MONTHLY BASIS.—In any case where the annuity payments are not made on a monthly basis, appropriate adjustments in the application of this paragraph shall be made to take into account the period on the basis of which such payments are made.

"(G) QUALIFIED EMPLOYER RETIREMENT PLAN.—For purposes of this paragraph, the term 'qualified employer retirement plan' means any plan or contract described in paragraph (1), (2), or (3) of section 4974(c).

"(2) TREATMENT OF EMPLOYEE CONTRIBUTIONS UNDER DEFINED CONTRIBUTION PLANS.—For purposes of this section, employee contributions (and any income allocable thereto) under a defined contribution plan may be treated as a separate contract.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply in cases where the annuity starting date is after the 90th day after the date of the enactment of this Act.

SEC. 1404. REQUIRED DISTRIBUTIONS.

(a) IN GENERAL.—Section 401(a)(9)(C) (defining required beginning date) is amended to read as follows:

"(C) REQUIRED BEGINNING DATE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'required beginning date' means April 1 of the calendar year following the later of—

"(I) the calendar year in which the employee attains age 70½, or

"(II) the calendar year in which the employee retires.

"(ii) EXCEPTION.—Subclause (II) of clause (i) shall not apply—

"(I) except as provided in section 409(d), in the case of an employee who is a 5-percent owner (as defined in section 416) with respect to the plan year ending in the calendar year in which the employee attains age 70½, or

"(II) for purposes of section 408 (a)(6) or (b)(3).

"(iii) ACTUARIAL ADJUSTMENT.—In the case of an employee to whom clause (i)(II) applies who retires in a calendar year after the calendar year in which the employee attains age 70½, the employee's accrued benefit shall be actuarially increased to take into account the period after age 70½ in which the employee was not receiving any benefits under the plan.

"(iv) EXCEPTION FOR GOVERNMENTAL AND CHURCH PLANS.—Clauses (ii) and (iii) shall not apply in the case of a governmental plan or church plan. For purposes of this clause, the term 'church plan' means a plan maintained by a church for church employees, and the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1996.

CHAPTER 2—INCREASED ACCESS TO RETIREMENT PLANS

Subchapter A—Simple Savings Plans

SEC. 1421. ESTABLISHMENT OF SAVINGS INCENTIVE MATCH PLANS FOR EMPLOYEES OF SMALL EMPLOYERS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) SIMPLE RETIREMENT ACCOUNTS.—

"(1) IN GENERAL.—For purposes of this title, the term 'simple retirement account' means an individual retirement plan (as defined in section 7701(a)(37))—

"(A) with respect to which the requirements of paragraphs (3), (4), and (5) are met; and

"(B) with respect to which the only contributions allowed are contributions under a qualified salary reduction arrangement.

"(2) QUALIFIED SALARY REDUCTION ARRANGEMENT.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified salary reduction arrangement' means a written arrangement of an eligible employer under which—

"(i) an employee eligible to participate in the arrangement may elect to have the employer make payments—

"(I) as elective employer contributions to a simple retirement account on behalf of the employee, or

"(II) to the employee directly in cash,

"(ii) the amount which an employee may elect under clause (i) for any year is required to be expressed as a percentage of compensation and may not exceed a total of $6,000 for any year,

"(iii) the employer is required to make a matching contribution to the simple retirement account for any year in an amount equal to so much of the amount the employee elects under clause (i)(I) as does not exceed the applicable percentage of compensation for the year, and

"(iv) no contributions may be made other than contributions described in clause (i) or (iii).

"(B) EMPLOYER MAY ELECT 2-PERCENT NONELECTIVE CONTRIBUTION.—

"(i) IN GENERAL.—An employer shall be treated as meeting the requirements of subparagraph (A)(iii) for any year if, in lieu of the contributions described in such clause, the employer elects to make nonelective contributions of 2 percent of compensation for each employee who is eligible to participate in the arrangement and who has at least $5,000 of compensation from the employer for the year. If an employer makes an election under this subparagraph for any year, the employer shall notify employees of such election within a reasonable period of time before the 60-day period for such year under paragraph (5)(C).

"(ii) COMPENSATION LIMITATION.—The compensation taken into account under clause (i) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

"(C) DEFINITIONS.—For purposes of this subsection—

"(i) ELIGIBLE EMPLOYER.—

"(I) IN GENERAL.—The term 'eligible employer' means, with respect to any year, an employer which had no more than 100 employees who received at least $5,000 of compensation from the employer for the preceding year.

"(II) 2-YEAR GRACE PERIOD.—An eligible employer who establishes and maintains a plan under this subsection for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer. If such failure is due to any acquisition, disposition, or similar transaction involving an eligible employer, the preceding sentence shall apply only in accordance with rules similar to the rules of section 410(b)(6)(C)(i).

"(ii) APPLICABLE PERCENTAGE.—

"(I) IN GENERAL.—The term 'applicable percentage' means 3 percent.

"(II) ELECTION OF LOWER PERCENTAGE.—An employer may elect to apply a lower percentage (not less than 1 percent) for any year for all employees eligible to participate in the plan for such year if the employer notifies the employees of such lower percentage within a reasonable period of time before the 60-day election period for such year under paragraph (5)(C). An employer may not elect a lower percentage under this subclause for any year if that election would result in the applicable percentage being lower than 3 percent in more than 2 of the years in the 5-year period ending with such year.

"(III) SPECIAL RULE FOR YEARS ARRANGEMENT NOT IN EFFECT.—If any year in the 5-year period described in subclause (II) is a year prior to the first year for which any qualified salary reduction arrangement is in effect with respect to the employer (or any predecessor), the employer shall be treated as if the level of the employer matching contribution was at 3 percent of compensation for such prior year.

"(D) ARRANGEMENT MAY BE ONLY PLAN OF EMPLOYER.—

"(i) IN GENERAL.—An arrangement shall not be treated as a qualified salary reduction arrangement for any year if the employer (or any predecessor employer) maintained a qualified plan with respect to which contributions were made, or benefits were accrued, for service in any year in the period beginning with the year such arrangement became effective and ending with the year for which the determination is being made.

"(ii) QUALIFIED PLAN.—For purposes of this subparagraph, the term 'qualified plan' means a plan, contract, pension, or trust described in subparagraph (A) or (B) of section 219(g)(5).

"(E) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust the $6,000 amount under subparagraph (A)(ii) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter ending September 30, 1996, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.

"(3) VESTING REQUIREMENTS.—The requirements of this paragraph are met with respect to a simple retirement account if the employee's rights to any contribution to the simple retirement account are nonforfeitable. For purposes of this paragraph, rules similar to the rules of subsection (k)(4) shall apply.

"(4) PARTICIPATION REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph are met with respect to any simple retirement account for a year only if, under the qualified salary reduction arrangement, all employees of the employer who—

"(i) received at least $5,000 in compensation from the employer during any 2 preceding years, and

"(ii) are reasonably expected to receive at least $5,000 in compensation during the year,

are eligible to make the election under paragraph (2)(A)(i) or receive the nonelective contribution described in paragraph (2)(B).

"(B) EXCLUDABLE EMPLOYEES.—An employer may elect to exclude from the requirement under subparagraph (A) employees described in section 410(b)(3).

"(5) ADMINISTRATIVE REQUIREMENTS.—The requirements of this paragraph are met with respect to any simplified retirement account if, under the qualified salary reduction arrangement—

"(A) an employer must—

"(i) make the elective employer contributions under paragraph (2)(A)(i) not later than the close of the 30-day period following the last day of the month with respect to which the contributions are to be made, and

"(ii) make the matching contributions under paragraph (2)(A)(iii) or the nonelective contributions under paragraph (2)(B) not later than the date described in section 404(m)(2)(B),

"(B) an employee may elect to terminate participation in such arrangement at any time during the year, except that if an employee so terminates, the arrangement may provide that the employee may not elect to resume participation until the beginning of the next year, and

"(C) each employee eligible to participate may elect, during the 60-day period before the beginning of any year (and the 60-day period before the first day such employee is eligible to participate), to participate in the arrangement, or to modify the amounts subject to such arrangement, for such year.

"(6) DEFINITIONS.—For purposes of this subsection—

"(A) COMPENSATION.—

"(i) IN GENERAL.—The term 'compensation' means amounts described in paragraphs (3) and (8) of section 6051(a).

"(ii) SELF-EMPLOYED.—In the case of an employee described in subparagraph (B), the term 'compensation' means net earnings from self-employment determined under section 1402(a) without regard to any contribution under this subsection.

"(B) EMPLOYEE.—The term 'employee' includes an employee as defined in section 401(c)(1).

"(C) YEAR.—The term 'year' means the calendar year.

"(7) USE OF DESIGNATED FINANCIAL INSTITUTION.—A plan shall not be treated as failing to satisfy the requirements of this subsection or any other provision of this title merely because the employer makes all contributions to the individual retirement accounts or annuities of a designated trustee or issuer. The preceding sentence shall not apply unless each plan participant is notified in writing (either separately or as part of the notice under subsection (l)(2)(C)) that the participant's balance may be transferred without cost or penalty to another individual account or annuity in accordance with section 408(d)(3)(G)."

(b) TAX TREATMENT OF SIMPLE RETIREMENT ACCOUNTS.—

(1) DEDUCTIBILITY OF CONTRIBUTIONS BY EMPLOYEES.—

(A) Section 219(b) (relating to maximum amount of deduction) is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULE FOR SIMPLE RETIREMENT ACCOUNTS.—This section shall not apply with respect to any amount contributed to a simple retirement account established under section 408(p).".

(B) Section 219(g)(5)(A) (defining active participant) is amended by striking "or" at the end of clause (iv) and by adding at the end the following new clause:

"(vi) any simple retirement account (within the meaning of section 408(p)), or".

(2) DEDUCTIBILITY OF EMPLOYER CONTRIBUTIONS.—Section 404 (relating to deductions for contributions of an employer to pension, etc. plans) is amended by adding at the end the following new subsection:

"(m) SPECIAL RULES FOR SIMPLE RETIREMENT ACCOUNTS.—

"(1) IN GENERAL.—Employer contributions to a simple retirement account shall be treated as if they are made to a plan subject to the requirements of this section.

"(2) TIMING.—

"(A) DEDUCTION.—Contributions described in paragraph (1) shall be deductible in the taxable year of the employer with or within which the calendar year for which the contributions were made ends.

"(B) CONTRIBUTIONS AFTER END OF YEAR.—For purposes of this subsection, contributions shall be treated as made for a taxable year if they are made on account of the taxable year and are made not later than the time prescribed by law for filing the return for the taxable year (including extensions thereof).".

(3) CONTRIBUTIONS AND DISTRIBUTIONS.—

(A) Section 402 (relating to taxability of beneficiary of employees' trust) is amended by adding at the end the following new subsection:

"(k) TREATMENT OF SIMPLE RETIREMENT ACCOUNTS.—Rules similar to the rules of paragraphs (1) and (3) of subsection (h) shall apply to contributions and distributions with respect to a simple retirement account under section 408(p).".

(B) Section 408(d)(3) is amended by adding at the end the following new subparagraph:

"(G) SIMPLE RETIREMENT ACCOUNTS.—This paragraph shall not apply to any amount paid or distributed out of a simple retirement account (as defined in section 408(p)) unless—

"(i) it is paid into another simple retirement account, or

"(ii) in the case of any payment or distribution to which section 72(t)(6) does not apply, it is paid into an individual retirement plan.".

(C) Clause (i) of section 457(c)(2)(B) is amended by striking "section 402(h)(1)(B)" and inserting "section 402(h)(1)(B) or (k)".

(4) PENALTIES.—

(A) EARLY WITHDRAWALS.—Section 72(t) (relating to additional tax in early distributions) is amended by adding at the end the following new paragraph:

"(6) SPECIAL RULES FOR SIMPLE RETIREMENT ACCOUNTS.—In the case of any amount received from a simple retirement account (within the meaning of section 408(p)) during the 2-year period beginning on the date such individual first participated in any qualified salary reduction arrangement maintained by the individual's employer under section 408(p)(2), paragraph (1) shall be applied by substituting '25 percent' for '10 percent'.".

(B) FAILURE TO REPORT.—Section 6693 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) PENALTIES RELATING TO SIMPLE RETIREMENT ACCOUNTS.—

"(1) EMPLOYER PENALTIES.—An employer who fails to provide 1 or more notices required by section 408(l)(2)(C) shall pay a penalty of $50 for each day on which such failures continue.

"(2) TRUSTEE PENALTIES.—A trustee who fails—

"(A) to provide 1 or more statements required by the last sentence of section 408(i) shall pay a penalty of $50 for each day on which such failures continue, or

"(B) to provide 1 or more summary descriptions required by section 408(l)(2)(B) shall pay a penalty of $50 for each day on which such failures continue.

"(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection with respect to any failure which the taxpayer shows was due to reasonable cause.".

(5) REPORTING REQUIREMENTS.—

(A) Section 408(l) is amended by adding at the end the following new paragraph:

"(2) SIMPLE RETIREMENT ACCOUNTS.—

"(A) NO EMPLOYER REPORTS.—Except as provided in this paragraph, no report shall be required under this section by an employer maintaining a qualified salary reduction arrangement under subsection (p).

"(B) SUMMARY DESCRIPTION.—The trustee of any simple retirement account established pursuant to a qualified salary reduction arrangement under subsection (p) shall provide to the employer maintaining the arrangement, each year a description containing the following information:

"(i) The name and address of the employer and the trustee.

"(ii) The requirements for eligibility for participation.

"(iii) The benefits provided with respect to the arrangement.

"(iv) The time and method of making elections with respect to the arrangement.

"(v) The procedures for, and effects of, withdrawals (including rollovers) from the arrangement.

"(C) EMPLOYEE NOTIFICATION.—The employer shall notify each employee immediately before the period for which an election described in subsection (p)(5)(C) may be made of the employee's opportunity to make such election. Such notice shall include a copy of the description described in subparagraph (B).".

(B) Section 408(l) is amended by striking "An employer" and inserting the following:

"(1) IN GENERAL.—An employer".

(6) REPORTING REQUIREMENTS.—Section 408(i) is amended by adding at the end the following new flush sentence:

"In the case of a simple retirement account under subsection (p), only one report under this subsection shall be required to be submitted each calendar year to the Secretary (at the time provided under paragraph (2)) but, in addition to the report under this subsection, there shall be furnished, within 30 days after each calendar year, to the individual on whose behalf the account is maintained a statement with respect to the account balance as of the close of, and the account activity during, such calendar year.".

(7) EXEMPTION FROM TOP-HEAVY PLAN RULES.—Section 416(g)(4) (relating to special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

"(G) SIMPLE RETIREMENT ACCOUNTS.—The term 'top-heavy plan' shall not include a simple retirement account under section 408(p).".

(8) EMPLOYMENT TAXES.—

(A) Paragraph (5) of section 3121(a) is amended by striking "or" at the end of subparagraph (F), by inserting "or" at the end of subparagraph (G), and by adding at the end the following new subparagraph:

"(H) under an arrangement to which section 408(p) applies, other than any elective contributions under paragraph (2)(A)(i) thereof,".

(B) Section 209(a)(4) of the Social Security Act is amended by inserting "; or (J) under an arrangement to which section 408(p) of such Code applies, other than any elective contributions under paragraph (2)(A)(i) thereof" before the semicolon at the end thereof.

(C) Paragraph (5) of section 3306(b) is amended by striking "or" at the end of subparagraph (F), by inserting "or" at the end of subparagraph (G), and by adding at the end the following new subparagraph:

"(H) under an arrangement to which section 408(p) applies, other than any elective contributions under paragraph (2)(A)(i) thereof,".

(D) Paragraph (12) of section 3401(a) is amended by adding the following new subparagraph:

"(D) under an arrangement to which section 408(p) applies; or".

(9) CONFORMING AMENDMENTS.—

(A) Section 280G(b)(6) is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or" and by adding after subparagraph (C) the following new subparagraph:

"(D) a simple retirement account described in section 408(p).".

(B) Section 402(g)(3) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding after subparagraph (C) the following new subparagraph:

"(D) any elective employer contribution under section 408(p)(2)(A)(i).".

(C) Subsections (b), (c), (m)(4)(B), and (n)(3)(B) of section 414 are each amended by inserting "408(p)," after "408(k),".

(D) Section 4972(d)(1)(A) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding after clause (iii) the following new clause:

"(iv) any simple retirement account (within the meaning of section 408(p)).".

(c) REPEAL OF SALARY REDUCTION SIMPLIFIED EMPLOYEE PENSIONS.—Section 408(k)(6) is amended by adding at the end the following new subparagraph:

"(H) TERMINATION.—This paragraph shall not apply to years beginning after December 31, 1996. The preceding sentence shall not apply to a simplified employee pension if the terms of such pension, as in effect on December 31, 1996, provide that an employee may make the election described in subparagraph (A).".

(d) MODIFICATIONS OF ERISA.—

(1) REPORTING REQUIREMENTS.—Section 101 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) SIMPLE RETIREMENT ACCOUNTS.—

"(1) NO EMPLOYER REPORTS.—Except as provided in this subsection, no report shall be required under this section by an employer maintaining a qualified salary reduction arrangement under section 408(p) of the Internal Revenue Code of 1986.

"(2) SUMMARY DESCRIPTION.—The trustee of any simple retirement account established pursuant to a qualified salary reduction arrangement under section 408(p) of such Code shall provide to the employer maintaining the arrangement each year a description containing the following information:

"(A) The name and address of the employer and the trustee.

"(B) The requirements for eligibility for participation.

"(C) The benefits provided with respect to the arrangement.

"(D) The time and method of making elections with respect to the arrangement.

"(E) The procedures for, and effects of, withdrawals (including rollovers) from the arrangement.

"(3) EMPLOYEE NOTIFICATION.—The employer shall notify each employee immediately before the period for which an election described in section 408(p)(5)(C) of such Code may be made of the employee's opportunity to make such election. Such notice shall include a copy of the description described in paragraph (2)."

(2) FIDUCIARY DUTIES.—Section 404(c) of such Act (29 U.S.C. 1104(c)) is amended by inserting "(1)" after "(c)", by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by adding at the end the following new paragraph:

"(2) In the case of a simple retirement account established pursuant to a qualified salary reduction arrangement under section 408(p) of the Internal Revenue Code of 1986, a participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account upon the earliest of—

"(A) an affirmative election with respect to the initial investment of any contribution,

"(B) a rollover to any other simple retirement account or individual retirement plan, or

"(C) one year after the simple retirement account is established.

No reports, other than those required under section 101(g), shall be required with respect to a simple retirement account established pursuant to such a qualified salary reduction arrangement."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 1422. EXTENSION OF SIMPLE PLAN TO 401(k) ARRANGEMENTS.

(a) ALTERNATIVE METHOD OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Section 401(k) (relating to cash or deferred arrangements) is amended by adding at the end the following new paragraph:

"(11) ADOPTION OF SIMPLE PLAN TO MEET NONDISCRIMINATION TESTS.—

"(A) IN GENERAL.—A cash or deferred arrangement maintained by an eligible employer shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement meets—

"(i) the contribution requirements of subparagraph (B),

"(ii) the exclusive plan requirements of subparagraph (C), and

"(iii) the vesting requirements of section 408(p)(3).

"(B) CONTRIBUTION REQUIREMENTS.—

"(i) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement—

"(I) an employee may elect to have the employer make elective contributions for the year on behalf of the employee to a trust under the plan in an amount which is expressed as a percentage of compensation of the employee but which in no event exceeds $6,000,

"(II) the employer is required to make a matching contribution to the trust for the year in an amount equal to so much of the amount the employee elects under subclause (I) as does not exceed 3 percent of compensation for the year, and

"(III) no other contributions may be made other than contributions described in subclause (I) or (II).

"(ii) EMPLOYER MAY ELECT 2-PERCENT NONELECTIVE CONTRIBUTION.—An employer shall be treated as meeting the requirements of clause (i)(II) for any year if, in lieu of the contributions described in such clause, the employer elects (pursuant to the terms of the arrangement) to make nonelective contributions of 2 percent of compensation for each employee who is eligible to participate in the arrangement and who has at least $5,000 of compensation from the employer for the year. If an employer makes an election under this subparagraph for any year, the employer shall notify employees of such election within a reasonable period of time before the 60th day before the beginning of such year.

"(C) EXCLUSIVE PLAN REQUIREMENT.—The requirements of this subparagraph are met for any year to which this paragraph applies if no contributions were made, or benefits were accrued, for services during such year under any qualified plan of the employer on behalf of any employee eligible to participate in the cash or deferred arrangement, other than contributions described in subparagraph (B).

"(D) DEFINITIONS AND SPECIAL RULE.—

"(i) DEFINITIONS.—For purposes of this paragraph, any term used in this paragraph which is also used in section 408(p) shall have the meaning given such term by such section.

"(ii) COORDINATION WITH TOP-HEAVY RULES.—A plan meeting the requirements of this paragraph for any year shall not be treated as a top-heavy plan under section 416 for such year.".

(b) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (10) as paragraph (11) and by adding after paragraph (9) the following new paragraph:

"(10) ALTERNATIVE METHOD OF SATISFYING TESTS.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(A) meets the contribution requirements of subparagraph (B) of subsection (k)(11),

"(B) meets the exclusive plan requirements of subsection (k)(11)(C), and

"(C) meets the vesting requirements of section 408(p)(3).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1996.

Subchapter B—Other Provisions

SEC. 1426. TAX-EXEMPT ORGANIZATIONS ELIGIBLE UNDER SECTION 401(k).

(a) IN GENERAL.—Subparagraph (B) of section 401(k)(4) is amended to read as follows:

"(B) ELIGIBILITY OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

"(i) TAX-EXEMPTS ELIGIBLE.—Except as provided in clause (ii), any organization exempt from tax under this subtitle may include a qualified cash or deferred arrangement as part of a plan maintained by it.

"(ii) GOVERNMENTS INELIGIBLE.—A cash or deferred arrangement shall not be treated as a qualified cash or deferred arrangement if it is part of a plan maintained by a State or local government or political subdivision thereof, or any agency or instrumentality thereof. This clause shall not apply to a rural cooperative plan or to a plan of an employer described in clause (iii).

"(iii) TREATMENT OF INDIAN TRIBAL GOVERNMENTS.—An employer which is an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency or instrumentality of an Indian tribal government or subdivision thereof, or a corporation chartered under Federal, State, or tribal law which is owned in whole or in part by any of the foregoing may include a qualified cash or deferred arrangement as part of a plan maintained by the employer.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 1996, but shall not apply to any cash or deferred arrangement to which clause (i) of section 1116(f)(2)(B) of the Tax Reform Act of 1986 applies.

SEC. 1427. HOMEMAKERS ELIGIBLE FOR FULL IRA DEDUCTION.

(a) SPOUSAL IRA COMPUTED ON BASIS OF COMPENSATION OF BOTH SPOUSES.—Subsection (c) of section 219 (relating to special rules for certain married individuals) is amended to read as follows:

"(c) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

"(1) IN GENERAL.—In the case of an individual to whom this paragraph applies for the taxable year, the limitation of paragraph (1) of subsection (b) shall be equal to the lesser of—

"(A) the dollar amount in effect under subsection (b)(1)(A) for the taxable year, or

"(B) the sum of—

"(i) the compensation includible in such individual's gross income for the taxable year, plus

"(ii) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount allowed as a deduction under subsection (a) to such spouse for such taxable year.

"(2) INDIVIDUALS TO WHOM PARAGRAPH (1) APPLIES.—Paragraph (1) shall apply to any individual if—

"(A) such individual files a joint return for the taxable year, and

"(B) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 219(f) (relating to other definitions and special rules) is amended by striking "subsections (b) and (c)" and inserting "subsection (b)".

(2) Section 219(g)(1) is amended by striking "(c)(2)" and inserting "(c)(1)(A)".

(3) Section 408(d)(5) is amended by striking "$2,250" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

CHAPTER 3—NONDISCRIMINATION PROVISIONS

SEC. 1431. DEFINITION OF HIGHLY COMPENSATED EMPLOYEES; REPEAL OF FAMILY AGGREGATION.

(a) IN GENERAL.—Paragraph (1) of section 414(q) (defining highly compensated employee) is amended to read as follows:

"(1) IN GENERAL.—The term 'highly compensated employee' means any employee who—

"(A) was a 5-percent owner at any time during the year or the preceding year, or

"(B) for the preceding year had compensation from the employer in excess of $80,000.

The Secretary shall adjust the $80,000 amount under subparagraph (B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter ending September 30, 1996.".

(b) REPEAL OF FAMILY AGGREGATION RULES.—

(1) IN GENERAL.—Paragraph (6) of section 414(q) is hereby repealed.

(2) COMPENSATION LIMIT.—Paragraph (17)(A) of section 401(a) is amended by striking the last sentence.

(3) DEDUCTION.—Subsection (l) of section 404 is amended by striking the last sentence.

(c) CONFORMING AMENDMENTS.—

(1)(A) Subsection (q) of section 414 is amended by striking paragraphs (2), (4), (5), (8), and (12) and by redesignating paragraphs (3), (7), (9), (10), and (11) as paragraphs (2) through (6), respectively.

(B) Sections 129(d)(8)(B), 401(a)(5)(D)(ii), 408(k)(2)(C), and 416(i)(1)(D) are each amended by striking "section 414(q)(7)" and inserting "section 414(q)(3)".

(C) Section 416(i)(1)(A) is amended by striking "section 414(q)(8)" and inserting "section 414(r)(9)".

(2)(A) Section 414(r) is amended by adding at the end the following new paragraph:

"(9) EXCLUDED EMPLOYEES.—For purposes of paragraph (2)(A), the following employees shall be excluded:

"(A) Employees who have not completed 6 months of service.

"(B) Employees who normally work less than 17½ hours per week.

"(C) Employees who normally work not more than 6 months during any year.

"(D) Employees who have not attained the age of 21.

"(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer.

Except as provided by the Secretary, the employer may elect to apply subparagraph (A), (B), (C), or (D) by substituting a shorter period of service, smaller number of hours or months, or lower age for the period of service, number of hours or months, or age (as the case may be) specified in such subparagraph.".

(B) Subparagraph (A) of section 414(r)(2) is amended by striking "subsection (q)(8)" and inserting "paragraph (9)".

(3) Section 1114(c)(4) of the Tax Reform Act of 1986 is amended by adding at the end the following new sentence: "Any reference in this paragraph to section 414(q) shall be treated as a reference to such section as in effect on the day before the date of the enactment of the Small Business Job Protection Act of 1996.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning

after December 31, 1996, except that in determining whether an employee is a highly compensated employee for years beginning in 1997, such amendments shall be treated as having been in effect for years beginning in 1996.

(2) FAMILY AGGREGATION.—The amendments made by subsection (b) shall apply to years beginning after December 31, 1996.

SEC. 1432. MODIFICATION OF ADDITIONAL PARTICIPATION REQUIREMENTS.

(a) GENERAL RULE.—Section 401(a)(26)(A) (relating to additional participation requirements) is amended to read as follows:

"(A) IN GENERAL.—In the case of a trust which is a part of a defined benefit plan, such trust shall not constitute a qualified trust under this subsection unless on each day of the plan year such trust benefits at least the lesser of—

"(i) 50 employees of the employer, or

"(ii) the greater of—

"(I) 40 percent of all employees of the employer, or

"(II) 2 employees (or if there is only 1 employee, such employee).".

(b) SEPARATE LINE OF BUSINESS TEST.—Section 401(a)(26)(G) (relating to separate line of business) is amended by striking "paragraph (7)" and inserting "paragraph (2)(A) or (7)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1996.

SEC. 1433. NONDISCRIMINATION RULES FOR QUALIFIED CASH OR DEFERRED ARRANGEMENTS AND MATCHING CONTRIBUTIONS.

(a) ALTERNATIVE METHODS OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Section 401(k) (relating to cash or deferred arrangements), as amended by section 1422, is amended by adding at the end the following new paragraph:

"(12) ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—

"(A) IN GENERAL.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement—

"(i) meets the contribution requirements of subparagraph (B) or (C), and

"(ii) meets the notice requirements of subparagraph (D).

"(B) MATCHING CONTRIBUTIONS.—

"(i) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to—

"(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

"(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

"(ii) RATE FOR HIGHLY COMPENSATED EMPLOYEES.—The requirements of this subparagraph are not met if, under the arrangement, the rate of matching contribution with respect to any elective contribution of a highly compensated employee at any rate of elective contribution is greater than that with respect to an employee who is not a highly compensated employee.

"(iii) ALTERNATIVE PLAN DESIGNS.—If the rate of any matching contribution with respect to any rate of elective contribution is not equal to the percentage required under clause (i), an arrangement shall not be treated as failing to meet the requirements of clause (i) if—

"(I) the rate of an employer's matching contribution does not increase as an employee's rate of elective contributions increase, and

"(II) the aggregate amount of matching contributions at such rate of elective contribution is at least equal to the aggregate amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (i).

"(C) NONELECTIVE CONTRIBUTIONS.—The requirements of this subparagraph are met if, under the arrangement, the employer is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3 percent of the employee's compensation.

"(D) NOTICE REQUIREMENT.—An arrangement meets the requirements of this paragraph if, under the arrangement, each employee eligible to participate is, within a reasonable period before any year, given written notice of the employee's rights and obligations under the arrangement which—

"(i) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(ii) is written in a manner calculated to be understood by the average employee eligible to participate.

"(E) OTHER REQUIREMENTS.—

"(i) WITHDRAWAL AND VESTING RESTRICTIONS.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) of this paragraph unless the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to all employer contributions (including matching contributions) taken into account in determining whether the requirements of subparagraphs (B) and (C) of this paragraph are met.

"(ii) SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), employer contributions under subparagraph (B) or (C) shall not be taken into account.

"(F) OTHER PLANS.—An arrangement shall be treated as meeting the requirements under subparagraph (A)(i) if any other plan maintained by the employer meets such requirements with respect to employees eligible under the arrangement.".

(b) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions), as amended by this section 1422(b), is amended by redesignating paragraph (11) as paragraph (12) and by adding after paragraph (10) the following new paragraph:

"(11) ALTERNATIVE METHOD OF SATISFYING TESTS.—

"(A) IN GENERAL.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(i) meets the contribution requirements of subparagraph (B) or (C) of subsection (k)(12),

"(ii) meets the notice requirements of subsection (k)(12)(D), and

"(iii) meets the requirements of subparagraph (B).

"(B) LIMITATION ON MATCHING CONTRIBUTIONS.—The requirements of this subparagraph are met if—

"(i) matching contributions on behalf of any employee may not be made with respect to an employee's contributions or elective deferrals in excess of 6 percent of the employee's compensation,

"(ii) the rate of an employer's matching contribution does not increase as the rate of an employee's contributions or elective deferrals increase, and

"(iii) the matching contribution with respect to any highly compensated employee at any rate of an employee contribution or rate of elective deferral is not greater than that with respect to an employee who is not a highly compensated employee.".

(c) YEAR FOR COMPUTING NONHIGHLY COMPENSATED EMPLOYEE PERCENTAGE.—

(1) CASH OR DEFERRED ARRANGEMENTS.—Section 401(k)(3)(A) is amended—

(A) by striking "such year" in clause (ii) and inserting "the plan year",

(B) by striking "for such plan year" in clause (ii) and inserting "for the preceding plan year", and

(C) by adding at the end the following new sentence: "An arrangement may apply clause (ii) by using the plan year rather than the preceding plan year if the employer so elects, except that if such an election is made, it may not be changed except as provided by the Secretary.".

(2) MATCHING AND EMPLOYEE CONTRIBUTIONS.—Section 401(m)(2)(A) is amended—

(A) by inserting "for such plan year" after "highly compensated employees",

(B) by inserting "for the preceding plan year" after "eligible employees" each place it appears in clause (i) and clause (ii), and

(C) by adding at the end the following flush sentence:

"This subparagraph may be applied by using the plan year rather than the preceding plan year if the employer so elects, except that if such an election is made, it may not be changed except as provided the Secretary.".

(d) SPECIAL RULE FOR DETERMINING AVERAGE DEFERRAL PERCENTAGE FOR FIRST PLAN YEAR, ETC.—

(1) Paragraph (3) of section 401(k) is amended by adding at the end the following new subparagraph:

"(E) For purposes of this paragraph, in the case of the first plan year of any plan (other than a successor plan), the amount taken into account as the actual deferral percentage of nonhighly compensated employees for the preceding plan year shall be—

"(i) 3 percent, or

"(ii) if the employer makes an election under this subclause, the actual deferral percentage of nonhighly compensated employees determined for such first plan year.".

(2) Paragraph (3) of section 401(m) is amended by adding at the end the following: "Rules similar to the rules of subsection (k)(3)(E) shall apply for purposes of this subsection.".

(e) DISTRIBUTION OF EXCESS CONTRIBUTIONS AND EXCESS AGGREGATE CONTRIBUTIONS.—

(1) Subparagraph (C) of section 401(k)(8) (relating to arrangement not disqualified if excess contributions distributed) is amended by striking "on the basis of the respective portions of the excess contributions attributable to each of such employees" and inserting "on the basis of the amount of contributions by, or on behalf of, each of such employees".

(2) Subparagraph (C) of section 401(m)(6) (relating to method of distributing excess aggregate contributions) is amended by

striking "on the basis of the respective portions of such amounts attributable to each of such employees" and inserting "on the basis of the amount of contributions on behalf of, or by, each such employee".

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1998.

(2) EXCEPTIONS.—The amendments made by subsections (c), (d), and (e) shall apply to years beginning after December 31, 1996.

SEC. 1434. DEFINITION OF COMPENSATION FOR SECTION 415 PURPOSES.

(a) GENERAL RULE.—Section 415(c)(3) (defining participant's compensation) is amended by adding at the end the following new subparagraph:

"(D) CERTAIN DEFERRALS INCLUDED.—The term 'participant's compensation' shall include—

"(i) any elective deferral (as defined in section 402(g)(3)), and

"(ii) any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of section 125 or 457.".

(b) CONFORMING AMENDMENTS.—

(1) Section 414(q)(3), as redesignated by section 1431, is amended to read as follows:

"(4) COMPENSATION.—For purposes of this subsection, the term 'compensation' has the meaning given such term by section 415(c)(3).".

(2) Section 414(s)(2) is amended by inserting "not" after "elect" in the text and heading thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1997.

CHAPTER 4—MISCELLANEOUS PROVISIONS

SEC. 1441. PLANS COVERING SELF-EMPLOYED INDIVIDUALS.

(a) AGGREGATION RULES.—Section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended to read as follows:

"(d) CONTRIBUTION LIMIT ON OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the plan provides that contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1996.

SEC. 1442. ELIMINATION OF SPECIAL VESTING RULE FOR MULTIEMPLOYER PLANS.

(a) AMENDMENTS TO 1986 CODE.—Paragraph (2) of section 411(a) (relating to minimum vesting standards) is amended—

(1) by striking "subparagraph (A), (B), or (C)" and inserting "subparagraph (A) or (B)"; and

(2) by striking subparagraph (C).

(b) AMENDMENTS TO ERISA.—Paragraph (2) of section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) by striking "subparagraph (A), (B), or (C)" and inserting "subparagraph (A) or (B)"; and

(2) by striking subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the earlier of—

(1) the later of—

(A) January 1, 1997, or

(B) the date on which the last of the collective bargaining agreements pursuant to which the plan is maintained terminates (determined without regard to any extension thereof after the date of the enactment of this Act), or

(2) January 1, 1999.

Such amendments shall not apply to any individual who does not have more than 1 hour of service under the plan on or after the 1st day of the 1st plan year to which such amendments apply.

SEC. 1443. DISTRIBUTIONS UNDER RURAL COOPERATIVE PLANS.

(a) DISTRIBUTIONS FOR HARDSHIP OR AFTER A CERTAIN AGE.—Section 401(k)(7) is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS.—A rural cooperative plan which includes a qualified cash or deferred arrangement shall not be treated as violating the requirements of section 401(a) or of paragraph (2) merely by reason of a hardship distribution or a distribution to a participant after attainment of age 59½. For purposes of this section, the term 'hardship distribution' means a distribution described in paragraph (2)(B)(i)(IV) (without regard to the limitation of its application to profit-sharing or stock bonus plans).".

(b) PUBLIC UTILITY DISTRICTS.—Clause (i) of section 401(k)(7)(B) (defining rural cooperative) is amended to read as follows:

"(i) any organization which—

"(I) is engaged primarily in providing electric service on a mutual or cooperative basis, or

"(II) is engaged primarily in providing electric service to the public in its area of service and which is exempt from tax under this subtitle or which is a State or local government (or an agency or instrumentality thereof), other than a municipality (or an agency or instrumentality thereof),".

(c) EFFECTIVE DATES.—

(1) DISTRIBUTIONS.—The amendments made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

(2) PUBLIC UTILITY DISTRICTS.—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 1996.

SEC. 1444. TREATMENT OF GOVERNMENTAL PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Subsection (b) of section 415 is amended by adding immediately after paragraph (10) the following new paragraph:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d)), subparagraph (B) of paragraph (1) shall not apply.".

(b) TREATMENT OF CERTAIN EXCESS BENEFIT PLANS.—

(1) IN GENERAL.—Section 415 is amended by adding at the end the following new subsection:

"(m) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—

"(1) GOVERNMENTAL PLAN NOT AFFECTED.—In determining whether a governmental plan (as defined in section 414(d)) meets the requirements of this section, benefits provided under a qualified governmental excess benefit arrangement shall not be taken into account. Income accruing to a governmental plan (or to a trust that is maintained solely for the purpose of providing benefits under a qualified governmental excess benefit arrangement) in respect of a qualified governmental excess benefit arrangement shall constitute income derived from the exercise of an essential governmental function upon which such governmental plan (or trust) shall be exempt from tax under section 115.

"(2) TAXATION OF PARTICIPANT.—For purposes of this chapter—

"(A) the taxable year or years for which amounts in respect of a qualified governmental excess benefit arrangement are includible in gross income by a participant, and

"(B) the treatment of such amounts when so includible by the participant,

shall be determined as if such qualified governmental excess benefit arrangement were treated as a plan for the deferral of compensation which is maintained by a corporation not exempt from tax under this chapter and which does not meet the requirements for qualification under section 401.

"(3) QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENT.—For purposes of this subsection, the term 'qualified governmental excess benefit arrangement' means a portion of a governmental plan if—

"(A) such portion is maintained solely for the purpose of providing to participants in the plan that part of the participant's annual benefit otherwise payable under the terms of the plan that exceeds the limitations on benefits imposed by this section,

"(B) under such portion no election is provided at any time to the participant (directly or indirectly) to defer compensation, and

"(C) benefits described in subparagraph (A) are not paid from a trust forming a part of such governmental plan unless such trust is maintained solely for the purpose of providing such benefits.".

(2) COORDINATION WITH SECTION 457.—Subsection (e) of section 457 is amended by adding at the end the following new paragraph:

"(14) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—Subsections (b)(2) and (c)(1) shall not apply to any qualified governmental excess benefit arrangement (as defined in section 415(m)(3)), and benefits provided under such an arrangement shall not be taken into account in determining whether any other plan is an eligible deferred compensation plan.".

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 457(f) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by inserting immediately thereafter the following new subparagraph:

"(E) a qualified governmental excess benefit arrangement described in section 415(m).".

(c) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Paragraph (2) of section 415(b) is amended by adding at the end the following new subparagraph:

"(I) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS PROVIDED UNDER GOVERNMENTAL PLANS.—Subparagraph (C) of this paragraph and paragraph (5) shall not apply to—

"(i) income received from a governmental plan (as defined in section 414(d)) as a pension, annuity, or similar allowance as the result of the recipient becoming disabled by reason of personal injuries or sickness, or

"(ii) amounts received from a governmental plan by the beneficiaries, survivors, or the estate of an employee as the result of the death of the employee.".

(d) REVOCATION OF GRANDFATHER ELECTION.—

(1) IN GENERAL.—Subparagraph (C) of section 415(b)(10) is amended by adding at the end the following new clause:

"(ii) REVOCATION OF ELECTION.—An election under clause (i) may be revoked not later than the last day of the third plan year beginning after the date of the enactment of this clause. The revocation shall apply to all plan years to which the election applied and to all subsequent plan years. Any amount paid by a plan in a taxable year ending after the revocation shall be includible in income in such taxable year under the rules of this chapter in effect for such taxable year, except that, for purposes of applying the limitations imposed by this section, any portion of such amount which is attributable to any taxable year during which the election was in effect shall be treated as received in such taxable year.".

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 415(b)(10) is amended by striking "This" and inserting:

"(i) IN GENERAL.—This".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall apply to years beginning after December 31, 1994. The amendments made by subsection (d) shall apply with respect to revocations adopted after the date of the enactment of this Act.

(2) TREATMENT FOR YEARS BEGINNING BEFORE JANUARY 1, 1995.—Nothing in the amendments made by this section shall be construed to imply that a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986) fails to satisfy the requirements of section 415 of such Code for any taxable year beginning before January 1, 1995.

SEC. 1445. UNIFORM RETIREMENT AGE.

(a) DISCRIMINATION TESTING.—Paragraph (5) of section 401(a) (relating to special rules relating to nondiscrimination requirements) is amended by adding at the end the following new subparagraph:

"(F) SOCIAL SECURITY RETIREMENT AGE.—For purposes of testing for discrimination under paragraph (4)—

"(i) the social security retirement age (as defined in section 415(b)(8)) shall be treated as a uniform retirement age, and

"(ii) subsidized early retirement benefits and joint and survivor annuities shall not be treated as being unavailable to employees on the same terms merely because such benefits or annuities are based in whole or in part on an employee's social security retirement age (as so defined)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1996.

SEC. 1446. CONTRIBUTIONS ON BEHALF OF DISABLED EMPLOYEES.

(a) ALL DISABLED PARTICIPANTS RECEIVING CONTRIBUTIONS.—Section 415(c)(3)(C) is amended by adding at the end the following: "If a defined contribution plan provides for the continuation of contributions on behalf of all participants described in clause (i) for a fixed or determinable period, this subparagraph shall be applied without regard to clauses (ii) and (iii).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1996.

SEC. 1447. TREATMENT OF DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) SPECIAL RULES FOR PLAN DISTRIBUTIONS.—Paragraph (9) of section 457(e) (relating to other definitions and special rules) is amended to read as follows:

"(9) BENEFITS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—

"(A) TOTAL AMOUNT PAYABLE IS $3,500 OR LESS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to receive such amount (or the plan may distribute such amount without the participant's consent) if—

"(i) such amount does not exceed $3,500, and

"(ii) such amount may be distributed only if—

"(I) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and

"(II) there has been no prior distribution under the plan to such participant to which this subparagraph applied.

A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution to which this subparagraph applies.

"(B) ELECTION TO DEFER COMMENCEMENT OF DISTRIBUTIONS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to defer commencement of distributions under the plan if—

"(i) such election is made after amounts may be available under the plan in accordance with subsection (d)(1)(A) and before commencement of such distributions, and

"(ii) the participant may make only 1 such election.".

(b) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—Subsection (e) of section 457, as amended by section 1444(b)(2) (relating to governmental plans), is amended by adding at the end the following new paragraph:

"(15) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—The Secretary shall adjust the $7,500 amount specified in subsections (b)(2) and (c)(1) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter ending September 30, 1994, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 1448. TRUST REQUIREMENT FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS.

(a) IN GENERAL.—Section 457 is amended by adding at the end the following new subsection:

"(g) GOVERNMENTAL PLANS MUST MAINTAIN SET-ASIDES FOR EXCLUSIVE BENEFIT OF PARTICIPANTS.—

"(1) IN GENERAL.—A plan maintained by an eligible employer described in subsection (e)(1)(A) shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of participants and their beneficiaries.

"(2) TAXABILITY OF TRUSTS AND PARTICIPANTS.—For purposes of this title—

"(A) a trust described in paragraph (1) shall be treated as an organization exempt from taxation under section 501(a), and

"(B) notwithstanding any other provision of this title, amounts in the trust shall be includible in the gross income of participants and beneficiaries only to the extent, and at the time, provided in this section.

"(3) CUSTODIAL ACCOUNTS AND CONTRACTS.—For purposes of this subsection, custodial accounts and contracts described in section 401(f) shall be treated as trusts under rules similar to the rules under section 401(f).".

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 457(b) is amended by inserting "except as provided in subsection (g)," before "which provides that".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to assets and income described in section 457(b)(6) of the Internal Revenue Code of 1986 held by a plan on and after the date of the enactment of this Act.

(2) TRANSITION RULE.—In the case of a plan in existence on the date of the enactment of this Act, a trust need not be established by reason of the amendments made by this section before January 1, 1999.

SEC. 1449. TRANSITION RULE FOR COMPUTING MAXIMUM BENEFITS UNDER SECTION 415 LIMITATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 767(d)(3) of the Uruguay Round Agreements Act is amended to read as follows:

"(A) EXCEPTION.—A plan that was adopted and in effect before December 8, 1994, shall not be required to apply the amendments made by subsection (b) with respect to benefits accrued before the earlier of—

"(i) the later of the date a plan amendment applying the amendments made by subsection (b) is adopted or made effective, or

"(ii) the first day of the first limitation year beginning after December 31, 1999.

Determinations under section 415(b)(2)(E) of the Internal Revenue Code of 1986 before such earlier date shall be made with respect to such benefits on the basis of such section as in effect on December 7, 1994 (except that the modification made by section 1449(b) of the Small Business Job Protection Act of 1996 shall be taken into account), and the provisions of the plan as in effect on December 7, 1994, but only if such provisions of the plan meet the requirements of such section (as so in effect).".

(b) MODIFICATION OF CERTAIN ASSUMPTIONS FOR ADJUSTING BENEFITS OF DEFINED BENEFIT PLANS FOR EARLY RETIREES.—Subparagraph (E) of section 415(b)(2) (relating to limitation on certain assumptions) is amended—

(1) by striking "Except as provided in clause (ii), for purposes of adjusting any benefit or limitation under subparagraph (B) or (C)," in clause (i) and inserting "For purposes of adjusting any limitation under subparagraph (C) and, except as provided in clause (ii), for purposes of adjusting any benefit under subparagraph (B),", and

(2) by striking "For purposes of adjusting the benefit or limitation of any form of benefit subject to section 417(e)(3)," in clause (ii) and inserting "For purposes of adjusting any benefit under subparagraph (B) for any form of benefit subject to section 417(e)(3),".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of section 767 of the Uruguay Round Agreements Act.

(d) TRANSITIONAL RULE.—In the case of a plan that was adopted and in effect before December 8, 1994, if—

(1) a plan amendment was adopted or made effective on or before the date of the enactment of this Act applying the amendments made by section 767 of the Uruguay Round Agreements Act, and

(2) within 1 year after the date of the enactment of this Act, a plan amendment is adopted which repeals the amendment referred to in paragraph (1),

the amendment referred to in paragraph (1) shall not be taken into account in applying section 767(d)(3)(A) of the Uruguay Round Agreements Act, as amended by subsection (a).

SEC. 1450. MODIFICATIONS OF SECTION 403(b).

(a) MULTIPLE SALARY REDUCTION AGREEMENTS PERMITTED.—

(1) GENERAL RULE.—For purposes of section 403(b) of the Internal Revenue Code of 1986, the frequency that an employee is permitted to enter into a salary reduction agreement, the salary to which such an agreement may apply, and the ability to revoke such an agreement shall be determined under the rules applicable to cash or deferred elections under section 401(k) of such Code.

(2) CONSTRUCTIVE RECEIPT.—Section 402(e)(3) is amended by inserting "or which is part of a salary reduction agreement under section 403(b)" after "section 401(k)(2))".

(3) EFFECTIVE DATE.—This subsection shall apply to taxable years beginning after December 31, 1995.

(b) TREATMENT OF INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subparagraph (A) of section 403(b)(1) (relating to taxability of beneficiary under annuity purchased by section 501(c)(3) organization or public school) is amended by striking "or" at the end of clause (i), by inserting "or" at the end of clause (ii), and by adding at the end the following new clause:

"(iii) for an employee by an employer which is an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency or instrumentality of an Indian tribal government or subdivision thereof, or a corporation chartered under Federal, State, or tribal law which is owned in whole or part by any of the foregoing,".

(2) CONFORMING AMENDMENT.—The heading for section 403(b) is amended by striking "OR PUBLIC SCHOOL" and inserting ", PUBLIC SCHOOL, OR INDIAN TRIBE".

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 1996.

(B) TRANSITION RULES.—

(i) IN GENERAL.—In the case of any contract purchased in a plan year beginning before January 1, 1997, section 403(b) of the Internal Revenue Code of 1986 shall be applied as if any reference to an employer described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from tax under section 501 of such Code included a reference to an employer which is an Indian tribal government (as defined by section 7701(a)(40) of such Code), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency or instrumentality of an Indian tribal government or subdivision thereof, or a corporation chartered under Federal, State, or tribal law which is owned in whole or in part by any of the foregoing.

(ii) ROLLOVERS.—Solely for purposes of applying section 403(b)(8) of such Code to a contract to which clause (i) applies, a qualified cash or deferred arrangement under section 401(k) of such Code shall be treated as if it were a plan or contract described in clause (ii) of section 403(b)(8)(A) of such Code.

(c) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Subparagraph (E) of section 403(b)(1) is amended to read as follows:

"(E) in the case of a contract purchased under a salary reduction agreement, the contract meets the requirements of section 401(a)(30),".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 1995, except a contract shall not be required to meet any change in any requirement by reason of such amendment before the 90th day after the date of the enactment of this Act.

SEC. 1451. WAIVER OF MINIMUM PERIOD FOR JOINT AND SURVIVOR ANNUITY EXPLANATION BEFORE ANNUITY STARTING DATE.

(a) GENERAL RULE.—For purposes of section 417(a)(3)(A) of the Internal Revenue Code of 1986 (relating to plan to provide written explanations), the minimum period prescribed by the Secretary of the Treasury between the date that the explanation referred to in such section is provided and the annuity starting date shall not apply if waived by the participant and, if applicable, the participant's spouse.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to plan years beginning after December 31, 1996.

SEC. 1452. REPEAL OF LIMITATION IN CASE OF DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN FOR SAME EMPLOYEE; EXCESS DISTRIBUTIONS.

(a) IN GENERAL.—Section 415(e) is repealed.

(b) EXCESS DISTRIBUTIONS.—Section 4980A is amended by adding at the end the following new subsection:

"(g) LIMITATION ON APPLICATION.—This section shall not apply to distributions during years beginning after December 31, 1996, and before January 1, 2000, and such distributions shall be treated as made first from amounts not described in subsection (f).".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 415(a) is amended—

(A) by adding "or" at the end of subparagraph (A),

(B) by striking ", or" at the end of subparagraph (B) and inserting a period, and

(C) by striking subparagraph (C).

(2) Subparagraph (B) of section 415(b)(5) is amended by striking "and subsection (e)".

(3) Paragraph (1) of section 415(f) is amended by striking "subsections (b), (c), and (e)" and inserting "subsections (b) and (c)".

(4) Subsection (g) of section 415 is amended by striking "subsections (e) and (f)" in the last sentence and inserting "subsection (f)".

(5) Clause (i) of section 415(k)(2)(A) is amended to read as follows:

"(i) any contribution made directly by an employee under such an arrangement shall not be treated as an annual addition for purposes of subsection (c), and".

(6) Clause (ii) of section 415(k)(2)(A) is amended by striking "subsections (c) and (e)" and inserting "subsection (c)".

(7) Section 416 is amended by striking subsection (h).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to limitation years beginning after December 31, 1999.

(2) EXCESS DISTRIBUTIONS.—The amendment made by subsection (b) shall apply to years beginning after December 31, 1996.

SEC. 1453. TAX ON PROHIBITED TRANSACTIONS.

(a) IN GENERAL.—Section 4975(a) is amended by striking "5 percent" and inserting "10 percent".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to prohibited transactions occurring after the date of the enactment of this Act.

SEC. 1454. TREATMENT OF LEASED EMPLOYEES.

(a) GENERAL RULE.—Subparagraph (C) of section 414(n)(2) (defining leased employee) is amended to read as follows:

"(C) such services are performed under primary direction or control by the recipient.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1996, but shall not apply to any relationship determined under an Internal Revenue Service ruling issued before the date of the enactment of this Act pursuant to section 414(n)(2)(C) of the Internal Revenue Code of 1986 (as in effect on the day before such date) not to involve a leased employee.

SEC. 1455. UNIFORM PENALTY PROVISIONS TO APPLY TO CERTAIN PENSION REPORTING REQUIREMENTS.

(a) PENALTIES.—

(1) STATEMENTS.—Paragraph (1) of section 6724(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following new subparagraph:

"(C) any statement of the amount of payments to another person required to be made to the Secretary under—

"(i) section 408(i) (relating to reports with respect to individual retirement accounts or annuities), or

"(ii) section 6047(d) (relating to reports by employers, plan administrators, etc.).".

(2) REPORTS.—Paragraph (2) of section 6724(d) is amended by striking "or" at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting a comma, and by inserting after subparagraph (T) the following new subparagraphs:

"(U) section 408(i) (relating to reports with respect to individual retirement plans) to any person other than the Secretary with respect to the amount of payments made to such person, or

"(V) section 6047(d) (relating to reports by plan administrators) to any person other than the Secretary with respect to the amount of payments made to such person.".

(b) MODIFICATION OF REPORTABLE DESIGNATED DISTRIBUTIONS.—

(1) SECTION 408.—Subsection (i) of section 408 (relating to individual retirement account reports) is amended by inserting "aggregating $10 or more in any calendar year" after "distributions".

(2) SECTION 6047.—Paragraph (1) of section 6047(d) (relating to reports by employers, plan administrators, etc.) is amended by adding at the end the following new sentence: "No return or report may be required under the preceding sentence with respect to distributions to any person during any year unless such distributions aggregate $10 or more.".

(c) QUALIFYING ROLLOVER DISTRIBUTIONS.—Section 6652(i) is amended—

(1) by striking "the $10" and inserting "$100", and

(2) by striking "$5,000" and inserting "$50,000".

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6047(f) is amended to read as follows:

"(1) For provisions relating to penalties for failures to file returns and reports required under this section, see sections 6652(e), 6721, and 6722.".

(2) Subsection (e) of section 6652 is amended by adding at the end the following new sentence: "This subsection shall not apply to any return or statement which is an information return described in section 6724(d)(1)(C)(ii) or a payee statement described in section 6724(d)(2)(V).".

(3) Subsection (a) of section 6693 is amended by adding at the end the following new

sentence: "This subsection shall not apply to any report which is an information return described in section 6724(d)(1)(C)(i) or a payee statement described in section 6724(d)(2)(U).".

(e) Effective Date.—The amendments made by this section shall apply to returns, reports, and other statements the due date for which (determined without regard to extensions) is after December 31, 1996.

SEC. 1456. RETIREMENT BENEFITS OF MINISTERS NOT SUBJECT TO TAX ON NET EARNINGS FROM SELF-EMPLOYMENT.

(a) In General.—Section 1402(a)(8) (defining net earning from self-employment) is amended by inserting ", but shall not include in such net earnings from self-employment the rental value of any parsonage or any parsonage allowance (whether or not excludable under section 107) provided after the individual retires, or any other retirement benefit received by such individual from a church plan (as defined in section 414(e)) after the individual retires" before the semicolon at the end.

(b) Effective Date.—The amendments made by this section shall apply to years beginning before, on, or after December 31, 1994.

SEC. 1457. MODEL FORMS FOR SPOUSAL CONSENT AND QUALIFIED DOMESTIC RELATIONS FORMS.

(a) Development of Forms.—Not later than January 1, 1997, the Secretary of the Treasury shall develop—

(1) a model form for the spousal consent required under section 417(a)(2) of the Internal Revenue Code of 1986 and section 205(c)(2) of the Employee Retirement Income Security Act of 1974 which—

(A) is written in a manner calculated to be understood by the average person, and

(B) discloses in plain form—

(i) whether the waiver to which the spouse consents is irrevocable, and

(ii) whether such waiver may be revoked by a qualified domestic relations order, and

(2) a model form for a qualified domestic relations order described in section 414(p)(1)(A) of such Code and section 206(d)(3)(B)(i) of such Act which—

(A) meets the requirements contained in such sections, and

(B) the provisions of which focus attention on the need to consider the treatment of any lump sum payment, qualified joint and survivor annuity, or qualified preretirement survivor annuity.

(b) Publicity.—The Secretary of the Treasury shall include publicity for the model forms developed under subsection (a) in the pension outreach efforts undertaken by the Secretary.

SEC. 1458. TREATMENT OF LENGTH OF SERVICE AWARDS TO VOLUNTEERS PERFORMING FIRE FIGHTING OR PREVENTION SERVICES, EMERGENCY MEDICAL SERVICES, OR AMBULANCE SERVICES.

(a) In General.—Paragraph (11) of section 457(e) (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended to read as follows:

"(11) Certain plans excluded.—

"(A) In general.—The following plans shall be treated as not providing for the deferral of compensation:

"(i) Any bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, or death benefit plan.

"(ii) Any plan paying solely length of service awards to bona fide volunteers (or their beneficiaries) on account of qualified services performed by such volunteers.

"(B) Special rules applicable to length of service award plans.—

"(i) Bona fide volunteer.—An individual shall be treated as a bona fide volunteer for purposes of subparagraph (A)(ii) if the only compensation received by such individual for performing qualified services is in the form of—

"(I) reimbursement for (or a reasonable allowance for) reasonable expenses incurred in the performance of such services, or

"(II) reasonable benefits (including length of service awards), and nominal fees for such services, customarily paid by eligible employers in connection with the performance of such services by volunteers.

"(ii) Limitation on accruals.—A plan shall not be treated as described in subparagraph (A)(ii) if the aggregate amount of length of service awards accruing with respect to any year of service for any bona fide volunteer exceeds $3,000.

"(C) Qualified services.—For purposes of this paragraph, the term 'qualified services' means fire fighting and prevention services, emergency medical services, and ambulance services."

(b) Exemption From Social Security Taxes.—

(1) Subsection (a)(5) of section 3121, as amended by section 1421, is amended by striking "(or)" at the end of subparagraph (G), by inserting "or" at the end of subparagraph (H), and by adding at the end the following new subparagraph:

"(I) under a plan described in section 457(e)(11)(A)(ii) and maintained by an eligible employer (as defined in section 457(e)(1)).".

(2) Section 209(a)(4) of the Social Security Act is amended by inserting "; or (K) under a plan described in section 457(e)(11)(A)(ii) of the Internal Revenue Code of 1986 and maintained by an eligible employer (as defined in section 457(e)(1) of such Code)" before the semicolon at the end thereof.

(c) Effective Date.—

(1) Subsection (a).—The amendment made by subsection (a) shall apply to accruals of length of service awards after December 31, 1996.

(2) Subsection (b).—The amendments made by subsection (b) shall apply to remuneration paid after December 31, 1996.

SEC. 1459. DATE FOR ADOPTION OF PLAN AMENDMENTS.

If any amendment made by this subtitle requires an amendment to any plan or annuity contract, such amendment shall not be required to be made before the first day of the first plan year beginning on or after January 1, 1997, if—

(1) during the period after such amendment takes effect and before such first plan year, the plan or contract is operated in accordance with the requirements of such amendment, and

(2) such amendment applies retroactively to such period.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this section shall be applied by substituting "1999" for "1997".

Subtitle E—Revenue Offsets

PART I—GENERAL PROVISIONS

SEC. 1601. MODIFICATIONS OF PUERTO RICO AND POSSESSION TAX CREDIT.

(a) In General.—Section 936 is amended by adding at the end the following new subsection:

"(j) Termination of QPSII and Reduced Credit; Reduction in Economic Activity Credit.—

"(1) In general.—Except as otherwise provided in this subsection, this section shall not apply to any taxable year beginning after December 31, 1995.

"(2) Special rules for active business income credit.—Except as provided in paragraph (3)—

"(A) Economic activity credit.—In the case of an existing credit claimant—

"(i) with respect to a possession other than Puerto Rico, and

"(ii) to which subsection (a)(4)(B) does not apply,

the credit determined under subsection (a)(1)(A) shall be allowed for taxable years beginning after December 31, 1995, except that in the case of taxable years beginning after December 31, 2005, subsection (a)(4)(A)(i) shall be applied by substituting '40 percent' for '60 percent'.

"(B) Reduced credit.—

"(i) In general.—In the case of an existing credit claimant to which subsection (a)(4)(B) applies, the credit determined under subsection (a)(1)(A) shall be allowed for taxable years beginning after December 31, 1995, and before January 1, 2006.

"(ii) Election irrevocable after 1997.—An election under subsection (a)(4)(B)(iii) which is in effect for the taxpayer's last taxable year beginning before 1997 may not be revoked unless it is revoked for the taxpayer's first taxable year beginning in 1997 and all subsequent taxable years.

"(C) Economic activity credit for Puerto Rico.—

"For economic activity credit for Puerto Rico, see section 30A.

"(3) Additional restriction on credit.—

"(A) In general.—In the case of an existing credit claimant, the aggregate amount of taxable income taken into account under subsection (a)(1)(A) shall not exceed the adjusted base period income of such claimant—

"(i) in the case of the credit described in paragraph (2)(A), for any taxable year beginning after December 31, 2001, and

"(ii) in the case of the credit described in paragraph (2)(B), for any taxable year beginning after December 31, 1997.

"(B) Coordination with subsection (a)(4).—The amount of income described in subsection (a)(1)(A) which is taken into account in applying subsection (a)(4) shall be such income as reduced under this paragraph.

"(4) Adjusted base period income.—For purposes of paragraph (3)—

"(A) In general.—The term 'adjusted base period income' means the average of the inflation-adjusted possession incomes of the corporation for each base period year.

"(B) Inflation-adjusted possession income.—For purposes of subparagraph (A), the inflation-adjusted possession income of any corporation for any base period year shall be an amount equal to the sum of—

"(i) the possession income of such corporation for such base period year, plus

"(ii) such possession income multiplied by the inflation adjustment percentage for such base period year.

"(C) Inflation adjustment percentage.—For purposes of subparagraph (B), the inflation adjustment percentage for any base period year means the percentage (if any) by which—

"(i) the CPI for 1995, exceeds

"(ii) the CPI for the calendar year in which the base period year for which the determination is being made ends.

For purposes of the preceding sentence, the CPI for any calendar year is the CPI (as defined in section 1(f)(5)) for such year under section 1(f)(4).

"(D) Increase in inflation adjustment percentage for growth during base

YEARS.—The inflation adjustment percentage (determined under subparagraph (C) without regard to this subparagraph) for each of the 5 taxable years referred to in paragraph (5)(A) shall be increased by—

"(i) 5 percentage points in the case of a taxable year ending during the 1-year period ending on October 13, 1995;

"(ii) 10.25 percentage points in the case of a taxable year ending during the 1-year period ending on October 13, 1994;

"(iii) 15.76 percentage points in the case of a taxable year ending during the 1-year period ending on October 13, 1993;

"(iv) 21.55 percentage points in the case of a taxable year ending during the 1-year period ending on October 13, 1992; and

"(v) 27.63 percentage points in the case of a taxable year ending during the 1-year period ending on October 13, 1991.

"(5) BASE PERIOD YEAR.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'base period year' means each of 3 taxable years which are among the 5 most recent taxable years of the corporation ending before October 14, 1995, determined by disregarding—

"(i) one taxable year for which the corporation had the largest inflation-adjusted possession income, and

"(ii) one taxable year for which the corporation had the smallest inflation-adjusted possession income.

"(B) CORPORATIONS NOT HAVING SIGNIFICANT POSSESSION INCOME THROUGHOUT 5-YEAR PERIOD.—

"(i) IN GENERAL.—If a corporation does not have significant possession income for each of the most recent 5 taxable years ending before October 14, 1995, then, in lieu of applying subparagraph (A), the term 'base period year' means only those taxable years (of such 5 taxable years) for which the corporation has significant possession income; except that, if such corporation has significant possession income for 4 of such 5 taxable years, the rule of subparagraph (A)(ii) shall apply.

"(ii) SPECIAL RULE.—If there is no year (of such 5 taxable years) for which a corporation has significant possession income—

"(I) the term 'base period year' means the first taxable year ending on or after October 14, 1995, but

"(II) the amount of possession income for such year which is taken into account under paragraph (4) shall be the amount which would be determined if such year were a short taxable year ending on September 30, 1995.

"(iii) SIGNIFICANT POSSESSION INCOME.—For purposes of this subparagraph, the term 'significant possession income' means possession income which exceeds 2 percent of the possession income of the taxpayer for the taxable year (of the period of 6 taxable years ending with the first taxable year ending on or after October 14, 1995) having the greatest possession income.

"(C) ELECTION TO USE ONE BASE PERIOD YEAR.—

"(i) IN GENERAL.—At the election of the taxpayer, the term 'base period year' means—

"(I) only the last taxable year of the corporation ending in calendar year 1992, or

"(II) a deemed taxable year which includes the first ten months of calendar year 1995.

"(ii) BASE PERIOD INCOME FOR 1995.—In determining the adjusted base period income of the corporation for the deemed taxable year under clause (i)(II), the possession income shall be annualized and shall be determined without regard to any extraordinary item.

"(iii) ELECTION.—An election under this subparagraph by any possession corporation may be made only for the corporation's first taxable year beginning after December 31, 1995, for which it is a possession corporation. The rules of subclauses (II) and (III) of subsection (a)(4)(B)(iii) shall apply to the election under this subparagraph.

"(D) ACQUISITIONS AND DISPOSITIONS.—Rules similar to the rules of subparagraphs (A) and (B) of section 41(f)(3) shall apply for purposes of this subsection.

"(6) POSSESSION INCOME.—For purposes of this subsection, the term 'possession income' means, with respect to any possession, the income referred to in subsection (a)(1)(A) determined with respect to that possession. In no event shall possession income be treated as being less than zero.

"(7) SHORT YEARS.—If the current year or a base period year is a short taxable year, the application of this subsection shall be made with such annualizations as the Secretary shall prescribe.

"(8) SPECIAL RULES FOR CERTAIN POSSESSIONS.—

"(A) IN GENERAL.—In the case of an existing credit claimant with respect to an applicable possession—

"(i) this section (other than the preceding paragraphs of this subsection) shall apply to such claimant with respect to such applicable possession for taxable years beginning after December 31, 1995, and before January 1, 2006, and

"(ii) this section (including the preceding paragraphs of this subsection) shall apply to such claimant with respect to such applicable possession for taxable years beginning after December 31, 2005.

"(B) APPLICABLE POSSESSION.—For purposes of this paragraph, the term 'applicable possession' means Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(9) EXISTING CREDIT CLAIMANT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'existing credit claimant' means a corporation—

"(i) which was actively conducting a trade or business in a possession on October 13, 1995, and

"(ii) with respect to which an election under this section is in effect for the corporation's taxable year which includes October 13, 1995.

"(B) NEW LINES OF BUSINESS PROHIBITED.—If, after October 13, 1995, a corporation which would (but for this subparagraph) be an existing credit claimant adds a substantial new line of business, such corporation shall cease to be treated as an existing credit claimant as of the close of the taxable year ending before the date of such addition.

"(C) BINDING CONTRACT EXCEPTION.—If, on October 13, 1995, and at all times thereafter, there is in effect with respect to a corporation a binding contract for the acquisition of assets to be used in, or for the sale of assets to be produced from, a trade or business, the corporation shall be treated for purposes of this paragraph as actively conducting such trade or business on October 13, 1995. The preceding sentence shall not apply if such trade or business is not actively conducted before January 1, 1996.

"(10) SEPARATE APPLICATION TO EACH POSSESSION.—For purposes of determining—

"(A) whether a taxpayer is an existing credit claimant, and

"(B) the amount of the credit allowed under this section,

this subsection (and so much of this section as relates to this subsection) shall be applied separately with respect to each possession.".

(b) ECONOMIC ACTIVITY CREDIT FOR PUERTO RICO.—

(1) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

"SEC. 30A. PUERTO RICAN ECONOMIC ACTIVITY CREDIT.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—Except as otherwise provided in this section, if the conditions of both paragraph (1) and paragraph (2) of subsection (b) are satisfied with respect to a qualified domestic corporation, there shall be allowed as a credit against the tax imposed by this chapter an amount equal to the portion of the tax which is attributable to the taxable income, from sources without the United States, from—

"(A) the active conduct of a trade or business within Puerto Rico, or

"(B) the sale or exchange of substantially all of the assets used by the taxpayer in the active conduct of such trade or business.

In the case of any taxable year beginning after December 31, 2001, the aggregate amount of taxable income taken into account under the preceding sentence (and in applying subsection (d)) shall not exceed the adjusted base period income of such corporation, as determined in the same manner as under section 936(j).

"(2) QUALIFIED DOMESTIC CORPORATION.—For purposes of paragraph (1), the term 'qualified domestic corporation' means a domestic corporation—

"(A) which is an existing credit claimant with respect to Puerto Rico, and

"(B) with respect to which section 936(a)(4)(B) does not apply for the taxable year.

"(3) SEPARATE APPLICATION.—For purposes of determining—

"(A) whether a taxpayer is an existing credit claimant with respect to Puerto Rico, and

"(B) the amount of the credit allowed under this section,

this section (and so much of section 936 as relates to this section) shall be applied separately with respect to Puerto Rico.

"(b) CONDITIONS WHICH MUST BE SATISFIED.—The conditions referred to in subsection (a) are—

"(1) 3-YEAR PERIOD.—If 80 percent or more of the gross income of the qualified domestic corporation for the 3-year period immediately preceding the close of the taxable year (or for such part of such period immediately preceding the close of such taxable year as may be applicable) was derived from sources within a possession of the United States (determined without regard to section 904(f)).

"(2) TRADE OR BUSINESS.—If 75 percent or more of the gross income of the qualified domestic corporation for such period or such part thereof was derived from the active conduct of a trade or business within a possession of the United States.

"(c) CREDIT NOT ALLOWED AGAINST CERTAIN TAXES.—The credit provided by subsection (a) shall not be allowed against the tax imposed by—

"(1) section 59A (relating to environmental tax),

"(2) section 531 (relating to the tax on accumulated earnings),

"(3) section 541 (relating to personal holding company tax), or

"(4) section 1351 (relating to recoveries of foreign expropriation losses).

"(d) LIMITATIONS ON CREDIT.—The amount of the credit determined under subsection (a) for any taxable year shall not exceed the sum of the following amounts:

"(1) 60 percent (40 percent in the case of taxable years beginning after December 31, 2005) of the sum of—

"(A) the aggregate amount of the qualified domestic corporation's qualified possession wages for such taxable year, plus

"(B) the allocable employee fringe benefit expenses of the qualified domestic corporation for such taxable year.

"(2) The sum of—

"(A) 15 percent of the depreciation allowances for the taxable year with respect to short-life qualified tangible property,

"(B) 40 percent of the depreciation allowances for the taxable year with respect to medium-life qualified tangible property, and

"(C) 65 percent of the depreciation allowances for the taxable year with respect to long-life qualified tangible property.

"(3) If the qualified domestic corporation does not have an election to use the method described in section 936(h)(5)(C)(ii) (relating to profit split) in effect for the taxable year, the amount of the qualified possession income taxes for the taxable year allocable to nonsheltered income.

"(e) ADMINISTRATIVE PROVISIONS.—For purposes of this title (other than section 27)—

"(1) the provisions of section 936 (including any applicable election thereunder) shall apply in the same manner as if the credit under this section were a credit under section 936(a)(1)(A) for a domestic corporation to which section 936(a)(4)(A) applies,

"(2) the credit under this section shall be treated in the same manner as the credit under section 936, and

"(3) a corporation to which this section applies shall be treated in the same manner as if it were a corporation electing the application of section 936.

"(f) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 936 shall have the same meaning given such term by section 936.

"(g) APPLICATION OF SECTION.—This section shall apply to taxable years beginning after December 31, 1995."

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 55(c) is amended by striking "and the section 936 credit allowable under section 27(b)" and inserting ", the section 936 credit allowable under section 27(b), and the Puerto Rican economic activity credit under section 30A".

(B) Subclause (I) of section 56(g)(4)(C)(ii) is amended—

(i) by inserting "30A," before "936", and

(ii) by striking "and (i)" and inserting ", (i), and (j)".

(C) Clause (iii) of section 56(g)(4)(C) is amended by adding at the end the following new subclause:

"(VI) APPLICATION TO SECTION 30A CORPORATIONS.—References in this clause to section 936 shall be treated as including references to section 30A.".

(D)(i) Subsection (b) of section 59 is amended by striking "section 936," and all that follows and inserting "section 30A or 936, alternative minimum taxable income shall not include any income with respect to which a credit is determined under section 30A or 936.".

(ii) The heading for section 59(b) is amended by inserting "30A OR" before "936".

(E) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 30A. Puerto Rican economic activity credit.".

(F)(i) The heading for subpart B of part IV of subchapter A of chapter 1 is amended to read as follows:

"Subpart B—Other Credits".

(ii) The table of subparts for part IV of subchapter A of chapter 1 is amended by striking the item relating to subpart B and inserting the following new item:

"Subpart B. Other credits.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) SPECIAL RULE FOR QUALIFIED POSSESSION SOURCE INVESTMENT INCOME.—The amendments made by this section shall not apply to qualified possession source investment income received or accrued before July 1, 1996, without regard to the taxable year in which received or accrued.

SEC. 1602. REPEAL OF EXCLUSION FOR INTEREST ON LOANS USED TO ACQUIRE EMPLOYER SECURITIES.

(a) IN GENERAL.—Section 133 (relating to interest on certain loans used to acquire employer securities) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 291(e)(1) is amended by striking clause (iv) and by redesignating clause (v) as clause (iv).

(2) Section 812 is amended by striking subsection (g).

(3) Paragraph (5) of section 852(b) is amended by striking subparagraph (C).

(4) Paragraph (2) of section 4978(b) is amended by striking subparagraph (A) and all that follows and inserting the following:

"(A) first from qualified securities to which section 1042 applied acquired during the 3-year period ending on the date of the disposition, beginning with the securities first so acquired, and

"(B) then from any other employer securities.

If subsection (d) applies to a disposition, the disposition shall be treated as made from employer securities in the opposite order of the preceding sentence.".

(5)(A) Section 4978B (relating to tax on disposition of employer securities to which section 133 applied) is hereby repealed.

(B) The table of sections for chapter 43 is amended by striking the item relating to section 4978B.

(6) Subsection (e) of section 6047 is amended by striking paragraphs (1), (2), and (3) and inserting the following new paragraphs:

"(1) any employer maintaining, or the plan administrator (within the meaning of section 414(g)) of, an employee stock ownership plan which holds stock with respect to which section 404(k) applies to dividends paid on such stock, or

"(2) both such employer or plan administrator,".

(7) Subsection (f) of section 7872 is amended by striking paragraph (12).

(8) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 133.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to loans made after the date of the enactment of this Act.

(2) REFINANCINGS.—The amendments made by this section shall not apply to loans made after the date of the enactment of this Act to refinance securities acquisition loans (determined without regard to section 133(b)(1)(B) of the Internal Revenue Code of 1986, as in effect on the day before the date of the enactment of this Act) made on or before such date or to refinance loans described in this paragraph if—

(A) the refinancing loans meet the requirements of section 133 of such Code (as so in effect),

(B) immediately after the refinancing the principal amount of the loan resulting from the refinancing does not exceed the principal amount of the refinanced loan (immediately before the refinancing), and

(C) the term of such refinancing loan does not extend beyond the last day of the term of the original securities acquisition loan.

For purposes of this paragraph, the term "securities acquisition loan" includes a loan from a corporation to an employee stock ownership plan described in section 133(b)(3) of such Code (as so in effect).

(3) EXCEPTION.—Any loan made pursuant to a binding written contract in effect before June 10, 1996, and at all times thereafter before such loan is made, shall be treated for purposes of paragraphs (1) and (2) as a loan made on or before the date of the enactment of this Act.

SEC. 1603. REPEAL OF EXCLUSION FOR PUNITIVE DAMAGES.

(a) IN GENERAL.—Paragraph (2) of section 104(a) (relating to compensation for injuries or sickness) is amended to read as follows:

"(2) the amount of any damages (other than punitive damages) received (whether by suit or agreement and whether as lump sums or as periodic payments) on account of personal injuries or sickness;".

(b) APPLICATION OF PRIOR LAW FOR STATES IN WHICH ONLY PUNITIVE DAMAGES MAY BE AWARDED IN WRONGFUL DEATH ACTIONS.—Section 104 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) APPLICATION OF PRIOR LAW IN CERTAIN CASES.—Notwithstanding subsection (a)(2), gross income shall not include punitive damages awarded in a civil action—

"(1) which is a wrongful death action, and

"(2) with respect to which applicable State law (as in effect on September 13, 1995 and without regard to any modification after such date) provides, or has been construed to provide by a court of competent jurisdiction pursuant to a decision issued on or before September 13, 1995, that only punitive damages may be awarded in such an action.

This subsection shall cease to apply to any civil action filed on or after the first date on which the applicable State law ceases to provide (or is no longer construed to provide) the treatment described in paragraph (2).".

(c) CONFORMING AMENDMENT.—Section 104(a) is amended by striking the last sentence.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts received after June 30, 1996, in taxable years ending after such date.

(2) EXCEPTION.—The amendments made by this section shall not apply to any amount received under a written binding agreement, court decree, or mediation award in effect on (or issued on or before) September 13, 1995.

SEC. 1604. EXTENSION AND PHASEDOWN OF LUXURY PASSENGER AUTOMOBILE TAX.

(a) EXTENSION.—Subsection (f) of section 4001 is amended by striking "1999" and inserting "2002".

(b) PHASEDOWN.—Section 4001 is amended by redesignating subsection (f) (as amended by subsection (a) of this section) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) PHASEDOWN.—For sales occurring after June 30 in calendar year 1996, and in calendar years after 1996 and before 2003, subsection (a) shall be applied by substituting for '10 percent' the percentage determined in accordance with the following table:

"If the calendar year is:	The percentage is:
1996	9 percent
1997	8 percent
1998	7 percent
1999	6 percent
2000	5 percent
2001	4 percent
2002	3 percent."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 1605. TERMINATION OF FUTURE TAX-EXEMPT BOND FINANCING FOR LOCAL FURNISHERS OF ELECTRICITY AND GAS.

Section 142(f) (relating to local furnishing of electric energy or gas) is amended by adding at the end the following new paragraphs:

"(3) TERMINATION OF FUTURE FINANCING.—For purposes of this section, no bond may be issued as part of an issue described in subsection (a)(8) with respect to a facility for the local furnishing of electric energy or gas on or after the date of the enactment of this paragraph unless—

"(A) the facility will—

"(i) be used by a person who is engaged in the local furnishing of that energy source on such date, and

"(ii) be used to provide service within the area served by such person on such date, or

"(B) the facility will be used by a successor in interest to such person for the same use and within the same service area as described in subparagraph (A).

"(4) ELECTION TO TERMINATE TAX-EXEMPT BOND FINANCING BY CERTAIN FURNISHERS.—

"(A) IN GENERAL.—In the case of a facility financed with bonds issued before the date of the enactment of this paragraph which would cease to be tax-exempt by reason of the failure to meet the local furnishing requirement of subsection (a)(8) as a result of a service area expansion, such bonds shall not cease to be tax-exempt bonds (and section 150(b)(4) shall not apply) if the person engaged in such local furnishing by such facility makes an election described in subparagraph (B).

"(B) ELECTION.—An election is described in this subparagraph if it is an election made in such manner as the Secretary prescribes, and such person (or its predecessor in interest) agrees that—

"(i) such election is made with respect to all facilities for the local furnishing of electric energy or gas, or both, by such person,

"(ii) no bond exempt from tax under section 103 and described in subsection (a)(8) may be issued on or after the date of the enactment of this paragraph with respect to all such facilities of such person,

"(iii) any expansion of the service area—

"(I) is not financed with the proceeds of any exempt facility bond described in subsection (a)(8), and

"(II) is not treated as a nonqualifying use under the rules of paragraph (2), and

"(iv) all outstanding bonds used to finance the facilities for such person are redeemed not later than 6 months after the later of—

"(I) the earliest date on which such bonds may be redeemed, or

"(II) the date of the election.

"(C) RELATED PERSONS.—For purposes of this paragraph, the term 'person' includes a group of related persons (within the meaning of section 144(a)(3)) which includes such person."

SEC. 1606. REPEAL OF FINANCIAL INSTITUTION TRANSITION RULE TO INTEREST ALLOCATION RULES.

(a) IN GENERAL.—Paragraph (5) of section 1215(c) of the Tax Reform Act of 1986 (Public Law 99-514, 100 Stat. 2548) is hereby repealed.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1607. EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXCISE TAXES.

(a) FUEL TAX.—

(1) Subparagraph (A) of section 4091(b)(3) is amended to read as follows:

"(A) The rate of tax specified in paragraph (1) shall be 4.3 cents per gallon—

"(i) after December 31, 1995, and before the date which is 7 days after the date of the enactment of the Small Business Job Protection Act of 1996, and

"(ii) after December 31, 1996."

(2) Section 4081(d) is amended—

(A) by adding at the end the following new paragraph:

"(3) AVIATION GASOLINE.—After December 31, 1996, the rate of tax specified in subsection (a)(2)(A)(i) on aviation gasoline shall be 4.3 cents per gallon.", and

(B) by inserting "(other than the tax on aviation gasoline)" after "subsection (a)(2)(A)".

(3) Section 4041(c)(5) is amended by inserting ", and during the period beginning on the date which is 7 days after the date of the enactment of the Small Business Job Protection Act of 1996 and ending on December 31, 1996" after "December 31, 1995".

(b) TICKET TAXES.—Sections 4261(g) and 4271(d) are each amended by striking "January 1, 1996" and inserting "January 1, 1996, and to transportation beginning on or after the date which is 7 days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997".

(c) TRANSFERS TO AIRPORT AND AIRWAY TRUST FUND.—

(1) Subsection (b) of section 9502 is amended by striking "January 1, 1996" each place it appears and inserting "January 1, 1997".

(2) Paragraph (3) of section 9502(f) is amended to read as follows:

"(3) TERMINATION.—Notwithstanding the preceding provisions of this subsection, the Airport and Airway Trust Fund financing rate shall be zero with respect to—

"(A) taxes imposed after December 31, 1995, and before the date which is 7 days after the date of the enactment of the Small Business Job Protection Act of 1996, and

"(B) taxes imposed after December 31, 1996."

(3) Subsection (d) of section 9502 is amended by adding at the end the following new paragraph:

"(5) TRANSFERS FROM AIRPORT AND AIRWAY TRUST FUND ON ACCOUNT OF REFUNDS OF TAXES ON TRANSPORTATION BY AIR.—The Secretary of the Treasury shall pay from time to time from the Airport and Airway Trust Fund into the general fund of the Treasury amounts equivalent to the amounts paid after December 31, 1995, under section 6402 (relating to authority to make credits or refunds) or section 6415 (relating to credits or refunds to persons who collected certain taxes) in respect of taxes under sections 4261 and 4271."

(d) EXCISE TAX EXEMPTION FOR CERTAIN EMERGENCY MEDICAL TRANSPORTATION BY AIR AMBULANCE.—Subsection (f) of section 4261 (relating to imposition of tax on transportation by air) is amended to read as follows:

"(f) EXEMPTION FOR AIR AMBULANCES PROVIDING CERTAIN EMERGENCY MEDICAL TRANSPORTATION.—No tax shall be imposed under this section or section 4271 on any air transportation for the purpose of providing emergency medical services—

"(1) by helicopter, or

"(2) by a fixed-wing aircraft equipped for and exclusively dedicated to acute care emergency medical services."

(e) EXEMPTION FOR CERTAIN HELICOPTER USES.—Subsection (e) of section 4261 is amended by adding at the end the following new sentence: "In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight."

(f) FLOOR STOCKS TAXES ON AVIATION FUEL.—

(1) IMPOSITION OF TAX.—In the case of aviation fuel on which tax was imposed under section 4091 of the Internal Revenue Code of 1986 before the tax-increase date described in paragraph (3)(A)(i) and which is held on such date by any person, there is hereby imposed a floor stocks tax of 17.5 cents per gallon.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding aviation fuel on a tax-increase date to which the tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) with respect to any tax-increase date shall be paid on or before the first day of the 7th month beginning after such tax-increase date.

(3) DEFINITIONS.—For purposes of this subsection—

(A) TAX INCREASE DATE.—The term "tax-increase date" means the date which is 7 days after the date of the enactment of this Act.

(B) AVIATION FUEL.—The term "aviation fuel" has the meaning given such term by section 4093 of such Code.

(C) HELD BY A PERSON.—Aviation fuel shall be considered as "held by a person" if title thereto has passed to such person (whether or not delivery to the person has been made).

(D) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(4) EXCEPTION FOR EXEMPT USES.—The tax imposed by paragraph (1) shall not apply to aviation fuel held by any person on any tax-increase date exclusively for any use for which a credit or refund of the entire tax imposed by section 4091 of such Code is allowable for aviation fuel purchased on or after such tax-increase date for such use.

(5) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

(A) IN GENERAL.—No tax shall be imposed by paragraph (1) on aviation fuel held on any tax-increase date by any person if the aggregate amount of aviation fuel held by such person on such date does not exceed 2,000 gallons. The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this paragraph.

(B) EXEMPT FUEL.—For purposes of subparagraph (A), there shall not be taken into account fuel held by any person which is exempt from the tax imposed by paragraph (1) by reason of paragraph (4).

(C) CONTROLLED GROUPS.—For purposes of this paragraph—

(i) CORPORATIONS.—

(I) IN GENERAL.—All persons treated as a controlled group shall be treated as 1 person.

(II) CONTROLLED GROUP.—The term "controlled group" has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in such subsection.

(ii) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of clause (i) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation.

(6) OTHER LAW APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4091 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by paragraph (1) to the same extent as if such taxes were imposed by such section 4091.

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect 7 days after the date of the enactment of this Act, except that the amendment made by subsection (b) shall not apply to any amount paid on or before such date.

SEC. 1608. BASIS ADJUSTMENT TO PROPERTY HELD BY CORPORATION WHERE STOCK IN CORPORATION IS REPLACEMENT PROPERTY UNDER INVOLUNTARY CONVERSION RULES.

(a) IN GENERAL.—Subsection (b) of section 1033 is amended to read as follows:

"(b) BASIS OF PROPERTY ACQUIRED THROUGH INVOLUNTARY CONVERSION.—

"(1) CONVERSIONS DESCRIBED IN SUBSECTION (a)(1).—If the property was acquired as the result of a compulsory or involuntary conversion described in subsection (a)(1), the basis shall be the same as in the case of the property so converted—

"(A) decreased in the amount of any money received by the taxpayer which was not expended in accordance with the provisions of law (applicable to the year in which such conversion was made) determining the taxable status of the gain or loss upon such conversion, and

"(B) increased in the amount of gain or decreased in the amount of loss to the taxpayer recognized upon such conversion under the law applicable to the year in which such conversion was made.

"(2) CONVERSIONS DESCRIBED IN SUBSECTION (a)(2).—In the case of property purchased by the taxpayer in a transaction described in subsection (a)(2) which resulted in the nonrecognition of any part of the gain realized as the result of a compulsory or involuntary conversion, the basis shall be the cost of such property decreased in the amount of the gain not so recognized; and if the property purchased consists of more than 1 piece of property, the basis determined under this sentence shall be allocated to the purchased properties in proportion to their respective costs.

"(3) PROPERTY HELD BY CORPORATION THE STOCK OF WHICH IS REPLACEMENT PROPERTY.—

"(A) IN GENERAL.—If the basis of stock in a corporation is decreased under paragraph (2), an amount equal to such decrease shall also be applied to reduce the basis of property held by the corporation at the time the taxpayer acquired control (as defined in subsection (a)(2)(E)) of such corporation.

"(B) LIMITATION.—Subparagraph (A) shall not apply to the extent that it would (but for this subparagraph) require a reduction in the aggregate adjusted bases of the property of the corporation below the taxpayer's adjusted basis of the stock in the corporation (determined immediately after such basis is decreased under paragraph (2)).

"(C) ALLOCATION OF BASIS REDUCTION.—The decrease required under subparagraph (A) shall be allocated—

"(i) first to property which is similar or related in service or use to the converted property,

"(ii) second to depreciable property (as defined in section 1017(b)(3)(B)) not described in clause (i), and

"(iii) then to other property.

"(D) SPECIAL RULES.—

"(i) REDUCTION NOT TO EXCEED ADJUSTED BASIS OF PROPERTY.—No reduction in the basis of any property under this paragraph shall exceed the adjusted basis of such property (determined without regard to such reduction).

"(ii) ALLOCATION OF REDUCTION AMONG PROPERTIES.—If more than 1 property is described in a clause of subparagraph (C), the reduction under this paragraph shall be allocated among such property in proportion to the adjusted bases of such property (as so determined)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to involuntary conversions occurring after the date of the enactment of this Act.

SEC. 1609. EXTENSION OF WITHHOLDING TO CERTAIN GAMBLING WINNINGS.

(a) REPEAL OF EXEMPTION FOR BINGO AND KENO.—Paragraph (5) of section 3402(q) is amended to read as follows:

"(5) EXEMPTION FOR SLOT MACHINES.—The tax imposed under paragraph (1) shall not apply to winnings from a slot machine.".

(b) THRESHOLD AMOUNT.—Paragraph (3) of section 3402(q) is amended—

(1) by striking "(B) and (C)" in subparagraph (A) and inserting "(B), (C), and (D)", and

(2) by adding at the end the following new subparagraph:

"(D) BINGO AND KENO.—Proceeds of more than $5,000 from a wager placed in a bingo or keno game.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 30th day after the date of the enactment of this Act.

SEC. 1610. TREATMENT OF CERTAIN INSURANCE CONTRACTS ON RETIRED LIVES.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 817(d) (defining variable contract) is amended by striking "or" at the end of subparagraph (A), by striking "and" at the end of subparagraph (B) and inserting "or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) provides for funding of insurance on retired lives as described in section 807(c)(6), and".

(2) Paragraph (3) of section 817(d) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) in the case of funds held under a contract described in paragraph (2)(C), the amounts paid in, or the amounts paid out, reflect the investment return and the market value of the segregated asset account.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1611. TREATMENT OF CONTRIBUTIONS IN AID OF CONSTRUCTION.

(a) TREATMENT OF CONTRIBUTIONS IN AID OF CONSTRUCTION.—

(1) IN GENERAL.—Section 118 (relating to contributions to the capital of a corporation) is amended—

(A) by redesignating subsection (c) as subsection (e), and

(B) by inserting after subsection (b) the following new subsections:

"(c) SPECIAL RULES FOR WATER AND SEWERAGE DISPOSAL UTILITIES.—

"(1) GENERAL RULE.—For purposes of this section, the term 'contribution to the capital of the taxpayer' includes any amount of money or other property received from any person (whether or not a shareholder) by a regulated public utility which provides water or sewerage disposal services if—

"(A) such amount is a contribution in aid of construction,

"(B) in the case of contribution of property other than water or sewerage disposal facilities, such amount meets the requirements of the expenditure rule of paragraph (2), and

"(C) such amount (or any property acquired or constructed with such amount) is not included in the taxpayer's rate base for ratemaking purposes.

"(2) EXPENDITURE RULE.—An amount meets the requirements of this paragraph if—

"(A) an amount equal to such amount is expended for the acquisition or construction of tangible property described in section 1231(b)—

"(i) which is the property for which the contribution was made or is of the same type as such property, and

"(ii) which is used predominantly in the trade or business of furnishing water or sewerage disposal services,

"(B) the expenditure referred to in subparagraph (A) occurs before the end of the second taxable year after the year in which such amount was received, and

"(C) accurate records are kept of the amounts contributed and expenditures made, the expenditures to which contributions are allocated, and the year in which the contributions and expenditures are received and made.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) CONTRIBUTION IN AID OF CONSTRUCTION.—The term 'contribution in aid of construction' shall be defined by regulations prescribed by the Secretary, except that such term shall not include amounts paid as service charges for starting or stopping services.

"(B) PREDOMINANTLY.—The term 'predominantly' means 80 percent or more.

"(C) REGULATED PUBLIC UTILITY.—The term 'regulated public utility' has the meaning given such term by section 7701(a)(33), except that such term shall not include any utility which is not required to provide water or sewerage disposal services to members of the general public in its service area.

"(4) DISALLOWANCE OF DEDUCTIONS AND CREDITS; ADJUSTED BASIS.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any expenditure which constitutes a contribution in aid of construction to which this subsection applies. The adjusted basis of any property acquired with contributions in aid of construction to which this subsection applies shall be zero.

"(d) STATUTE OF LIMITATIONS.—If the taxpayer for any taxable year treats an amount as a contribution to the capital of the taxpayer described in subsection (c), then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such amount shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may prescribe) of—

"(A) the amount of the expenditure referred to in subparagraph (A) of subsection (c)(2),

"(B) the taxpayer's intention not to make the expenditures referred to in such subparagraph, or

"(C) a failure to make such expenditure within the period described in subparagraph (B) of subsection (c)(2), and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(2) CONFORMING AMENDMENT.—Section 118(b) is amended by inserting "except as provided in subsection (c)," before "the term".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts received after June 12, 1996.

(b) RECOVERY METHOD AND PERIOD FOR WATER UTILITY PROPERTY.—

(1) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

"(F) Water utility property described in subsection (e)(5).".

(2) 25-YEAR RECOVERY PERIOD.—The table contained in section 168(c)(1) is amended by inserting the following item after the item relating to 20-year property:

"Water utility property .... 25 years".

(3) WATER UTILITY PROPERTY.—

(A) IN GENERAL.—Section 168(e) is amended by adding at the end the following new paragraph:

"(5) WATER UTILITY PROPERTY.—The term 'water utility property' means property—

"(A) which is an integral part of the gathering, treatment, or commercial distribution of water, and which, without regard to this paragraph, would be 20-year property, and

"(B) any municipal sewer.".

(B) CONFORMING AMENDMENTS.—Section 168 is amended—

(i) by striking subparagraph (F) of subsection (e)(3), and

(ii) by striking the item relating to subparagraph (F) in the table in subsection (g)(3).

(4) ALTERNATIVE SYSTEM.—Clause (iv) of section 168(g)(2)(C) is amended by inserting "or water utility property" after "tunnel bore".

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after June 12, 1996, other than property placed in service pursuant to a binding contract in effect before June 10, 1996, and at all times thereafter before the property is placed in service.

PART II—FINANCIAL ASSET SECURITIZATION INVESTMENTS

SEC. 1621. FINANCIAL ASSET SECURITIZATION INVESTMENT TRUSTS.

(a) IN GENERAL.—Subchapter M of chapter 1 is amended by adding at the end the following new part:

"PART V—FINANCIAL ASSET SECURITIZATION INVESTMENT TRUSTS

"Sec. 860H. Taxation of a FASIT; other general rules.

"Sec. 860I. Gain recognition on contributions to and distributions from a FASIT and in other cases.

"Sec. 860J. Non-FASIT losses not to offset certain FASIT inclusions.

"Sec. 860K. Treatment of transfers of high-yield interests to disqualified holders.

"Sec. 860L. Definitions and other special rules.

"SEC. 860H. TAXATION OF A FASIT; OTHER GENERAL RULES.

"(a) TAXATION OF FASIT.—A FASIT as such shall not be subject to taxation under this subtitle (and shall not be treated as a trust, partnership, corporation, or taxable mortgage pool).

"(b) TAXATION OF HOLDER OF OWNERSHIP INTEREST.—In determining the taxable income of the holder of the ownership interest in a FASIT—

"(1) all assets, liabilities, and items of income, gain, deduction, loss, and credit of a FASIT shall be treated as assets, liabilities, and such items (as the case may be) of such holder,

"(2) the constant yield method (including the rules of section 1272(a)(6)) shall be applied under an accrual method of accounting in determining all interest, acquisition discount, original issue discount, and market discount and all premium deductions or adjustments with respect to all debt instruments of the FASIT,

"(3) there shall not be taken into account any item of income, gain, or deduction allocable to a prohibited transaction, and

"(4) interest accrued by the FASIT which is exempt from tax imposed by this subtitle shall, when taken into account by such holder, be treated as ordinary income.

For purposes of this subtitle, securities treated as held by such holder under paragraph (1) shall be treated as held for investment.

"(c) TREATMENT OF REGULAR INTERESTS.—For purposes of this title—

"(1) a regular interest in a FASIT, if not otherwise a debt instrument, shall be treated as a debt instrument,

"(2) section 163(e)(5) shall not apply to such an interest, and

"(3) amounts includible in gross income with respect to such an interest shall be determined under an accrual method of accounting.

"SEC. 860I. GAIN RECOGNITION ON CONTRIBUTIONS TO AND DISTRIBUTIONS FROM A FASIT AND IN OTHER CASES.

"(a) TREATMENT OF PROPERTY ACQUIRED BY FASIT.—

"(1) PROPERTY ACQUIRED FROM HOLDER OF OWNERSHIP INTEREST OR RELATED PERSON.—If property is sold or contributed to a FASIT by the holder of the ownership interest in such FASIT (or by a related person) gain (if any) shall be recognized to such holder (or person) in an amount equal to the excess (if any) of such property's value under subsection (d) on the date of such sale or contribution over its adjusted basis on such date.

"(2) PROPERTY ACQUIRED OTHER THAN FROM HOLDER OF OWNERSHIP INTEREST OR RELATED PERSON.—Property which is acquired by a FASIT other than in a transaction to which paragraph (1) applies shall be treated—

"(A) as having been acquired by the holder of the ownership interest in the FASIT for an amount equal to the FASIT's adjusted basis in such property as of the date such property is acquired by the FASIT, and

"(B) as having been sold by such holder to the FASIT at its value under subsection (d) on such date.

"(b) GAIN RECOGNITION ON PROPERTY OUTSIDE FASIT WHICH SUPPORTS REGULAR INTERESTS.—If property held by the holder of the ownership interest in a FASIT (or by any person related to such holder) supports any regular interest in such FASIT—

"(1) gain shall be recognized to such holder in the same manner as if such holder had sold such property at its value under subsection (d) on the earliest date such property supports such an interest, and

"(2) such property shall be treated as held by such FASIT for purposes of this part.

"(c) DEFERRAL OF GAIN RECOGNITION.—The Secretary may prescribe regulations which—

"(1) provide that gain otherwise recognized under subsection (a) or (b) shall not be recognized before the earliest date on which such property supports any regular interest in such FASIT or any indebtedness of the holder of the ownership interest (or of any person related to such holder), and

"(2) provide such adjustments to the other provisions of this part to the extent appropriate in the context of the treatment provided under paragraph (1).

"(d) VALUATION.—For purposes of this section—

"(1) IN GENERAL.—The value of any property under this subsection shall be—

"(A) in the case of a debt instrument which is not traded on an established securities market, the sum of the present values of the reasonably expected payments under such instrument determined (in the manner provided by regulations prescribed by the Secretary)—

"(i) as of the date of the event resulting in the gain recognition under this section, and

"(ii) by using a discount rate equal to 120 percent of the applicable Federal rate (as defined in section 1274(d)), or such other discount rate specified in such regulations, compounded semiannually, and

"(B) in the case of any other property, its fair market value.

"(2) SPECIAL RULE FOR REVOLVING LOAN ACCOUNTS.—For purposes of paragraph (1)—

"(A) each extension of credit (other than the accrual of interest) on a revolving loan account shall be treated as a separate debt instrument, and

"(B) payments on such extensions of credit having substantially the same terms shall be applied to such extensions beginning with the earliest such extension.

"(e) SPECIAL RULES.—

"(1) NONRECOGNITION RULES NOT TO APPLY.—Gain required to be recognized under this section shall be recognized notwithstanding any other provision of this subtitle.

"(2) BASIS ADJUSTMENTS.—The basis of any property on which gain is recognized under this section shall be increased by the amount of gain so recognized.

"SEC. 860J. NON-FASIT LOSSES NOT TO OFFSET CERTAIN FASIT INCLUSIONS.

"(a) IN GENERAL.—The taxable income of the holder of the ownership interest or any high-yield interest in a FASIT for any taxable year shall in no event be less than such holder's taxable income determined solely with respect to such interests.

"(b) COORDINATION WITH SECTION 172.—Any increase in the taxable income of any holder of the ownership interest or a high-yield interest in a FASIT for any taxable year by reason of subsection (a) shall be disregarded—

"(1) in determining under section 172 the amount of any net operating loss for such taxable year, and

"(2) in determining taxable income for such taxable year for purposes of the 2nd sentence of section 172(b)(2).

“(c) COORDINATION WITH MINIMUM TAX.—For purposes of part VI of subchapter A of this chapter—

“(1) the reference in section 55(b)(2) to taxable income shall be treated as a reference to taxable income determined without regard to this section,

“(2) the alternative minimum taxable income of any holder of the ownership interest or a high-yield interest in a FASIT for any taxable year shall in no event be less than such holder's taxable income determined solely with respect to such interests, and

“(3) any increase in taxable income under this section shall be disregarded for purposes of computing the alternative tax net operating loss deduction.

“SEC. 860K. TREATMENT OF TRANSFERS OF HIGH-YIELD INTERESTS TO DISQUALIFIED HOLDERS.

“(a) GENERAL RULE.—In the case of any high-yield interest which is held by a disqualified holder—

“(1) the gross income of such holder shall not include any income (other than gain) attributable to such interest, and

“(2) amounts not includible in the gross income of such holder by reason of paragraph (1) shall be included (at the time otherwise includible under paragraph (1)) in the gross income of the most recent holder of such interest which is not a disqualified holder.

“(b) EXCEPTIONS.—Rules similar to the rules of paragraphs (4) and (7) of section 860E(e) shall apply to the tax imposed by reason of subsection (a).

“(c) DISQUALIFIED HOLDER.—For purposes of this section, the term ‘disqualified holder’ means any holder other than—

“(1) an eligible corporation (as defined in section 860L(a)(2)), or

“(2) a FASIT.

“(d) TREATMENT OF INTERESTS HELD BY SECURITIES DEALERS.—

“(1) IN GENERAL.—Subsection (a) shall not apply to any high-yield interest held by a disqualified holder if such holder is a dealer in securities who acquired such interest exclusively for sale to customers in the ordinary course of business (and not for investment).

“(2) CHANGE IN DEALER STATUS.—

“(A) IN GENERAL.—In the case of a dealer in securities which is not an eligible corporation (as defined in section 860L(a)(2)), if—

“(i) such dealer ceases to be a dealer in securities, or

“(ii) such dealer commences holding the high-yield interest for investment,

there is hereby imposed (in addition to other taxes) an excise tax equal to the product of the highest rate of tax specified in section 11(b)(1) and the income of such dealer attributable to such interest for periods after the date of such cessation or commencement.

“(B) HOLDING FOR 31 DAYS OR LESS.—For purposes of subparagraph (A)(ii), a dealer shall not be treated as holding an interest for investment before the 32d day after the date such dealer acquired such interest unless such interest is so held as part of a plan to avoid the purposes of this paragraph.

“(C) ADMINISTRATIVE PROVISIONS.—The deficiency procedures of subtitle F shall apply to the tax imposed by this paragraph.

“(e) TREATMENT OF HIGH-YIELD INTERESTS IN PASS-THRU ENTITIES.—

“(1) IN GENERAL.—If a pass-thru entity (as defined in section 860E(e)(6)) issues a debt or equity interest—

“(A) which is supported by any regular interest in a FASIT, and

“(B) which has an original yield to maturity which is greater than each of—

“(i) the sum determined under clauses (i) and (ii) of section 163(i)(1)(B) with respect to such debt or equity interest, and

“(ii) the yield to maturity to such entity on such regular interest (determined as of the date such entity acquired such interest),

there is hereby imposed on the pass-thru entity a tax (in addition to other taxes) equal to the product of the highest rate of tax specified in section 11(b)(1) and the income of the holder of such debt or equity interest which is properly attributable to such regular interest. For purposes of the preceding sentence, the yield to maturity of any equity interest shall be determined under regulations prescribed by the Secretary.

“(2) EXCEPTION.—The Secretary may provide that paragraph (1) shall not apply to arrangements not having as a principal purpose the avoidance of the purposes of this subsection.

“SEC. 860L. DEFINITIONS AND OTHER SPECIAL RULES.

“(a) FASIT.—

“(1) IN GENERAL.—For purposes of this title, the terms ‘financial asset securitization investment trust’ and ‘FASIT’ mean any entity—

“(A) for which an election to be treated as a FASIT applies for the taxable year,

“(B) all of the interests in which are regular interests or the ownership interest,

“(C) which has only 1 ownership interest and such ownership interest is held directly by an eligible corporation,

“(D) as of the close of the 3rd month beginning after the day of its formation and at all times thereafter, substantially all of the assets of which (including assets treated as held by the entity under section 860I(c)(2)) consist of permitted assets, and

“(E) which is not described in section 851(a).

A rule similar to the rule of the last sentence of section 860D(a) shall apply for purposes of this paragraph.

“(2) ELIGIBLE CORPORATION.—For purposes of paragraph (1)(C), the term ‘eligible corporation’ means any domestic C corporation other than—

“(A) a corporation which is exempt from, or is not subject to, tax under this chapter,

“(B) an entity described in section 851(a) or 856(a),

“(C) a REMIC, and

“(D) an organization to which part I of subchapter T applies.

“(3) ELECTION.—An entity (otherwise meeting the requirements of paragraph (1)) may elect to be treated as a FASIT. Except as provided in paragraph (5), such an election shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

“(4) TERMINATION.—If any entity ceases to be a FASIT at any time during the taxable year, such entity shall not be treated as a FASIT for such taxable year or any succeeding taxable year.

“(5) INADVERTENT TERMINATIONS, ETC.—Rules similar to the rules of section 860D(b)(2)(B) shall apply to inadvertent failures to qualify or remain qualified as a FASIT.

“(b) INTERESTS IN FASIT.—For purposes of this part—

“(1) REGULAR INTEREST.—

“(A) IN GENERAL.—The term ‘regular interest’ means any interest which is issued by a FASIT after the startup date with fixed terms and which is designated as a regular interest if—

“(i) such interest unconditionally entitles the holder to receive a specified principal amount (or other similar amount),

“(ii) except as otherwise provided by the Secretary—

“(I) in the case of a FASIT which would be treated as a REMIC if an election under section 860D(b) had been made, interest payments (or other similar amounts), if any, with respect to such interest at or before maturity meet the requirements applicable under clause (i) or (ii) of section 860G(a)(1)(B), or

“(II) in the case of any other FASIT, interest payments (or other similar amounts), if any, with respect to such interest are determined based on a fixed rate, a current rate which is reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the regular interest is denominated, or any combination of such rates,

“(iii) such interest does not have a stated maturity (including options to renew) greater than 30 years (or such longer period as may be permitted by regulations),

“(iv) the issue price of such interest does not exceed 125 percent of its stated principal amount, and

“(v) the yield to maturity on such interest is less than the sum determined under section 163(i)(1)(B) with respect to such interest.

An interest shall not fail to meet the requirements of clause (i) merely because the timing (but not the amount) of the principal payments (or other similar amounts) may be contingent on the extent that payments on debt instruments held by the FASIT are made in advance of anticipated payments and on the amount of income from permitted assets.

“(B) HIGH-YIELD INTERESTS.—

“(i) IN GENERAL.—The term ‘regular interest’ includes any high-yield interest.

“(ii) HIGH-YIELD INTEREST.—The term ‘high-yield interest’ means any interest which would be described in subparagraph (A) but for failing to meet the requirements of one or more of clauses (i), (iv), or (v) thereof.

“(2) OWNERSHIP INTEREST.—The term ‘ownership interest’ means the interest issued by a FASIT after the startup day which is designated as an ownership interest and which is not a regular interest.

“(c) PERMITTED ASSETS.—For purposes of this part—

“(1) IN GENERAL.—The term ‘permitted asset’ means—

“(A) cash or cash equivalents,

“(B) any debt instrument (as defined in section 1275(a)(1)) under which interest payments (or other similar amounts), if any, at or before maturity meet the requirements applicable under clause (i) or (ii) of section 860G(a)(1)(B),

“(C) foreclosure property,

“(D) any asset—

“(i) which is an interest rate or foreign currency notional principal contract, letter of credit, insurance, guarantee against payment defaults, or other similar instrument permitted by the Secretary, and

“(ii) which is reasonably required to guarantee or hedge against the FASIT's risks associated with being the obligor on interests issued by the FASIT,

“(E) contract rights to acquire debt instruments described in subparagraph (B) or assets described in subparagraph (D), and

“(F) any regular interest in another FASIT.

“(2) DEBT ISSUED BY HOLDER OF OWNERSHIP INTEREST NOT PERMITTED ASSET.—The term 'permitted asset' shall not include any debt instrument issued by the holder of the ownership interest in the FASIT or by any person related to such holder or any direct or indirect interest in such a debt instrument. The preceding sentence shall not apply to cash equivalents and to any other investment specified in regulations prescribed by the Secretary.

"(3) FORECLOSURE PROPERTY.—The term 'foreclosure property' means property—

"(A) which would be foreclosure property under section 856(e) (determined without regard to paragraph (5) thereof) if acquired by a real estate investment trust, and

"(B) which is acquired in connection with the default or imminent default of a debt instrument held by the FASIT unless the security interest in such property was created for the principal purpose of permitting the FASIT to invest in such property.

Solely for purposes of subsection (a)(1), the determination of whether any property is foreclosure property shall be made without regard to section 856(e)(4).

"(d) STARTUP DAY.—For purposes of this part—

"(1) IN GENERAL.—The term 'startup day' means the date designated in the election under subsection (a)(3) as the startup day of the FASIT. Such day shall be the beginning of the first taxable year of the FASIT.

"(2) TREATMENT OF PROPERTY HELD ON STARTUP DAY.—All property held (or treated as held under section 860I(c)(2)) by an entity as of the startup day shall be treated as contributed to such entity on such day by the holder of the ownership interest in such entity.

"(e) TAX ON PROHIBITED TRANSACTIONS.—

"(1) IN GENERAL.—There is hereby imposed for each taxable year of a FASIT a tax equal to 100 percent of the net income derived from prohibited transactions. Such tax shall be paid by the holder of the ownership interest in the FASIT.

"(2) PROHIBITED TRANSACTIONS.—For purposes of this part, the term 'prohibited transaction' means—

"(A) the receipt of any income derived from any asset that is not a permitted asset,

"(B) except as provided in paragraph (3), the disposition of any permitted asset,

"(C) the receipt of any income derived from any loan originated by the FASIT, and

"(D) the receipt of any income representing a fee or other compensation for services (other than any fee received as compensation for a waiver, amendment, or consent under permitted assets (other than foreclosure property) held by the FASIT).

"(3) EXCEPTION FOR INCOME FROM CERTAIN DISPOSITIONS.—

"(A) IN GENERAL.—Paragraph (2)(B) shall not apply to a disposition which would not be a prohibited transaction (as defined in section 860F(a)(2)) by reason of—

"(i) clause (ii), (iii), or (iv) of section 860F(a)(2)(A), or

"(ii) section 860F(a)(5),

if the FASIT were treated as a REMIC and debt instruments described in subsection (c)(1)(B) were treated as qualified mortgages.

"(B) SUBSTITUTION OF DEBT INSTRUMENTS; REDUCTION OF OVER-COLLATERALIZATION.—Paragraph (2)(B) shall not apply to—

"(i) the substitution of a debt instrument described in subsection (c)(1)(B) for another debt instrument which is a permitted asset, or

"(ii) the distribution of a debt instrument contributed by the holder of the ownership interest to such holder in order to reduce over-collateralization of the FASIT, but only if a principal purpose of acquiring the debt instrument which is disposed of was not the recognition of gain (or the reduction of a loss) as a result of an increase in the market value of the debt instrument after its acquisition by the FASIT.

"(C) LIQUIDATION OF CLASS OF REGULAR INTERESTS.—Paragraph (2)(B) shall not apply to the complete liquidation of any class of regular interests.

"(4) NET INCOME.—For purposes of this subsection, net income shall be determined in accordance with section 860F(a)(3).

"(f) COORDINATION WITH WASH SALES RULES.—Rules similar to the rules of section 860F(d) shall apply to the ownership interest in a FASIT.

"(g) RELATED PERSON.—For purposes of this part, a person (hereinafter in this subsection referred to as the 'related person') is related to any person if—

"(1) the related person bears a relationship to such person specified in section 267(b) or section 707(b)(1), or

"(2) the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of paragraph (1), in applying section 267(b) or 707(b)(1), '20 percent' shall be substituted for '50 percent'.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent the abuse of the purposes of this part through transactions which are not primarily related to securitization of debt instruments by a FASIT.".

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 26(b) is amended by striking "and" at the end of subparagraph (M), by striking the period at the end of subparagraph (N) and inserting ", and", and by adding at the end the following new subparagraph:

"(O) section 860K (relating to treatment of transfers of high-yield interests to disqualified holders).".

(2) Paragraph (6) of section 56(g) is amended by striking "or REMIC" and inserting "REMIC, or FASIT".

(3) Clause (ii) of section 382(l)(4)(B) is amended by striking "or a REMIC to which part IV of subchapter M applies" and inserting "a REMIC to which part IV of subchapter M applies, or a FASIT to which part V of subchapter M applies".

(4) Paragraph (1) of section 582(c) is amended by inserting ", and any regular or ownership interest in a FASIT," after "REMIC".

(5) Subparagraph (E) of section 856(c)(6) is amended by adding at the end the following new sentence: "The principles of the preceding provisions of this subparagraph shall apply to regular and ownership interests in a FASIT.".

(6) Subparagraph (C) of section 1202(e)(4) is amended by striking "or REMIC" and inserting "REMIC, or FASIT".

(7) Clause (xi) of section 7701(a)(19)(C) is amended to read as follows:

"(xi) any regular or residual interest in a REMIC, and any regular or ownership interest in a FASIT, but only in the proportion which the assets of such REMIC or FASIT consist of property described in any of the preceding clauses of this subparagraph; except that if 95 percent or more of the assets of such REMIC or FASIT are assets described in clauses (i) through (x), the entire interest in the REMIC or FASIT shall qualify.".

(8) Subparagraph (A) of section 7701(i)(2) is amended by inserting "or a FASIT" after "a REMIC".

(c) CLERICAL AMENDMENT.—The table of parts for subchapter M of chapter 1 is amended by adding at the end the following new item:

"Part V. Financial asset securitization investment trusts.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(e) TREATMENT OF EXISTING SECURITIZATION ENTITIES.—

(1) IN GENERAL.—In the case of the holder of the ownership interest in a pre-effective date FASIT—

(A) gain shall not be recognized under section 860L(d)(2) of the Internal Revenue Code of 1986 on property deemed contributed to the FASIT, and

(B) gain shall not be recognized under section 860I of such Code on property contributed to such FASIT,

until such property (or portion thereof) ceases to be properly allocable to a pre-FASIT interest.

(2) ALLOCATION OF PROPERTY TO PRE-FASIT INTEREST.—For purposes of paragraph (1), property shall be allocated to a pre-FASIT interest in such manner as the Secretary of the Treasury may prescribe, except that all property in a FASIT shall be treated as properly allocable to pre-FASIT interests if the fair market value of all such property does not exceed 107 percent of the aggregate principal amount of all outstanding pre-FASIT interests.

(3) DEFINITIONS.—For purposes of this subsection—

(A) PRE-EFFECTIVE DATE FASIT.—The term "pre-effective date FASIT" means any FASIT if the entity (with respect to which the election under section 860L(a)(3) of such Code was made) was in existence on June 10, 1996.

(B) PRE-FASIT INTEREST.—The term "pre-FASIT interest" means any interest in the entity referred to in subparagraph (A) which was issued before the startup day (other than any interest held by the holder of the ownership interest in the FASIT).

PART III—TREATMENT OF INDIVIDUALS WHO EXPATRIATE

SEC. 1631. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

"(a) GENERAL RULES.—For purposes of this subtitle—

"(1) MARK TO MARKET.—Except as provided in subsection (f), all property of a covered expatriate to which this section applies shall be treated as sold on the expatriation date for its fair market value.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

"(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale unless such gain is excluded from gross income under part III of subchapter B, and

"(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply (and section 1092 shall apply) to any such loss.

"(3) EXCLUSION FOR CERTAIN GAIN.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

"(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

"(A) IN GENERAL.—If an expatriate elects the application of this paragraph—

"(i) this section (other than this paragraph) shall not apply to the expatriate, but

"(ii) the expatriate shall be subject to tax under this title, with respect to property to which this section would apply but for such election, in the same manner as if the individual were a United States citizen.

"(B) LIMITATION ON AMOUNT OF ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.—The aggregate amount of taxes imposed under subtitle B with respect to any transfer of property by reason of an election under subparagraph (A) shall not exceed the amount of income tax which would be due if the property were sold for its fair market value immediately before the time of the transfer or death (taking into account the rules of paragraph (2)).

"(C) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

"(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

"(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

"(iii) complies with such other requirements as the Secretary may prescribe.

"(D) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

"(b) ELECTION TO DEFER TAX.—

"(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property—

"(A) no amount shall be required to be included in gross income under subsection (a)(1) with respect to the gain from such property for the taxable year of the sale, but

"(B) the taxpayer's tax for the taxable year in which such property is disposed of shall be increased by the deferred tax amount with respect to the property.

Except to the extent provided in regulations, subparagraph (B) shall apply to a disposition whether or not gain or loss is recognized in whole or in part on the disposition.

"(2) DEFERRED TAX AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'deferred tax amount' means, with respect to any property, an amount equal to the sum of—

"(i) the difference between the amount of tax paid for the taxable year described in paragraph (1)(A) and the amount which would have been paid for such taxable year if the election under paragraph (1) had not applied to such property, plus

"(ii) an amount of interest on the amount described in clause (i) determined for the period—

"(I) beginning on the 91st day after the expatriation date, and

"(II) ending on the due date for the taxable year described in paragraph (1)(B),

by using the rates and method applicable under section 6621 for underpayments of tax for such period.

For purposes of clause (ii), the due date is the date prescribed by law (determined without regard to extension) for filing the return of the tax imposed by this chapter for the taxable year.

"(B) ALLOCATION OF LOSSES.—For purposes of subparagraph (A), any losses described in subsection (a)(2)(B) shall be allocated ratably among the gains described in subsection (a)(2)(A).

"(3) SECURITY.—

"(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

"(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

"(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2)(A) for the property, or

"(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

"(4) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

"(5) DISPOSITIONS.—For purposes of this subsection, a taxpayer making an election under this subsection with respect to any property shall be treated as having disposed of such property—

"(A) immediately before death if such property is held at such time, and

"(B) at any time the security provided with respect to the property fails to meet the requirements of paragraph (3) and the taxpayer does not correct such failure within the time specified by the Secretary.

"(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

"(c) COVERED EXPATRIATE.—For purposes of this section—

"(1) IN GENERAL.—The term 'covered expatriate' means an expatriate—

"(A) whose average annual net income tax (as defined in section 38(c)(1)) for the period of 5 taxable years ending before the expatriation date is greater than $100,000, or

"(B) whose net worth as of such date is $500,000 or more.

If the expatriation date is after 1996, such $100,000 and $500,000 amounts shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting '1995' for '1992' in subparagraph (B) thereof. Any increase under the preceding sentence shall be rounded to the nearest multiple of $1,000.

"(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

"(A) the individual—

"(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

"(ii) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 8 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

"(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

"(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

"(d) PROPERTY TO WHICH SECTION APPLIES.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided by the Secretary, this section shall apply to—

"(A) any interest in property held by a covered expatriate on the expatriation date the gain from which would be includible in the gross income of the expatriate if such interest had been sold for its fair market value on such date in a transaction in which gain is recognized in whole or in part, and

"(B) any other interest in a trust to which subsection (f) applies.

"(2) EXCEPTIONS.—This section shall not apply to the following property:

"(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the expatriation date, meet the requirements of section 897(c)(2).

"(B) INTEREST IN CERTAIN RETIREMENT PLANS.—

"(i) IN GENERAL.—Any interest in a qualified retirement plan (as defined in section 4974(c)), other than any interest attributable to contributions which are in excess of any limitation or which violate any condition for tax-favored treatment.

"(ii) FOREIGN PENSION PLANS.—

"(I) IN GENERAL.—Under regulations prescribed by the Secretary, interests in foreign pension plans or similar retirement arrangements or programs.

"(II) LIMITATION.—The value of property which is treated as not sold by reason of this subparagraph shall not exceed $500,000.

"(e) DEFINITIONS.—For purposes of this section—

"(1) EXPATRIATE.—The term 'expatriate' means—

"(A) any United States citizen who relinquishes his citizenship, or

"(B) any long-term resident of the United States who—

"(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

"(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

"(2) EXPATRIATION DATE.—The term 'expatriation date' means—

"(A) the date an individual relinquishes United States citizenship, or

"(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

"(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

"(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section

349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

"(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

"(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

"(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

"(4) LONG-TERM RESIDENT.—

"(A) IN GENERAL.—The term 'long-term resident' means any individual (other than a citizen of the United States) who is a lawful permanent resident of the United States in at least 8 taxable years during the period of 15 taxable years ending with the taxable year during which the expatriation date occurs. For purposes of the preceding sentence, an individual shall not be treated as a lawful permanent resident for any taxable year if such individual is treated as a resident of a foreign country for the taxable year under the provisions of a tax treaty between the United States and the foreign country and does not waive the benefits of such treaty applicable to residents of the foreign country.

"(B) SPECIAL RULE.—For purposes of subparagraph (A), there shall not be taken into account—

"(i) any taxable year during which any prior sale is treated under subsection (a)(1) as occurring, or

"(ii) any taxable year prior to the taxable year referred to in clause (i).

"(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust—

"(A) the individual shall not be treated as having sold such interest,

"(B) such interest shall be treated as a separate share in the trust, and

"(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

"(ii) the separate trust shall be treated as having sold its assets immediately before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

"(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii).

"(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

"(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

"(i) paragraph (1) and subsection (a) shall not apply, and

"(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

"(i) the highest rate of tax imposed by section 1(e) for the taxable year in which the expatriation date occurs, multiplied by the amount of the distribution, or

"(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

"(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

"(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

"(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods.

"(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

"(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

"(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

"(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

"(E) TAX DEDUCTED AND WITHHELD.—

"(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

"(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

"(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

"(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

"(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

"(i) the tax determined under paragraph (1) as if the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

"(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

"(G) DEFINITIONS AND SPECIAL RULE.—For purposes of this paragraph—

"(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust—

"(I) which is organized under, and governed by, the laws of the United States or a State, and

"(II) with respect to which the trust instrument requires that at least 1 trustee of the trust be an individual citizen of the United States or a domestic corporation.

"(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the expatriation date, is vested in the beneficiary.

"(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

"(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

"(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

"(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar advisor.

"(B) OTHER DETERMINATIONS.—For purposes of this section—

"(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

"(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

"(I) the methodology used to determine that taxpayer's trust interest under this section, and

"(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

"(g) TERMINATION OF DEFERRALS, ETC.—On the date any property held by an individual is treated as sold under subsection (a), notwithstanding any other provision of this title—

"(1) any period during which recognition of income or gain is deferred shall terminate, and

"(2) any extension of time for payment of tax shall cease to apply and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

"(h) IMPOSITION OF TENTATIVE TAX.—

"(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

"(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

"(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

"(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

"(i) COORDINATION WITH ESTATE AND GIFT TAXES.—If subsection (a) applies to property held by an individual for any taxable year and—

"(1) such property is includible in the gross estate of such individual solely by reason of section 2107, or

"(2) section 2501 applies to a transfer of such property by such individual solely by reason of section 2501(a)(3),

then there shall be allowed as a credit against the additional tax imposed by section 2101 or 2501, whichever is applicable, solely by reason of section 2107 or 2501(a)(3) an amount equal to the increase in the tax imposed by this chapter for such taxable year by reason of this section.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

"(1) to prevent double taxation by ensuring that—

"(A) appropriate adjustments are made to basis to reflect gain recognized by reason of subsection (a) and the exclusion provided by subsection (a)(3), and

"(B) any gain by reason of a deemed sale under subsection (a) of an interest in a corporation, partnership, trust, or estate is reduced to reflect that portion of such gain which is attributable to an interest in a trust which a shareholder, partner, or beneficiary is treated as holding directly under subsection (f)(3)(B)(i), and

"(2) which provide for the proper allocation of the exclusion under subsection (a)(3) to property to which this section applies.

"(k) CROSS REFERENCE.—

"For income tax treatment of individuals who terminate United States citizenship, see section 7701(a)(47).".

(b) INCLUSION IN INCOME OF GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

"(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.".

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

"(47) TERMINATION OF UNITED STATES CITIZENSHIP.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).".

(d) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

"(f) APPLICATION.—This section shall not apply to any individual who relinquishes (within the meaning of section 877A(e)(3)) United States citizenship on or after February 6, 1995.".

(2) Section 2107(c) is amended by adding at the end the following new paragraph:

"(3) CROSS REFERENCE.—For credit against the tax imposed by subsection (a) for expatriation tax, see section 877A(i).".

(3) Section 2501(a)(3) is amended by adding at the end the following new flush sentence: "For credit against the tax imposed under this section by reason of this paragraph, see section 877A(i).".

(4) Paragraph (10) of section 7701(b) is amended by adding at the end the following new sentence: "This paragraph shall not apply to any long-term resident of the United States who is an expatriate (as defined in section 877A(e)(1)).".

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriation.".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after February 6, 1995.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to amounts received from expatriates (as so defined) whose expatriation date (as so defined) occurs on and after February 6, 1995.

(3) SPECIAL RULES RELATING TO CERTAIN ACTS OCCURRING BEFORE FEBRUARY 6, 1995.—In the case of an individual who took an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a) (1)–(4)) before February 6, 1995, but whose expatriation date (as so defined) occurs after February 6, 1995—

(A) the amendment made by subsection (c) shall not apply,

(B) the amendment made by subsection (d)(1) shall not apply for any period prior to the expatriation date, and

(C) the other amendments made by this section shall apply as of the expatriation date.

(4) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of such Code shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 1632. INFORMATION ON INDIVIDUALS EXPATRIATING.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039E the following new section:

"SEC. 6039F. INFORMATION ON INDIVIDUALS EXPATRIATING.

"(a) REQUIREMENT.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, any expatriate (within the meaning of section 877A(e)(1)) shall provide a statement which includes the information described in subsection (b).

"(2) TIMING.—

"(A) CITIZENS.—In the case of an expatriate described in section 877(e)(1)(A), such statement shall be—

"(i) provided not later than the expatriation date (within the meaning of section 877A(e)(2)), and

"(ii) provided to the person or court referred to in section 877A(e)(3).

"(B) NONCITIZENS.—In the case of an expatriate described in section 877A(e)(1)(B), such statement shall be provided to the Secretary with the return of tax imposed by chapter 1 for the taxable year during which the event described in such section occurs.

"(b) INFORMATION TO BE PROVIDED.—Information required under subsection (a) shall include—

"(1) the taxpayer's TIN,

"(2) the mailing address of such individual's principal foreign residence,

"(3) the foreign country in which such individual is residing,

"(4) the foreign country of which such individual is a citizen,

"(5) in the case of an individual having a net worth of at least the dollar amount applicable under section 877A(c)(1)(B), information detailing the assets and liabilities of such individual, and

"(6) such other information as the Secretary may prescribe.

"(c) PENALTY.—Any individual failing to provide a statement required under subsection (a) shall be subject to a penalty for each year during any portion of which such failure continues in an amount equal to the greater of—

"(1) 5 percent of the additional tax required to be paid under section 877A for such year, or

"(2) $1,000,

unless it is shown that such failure is due to reasonable cause and not to willful neglect.

"(d) INFORMATION TO BE PROVIDED TO SECRETARY.—Notwithstanding any other provision of law—

"(1) any Federal agency or court which collects (or is required to collect) the statement under subsection (a) shall provide to the Secretary—

"(A) a copy of any such statement, and

"(B) the name (and any other identifying information) of any individual refusing to comply with the provisions of subsection (a),

"(2) the Secretary of State shall provide to the Secretary a copy of each certificate as to the loss of American nationality under section 358 of the Immigration and Nationality Act which is approved by the Secretary of State, and

"(3) the Federal agency primarily responsible for administering the immigration laws shall provide to the Secretary the name of each lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) whose status as such has been revoked or has been administratively or judicially determined to have been abandoned.

Notwithstanding any other provision of law, not later than 30 days after the close of each calendar quarter, the Secretary shall publish in the Federal Register the name of each individual relinquishing United States citizenship (within the meaning of section 877A(e)(3)) with respect to whom the Secretary receives information under the preceding sentence during such quarter.

"(e) EXEMPTION.—The Secretary may by regulations exempt any class of individuals from the requirements of this section if the Secretary determines that applying this section to such individuals is not necessary to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6039E the following new item:

"Sec. 6039F. Information on individuals expatriating.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals to whom section 877A of the Internal Revenue Code of 1986 applies and whose expatriation date (as defined in section 877A(e)(2)) occurs on or after February 6, 1995, except that no statement shall be required by such amendments before the 90th day after the date of the enactment of this Act.

SEC. 1633. REPORT ON TAX COMPLIANCE BY UNITED STATES CITIZENS AND RESIDENTS LIVING ABROAD.

Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report—

(1) describing the compliance with subtitle A of the Internal Revenue Code of 1986 by citizens and lawful permanent residents of the United States (within the meaning of section 7701(b)(6) of such Code) residing outside the United States, and

(2) recommending measures to improve such compliance (including improved coordination between executive branch agencies).

Subtitle F—Technical Corrections

SEC. 1701. COORDINATION WITH OTHER SUBTITLES.

For purposes of applying the amendments made by any subtitle of this title other than this subtitle, the provisions of this subtitle shall be treated as having been enacted immediately before the provisions of such other subtitles.

SEC. 1702. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO SUBTITLE A.—

(1) Subparagraph (B) of section 59(j)(3) is amended by striking "section 1(i)(3)(B)" and inserting "section 1(g)(3)(B)".

(2) Clause (i) of section 151(d)(3)(C) is amended by striking "joint of a return" and inserting "joint return".

(b) AMENDMENTS RELATED TO SUBTITLE B.—

(1) Paragraph (1) of section 11212(e) of the Revenue Reconciliation Act of 1990 is amended by striking "Paragraph (1) of section 6724(d)" and inserting "Subparagraph (B) of section 6724(d)(1)".

(2)(A) Subparagraph (B) of section 4093(c)(2), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period "unless such fuel is sold for exclusive use by a State or any political subdivision thereof".

(B) Paragraph (4) of section 6427(l), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period "unless such fuel was used by a State or any political subdivision thereof".

(3) Paragraph (1) of section 6416(b) is amended by striking "chapter 32 or by section 4051" and inserting "chapter 31 or 32".

(4) Section 7012 is amended—

(A) by striking "production or importation of gasoline" in paragraph (3) and inserting "taxes on gasoline and diesel fuel", and

(B) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(5) Subsection (c) of section 5041 is amended by striking paragraph (6) and by inserting the following new paragraphs:

"(6) CREDIT FOR TRANSFEREE IN BOND.—If—

"(A) wine produced by any person would be eligible for any credit under paragraph (1) if removed by such person during the calendar year,

"(B) wine produced by such person is removed during such calendar year by any other person (hereafter in this paragraph referred to as the 'transferee') to whom such wine was transferred in bond and who is liable for the tax imposed by this section with respect to such wine, and

"(C) such producer holds title to such wine at the time of its removal and provides to the transferee such information as is necessary to properly determine the transferee's credit under this paragraph,

then, the transferee (and not the producer) shall be allowed the credit under paragraph (1) which would be allowed to the producer if the wine removed by the transferee had been removed by the producer on that date.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

"(A) to prevent the credit provided in this subsection from benefiting any person who produces more than 250,000 wine gallons of wine during a calendar year, and

"(B) to assure proper reduction of such credit for persons producing more than 150,000 wine gallons of wine during a calendar year.".

(6) Paragraph (3) of section 5061(b) is amended to read as follows:

"(3) section 5041(f),".

(7) Section 5354 is amended by inserting "(taking into account the appropriate amount of credit with respect to such wine under section 5041(c))" after "any one time".

(c) AMENDMENTS RELATED TO SUBTITLE C.—

(1) Paragraph (4) of section 56(g) is amended by redesignating subparagraphs (I) and (J) as subparagraphs (H) and (I), respectively.

(2) Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking "or" at the end of clause (xii), and

(B) by striking the period at the end of clause (xiii) and inserting ", or".

(3) Subsection (g) of section 6302 is amended by inserting ", 22," after "chapters 21".

(4) The earnings and profits of any insurance company to which section 11305(c)(3) of the Revenue Reconciliation Act of 1990 applies shall be determined without regard to any deduction allowed under such section; except that, for purposes of applying sections 56 and 902, and subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986, such deduction shall be taken into account.

(5) Subparagraph (D) of section 6038A(e)(4) is amended—

(A) by striking "any transaction to which the summons relates" and inserting "any affected taxable year", and

(B) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'affected taxable year' means any taxable year if the determination of the amount of tax imposed for such taxable year is affected by the treatment of the transaction to which the summons relates.".

(6) Subparagraph (A) of section 6621(c)(2) is amended by adding at the end thereof the following new flush sentence:

"The preceding sentence shall be applied without regard to any such letter or notice which is withdrawn by the Secretary.".

(7) Clause (i) of section 6621(c)(2)(B) is amended by striking "this subtitle" and inserting "this title".

(d) AMENDMENTS RELATED TO SUBTITLE D.—

(1) Notwithstanding section 11402(c) of the Revenue Reconciliation Act of 1990, the amendment made by section 11402(b)(1) of such Act shall apply to taxable years ending after December 31, 1989.

(2) Clause (ii) of section 143(m)(4)(C) is amended—

(A) by striking "any month of the 10-year period" and inserting "any year of the 4-year period",

(B) by striking "succeeding months" and inserting "succeeding years", and

(C) by striking "over the remainder of such period (or, if lesser, 5 years)" and inserting "to zero over the succeeding 5 years".

(e) AMENDMENTS RELATED TO SUBTITLE E.—

(1)(A) Clause (ii) of section 56(d)(1)(B) is amended to read as follows:

"(ii) appropriate adjustments in the application of section 172(b)(2) shall be made to take into account the limitation of subparagraph (A).".

(B) For purposes of applying sections 56(g)(1) and 56(g)(3) of the Internal Revenue Code of 1986 with respect to taxable years beginning in 1991 and 1992, the reference in such sections to the alternative tax net operating loss deduction shall be treated as including a reference to the deduction under section 56(h) of such Code as in effect before the amendments made by section 1915 of the Energy Policy Act of 1992.

(2) Clause (i) of section 613A(c)(3)(A) is amended by striking "the table contained in".

(3) Section 6501 is amended—

(A) by striking subsection (m) (relating to deficiency attributable to election under section 44B) and by redesignating subsections (n) and (o) as subsections (m) and (n), respectively, and

(B) by striking "section 40(f) or 51(j)" in subsection (m) (as redesignated by subparagraph (A)) and inserting "section 40(f), 43, or 51(j)".

(4) Subparagraph (C) of section 38(c)(2) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) is amended by inserting before the period at the end of the first sentence the following: "and without regard to the deduction under section 56(h)".

(5) The amendment made by section 1913(b)(2)(C)(i) of the Energy Policy Act of 1992 shall apply to taxable years beginning after December 31, 1990.

(f) AMENDMENTS RELATED TO SUBTITLE F.—

(1)(A) Section 2701(a)(3) is amended by adding at the end thereof the following new subparagraph:

"(C) VALUATION OF QUALIFIED PAYMENTS WHERE NO LIQUIDATION, ETC. RIGHTS.—In the case of an applicable retained interest which is described in subparagraph (B)(i) but not subparagraph (B)(ii), the value of the distribution right shall be determined without regard to this section.".

(B) Section 2701(a)(3)(B) is amended by inserting "CERTAIN" before "QUALIFIED" in the heading thereof.

(C) Sections 2701 (d)(1) and (d)(4) are each amended by striking "subsection (a)(3)(B)" and inserting "subsection (a)(3) (B) or (C)".

(2) Clause (i) of section 2701(a)(4)(B) is amended by inserting "(or, to the extent provided in regulations, the rights as to either income or capital)" after "income and capital".

(3)(A) Section 2701(e)(3) is amended—

(i) by striking subparagraph (B), and

(ii) by striking so much of paragraph (3) as precedes "shall be treated as holding" and inserting:

"(3) ATTRIBUTION OF INDIRECT HOLDINGS AND TRANSFERS.—An individual".

(B) Section 2704(c)(3) is amended by striking "section 2701(e)(3)(A)" and inserting "section 2701(e)(3)".

(4) Clause (i) of section 2701(c)(1)(B) is amended to read as follows:

"(i) a right to distributions with respect to any interest which is junior to the rights of the transferred interest,".

(5)(A) Clause (i) of section 2701(c)(3)(C) is amended to read as follows:

"(i) IN GENERAL.—Payments under any interest held by a transferor which (without regard to this subparagraph) are qualified payments shall be treated as qualified payments unless the transferor elects not to treat such payments as qualified payments. Payments described in the preceding sentence which are held by an applicable family member shall be treated as qualified payments only if such member elects to treat such payments as qualified payments.".

(B) The first sentence of section 2701(c)(3)(C)(ii) is amended to read as follows: "A transferor or applicable family member holding any distribution right which (without regard to this subparagraph) is not a qualified payment may elect to treat such right as a qualified payment, to be paid in the amounts and at the times specified in such election.".

(C) The time for making an election under the second sentence of section 2701(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as amended by subparagraph (A)) shall not expire before the due date (including extensions) for filing the transferor's return of the tax imposed by section 2501 of such Code for the first calendar year ending after the date of enactment.

(6) Section 2701(d)(3)(A)(iii) is amended by striking "the period ending on the date of".

(7) Subclause (I) of section 2701(d)(3)(B)(ii) is amended by inserting "or the exclusion under section 2503(b)," after "section 2523,".

(8) Section 2701(e)(5) is amended—

(A) by striking "such contribution to capital or such redemption, recapitalization, or other change" in subparagraph (A) and inserting "such transaction", and

(B) by striking "the transfer" in subparagraph (B) and inserting "such transaction".

(9) Section 2701(d)(4) is amended by adding at the end thereof the following new subparagraph:

"(C) TRANSFER TO TRANSFERORS.—In the case of a taxable event described in paragraph (3)(A)(ii) involving a transfer of an applicable retained interest from an applicable family member to a transferor, this subsection shall continue to apply to the transferor during any period the transferor holds such interest.".

(10) Section 2701(e)(6) is amended by inserting "or to reflect the application of subsection (d)" before the period at the end thereof.

(11)(A) Section 2702(a)(3)(A) is amended—

(i) by striking "to the extent" and inserting "if" in clause (i),

(ii) by striking "or" at the end of clause (i),

(iii) by striking the period at the end of clause (ii) and inserting ", or", and

(iv) by adding at the end thereof the following new clause:

"(iii) to the extent that regulations provide that such transfer is not inconsistent with the purposes of this section.".

(B)(i) Section 2702(a)(3) is amended by striking "incomplete transfer" each place it appears and inserting "incomplete gift".

(ii) The heading for section 2702(a)(3)(B) is amended by striking "INCOMPLETE TRANSFER" and inserting "INCOMPLETE GIFT".

(g) AMENDMENTS RELATED TO SUBTITLE G.—

(1)(A) Subsection (a) of section 1248 is amended—

(i) by striking ", or if a United States person receives a distribution from a foreign corporation which, under section 302 or 331, is treated as an exchange of stock" in paragraph (1), and

(ii) by adding at the end thereof the following new sentence: "For purposes of this section, a United States person shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such person is treated as realizing gain from the sale or exchange of such stock.".

(B) Paragraph (1) of section 1248(e) is amended by striking ", or receives a distribution from a domestic corporation which, under section 302 or 331, is treated as an exchange of stock".

(C) Subparagraph (B) of section 1248(f)(1) is amended by striking "or 361(c)(1)" and inserting "355(c)(1), or 361(c)(1)".

(D) Paragraph (1) of section 1248(i) is amended to read as follows:

"(1) IN GENERAL.—If any shareholder of a 10-percent corporate shareholder of a foreign corporation exchanges stock of the 10-percent corporate shareholder for stock of the foreign corporation, such 10-percent corporate shareholder shall recognize gain in the same manner as if the stock of the foreign corporation received in such exchange had been—

"(A) issued to the 10-percent corporate shareholder, and

"(B) then distributed by the 10-percent corporate shareholder to such shareholder in redemption or liquidation (whichever is appropriate).

The amount of gain recognized by such 10-percent corporate shareholder under the preceding sentence shall not exceed the amount treated as a dividend under this section.".

(2) Section 897 is amended by striking subsection (f).

(3) Paragraph (13) of section 4975(d) is amended by striking "section 408(b)" and inserting "section 408(b)(12)".

(4) Clause (iii) of section 56(g)(4)(D) is amended by inserting ", but only with respect to taxable years beginning after December 31, 1989" before the period at the end thereof.

(5)(A) Paragraph (11) of section 11701(a) of the Revenue Reconciliation Act of 1990 (and the amendment made by such paragraph) are hereby repealed, and section 7108(r)(2) of the Revenue Reconciliation Act of 1989 shall be applied as if such paragraph (and amendment) had never been enacted.

(B) Subparagraph (A) shall not apply to any building if the owner of such building establishes to the satisfaction of the Secretary of the Treasury or his delegate that such owner reasonably relied on the amendment made by such paragraph (11).

(h) AMENDMENTS RELATED TO SUBTITLE H.—

(1)(A) Clause (vi) of section 168(e)(3)(B) is amended by striking "or" at the end of subclause (I), by striking the period at the end of subclause (II) and inserting ", or", and by adding at the end thereof the following new subclause:

"(III) is described in section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).".

(B) Subparagraph (B) of section 168(e)(3) (relating to 5-year property) is amended by adding at the end the following flush sentence:

"Nothing in any provision of law shall be construed to treat property as not being described in clause (vi)(I) (or the corresponding provisions of prior law) by reason of being public utility property (within the meaning of section 48(a)(3)).".

(C) Subparagraph (K) of section 168(g)(4) is amended by striking "section 48(a)(3)(A)(iii)" and inserting "section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)".

(2) Clause (ii) of section 172(b)(1)(E) is amended by striking "subsection (m)" and inserting "subsection (h)".

(3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II), and 832(b)(5)(D)(ii)(II) are each amended by striking "243(b)(5)" and inserting "243(b)(2)".

(4) Subparagraph (A) of section 243(b)(3) is amended by inserting "of" after "In the case".

(5) The subsection heading for subsection (a) of section 280F is amended by striking "INVESTMENT TAX CREDIT AND".

(6) Clause (i) of section 1504(c)(2)(B) is amended by inserting "section" before "243(b)(2)".

(7) Paragraph (3) of section 341(f) is amended by striking "351, 361, 371(a), or 374(a)" and inserting "351, or 361".

(8) Paragraph (2) of section 243(b) is amended to read as follows:

"(2) AFFILIATED GROUP.—For purposes of this subsection:

"(A) IN GENERAL.—The term 'affiliated group' has the meaning given such term by section 1504(a), except that for such purposes sections 1504(b)(2), 1504(b)(4), and 1504(c) shall not apply.

"(B) GROUP MUST BE CONSISTENT IN FOREIGN TAX TREATMENT.—The requirements of paragraph (1)(A) shall not be treated as being met with respect to any dividend received by a corporation if, for any taxable year which includes the day on which such dividend is received—

"(i) 1 or more members of the affiliated group referred to in paragraph (1)(A) choose to any extent to take the benefits of section 901, and

"(ii) 1 or more other members of such group claim to any extent a deduction for taxes otherwise creditable under section 901.".

(9) The amendment made by section 11813(b)(17) of the Revenue Reconciliation Act of 1990 shall be applied as if the material stricken by such amendment included the closing parenthesis after "section 48(a)(5)".

(10) Paragraph (1) of section 179(d) is amended by striking "in a trade or business" and inserting "a trade or business".

(11) Subparagraph (E) of section 50(a)(2) is amended by striking "section 48(a)(5)(A)" and inserting "section 48(a)(5)".

(12) The amendment made by section 11801(c)(9)(G)(ii) of the Revenue Reconciliation Act of 1990 shall be applied as if it struck "Section 422A(c)(2)" and inserted "Section 422(c)(2)".

(13) Subparagraph (B) of section 424(c)(3) is amended by striking "a qualified stock option, an incentive stock option, an option granted under an employee stock purchase plan, or a restricted stock option" and inserting "an incentive stock option or an option granted under an employee stock purchase plan".

(14) Subparagraph (E) of section 1367(a)(2) is amended by striking "section 613A(c)(13)(B)" and inserting "section 613A(c)(11)(B)".

(15) Subparagraph (B) of section 460(e)(6) is amended by striking "section 167(k)" and inserting "section 168(e)(2)(A)(ii)".

(16) Subparagraph (C) of section 172(h)(4) is amended by striking "subsection (b)(1)(M)" and inserting "subsection (b)(1)(E)".

(17) Section 6503 is amended—

(A) by redesignating the subsection relating to extension in case of certain summonses as subsection (j), and

(B) by redesignating the subsection relating to cross references as subsection (k).

(18) Paragraph (4) of section 1250(e) is hereby repealed.

(19) Paragraph (1) of section 179(d) is amended by adding at the end the following new sentence: "Such term shall not include any property described in section 50(b) and shall not include air conditioning or heating units.".

(i) Effective Date.—Except as otherwise expressly provided—

(1) the amendments made by this section shall be treated as amendments to the Internal Revenue Code of 1986 as amended by the Revenue Reconciliation Act of 1993; and

(2) any amendment made by this section shall apply to periods before the date of the enactment of this section in the same manner as if it had been included in the provision of the Revenue Reconciliation Act of 1990 to which such amendment relates.

SEC. 1703. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1993.

(a) Amendment Related to Section 13114.—Paragraph (2) of section 1044(c) is amended to read as follows:

"(2) Purchase.—The taxpayer shall be considered to have purchased any property if, but for subsection (d), the unadjusted basis of such property would be its cost within the meaning of section 1012.".

(b) Amendments Related to Section 13142.—

(1) Subparagraph (B) of section 13142(b)(6) of the Revenue Reconciliation Act of 1993 is amended to read as follows:

"(B) Full-time students, waiver authority, and prohibited discrimination.—The amendments made by paragraphs (2), (3), and (4) shall take effect on the date of the enactment of this Act.".

(2) Subparagraph (C) of section 13142(b)(6) of such Act is amended by striking "paragraph (2)" and inserting "paragraph (5)".

(c) Amendment Related to Section 13161.—

(1) In general.—Subsection (e) of section 4001 (relating to inflation adjustment) is amended to read as follows:

"(e) Inflation Adjustment.—

"(1) In general.—The $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the vehicle is sold, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) Rounding.—If any amount as adjusted under paragraph (1) is not a multiple of $2,000, such amount shall be rounded to the next lowest multiple of $2,000.".

(2) Effective date.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) Amendment Related to Section 13201.—Clause (ii) of section 135(b)(2)(B) is amended by inserting before the period at the end thereof the following: ", determined by substituting 'calendar year 1989' for 'calendar year 1992' in subparagraph (B) thereof".

(e) Amendments Related to Section 13203.—Subsection (a) of section 59 is amended—

(1) by striking "the amount determined under section 55(b)(1)(A)" in paragraph (1)(A) and (2)(A)(i) and inserting "the pre-credit tentative minimum tax",

(2) by striking "specified in section 55(b)(1)(A)" in paragraph (1)(C) and inserting "specified in subparagraph (A)(i) or (B)(i) of section 55(b)(1) (whichever applies)",

(3) by striking "which would be determined under section 55(b)(1)(A)" in paragraph (2)(A)(ii) and inserting "which would be the pre-credit tentative minimum tax", and

(4) by adding at the end thereof the following new paragraph:

"(3) Pre-credit tentative minimum tax.—For purposes of this subsection, the term 'pre-credit tentative minimum tax' means—

"(A) in the case of a taxpayer other than a corporation, the amount determined under the first sentence of section 55(b)(1)(A)(i), or

"(B) in the case of a corporation, the amount determined under section 55(b)(1)(B)(i).".

(f) Amendment Related to Section 13221.—Sections 1201(a) and 1561(a) are each amended by striking "last sentence" each place it appears and inserting "last 2 sentences".

(g) Amendments Related to Section 13222.—

(1) Subparagraph (B) of section 6033(e)(1) is amended by adding at the end thereof the following new clause:

"(iii) Coordination with section 527(f).—This subsection shall not apply to any amount on which tax is imposed by reason of section 527(f).".

(2) Clause (i) of section 6033(e)(1)(B) is amended by striking "this subtitle" and inserting "section 501".

(h) Amendment Related to Section 13225.—Paragraph (3) of section 6655(g) is amended by striking all that follows "'3rd month'" in the sentence following subparagraph (C) and inserting ", subsection (e)(2)(A) shall be applied by substituting '2 months' for '3 months' in clause (i)(I), the election under clause (i) of subsection (e)(2)(C) may be made separately for each installment, and clause (ii) of subsection (e)(2)(C) shall not apply.".

(i) Amendments Related to Section 13231.—

(1) Subparagraph (G) of section 904(d)(3) is amended by striking "section 951(a)(1)(B)" and inserting "subparagraph (B) or (C) of section 951(a)(1)".

(2) Paragraph (1) of section 956A(b) is amended to read as follows:

"(1) the amount (not including a deficit) referred to in section 316(a)(1) to the extent such amount was accumulated in prior taxable years beginning after September 30, 1993, and".

(3) Subsection (f) of section 956A is amended by inserting before the period at the end thereof: "and regulations coordinating the provisions of subsections (c)(3)(A) and (d)".

(4) Subsection (b) of section 958 is amended by striking "956(b)(2)" each place it appears and inserting "956(c)(2)".

(5)(A) Subparagraph (A) of section 1297(d)(2) is amended by striking "The adjusted basis of any asset" and inserting "The amount taken into account under section 1296(a)(2) with respect to any asset".

(B) The paragraph heading of paragraph (2) of section 1297(d) is amended to read as follows:

"(2) Amount taken into account.—".

(6) Subsection (e) of section 1297 is amended by inserting "For purposes of this part—" after the subsection heading.

(j) Amendment Related to Section 13241.—Subparagraph (B) of section 40(e)(1) is amended to read as follows:

"(B) for any period before January 1, 2001, during which the rates of tax under section 4081(a)(2)(A) are 4.3 cents per gallon.".

(k) Amendment Related to Section 13242.—Paragraph (4) of section 6427(f) is amended by striking "1995" and inserting "1999".

(l) Amendment Related to Section 13261.—Clause (iii) of section 13261(g)(2)(A) of the Revenue Reconciliation Act of 1993 is amended by striking "by the taxpayer" and inserting "by the taxpayer or a related person".

(m) Amendment Related to Section 13301.—Subparagraph (B) of section 1397B(d)(5) is amended by striking "preceding".

(n) Clerical Amendments.—

(1) Subsection (d) of section 39 is amended—

(A) by striking "45" in the heading of paragraph (5) and inserting "45A", and

(B) by striking "45" in the heading of paragraph (6) and inserting "45B".

(2) Subparagraph (A) of section 108(d)(9) is amended by striking "paragraph (3)(B)" and inserting "paragraph (3)(C)".

(3) Subparagraph (C) of section 143(d)(2) is amended by striking the period at the end thereof and inserting a comma.

(4) Clause (ii) of section 163(j)(6)(E) is amended by striking "which is a" and inserting "which is".

(5) Subparagraph (A) of section 1017(b)(4) is amended by striking "subsection (b)(2)(D)" and inserting "subsection (b)(2)(E)".

(6) So much of section 1245(a)(3) as precedes subparagraph (A) thereof is amended to read as follows:

"(3) Section 1245 property.—For purposes of this section, the term 'section 1245 property' means any property which is or has been property of a character subject to the allowance for depreciation provided in section 167 and is either—".

(7) Paragraph (2) of section 1394(e) is amended—

(A) by striking "(i)" and inserting "(A)", and

(B) by striking "(ii)" and inserting "(B)".

(8) Subsection (m) of section 6501 (as redesignated by section 1602) is amended by striking "or 51(j)" and inserting "45B, or 51(j)".

(9)(A) The section 6714 added by section 13242(b)(1) of the Revenue Reconciliation Act of 1993 is hereby redesignated as section 6715.

(B) The table of sections for part I of subchapter B of chapter 68 is amended by striking "6714" in the item added by such section 13242(b)(2) of such Act and inserting "6715".

(10) Paragraph (2) of section 9502(b) is amended by inserting "and before" after "1982,".

(11) Subsection (a)(3) of section 13206 of the Revenue Reconciliation Act of 1993 is amended by striking "this section" and inserting "this subsection".

(12) Paragraph (1) of section 13215(c) of the Revenue Reconciliation Act of 1993 is amended by striking "Public Law 92–21" and inserting "Public Law 98–21".

(13) Paragraph (2) of section 13311(e) of the Revenue Reconciliation Act of 1993 is amended by striking "section 1393(a)(3)" and inserting "section 1393(a)(2)".

(14) Subparagraph (B) of section 117(d)(2) is amended by striking "section 132(f)" and inserting "section 132(h)".

(o) Effective Date.—Any amendment made by this section shall take effect as if included in the provision of the Revenue Reconciliation Act of 1993 to which such amendment relates.

SEC. 1704. MISCELLANEOUS PROVISIONS.

(a) Application of Amendments Made by Title XII of Omnibus Budget Reconciliation Act of 1990.—Except as otherwise expressly provided, whenever in title XII of the Omnibus Budget Reconciliation Act of 1990 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) Treatment of Certain Amounts Under Hedge Bond Rules.—

(1) Clause (iii) of section 149(g)(3)(B) is amended to read as follows:

"(iii) Amounts held pending reinvestment or redemption.—Amounts held for not more than 30 days pending reinvestment or bond redemption shall be treated as invested in bonds described in clause (i).".

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 7651 of the Omnibus Budget Reconciliation Act of 1989.

(c) Treatment of Certain Distributions Under Section 1445.—

(1) In general.—Paragraph (3) of section 1445(e) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of the preceding provisions of this paragraph shall apply in the case of any distribution to which section 301 applies and which is not made out of the earnings and profits of such a domestic corporation.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to distributions after the date of the enactment of this Act.

(d) Treatment of Certain Credits Under Section 469.—

(1) In general.—Subparagraph (B) of section 469(c)(3) is amended by adding at the end thereof the following new sentence: "If the preceding sentence applies to the net income from any property for any taxable year, any credits allowable under subpart B (other than section 27(a)) or D of part IV of subchapter A for such taxable year which are attributable to such property shall be treated as credits not from a passive activity to the extent the amount of such credits does not exceed the regular tax liability of the taxpayer for the taxable year which is allocable to such net income.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(e) Treatment of Dispositions Under Passive Loss Rules.—

(1) In general.—Subparagraph (A) of section 469(g)(1) is amended to read as follows:

"(A) In general.—If all gain or loss realized on such disposition is recognized, the excess of—

"(i) any loss from such activity for such taxable year (determined after the application of subsection (b)), over

"(ii) any net income or gain for such taxable year from all other passive activities (determined after the application of subsection (b)),

shall be treated as a loss which is not from a passive activity.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(f) Miscellaneous Amendments to Foreign Provisions.—

(1) Coordination of unified estate tax credit with treaties.—Subparagraph (A) of section 2102(c)(3) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.".

(2) Treatment of certain interest paid to related person.—

(A) Subparagraph (B) of section 163(j)(1) is amended by inserting before the period at the end thereof the following: "(and clause (ii) of paragraph (2)(A) shall not apply for purposes of applying this subsection to the amount so treated)".

(B) Subsection (j) of section 163 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Coordination with passive loss rules, etc.—This subsection shall be applied before sections 465 and 469.".

(C) The amendments made by this paragraph shall apply as if included in the amendments made by section 7210(a) of the Revenue Reconciliation Act of 1989.

(3) Treatment of interest allocable to effectively connected income.—

(A) In general.—

(i) Subparagraph (B) of section 884(f)(1) is amended by striking "to the extent" and all that follows down through "subparagraph (A)" and inserting "to the extent that the allocable interest exceeds the interest described in subparagraph (A)".

(ii) The second sentence of section 884(f)(1) is amended by striking "reasonably expected" and all that follows down through the period at the end thereof and inserting "reasonably expected to be allocable interest."

(iii) Paragraph (2) of section 884(f) is amended to read as follows:

"(2) Allocable interest.—For purposes of this subsection, the term 'allocable interest' means any interest which is allocable to income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States.".

(B) Effective date.—The amendments made by subparagraph (A) shall take effect as if included in the amendments made by section 1241(a) of the Tax Reform Act of 1986.

(4) Clarification of source rule.—

(A) In general.—Paragraph (2) of section 865(b) is amended by striking "863(b)" and inserting "863".

(B) Effective date.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 1211 of the Tax Reform Act of 1986.

(5) Repeal of obsolete provisions.—

(A) Paragraph (1) of section 6038(a) is amended by striking ", and" at the end of subparagraph (E) and inserting a period, and by striking subparagraph (F).

(B) Subsection (b) of section 6038A is amended by adding "and" at the end of paragraph (2), by striking ", and" at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(g) Treatment of Assignment of Interest in Certain Bond-Financed Facilities.—

(1) In general.—Subparagraph (A) of section 1317(3) of the Tax Reform Act of 1986 is amended by adding at the end thereof the following new sentence: "A facility shall not fail to be treated as described in this subparagraph by reason of an assignment (or an agreement to an assignment) by the governmental unit on whose behalf the bonds are issued of any part of its interest in the property financed by such bonds to another governmental unit.".

(2) Effective date.—The amendment made by paragraph (1) shall take effect as if included in such section 1317 on the date of the enactment of the Tax Reform Act of 1986.

(h) Clarification of Treatment of Medicare Entitlement Under COBRA Provisions.—

(1) In general.—

(A) Subclause (V) of section 4980B(f)(2)(B)(i) is amended to read as follows:

"(V) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in paragraph (3)(B) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this clause before the close of the 36-month period beginning on the date the covered employee became so entitled.".

(B) Clause (v) of section 602(2)(A) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(v) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in section 603(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled.".

(C) Clause (iv) of section 2202(2)(A) of the Public Health Service Act is amended to read as follows:

"(iv) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in section 2203(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled.".

(2) Effective date.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1989.

(i) Treatment of Certain REMIC Inclusions.—

(1) In general.—Subsection (a) of section 860E is amended by adding at the end thereof the following new paragraph:

"(6) Coordination with minimum tax.—For purposes of part VI of subchapter A of this chapter—

"(A) the reference in section 55(b)(2) to taxable income shall be treated as a reference to taxable income determined without regard to this subsection,

"(B) the alternative minimum taxable income of any holder of a residual interest in a REMIC for any taxable year shall in no event be less than the excess inclusion for such taxable year, and

"(C) any excess inclusion shall be disregarded for purposes of computing the alternative tax net operating loss deduction.

The preceding sentence shall not apply to any organization to which section 593 applies, except to the extent provided in regulations prescribed by the Secretary under paragraph (2).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 671 of the Tax Reform Act of 1986 unless the taxpayer elects to apply such amendment only to taxable years beginning after the date of the enactment of this Act.

(j) EXEMPTION FROM HARBOR MAINTENANCE TAX FOR CERTAIN PASSENGERS.—

(1) IN GENERAL.—Subparagraph (D) of section 4462(b)(1) (relating to special rule for Alaska, Hawaii, and possessions) is amended by inserting before the period the following: ", or passengers transported on United States flag vessels operating solely within the State waters of Alaska or Hawaii and adjacent international waters".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1402(a) of the Harbor Maintenance Revenue Act of 1986.

(k) AMENDMENTS RELATED TO REVENUE PROVISIONS OF ENERGY POLICY ACT OF 1992.—

(1) Effective with respect to taxable years beginning after December 31, 1990, subclause (II) of section 53(d)(1)(B)(iv) is amended to read as follows:

"(II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year increased in the manner provided in clause (iii).".

(2) Subsection (g) of section 179A is redesignated as subsection (f).

(3) Subparagraph (E) of section 6724(d)(3) is amended by striking "section 6109(f)" and inserting "section 6109(h)".

(4)(A) Subsection (d) of section 30 is amended—

(i) by inserting "(determined without regard to subsection (b)(3))" before the period at the end of paragraph (1) thereof, and

(ii) by adding at the end thereof the following new paragraph:

"(4) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.".

(B) Subsection (m) of section 6501 (as redesignated by section 1602) is amended by striking "section 40(f)" and inserting "section 30(d)(4), 40(f)".

(5) Subclause (III) of section 501(c)(21)(D)(ii) is amended by striking "section 101(6)" and inserting "section 101(7)" and by striking "1752(6)" and inserting "1752(7)".

(6) Paragraph (1) of section 1917(b) of the Energy Policy Act of 1992 shall be applied as if "at a rate" appeared instead of "at the rate" in the material proposed to be stricken.

(7) Paragraph (2) of section 1921(b) of the Energy Policy Act of 1992 shall be applied as if a comma appeared after "(2)" in the material proposed to be stricken.

(8) Subsection (a) of section 1937 of the Energy Policy Act of 1992 shall be applied as if "Subpart B" appeared instead of "Subpart C".

(l) TREATMENT OF QUALIFIED FOOTBALL COACHES PLAN.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, a qualified football coaches plan—

(A) shall be treated as a multiemployer collectively bargained plan, and

(B) notwithstanding section 401(k)(4)(B) of such Code, may include a qualified cash and deferred arrangement under section 401(k) of such Code.

(2) QUALIFIED FOOTBALL COACHES PLAN.—For purposes of this subsection, the term "qualified football coaches plan" means any defined contribution plan which is established and maintained by an organization—

(A) which is described in section 501(c) of such Code,

(B) the membership of which consists entirely of individuals who primarily coach football as full-time employees of 4-year colleges or universities described in section 170(b)(1)(A)(ii) of such Code, and

(C) which was in existence on September 18, 1986.

(3) EFFECTIVE DATE.—This subsection shall apply to years beginning after December 22, 1987.

(m) DETERMINATION OF UNRECOVERED INVESTMENT IN ANNUITY CONTRACT.—

(1) IN GENERAL.—Subparagraph (A) of section 72(b)(4) is amended by inserting "(determined without regard to subsection (c)(2))" after "contract".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1122(c) of the Tax Reform Act of 1986.

(n) MODIFICATIONS TO ELECTION TO INCLUDE CHILD'S INCOME ON PARENT'S RETURN.—

(1) ELIGIBILITY FOR ELECTION.—Clause (ii) of section 1(g)(7)(A) (relating to election to include certain unearned income of child on parent's return) is amended to read as follows:

"(ii) such gross income is more than the amount described in paragraph (4)(A)(ii)(I) and less than 10 times the amount so described,".

(2) COMPUTATION OF TAX.—Subparagraph (B) of section 1(g)(7) (relating to income included on parent's return) is amended—

(A) by striking "$1,000" in clause (i) and inserting "twice the amount described in paragraph (4)(A)(ii)(I)", and

(B) by amending subclause (II) of clause (ii) to read as follows:

"(II) for each such child, 15 percent of the lesser of the amount described in paragraph (4)(A)(ii)(I) or the excess of the gross income of such child over the amount so described, and".

(3) MINIMUM TAX.—Subparagraph (B) of section 59(j)(1) is amended by striking "$1,000" and inserting "twice the amount in effect for the taxable year under section 63(c)(5)(A)".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.

(o) TREATMENT OF CERTAIN VETERANS' REEMPLOYMENT RIGHTS.—

(1) IN GENERAL.—Section 414 is amended by adding at the end the following new subsection:

"(u) SPECIAL RULES RELATING TO VETERANS' REEMPLOYMENT RIGHTS UNDER USERRA.—

"(1) TREATMENT OF CERTAIN CONTRIBUTIONS MADE PURSUANT TO VETERANS' REEMPLOYMENT RIGHTS.—If any contribution is made by an employer or an employee under an individual account plan with respect to an employee, or by an employee to a defined benefit plan that provides for employee contributions, and such contribution is required by reason of such employee's rights under chapter 43 of title 38, United States Code, resulting from qualified military service, then—

"(A) such contribution shall not be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, and shall not be taken into account in applying such limitations to other contributions or benefits under such plan or any other plan, with respect to the year in which the contribution is made,

"(B) such contribution shall be subject to the limitations referred to in subparagraph (A) with respect to the year to which the contribution relates (in accordance with rules prescribed by the Secretary), and

"(C) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k)(3), 408(k)(6), 408(p), 410(b), or 416 by reason of the making of (or the right to make) such contribution.

For purposes of the preceding sentence, any elective deferral or employee contribution made under paragraph (2) shall be treated as required by reason of the employee's rights under such chapter 43.

"(2) REEMPLOYMENT RIGHTS UNDER USERRA WITH RESPECT TO ELECTIVE DEFERRALS.—

"(A) IN GENERAL.—For purposes of this subchapter and section 457, if an employee is entitled to the benefits of chapter 43 of title 38, United States Code, with respect to any plan which provides for elective deferrals, the employer sponsoring the plan shall be treated as meeting the requirements of such chapter 43 with respect to such elective deferrals only if such employer—

"(i) permits such employee to make additional elective deferrals under such plan (in the amount determined under subparagraph (B) or such lesser amount as is elected by the employee) during the period which begins on the date of the reemployment of such employee with such employer and has the same length as the lesser of—

"(I) the product of 3 and the period of qualified military service which resulted in such rights, and

"(II) 5 years, and

"(ii) makes a matching contribution with respect to any additional elective deferral made pursuant to clause (i) which would have been required had such deferral actually been made during the period of such qualified military service.

"(B) AMOUNT OF MAKEUP REQUIRED.—The amount determined under this subparagraph with respect to any plan is the maximum amount of the elective deferrals that the individual would have been permitted to make under the plan in accordance with the limitations referred to in paragraph (1)(A) during the period of qualified military service if the individual had continued to be employed by the employer during such period and received compensation as determined under paragraph (7). Proper adjustment shall be made to the amount determined under the preceding sentence for any elective deferrals actually made during the period of such qualified military service.

"(C) ELECTIVE DEFERRAL.—For purposes of this paragraph, the term 'elective deferral' has the meaning given such term by section 402(g)(3); except that such term shall include any deferral of compensation under an eligible deferred compensation plan (as defined in section 457(b)).

"(D) AFTER-TAX EMPLOYEE CONTRIBUTIONS.—References in subparagraphs (A) and (B) to elective deferrals shall be treated as including references to employee contributions.

"(3) CERTAIN RETROACTIVE ADJUSTMENTS NOT REQUIRED.—For purposes of this subchapter and subchapter E, no provision of chapter 43 of title 38, United States Code, shall be construed as requiring—

"(A) any crediting of earnings to an employee with respect to any contribution before such contribution is actually made, or

"(B) any allocation of any forfeiture with respect to the period of qualified military service.

“(4) LOAN REPAYMENT SUSPENSIONS PERMITTED.—If any plan suspends the obligation to repay any loan made to an employee from such plan for any part of any period during which such employee is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code), whether or not qualified military service, such suspension shall not be taken into account for purposes of section 72(p), 401(a), or 4975(d)(1).

“(5) QUALIFIED MILITARY SERVICE.—For purposes of this subsection, the term ‘qualified military service’ means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

“(6) INDIVIDUAL ACCOUNT PLAN.—For purposes of this subsection, the term ‘individual account plan’ means any defined contribution plan (including any tax-sheltered annuity plan under section 403(b), any simplified employee pension under section 408(k), any qualified salary reduction arrangement under section 408(p), and any eligible deferred compensation plan (as defined in section 457(b)).

“(7) COMPENSATION.—For purposes of sections 403(b)(3), 415(c)(3), and 457(e)(5), an employee who is in qualified military service shall be treated as receiving compensation from the employer during such period of qualified military service equal to—

“(A) the compensation the employee would have received during such period if the employee were not in qualified military service, determined based on the rate of pay the employee would have received from the employer but for absence during the period of qualified military service, or

“(B) if the compensation the employee would have received during such period was not reasonably certain, the employee's average compensation from the employer during the 12-month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service).

“(8) USERRA REQUIREMENTS FOR QUALIFIED RETIREMENT PLANS.—For purposes of this subchapter and section 457, an employer sponsoring a retirement plan shall be treated as meeting the requirements of chapter 43 of title 38, United States Code, only if each of the following requirements is met:

“(A) An individual reemployed under such chapter is treated with respect to such plan as not having incurred a break in service with the employer maintaining the plan by reason of such individual's period of qualified military service.

“(B) Each period of qualified military service served by an individual is, upon reemployment under such chapter, deemed with respect to such plan to constitute service with the employer maintaining the plan for the purpose of determining the nonforfeitability of the individual's accrued benefits under such plan and for the purpose of determining the accrual of benefits under such plan.

“(C) An individual reemployed under such chapter is entitled to accrued benefits that are contingent on the making of, or derived from, employee contributions or elective deferrals only to the extent the individual makes payment to the plan with respect to such contributions or deferrals. No such payment may exceed the amount the individual would have been permitted or required to contribute had the individual remained continuously employed by the employer throughout the period of qualified military service. Any payment to such plan shall be made during the period beginning with the date of reemployment and whose duration is 3 times the period of the qualified military service (but not greater than 5 years).

“(9) PLANS NOT SUBJECT TO TITLE 38.—This subsection shall not apply to any retirement plan to which chapter 43 of title 38, United States Code, does not apply.

“(10) REFERENCES.—For purposes of this section, any reference to chapter 43 of title 38, United States Code, shall be treated as a reference to such chapter as in effect on December 12, 1994 (without regard to any subsequent amendment).”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective as of December 12, 1994.

(p) REPORTING OF REAL ESTATE TRANSACTIONS.—

(1) IN GENERAL.—Paragraph (3) of section 6045(e) (relating to prohibition of separate charge for filing return) is amended by adding at the end the following new sentence: “Nothing in this paragraph shall be construed to prohibit the real estate reporting person from taking into account its cost of complying with such requirement in establishing its charge (other than a separate charge for complying with such requirement) to any customer for performing services in the case of a real estate transaction.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in section 1015(e)(2)(A) of the Technical and Miscellaneous Revenue Act of 1988.

(q) CLARIFICATION OF DENIAL OF DEDUCTION FOR STOCK REDEMPTION EXPENSES.

(1) IN GENERAL.—Paragraph (1) of section 162(k) is amended by striking “the redemption of its stock” and inserting “the reacquisition of its stock or of the stock of any related person (as defined in section 465(b)(3)(C))”.

(2) CERTAIN DEDUCTIONS PERMITTED.—Subparagraph (A) of section 162(k)(2) is amended by striking “or” at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

“(ii) deduction for amounts which are properly allocable to indebtedness and amortized over the term of such indebtedness, or”.

(3) CLERICAL AMENDMENT.—The subsection heading for subsection (k) of section 162 is amended by striking “REDEMPTION” and inserting “REACQUISITION”.

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to amounts paid or incurred after September 13, 1995, in taxable years ending after such date.

(B) PARAGRAPH (2).—The amendment made by paragraph (2) shall take effect as if included in the amendment made by section 613 of the Tax Reform Act of 1986.

(r) CLERICAL AMENDMENT TO SECTION 404.—

(1) IN GENERAL.—Paragraph (1) of section 404(j) is amended by striking “(10)” and inserting “(9)”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 713(d)(4)(A) of the Deficit Reduction Act of 1984.

(s) PASSIVE INCOME NOT TO INCLUDE FSC INCOME, ETC.—

(1) IN GENERAL.—Paragraph (2) of section 1296(b) is amended by striking “or” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, or”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) which is foreign trade income of a FSC or export trade income of an export trade corporation (as defined in section 971).”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1235 of the Tax Reform Act of 1986.

(t) MISCELLANEOUS CLERICAL AMENDMENTS.—

(1) Subclause (II) of section 56(g)(4)(C)(ii) is amended by striking “of the subclause” and inserting “of subclause”.

(2) Paragraph (2) of section 72(m) is amended by inserting “and” at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(3) Paragraph (2) of section 86(b) is amended by striking “adusted” and inserting “adjusted”.

(4)(A) The heading for section 112 is amended by striking “combat pay” and inserting “combat zone compensation”.

(B) The item relating to section 112 in the table of sections for part III of subchapter B of chapter 1 is amended by striking “combat pay” and inserting “combat zone compensation”.

(C) Paragraph (1) of section 3401(a) is amended by striking “combat pay” and inserting “combat zone compensation”.

(5) Clause (i) of section 172(h)(3)(B) is amended by striking the comma at the end thereof and inserting a period.

(6) Clause (ii) of section 543(a)(2)(B) is amended by striking “section 563(c)” and inserting “section 563(d)”.

(7) Paragraph (1) of section 958(a) is amended by striking “sections 955(b)(1) (A) and (B), 955(c)(2)(A)(ii), and 960(a)(1)” and inserting “section 960(a)(1)”.

(8) Subsection (g) of section 642 is amended by striking “under 2621(a)(2)” and inserting “under section 2621(a)(2)”.

(9) Section 1463 is amended by striking “this subsection” and inserting “this section”.

(10) Subsection (k) of section 3306 is amended by inserting a period at the end thereof.

(11) The item relating to section 4472 in the table of sections for subchapter B of chapter 36 is amended by striking “and special rules”.

(12) Paragraph (3) of section 5134(c) is amended by striking “section 6662(a)” and inserting “section 6665(a)”.

(13) Paragraph (2) of section 5206(f) is amended by striking “section 5(e)” and inserting “section 105(e)”.

(14) Paragraph (1) of section 6050B(c) is amended by striking “section 85(c)” and inserting “section 85(b)”.

(15) Subsection (k) of section 6166 is amended by striking paragraph (6).

(16) Subsection (e) of section 6214 is amended to read as follows:

“(e) CROSS REFERENCE.—

“For provision giving Tax Court jurisdiction to order a refund of an overpayment and to award sanctions, see section 6512(b)(2).”.

(17) The section heading for section 6043 is amended by striking the semicolon and inserting a comma.

(18) The item relating to section 6043 in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking the semicolon and inserting a comma.

(19) The table of sections for part I of subchapter A of chapter 68 is amended by striking the item relating to section 6662.

(20)(A) Section 7232 is amended—

(i) by striking "lubricating oil," in the heading, and

(ii) by striking "lubricating oil," in the text.

(B) The table of sections for part II of subchapter A of chapter 75 is amended by striking "lubricating oil," in the item relating to section 7232.

(21) Paragraph (1) of section 6701(a) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "subclause (IV)" and inserting "subclause (V)".

(22) Clause (ii) of section 7304(a)(2)(D) of such Act is amended by striking "subsection (c)(2)" and inserting "subsection (c)".

(23) Paragraph (1) of section 7646(b) of such Act is amended by striking "section 6050H(b)(1)" and inserting "section 6050H(b)(2)".

(24) Paragraph (10) of section 7721(c) of such Act is amended by striking "section 6662(b)(2)(C)(ii)" and inserting "section 6661(b)(2)(C)(ii)".

(25) Subparagraph (A) of section 7811(i)(3) of such Act is amended by inserting "the first place it appears" before "in clause (i)".

(26) Paragraph (10) of section 7841(d) of such Act is amended by striking "section 381(a)" and inserting "section 381(c)".

(27) Paragraph (2) of section 7861(c) of such Act is amended by inserting "the second place it appears" before "and inserting".

(28) Paragraph (1) of section 460(b) is amended by striking "the look-back method of paragraph (3)" and inserting "the look-back method of paragraph (2)".

(29) Subparagraph (C) of section 50(a)(2) is amended by striking "subsection (c)(4)" and inserting "subsection (d)(5)".

(30) Subparagraph (B) of section 172(h)(4) is amended by striking the material following the heading and preceding clause (i) and inserting "For purposes of subsection (b)(2)—".

(31) Subparagraph (A) of section 355(d)(7) is amended by inserting "section" before "267(b)".

(32) Subparagraph (C) of section 420(e)(1) is amended by striking "mean" and inserting "means".

(33) Paragraph (4) of section 537(b) is amended by striking "section 172(i)" and inserting "section 172(f)".

(34) Subparagraph (B) of section 613(e)(1) is amended by striking the comma at the end thereof and inserting a period.

(35) Paragraph (4) of section 856(a) is amended by striking "section 582(c)(5)" and inserting "section 582(c)(2)".

(36) Sections 904(f)(2)(B)(i) and 907(c)(4)(B)(iii) are each amended by inserting "(as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)" after "section 172(h)".

(37) Subsection (b) of section 936 is amended by striking "subparagraphs (D)(ii)(I)" and inserting "subparagraphs (D)(ii)".

(38) Subsection (c) of section 2104 is amended by striking "subparagraph (A), (C), or (D) of section 861(a)(1)" and inserting "section 861(a)(1)(A)".

(39) Subparagraph (A) of section 280A(c)(1) is amended to read as follows:

"(A) as the principal place of business for any trade or business of the taxpayer,".

(40) Section 6038 is amended by redesignating the subsection relating to cross references as subsection (f).

(41) Clause (iv) of section 6103(e)(1)(A) is amended by striking all that follows "provisions of" and inserting "section 1(g) or 59(j);".

(42) The subsection (f) of section 6109 of the Internal Revenue Code of 1986 which was added by section 2201(d) of Public Law 101–624 is redesignated as subsection (g).

(43) Subsection (b) of section 7454 is amended by striking "section 4955(e)(2)" and inserting "section 4955(f)(2)".

(44) Subsection (d) of section 11231 of the Revenue Reconciliation Act of 1990 shall be applied as if "comma" appeared instead of "period" and as if the paragraph (9) proposed to be added ended with a comma.

(45) Paragraph (1) of section 11303(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "paragraph" appeared instead of "subparagraph" in the material proposed to be stricken.

(46) Subsection (f) of section 11701 of the Revenue Reconciliation Act of 1990 is amended by inserting "(relating to definitions)" after "section 6038(e)".

(47) Subsection (i) of section 11701 of the Revenue Reconciliation Act of 1990 shall be applied as if "subsection" appeared instead of "section" in the material proposed to be stricken.

(48) Subparagraph (B) of section 11801(c)(2) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 56(g)" appeared instead of "section 59(g)".

(49) Subparagraph (C) of section 11801(c)(8) of the Revenue Reconciliation Act of 1990 shall be applied as if "reorganizations" appeared instead of "reorganization" in the material proposed to be stricken.

(50) Subparagraph (H) of section 11801(c)(9) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 1042(c)(1)(B)" appeared instead of "section 1042(c)(2)(B)".

(51) Subparagraph (F) of section 11801(c)(12) of the Revenue Reconciliation Act of 1990 shall be applied as if "and (3)" appeared instead of "and (E)".

(52) Subparagraph (A) of section 11801(c)(22) of the Revenue Reconciliation Act of 1990 shall be applied as if "chapters 21" appeared instead of "chapter 21" in the material proposed to be stricken.

(53) Paragraph (3) of section 11812(b) of the Revenue Reconciliation Act of 1990 shall be applied by not executing the amendment therein to the heading of section 42(d)(5)(B).

(54) Clause (i) of section 11813(b)(9)(A) of the Revenue Reconciliation Act of 1990 shall be applied as if a comma appeared after "(3)(A)(ix)" in the material proposed to be stricken.

(55) Subparagraph (F) of section 11813(b)(13) of the Revenue Reconciliation Act of 1990 shall be applied as if "tax" appeared after "investment" in the material proposed to be stricken.

(56) Paragraph (19) of section 11813(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "Paragraph (20) of section 1016(a), as redesignated by section 11801," appeared instead of "Paragraph (21) of section 1016(a)".

(57) Paragraph (5) section 8002(a) of the Surface Transportation Revenue Act of 1991 shall be applied as if "4481(e)" appeared instead of "4481(c)".

(58) Section 7872 is amended—

(A) by striking "foregone" each place it appears in subsections (a) and (e)(2) and inserting "forgone", and

(B) by striking "FOREGONE" in the heading for subsection (e) and the heading for paragraph (2) of subsection (e) and inserting "FORGONE".

(59) Paragraph (7) of section 7611(h) is amended by striking "approporiate" and inserting "appropriate".

(60) The heading of paragraph (3) of section 419A(c) is amended by striking "SEVERENCE" and inserting "SEVERANCE".

(61) Clause (ii) of section 807(d)(3)(B) is amended by striking "Commissoners' " and inserting "Commissioners' ".

(62) Subparagraph (B) of section 1274A(c)(1) is amended by striking "instument" and inserting "instrument".

(63) Subparagraph (B) of section 724(d)(3) by striking "Subparagaph" and inserting "Subparagraph".

(64) The last sentence of paragraph (2) of section 42(c) is amended by striking "of 1988".

(65) Paragraph (1) of section 9707(d) is amended by striking "diligence," and inserting "diligence".

(66) Subsection (c) of section 4977 is amended by striking "section 132(i)(2)" and inserting "section 132(h)".

(67) The last sentence of section 401(a)(20) is amended by striking "section 211" and inserting "section 521".

(68) Subparagraph (A) of section 402(g)(3) is amended by striking "subsection (a)(8)" and inserting "subsection (e)(3)".

(69) The last sentence of section 403(b)(10) is amended by striking "an direct" and inserting "a direct".

(70) Subparagraph (A) of section 4973(b)(1) is amended by striking "sections 402(c)" and inserting "section 402(c)".

(71) Paragraph (12) of section 3405(e) is amended by striking "(b)(3)" and inserting "(b)(2)".

(72) Paragraph (41) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if "section" appeared instead of "sections" in the material proposed to be stricken.

(73) Paragraph (27) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if "Section 691(c)(5)" appeared instead of "Section 691(c)".

(74) Paragraph (5) of section 860F(a) is amended by striking "paragraph (1)" and inserting "paragraph (2)".

(75) Paragraph (1) of section 415(k) is amended by adding "or" at the end of subparagraph (C), by striking subparagraphs (D) and (E), and by redesignating subparagraph (F) as subparagraph (D).

(76) Paragraph (2) of section 404(a) is amended by striking "(18),".

(77) Clause (ii) of section 72(p)(4)(A) is amended to read as follows:

"(ii) SPECIAL RULE.—The term 'qualified employer plan' shall include any plan which was (or was determined to be) a qualified employer plan or a government plan.".

(78) Sections 461(i)(3)(C) and 1274(b)(3)(B)(i) are each amended by striking "section 6662(d)(2)(C)(ii)" and inserting "section 6662(d)(2)(C)(iii)".

(79) Subsection (a) of section 164 is amended by striking the paragraphs relating to the generation-skipping tax and the environmental tax imposed by section 59A and by inserting after paragraph (3) the following new paragraphs:

"(4) The GST tax imposed on income distributions.

"(5) The environmental tax imposed by section 59A.".

(80) Subclause (I) of section 936(a)(4)(A)(ii) is amended by striking "deprecation" and inserting "depreciation".

Subtitle G—Other Provisions

SEC. 1801. EXEMPTION FROM DIESEL FUEL DYEING REQUIREMENTS WITH RESPECT TO CERTAIN STATES.

(a) IN GENERAL.—Section 4082 (relating to exemptions for diesel fuel) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) EXCEPTION TO DYEING REQUIREMENTS.—Paragraph (2) of subsection (a) shall not apply with respect to any diesel fuel—

"(1) removed, entered, or sold in a State for ultimate sale or use in an area of such State during the period such area is exempted from the fuel dyeing requirements under subsection (i) of section 211 of the Clean Air Act (as in effect on the date of the enactment of this subsection) by the Administrator of the Environmental Protection Agency under paragraph (4) of such subsection (i) (as so in effect), and

"(2) the use of which is certified pursuant to regulations issued by the Secretary."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to fuel removed, entered, or sold on or after the first day of the first calendar quarter beginning after the date of the enactment of this Act.

SEC. 1802. TREATMENT OF CERTAIN UNIVERSITY ACCOUNTS.

(a) IN GENERAL.—For purposes of subsection (s) of section 3121 of the Internal Revenue Code of 1986 (relating to concurrent employment by 2 or more employers)—

(1) the following entities shall be deemed to be related corporations that concurrently employ the same individual:

(A) a State university which employs health professionals as faculty members at a medical school, and

(B) an agency account of a State university which is described in subparagraph (A) and from which there is distributed to such faculty members payments forming a part of the compensation that the State, or such State university, as the case may be, agrees to pay to such faculty members, but only if—

(i) such agency account is authorized by State law and receives the funds for such payments from a faculty practice plan described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code,

(ii) such payments are distributed by such agency account to such faculty members who render patient care at such medical school, and

(iii) such faculty members comprise at least 30 percent of the membership of such faculty practice plan, and

(2) remuneration which is disbursed by such agency account to any such faculty member of the medical school described in paragraph (1)(A) shall be deemed to have been actually disbursed by the State, or such State university, as the case may be, as a common paymaster and not to have been actually disbursed by such agency account.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall apply to remuneration paid after December 31, 1996.

SEC. 1803. MODIFICATIONS TO EXCISE TAX ON OZONE-DEPLETING CHEMICALS.

(a) RECYCLED HALON.—

(1) IN GENERAL.—Section 4682(d)(1) (relating to recycling) is amended by inserting ", or on any recycled halon imported from any country which is a signatory to the Montreal Protocol on Substances that Deplete the Ozone Layer" before the period at the end.

(2) CERTIFICATION SYSTEM.—The Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency, shall develop a certification system to ensure compliance with the recycling requirement for imported halon under section 4682(d)(1) of the Internal Revenue Code of 1986, as amended by paragraph (1).

(b) CHEMICALS USED AS PROPELLANTS IN METERED-DOSE INHALERS TAX-EXEMPT.—Paragraph (4) of section 4682(g) (relating to phase-in of tax on certain substances) is amended to read as follows:

"(4) CHEMICALS USED AS PROPELLANTS IN METERED-DOSE INHALERS.—

"(A) TAX-EXEMPT.—

"(i) IN GENERAL.—No tax shall be imposed by section 4681 on—

"(I) any use of any substance as a propellant in metered-dose inhalers, or

"(II) any qualified sale by the manufacturer, producer, or importer of any substance.

"(ii) QUALIFIED SALE.—For purposes of clause (i), the term 'qualified sale' means any sale by the manufacturer, producer, or importer of any substance—

"(I) for use by the purchaser as a propellant in metered-dose inhalers, or

"(II) for resale by the purchaser to a 2d purchaser for such use by the 2d purchaser.

The preceding sentence shall apply only if the manufacturer, producer, and importer, and the 1st and 2d purchasers (if any) meet such registration requirements as may be prescribed by the Secretary.

"(B) OVERPAYMENTS.—If any substance on which tax was paid under this subchapter is used by any person as a propellant in metered-dose inhalers, credit or refund without interest shall be allowed to such person in an amount equal to the excess of—

"(i) the tax paid under this subchapter on such substance, over

"(ii) the tax (if any) which would be imposed by section 4681 if such substance were used for such use by the manufacturer, producer, or importer thereof on the date of its use by such person.

Amounts payable under the preceding sentence with respect to uses during the taxable year shall be treated as described in section 34(a) for such year unless claim thereof has been timely filed under this subparagraph."

(c) EFFECTIVE DATES.—

(1) RECYCLED HALON.—The amendment made by subsection (a)(1) shall take effect on January 1, 1997.

(2) METERED-DOSE INHALERS.—The amendment made by subsection (b) shall take effect on the 7th day after the date of the enactment of this Act.

SEC. 1804. TAX-EXEMPT BONDS FOR SALE OF ALASKA POWER ADMINISTRATION FACILITY.

Sections 142(f)(3) (as added by section 1605) and 147(d) of the Internal Revenue Code of 1986 shall not apply in determining whether any private activity bond issued after the date of the enactment of this Act and used to finance the acquisition of the Snettisham hydroelectric project from the Alaska Power Administration is a qualified bond for purposes of such Code.

SEC. 1805. NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS BY COMMON TRUST FUNDS TO REGULATED INVESTMENT COMPANIES.

(a) GENERAL RULE.—Section 584 (relating to common trust funds) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS TO REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—If—

"(A) a common trust fund transfers substantially all of its assets to one or more regulated investment companies in exchange solely for stock in the company or companies to which such assets are so transferred, and

"(B) such stock is distributed by such common trust fund to participants in such common trust fund in exchange solely for their interests in such common trust fund,

no gain or loss shall be recognized by such common trust fund by reason of such transfer or distribution, and no gain or loss shall be recognized by any participant in such common trust fund by reason of such exchange.

"(2) BASIS RULES.—

"(A) REGULATED INVESTMENT COMPANY.—The basis of any asset received by a regulated investment company in a transfer referred to in paragraph (1)(A) shall be the same as it would be in the hands of the common trust fund.

"(B) PARTICIPANTS.—The basis of the stock which is received in an exchange referred to in paragraph (1)(B) shall be the same as that of the property exchanged. If stock in more than one regulated investment company is received in such exchange, the basis determined under the preceding sentence shall be allocated among the stock in each such company on the basis of respective fair market values.

"(3) TREATMENT OF ASSUMPTIONS OF LIABILITY.—

"(A) IN GENERAL.—In determining whether the transfer referred to in paragraph (1)(A) is in exchange solely for stock in one or more regulated investment companies, the assumption by any such company of a liability of the common trust fund, and the fact that any property transferred by the common trust fund is subject to a liability, shall be disregarded.

"(B) SPECIAL RULE WHERE ASSUMED LIABILITIES EXCEED BASIS.—

"(i) IN GENERAL.—If, in any transfer referred to in paragraph (1)(A), the assumed liabilities exceed the aggregate adjusted bases (in the hands of the common trust fund) of the assets transferred to the regulated investment company or companies—

"(I) notwithstanding paragraph (1), gain shall be recognized to the common trust fund on such transfer in an amount equal to such excess,

"(II) the basis of the assets received by the regulated investment company or companies in such transfer shall be increased by the amount so recognized, and

"(III) any adjustment to the basis of a participant's interest in the common trust fund as a result of the gain so recognized shall be treated as occurring immediately before the exchange referred to in paragraph (1)(B).

If the transfer referred to in paragraph (1)(A) is to two or more regulated investment companies, the basis increase under subclause (II) shall be allocated among such companies on the basis of the respective fair market values of the assets received by each of such companies.

"(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means the aggregate of—

"(I) any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A), and

"(II) any liability to which property so transferred is subject.

"(4) COMMON TRUST FUND MUST MEET DIVERSIFICATION RULES.—This subsection shall not apply to any common trust fund which would not meet the requirements of section 368(a)(2)(F)(ii) if it were a corporation. For purposes of the preceding sentence, Government securities shall not be treated as securities of an issuer in applying the 25-percent and 50-percent test and such securities shall not be excluded for purposes of determining total assets under clause (iv) of section 368(a)(2)(F).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers after December 31, 1995.

SEC. 1806. QUALIFIED STATE TUITION PROGRAMS.

(a) IN GENERAL.—Subchapter F of chapter 1 (relating to exempt organizations) is amended by adding at the end the following new part:

"PART VIII—QUALIFIED STATE TUITION PROGRAMS

"Sec. 529. Qualified State tuition programs.

"SEC. 529. QUALIFIED STATE TUITION PROGRAMS.

"(a) GENERAL RULE.—A qualified State tuition program shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, such program shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

"(b) QUALIFIED STATE TUITION PROGRAM.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified State tuition program' means a program established and maintained by a State or agency or instrumentality thereof—

"(A) under which a person—

"(i) may purchase tuition credits or certificates on behalf of a designated beneficiary which entitle the beneficiary to the waiver or payment of qualified higher education expenses of the beneficiary, or

"(ii) may make contributions to an account which is established for the sole purpose of meeting the qualified higher education expenses of the designated beneficiary of the account, and

"(B) which meets the other requirements of this subsection.

"(2) CASH CONTRIBUTIONS.—A program shall not be treated as a qualified State tuition program unless it provides that purchases or contributions may only be made in cash.

"(3) REFUNDS.—A program shall not be treated as a qualified State tuition program unless it imposes a more than de minimis penalty on any refund of earnings from the account which are not—

"(A) used for qualified higher education expenses of the designated beneficiary,

"(B) made on account of the death or disability of the designated beneficiary, or

"(C) made on account of a scholarship received by the designated beneficiary to the extent the amount of the refund does not exceed the amount of the scholarship used for qualified higher education expenses.

"(4) SEPARATE ACCOUNTING.—A program shall not be treated as a qualified State tuition program unless it provides separate accounting for each designated beneficiary.

"(5) NO INVESTMENT DIRECTION.—A program shall not be treated as a qualified State tuition program unless it provides that any contributor to, or designated beneficiary under, such program may not direct the investment of any contributions to the program (or any earnings thereon).

"(6) NO PLEDGING OF INTEREST AS SECURITY.—A program shall not be treated as a qualified State tuition program if it allows any interest in the program or any portion thereof to be used as security for a loan.

"(c) TAX TREATMENT OF DESIGNATED BENEFICIARIES AND CONTRIBUTORS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, no amount shall be includible in gross income of—

"(A) a designated beneficiary under a qualified State tuition program, or

"(B) a contributor to such program on behalf of a designated beneficiary,

with respect to any contribution to, or earnings under, such program.

"(2) DISTRIBUTIONS.—

"(A) IN GENERAL.—Any distribution under a qualified State tuition program shall be includible in the gross income of the distributee in the same manner as provided under section 72 to the extent not excluded from gross income under any other provision of this chapter.

"(B) IN-KIND DISTRIBUTIONS.—The furnishing of education to a designated beneficiary under a qualified State tuition program shall be treated as a distribution to the beneficiary.

"(C) CHANGE IN BENEFICIARIES.—

"(i) ROLLOVERS.—Subparagraph (A) shall not apply to that portion of any distribution which, within 60 days of such distribution, is transferred to the credit of another designated beneficiary under a qualified State tuition program who is a member of the same family as the designated beneficiary with respect to which the distribution was made.

"(ii) CHANGE IN DESIGNATED BENEFICIARIES.—Any change in the designated beneficiary of an interest in a qualified State tuition program shall not be treated as a distribution for purposes of subparagraph (A) if the new beneficiary is a member of the same family as the old beneficiary.

"(D) OPERATING RULES.—For purposes of applying section 72—

"(i) all qualified State tuition programs of which an individual is a designated beneficiary shall be treated as one program,

"(ii) all distributions during a taxable year shall be treated as one distribution, and

"(iii) the value of the contract, income on the contract, and investment in the contract shall be computed as of the close of the calendar year in which the taxable year begins.

"(3) GIFT TAX TREATMENT.—Any contribution on behalf of a designated beneficiary to a qualified State tuition program shall be treated as a qualified transfer for purposes of section 2503(e).

"(d) REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—If—

"(A) a designated beneficiary is furnished education under a qualified State tuition program during any calendar year, or

"(B) there is a distribution to any individual with respect to an interest in such program during any calendar year,

each officer or employee having control of the qualified State tuition program or their designee shall make such reports as the Secretary may require regarding such education or distribution to the Secretary and to the designated beneficiary or the individual to whom the distribution was made. Any such report shall include such information as the Secretary may prescribe.

"(2) TIMING OF REPORTS.—Any report required by this subsection—

"(A) shall be filed at such time and in such matter as the Secretary prescribes, and

"(B) shall be furnished to individuals not later than January 31 of the calendar year following the calendar year to which such report relates.

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DESIGNATED BENEFICIARY.—The term 'designated beneficiary' means—

"(A) the individual designated at the commencement of participation in the qualified State tuition program as the beneficiary of amounts paid (or to be paid) to the program,

"(B) in the case of a change in beneficiaries described in subsection (c)(2)(C)(ii), the individual who is the new beneficiary, and

"(C) in the case of an interest in a qualified State tuition program purchased by a State or local government or an organization described in section 501(c)(3) and exempt from taxation under section 501(a) as part of a scholarship program operated by such government or organization, the individual receiving such interest as a scholarship.

"(2) MEMBER OF FAMILY.—The term 'member of family' has the same meaning given such term as section 2032A(e)(2).

"(3) QUALIFIED HIGHER EDUCATION EXPENSES.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible education institution (as defined in section 135(c)(3)).

"(4) APPLICATION OF SECTION 514.—An interest in a qualified State tuition program shall not be treated as debt for purposes of section 514."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) TRANSITION RULE.—If—

(A) a State or agency or instrumentality thereof maintains, on the date of the enactment of this Act, a program under which persons may purchase tuition credits or certificates on behalf of, or make contributions for education expenses of, a designated beneficiary, and

(B) such program meets the requirements of a qualified State tuition program before the later of—

(i) the date which is 1 year after such date of enactment, or

(ii) the first day of the first calendar quarter after the close of the first regular session of the State legislature that begins after such date of enactment,

the amendments made by this section shall apply to contributions (and earnings allocable thereto) made before the later of such dates without regard to whether any requirements of such amendments are met with respect to such contributions and earnings. For purposes of subparagraph (B)(ii), if a State has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE II—PAYMENT OF WAGES

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Commuting Flexibility Act of 1996".

SEC. 2. PROPER COMPENSATION FOR USE OF EMPLOYER VEHICLES.

Section 4(a) of the Portal-to-Portal Act of 1947 (29 U.S.C. 254(a)) is amended by adding at the end the following: "For purposes of this subsection, the use of an employer's vehicle for travel by an employee and activities performed by an employee which are incidental to the use of such vehicle for commuting shall not be considered part of the employee's principal activities if the use of such vehicle for travel is within the normal commuting area for the employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of such employee.".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 1 shall take effect on the date of the enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 to an employee in any civil action brought before such date of enactment but pending on such date.

SEC. 4. MINIMUM WAGE INCREASE.

(a) SHORT TITLE.—This section may be cited as the "Minimum Wage Increase Act of 1996".

(b) AMENDMENT.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending on June 30, 1996, not less than $4.75 an hour during the year beginning on July 1, 1996, and not less than $5.15 an hour after the expiration of such year;".

SEC. 5. FAIR LABOR STANDARDS ACT AMENDMENTS.

(a) COMPUTER PROFESSIONALS.—Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by striking the period at the end of paragraph (16) and inserting "; or" and by adding after that paragraph the following:

"(17) any employee who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker, whose primary duty is—

"(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

"(D) a combination of duties described in subparagraphs (A), (B), and (C) the performance of which requires the same level of skills, and

who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than $27.63 an hour.".

(b) TIP CREDIT.—The next to last sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended to read as follows: "In determining the wage an employer is required to pay a tipped employee, the amount paid such employee by the employee's employer shall be an amount equal to—

"(1) the cash wage paid such employee which for purposes of such determination shall be not less than the cash wage required to be paid such an employee on the date of the enactment of this paragraph; and

"(2) an additional amount on account of the tips received by such employee which amount is equal to the difference between the wage specified in paragraph (1) and the cash wage in effect under section 6(a)(1).

The additional amount on account of tips may not exceed the value of the tips actually received by an employee.".

(c) OPPORTUNITY WAGE.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

"(g)(1) In lieu of the rate prescribed by subsection (a)(1), any employer may pay any employee of such employer, during the first 90 consecutive calendar days after such employee is initially employed by such employer, a wage which is not less than $4.25 an hour.

"(2) No employer may take any action to displace employees (including partial displacements such as reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in paragraph (1).

"(3) Any employer who violates this subsection shall be considered to have violated section 15(a)(3).

"(4) This subsection shall only apply to an employee who has not attained the age of 20 years.".

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Massachusetts such time as he may require.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from New York.

AMENDMENT NO. 4435

(Purpose: To amend the Fair Labor Standards Act of 1938 to provide for an increase in the minimum wage rate and to exempt computer professionals from the minimum wage and maximum hour requirements, and to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles)

Mr. KENNEDY. Mr. President, I understand there is a consent agreement which has been announced by the majority leader. I believe it is appropriate at this time to ask for the consideration of my amendment that is currently held at the desk, and I believe the process in terms of the consideration of that amendment has been worked out by the majority and minority leaders.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 4435.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike Title II and replace with the following:

Title II—Labor Provisions

SECTION 1. INCREASE IN THE MINIMUM WAGE RATE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending July 4, 1996, not less than $4.70 an hour during the year beginning July 5, 1996, and not less than $5.15 an hour after July 4, 1997;".

(b) EMPLOYEES WHO ARE YOUTHS.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended—

(1) in paragraph (4), by striking "; or" and inserting a semicolon;

(2) in paragraph (5), by striking the period at the end thereof and inserting "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(6) if the employee—

"(A) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10)) without regard to subparagraph (B) of such paragraphs and is not a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)); and

"(B) has not attained the age of 20 years, not less than $4.25 an hour during the first 30 days in which the employee is employed by the employer, and, thereafter, not less than the applicable wage rate described in paragraph (1).".

(c) EMPLOYEES IN PUERTO RICO.—Section 6(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(c)) is amended to read as follows:

"(c) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico except an employee described in subsection (a)(2).".

SEC. 2. EXEMPTION OF COMPUTER PROFESSIONALS FROM CERTAIN WAGE REQUIREMENTS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended—

(1) by striking the period at the end of paragraph (16) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(17) any employee who is a computer systems analyst, computer programer, software engineer, or other similarly skilled worker, whose primary duty is—

"(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

"(D) a combination of duties described in subparagraph (A), (B), and (C) the performance of which requires the same level of skills, and

who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than $27.63 an hour.".

SEC. 3. USE OF AN EMPLOYER-OWNED VEHICLE.

(a) IN GENERAL.—Section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) is amended by inserting at the end of the following:

"(e) For purposes of subsection (a), the use by an employee of an employer-owned vehicle to initially travel to the actual place of performance of the principal activity which such employee is employed to perform at the start of the workday and to ultimately travel to the home of the employee from the actual place of performance of the principal activity which such employee is employed to perform at the end of the workday shall not be considered an activity for which the employer is required to pay the minimum wage or overtime compensation if—

"(1) such employee has chosen to drive such vehicle pursuant to a knowing and voluntary agreement between such employer and such employee or the representative of such employee and such agreement is not a condition of employment;

"(2) such employee incurs no costs for driving, parking, or otherwise maintaining the vehicle of such employer;

"(3) the worksites to which such employee is commuting to or from are within the normal commuting area of the establishment of such employer; and

"(4) such vehicle is of a type that does not impose substantially greater difficulties to drive than the type of vehicle that is normally used by individuals for commuting.".

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) to an employee in any civil action brought before such date of enactment but pending on such date.

Mr. KENNEDY. Mr. President, at the appropriate place in the RECORD, I will introduce the statement that does a line-by-line analysis of that so that the Members will have that information before them.

Mr. President, I want to just take a moment of the Senate's time to respond to a letter that was written by my friend, the majority leader, Senator LOTT, to President Clinton differing with the President on his position with regard to the minimum wage. This letter was made available this afternoon and distributed to the members of the press and to the interested Members. I want to take just a moment of time to make some rather brief comments about the letter because I am somewhat amazed at the letter and its conclusion.

I will include the whole letter in the RECORD.

Mr. President, in paragraph 1 Senator LOTT points out:

> It is, of course, dismaying that you regard a measure to protect small businesses from the job killing consequences of the minimum wage as a poison pill.

What we have tried to do in the course of the earlier debate is to point out what the impact would be of the increase in the minimum wage which the President, Senator DASCHLE, myself, and others support.

In the earlier part of the day we put in the RECORD the Salomon Bros. estimate. I just quote their first paragraph.

> We believe that many retailers, especially discounters, would benefit from an increase in the minimum wage due to the enhanced purchasing power you create for many low-income consumers.

Their basic point is that it would enhance the economy.

The article I included in there from Business Week, the minimum wage argument you have not heard before:

> As long as it's not overdone, lifting the minimum wage may create overall economic gains that outweigh any short-term job losses.

That is an excellent article in Business Week.

I also included the excellent Wharton School analysis that was done earlier in this year with regard to job loss. Their estimate is that the total job loss may be as little as 20,000 jobs nationwide—effectively de minimis when we see the growth of 10 million jobs over the period of the last 4 years. They have also pointed out that under the current proposal the inflation rise would be one-tenth of 1 percent. While in 1996 and 1997 over the longer term the impact would be nil, virtually no inflation. One-tenth of 1 percent would mean that what you pay $1,000 for you pay $1,001 for. So that is the economic impact on this.

I also referred to the Center on Budget and Policy Priorities, their whole statement which I have included in the RECORD, three Nobel laureates, some of the most distinguished economists in the country. Specifically, the proposed income in the minimum wage over a 2-year period falls within the range of alternatives from the overall effects in the labor market, and the effect on workers and the economy would be positive.

So I just hope those who are opposed to the position of Senator DASCHLE, myself, and others who support the minimum wage, would come out here and justify their position as being the job killing consequences.

Then they talk about election-year politics and the administration policies. All we say is we have been trying to get this up for over a year and a half. It was not the Democrats who have made this a measure that is up in July prior to the November election. We have been trying to get this up for over a year and a half.

The second paragraph goes on to talk about "Your chief counsel for advocacy on Small Business Administration supports the exemption applying to small businesses grossing under $500,000 a year, precisely what Senator BOND's amendment would provide."

That is a completely inaccurate statement. Our program continues the existing exemption on those under $500,000 with the exception of those that are involved in interstate commerce. That is what the President's position is. We want to keep that provision. So Senator BOND's amendment would dramatically change that. That is not a fair reflection of what the Small Business Administration Administrator has suggested, or Secretary Reich has suggested.

Then the next paragraph: "Similarly, you claim such exemption would include two-thirds of all firms in the U.S. as if they employ two-thirds of all workers."

Of course, there is no such claim in the President's letter. So I do not know what they are referring to.

Senator BOND advises me that the labor statistics data show that only 3 percent of all workers are paid the minimum wage, and that only 8 percent of our Nation's work force are employed by businesses grossing less than $500,000. That is exactly what we said. If you take 8 percent of $126 million, you come out with $8.6 million.

The Bureau of Labor Statistics has talked between 9.7 and 10, which would include not only the hourly but the salaried workers. There is some spillover, some relationship. But if they want to settle for 8.6 million on that, I am glad to accept those figures at 9 million, referring to that particular provision of the program. That represents about 2 million children that will be affected, whose parent is the principal supplier for resources of that family.

As we mentioned earlier in the debate, this is an issue about children. It is an issue about women. It is an issue about fairness. It is an issue about the economy certainly. But when we talk about hundreds of thousands of children, I find it unpersuasive to state that number to be a relatively small share of the economy. Those 8, 10, or 12 million American children whose lives are going to be affected, the 300,000 who will come out of poverty, the children from over 100,000 families. I think it means something to those families. I would take issue with this attitude.

Finally, it continues:

> What Senator Bond has done is to propose a way to keep the current floor of the minimum wage for everybody.

Of course, that is not what it has done. It has what they call a 180-day opportunity wage. As I mentioned earlier in this discussion, this will be about 40 percent of all minimum wage workers who move or get another minimum wage job over the course of the year. And this, of course, will be an invitation to those employers to get rid of their workers after 6 months so they can get somebody else in there for the next 6 months. They will only have to pay them $4.25 and not the livable wage of $5.15.

So if you take the carveout on the opportunity wage, you take the carveout in the Bond amendment for small business, and you also take the carveout on the restaurant workers, It does not keep the current floor for everyone. The tip-credit provision will prevent the minimum wage increase for tip-employees at restaurants so they are only required to pay $2.13 an hour—that is a special provision for the restaurants even though the profits of that business have gone up over the period of the last 3 or 4 years.

So it finally ends up:

> To veto the legislation over a measure so modest will be difficult to explain to the American people and the millions of small businessmen and women. I urge you to reconsider.

My only point, Mr. President, is that we hope our Republican friends would have the similar attitude of Dwight Eisenhower, Richard Nixon, and George Bush, all who supported an increase in the minimum wage and the overwhelming majority of Republicans, including Bob Dole in 1989 and Speaker Gingrich, that supported the increase in the minimum wage when our economy was not nearly as robust and secure.

This again comes down to an issue of equity and fairness. It comes down to whether we are going to honor work. Are we going to say to men and women who work hard, play by the rules, work 40 hours a week, 52 weeks of the year, they deserve a livable wage. Republicans and Democrats over the length and the history of this program have supported that position.

I find it extraordinary once again that the same forces, the same voices, the same old, tired arguments that were used against Social Security, used against the Medicare Program, have been used against the minimum wage. We are hearing those same tired, old arguments again.

I hope that tomorrow, when the Senate has an opportunity to act on it, we will say to American working families that we honor work. We must say that this is one of the best ways to get welfare reform. We must say to those working families who are trying to provide for themselves and for their children that we believe in them and that the members of the Senate will support a livable minimum wage increase.

I again thank my colleague and friend from New York for the opportunity to make these observations.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Could I just say that the present reports on the unemployment rate at 5.3 percent and the increasing reports of labor shortages around the country mean if ever there was a moment in which to make this appropriate adjustment, maintaining the value of the minimum wage, this is the moment. And the Senator from Massachusetts could not be more congratulated, in my view, for the energy with which he has pressed it. Let us hope tomorrow we pass it.

Mr. KENNEDY. I thank the Senator.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, if I may just respond to the minimum wage debate without addressing any of the particular amendments. I certainly hope the argument I make will not be viewed as just another tired, old argument, because I believe it is not a question of whether we raise the minimum wage—I think most in this Chamber would believe the minimum wage should be increased—but how it is done.

I have felt for some time that we need to be very sensitive to the changes that are taking place in the labor markets, including the need for higher skills. These are things that we hopefully have addressed with the job training initiatives that we have considered in the Senate, and have now been in conference for some months. Those initiatives are the things that will help workers get good-paying jobs.

We have also talked about welfare reform, and the senior Senator from New York knows this issue better than anyone. We need—I believe, if we are going to do welfare reform in a meaningful way—to have job opportunities where workers can enter at entry level positions and be able to have the training and the skills to rise in the labor market.

I would not want to make the argument that a family can live on $4.25 per hour, which is the current minimum wage, or at $5.15 per hour, which it would be after the next 2 years. But, that is not really the point. The point is, we need to see that young people and those reentering the labor market are able to have the opportunity to develop the discipline and the skills that they need in a changing workplace with the demands of a high technology environment.

So we need to think carefully as we debate about this increase, which in some ways may not seem large. Many States, including, I believe, New York State, have a State minimum wage higher than the $5.15 we are talking about as the Federal minimum wage. New York may need a higher wage to attract workers into the workplace than, say, Kansas. We have very different needs in our urban areas versus our rural areas.

That is why I would argue we really should not increase the Federal minimum wage but allow for this diversity among the States to take place. The Federal minimum wage should, perhaps, be a target, allowing States to set the wage level that they believe is important to attract a work force that will benefit their State and their businesses as well as those entering the work force.

I want to be clear. I have not supported this increase in the minimum wage. I oppose it because I think it is the wrong time for us to potentially shut off job opportunities for those we are suggesting move off welfare rolls. If we pass Federal legislation—and many States have already passed significant welfare reform—individuals will need entry level jobs in which they can begin to progress back up the ladder in the work force.

I think increasing the minimum wage will raise the lowest rung on the economic ladder and thus potentially leave behind those just trying to gain a foothold either for their first job or going back in and retraining for another type of job. Although well-intended, this increase—I believe—will cause a loss of entry level jobs and will limit job opportunities for low-skilled workers. This, I would suggest, will not help raise living standards for the poor, and that is really what we wish to see happen.

That is why I feel so strongly about the need to have some really very innovative, thought-through, carefully designed job training initiatives. We also have to give a greater emphasis in our educational system, which is really the foundation, to being able to enter a work force with a good-paying job that can support a family as we move into a new age of technology that we are facing—a revolution really of technology today and into the next century.

Let me just give you an example. Last December, the Senate labor committee held a hearing on the minimum wage. We heard from a small restaurant chain owner named Kenneth James who took his first job in high school in the restaurant business and now runs a restaurant chain that employs 160 people. He testified that he will have fewer workers in his restaurants if we increase the minimum wage.

Due to competition, he and other restaurant employers cannot raise prices and pass the costs along to consumers. The big loser, as I said earlier, will be those low-skilled workers who are never hired for their first job. They are the ones I think we need to be concerned about.

Mr. James estimated that each of his restaurants would have three fewer workers if we raise the minimum wage as proposed. That argument can be refuted. How do we really know? But I think we have already seen many changes that have occurred. For example, when one pumps her own gas or when one takes care of his own tray at fast food restaurants. All of these things have entered into ways we see businesses changing.

I do not know what the answer is, but I am concerned we are doing this now at a time when we are putting more and more people, because of welfare reform initiatives, out into the marketplace without the necessary skills. Skills that will allow them to have the good-paying jobs that should be had without the training for work that they have not had. They will need entry-level wages. They will need those, whether they are first-time jobseekers or whether they have not been working for a number of years and need to get back into the work force.

If we want to develop the highly skilled work force and employ more young men and women and move people off the welfare rolls, we need to open more doors so individuals can get the basic skills that will enable them to climb the job ladder. Raising the minimum wage will only, I think, shut the door on those trying to get started.

The Congressional Budget Office reviewed this proposed increase and reached a similar conclusion. CBO estimates that raising the minimum wage will result in the loss of potentially 100,000 to 500,000 jobs. According to CBO:

> Another consequence might be that employers respond to the mandate by reducing employment opportunities for the least

> skilled job seekers and the ones who could most benefit from the work experience. To the extent that low-skilled workers are shut out of employment opportunities, their total incomes might fall, even though their hourly wage rates while working increased.

CBO concludes that this minimum wage increase will be an unfunded mandate on State and local governments, as well as the private sector. It estimates the cost to the private sector will be more than $12 billion over the next 5 years.

Someone has to pay this cost, and I fear that the most vulnerable will pay the price in lost jobs. That, I suggest, is something we should consider carefully as we debate the question, not of whether the minimum wage should be increased, but how.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, there are 2 hours reserved for debate on the minimum wage aspect of this bill, is that not the case?

The PRESIDING OFFICER. The Chair advises the Senator from New York that there is 1 hour on the Kennedy amendment, equally divided, and 1 hour on the bill, equally divided.

Mr. MOYNIHAN. May I ask the Chair, we have only 2 hours of debate on this entire matter?

The PRESIDING OFFICER. That would be correct.

Mr. MOYNIHAN. That is divided on each side.

The PRESIDING OFFICER. Equally to each side.

Mr. MOYNIHAN. I ask the distinguished Senator from Maryland how much time he might wish to speak.

Mr. SARBANES. I see the Senator from North Dakota on the floor as well. Ten minutes?

Mr. MOYNIHAN. I will be happy to yield 10 minutes to the Senator from Maryland. I see the distinguished chair of the committee has risen.

Mrs. KASSEBAUM. Mr. President, I want to suggest the time I took should come out of the time allotted to our side in opposition, of course.

Mr. MOYNIHAN. How generous and characteristic. Opposition to the amendment.

Mrs. KASSEBAUM. I assume that will be the case.

Mr. MOYNIHAN. The Senator will support the bill itself that Senator ROTH and I are bringing forward for this purpose.

Mrs. KASSEBAUM. Mr. President, I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in support of the Kennedy amendment and, of course, in very strong support of the effort to raise the minimum wage. Historically, Congress has acted to guarantee minimum standards of decency for working Americans. The object of a Federal minimum wage is to make work pay well enough to keep families out of poverty and off of Government assistance. It is really an effort to ensure that any individual who works hard and plays by the rules should be assured of a standard of living for his or her family that is above the poverty line.

It is very important to understand that this effort to provide a floor has marked our national policy now for almost six decades. I know many people think it is an imposition upon employers, but we had some interesting testimony this morning at a news conference from some small business people who came and testified in favor of the minimum wage. As one of the ladies who was there pointed out, they are caught by what their competitors do. Many of them would like to raise the wages of their workers of their own accord, but they have difficulty in doing this if their competitors do not do likewise. So they welcome a raise in the minimum wage because it, in effect, levels the playing field and ensures that the employer who is not concerned about providing a living wage for his employee will not dictate the standard of the industry.

The minimum wage does not lift people very far, but it does lift them far enough so that there is the hope they will be able to work themselves out of poverty and stay off of dependency. It has been a national commitment now, as I said, for almost six decades.

I think it is long past time to raise the minimum wage again. The minimum wage was last raised in 1989, if I am not mistaken. The minimum wage increase being proposed now is equivalent to what people got in 1989. In other words, the 1989 increase has, in effect, been used up by the rise in prices over the intervening 7 years. So you, in effect, are no better off at the minimum wage today than you were in 1989, when it was raised.

In fact, the current level for the minimum wage in real terms—in other words, in purchasing power—is the lowest it has been in 40 years. Of course, this is at the very time we are reading newspapers, magazines, and story after story about the incredible compensation the chief executives are receiving. Yet here we are, now, arguing about basic fairness and equity for the lowest paid workers, those at the very bottom of the pay scale.

No one asserts that raising the minimum wage will correct everything, but it certainly will make an important difference to those who are on the low end of the income scale. It is argued, of course, that raising the minimum wage is going to cost jobs. Actually, there are studies that go both ways on this. Recently, there have been some very reputable studies that have found no evidence that the increase in wages results in reduced employment opportunities. One study in particular analyzed wage increases that were made in New Jersey and reached that conclusion.

Others have found that during the late 1980's, moderate legislative increases did not reduce employment and were, if anything, associated with higher unemployment in some locales.

Robert Solo, a distinguished Nobel laureate, distinguished professor of economics at MIT, was quoted in the New York Times as saying:

> The main thing about minimum wage research is that the evidence of job loss is weak and the fact that evidence is weak suggests that the impact on jobs is small.

So I want to try to lay to one side this constant assertion that if you raise the minimum wage, you are going to cost a lot of people jobs.

The counter to that, in addition to not costing them a lot of jobs, is that you will significantly improve the living standards of people receiving the minimum wage. Of course, as I have indicated, this is a two-step increase that is proposed in the Kennedy amendment, a 45-cent increase from $4.25 to $4.70 now and another 45-cent increase from $4.70 to $5.15 in the middle of next year. So you would have a two-step process to take the minimum wage from $4.25 an hour to $5.15 an hour.

Mr. President, I do not think we need a long argument about the equity and fairness of doing this. The statistics are very clear on that point. We know that people have been, in effect, slipping backwards as a consequence of not raising the minimum wage now for 7 years, going on 8 years; this is the situation we are now confronting.

But the real difficulty occurs in the amendment that is going to be offered by my colleagues on the other side, the Republican amendment, which they portray as their having a commitment to raising the minimum wage, but they just want to make some fine-tuning of it. Let us take a look at the fine-tuning, because it really is a shell game and the consequences of it would be very detrimental.

First of all, they propose an exemption for employees who are on the job in the first 6 months. In other words, the first 180 days, you would get a subminimum wage. That is for workers of all ages.

Previously, we have had a lesser wage for a very limited period of time for young workers; very limited, both in time and to the age group to which it applies, a so-called training wage. Unfortunately, a lot of training never took place, but, in any event, that was the theory of it.

Now we are confronted with an exemption that would deny a minimum wage increase to all workers—all workers—regardless of age or experience for the first 6 months of their employment with any employer. In effect, you could begin to create a permanent class of subminimum wage workers. In fact, at the lower wages, workers are often changing jobs. They would be recirculated during this 180-day exemption. They would be kept at $4.25. This is a very bad concept, and it opens up an incredible loophole that could be exploited in the law to violate the very spirit of raising the minimum wage.

The other proposal, as I understand it, in the Republican amendment which will be offered by my colleagues on the other side of the aisle, is to deny a minimum wage increase to employees in any company with less than $500,000 in annual revenues. So anyone who works in a company that has less than $500,000 in annual revenues—that is $10,000 a week in annual revenues, and we are talking now about a number of small businesses, well over 10 million employees—would be excluded altogether. They would just be exempted. Now, that means that many employees now covered by the minimum wage provisions—in other words, who receive the benefit of current law that requires they be paid the minimum wage—would then be placed outside of the parameters with respect to any increases in the minimum wage.

So, in effect, while asserting that they are extending the minimum wage on the one hand, they are taking it away on the other with respect to employees now covered in businesses that have revenues of less than $500,000 a year, and there are a significant number of such employees—in the millions, in the millions.

So, for the first time since the minimum wage was instituted in the 1930's, we are actually reducing coverage in a significant and substantial manner. That is why so many of us are asserting that what we really ought to do is have a clean minimum wage bill, and that is what the President has indicated he very much wants. We have done that in the past in Republican and Democratic administrations.

The PRESIDING OFFICER. The Chair advises the Senator from Maryland that he has utilized his 10 minutes.

Mr. MOYNIHAN. I will be happy to yield another 5 minutes.

Mr. SARBANES. I appreciate it.

So in the past, in both Democratic and Republican administrations, we have increased the minimum wage. We usually have argued about how much to increase it and when to make it effective, and that usually has been the limit of the debate.

Now we are confronted with a situation in which there is an effort to increase it, which, by every survey, commands overwhelming support amongst the American people, and then we are confronted with, as it were, the subterfuges which will erode the meaning of the extension in the minimum wage.

The provision that I made reference to of a 180-day period at the old wage for everyone, regardless of age, and for the exclusion from coverage of this increase in the minimum wage of any business with revenues of under $500,000 a year, many of the workers of such businesses are today covered under the minimum wage law. But by the provisions of the amendment to be offered by my Republican colleagues, they would then be excluded.

It ought not to be necessary to go through the really heart-rending stories of people trying to make it on a minimum wage in order to see the decency of enacting this modest increase.

Forty percent of those at minimum wage salaries are their household's sole source of income and many are single parents trying to support their children. At a minimum wage today they have a year-round income of $8,500. This places them well below the poverty level. This effort here, of course, to raise the minimum wage and bring additional income to these families would help them to meet their bills and to begin to see some light at the end of the tunnel.

I know this measure is opposed by some of the small business associations, although I am interested to note that a number of small businesses are in support of this proposition. As I indicated, at a press conference earlier today, there was testimony by a number of owners of small businesses in support of this measure.

The decrease in the value of the minimum wage has served to widen the gulf between the wealthiest and the poorest in our society. In fact, as I indicated earlier, the real value of the minimum wage has deteriorated markedly. It will be at its lowest real value in the last 40 years if Congress fails to take action.

In the late 1950's, in fact, the real value of the minimum wage was more than $5 an hour by today's standards. In the mid-1960's it peaked at $6.28. If you were making the minimum wage in the mid-1960's, to have that purchasing power today, you would have to have a minimum wage of $6.28 an hour.

So it is not as though we are asking for some extraordinary thing here. It is not as though the increases that are being sought are out of some long-term trend. If anything, they are exceedingly modest. In the late 1950's, the minimum wage available then in purchasing power was better than $5 an hour at today's purchasing power levels. By the mid-1960's it was $6.28 an hour.

Congress has failed to respond to the erosion of the value of the minimum wage over time. We now confront the situation where $4.25 an hour in purchasing power has the lowest real value in 40 years.

More than 70 percent of all minimum wage earners are age 20 or above. The vast majority, about 60 percent, are women, many of them single heads of households. The time has come and gone for an increase in this minimum wage. It was last modestly raised in the Bush administration. I think obviously we need to raise it again.

We need especially not to support this effort by my Republican colleagues in their amendment to carve out exemptions that, in effect, will render much of this meaningless. I mentioned two things: the exclusion of employees of businesses earning below $500,000 a year, which takes any increases in minimum wage protection away from workers now covered; a substantial number of workers. I also mentioned, of course, the fact that there is a subminimum wage for 180 days, for 6 months. Then, if that worker moves, because often those jobs come and go, they move into another low-wage job and get another 180 days at a subminimum wage.

The third thing, which I did not mention earlier, is the effective date for the application of the minimum wage. The proposal of my Republican colleagues is to delay the increase until the beginning of next year, delay it for 6 months, in effect. This would cost a minimum wage employee about $875 in the course of that period of time, just deny that increase. I defy anyone to make the case that someone should be able to support a family on $8,500 a year, which is what the current minimum wage works out to, $8,500 a year.

So, Mr. President, I very much hope when the Senate comes to the vote, that the Republican amendment will be rejected, that we will support the proposition put forward by the Senator from Massachusetts and the Senate will finally approve an increase in the minimum wage, which is so important for literally millions of workers and their families across our country. I thank the distinguished ranking member for yielding to me.

Mr. MOYNIHAN. I thank my friend from Maryland.

Mr. President, the distinguished Senator from North Dakota would like to speak at this point. Could I ask how much time he might require?

Mr. DORGAN. Mr. President, 7 minutes, 8 minutes.

Mr. MOYNIHAN. Fine. Could I ask it be charged against the amendment of the Senator from Massachusetts as we are running out of time?

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. I very much appreciate the courtesy of the Senator from New York.

Mr. President, I thought I would read a couple of paragraphs from a letter to demonstrate that this debate is not about theory, although we debate a lot of theory here on the floor of the Senate. This debate is about the financial circumstances of a lot of families in our country. This letter comes from a woman in North Dakota who describes the debate pretty well.

She said,

> Today it takes every dime we make to make ends meet, and that is only if we stretch it to the breaking point. We don't have any credit cards. We drive 10- to 15-year-old vehicles, so my husband has recycled. We shop only in thrift stores and at garage sales, and we do a lot of praying. We're better off, I know than a lot of other people who, for instance, have to live on the street. But how far are we from that? We are in the forgotten group of people called the working poor, the people that fall through the cracks of government. I beg you shamelessly, for the sake of my children, to please help us find a glimmer of hope to help us dig our way out of this hopelessly grim situation.

This from a mother of three children, struggling at the bottom rung of the economic ladder, who is trying to make ends meet and finding it very, very difficult.

Recently there was a story in the Washington Post with a headline that said that CEO's salaries were up 23 percent last year. The chief executive officers of the major corporations in America received a 23-percent increase in their compensation in 1 year.

This woman, and others like her, who are struggling to raise a family at the minimum wage and trying to make ends meet, who are working and not on welfare, did not receive a 23-percent increase last year. They did not receive a 1-percent raise last year, not a 1-percent raise the year before. It has been 7 years since an adjustment in the minimum wage was made. In late 1989, Congress adjusted the minimum wage. That's one adjustment in 17 years.

Again, this debate is not about theory for a family who is trying to raise children. This person whose letter I read got pregnant in high school, made some mistakes, never got employment skills. Her husband never got job skills. So they entered the job market relatively unskilled, and have always been somewhere at the bottom of the economic ladder.

It is almost as if we have two economies in our country; one doing very, very well, with 23 percent raises and the stock market at a record high. Then we see others at the bottom rung of the economic ladder just struggling day after day after day to try to keep up and to make ends meet.

The Senator from New York, Senator MOYNIHAN, has spent a good deal of his life talking about the issue of reforming our welfare system. There is no one whose opinion I respect more than the Senator from New York on these subjects. He would know, especially of all the Members of the Senate, that the vote that we will take in the Senate is a vote that evaluates the question, Do we value work over welfare?

The Senator from New York has made a career of trying to figure at how we can fix this welfare system and make it work, so you move people from welfare rolls to payrolls. Most people on welfare I know do not want to be on welfare. They much prefer to have the skills needed to get a good job and take care of their families.

We must talk about the question of welfare reform and enact legislation that does the right things to try to address the welfare problem in this country, and does it, as the Senator from New York says, without abandoning our children. Two-thirds of the welfare expenditures in this country are for kids under 16 years of age. Would we have people tell us those folks ought to go out and get a job—10- and 12-year-old kids? Most people would say, "Let's help those children."

Others on welfare are stuck in the cycle. To the extent we want them to move from a welfare roll to a payroll, we want them to get a job, then we have to value work over welfare. One way we can do that in this Congress is to decide that we will not keep people stuck at the bottom rung of the economic ladder without even a 1-percent increase in the minimum wage in 7 years. We will finally make some appropriate and modest adjustments.

This is truly a vote, it seems to me, that does determine, do we value work over welfare? You cannot talk about this and then try to undercut the earned income tax credit and try to ignore the issue of the minimum wage and the problems people have at the bottom of the economic ladder.

I was in a pizza parlor in North Dakota. A fellow that ran the pizza parlor said to me that he supported an increase in the minimum wage. I thought to myself, this is very unusual, this is a very small pizza parlor. He said, "The fact is, the folks that come in and buy pizza, I want them to do well, and I have a lot of folks who do not make a lot of money. I figure if we have an increase or an adjustment in the minimum wage in an appropriate way, I figure it will help me, as well."

I went to a small dressshop while I was touring Main Street of one of our towns in North Dakota, stopping and visiting with some people. The manager of the dressshop and I were chatting about the minimum wage and she said, "I don't own the shop, I manage the shop, but our owner has three shops like this, and our owner says he thinks it is probably a pretty decent thing because the kind of people who shop in our stores will probably do a little more shopping in our stores if they get an adjustment in minimum wage. Our owner says it is probably something that is overdue."

I thought to myself, this is kind of interesting. You find businesses as disparate as a pizza parlor and a small dressshop in a small town where they say that a minimum wage adjustment makes sense. I suppose that this is reflected in the polls that show that 80 to 85 percent of the American people think it makes sense to have an adjustment in the minimum wage.

I am not unmindful of the burdens that small business owners face in our country. To the extent that we can, we always ought to be concerned about the small business owners who risk their money and their assets in order to try to make a living. Many of them work long hours without great compensation. Many of them are very levelheaded people. Most of them are thoughtful, good people, who also understand there is a reason we have a minimum wage in our country.

If you believe there ought to be a minimum wage, the only question before us is, How often should we adjust it? Once every 7 years, or once every 70 years? That is the question.

There are some Members of the Senate, I assume, who believe there ought not be a minimum wage. There is a Member of the other body, a prominent Member, who believes the minimum wage is an awful thing and there ought not be any minimum wage at all. There are some people who think there ought not be any prohibition on hiring kids to work at 12 cents an hour. There are some with that kind of radical notion. But most of this country has moved well beyond that, and we have child labor laws that are thoughtful, and we have minimum wage provisions that are thoughtful and modest.

The discussion now between those of us who believe a minimum wage is appropriate is, at what level should the minimum wage be set? Should we adjust it after 7 years, after the 1989 adjustment, after virtually all of the gain from that adjustment has been wiped out? Should we make another adjustment—a thoughtful, moderate adjustment?

I think most people come down on the side of saying, yes, this makes a lot of sense. This is not radical. It is not politics. It is about people's financial circumstances, as they sit around and eat supper and talk about their lot in life. For many of them, it is talking about what their salary is, what their opportunities are.

So, to conclude, a few of us had a press conference this morning, and we had some small business people who made the case, I thought eloquently, that they supported a moderate adjustment in the minimum wage. I found that walking up and down Main Streets and talking to people, that people who think this through believe what is fair is fair.

We are not asking for the moon here. We are responding to this woman—and millions of others, undoubtedly—who says, "I beg you, for the sake of my children, please help us find a glimmer of hope to help us dig our way out of this hopelessly grim situation." She is just asking that maybe she and her husband, who do not have it so good—they lost their trailer house in a fire, are having trouble buying clothes for her kids, are having trouble paying the rent and buying food—that maybe we will not let them see a little more opportunity.

The adjustment in the minimum wage is a small price to pay, in this body, to begin to honor work above welfare. This family and so many millions of others are working. They are not on the welfare rolls. And this amendment, this adjustment will say to them, "We give great merit to work, sufficiently so that we believe those of you at the bottom rung of the economic ladder, after 7 years, deserve a modest increase."

We stand for work, not welfare. That is what this vote will be.

I appreciate the generosity of the Senator from New York. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, I wanted for say how emphatically I support each of the statements we have just heard. It is embarrassing at this point in the 20th century that we have to go to this effort just to maintain the value of an economic guarantee that has been with us for 60 years. It is as if the 20th century did not happen on the other side of the aisle, or should not have.

I hope the woman, the lady who wrote the Senator, will not have done so in vain. A beautiful letter and beautifully described.

Mr. SARBANES. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the Senator.

Mr. SARBANES. Mr. President, I want to add an additional point. That is, I think many employers are supportive of an increase in the minimum wage.

In fact, the employers who spoke at this press conference this morning indicated they were in favor of raising the minimum wage. One of the press people said, "If you are in favor of it, why do you not just go ahead and do it, and voluntarily raise it in your business?"

This lady had an immediate comeback, right on point. She said, "If all my competitors will raise their wages, their payrolls, then I am quite prepared to do it. Otherwise, I am placed at a competitive disadvantage."

In effect, under the current system, the only employer who is not responsive to the needs of his employee, in effect, dictates the standard, and it is all brought down to the lowest common denominator. For many employers, this enables them to do what they think ought to be done in any event—that is, give their employees a better wage. It will be done with a level playing field in terms of competition, so that employer—and I think there are not all that many—if they refuse to go up, they can be at a competitive advantage against those people who are more responsive to the needs of their employee and who understand the pressures that are upon them in today's age.

This, in many respects, for many employers, means they have an opportunity to do what they think ought to be done, in any event. I want to make it clear, I think there are a great many employers across the country who take that position. They are not opposed to raising the minimum wage. They recognize that by raising the minimum wage, you keep the competition on a level playing field, and therefore they support the measure that is before the Senate.

I very much hope, as the Senator from New York said, when we meet tomorrow we will be able to act in a positive manner on this very important matter.

Mr. MOYNIHAN. If I may say to my friend from Maryland, for a century it has been a well-understood principle that with respect to labor legislation, its primary purpose is not to put at a disadvantage employers who will provide better wages and conditions. We have done this not only internally, but through the International Labor Organization. We had labor treaties to do just that. We had to deal with child labor in those terms so that the employer would not put 12-year-olds in coal mines, which we had, would not be at a disadvantage more than one who would.

Mr. SARBANES. If the Senator will yield, is that not exactly what this legislation does?

Mr. MOYNIHAN. Exactly. What I cannot understand—and I do not think the Senator from Maryland can help me—is that I thought this was all understood 50 years ago. Evidently not. We will find out tomorrow.

Mr. SARBANES. Actually, the proposal, I think, coming from our colleagues on the Republican side is really a radical proposal.

Mr. MOYNIHAN. This has been a consensus on both sides of the aisle for 60 years, including President Eisenhower, President Nixon and President Bush. We will see.

Mr. President, I ask unanimous consent to speak, with the time to be allocated against the underlying bill, H.R. 3448, the Small Business Job Protection Act of 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this bill, H.R. 3448, the Small Business Protection Job Act of 1996, has two titles. Title I is Small Business and Other Tax Provisions. This was considered on June 12 by the Committee on Finance, which reported the bill unanimously with a committee amendment. Title II, Payment of Wages, contains the increase in the minimum wage we have been discussing.

I want to address some of the more important provisions in the small business portion of the bill, and then make a more general point about the provision increasing the minimum wage.

Section 1202 of this bill extends employer-provided educational assistance until December 31, 1996. That is for the remainder of this year. It also applies the provision to graduate education, which the House bill did not. At this point, about one-quarter of the employees sent to teaching institutions, institutions of higher learning, are, in fact, in graduate school, and the value of this program is particularly evident in the case of persons sent to do postgraduate work in highly technical areas. Employers recognize the abilities of the individuals, see the opportunities for bringing them to higher levels of productivity, and pay them more in the process.

This measure, which is one of the least known but exceptionally rewarding features of our Tax Code was first enacted in 1978. We have never made it a permanent provision. We ought to do that. It ought to be one of the first businesses of the next Congress, because, absent the additional extension I will describe in a moment, it will have expired once again by the time the next Congress convenes. Employer-provided educational assistance is in this measure made retroactive, permitting employees to exclude from their income up to $5,250 in tuition paid for by their employers. In other words, it allows employers to send employees to college or graduate school tax free.

I venture to say that the employer-provided educational assistance program is one of the most successful efforts ever undertaken by the Federal Government in this area. Some 800,000 employees benefit from this provision every year. And they benefit in the most auspicious of circumstances. An employer says, "Will you go to graduate school and get an advanced degree in chemistry so we can put you in a higher position than you are now in? Then you will be in the higher position and earn more money and, in time, the Federal Government gets it back."

So many of our job training programs have depended on hoping that in the aftermath of the training there will be a job. Here you have a situation where the employer already has the worker and the employee sees the opportunity to enlarge his or her situation, and to do so in a way that is optimal for all concerned. Now, 95 percent of the persons involved are pursuing a degree or certificate; 35 percent are enrolled in business and business-related fields, such as accounting, finance, marketing, and business administration; 12 percent are enrolled in health care-related curricula; another 18 percent are in engineering and other technical fields.

I say, once again, this is a program that works. It administers itself. It has the least possible overlay of bureaucracy; it has none. There is no bureau of employer-provided education benefits in the Department of Education. There is nothing except individual contracts, employee and employer, with a great value added. I say again that it pays for itself.

I am happy to say that the managers' amendment, which we expect will be adopted tomorrow, will provide for an extension through the end of 1997. So it would be a good thing if we would look to the next Congress to make this a permanent arrangement. Right now, almost a million employees do not know whether or not they owe income tax on the benefits—the educational tuition paid for them in the course of this previous year. We now do it retroactively. But this is something that can be made a permanent part of the Tax Code. I think the distinguished Presiding Officer would know that universities find this an exceptionally rewarding arrangement and, particularly, in the technical fields where serious job skill training takes place.

I also mention that the Senate version of the expatriation tax proposal has been included in this bill. Earlier in this Congress, there was some question about whether the Finance Committee was going to address this matter, and we had rather a lively exchange on this floor to that effect. I said at the time that we would, and we have done it. This is a variation of a bill I first introduced in 1995 to address the problem presented when wealthy citizens renounce their U.S. citizenship and move abroad in order to escape taxation. Although expatriation to avoid taxes occurs infrequently, and it is not a seemly act, it does occur, and it is a genuine abuse.

I would like to say for the RECORD that this is important, Mr. President. When the issue first arose in 1995, we had meant to move directly at that time. Then-chairman of the Finance Committee, Senator Bob Packwood of Oregon, and I said this is something to be dealt with directly. At that time, a number of legal scholars in the field of international law raised questions concerning the propriety under international law of restricting the rights of persons to leave the country of which they are a citizen. We took this seriously, as we were required to, and put off the legislation until we could satisfy ourselves—and the critics who had offered good faith comments—that we were doing something that would pass muster as not restricting the right of emigration. This bill does that, in our judgment, and does it very well indeed.

One might think this is a small measure, and perhaps some have suggested it was. But this provision, the expatriation provision in the Senate bill, raises $1.57 billion over 10 years. The modified provision in managers' amendment that will be offered tomorrow increases that to a total of $1.71 billion, which suggests that what may have been a relatively rare event up until recently is gathering momentum, and we will now stop it. And stop it we ought. The idea of millionaires, multimillionaires, renouncing their citizenship and moving to the Bahamas is—well, it is not seemly. I need say no more.

A final observation about the small business title of the bill. To pay for the small business tax relief provisions, which will cost approximately $17 billion, we are providing for a tax cut of $17 billion. We are phasing out section 936 of the Internal Revenue Code over 10 years.

This measure, which dates from the 1920's, was originally intended to encourage American business to locate in the Philippines. For a generation now, it has been almost entirely a matter of Puerto Rican business activity, and has been very important to the economy of Puerto Rico.

On the other hand, there comes a time when a measure of this sort has been in place long enough and it is recognized—not precipitously but with good notice—that the time has come to phase it out. The division of opinion on this question in Puerto Rico is probably associated with proponents of statehood and proponents of maintaining the commonwealth relationship. We have done our best to accommodate the people of Puerto Rico and their elected officials. They are not represented on the Senate floor. We have a profound responsibility to that possession which we obtained just short of 100 years ago in the aftermath of the Spanish-American War.

I might add again, Mr. President, that this bill was reported from the Committee of Finance unanimously. It was bipartisan. It was the judgment of persons we found most persuasive that we should follow the shift we made in 1993 by encouraging the tax credit for actual job creation as against the depreciation of patents and other arrangements which had been possible under the earlier regime.

I have been on the Senate floor for 20 years talking about this matter. I have tried to make it clear that the United States had an obligation not simply to the people of Puerto Rico but to the international community. Every President since Harry S. Truman has said that the people of Puerto Rico are free to remain a commonwealth—if they choose—to become a State, or to choose independence. And that option exists to this moment.

But the time for this particular tax subsidy in this form seems now to have reached a point where we would say, "All right, let us have done with it in the early 21st century." And this legislation does so. It is bipartisan. We hope it works. We have concerned ourselves solely, or I would like to think primarily, with what seems to be the best interests of Puerto Rico. And we have consulted with their elected representatives in this regard.

I would particularly like to express my appreciation to Chairman ROTH, who has been wholly cooperative in this matter and in particular in making the wage-based credit permanent for existing companies.

I hope that at a later time we can work together to do more to provide incentives for new investment for Puerto Rico, not just for existing companies but for new companies as well, but that, too, is for the next Congress. I look forward to working with our committee and the Senate itself in this regard.

I say once again that we must remain conscious of a very solemn responsibility to the people of Puerto Rico, who are not represented in this Chamber but who are American citizens, who have the right to be respected, whose rights are to be respected, and whose interests are to be advanced.

This brings me to the minimum wage title of the bill, which after all is the reason we have taken the trouble to write a package of small business tax relief provisions. Many members of the majority, particularly in the other body, believe that an increase in the minimum wage would harm small businesses. Therefore they demanded offsetting tax relief for those businesses.

Senators on our side did not feel any sweetener should be required in order to pass a long overdue increase in the minimum wage, but even so we tried to be accommodating. We worked on a bipartisan basis to craft a small business tax relief bill all Senators could support.

Yet now we are told this is not enough. The price for passage of the minimum wage increase keeps going up. Tomorrow the Senate will vote on an amendment to exempt from the minimum wage businesses with less than $500,000 per year in sales; permit a subminimum wage of $4.25 per hour for newly hired workers; and delay the increase in the minimum wage for 6 months.

I hope Senators will keep this minimum wage increase in perspective. Yes, an increase in the minimum wage will reduce demand for labor somewhat. But if you are looking for a painless time to do it, now is the time. The current economic expansion is in its 65th month. Unemployment is down to 5.3 percent. Two weeks ago, the Washington Post reported that serious labor shortages are developing around the United States, so much so that some fast-food franchises are paying substantial signing bonuses to new employees. So now is the time to phase in a higher minimum wage. Our expanding economy will easily adjust to it.

When the Finance Committee took up this legislation 3 weeks ago, we understood that the small business provisions were necessary to get the minimum wage increase enacted. And we reported the bill unanimously. I hope the Senate will defeat the amendment of the Senator from Missouri tomorrow, and that we will then approve H.R. 3448 overwhelmingly and without further delay.

Mr. President, I believe my time may have expired.

The PRESIDING OFFICER. The Chair advises the Senator from New York that there are 6 minutes remaining on the Kennedy amendment.

Mr. MOYNIHAN. Mr. President, I will now suggest the absence of a quorum as I see no Senator wishing to be heard. I ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I think we are going to find ourselves in a situation where we will want to add to the time available for debate tomorrow. But I do not see anyone on the floor at this point. I suggest the absence of a quorum, and I will return momentarily with some thought.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4272

(Purpose: To modify the payment of wages provisions)

Mr. BOND. Mr. President, earlier today the majority leader submitted my amendment to this bill, amendment No. 4272. I believe it is held at the desk. I would like to call up that amendment now, please.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 4272.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike title II and insert the following:

TITLE II—PAYMENT OF WAGES

SEC. 2101. PROPER COMPENSATION FOR USE OF EMPLOYER VEHICLES.

(a) SHORT TITLE.—This section may be cited as the "Employee Commuting Flexibility Act of 1996".

(b) USE OF EMPLOYER VEHICLES.—Section 4(a) of the Portal-to-Portal Act of 1947 (29 U.S.C. 254(a)) is amended by adding at the end the following: "For purposes of this subsection, the use of an employer's vehicle for travel by an employee and activities performed by an employee which are incidental to the use of such vehicle for commuting shall not be considered part of the employee's principal activities if the use of such vehicle for travel is within the normal commuting area for the employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of such employee.".

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 to an employee in any civil action brought before such date of enactment but pending on such date.

SEC. 2102. MINIMUM WAGE INCREASE.

(a) SHORT TITLE.—This section may be cited as the "Minimum Wage Increase Act of 1996".

(b) AMENDMENT TO MINIMUM WAGE.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended by striking "(a) Every" and all that follows through "$4.25 an hour after March 31, 1991;" and inserting the following: "(a) An employer shall pay to an employee of the employer the following wage rate in accordance with the requirements of this subsection:

"(1)(A) in the case of an employee who in any workweek is employed in an enterprise engaged in commerce or in the production of goods for commerce, not less than $4.25 an hour during the period ending on December 31, 1996, not less than $4.75 an hour during the year beginning on January 1, 1997, and not less than $5.15 an hour after December 31, 1997;

"(B) in the case of an employee who in any workweek is engaged in commerce or in the production of goods for commerce, but is not employed in an enterprise engaged in commerce or in the production of goods for commerce, not less than $4.25 an hour;".

(c) CONSTRUCTION.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(h) Nothing in this section shall be construed as affecting any exemption provided under section 13.".

SEC. 2103. FAIR LABOR STANDARDS ACT AMENDMENTS.

(a) COMPUTER PROFESSIONALS.—Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended—

(1) by striking the period at the end of paragraph (16) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(17) any employee—

"(A) who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker;

"(B) whose primary duty is—

"(i) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(ii) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(iii) the design, documentation, testing, creation, or modification or computer programs related to machine operating systems; or

"(iv) a combination of duties described in clauses (i), (ii), and (iv) the performance of which requires the same level of skills; and

"(C) who is compensated on an hourly basis and is compensated at a rate of not less than $27.63 an hour.".

(b) TIP CREDIT.—Section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended—

(1) by striking "(m) 'Wage' paid" and inserting "(m)(1) 'Wage' paid"; and

(2) by striking "In determining the wage" and all that follows through "who customarily and regularly receive tips." and inserting the following:

"(2)(A) In determining the wage an employer is required to pay a tipped employee, the amount paid such employee by the employee's employer shall be an amount equal to—

"(i) the cash wage paid such employee which for purposes of such determination shall be not less than the cash wage required to be paid such an employee on the day preceding the date of enactment of this paragraph; and

"(ii) an additional amount on account of the tips received by such employee which amount is equal to the difference between the wage specified in subclause (i) and the cash wage in effect under section 6(a)(1).

"(B) Subparagraph (A) shall not apply with respect to any tipped employee unless—

"(i) such employee has been informed by the employer of the provisions of this subsection; and

"(ii) all tips received by such employee have been retained by the employee, except that this subsection shall not be construed to prohibit the pooling of tips among employees who customarily and regularly receive tips."

(c) OPPORTUNITY WAGE.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by inserting after subsection (f) the following new subsection:

"(g)(1) In lieu of the rate prescribed by subsection (a)(1), any employer may pay any employee of such employer, during the first 180 consecutive calendar days after such employee is initially employed by such employer, a wage which is not less than $4.25 an hour.

"(2) No employer may take any action to displace employees (including partial displacements such as a reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in paragraph (1).

"(3) Any employer who violates this subsection shall be deemed to have violated section 15(a)(3).".

Mr. BOND. Mr. President, this is an amendment that merely carries out the intent that Congress has shown on many occasions to exclude the smallest of the small employers from the burdens of a minimum wage. Basically, it says that for firms grossing less than $500,000, the small mom and pop businesses, the folks in your neighborhood, the people who are just getting by and providing a few jobs in their community, will not be subjected to the increase in the minimum wage. This does not say that their workers will not be protected by the current minimum wage or by Federal overtime provisions. It just says that we are not going to put another burden on the backs of those very small employers by ordering them to add 20 percent to their payroll costs for those who are employed at minimum wage.

As the Clinton administration's own Administrator of the Small Business Administration, Phil Lader, said, this kind of exemption, this two-tiered system makes sense. It protects minimum wage jobs in the smallest business and it protects small business.

Those of us who have talked with and, more importantly, listened to small business people throughout this country know that the burdens of Government regulation, Government mandates fall very heavily on small business. This amendment just says we are not going to put another mandate, another heavy financial burden, on the very smallest of the small employers on Main Street in your community and my community.

Earlier today, the Senators from Massachusetts and South Dakota stated the reasons they opposed my amendment. I am here to set the record straight about what my amendment does and does not do.

First, contrary to their assertions, this amendment is not a killer amendment. It simply means that the smallest of the small businesses will not have to lay off some of their workers in order to comply with the law.

Who says that is a killer amendment? What forces are telling the President that he cannot protect the smallest of the small businesses and give all of the rest of minimum wage workers a minimum wage increase? What kind of logic would say that you cannot have it for anybody if you protect just the employees and the smallest businesses grossing under $500,000?

The Senators from Massachusetts and South Dakota would have you believe that the debate is only about whether or not people should be paid more. Would I like to see working Americans earn more money? Absolutely. I believe that everybody who has joined me as a cosponsor of this amendment and who will vote for this amendment would agree. But the way to get increases in wages is through increases in productivity, getting the training, getting the experience that often minimum wage workers are getting in their very first job. We expand the opportunity for a training wage so people can get off welfare and into work or start on the work ladder. That experience is vital to getting them better paying jobs in the future. If you increase the minimum wage for the smallest of the employers, there are real tradeoffs. The smallest of the small employers, American businesses grossing under $500,000 per year, will, in my view, be forced to lay off workers. That is the bottom line. An increase in wages with no increase in productivity and revenues means lost jobs.

Here is how it works. Say your neighbors own a small grocery store. They have a payroll budget of $85,000 available for wages. How do we know what is available for wages? Well, that is about how much they can pay after they figure out how much they are taking in, the costs of goods that they sell, what their operating costs are, and what they need to live on. At the current minimum wage, they could afford to hire about 10 workers. It comes out to a minimum wage, 40 hours per week, 50 weeks per year, of about $8,500. If the minimum wage were to be increased by mandate on them by 90 cents, there is added $1,800 per employee to the grocer's cost. But raising that wage does not sell more groceries or anything else in the store.

So how many people will they be able to afford to hire? Only eight. A 20-percent increase in the minimum wage means they will have to lay off 20 percent of their minimum wage workers, or two people. A small business employing only five would have too lay off one. To suggest that a minimum wage increase has no effect on employment in the smallest of small businesses is just plain wrong. A mandatory minimum wage increase for the smallest employers means job loss.

The Senator from Massachusetts would also have you believe that we have locked out millions from increases in the minimum wage, "employees of fully two-thirds of all firms in the United States."

Come now, Mr. President, the truth is this amendment only applies to those firms that take in revenues of $500,000 per year or less. These firms employ only about 8 percent of the American work force. The percentage of those earning the minimum wage at those firms is even smaller.

The Advocacy Council at the Small Business Administration says only about 10 percent of the small business employees are at minimum wage. So we are talking, probably—we do not have exact figures from the Bureau of Labor Statistics—less than a million people.

I also find it somewhat odd that my Democratic colleagues are complaining about the amendment as a poison pill. Many of them happily voted for similar poison last time we passed a minimum wage increase in 1989. And many of them supported a bill authored by Senator BUMPERS, my distinguished ranking member on the Small Business Committee, in 1991. That amendment clarified the need for a small business exemption. If it was not poison then, why is it poison now?

I think it is very unfortunate that this administration is ignoring the advice of its own top small business spokesman, Philip Lader, the administrator of the Small Business Administration, who says:

> An exemption for the smallest of small businesses makes sense. Exempting small businesses from a mandatory wage increase for minimum wage workers means that firms at the margin will not be forced to cut jobs or not grow.

So there you have it. The view of the need for a small business exemption from the Clinton administration's own spokesman on small business.

We, on our side of the aisle, believe the minimum wage is a floor. Apparently some on the other side view it as a ceiling. There are some Democrats who would have you believe that Americans are locked into minimum wage jobs, in some cases for life. Those just are not the facts. Most Americans do not earn the minimum wage. Many of them start there and they move up the scale. They have to get a start somewhere. That is why the minimum wage and the training wage is so important. Those who obtain minimum wage jobs learn the skills and, as they become productive, go on to better jobs at better pay.

Who is it that is saying this is a poison pill? Common sense sure does not. I cannot believe the President would deny the minimum wage increase he so robustly seeks for the very large percentage of minimum wage workers who are not employed by the smallest of the small.

Mr. President, we will, I understand, have an opportunity to discuss this matter further tomorrow. At this point, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, I am taking the floor today to speak in favor of the Bond amendment. I certainly am speaking for the small business people of this country when I support the exemption that is provided in this amendment.

I think it is very important that we look at the big picture when we are making law that is going to affect the economy of our country and most certainly the workplace of our country.

We have passed free trade agreements, so we are now going to be in competition with businesses throughout the world. Many of these businesses have lower standards than we do. They have lower wage scales. I think America should keep our high standards, but I also think if we are going to keep jobs in America through export markets rather than shipping the jobs overseas—rather, export our products instead of our jobs—if we are going to do that, we have to look at the big picture and look at what we have done in this country over the last 3 or 4 years.

In fact, what we are doing is increasing the cost of doing business in America. So if we pass the minimum wage increase, we are going to add one more increase to the cost of doing business that will make us less competitive in the global marketplace.

I was a candy manufacturer. I did export into Canada, for instance, but I also competed, Mr. President, with candy that was made in South America and Mexico, and it was very difficult to compete with candy that was made at much lower cost because I had to be price competitive. So I am very hopeful that we will look at this competition that we have created as we are taking up an increase the size of a minimum wage that we are talking about today.

So if we increase the minimum wage at the same time that we have increased taxes—that has already been done—we have more regulatory costs, and that has been proven, as well, pretty soon we are going to see our jobs exported rather than our products exported from America—products made with American labor.

I think we have to be very careful. I appreciate the fact that Senator BOND and Senator LOTT are working on an amendment that would give our small businesses a break. By having the $500,000 exemption, we are taking the businesses that are most vulnerable to the margins of profit and we are going to give them a break. I think that is very important.

I have seen that small businesses have a harder time competing for export markets anyway because they do not have the size that makes for more efficiencies. So if we can give them this bit of help—$500,000 is a very small company, especially if that is your gross receipts, that is a small company—I think if we can give our small businesses the advantage of an exemption, then maybe we will be able to get the best of both worlds with this overall minimum wage increase.

I also like the provision in the amendment that says we will have a training wage for 180 days. A training wage is an entry wage. You do not find experienced people making the minimum wage; you find people who have no experience whatsoever making the minimum wage, and they quickly move on if they learn fast and show that they are able to take on more responsibility.

So I think the training wage is very important for our entry level people, our young people who are trying to get their first experience or our older employees who might be coming back into the marketplace. Getting that first bit of training and allowing the leeway to get that training, I think, is going to be a very important mitigating factor for the companies to be able to say, yes, I can take a chance and hire someone at the $4.25 level because I know that if they prove that they are worth something, I will then be able to pay more. But that gives me time to get the product on the market and productivity up and find out if I am going to be able to afford this and then hopefully be able to make the increase at the end of the 180 days.

I also think, Mr. President, that this folds into the welfare reform that we have been talking about. If we are going to put limits on the amount of time that a person can be on welfare, if we are going to encourage people who are able-bodied to go into the job market rather than staying in a cycle of welfare, we have to have the jobs available for these people to enter the workplace.

They are the very people that need that entry-level wage. People who would be making a transition from welfare into the job market ought to be able to get that training wage, get that experience. Their employers hopefully would be able to take a chance at this lower level of the wage, and give them that opportunity to pull themselves up by their bootstraps to become citizens of this country who are taking a responsibility and providing their fair share of the workload for this country.

So I urge my colleagues to support this very important amendment, and help us make sure that we keep the strength of our economy as we are moving into this higher minimum wage level. Let us have time for people to prepare. I think increasing the minimum wage immediately could put a very big hardship on some of our small businesses that they would not be able to immediately cover.

But if we give time for these businesses to plan for the increase, and see how they are going to be able to increase their prices in order to make up for the higher costs, that we will be doing something that will not hurt the small businesses of this country nearly as much, and it will not hurt so badly our businesses that might be competitive in the international marketplace either.

Many people are concerned that if we raise the minimum wage, it will increase the cost of employing even people who are not making the minimum wage. We are going to start a ratchet effect so that every level of wage is going to go up. Well, that is good, but it is also something that we have to look at very carefully to make sure that our businesses can absorb these higher costs. We need to give them the ability to raise the price of their product in time so that they will not be in a loss situation and have to actually lay people off and eliminate jobs. That is certainly not what we want the outcome of the minimum wage increase to be.

So I think the delay, giving business a chance to prepare for the minimum wage increase, keeping the training wage are very important. I think the $500,000 and below exemption is very important for helping our small businesses to be able to keep their small businesses going and increase employment rather than have to lay people off. More than seventy percent of the new jobs in this country are created by small business. So the last thing we want to do is hurt that economic machine, that job-creating machine that is the small business of this country. So we want our small businesses to be able to plan for this increase, to have the ability to absorb the increase in costs that will happen. I think this is the responsible way to do it.

Mr. President, before I end, I would like to say that I am also very, very pleased about another part of this bill. It does not really relate to the minimum wage, but in the business tax part of the bill that will be introduced tomorrow. I just want to commend Senator ROTH, the chairman of the Finance Committee, for including the Hutchison-Mikulski homemaker IRA bill.

I have been fighting for 3 years to give the homemakers of this country the ability to retire in security the same as if they had worked outside the home, because there is no question in my mind that the work done inside the home is as much a part of the American family, if not more important to the American family, than the work done outside the home. But ever since IRA's have been allowed in this country that would allow people to set aside $2,000 a year, tax free, for their retirement security, ever since we have authorized those, we have not allowed the homemaker, who works inside the home, to be able to contribute that same $2,000 a year.

We are trying to correct that inequity. Senator MIKULSKI, Senator FEINSTEIN, Senator KASSEBAUM, Senator SNOWE, and Senator GRAMM have all signed on to be cosponsors of that bill. Senator ROTH especially has been very helpful, not only in putting that in the original tax cut bill that was vetoed by President Clinton last year, but he has also included it in this bill. If this bill can be signed by the President then we will have our homemaker IRA's.

So I am hopeful that this is a bill that will include the Lott-Bond amendment so they will help the small businesses be able to prepare for this minimum wage increase and give the exemptions for small business to be able to continue to pay the lower minimum wage, and then if we can have the homemaker IRA that will really make a difference in the savings in this country and in the security of our one-income-earner families and not only that, but when you take everything into consideration, it is just a matter of equity.

It is just flat equity that every person who is working in our country, whether it is inside the home or outside the home, should have the same opportunities for saving for retirement, tax free. And that is exactly what we will be doing if we are able to pass this bill with that very fine amendment that will be sponsored by Senator ROTH tomorrow.

So I am very pleased to be supportive of this measured minimum wage increase because I believe that it can be good for our country if we do it in just the right way. So I thank the sponsors of the amendment, and I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I inquire how much time remains on both sides?

The PRESIDING OFFICER. There are 9 minutes 7 seconds for the majority side and 30 minutes for the minority.

Mr. NICKLES. Mr. President, thank you.

I wish to compliment my colleague from Texas for an outstanding statement and also for her leadership on this issue and for the fact that she has some business experience to rely on. I think that certainly is needed. I hope that her advice, as far as voting on these amendments, will be taken to heart by our colleagues.

Mr. President, I rise in opposition to a 21-percent increase in the minimum wage. That does not mean that I do not want individuals that make the minimum wage to make more money. I hope that they do. I hope they make a lot more. I hope we are not satisfied with them making $5.15. I would like for them to make a lot more.

But what I would hate to do is to pass a Federal law that says it is illegal for them to work for $5. In other words, if the economic situation in some area will only allow a job to pay $5 or $4.50, I do not think we should pass a Federal law to say it is illegal for them to take the job.

That is exactly what we are doing. I have heard some of our colleagues say, "Well, this is supported by an overwhelming majority of people. Eighty percent of the people support the minimum wage." I want people who make minimal amounts of money to make more money as well. But suppose the pollster phrased it like this: Should the Federal Government make it illegal for an individual to work for $4.80 an hour in rural Montana if that is the best that that employer can pay and the best that that employee can make? Most people would say, no, you should not make it illegal.

I just say that I believe the reason why we are here is not really to raise minimum wages. I believe it is political. I believe our colleagues on the Democrat side, including the President, are playing politics. They are trying to score political points. Maybe they have been successful. I do not know.

Interesting coincidence of timing. The Democrats controlled the Senate, both Houses of Congress, in 1993 and 1994. They could have raised this issue at any time during then. The majority leader could have called it up. The Speaker in the House could have called it up at any point. They controlled both Houses of Congress. President Clinton and the Democrats said they were in favor of it. They could have moved at that time. They could have pulled it up, and both Houses would have considered it, would have voted on it, or at least it would have been up for consideration. They did not do it in 1993. They did not do it in 1994. They did it, I believe, for political purposes, about the same time after organized labor came into town and said they would commit $35 million to try to retake both the House and the Senate. Interesting timing.

All of a sudden, here come the amendments, and we will have this amendment on everything, we will make it illegal for anybody in America to work for $5 an hour because somebody in this Chamber has determined you should not have a job if it is only $5 an hour. I disagree with that philosophy. I disagree with it very strongly.

Now, if the Senator from Massachusetts or the Senator from any other State, if their State wants to raise minimum wage to $5.25, which I think they have done in the State of Massachusetts, they are scheduled to go to $5.25, that is fine. If the State of New York wants a minimum wage of $6 an hour, they have the right to do so. Why in the world should we make it national? What about the State of Montana, or some rural town in Montana? Maybe they have different economic circumstances, which they most certainly do, than, say, New York City or Washington, DC.

Why should we presuppose we have all the wisdom and we should mandate what the wages should be nationally, and make it is against the law for you to have a job even if you are 16 years old and want to get started climbing the economic ladder? We are going to say, "No, if you cannot get a job that pays at least $5.15 an hour, you cannot have a job. The Federal Government has determined it is better for you to stay at home, not work. If you cannot get a job at $5.15 an hour, we prefer you not to have a job. It is against the law for you to have a job."

I think that is a mistake. I think it is a serious mistake. I think it will cost jobs. I do not know how many jobs it will cost. The Congressional Budget Office estimates employment losses for a 90-cent-per-hour increase in minimum wage from roughly 100,000 to 500,000 jobs. That is a pretty significant economic impact on that 100,000 or that 500,000 people who lose a job.

Those are people that may need the job more than anything. Maybe they are people that want to start climbing the economic ladder, and we will say, "No, you need not apply. That job is not worth it." Maybe it was pumping gas, sacking groceries, or some menial task. That first job can be one of the most important, in fact, maybe the most important job somebody will have because they start learning skills. They might learn they need more education, or have an idea, "Wait, I need to make more money, so therefore I better go back to school," or vo-tech, or finish high school, or maybe go to college. No, we will have a Federal law that says if you do not make at least $5.15 an hour, we have determined you should not have a job. As a matter of fact, it is illegal for you to have a job. I think that is wrong.

The Employment Policies Institute estimates that the job loss for an increase of 90 cents is over 600,000, if Senator KENNEDY's amendment passes. Mr. President, 10,000 are in Oklahoma, 18,000 would be in Georgia. I do not want to pass a law that will put 10,000 Oklahomans out of work. Again, if they want to do that in the State of Massachusetts, power to them. If they want to do it in other States, they have that right to do so. We should not interfere with that.

What about States rights? The 10th amendment of the Constitution says all the rights and powers are reserved to the States and the people. They did not envision the Federal Government mandating that if you do not make $5.15 an hour, you cannot have a job. That is what Senator KENNEDY's amendment would do.

Senator KENNEDY's amendment is even worse than the language that already passed the House, which President Clinton said he would sign. The House bill at least has a training wage of 90 days; Senator KENNEDY only has one for 30 days. The House bill does not hit the restaurant owners and workers; it allows a tip credit. Most people that work in restaurants make $8 or $9 an hour on average. They are not minimum wage, so they keep the tip credit at $2.13. Senator KENNEDY has that increased. That would be a big hit on somebody that has a small restaurant. My point being that his language is even worse than what passed the House. The net result is you will put hundreds of thousands of people out of work.

I believe that is a serious, serious mistake. Not only that, but now it would be retroactive. So, think of that. You have a small business. Senator KENNEDY does not give a small business exemption, no matter how small. My colleagues know I used to have a janitorial service. We did not pay minimum wage. I used to work for a janitorial service that did pay minimum wage. Senator KENNEDY's bill would make it retroactive. That might be nice if you got the wage, but what about the employer that could not cover it?

I remember asking my boss, when I was making $1.60 an hour, for a raise, and after a couple weeks he gave me a nickel-an-hour raise. Senator KENNEDY will mandate they have to give 45 cents retroactive to July 5. What if they cannot afford that? Sorry, you just lost a job, thanks to Senator KENNEDY's amendment.

We should not allow that to happen. We should not be passing laws around this place that will put hundreds of thousands of people out of work. We should not be passing laws around this place that say it is illegal for you to have a job that pays $5.10 an hour because the Federal Government has determined that any job that is worth having should pay at least $5.15 an hour.

I believe that is very bad economics. It does not make sense. I do not believe we can repeal the law of supply and demand. If we can, why stop at $5.15? Maybe we should have another amendment that says make it $10 an hour if there is no negative impact on a 21-percent increase in the minimum wage. Increase it 100 percent—make it $10 an hour or $20 an hour. Anybody making $5 an hour, I would like them to make $10 or $20. I would like them to be better off financially. If there are no negative economic consequences, why not do it? We are not going to do it because people know it would have a negative economic consequence. We know we would be putting people out of work, and there are certain jobs in certain places that cannot afford to pay it.

The people we will hurt the most are the people we should be hurting the least. We will be hurting a little restaurant or grocery store that is competing in some rural town, trying to stay alive, competing against Wal-Mart. Some big business comes in and the little guy is having a hard time staying alive. Yet, we are going to mandate a 21-percent increase in minimum wage. Maybe they were hiring some young people, 16 and 17 years old, that wanted to earn some money in the summertime, and we will tell them, "No, you cannot do that. It is against the law. Unless you pay at least $5.15 an hour, we have determined that job is not worth having." We have decided that in Washington, DC, because we are the source of all wisdom.

What is right about $5.15? Why not make it $6 or $7 or $8 or $10? It just does not make sense. If you repeal the law of supply and demand, we should make it $10 or $20, but we cannot. It will cost jobs. If we pass the increase in minimum wage, it will cost jobs. We will put people out of work, people that need to work the most, people that want to start climbing the economic ladder. That is a serious mistake.

I mentioned, Mr. President, I worked for a janitorial service in Stillwater, OK, and the 1968 minimum wage was $1.60. My wife and I both had a job there. We worked at it a month before we asked for the raise. We got the nickel. We decided that was not enough, so we started our own janitorial service and we made a lot more money working for ourselves. We got started low on the economic ladder, but we were able to climb up. I am glad the Federal Government did not come in and say they wanted the minimum wage at that time to be much, much higher. I might not have gotten that job. I might not have gotten the training, and I might not have started my own janitorial service and put myself and several other people through school.

We should not deny people economic opportunities. We should not be passing laws that will be putting people out of work. That is exactly what we will be doing if we pass this increase in minimum wage. I hope we will not do it. I urge my colleagues to vote no on the Kennedy amendment tomorrow.

MESSAGES FROM THE HOUSE DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on July 2, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 1880. An act to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building."

H.R. 2704. An act to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue, Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building."

H.R. 3364. An act to designate the Federal building and United States courthouse in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

Under the authority of the order of the Senate of January 4, 1995, on July 2, 1996, the Secretary of the Senate, the enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on July 8, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 2070. An act to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life."

The enrolled bill was signed subsequently, during the session of the Senate, by the President pro tempore [Mr. THURMOND].

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:22 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park.

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria.

The message also announced that the House has agreed to House Resolution 471, electing ENID GREENE, a Representative from the State of Utah, Speaker pro tempore through Wednesday, July 10, 1996.

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

REPORTS SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of June 27, 1996, the following report of committee was submitted on July 2, 1996, during the adjournment of the Senate:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1662. A bill to establish areas of wilderness and recreation in the State of Oregon, and for other purposes (Rept. No. 104–314).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWN:

S. 1930. A bill to suspend temporarily the duty on certain industrial nylon fabrics; to the Committee on Finance.

By Mr. THOMPSON (for himself and Mr. FRIST):

S. 1931. A bill to provide that the U.S. Post Office building that is to be located at 9 East Broad Street, Cookeville, TN, shall be known and designated as the "L. Clure Morton Post Office and Courthouse"; to the Committee on Governmental Affairs.

By Mr. ABRAHAM:

S. 1932. A bill to amend the Federal Election Campaign Act of 1971 to limit the amount of nonconstituent contributions that a candidate may accept, and for other purposes; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROBB:

S. Res. 276. A resolution congratulating the people of Mongolia on embracing democracy in Mongolia through their participation in the parliamentary elections held on June 30, 1996; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMPSON (for himself and Mr. FRIST):

S. 1931. A bill to provide that the United States Post Office building that is to be located at 9 East Broad Street, Cookeville, Tennessee, shall be known and designated as the "L. Clure Morton Post Office and Courthouse"; to the Committee on Governmental Affairs.

THE L. CLURE MORTON POST OFFICE AND COURTHOUSE DESIGNATION ACT OF 1996

• Mr. THOMPSON. Mr. President, I am pleased to introduce a bill to designate the post office and courthouse in Cookeville, TN, the L. Clure Morton Post Office and Courthouse. I am also pleased that my collegue from Tennessee, Senator BILL FRIST, is joining me as an original cosponsor.

After graduating from the University of Tennessee's School of Law in 1936, L. Clure Morton spent 33 years in private practice and as a special agent with the Federal Bureau of Investigation. In 1970, President Richard Nixon appointed Morton a U.S. district court judge in Nashville, TN. Judge Morton was elevated to chief judge in 1977 and took senior status in 1984. Presently Judge Morton presides in the northeastern division and lives in Cookeville.

Middle Tennessee trial lawyers and judges alike comment on the absolute fairness, intellectual honesty, innovative sentencing, and no-nonsense manner in which Judge Morton conducted his courtroom over the past 26 years. A jurist of great courage, Judge Morton handled many controversial constitutional issues not addressed by his predecessors. He dealt resolutely with the issue of school integration in Nashville and reforms in Tennessee's prison, welfare, and mental health systems.

The city council of Cookeville, TN, recently passed a resolution to recommend this name change of the U.S. post office and courthouse to honor Judge Morton. The resolution reads as follows:

"A resolution to (recommend to the United States Senate) rename the United States Post Office and Courthouse Building, 9 East Broad Street, Cookeville, Tennessee, as the L. Clure Morton Federal Building, to honor Judge L. Clure Morton on the occasion of his retirement.

"Whereas, the Honorable L. Clure Morton has announced his intention to leave active service as a United States judge for the Middle District of Tennessee, and retires to Knoxville; and

"Whereas, Judge Morton was appointed United States District Judge by President Richard Nixon in 1970, and has performed his duties with the utmost dedication and integrity for over 25 years; and

"Whereas, he has handled the entire Northeastern Division docket in Cookeville since 1970, and has presided exclusively in Cookeville, Tennessee since 1984; and

"Whereas, Judge Morton has ruled from the bench without passion or prejudice, seeking only to uphold the Constitution and the laws of the United States; and

"Whereas, Judge Morton is widely respected and admired by his peers and associates in the legal profession and by members of this community; and

"Whereas, this Council desires to recognize the outstanding and lasting contributions made by Judge Morton to the legal profession in middle Tennessee; and

"Whereas, Judge Morton's chambers and courtroom are located in the United States Courthouse and Post Office Building, 9 East Broad Street, Cookeville, Tennessee. Now, therefore, be it

"*Resolved by the Cookeville City Council*, That we recommend that the U.S. Post Office and Courthouse Building, 9 East Broad Street, Cookeville, Tennessee, which has housed an esteemed member of the judiciary and an outstanding public servant for over a quarter of a century, be renamed the L. Clure Morton Federal Building, in recognition for his significant contributions as a United States District Judge for the Middle District of Tennessee."

Middle Tennessee is a safer, fairer place because Judge Morton served on the bench. This legislation is an appropriate tribute to a man who so positively touched so many middle Tennesseeans.

Mr. President, I ask unanimous consent that the bill we introduce today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF L. CLURE MORTON POST OFFICE AND COURTHOUSE.

The United States Post Office building that is to be located 9 East Broad Street, Cookeville, Tennessee, shall be known and designated as the "L. Clure Morton Post Office and Courthouse".

SEC. 2 REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States Post Office building referred to in section 1 shall be deemed to be a reference to the "L. Clure Morton Post Office and Courthouse".•

By Mr. ABRAHAM:

S. 1932. A bill to amend the Federal Election Campaign Act of 1971 to limit the amount of nonconstituent contributions that a candidate may accept, and for other purposes; to the Committee on Rules and Administration.

CAMPAIGN FINANCE REFORM LEGISLATION

• Mr. ABRAHAM. Mr. President, I rise today to introduce a bill to reform our campaign financing system. I am doing so because I feel that it is important to dispel the all too common notion that candidates are improperly influenced by campaign contributions. In my view it is not difficult for an honest politician to arrange financing in a way that avoids the appearance as well as the reality of corruption. But, because too few candidates choose to impose these rules on themselves, we need legislation to show them the way.

When I ran for the Senate in 1994 I voluntarily imposed limits on the contributions I would accept from out-of-State sources and from political action committees. I refused to accept any more than 20 percent of overall contributions from PAC's. I also refused to accept more than 25 percent of overall contributions from out-of-State donors. I did this because I wanted to make sure that the bulk of my support came directly from Michiganians. And, with this policy in place, I won handily.

I am certain that other candidates would find that they can run successful campaigns with such self-imposed limits. More important, these limits would increase politicians' accountability to their constituents and decrease the appearance of special interest influence. Unfortunately, too few candidates appear willing to take the crucial step of placing limits on their own campaigns.

Thus, to increase accountability, my bill would codify limits similar to the ones I imposed on myself in the 1994 campaign. All Federal candidates would have to follow the same rules, dictating that they receive no more than 20 percent of overall contributions from PAC's and no more than 33 percent of overall contributions from out-of-State/district donors.

Additionally, in my bill, I have proposed a system of PAC democracy. This system would mandate that PAC's receive input from their donor-members, whereby all donor-members would have a vote in how and where the PAC donations are to be distributed.

Furthermore, I have proposed that the individual contribution limit be increased to reflect the monetary realities in 1996, and that this limit be indexed each year after based on the consumer price index.

I believe that campaign finance reform should begin at home—with candidates pledging to abide by their own self-imposed limits. I have codified contribution limits in my own campaign finance reform bill; a bill which I believe has the effect of permitting candidates to speak freely while curbing the influence of special interest and out-of-State moneys. By limiting these nonconstituent contributions, we can increase communication between candidates and voters, enabling voters to make better, more informed decisions concerning who can best represent them.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMIT ON AMOUNT OF NONCONSTITUENT CONTRIBUTIONS AND MULTICANDIDATE POLITICAL COMMITTEE CONTRIBUTIONS THAT A CANDIDATE MAY ACCEPT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 324. LIMIT ON AMOUNT OF NONCONSTITUENT CONTRIBUTIONS AND POLITICAL ACTION COMMITTEE CONTRIBUTIONS THAT A CANDIDATE MAY ACCEPT.

"(a) DEFINITION.—In this section, the term 'nonconstituent source' means—

"(1) an individual that is a resident of a State other than a candidate's State (in the case of a candidate for the Senate) or district (in the case of a candidate for the House of Representatives);

"(2) a multicandidate political committee that, during any calendar year, accepts from residents of a candidate's State contributions in an amount that is not more than 10 percent of the total amount of contributions accepted by the committee; and

"(3)(A) a separate segregated fund of a corporation that does not have an office in the candidate's State (in the case of a candidate for the Senate) or district (in the case of a candidate for the House of Representatives); and

"(B) a separate segregated fund of a labor organization, membership organization, or unincorporated cooperative not more than 10 percent of the members of which are residents of the candidate's State (in the case of a candidate for the Senate) or district (in the case of a candidate for the House of Representatives).

"(b) PROHIBITION.—A candidate for election to the Senate or House of Representatives, and the candidate's authorized committees, shall not accept for use in an election—

"(1) an amount of contributions from nonconstituent sources that exceeds 33 percent of the total amount of contributions accepted by the candidate or candidate's authorized committees; or

"(2) an amount of contributions from multicandidate political committees and separate segregated funds that exceeds 20 percent of the total amount of contributions accepted by the candidate or candidate's authorized committees.".

SEC. 2. CONTROL OF CONTRIBUTIONS BY POLITICAL ACTION COMMITTEES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 1) is amended by adding at the end the following:

"SEC. 325. CONTROL OF CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES AND SEPARATE SEGREGATED FUNDS.

"(a) IN GENERAL.—It shall be unlawful for a multicandidate political committee or a separate segregated fund established under section 316(b) to make a contribution to or an expenditure on behalf of, or an expenditure in opposition to, a candidate or candidate's authorized committee, political party, or any other person unless the decision to make the contribution or expenditure is made by vote of the contributors to the multicandidate political committee or separate segregated fund conducted in accordance with the regulation issued by the Commission under subsection (b).

"(b) REGULATION.—

"(1) IN GENERAL.—The regulation under subsection (a) shall require, at a minimum, that a multicandidate political committee or separate segregated fund—

"(A) send to each of its contributors a form, in the form set forth in paragraph (2), for the contributor to return to the committee or fund that states the percentages in which the contributor desires the amount of contributions made by the contributor to be contributed to the party organizations and candidates of each political party;

"(B) make contributions and expenditures in accordance with the percentages specified by each contributor (unless a contributor specifies percentages that total more than or less than 100 percent, in which case contributions and expenditures shall be made to the parties for which percentages are specified pro rata); and

"(C) maintain the forms for a period of 5 years after the forms are returned to the committee and allow inspection of the forms by the Commission and by contributors to the committee or fund.

"(2) FORM.—The form referred to in paragraph (1)(A) is as follows:

"MULTICANDIDATE POLITICAL COMMITTEE/SEPARATE SEGREGATED FUND CONTRIBUTOR PARTICIPATION FORM

"Please indicate what percentage of your contribution you want to go to the party organizations and/or candidates of each of the political parties listed below*:

"(List all political parties that are on the official ballot of the contributor's State):

"EXAMPLES

"___ Republican Party
"___ Democratic Party
"___ Libertarian Party
"___ Natural Law Party
"___ Reform Party
"___ American Independent Party
"___ Taxpayers' Party
"___ __________ Party

"*If for any reason your specified percentages total more or less than 100 percent, your contribution will be allocated pro rata in accordance with your indicated choices.

"*This form must be kept on file for 5 years by the multicandidate political committee or the separate segregated fund and is subject to inspection by the Federal Election Commission and by the contributors to the committee or the fund.*".

SEC. 3. INCREASE IN INDIVIDUAL CONTRIBUTION LIMIT.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended—

(1) in subsection (a)(1)(A) by striking "$1,000" and inserting "$1,910"; and

(2) by adding at the end the following:

"(9) INDEXING.—The $1,910 amount under paragraph (1)(A) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under subsection (c), except that the base period shall be calendar year 1996.".•

ADDITIONAL COSPONSORS

S. 949

At the request of Mr. WARNER, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1493

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1493, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1646

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1646, a bill to authorize and facilitate a program to enhance safety, training, research and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes.

S. 1731

At the request of Mr. CRAIG, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1731, a bill to reauthorize and amend the National Geologic Mapping Act of 1992, and for other purposes.

S. 1760

At the request of Ms. SNOWE, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1760, a bill to amend part D of title IV of the Social Security Act to improve child support enforcement services, and for other purposes.

S. 1799

At the request of Ms. SNOWE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1799, a bill to promote greater equity in the delivery of health care services to American women through expanded research on women's health issues and through improved access to health care services, including preventive health services.

S. 1838

At the request of Mr. FAIRCLOTH, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1838, a bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903.

S. 1899

At the request of Mr. GRAHAM, his name was added as a cosponsor of S. 1899, a bill entitled the "Mollie Beattie Alaska Wilderness Area Act."

SENATE JOINT RESOLUTION 52

At the request of Mr. KYL, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of victims of crimes.

AMENDMENT NO. 4410

At the request of Mr. GLENN the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of amendment No. 4410 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE RESOLUTION 276—CONGRATULATING THE PEOPLE OF MONGOLIA

Mr. ROBB submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 276

Whereas Mongolia conducted elections on June 30, 1996, for its unicameral national parliament, the Great Hural;

Whereas Mongolian voters cast their ballots in a peaceful and orderly fashion at 1590 polling places, choosing from among 351 candidates representing 11 different parties and coalitions;

Whereas the primary issues facing Mongolian voters were the scope and pace of continued democratization and economic liberalization;

Whereas the former Communist Mongolian People's Revolutionary Party (MPRP) suffered a dramatic and unexpected loss at the polls, and the Democratic Union Coalition won majority control of the Great Hural;

Whereas the Democratic Union Coalition espoused a policy of strengthening democratic institutions, implementing free market economic reforms, and strengthening the independence of the judiciary;

Whereas voter turnout exceeded 87 percent according to preliminary reports;

Whereas an international election observation team led by former Secretary of State James A. Baker traveled to nine different areas of Mongolia to observe pre-election day preparations and Mongolian citizens voting on election day; and

Whereas the United States election observers judged the election to be free, peaceful, and fair, with the results respected by all sides: Now, therefore, be it

Resolved, That the Senate hereby congratulates the people of Mongolia for—

(1) overwhelmingly embracing democracy through their participation in the June 30, 1996, elections for the national parliament, the Great Hural;

(2) conducting free, fair, and credible elections;

(3) continuing to build on the progress of the past and moving further away from their previous dependence on a communist system; and

(4) serving as an example to the peoples of East Asia who seek further democratization of their countries.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he further transmit such copy to the Government of Mongolia.

Mr. ROBB. Mr. President, during our short Independence Day recess, there were a number of elections overseas that captured our attention.

Certainly the most important involved the reelection of Boris Yeltsin as President of Russia—a positive development for democracy abroad, and a defeat for the Communist Party there that unfortunately maintains the support of a sizable portion of the electorate.

Another election that might have gone otherwise unnoticed, except for the stunning results which it produced, occurred in Mongolia on June 30.

I had the opportunity to join with former Secretary of State Jim Baker and several other distinguished observers in visiting polling stations across the plains of Mongolia to watch democracy in action.

Mr. President, what occurred in Mongolia a week ago Sunday was truly historic.

Parliamentary elections there produced dramatic results: Democratic reformers upended the ruling former Communist Party seized majority control of the legislature for the first time, and are now in position to set this vast country on a bold new course.

The seismic political shift in Mongolia was unexpected, to say the least.

The ruling Mongolian People's Revolutionary Party [MPRP] held 71 of 76 seats in the Great Hural, Mongolia's unicameral legislature.

U.S. Embassy cable reporting just days before the vote suggested that the democratic opposition parties would be doing well to win 25 seats. But Embassy officials cautioned that their sources believed that was something of an optimistic projection.

Mr. President, the democratic opposition won twice that number of seats and assumed majority responsibility for Mongolia's future in the process.

The electoral math confirms that 50 of 76 parliamentary seats were won by the Democratic Union Coalition Party.

The former Communist Mongolian People's Revolutionary Party dropped from 71 to 24 seats in the Great Hural.

The MPRP, Mongolia's ruling party since 1923, was unceremoniously bounced right out of office. Moreover, leading MPRP officials—the Foreign Minister, two Deputy Prime Ministers, the Labor Minister, and the head of the MPRP—not only lost majority control, but lost their seats in the Great Hural as well.

U.S. election observers covered more than 1,000 kilometers making nine stops over 2 days observing first hand the careful approach to preparations as well as the actual conduct of elections. I believe I can speak for the entire group in stating that Mongolian officials were meticulous in administering the elections.

On election day, voter names were checked carefully on the registration rolls; actual ballots were handled with great care and efficiency; party representatives were provided unimpeded viewing access at polling stations; all ballot counting procedures were accessible to pollwatchers and international observers alike; and many vote totals were counted three, four, and five times over for accuracy.

Mr. President, though most Mongolians had to cover vast distances on foot or horseback, more than 87 percent of eligible voters turned out for what we observed to be free, fair, and transparent elections, without a hint of fraud.

As election observers, our primary concern involved the process—not necessarily the result—but we could not ignore history being made before our very eyes.

The Democratic Union Coalition offered a political and economic prescription that obviously resonated with a broad cross section of the population, particularly the younger voters from Mongolian herdsmen to city workers in Ulaanbattar.

The new coalition party vows to make government more transparent. It hopes to strengthen local decision-making, make the judiciary more independent, and accelerate decentralization of the economy.

The party endorses privatizing 60 percent of state-owned enterprises by the year 2000.

It is a very progressive agenda.

Mr. President, given the harsh economic and social challenges facing Mongolia, it will be extremely difficult for the new parliamentarians to meet expectations, so our support will be crucial.

In our post-election meeting with President Ochirbat on Monday, I pledged to explore the idea of legislative exchanges that would help the approximately 80 percent of the newly elected Great Hural members who have no prior legislative experience.

Deputy Assistant Secretary of State for East Asian Affairs, Kent Wiedemann, pledged similar cooperation from the executive branch of our Government. And former Secretary Baker agreed to encourage renewed international support from the nations he dealt with when he convened the original Mongolian Donors Group.

Mr. President, today, I am submitting a Senate resolution that congratulates the people of Mongolia for: First, embracing democracy in these parliamentary elections; second, conducting free, fair, and credible elections; third, building on the progress of the past and moving further away from their previous dependence on a Communist system; and fourth, serving as an example to other East Asian countries that the people deserve a voice in choosing their government.

That last point is worth keeping in mind.

I believe the winds of democratic change are getting stronger in East Asia.

The Philippines, Cambodia, South Korea, Hong Kong, Taiwan—and now Mongolia.

The trend toward democratization and economic liberalization is undeniable. What happened in Mongolia represents a geopolitical step in the right direction for East Asia.

Mr. Speaker, the day I left Mongolia, President Ochirbat said to me, "Democracy in Mongolia has become irreversible and the people have a strong confidence in it." Well we now have a strong confidence in the people of Mongolia, and applaud them for joining the democratic community of nations.

Mr. President, in closing I would like to offer a brief word of thanks to the Asia Foundation, which helped organize this election observation mission, the International Republican Institute for its sustained efforts at party-building within Mongolia, and fellow election observers who joined me on the trip.

They were: former Secretary of State Jim Baker, current Deputy Assistant Secretary for East Asian and Pacific Affairs Kent Wiedemann, former Senator Dick Clark, former Congressman Elliot Levitas, M. Graeme Bannerman, of Bannerman & Associates, Casimir Yost, of the Georgetown University Institute of Diplomacy, and David Carroll, of the Carter Center in Atlanta.

Our Ambassador in Ulaanbaatar, Donald C. Johnson, deserves special commendation in particular for helping to organize the election monitoring trip. We had an opportunity to visit with voters at various sites around the country, and benefited from his and Deputy Chief of Mission Llewellyn Hedgbett's advice and counsel along the way.

Mr. MOYNIHAN. Mr. President, I ask, if I may, to speak for 1 minute in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I am sure I could speak for the Senate in expressing our appreciation to the Senator from Virginia for his services as an election observer in that distinguished company, and the auspicious outcome. But perhaps not sufficiently noticed, we are creating a new institution in the world—the election observers. I am sure they were from more than just the United States—in Ulaanbaatar—something hardly conceivable 30 years ago and now natural and increasingly important.

I thank the Senator from Virginia.

AMENDMENTS SUBMITTED

THE SMALL BUSINESS JOB PROTECTION ACT OF 1996

KENNEDY AMENDMENT NO. 4435

Mr. KENNEDY proposed an amendment to the bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, and for other purposes; as follows:

Strike Title II and replace with the following:

Title II—Labor Provisions

SECTION 1. INCREASE IN THE MINIMUM WAGE RATE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending July 4, 1996, not less than $4.70 an hour during the year beginning July 5, 1996, and not less than $5.15 an hour after July 4, 1997;".

(b) EMPLOYEES WHO ARE YOUTHS.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended—

(1) in paragraph (4), by striking "; or" and inserting a semicolon;

(2) in paragraph (5), by striking the period at the end thereof and inserting "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(6) if the employee—

"(A) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10)) without regard to subparagraph (B) of such paragraphs and is not a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)); and

"(B) has not attained the age of 20 years, not less than $4.25 an hour during the first 30 days in which the employee is employed by the employer, and, thereafter, not less than the applicable wage rate described in paragraph (1).".

(c) EMPLOYEES IN PUERTO RICO.—Section 6(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(c)) is amended to read as follows:

"(c) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico except an employee described in subsection (a)(2).".

SEC. 2. EXEMPTION OF COMPUTER PROFESSIONALS FROM CERTAIN WAGE REQUIREMENTS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended—

(1) by striking the period at the end of paragraph (16) and inserting "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(17) any employee who is a computer systems analyst, computer programer, software engineer, or other similarly skilled worker, whose primary duty is—

"(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

"(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

"(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

"(D) a combination of duties described in subparagraph (A), (B), and (C) the performance of which requires the same level of skills, and

who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less then $27.63 an hour.".

SEC. 3. USE OF AN EMPLOYER-OWNER VEHICLE.

(a) IN GENERAL.—Section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) is amended by inserting at the end the following:

"(e) For purposes of subsection (a), the use by an employee of an employer-owned vehicle to initially travel to the actual place of performance of the principal activity which such employee is employed to perform at the start of the workday and to ultimately travel to the home of the employee from the actual place of performance of the principal activity which such employee is employed to perform at the end of the workday shall not be considered an activity for which the employer is required to pay the minimum wage or overtime compensation if—

"(1) such employee has chosen to drive such vehicle pursuant to a knowing and voluntary agreement between such employer and such employee or the representative of such employee and such agreement is not a condition of employment;

"(2) such employee incurs no costs for driving, parking, or otherwise maintaining the vehicle of such employer;

"(3) the worksites to which such employee is commuting to or from are within the normal commuting area of the establishment of such employer; and

"(4) such vehicle is of a type that does not impose substantially greater difficulties to drive than the type of vehicle that is normally used by individuals for commuting.".

(b) EFFECTIVE DATE.—The amendment made by subsection (c) shall take effect on the date of enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 (29 U.S.C. 254) to an employee in any civil section brought before such date of enactment but pending on such date.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Wednesday, July 17, 1996, at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1920, a bill to amend the Alaska National Interest Lands Conservation Act, and for other purposes.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Presentation of oral testimony is by committee invitation. For further information, please contact Jo Meuse or Brian Malnak at (202) 224-6730.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Monday, July 8, 1996, at 6 p.m., to hold a closed briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CHURCH ARSON PREVENTION ACT OF 1996

• Mr. FRIST. Mr. President, I rise today to comment on the Church Arson Prevention Act of 1996 which passed this body on June 26, 1996. I applaud the efforts of my colleagues, Senators FAIRCLOTH and KENNEDY, in proposing a quick course of action which will take us one step closer to putting an end to these terrible acts on our Nation's places of worship.

Mr. President, since January 1995, there have been 75 fires in churches nationwide. Thirty-six fires have occurred in predominantly African-American churches in the Southeast United States. Over the past year and a half, there have been several church burnings in my home State of Tennessee, a total of six this year alone. Some of these fires may turn out to be accidents but others were clearly set intentionally. It is my belief that the individuals who set these fires must be prosecuted and punished to the fullest extent possible.

The people of Tennessee have joined together to help heal the deep wounds from the loss of these local churches. Like the people of Tennessee, the people of America demanded that we pass this legislation. H.R. 3525 demonstrates America's commitment to protecting houses of worship across philosophical and geographical boundaries, but more important, it demonstrates that we are united in this effort.

Mr. President, I truly believe that the local authorities are the best resource to investigate and solve these types of crimes. This bill does not undermine, or in any way suggest, that the local authorities are not capable of solving these crimes. Rather, the bill helps to deal with special difficulties involved when criminals move from State to State and where Federal assistance and a Federal statute is needed to adequately resolve the problem.

This bipartisan bill is a tremendous resource to help to rebuild the churches and help law enforcement officials investigate and prosecute those responsible. It has four main components. First, it amends the Federal Criminal Code to make it easier to prosecute cases of destruction of religious property. Currently, in cases of destruction of religious property, there is a requirement that the damage exceed $10,000. Moreover, there is a stringent interstate commerce requirement. This bill eliminates the monetary requirement and replaces the interstate commerce requirement with a more sensible scheme that will expand the scope of a prosecutor's ability to prosecute church arsons and other acts of religious desecration.

The bill also conforms the penalty for church arson and the statute of limitations to that of the Federal arson statute, thus raising the maximum potential penalty for church arson from 10 to 20 years and the statute of limitations from 5 to 7 years.

The bill also gives HUD authority to use up to $5 million from an existing and already appropriated fund to extend loan guarantees to financial institutions who make loans to 501(c)(3) organizations that have been damaged as a result of terrorism or arson.

Mr. President, I applaud the efforts of private corporations and local charitable organizations in their efforts to provide the vital funds necessary to help rebuild many of these churches. I would urge that the people of this great country continue to dig deep into their own pockets, and continue playing a critical role in helping their neighbors to rebuild their local church.

In order to help State and local authorities investigate the crimes, H.R. 3525 authorizes funding for the Treasury and the Justice Department to help train local law enforcement officials investigating church arson.

Mr. President, growing up and raising my family in the South, I understand the role that the local church plays in the lives of the community and in the lives of the people of Tennessee. The burnings in question serve as an attack on one of our Nation's most sacred institutions. We must act now to put an end to these crimes and to bring those responsible to justice.

I applaud my colleagues who joined me in supporting H.R. 3525. Together we are sending a clear statement that this type of crime is unacceptable and those responsible will be severely punished.•

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through June 28, 1996. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1996 concurrent resolution on the budget, House Concurrent Resolution 67, show that current level spending is above the budget resolution by $15.5 billion in budget authority and by $14.3 billion in outlays. Current level is $79 million below the revenue floor in 1996 and $5.5 billion above the revenue floor over the 5 years 1996–2000. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $260.1 billion, $14.4 billion above the maximum deficit amount for 1996 of $245.7 billion.

Since my last report, dated June 4, 1996, there has been no action to change the current level of budget authority, outlays, or revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 8, 1996.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1996 shows the effects of Congressional action on the 1996 budget and is current through June 28, 1996. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated June 3, 1996, there has been no action to change the current level of budget authority, outlays or revenues.

Sincerely,
JAMES L. BLUM
(for June E. O'Neill, Director).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS JUNE 28, 1996

[In billions of dollars]

	Budget resolution H. Con. Res. 67	Current level	Current level over/ under resolution
ON-BUDGET			
Budget authority [1]	1,285.5	1,301.1	15.5
Outlays [1]	1,288.2	1,302.5	14.3
Revenues:			
1996	1,042.5	1,042.4	−0.1
1996–2000	5,691.5	5,697.0	5.5
Deficit	245.7	260.1	14.4
Debt subject to limit	5,210.7	5,073.4	−137.3
OFF-BUDGET			
Social Security outlays:			
1996	299.4	299.4	0.0
1996–2000	1,626.5	1,626.5	0.0
Social Security revenues:			
1996	374.7	374.7	0.0
1996–2000	2,061.0	2,061.0	0.0

Note.—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[1] The discretionary spending limits for budget authority and outlays for the Budget Resolution have been revised pursuant to Section 103(c) of P.L. 104–121, the Contract with America Advancement Act.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2D SESSION—SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996 AS OF CLOSE OF BUSINESS JUNE 28, 1996

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in Previous Sessions			
Revenues	--	--	1,042,557
Permanents and other spending legislation	830,272	798,924	--

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2D SESSION—SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996 AS OF CLOSE OF BUSINESS JUNE 28, 1996—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriation legislation	--	242,052	--
Offsetting receipts	−200,017	−200,017	--
Total previously enacted	630,254	840,958	1,042,557
Enacted in First Session			
Appropriation bills:			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	−100	−885	--
1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19)	22	−3,149	--
Agriculture (P.L. 104–37)	62,602	45,620	--
Defense (P.L. 104–61)	243,301	163,223	--
Energy and Water (P.L. 104–46)	19,336	11,502	--
Legislative Branch (P.L. 105–53)	2,125	1,977	--
Military Construction (P.L. 104–32)	11,177	3,110	--
Transportation (P.L. 104–50)	12,682	11,899	--
Treasury, Postal Service (P.L. 104–52)	23,026	20,530	--
Offsetting receipts	−7,946	−7,946	--
Authorization bills:			
Self-Employed Health Insurance Act (P.L. 104–7)	−18	−18	−101
Alaska Native Claims Settlement Act (P.L. 104–42)	1	1	--
Fishermen's Protective Act Amendments of 1995 (P.L. 104–43)	--	(5)	--
Perishable Agricultural Commodities Act (P.L. 104–48)	1	(5)	1
Alaska Power Administration Sale Act (P.L. 104–58)	−20	−20	--
ICC Termination Act (P.L. 104–88)	--	--	(5)
Total enacted first session	366,191	245,845	−100
Enacted in Second Session			
Appropriation bills:			
Ninth Continuing Resolution (P.L. 104–99) [1]	−1,111	−1,313	--
District of Columbia (P.L. 104–122)	712	712	--
Foreign Operations (P.L. 104–107)	12,104	5,936	--
Offsetting receipts	−44	−44	--
Omnibus Rescission and Appropriations Act of 1996 (P.L. 104–134)	330,746	246,113	--
Offsetting receipts	−63,682	−55,154	--
Authorization bills:			
Gloucester Marine Fisheries Act (P.L. 104–91) [2]	14,054	5,882	--
Smithsonian Institution Commemorative Coin Act (P.L. 104–96)	3	3	--
Saddleback Mountain Arizona Settlement Act (P.L. 104–102)	--	−7	--
Telecommunications Act of 1996 (P.L. 104–104) [3]	--	--	--
Farm Credit System Regulatory Relief (P.L. 104–105)	−1	−1	--
National Defense Authorization Act of 1996 (P.L. 104–106)	369	367	--
Extension of Certain Expiring Authorities of the Department of Veterans Affairs (P.L. 104–110)	−5	−5	--
To award Congressional Gold Medal to Ruth and Billy Graham (P.L. 104–111)	(5)	(5)	--
An Act Providing for Tax Benefits for Armed Forces in Bosnia, Herzegovina, Croatia and Macedonia (P.L. 104–117)	--	--	−38
Contract with America Advancement Act (P.L. 104–121)	−120	−6	--
Agriculture Improvement and Reform Act (P.L. 94–127)	−325	−744	--
Federal Tea Tasters Repeal Act of 1996 (P.L. 104–128)	--	--	(5)
Antiterrorism and Effective Death Penalty Act (P.L. 104–132)	--	--	2
Total enacted second session	292,699	201,740	−36
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	11,913	13,951	--
Total current level [4]	1,301,058	1,302,495	1,042,421
Total budget resolution	1,285,515	1,288,160	1,042,500
Amount remaining:			
Under budget resolution	--	--	79
Over budget resolution	15,543	14,335	--

[1] P.L. 104–99 provides funding for specific appropriated accounts until September 30, 1996.

[2] This bill, also referred to as the sixth continuing resolution for 1996, provides funding until September 30, 1996 for specific appropriated accounts.

[3] The effects of this Act on budget authority, outlays and revenues begin in fiscal year 1997.

[4] In accordance with the Budget Enforcement Act, the total does not include $4,551 million in budget authority and $2,458 million in outlays for funding of emergencies that have been designated as such by the President and the Congress.

[5] Less than $500,000.

Notes: Detail may not add due to rounding.•

COLORADO AVALANCHE BRING STANLEY CUP TO DENVER

• Mr. BROWN. Mr. President, I rise to recognize and congratulate the Colorado Avalanche of the National Hockey League for their endeavors in bringing the Stanley Cup to Denver. In the early-morning hours of June 11, the Avalanche, in the third overtime, were able to defeat the determined Florida Panthers, a team that has worked extremely hard in their 3 years of existence to get to where they are today. The Panthers, even three games behind in the series, had every intention of bringing the Stanley Cup to the Citrus State. No doubt Miami Arena was a popular place in the late-spring Florida heat.

The Avalanche have been playing in Colorado for only 1 year, and already have become the first professional team in Denver to win a major national championship. I expect names like Joe Sakic, Peter Forsberg, and Patrick Roy, will soon join the long list of Colorado's athletic heroes, the likes of John Elway, Andres Galarraga, and Rashaan Salaam.

Coloradans and others in the Rocky Mountain region are used to the cold and identify with athletes who make their living on the ice. The crowd of nearly 450,000 fans which lined 17th Street in Denver to greet their heroes is a testimony to the immense support the Avalanche will enjoy for years to come. We are indeed honored to have our State's name inscribed on the historic Stanley Cup.

I ask that the names of the team members and coaching staff of the Avalanche be printed in the RECORD.

The names follow:

1995–96 COLORADO AVALANCHE

Rene Corbet, Adam Deadmarsh, Shephane Fiset, Adam Foote, Peter Forsberg, Alexei Gusarov, Valeri Kamensky, Mike Keane, Jon Klemm, Uwe Krupp, Sylvain Lefebvre, Claude Lemieux, Curtis Leschyshyn, Troy Murray, Sandis Ozolinsh, Mike Ricci, Patrick Roy, Warren Rychel, Joe Sakic, Chris Simon, Craig Wolanin, Stephane Yelle, and Scott Young.

Head coach: Marc Crawford; assistant coaches: Jacques Martin and Joel Quenneville; goaltending coach: Jacques Cloutier; and general manager: Pierre Lacroix.•

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I had intended to ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 374, H.R. 2337, which is the taxpayers' bill of rights No. 2. I had thought that there was no objection to this, but I understand perhaps there are some amendments that have been committed to with regard to this legislation. Therefore, the Democratic leader indicated that he could not go along with a unanimous-consent request at this time. So I will not propound that request.

But I really regret it, because I do think the taxpayers' bill of rights is something that has bipartisan support. It has been pending now for about 6 weeks or more. It has been sort of caught up in the minimum wage/small business tax relief issue, and I thought since those issues were being unbound here this week that we could take up the taxpayers' bill of rights.

I will discuss that with the leader again to see if we can get a tight time agreement on it.

UNANIMOUS-CONSENT AGREEMENT—S. 1745

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate resume consideration of the Department of Defense authorization bill at 11:30 a.m. on Wednesday, with the remaining 30 minutes of debate in order as previously divided. Further, that the vote occur on passage of the defense bill at 12 noon and that the previously scheduled votes begin immediately following final passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, JULY 9, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, July 9; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day. I also ask unanimous consent that the Senate immediately resume consideration of H.R. 3448, with the time until 12:30 p.m. equally divided between Senators ROTH and MOYNIHAN, or their designees; and further, that the Senate stand in recess between the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I further ask unanimous consent that with regard to the voting sequence beginning at 2:15 p.m. on Tuesday, the Senate first vote be on the Bond amendment No. 4272, to be followed by a vote on the Kennedy amendment No. 4435.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, the Senate will resume consideration of the small business tax package legislation tomorrow morning. Under the order, the Senate will vote on the pending amendments to that bill beginning at 2:15 p.m. on Tuesday. Following the 2:15 p.m. votes, the Senate will begin consideration of S. 295, the TEAM Act, under the provisions of the previous consent agreement. The Senate will recess on Tuesday from 12:30 p.m. to 2:15 p.m. for the policy luncheons.

Also as a reminder, at 10 a.m. on Wednesday, there will be a joint meeting of Congress to hear an address by the Prime Minister of Israel.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:36 p.m., adjourned until Tuesday, July 9, 1996, at 9:30 a.m.

EXTENSIONS OF REMARKS

PUBLIC SERVICE AWARD TO MICHAEL REIDY

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, July 8, 1996

Mr. UNDERWOOD. Mr. Speaker, only two Joel Leff Fellowships at Harvard University's John F. Kennedy School of Government are awarded annually. This prestigious award provides full tuition to two individuals who will participate in an intensive 1-year master's in public administration program. This program was established to cultivate public servants devoted to solving critical economic problems. Selection for Joel Leff Fellows is based upon candidates' past performance and future promise of excellence in political economy problem solving. I am proud to say that a resident of my home district of Guam who meets and even exceeds the fellowship criteria has been awarded one of the two Joel Leff Fellowships for this year. He is Michael J. Reidy, a former senator of the Guam Legislature and a resident of the village of Tamuning.

Mike was elected to the 21st Guam Legislature in 1990, after years of experience as a public servant in various organizations and Government of Guam offices. He began his public sector career as a Peace Corps volunteer. From 1969 to 1971, Mike was stationed in Somalia, East Africa. After a military coup abruptly ended his work there, Mike was transferred to St. Vincent Island in the Caribbean and became a teacher in the Teacher Training Institute. After the Peace Corps, he matriculated into the University of Arizona graduate programs. Mike's tenure with the Government of Guam began in 1974 as a planner for the department of public works. From 1975 to 1978, he worked for the bureau of planning under several titles, as chief planner in 1977 and as acting director from 1977 to 1978. From 1979 to 1980, Mike acted as Special assistant in Gov. Paul M. Calvo's administration for policy and program development. During the 16th Guam Legislature, he served as executive assistant to Speaker Thomas V.C. Tanaka. In 1983, he briefly left the public sector to open Feathers and Fins Pet Store and Island Exhibits aquariums. Mike's appointment as director of the bureau of budget and management research by Governor Joseph F. Ada in 1986 marked his return to the public sector. He held this position until his successful bid for senatorial seat for the 21st Guam Legislature during the 1990 general elections.

Although Mike's public sector experiences are impressive, his talents are not limited to the public policy-making arena. Mike is also a gifted and avid athlete. Natural leadership skills combined with an enthusiasm for sports earned him the honor of being the first president of the Guam National Olympic Committee [GNOC]. Under Mike's tutelage, the International Olympic Games witnessed for the first time in 1988 the notable performances of Guam's finest athletes in Seoul, South Korea. Mike continued to be GNOC's administrator for the next 10 years. It comes to no surprise that he is president of the Guam Amateur Sports Federation since he is also a member of the Guam Water Polo Club and the Guam Running Club. In 1981, he was chairman of the Guam Fishing Derby and also boasts past memberships in the Guam Fisherman's Coop, the Guam Fishing and Boating Association, the Guam Visitor's Bureau and the Guam Accountants' Association.

Mike is one of our most active public servants and intelligent participants in community affairs on Guam. We are very proud of this transplanted Guamanian and congratulate him on this prestigious award as well as his lifetime of service to Guam.

HONORING THE 50TH ANNIVERSARY OF THE SISTERS OF MERCY ON GUAM

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, July 8, 1996

Mr. UNDERWOOD. Mr. Speaker, with honor and appreciation, I commend the Sisters of Mercy of North Carolina in Guam on their 50th anniversary of dedicated and loving service to the people of Guam and the Northern Marianas. The renown of the Sisters of Mercy reaches beyond their reputation as teachers and school administrators on Guam, Saipan, and Rota. Today, their esteemed standing in their Mariana Islands can also be attributed to the quality of performance exemplified in their pastoral, family, youth, and health-care ministries.

The Catholic school system envisioned by His Excellency, the late Apollinaris W. Baumgartner, bishop of Guam, has flourished strikingly since its establishment in the years following World War II, and in these efforts to better the educational upbringing of Guam's children, the Sisters of Mercy have played a prominent role. Since the establishment of the Academy of Our Lady in 1994 by Sister Mary Inez, R.S.M.—my aunt Mary Essie Underwood—the list of Mercy-run schools has expanded to include Bishop Baumgartner Memorial School, in Santa Barbara School, St. Anthony School, Mt. Carmel School in Saipan, San Francisco de Borja School in Rota, Infant of Prague Nursery, and Mercy Heights Nursery. The depth of the commitment of the Sisters of Mercy can hardly be represented by an inventory of accomplishments; rather, it is in their ceaseless dedication to the promotion of Christian values which characterizes their legacy in our fortunate islands.

I happily join with the people of Guam in sending best wishes and a heartfelt Si Yu'os ma'ase. May your jubilee celebration be blessed by the graces of Santa Marian Kamalen.

A TRIBUTE TO THE WESTERN SPRINGS GARDEN CLUB ON ITS 70TH ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 8, 1996

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to an outstanding organization in my district that is celebrating 70 years of dedication in beautifying its community—the Western Springs, IL, Garden Club.

The club founded in 1926 by a group of Western Springs residents dedicated to making the then young community a more livable place. It was chartered with the goals, according to its creed. "To encourage and foster a greater appreciation among our members and neighbors of trees, shrubs, flowers and vegetables and stimulate an interest preserving wildflowers and birds."

On June 29, the Western Springs Garden, a charter member of both the Council of State Garden Clubs, Inc., and the Garden Clubs of Illinois, Inc., will celebrate its seven decades of service at a special Pictorial Stamp Cancellation Ceremony by the Western Springs Post Office.

Mr. Speaker, I salute the Western Springs on its 70th anniversary, and I wish its members many more years of promoting and protecting the natural beauty of its community.

COMMEMORATION FOR 25 YEARS OF ELECTIVE GOVERNORSHIP IN GUAM

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, July 8, 1996

Mr. UNDERWOOD. Mr. Speaker, in my home district of Guam, the right of the governed to elect a Governor from among their own ranks is relatively new. This year marks only the 25th anniversary of the extension of that right to the people of Guam. In commemorating this political milestone, we also pay tribute to the Honorable Carlos G. Camacho, the first native-born son of Guam to earn the trust and confidence of the people of Guam and bear the mantle of executive leadership of the territory. The man and the milestone are inextricably intertwined in the modern political history of Guam.

Since Guam's first gubernatorial election in November 1970 and the start of Governor

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Camacho's administration in January 1971, the people of Guam have proudly and successfully participated in the open election process in six subsequent gubernatorial elections and have celebrated the triumph of democracy in installing six native sons as Governor of Guam. Governor Camacho was followed into office by Governor Ricardo J. Bordallo in 1975. And he by Governor Paul Calvo in 1979. In 1982, Governor Bordallo became the first Governor to win a second term in office. Governor Joseph F. Ada, who served as Lieutenant Governor under Paul M. Calvo, succeeded Governor Bordallo in 1987. He won again in 1991, becoming the first Governor to serve consecutive terms. Last year, Governor Carl T.C. Guiterrez became Guam's seventh elected chief executive.

Although our roster of chief executive is brief in comparison to those of the States, we exalt in the fact that we can add a name to it every 4 years. We, the people of Guam, can and will make those additions. This is the real significance of this silver anniversary. Mr. Speaker, the right of the people of Guam to elect their own Governors is relatively new, but it is highly cherished and enthusiastically exercised. I'm proud to say that our voter turnout rates exceed the national rates by several percentage points. In the 1994 general election, a gubernatorial election year, 85 percent of Guam's registered voters went to the polls.

Our enthusiasm for free elections reflects our continuing desire and commitment to press for political self-determination. Born in the 16th century, at the start of the Spanish colonization of Guam and the Marianas, the desire of the Chamorro people to regain control of their own destiny has been expressed in different ways and taken on different forms, but it has never abated. When armed conflict against the Spanish proved futile, the Chamorro people turned inward, resisting assimilation and steadfastly clinging to their own language, culture and traditions, while under the Spanish yoke.

The dawning of the American Era in Guam in 1898 brought with it the promise of the freedoms, rights, duties and responsibilities of American democracy, as well as the birth of the Chamorro quest for political justice, equality and self-governance under the American flag. Though couched differently at various times, this has been our unchanging theme for nearly a 100 years. As early as 1901, 32 Guam leaders called on the U.S. Federal Government to clarify the political status of the island and its inhabitants. Subsequent efforts were geared toward the acquisition of U.S. citizenship as the means to secure political rights and protection. The passage of the Organic Act of Guam in 1950 satisfied the Guamanian desire of citizenship and civilian governance, but our appetite for true democracy remained sharp and hearty. The signing of the Elective Governorship Act, Public Law 90-497, in 1968, was a major step forward. Although the consent of the governed had yet to be requested, the power of the governed to select a governor had been yielded. Two years later, the people of Guam were granted a nonvoting delegate to the U.S. House of Representatives.

The struggle of the Chamorro people has been long and arduous, the triumph have been hard-won, but our cause is just and our faith in America remains steadfast. And our desire for greater self-government under the American flag is undaunted, even as we wrestle with the contentious issues surrounding the Guam Commonwealth Act. The willingness of the Federal Government to engage with us in frank and honest discussions of these issues strengthens our belief that justice for all will indeed prevail.

In memory of all of Guam's political pioneers, I humbly restate the undying commitment of the people of Guam for political recognition, equality, and greater self-government. In celebrating 25 years of elective governorship, I am proud to acknowledge the pioneering work of Guam's first elected Governor, the Honorable Carlos G. Camacho, who also had the distinction of being Guam's last appointed chief executive, having been appointed by President Richard M. Nixon on July 1, 1969. Governor Camacho piloted the territory through the devastating economic effects of the oil crisis of the 1970's and launched a campaign to encourage outside investment and development in Guam, paving the way for the tourism industry thriving on the island today. He worked to upgrade and improve the island's infrastructure and challenged Guamanian professionals to return home to revitalize and help rebuild Guam's economy. Governor Camacho, who passed away on December 6, 1979, is most affectionately remembered for his trips to the frontlines of Vietnam to visit Guam's men and women in uniform and bring them a touch of home.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 9, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 10

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1877, to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interest in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States.

SD-366

11:00 a.m.

Foreign Relations

To hold hearings on the nomination of Alan Philip Larson, of Virginia, to be Assistant Secretary of State for Economic and Business Affairs.

SD-419

1:00 p.m.

Commission on Security and Cooperation in Europe

To hold hearings to review the Russian election.

2255 Rayburn Building

2:00 p.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress and the Government Printing Office.

S-128, Capitol

JULY 11

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings to examine issues relating to abstinence education.

SD-138

Energy and Natural Resources

To hold oversight hearings on competitive change in the electric power industry, focusing on the FERC wholesale open access transmission rule (Order No. 888).

SD-366

Governmental Affairs

To hold hearings to examine remedies for Internal Revenue Service (IRS) financial management and modernization problems, including technical problems in the IRS tax systems modernization.

SD-342

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Secretary of the Senate and the Sergeant at Arms.

S-128, Capitol

Banking, Housing, and Urban Affairs

To hold hearings on S. 1800, to amend the Electronic Fund Transfer Act to limit fees charged by financial institutions for the use of automatic teller machines.

SD-538

Judiciary

To hold hearings on S. 1740, to defend and protect the institution of marriage.

SD-226

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 1738, to provide for improved access to and use of the Boundary Water Canoe Area Wilderness.

SD-366

3:00 p.m.

Foreign Relations

African Affairs Subcommittee

To hold hearings on issues relating to women in Africa.

SD-419

JULY 16

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the vulnerabilities of national computer information systems and networks, and Federal efforts to promote security within the information infrastructure.
SD–342

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.
SD–138

Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings to examine the new international threat of "date-rape drug" trafficking.
SD–419

JULY 17

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on issues relating to Federal Aviation Administration safety oversight.
SR–253

Energy and Natural Resources
To hold hearings on S. 1920, to amend the Alaska National Interest Lands Conservation Act to strengthen the provisions of the Act and ensure that agencies are fairly implementing the Act.
SD–366

JULY 18

9:30 a.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold hearings on S. 988, to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system, and S. 1805, to provide for the management of Voyageurs National Park.
SD–366

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to review the Federal Reserve's semi-annual monetary policy report (Humphrey-Hawkins).
SH–216

JULY 23

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 1678, to abolish the Department of Energy.
SD–366

JULY 25

9:30 a.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold hearings on S. 1699, to establish the National Cave and Karst Research Institute in the State of New Mexico, S. 1737, to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth Wilderness Area, and S. 1809, entitled the "Aleutian World War II National Historic Areas Act".
SD–366

JULY 30

9:30 a.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 931, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, S. 1564, to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, S. 1565, to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, S. 1649, to extend contracts between the Bureau of Reclamation and irrigation districts in Kansas and Nebraska, and S. 1719, Texas Reclamation Projects Indebtedness Purchase Act.
SD–366

SEPTEMBER 17

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

HOUSE OF REPRESENTATIVES—*Tuesday, July 9, 1996*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Ms. GREENE of Utah].

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Colorado [Mr. HEFLEY] for 5 minutes.

FEDERAL REGULATION IS CONSTRICTING BUSINESS

Mr. HEFLEY. Madam Speaker, I come to the House floor today to talk about a recently released survey conducted by the U.S. Chamber of Commerce regarding Federal regulation and its effect on business. The results of the study are overwhelming and I commend the U.S. Chamber for their efforts.

When you look at the results of this study it's easy to see why so many freshman Republicans were elected in 1994 on the promise of less government.

Duplicative, burdensome regulation of business has caused job loss, lower wages, and in some cases increased the violation of the laws because employers are afraid to consult with the regulators and their gotcha mentality.

This country's largest employer is small business and what this study shows is if we relieve them of many of these unnecessary regulations, we will increase salaries, increase employment, increase productivity, and stimulate the overall economy.

As the study points out, currently the only people who are benefiting from overregulation are the attorneys, accountants, and compliance consultants.

It's kind of like the Federal Government's own form of trickle-down economics. We'll create more regulations which will then create a need for lawyers, bureaucrats, and inspectors. Never mind that we're ruining small businesses. Maybe that's why the trial lawyers are such major contributors to the reelection of the current President.

The most troublesome fact is one that many of us have been stressing for a long time, most recently during the debate over increasing the minimum wage. And that is, ultimately the costs incurred by the employer trying to comply with Federal regulations is passed on to the consumer which as we all know causes inflation.

Additionally, one in six survey respondents reported having to lay off employees in order to offset the costs of compliance. I sincerely hope the U.S. Chamber puts an asterisk or a star or something by that figure on the copies of the study provided to Members who support further necessary regulation.

Only 1 in 10 respondents reported learning about new regulations from the agency who enacted it. So all of the various trade associations and lobbyists are actually people who are simply trying to keep up with the hundreds of new regulations that affect their industry. In other words, the Federal Government is saying, "We'll come up with whatever we want, and it's your job to find out what that is."

Finally, I'd like to talk a little bit about some of the legislative efforts that I personally have, and will, be working on. In fact, when I saw the results of the study it felt as though I was looking at a mirror.

H.R. 707 is designed to reform OSHA in a manner that would move the agency's enforcement capabilities and efforts into more consultation and cooperation. Isn't it funny though how when the Democrats controlled the Congress and bills like mine were introduced the agency never even batted an eye. Now all of the sudden I've got Joe Dear, OSHA's Executive Director, calling my office saying, "We want to work with you." But isn't it amazing that when they are coming up with these regulations they don't want to work with the businesses they are affecting.

H.R. 1047 would encourage for voluntary compliance with environmental rules. Currently, if a company tried to police themselves and a potential environmental problem was found they can't even seek leniency from the Federal Government for trying to fix the problem.

Last, I will soon introduce legislation that will exempt small businesses from many of these unneeded regulations. In short, we need to unchain our system of regulation and let it prosper.

In closing, I think the Chamber is to be commended for their efforts on this study and I think it clearly shows how desperately we need to ease the regulation of our businesses. And I think it's very appropriate to bring this excellent study to the floor today because the other Chamber of this body will be considering raising the minimum wage today, a measure this Chamber passed regretfully I believe. Remember, the best thing about our Federal Government is, it's always there when it needs you.

PRESIDENTIAL CANDIDATE DOLE BOYCOTTING NAACP CONVENTION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized during morning business for 5 minutes.

Ms. NORTON. Madam Speaker, Mr. Bush and Mr. Reagan both went to the conventions of the National Association for the Advancement of Colored People. Why is Mr. Dole boycotting this organization?

I come to the floor not to castigate the putative nominee but to ask him to change his mind. Could it be that the Dole-Canady bill is what is keeping Mr. Dole from attending the convention? That bill, of course, would abolish virtually all forms of affirmative action, and it is a tough sell to the NAACP audience.

On the other hand, I am certain that Mr. Dole would get a very polite reception. After all, it was he who saved goals and timetables in the 1980's. Throughout his career he has been a strong supporter of civil rights. It is certainly important that anyone seeking the Presidency of the United States, upon the invitation of the premier grassroots civil rights organization in the country, accept that invitation.

To be sure, the Dole-Canady bill is a grave disappointment to civil rights supporters. The bill is unnecessary, given what the Supreme Court has done to affirmative action. In order to apply goals and timetables, for example, with respect to women and minorities, there has to be a compelling government interest and goals have to be narrowly tailored, and so far we have not come upon that case, although we surely hope we will soon.

The Dole-Canady bill would not even permit affirmative action when that very narrow test is met, and it would not even allow the Supreme Court to use goals and timetables, for example, if the Court finds that a company had deliberately excluded women because

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

they were women or had deliberately excluded blacks because they were blacks. The Court would be shorn of the ability to monitor progress in making up for that discrimination through the use of goals and timetables.

Interestingly, business says it is going to continue to do affirmative action anyway because it knows that it lives in a country where increasingly women and minorities are the majority in the work force. And, of course, business has used goals and timetables precisely because they protect business from liability. To the extent that they are correcting their own discriminatory practices, they do not face the certain probability of a lawsuit.

Most disappointingly, the Dole-Canady bill would set us back decades because it would allow the exclusion of women for certain jobs based on privacy concerns. Been there, done that, overcome that hurdle, do not need to go there again.

This is a disquieting time for race relations in this country. There is a spate of torching of black churches. This is the time for any man or woman who wishes to lead this country to go to black people and reassure them and their premier organization that the laws will be followed and that the laws will be executed fairly.

I come not to praise Mr. Dole and not yet to criticize him, because the convention is not over, but to say that I think there is still time to go and make an appearance before the NAACP to help dissolve some of the terrible racial polarization that is building up on both sides, because if he does become President, he will surely have to use that bully pulpit in order to try to do what he can on his watch, should it be his watch, to bring this country together racially.

We are all too comfortable in our black and our white sides of the country. This is one country. We have to come together and say that. Read my lips, we are all Americans. This is one country. Anyone who wants to be President of the United States should relish the opportunity to go before the NAACP and say those words.

FREEDOM RALLY IN OMAHA, NE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Nebraska [Mr. CHRISTENSEN] is recognized during morning business for 5 minutes.

Mr. CHRISTENSEN. Madam Speaker, I would like to take a moment to talk about an event we had this week in Omaha, NE, over the Fourth of July holiday. We celebrated what was called the Freedom Rally.

In a day of increasing cynicism, the Freedom Rally was intended to bring people together in a moment of faith. It was intended to honor our Nation, and it was also intended to honor a very special man, Pastor Elmer Murdoch. Pastor Murdoch and his wife Nancy founded Trinity Interdenominational Church over two decades ago. That church has grown to the ministry size of over 3,000 people.

The event was led by Pastor Al Toledo of Glad Tidings Church. We heard inspirational music by Wayne Watson and the uplifting words of African-American Kay James, who rose from the projects of Richmond, VA, to the corridors of the White House, where she last worked, and currently serves the State of Virginia as secretary of Health and Human Services there.

The Freedom Rally was a great success. The Governor of Nebraska was there, the mayor, myself, local officials. It was truly a bipartisan event where pastors and people of all of Nebraska came and prayed together for our country, prayed over the elected officials. It was truly an inspiring opportunity for all of us.

During that time Kay James had an opportunity to read during her speech a poem called "I Am a Nation," which formed the central theme of the Freedom Rally. I would like to enter into the RECORD "I Am a Nation." I do not know who it was written by, but I believe it echoes the sentiment of our country.

As a nation we face tremendous challenges. We face ever mounting debt that is strangling our future. We face terrifying crime that is dominating our streets. That is why on the Fourth of July we come together to commit to work hard to change our country.

We came together because we dream of the day when this country will no longer be spending away its children's futures. We dream of a day when out of control courts, and slick, rich criminal trial lawyers no longer seek to manipulate our justice system to free the guilty through legal loopholes. We want a country where children can play in parks again without fear and where adults can walk across those parks at night with ease, where working people are praised and not penalized by their Government. We want a country where the American dream is within everyone's reach.

At the Freedom Rally, we recognized that together we can put the country back on the right track. Together, with prayer, we can save the American dream. This Fourth of July our Nation came together to reaffirm its belief in its founding tenets. The Freedom Rally was one beacon of light in that great display. It was truly a privilege and an honor to be there and to serve the State of Nebraska and the Second District as its elected representative.

Madam Speaker, in addition to my thoughts on this past Independence Day weekend, today in the Senate they are discussing the minimum wage. I ran across a great article by a man from my district in the American Enterprise. Recently at a public hearing held by the Joint Economic Committee of the U.S. Congress, entrepreneur and Godfather chairman, Herman Cain, delivered an interesting argument against the minimum wage hike.

□ 1245

Herman Cain is probably most recognized for his taking on the Big Government health care, socialized health care program that Hillary and Bill Clinton tried to get through a couple of years ago. He took on the President in a debate that I think everyone recognizes as the keystone argument that probably defeated this bad idea to nationalize one-seventh of our economy.

Now Herman Cain has written this article about how forcing up the minimum wage hurts those who need the help the most. I would like to enter it into the RECORD, as well, so that everybody across this country would have an opportunity to read what Herman Cain says about the minimum wage.

Madam Speaker, I include the following for the RECORD:

I am a nation. I was born on July 4, 1776, and the Declaration of Independence is my birth certificate. The bloodlines of the world run in my veins, because I offered freedom to the oppressed. I am many things, and many people. I am the nation.

I am 250 million living souls—and the ghost of millions who have lived and died for me.

I am Nathan Hale and Paul Revere. I stood at Lexington and fired the shot heard around the world. I am Washington, Jefferson and Patrick Henry. I am John Paul Jones, the Green Mountain Boys and Davy Crockett. I am Lee and Grant and Abe Lincoln.

I remember the Alamo, the Maine, and Pearl Harbor. When freedom called I answered and stayed until it was over, over there. I lift my heroic dead in Flanders Fields, on the rock of Corregidor on the bleak slopes of Korea, in the steaming jungle of Vietnam, and in the desert sands of Saudi Arabia.

I am the Brooklyn Bridge, the wheat lands of Kansas and the granite hills of Vermont. I am the coal fields of the Virginias and Pennsylvania, the fertile lands of the West, the Golden Gate and Grand Canyon. I am Independence Hall, the Monitor and the Merrimac.

I am big. I sprawl from the Atlantic to the Pacific . . . my arms reach out to embrace Alaska and Hawaii . . . 3 million square miles throbbing with industry. I am more than 5 million farms. I am forest, field, mountain and desert. I am quiet villages and cities that never sleep.

I am Eli Whitney and Stephen Foster. I am Tom Edison, Albert Einstein and Billy Graham. I am Horace Greeley, Will Rogers and the Wright brothers. I am George Washington Carver, Daniel Webster and Jonas Salk.

Yes, I am the nation, and these are the things that I am. I was conceived in freedom and God willing in freedom I will spend the rest of my days.

May I possess always the integrity, the courage and the strength to keep myself unshackled, to remain a citadel of freedom and a beacon of hope to the world.

This is my wish, my goal, my prayer in this year of 1996, two hundred and twenty years after I was born.

HOW FORCING UP THE MINIMUM WAGE HURTS THOSE WHO NEED HELP MOST

My name is Herman Cain. I am President of Godfather's Pizza, Inc., a 525-unit pizza restaurant chain headquartered in Omaha, Nebraska. I am also President of the National Restaurant Association.

There are nearly 740,000 food service units in this country, including everything from fast-food chains to fine-dining restaurants. We are an industry dominated by small businesses, and we employ a diverse workforce of over nine million people. Our employees are white, African-American, Hispanic-American, Asian-American, and more. We expect to employ 12.5 million by the year 2005, with the fastest growth coming in the category of food service managers. More than 30 percent of Americans under age 35 had their first job in the restaurant industry. Restaurants offer an important boost into the job market for millions, as well as a clearly defined career path for those willing to work hard and stay in the business.

There are numerous reasons why I firmly believe a minimum-wage increase is attacking the wrong problem. Allow me to list the three reasons I believe to be most important.

First, mandated wage increases reduce entry-level job opportunities.

A few weeks ago, a colleague in Oregon told me about a homeless 17-year-old he hired in the mid-1980s. He gave the teenager a job chopping lettuce, deveining shrimp, and sweeping floors. That 17-year-old has worked his way up: He's now the executive chef at the restaurant. But the job that brought him into the business no longer exists. When Oregon raised its minimum wage a few years ago and the restaurant owner looked for ways to cut costs, this job was one of the first to go. Now, my colleague buys lettuce already chopped from a nearby automated facility.

It's a good example of the split personality of the minimum wage. When you make it more expensive to hire people who lack basic work skills and experience, you risk shutting them out of the workforce.

My second point: A minimum-wage increase jeopardizes existing jobs by threatening businesses that may be marginally profitable. In my case, for example, Godfather's Pizza, Inc., has nearly 150 company-owned and operated units, and a few of them are either marginally profitable or not profitable at all. If you raise costs for the many thousands of enterprises like these, you risk shutting their doors permanently.

When you're running a restaurant that's on the edge, you're scrutinizing every penny. Can ninety cents an hour put me under? It could. Maybe not by itself—but when labor accounts for about 30 percent of my expenses, second only to my food costs, a mandated wage increase is one more factor tipping the balance. A mandated wage increase triggers wage inflation by rippling up through the entire wage spectrum and by causing increases in payroll-related expenses like FICA taxes.

Some people would say "Just raise your prices." It doesn't work that way. In a competitive market, that's the fastest way to drive away customers with limited discretionary income. That can close a business fast.

My third point: A minimum-wage increase is an ineffective way to raise someone out of poverty. Most minimum-wage earners are part-time workers under age 25—mostly first-time workers, students, people holding down second jobs or supplementing the income of their household's primary earner. In my restaurants, for example, nine out of ten of my hourly employees choose to work less than 35 hours a week—even though full-time work is available. These are not the poor people policymakers most want to help. By shooting wide and hoping to hit the right target, you're taking a gamble with harmful side effects.

The best way to lift a family out of poverty is to get people into the job market and give them a chance to acquire skills. I think of my father, who worked three jobs until he was skilled enough to cut back to two jobs, and who kept going until his skills were good enough that he could support us on one hourly job.

There are other dangers with a minimum-wage increase. Like the fact that a federal mandate prescribes the same wage for a mom-and-pop restaurant in rural Nebraska as it does for a restaurant located in a high-cost-of-living metro area. It's not a good idea to try to overrule the laws of supply and demand that do a pretty good job of setting local wages according to the specific conditions of specific markets.

Congress has recently been playing close attention to the state and local officials—Democrats and Republicans alike—who say "enough is enough" when it comes to picking up the tab for unfunded federal mandates. Please give businesses the same hearing: An increase in the minimum wage is also an unfunded federal mandate. Someone has to pay—and it's usually the entry-level employee.

I urge you to look deeper for solutions. Some people lack the skills to make them competitive for entry-level employment. This is why we have tax credits to encourage businesses to hire employees who typically have a hard time gaining a foothold in the job market. This is why politicians are setting up empowerment zones to help businesses hire in impoverished areas. These programs rightly recognize that some workers may be overlooked if it gets too expensive for a business to hire them. Congress should be looking for ways to encourage people to work, and businesses to hire, instead of making it more expensive for employers to give the low-skilled a job.

You're getting a good dose of information lately on the theories behind successful welfare reform. In businesses like ours, real life crowds out theory. While our main expertise is in getting out good meals at good prices, as entry-level employers we've also become fairly expert at finding ways to help millions of troubled teens and troubled adults get beyond some daunting barriers to employment. We see that real entry-level jobs provide training in the fundamentals—reliability and teamwork, to name just two—and thereby yield long-term social payoffs that don't come in any other way.

Right now we have more than four million people earning the minimum wage in this country, 7½ million unemployed persons, and nine million adults receiving welfare payments. Tackle the right problems first. Focus on creating more jobs, not on raising the cost of entry-level employment and eliminating existing jobs. A minimum-wage increase doesn't attack the right problem. I urge you to reject it.

FACT AND FICTION ON THE MINIMUM WAGE

Minimum-wage workers are the most vulnerable Americans, right?

Actually, more adults who earn the minimum wage live in families with over $30,000 in annual income than live in families making under $10,000. Over all 22 percent of minimum wage earners are poor. The majority of poor Americans don't work at all, at any wage.

Minimum-wage work is undignified.

Fifty-five percent of minimum-wage workers are youths age 16–24. Many of these live with their parents. Only 2 percent of workers age 25 or older are paid the minimum wage.

You can't raise a family on the minimum wage.

Few have to: 89 percent of all workers now making less than the proposed minimum have no spouse or child depending on them as sole breadwinner. Of these, 44 percent are single individuals living with their parents or other family member, 22 percent are single individuals living alone, and 23 percent have a spouse with a paying job.

Minimum-wage jobs are a dead end.

Sixty-three percent of minimum-wage workers earn higher wages within 12 months. Seventy percent of the restaurant managers at McDonald's, plus a majority of the firm's middle and senior management, began in hourly positions. (This includes CEO Ed Rensi, who started at 85 cents an hour in 1965.)

Sources: U.S. Bureau of Labor Statistics: Employment Policy Foundation; Wall Street Journal; Industrial Relations and Labor Review.

INCREASE THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Madam Speaker, I just wanted to make reference to my colleague, who I greatly respect, who just spoke from the other side of the aisle to point out that we continue to see many Republicans, and most importantly I would say the Republican leadership here in the House, and to some extent also in the Senate, that continue to oppose raising the minimum wage. Although I respect what my colleague from Nebraska has said, I think it is very wrong to suggest that somehow raising the minimum wage is not going to help the average American wage earner who lives on it.

The bottom line is that we have seen over and over again, and most importantly in my home State of New Jersey, where the minimum wage was raised a few years ago to the level that we are now or somewhat close to the level that we are now proposing in Congress, and the result was that minimum wage workers actually had their wages increased, were able to go out and buy more goods, and more services had to be provided to them. Jobs in the State of New Jersey actually increased so that there were more economic opportunities, more work opportunities for jobs created in our State because of the increase in the minimum wage.

So this notion that somehow raising the minimum wage is going to decrease jobs and put people on the street and not help those who are now dependent on the minimum wage, I think is just a false issue. Clearly, the statistics show that that is a false issue.

I think this is important today because on the other side of the Capitol, in the Senate, they will be taking up the minimum wage. I am hopeful that crippling amendments that are being proposed again by various Republicans, that would create huge loopholes in the increase in the minimum wage for certain workers, that these crippling amendments do not pass, because over the last 6 months and over the last year the American people have basically been petitioning Congress and stating over and over again they they want an increase in the minimum wage.

That is the only reason that this is being brought to the floor of the Senate today, not because of the Republican leadership, who consistently opposed it here in the House and in the Senate, but because the American people have spoken out and said they want an increase. They want a livable wage for people who are working at a minimum wage level.

It would be a shame if crippling amendments, mostly coming from big business, were to pass. That would exempt a lot of workers in various categories from this minimum wage increase. I hope that that does not happen.

Madam Speaker, I have been outraged from the very beginning at the constant effort by the Republican leadership here in the House to deny millions of working Americans the opportunity to earn a livable wage. We have had a debate in the House, and now the same debate is happening in the Senate, with two constant themes.

First is that Republicans will do everything they can to fight for big business special interests and try to water down a minimum wage increase. It is the Democrats who continue to fight for the hard-working Americans who need an increase in the minimum wage to provide for their families.

Madam Speaker, the Republican leadership has used many different schemes and ploys to fight an increase in the minimum wage. First was the majority leader in the House who proposed doing away with the minimum wage altogether. Then in March of this year Republicans in the House used a parliamentary procedure to stop a vote calling for a modest increase in the minimum wage.

But gradually, Americans all over the country began to put pressure on the Republican leadership here in the House to at least have a vote on the issue, to let the vote occur. The Republican leadership, however, continued to persist as long as they could in preventing a vote. But finally the so-called moderate wing of the Republican party, many of whom were from my home State or from the Northeast, broke with their leadership and expressed support for the Democratic proposal on the minimum wage.

So we finally did have a vote, but if you listen to some of the dialog on the other side, if you listen to some of the ideology—as I said, some of it was expressed by my colleague from Nebraska today—you hear this constant theme that somehow this is not good for the average American.

According to the majority whip in the House, no one is actually raising a family on the $4.25 an hour that is currently the minimum wage law. The majority whip used the addition of food stamps and the earned income tax credit to show that a single parent with two children could earn much more than the $8,800 a year that is provided for in the minimum wage.

But the bottom line is that even with food stamps, even with the earned income tax credit, which many in the House Republican leadership oppose, it is very, very difficult if not impossible for someone today to live and raise a family on the minimum wage. That is why we need to have a vote on this issue, and that is why we need to have it passed in the Senate today, sent back to the House, and signed into law by the President, who supports the increase.

RECESS

The SPEAKER pro tempore (Ms. GREENE of Utah). Pursuant to clause 12 of rule I, the House stands in recess until 2 p.m.

Accordingly (at 12 o'clock and 51 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. SHAW] at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, that our prayers can express the essential emotions and ideas of the human spirit, that we are free to call upon You in all the moments of life—for better or worse, for richer or poorer, in sickness and in health. And so we call upon You this day from the secret places of our own hearts asking that You would bless us when we need blessing and forgive us when we need forgiving. Above all else, we pray for Your presence in our lives day by day and for Your spirit that nurtures us with the good graces of life. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina [Mr. JONES] come forward and lead the House in the Pledge of Allegiance.

Mr. JONES led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF EMPLOYEE TO REVIEW PANEL OF THE OFFICE OF FAIR EMPLOYMENT PRACTICES

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of rule LI, the Chair announces the Speaker's appointment to the review panel of the Office of Fair Employment Practices the following employee of the House of Representatives to fill the existing vacancy thereon:

Mr. Alan F. Coffey, Jr., General Counsel and Staff Director of the Committee on the Judiciary.

There was no objection.

COMMUNICATION FROM THE HONORABLE C.W. BILL YOUNG, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable C.W. BILL YOUNG, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, July 8, 1996.

Hon. NEWT GINGRICH,
Speaker of the House, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House, that the office of Congressman BILL YOUNG has been served with a subpoena issued by the United States District Court for the Middle District of Florida.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedence of the House.

With best wishes and personal regards, I am

Very truly yours,
C.W. BILL YOUNG,
Member of Congress.

BILL CLINTON IS AWOL IN WAR ON DRUGS

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, several surveys over the last few months have shown a steep increase in drug use by teenagers over the last 3 years. The Household Survey on Drug Abuse shows a 137-percent increase among 12- and 13-year-olds. LSD and crack cocaine use among teens has also gone through the roof. More children are becoming addicted to drugs earlier and in larger numbers than ever before.

Republicans have responded to this problem. Through appropriations, we have provided law enforcement agencies with the resources to combat the war on drugs. Bill Clinton, on the other hand, has turned a blind eye. In 1993, just days after taking office, Clinton fired 80 percent of the staff at the Office of National Drug Policy; he slashed interdiction efforts by 25 percent; and he appointed left-wing judges far outside the mainstream of American life.

In this election year, Bill Clinton will say anything to hide the fact that he has been AWOL in the war on drugs.

CABLE'S HIGH SPEED EDUCATION CONNECTION

(Mr. MANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MANTON. Mr. Speaker, I rise today to salute the cable television industry for its latest educational initiative to provide elementary and secondary schools across the country with access to the Internet using high speed cable modems. Demonstrating its ongoing commitment to education, the industry is providing this extraordinary service free of charge.

Cable modems can provide data transmission up to 1,000 times faster than transmission over ordinary twisted copper phone lines. Information that takes more than one hour to download using a typical modem can be done in just seconds using a cable modem.

This high-speed digital access to the information superhighway will provide enormous benefits to our Nation's schoolchildren. As cable rolls out this technology in communities across the country, your local school library will be electronically transformed into the Library of Congress, the National Archives, and a source of unlimited information—and at no cost to the school or the taxpayer.

In conclusion, I want to commend the cable industry for its efforts to make certain that America's educational system has the benefit of the most advanced telecommunications technology.

THE WAR ON DRUGS NEEDS MORE THAN A 2-DAY SUMMIT

(Mr. JONES asked and was given permission to address the House for 1 minute.)

Mr. JONES. Mr. Speaker, my fellow colleagues and I are well aware of the danger and tremendous problems that drugs pose on our society.

What America needs is a sound and tough drug policy to fight this threat to society. Mr. Speaker, what America doesn't need is more election-year political posturing.

Today and tomorrow, the Clinton administration is sponsoring a 2-day summit. This is just one way the White House is attempting to fool the American public, that they are committed to the war on drugs.

Mr. Speaker, if the Clinton administration was actually serious about fighting drugs, they would have asked their New York judge to resign after he freed an admitted drug runner and refused to allow 75 pounds of cocaine to be used as evidence.

Mr. Speaker, the Republican commonsense approach to the war on drugs is simple and effective. Give law enforcement the funding for resources necessary to fight this problem, not a 2-day summit on border patrols.

LEAN AND MEAN RIPOFF

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, we know there is big money in health care, but this deal breaks the bank. U.S. Healthcare is merging with Aetna, a $9 billion deal that they say will make the company lean and mean and they will be able to pass on huge savings to consumers. Spare me, Mr. Speaker. I do not see any lean and mean in sight. What I see is fat, fat and filthy rich.

Check this out. The new chairman, Len Abramson, will make $1 billion, $1 billion in cash and stocks. If that is not enough to irritate your gallbladder, he will have two copresidents, and they will make millions of dollars more so they make sure the company is lean and mean. Beam me up. These nickel slicks must think that all Americans were born yesterday.

The truth is these big fat cats are simply mean, and the only lean out there will be the downsized laid-off health care workers trying to make a mortgage payment.

I yield back the balance of any more of this ripoff.

THE PRESIDENT AND THE WAR ON DRUGS

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute.)

Mr. FUNDERBURK. Mr. Speaker, Bill Clinton is using tobacco as a politically correct whipping boy while he ignores marijuana, cocaine and heroin trafficking and the crime associated with it. Teenage marijuana use has more than doubled on Bill Clinton's watch, but it is no surprise that kids are inhaling under this administration.

Just days after taking office, the President cut the office of the drug czar by 80 percent. In its first 3 years he eliminated 227 agent positions for the DEA. We all remember his Surgeon General, Joycelyn Elders, who talked about legalizing cocaine.

I would say to the President, Mr. Speaker, Mr. President, you can continue to attack an adult legal product which is the livelihood of thousands of hard-working farmers in North Carolina, but you cannot hide the fact that illegal drug use among teenagers have skyrocketed. You have proven to the Hollywood elite you are serious about stopping smoking. Now, Mr. President, convince the American public you are serious about stopping drugs.

ONE STEP CLOSER TO INCREASING THE MINIMUM WAGE

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, today millions of working Americans can come one step closer to earning a livable wage. The Senate will finally vote on increasing the minimum wage. After months of blocking Democratic attempts to vote on raising the minimum wage, the Senate Republican leaders will finally allow a vote.

But this vote for working Americans does not come easy. As payment, the Senate Republicans will attempt to attach an amendment that will destroy this minimum wage increase. The Republican amendment would delay the implementation in the increase, freeze the minimum wage for those people who work in restaurants and also exempt millions of people from having any increase.

Republicans have no real interest in helping the millions of working Americans because these exemptions will prevent millions of hard-working Americans from earning a livable wage.

American families are working harder than ever. It is tough to get by when working full time for minimum wage does not put enough money in your pocket to put bread on your table.

I ask my colleagues in the other Chamber not to prevent these hard-working American families from earning a livable wage. Support work, not welfare.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members should refrain from making references to proceedings in the other body.

THE MINIMUM WAGE VOTE

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, I wanted to make reference today that the other body is going to be voting today on this much overdue increase in the minimum wage.

I just wanted to point out some of the lessons we learned in the House while debating this issue. No. 1 is that the American people want a raise in the minimum wage for everyone and they want it now. We learned that lesson every time the Republicans proposed amendments in the House to defeat the bill.

Now the Senate is trying to resurrect some of the same amendments defeated in the House. One amendment offered by the Senate Small Business Committee chairman will delay implementation of the wage hike by 6 months. His amendment will also exempt small business from the increase, denying 6,000,000 American workers a living wage. This is a cruel hoax to play on those who need an increase in the minimum wage the most.

Mr. Speaker, the President will veto this bill if it comes to his desk with these poison pill amendments. I urge the Republicans in the Senate to learn from the House. The American people want an increase in the minimum wage, and it will save us a lot of time and money if they simply vote for an increase in the minimum wage and leave out all the destructive amendments.

FOREIGN ASSISTANCE ACT OF 1961 AND ARMS EXPORT CONTROL ACT AMENDMENTS

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3121) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 2, in the table of contents relating to Chapter 1, strike out "AND" and insert: "AND"

Page 2, in the table of contents relating to Chapter 4, after "4—" insert: "INTERNATIONAL"

Page 2, in the table of contents, strike out:

"Sec. 148. Certification thresholds."

and insert:

"Sec. 148. Annual military assistance report."

Page 2, in the table of contents relating to section 152 strike out "arms export control act" and insert: "Arms Export Control Act"

Page 3, in the table of contents relating to section 154 after "under" insert: "the"

Page 3, in the table of contents, after the line relating to section 154 insert:

"Sec. 155. Publication of arms sales certifications."

"Sec. 156. Release of information."

"Sec. 157. Repeal of termination of provisions of the Nuclear Proliferation Prevention Act of 1994; Presidential determinations."

Page 4, lines 24 and 25, strike out "the second"

Page 4, line 25, after "25" insert: , "as added by section 112(b) of Public law 99-83"

Page 5, line 20, strike out "new paragraph"

Page 9, after "TRANSFERS.—" insert: "(1)"

Page 10, line 1, strike out "(1)" and insert: "(A)"

Page 10, line 3, strike out "(2)" and insert: "(B)"

Page 10, line 6, strike out "(3)" and insert: "(C)"

Page 10, line 9, strike out "(4)" and insert: "(D)"

Page 10, line 17, strike out "(5)" and insert: "(E)"

Page 10, line 24, strike out "(6)" and insert: "(F)" Page 11, after line 2, insert:

"(2) Accordingly, for the four-year period beginning on October 1, 1996, the President shall ensure that excess defense articles offered to Greece and Turkey under this section will be made available consistent with the manner in which the President made available such excess defense articles during the four-year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990."

Page 12, line 11, strike out "part II" and insert: "this part"

Page 13, line 5, strike out "15" and insert: "30"

Page 16, line 4, after "1961," insert: "as added by this Act,"

Page 18, line 17, after "2761" insert: "(a)(1)(C)"

Page 21, line 4, after "4—" insert: "INTERNATIONAL"

Page 21, line 15, strike out "new subparagraph"

Page 24, line 7, strike out "2394" and insert: "2394-1"

Page 25, line 2, strike out "2394" and insert: "2394-1"

Page 32, line 8, strike out "out the"

Page 32, line 11, strike out "in lieu thereof"

Page 35, line 10, strike out "(a)" and insert: "(A)"

Page 37, strike out all after line 18, over to and including line 21 on page 38

Page 38, after line 21, insert:

"SEC. 148. ANNUAL MILITARY ASSISTANCE REPORT.

"Section 655 of the Foreign Assistance Act of 1961 (22 U.S.C. 2415) is amended to read as follows:

"SEC. 655. ANNUAL MILITARY ASSISTANCE REPORT.

"(a) REPORT REQUIRED.—Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30.

"(b) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military education and training authorized by the United States, excluding that which is pursuant to activities reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

"(1) were furnished by grant under chapter 2 or chapter 5 of part II of this Act or under any other authority of law or by sale under chapter 2 of the Arms Export Control Act; or

"(2) were licensed for export under section 38 of the Arms Export Control Act.

"(c) INFORMATION RELATING TO MILITARY IMPORTS.—Each such report shall also include the total amount of military items manufactured outside the United States that were imported into the United States during the fiscal year covered by the report. For each country of origin of the report shall show the type of item being imported and the total amount of the items.".

Page 38, line 24, strike out "as amended by this Act,"

Page 39, line 1 strike out "further"

Page 49, line 16, after "**UNDER**" insert: "**THE**"

Page 49, after line 21, insert:

SEC. 155. PUBLICATION OF ARMS SALES CERTIFICATIONS.

Section 36 of the Arms Export Control Act (22 U.S.C. 2776) is amended by adding at the end the following new subsection:

"(e) The President shall cause to be published in the Federal Register, upon transmittal to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, the full unclassified text of each numbered certification submitted pursuant to subsection (b) and each notification of a proposed commercial sale submitted under subsection (c).".

SEC. 156. RELEASE OF INFORMATION.

Section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) is amended by inserting in the first sentence before the period at the end the following: ", except that the names of the countries and the types and quantities of defense articles for which licenses are issued under this section shall not be withheld from public disclosure unless the President determines that the release of such information would be contrary to the national interest".

SEC. 157. REPEAL OF TERMINATION OF PROVISIONS OF THE NUCLEAR PROLIFERATION PREVENTION ACT OF 1994; PRESIDENTIAL DETERMINATIONS.

"(a) REPEAL.—Part D of the Nuclear Proliferation Prevention Act of 1994 (part D of title VIII of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995; Public Law 103-236; 108 Stat. 525) is hereby repealed.

"(b) JUDICIAL REVIEW.—Section 824 of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C. 3201 note) is amended—

"(1) in subsection (c), by striking "in writing after opportunity for a hearing on the record";

"(2) by striking subsection (e); and

"(3) by redesignating subsections (f) through (k) as subsections (e) through (j), respectively.

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from New York?

Mr. HAMILTON. Mr. Speaker, reserving the right to object, I do not intend to object but I would like to yield to the chairman from an explanation of the bill.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I appreciate the gentleman yielding to me to express my strong support of H.R. 3121 to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, as amended by the Senate, and to urge that the House pass this bill and send it on to the President for his signature.

This legislation represents the first comprehensive revision of the basic authorities of U.S. security assistance programs in over 10 years. It will improve the way in which the President conducts security assistance programs. It is long overdue.

I want to express my appreciation to the ranking Democratic member, the gentleman from Indiana [Mr. HAMILTON], for his long-standing support for this legislation. As we both know, we have endeavored over the years on many legislative fronts to enact these provisions and it is gratifying that we finally have a bill that will become public law.

I also want to thank the chairman of the Senate Foreign Relations Committee and the ranking minority members for shepherding this measure through the Foreign Relations Committee and then the Senate floor. I would particularly like to commend two of their staff, Chris Walker and Diana Ohlbaum, for their good work.

On April 16, 1996, the House approved H.R. 3121 by voice vote. The Senate passed the measure on June 27, 1996 by voice vote, following consideration by the Senate Foreign Relations Committee on June 26, 1996.

The Senate amendments entail seven substantive modifications to the bill, all but two in the form of additional executive branch reporting requirements on military assistance and sales. I support the increased congressional reporting requirements and public disclosure provided by the Senate amendments, as they will help to improve the transparency of arm transfers and aid the Congress' oversight role with regard to such transfers.

I do recognize however that these additional reporting requirements place increased burdens upon the executive branch and therefore the benefits of the new reporting requirements must justify the costs they impose. I believe that the Senate amendments meet this test. I therefore urge my colleagues to approve this bill with the Senate amendments.

I do want to indicate that the Department of Defense has expressed reservations about the utility and costs of complying with the reporting requirement established by section 148 of the bill. DOD interprets the language as requiring a report on defense articles and services authorized to foreign governments and international organizations for any purpose and under any authority of law.

I want to assure DOD that the purpose of the reporting requirement in section 148, as negotiated with the Senate and as suggested by the title of the section "Annual Military Assistance Report," is to obtain a report which details defense articles and defense services provided for military assistance purposes. I would like to make clear that I would support efforts subsequent to enactment of this bill to modify the provision to ensure the language of the provision squares with the its intent as agreed to by its authors, should that be necessary.

In addition to the new reporting requirements, the Senate made two additional modifications. The first would renew for another 4-year period the current law requirement that the President, when offering excess defense articles on a grant basis to Greece and Turkey do so in accordance with the 7-to-10 ratio. This same requirement as included in the fiscal year 1997 foreign operations appropriations bill passed by the House on June 11, 1996.

The second modification to the bill was to add a provision to the bill which permanently extends the Nuclear Proliferation Prevention Act of 1994 thereby ensuring that this important law remains in place as a much needed part of our sanctions regime.

The purpose of title I of this bill is to amend authorities under the Foreign Assistance Act [FAA] of 1961, as amended, and the Arms Export Control Act [AECA] to revise and consolidate defense and security assistance authorities, in particular by updating policy and statutory authorities. The genesis of this effort began nearly 7 years ago with H.R. 2655, the International Cooperation Act of 1989. Subsequent legislation by the then Committee on Foreign Affairs, including H.R. 2508, the International Cooperation Act of 1991, and later bills, continued efforts to amend and update these important authorities.

On June 8, 1993, the House of Representatives passed H.R. 1561, the American Overseas Interests Act of 1995, by a vote of 222 to 192. Title XXXI of division C, the Foreign Aid Reduction Act of 1995, was dedicated to defense and security assistance provisions. On March 12, 1996, the House of Representatives agreed to the conference report on H.R. 1561 by a vote of 226 to 172. The conference report did not include provisions from division C of the House-passed bill.

This legislation, H.R. 3121, continues the effort by the Committee on International Relations to amend the FAA and AECA to make improvements to defense and security assistance provisions under those acts. The provisions included in title I of this bill are nearly identical to title XXXI of H.R. 1561 and are the product of bipartisan effort and cooperation and enjoy the strong support of the Departments of State and Defense.

Central to consideration of this bill is the committee's view that this legislation fulfills its responsibilities as an authorizing committee. Specifically, this legislation codifies in permanent law authorizing language which has been too long carried on annual appropriation measures. In that regard, I would like to express my appreciation to the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, Committee on Appropriations, the Congressman from Alabama, Mr. CALLAHAN, for his cooperation in working with the Committee on International Relations to ensure that authorizing provisions contained in this bill were not included in the fiscal year 1997 House-passed foreign operations measure. I would particularly like to single out Bill Inglee of Chairman CALLAHAN's staff for his help and cooperation.

Title I of this bill is organized by chapter as follows:

Chapter 1 modifies applicable provisions on terms and criteria of financing assistance, including drawdown authorities and a rewrite of the excess defense article authority.

Chapter 2 modifies terms of assistance for the international military education and training [IMET] program and includes language limiting Indonesia to E-IMET assistance.

Chapter 3 clarifies current law authorities under which Antiterrorism assistance is provided.

Chapter 4 modifies authorities under which assistance for international narcotics is provided.

Chapter 5 deals with general provisions regarding military assistance including approval of third-country transfers, standardization of congressional review procedures for arms sales, definitions, arms sales certification thresholds, designation of major non-NATO allies, end-use monitoring, and other miscellaneous issues.

The purpose of title II of this bill is to authorize the transfer of naval vessels to certain foreign countries pursuant to the administration's request of January 29, 1996.

Legislation authorizing the proposed transfer of these ships is required by section 7307(b)(1) of Title 10, United States Code, which provides in relevant part that "a naval vessel in excess of 3,000 tons or less than 20 years of age may not be sold, leased, granted * * * or otherwise disposed of to another nation unless the disposition of that vessel is approved by law * * *." Each naval vessel proposed for transfer under this legislation displaces in excess of 3,000 tons and/or is less than 20 years of age and therefore the Committee must act.

Title II of this bill authorizes the transfer of 10 naval vessels—8 sales, 1 lease, 1 grant—to the following countries:

To the Government of Egypt: One *Oliver Hazard Perry* class frigate *Gallery* (FFG 26); sale, $47.2 million.

To the Government of Mexico: Two *Knox* class frigates: *Stein* (FF 1065) and *Marvin Shields* (FF 1066); sale, $5.9 million.

To the Government of New Zealand: One *Stalwart* class ocean surveillance ship: *Tenacious* (T-AGOS 17); sale, $7.7 million.

To the Government of Portugal: One *Stalwart* class ocean surveillance ship: *Audacious* (T-AGOS 11); grant, $13.7 million.

To Taiwan (the Taipai Economic and Cultural Representative Office in the United States): Three *Knox* class frigates: *Aylwin* (FF 1081), *Pharris* (FF 1094), and *Valdez* (FF 1096); sale, $8.2 million. One *Newport* class tank landing ship: *Newport* (LST 1179); lease, no rent lease.

To the Government of Thailand: One *Knox* class frigate: *Ouellet* (FF 1077); sale, $2.7 million.

According to the Department of Defense, the Chief of Naval Operations has certified that these naval vessels are not essential to the defense of the United States.

As detailed above, the United States plans to transfer eight naval vessels by sale pursuant to section 21 of the Arms Export Control Act; one of the vessels will be transferred as a lease pursuant to chapter 6 of the Arms Export Control Act; and one of the vessels will be transferred as a grant pursuant to section 519 of the Foreign Assistance Act of 1961, as amended.

The United States will incur no costs for the transfer of the naval vessels under this legislation. The foreign recipients will be responsible for all costs associated with the transfer of the vessels, including maintenance, repairs, training, and fleet turnover costs. Any expenses incurred in connection with the transfers will be charged to the foreign recipients.

Through the sale of these naval vessels, this legislation generates $71.7 million in revenue for the U.S. Treasury. In addition, through repair and reactivation work, service contracts, ammunition sales, and savings generated from avoidance of storage/deactivation costs, the Navy estimates this legislation generates an additional $525 million in revenue for the U.S. Treasury and private U.S. firms.

Accordingly, I commend this bill to the Members of the House and ask for their support for its final step in the legislative process prior to sending it to the President.

Mr. HAMILTON. Mr. Speaker, continuing my reservation of objection, I want to join the distinguished chairman of the House Committee on International Relations in expressing appreciation to Senators HELMS and PELL and SARBANES for their work in moving this bill forward.

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I also want to thank the chairman, the gentleman from New York [Mr. GILMAN], for his outstanding leadership on this bill. It is a good bill. It makes improvements in the current law, as the chairman has said. It is supported by the administration. It is a bipartisan bill.

Mr. BROWNBACK. Mr. Speaker, let me begin by congratulating Chairman GILMAN for the hard work he and his staff have done in reforming the defense and security assistance provisions incorporated in H.R. 3121.

H.R. 3121 represents a commonsense approach to advancing our foreign policy goals of promoting global stability, ensuring the security of U.S. citizens and U.S. allies around the world, and encouraging democracy.

However, the bill achieves these goals while effectively reducing the amount of excess defense articles that will be transferred to our allies on a grant or no-cost lease basis.

We need to use the grant and no-cost lease options sparingly so that these programs recover as much money for the taxpayers as possible.

H.R. 3121 will force the Defense Department to drastically reduce the number of no-cost leases and grants that are used to transfer excess defense articles to our allies.

The bill creates a national security interest determination that the President will have to invoke in order to provide a no-cost lease for excess defense articles.

H.R. 3121 also requires the Pentagon to evaluate whether excess defense articles should be transferred on a grant basis or on a sales basis, depending upon what the potential proceeds would be from a sale, what the likelihood of selling a defense article would be, and what the foreign policy benefits of a transfer would be?

This is a good bill and I am glad that this body has adopted it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SHAW). Is there objection to the original request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, July 10, 1996.

ARMORED CAR INDUSTRY RECIPROCITY IMPROVEMENT ACT OF 1996

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3431, to amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain requirements and to improve the flow of interstate commerce.

The Clerk read as follows:

H.R. 3431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Armored Car Industry Reciprocity Improvement Act of 1996".

SEC. 2. CLARIFICATION OF STATE RECIPROCITY OF WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.

(a) IN GENERAL.—Section 3(a) of the Armored Car Industry Reciprocity Act of 1993 (15 U.S.C. 5902(a)) is amended to read as follows:

"(a) IN GENERAL.—If an armored car crew member employed by an armored car company—

"(1) has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum requirements under subsection (b); and

"(2) has met all other applicable requirements to act as an armored car crew member in the State in which such member is primarily employed by such company;

then such crew member shall be entitled to lawfully carry any weapon to which such license relates and function as an armored car crew member in any State while such member is acting in the service of such company.".

(b) MINIMUM STATE REQUIREMENTS.—Section 3(b) of such Act (15 U.S.C. 5902(b)) is amended to read as follows:

"(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if—

"(1) in issuing an initial weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

"(A) the crew member has received classroom and range training in weapons safety and marksmanship during the current year; and

"(B) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year; and

"(2) in issuing a renewal of a weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

"(A) the crew member has received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry; and

"(B) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency.".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 shall take effect 30 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. OXLEY] and the gentleman from New York [Mr. MANTON] each will control 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3431, the Armored Car Industry Reciprocity Improvement Act. All we need to do is watch the evening news to be aware of the problems faced by the Nation's law enforcement and security personnel. We live in increasingly dangerous times where a badge is a target, and the lives of people wearing those badges are placed in grave danger on a daily basis.

Those who guard armored cars are no exception. During fiscal year 1995, the violent crime section of the FBI investigated 68 robberies or attempted robberies of armored vehicles. My subcommittee received testimony that there were well over 100 such incidents during the 1995 calendar year. Over the past several years, just one of the major armored car companies has had five armored car crewmembers killed in the line of duty, four of whom were slain here in the Washington, DC area.

There is no question that there is a strong need for these individuals to be armed. When this committee reported the Armored Car Industry Reciprocity Act in the 103d Congress, it recognized that fact. However, it also recognized that we need to keep weapons out of the hands of criminals and the untrained. While most States require substantial training in the safe and legal use of their weapons before they issue crewmembers weapons permits, we reiterated that sentiment when we required regular training and criminal background checks before a State's weapons permit would be entitled to reciprocity.

Mr. WHITFIELD's legislation, H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, simply makes some technical changes in the original statute to better conform its requirements to the procedures in place in the majority of States today. It still requires regular training and criminal background checks for armored car crewmembers, but allows States the necessary flexibility to issue permits according to their own procedures and their own timetable.

It is a little known fact that the single largest interstate customer of the armored car industry is the Federal Government. Private companies annually transport billions of dollars in currency, coin, food stamps, and other negotiable documents. Because we entrust these companies with the Nation's valuables, we have an obligation to ensure that their job in protecting those valuables is as easy as possible. That is why we need to enact H.R. 3431.

Mr. WHITFIELD should be commended for his hard work in seeing this bill through. I would also like to thank my distinguished ranking member for all of his support in bringing this legislation to the floor. I urge all of my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of this bipartisan legislation that will help solve many problems currently confronting the armored car industry. These vehicles, privately or federally owned, are often subject to violent crime that results in the loss of crewmembers' lives, not to mention untold amounts of valuable property.

Armored cars provide an essential service in this country by transporting millions of dollars in currency and other valuables belonging to both the Federal Government and private entities. Because these vehicles are often the target of crime, it is crucial that we provide armored car guards with the ability to protect themselves and their cargo without risk of criminal liability for simply doing their job.

Mr. Speaker, 5 years ago an armored car crewmember by the name of John Hirdt was shot to death while loading cash into a van outside of Macy's department store in Elmhurst, Queens. Mr. Hirdt was 65 years old and a retired New York City police officer employed by a private armored car service. Such incidents highlight the importance of providing armored car crewmembers with adequate protection.

This bill, ensures that crewmembers can carry their weapons across State lines so long as they have met all the requirements of their primary State and have passed a criminal background check. Without this modification in current law, crewmembers could be in violation of State weapons licensing laws when performing their job and traveling across State lines. This legislation does not in any way change Federal requirements for possession of a weapon or make it easier for anyone to receive a weapons license.

Mr. Speaker, I would like to thank my colleague, Mr. WHITFIELD, for crafting this legislation. I believe that H.R. 3431 will solve the problems of inconsistent application of license requirements and renewal processes among the States. As the ranking minority member of the Commerce, Trade, and Hazardous Material Subcommittee which originally considered this bill, I urge all of my colleagues to support this commendable legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. OXLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. WHITFIELD], the author of this important legislation.

Mr. WHITFIELD. Mr. Speaker, I am pleased that today the House is taking up this legislation, the Armored Car Industry Reciprocity Improvement Act of 1996. This is important legislation for many reasons. As we all know, armored cars and their crews have long been targets of crime, and it is imperative that these highly trained and dedicated men and women be armed to protect their cargo and, more importantly, their own lives.

The Federal Government is the single largest customer of the armored car industry, and we are obligated to ensure that efforts to protect the taxpayers' cargo and the lives of the armored car crews are as unhindered as possible.

This legislation addresses the problems encountered by the States in three ways: First, it grants reciprocity for both weapons licenses and any other permits or licenses required in a particular State so long as the crew member has met all of the requirements in the State he or she is primarily employed.

Second, it makes clear that it is the State which should conduct criminal background checks and permits the States to do so in whatever manner they deem appropriate.

Third, it eliminates the requirement in the original act that renewal permits be reissued annually and permits States to follow their own timetables.

These changes represent a significant step forward in achieving the objectives of the original act. Under the act, as originally signed into law, only Illinois, Louisiana, Maryland, North Carolina, and Virginia met the requirements for reciprocity. With the changes under this bill, 28 other States will qualify, truly easing the flow of these valuable goods in interstate commerce.

This legislation has been supported in the past by the armored car industry and numerous State, national, and local law enforcement associations. Further, neither the NLRA nor Handgun Control had any objections to the original legislation. Since H.R. 3431 does not change the original intent of the legislation at all, I see no reason why this legislation would not enjoy similar support.

Mr. Speaker, I wish to thank the gentleman from Ohio, Chairman OXLEY, the gentleman from Florida, Mr. STEARNS, the gentleman from New York, Mr. MANTON, and the gentlewoman from Illinois, Mrs. COLLINS, for their work on this legislation in years past. I urge my colleagues on both sides of the aisle to support this legislation.

Mr. MANTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OXLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. OXLEY] that the House suspend the rules and pass the bill, H.R. 3431.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3431.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING EXPANDED STUDIES AND INNOVATIVE PROGRAMS FOR TRAUMATIC BRAIN INJURY

Mr. GREENWOOD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 248) to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes, as amended.

The Clerk read as follows:

H.R. 248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROGRAMS OF CENTERS FOR DISEASE CONTROL AND PREVENTION.

Part J of title III of the Public Health Service Act (42 U.S.C. 280b et seq.) is amended by inserting after section 393 the following section:

"PREVENTION OF TRAUMATIC BRAIN INJURY

"SEC. 393A. (a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may carry out projects to reduce the incidence of traumatic brain injury. Such projects may be carried out by the Secretary directly or through awards of grants or contracts to public or nonprofit private entities. The Secretary may directly or through such awards provide technical assistance with respect to the planning, development, and operation of such projects.

"(b) CERTAIN ACTIVITIES.—Activities under subsection (a) may include—

"(1) the conduct of research into identifying effective strategies for the prevention of traumatic brain injury; and

"(2) the implementation of public information and education programs for the prevention of such injury and for broadening the awareness of the public concerning the public health consequences of such injury.

"(c) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(d) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.".

SEC. 2. PROGRAMS OF NATIONAL INSTITUTES OF HEALTH.

Section 1261 of the Public Health Service Act (42 U.S.C. 300d-61) is amended—

(1) in subsection (d)—

(A) in paragraph (2), by striking "and" after the semicolon at the end;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following paragraph:

"(4) the authority to make awards of grants or contracts to public or nonprofit private entities for the conduct of basic and applied research regarding traumatic brain injury, which research may include—

"(A) the development of new methods and modalities for the more effective diagnosis, measurement of degree of injury, post-injury monitoring and prognostic assessment of head injury for acute, subacute and later phases of care;

"(B) the development, modification and evaluation of therapies that retard, prevent or reverse brain damage after acute head injury, that arrest further deterioration following injury and that provide the restitution of function for individuals with long-term injuries;

"(C) the development of research on a continuum of care from acute care through rehabilitation, designed, to the extent practicable, to integrate rehabilitation and long-term outcome evaluation with acute care research; and

"(D) the development of programs that increase the participation of academic centers of excellence in head injury treatment and rehabilitation research and training."; and

(2) in subsection (h), by adding at the end the following paragraph:

"(4) The term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.".

SEC. 3. PROGRAMS OF HEALTH RESOURCES AND SERVICES ADMINISTRATION.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end the following section:

"SEC. 1252. STATE GRANTS FOR DEMONSTRATION PROJECTS REGARDING TRAUMATIC BRAIN INJURY.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States for the purpose of carrying out demonstration projects to improve access to health and other services regarding traumatic brain injury.

"(b) STATE ADVISORY BOARD.—

"(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State involved agrees to establish an advisory board within the appropriate health department of the State or within another department as designated by the chief executive officer of the State.

"(2) FUNCTIONS.—An advisory board established under paragraph (1) shall advise and make recommendations to the State on ways to improve services coordination regarding traumatic brain injury. Such advisory boards shall encourage citizen participation through the establishment of public hearings and other types of community outreach programs. In developing recommendations under this paragraph, such boards shall consult with Federal, State, and local governmental agencies and with citizens groups and other private entities.

"(3) COMPOSITION.—An advisory board established under paragraph (1) shall be composed of—

"(A) representatives of—

"(i) the corresponding State agencies involved;

"(ii) public and nonprofit private health related organizations;

"(iii) other disability advisory or planning groups within the State;

"(iv) members of an organization or foundation representing traumatic brain injury survivors in that State; and

"(v) injury control programs at the State or local level if such programs exist; and

"(B) a substantial number of individuals who are survivors of traumatic brain injury, or the family members of such individuals.

"(c) MATCHING FUNDS.—

"(1) IN GENERAL.—With respect to the costs to be incurred by a State in carrying out the purpose described in subsection (a), the Secretary may make a grant under such subsection only if the State agrees to make available, in cash, non-Federal contributions toward such costs in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—In determining the amount of non-Federal contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(d) APPLICATION FOR GRANT.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(e) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(f) REPORT.—Not later than 2 years after the date of the enactment of this section, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings and results of the programs established under this section, including measures of outcomes and consumer and surrogate satisfaction.

"(g) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $5,000,000 for each of the fiscal years 1997 through 1999.".

SEC. 4. STUDY; CONSENSUS CONFERENCE.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as

the "Secretary"), acting through the appropriate agencies of the Public Health Service, shall conduct a study for the purpose of carrying out the following with respect to traumatic brain injury:

(A) In collaboration with appropriate State and local health-related agencies—

(i) determine the incidence and prevalence of traumatic brain injury; and

(ii) develop a uniform reporting system under which States report incidents of traumatic brain injury, if the Secretary determines that such a system is appropriate.

(B) Identify common therapeutic interventions which are used for the rehabilitation of individuals with such injuries, and shall, subject to the availability of information, include an analysis of—

(i) the effectiveness of each such intervention in improving the functioning of individuals with brain injuries;

(ii) the comparative effectiveness of interventions employed in the course of rehabilitation of individuals with brain injuries to achieve the same or similar clinical outcome; and

(iii) the adequacy of existing measures of outcomes and knowledge of factors influencing differential outcomes.

(C) Develop practice guidelines for the rehabilitation of traumatic brain injury at such time as appropriate scientific research becomes available.

(2) DATES CERTAIN FOR REPORTS.—

(A) Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of carrying out paragraph (1)(A).

(B) Not later than 3 years after the date of the enactment of this Act, the Secretary shall submit to the Committees specified in subparagraph (A) a report describing the findings made as a result of carrying out subparagraphs (B) and (C) of paragraph (1).

(b) CONSENSUS CONFERENCE.—The Secretary, acting through the Director of the National Center for Medical Rehabilitation Research within the National Institute for Child Health and Human Development, shall conduct a national consensus conference on managing traumatic brain injury and related rehabilitation concerns.

(c) DEFINITION.—For purposes of this section, the term "traumatic brain injury" means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

(d) AUTHORIZATIONS OF APPROPRIATIONS.—For the purpose of carrying out subsection (a)(1)(A), there is authorized to be appropriated $3,000,000 for each of the fiscal years 1997 through 1999. For the purpose of carrying out the other provisions of this section, there is authorized to be appropriated an aggregate $500,000 for the fiscal years 1997 through 1999. Amounts appropriated for such other provisions remain available until expended.

SEC. 5. TECHNICAL AMENDMENTS.

Title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq.), as amended by Public Law 104-146 (the Ryan White CARE Act Amendments of 1996), is amended—

(1) in section 2626—

(A) in subsection (d), in the first sentence, by striking "(1) through (5)" and inserting "(1) through (4)"; and

(B) in subsection (f), in the matter preceding paragraph (1), by striking "(1) through (5)" and inserting "(1) through (4)"; and

(2) in section 2692—

(A) in subsection (a)(1)(A)—

(i) by striking "title XXVI programs" and inserting "programs under this title"; and

(ii) by striking "infection and"; and

(B) by striking subsection (c) and all that follows and inserting the following:

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) SCHOOLS; CENTERS.—For the purpose of grants under subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 through 2000.

"(2) DENTAL SCHOOLS.—For the purpose of grants under subsection (b), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 through 2000.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GREENWOOD] and the gentleman from New Jersey [Mr. PALLONE] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to report that the legislation before us is the result of a strong bipartisan effort in both Chambers over the past 3 years. I especially want to thank chairmen BLILEY and BILIRAKIS, and Congressmen DINGELL, WAXMAN, and PALLONE for their willingness to work with me to secure enactment of this important bill. The beneficiaries of this cooperation are the millions of individuals who sustain severe brain trauma each year.

Traumatic brain injury has become the No. 1 killer and cause of disability of young people in this country. We now have enhanced abilities to respond rapidly to the scene of vehicle accidents and other mishaps with highly trained personnel to airlift victims to state-of-art trauma centers and provide them with miraculous lifesaving procedures during the critical post injury "golden hour." As a result, thousands of our sons and daughters, and fathers and mothers have survived serious brain injury and now must be cared for humanely.

Our challenge now is to develop inhome residential and long-term-care facilities where those recovering from head injury can receive physical therapy, occupational therapy and cognitive rehabilitation so that, whenever possible, they may resume their places at home with their loved ones.

In 1989, the Department of Health and Human Services issued an interagency task force report that recommended development of a national strategy to address prevention of traumatic brain injuries, and to provide for acute and long-term care and community reintegration of traumatic brain injury survivors. This legislation does just that.

The bill would authorize $3 million for each of the fiscal years 1997 through 1999 for the Centers for Disease Control and Prevention [CDC] to carry out projects to prevent traumatic brain injury; authorize the National Institutes of Health [NIH] to conduct research into the prevention and treatment of traumatic brain injury; and authorize grants to States equal to $5 million for each of the fiscal years 1997 through 1999 for the establishment of demonstration projects to improve access to health and others services regarding traumatic brain injury. States are required to contribute $1 for every $2 of Federal funds.

Require the Secretary of Health and Human Services to conduct a study to determine the incidence and prevalence of traumatic brain injury; develop a uniform reporting system concerning the reporting of incidents of such injuries; and identify common therapeutic interventions used for the rehabilitation of injured individuals; and require the Secretary of Health and Human Services to conduct a consensus conference on managing traumatic brain injury and related rehabilitation concerns. An aggregate of $500,000 is authorized for these purposes.

Enactment of this legislation is an important step toward preventing, understanding, and effectively beating these devastating brain injuries. I urge my colleagues to support this important legislation.

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Mr. GREENWOOD. Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation. H.R. 248 authorizes funds to develop and create and operate a spectrum of critically important programs to prevent and treat traumatic brain injury and to educate the public, health care providers, and the patients about the nature of these injuries and the most appropriate ways to deal with them.

Traumatic brain injury is the primary cause of death and disability among young people in the United States. By anyone's definition, these injuries have reached epidemic proportions, affecting nearly 2 million Americans each year, with severe and devastating consequences. Five hundred thousand are injured so severely that they must be hospitalized; 90,000 suffer irreversible loss of function; 50,000 people, many in the prime of their lives, die as a result of an injury or blow to the head from a fall, a violent crime, or a motor vehicle or sports accident. The cost to care for people with brain injuries is astronomical, over $98 billion a year. But this is not an epidemic that we have read about in novels or seen in movies. It is a silent epidemic, quietly claiming its young victims without the sort of public alarm that would accompany any infectious disease outbreak of this magnitude.

People living with the consequences of severe brain injury require health care, rehabilitative care and social services that differ substantially from services needed by individuals with other kinds of disabilities. Ensuring that such specialized services are available requires that health care providers and others recognize and understand these injuries as unique, learn how to take appropriate action to minimize the damage from head injury, and take aggressive approaches to preventing such injuries.

My colleague, and the prime sponsor of this bill, the gentleman from Pennsylvania [Mr. Greenwood], basically went through how this bill authorizes an excellent approach toward accomplishing the goals that he mentioned that we are trying to achieve here. The bill authorizes the Centers for Disease Control and Prevention carry out programs to identify strategies for preventing traumatic brain injury. In addition, the NIH [National Institutes of Health] is authorized to award grant funds for various purposes relating to traumatic brain injury.

The bill also authorizes the Health Resources and Services Administration to award grants to States. And, finally, H.R. 248 requires that the Secretary determine the incidence and prevalence of traumatic brain injury and develop a uniform reporting system; analyze common therapies and conduct a consensus conference that brings together all interested parties to discuss treatment, management, and rehabilitation.

Mr. Speaker, this bill goes a long way toward shedding critical light on the darkness of the silent epidemic of traumatic brain injury. The House has passed similar legislation in the past, only to see it encumbered by unrelated provisions and bogged down in complicated processes. Today, we have another chance to do the right thing.

Mr. Speaker, I know that the gentleman from Pennsylvania [Mr. Greenwood] has been out there trying to urge that we move this bill as a freestanding measure and get it to the President as quickly as possible, and I know that he joins with me and many others in hoping that this time the legislative journey will have its final destination on the President's desk.

The millions of people whose lives are touched each day by devastating tragedies that result from traumatic brain injuries need to know that we care about them and we will try to help them.

Mr. Speaker, I reserve the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield back the balance of my time.

Mr. SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. Greenwood] that the House suspend the rules and pass the bill, H.R. 249, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 248.

The SPEAKER pro tempore (Mr. Shaw). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COST OF GOVERNMENT DAY

Mr. CLINGER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 193) expressing the sense of the Congress that the cost of Government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn.

The Clerk read as follows:

H. Con. Res. 193

Whereas the total of Government spending and regulations (total cost of Government) has increased from 48.2 percent of the net national product (NNP) in 1989 to an estimated 50.4 percent of NNP in 1996;

Whereas the total cost of Government now exceeds $3,380,000,000,000 annually;

Whereas Federal regulatory costs now exceed $730,000,000,000 annually;

Whereas the cost of Government in general and excessive regulations in particular have placed a tremendous drain on the economy in recent years by reducing worker productivity, increasing prices to consumers, and increasing unemployment;

Whereas if the average American worker were to spend all of his or her gross earnings on nothing else besides meeting his or her share of the total cost of Government for the current year, that total cost would not be met until July 3, 1996;

Whereas July 3, 1996, should therefore be considered Cost of Government Day 1996; and

Whereas it is not right that the American family has to give up more than 50 percent of what it earns to the government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, as part of balancing the budget and reevaluating the role of government, Federal, State, and local elected officials should carefully consider the cost of Government spending and regulatory programs in the year to come so that American families will be able to keep more of what they earn.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. Clinger] and the gentleman from Virginia [Mr. Moran] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. Clinger].

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge my colleagues on both sides of the aisle to strongly support a resolution introduced by Congressman DeLay and 37 other original cosponsors. This resolution expresses a sense of Congress that Government officials should carefully consider the costs of Government and reduce those costs so that Americans will be able to keep more of their income. This is something I believe we all can and should support.

The timing of this resolution is appropriate since last week on July 3, 1996, was the Cost of Government Day. What does that mean? It means that if the average American worker were to spend all of their gross earnings on nothing else besides meeting his or her share of the total costs of Government, then this amount would not be paid off until July 3, 1996. At a time when private industry is rightsizing and becoming more efficient, we are also looking to the Federal Government to do the same.

The facts speak for themselves. The total cost of Government is estimated at $3.38 trillion. That's $13,000 for every man, woman, and child in America. Federal income tax receipts from individual income taxes are more than 13 times the size they were in 1960. The Federal regulatory burden that private businesses and citizens must shoulder is estimated to be over $400 billion a year. We also recognize that the Federal Government should be performing only essential functions; however, we have seen the Government continue to mushroom. In 1985, there were 1,013 Federal programs; today there are 1,390 Federal programs administered by 53 Federal entities.

However, even more troubling is the billions of wasted tax dollars. It is estimated that about 10 percent of every health care dollar in this country is lost due to fraud and abuse. Using that assumption, it is estimated that combined total losses for Medicare and Medicaid due to fraud amount to approximately $32.6 billion, or $89 million each day. We must put a stop to this kind of wasteful hemorrhaging of our precious tax dollars and I am hopeful that health reform legislation will be enacted shortly.

Mr. Speaker, I would like to emphasize that the Republican led Congress has been keenly aware of the need to rightsize the Federal Government. In fact, this issue has been the major focus of our agenda from day one of the 104th Congress.

Without a Republican led Congress, we would never have passed line-item veto authority which provides the President with the power to eliminate unnecessary Federal spending.

Without a Republican led Congress, we would never have had unfunded mandates legislation enacted which will prevent the Federal Government and Congress from imposing new requirements on State and local governments without the necessary funds.

This should help with lessening the burden on State and local governments and in turn ease State and local tax increases.

Without a Republican led Congress, we would never have had the Small Business Regulatory Fairness Act which now provides for congressional review of major regulations to ensure that they make sense.

Without a Republican led Congress, we would never have had a complete overhaul of the Federal procurement system to allow the Government to cut through unnecessary redtape and increase efficiencies in purchasing goods and services to save the Government billions.

Mr. Speaker, the list goes on and on but the point is that this Republican led Congress is committed to ensuring that taxpayers will be able to keep more of what they earn. We have proven that we can do just that. It is important to note that many of these initiatives have been supported in a very bipartisan manner.

This resolution is important because it reaffirms that message. Many of us on both sides of the aisle are deeply troubled that this Government costs too much. It is time to put our money where it belongs—back into the pockets of taxpayers. I urge that every Member support this resolution and show our commitment to a less expensive but more effective Government.

Mr. Speaker, I reserve the balance of my time.

Mr. MORAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know that the chairman of the committee is disappointed that the gentlewoman from Illinois [Mrs. COLLINS] is not able to be here, but I am sure the gentleman wants me to share with him what the gentlewoman have said had she been here.

Mr. Speaker, this resolution was never considered in the Committee on Government Reform and Oversight, so we never had an opportunity to discuss it or amend it. It was put on today's calendar apparently because the Republican leadership wants to show that they want to reduce Government spending and the size of government.

I have to say that after reading the text of the resolving clause, there is little with which anyone in Congress would disagree. All of us were elected to carefully consider every bill we pass, whether it is a spending bill, a tax bill, or a regulatory bill. We don't need a resolution to tell us to do our job.

In fact, the deficit has been going down every year under President Clinton. The difference between our two parties has been in our priorities. We have attempted to protect spending on important areas such as education, health care and the environment, while others have pursued spending cuts without considering their human costs.

Had we agreed to carefully consider every bill that spends money, we probably would not be considering this resolution today, because it is a waste of taxpayer dollars. The printing of this resolution and the printing of this debate in the CONGRESSIONAL RECORD is a waste of spending.

We should instead be doing exactly what the resolution calls for—carefully considering appropriations bills, which should have all been passed by the House last month. Instead, we are woefully behind in the appropriations process, as we were last year, in part because we are wasting our time on resolutions like this.

Had the bill been considered in the committee, we might have considered some amendments. For example, instead of just considering the costs of regulation, we might also have resolved to carefully consider the benefits of regulation. However, I am not surprised that the sponsor of this resolution does not care to consider the benefits of regulation. He has sponsored a bill to repeal the Clean Air Act. In sponsoring that bill, did he consider the benefits of clean air?

The chief sponsor of this resolution also was the chief sponsor of a bill last year that passed the House. It would have imposed a yearlong moratorium on all new regulations, such as the recently adopted meat inspection regulation. That regulation, which will require testing for deadly bacteria, could save hundreds of lives and prevent thousands of diseases, but the gentleman's bill would have stopped the regulation in its tracks. Fortunately, the Senate refused to go along with the extremist antiregulatory bill.

As Nancy Donley, whose son died of the deadly E. coli bacteria in a hamburger, said last week when the new rule was adopted, we must understand that all regulations are not bad. However, this resolution would have us only carefully consider the costs of regulation, and not the benefits.

The same Republican sponsors of this resolution also attempted to cut the regulatory budget of the Environmental Protection Agency by a third. Perhaps they were carefully considering the costs of regulation, but I doubt they were carefully considering the costs to public health and the environment from their reckless cuts.

Earlier this year, the Republican sponsors of this resolution would have required every agency to hold a new rulemaking to repromulgate all of their existing regulations. That proposal would have added billions in regulatory costs, but the sponsors of that bill apparently wanted to let polluters continue to pollute while the agencies were tied up in knots repromulgating their existing regulations.

Soon we will be considering appropriations bills that will make large cuts in the President's budget for education. While the House considers the costs of these spending bills, as it should, I would expect it to also consider the costs of not adequately spending on our children's education.

When we had military spending bills before us this year, we had rules that prevented us from cutting spending, even for weapons that the Pentagon did not ask for. If we are committing ourselves to carefully consider Government spending, defense spending bills should not be immune to cost-cutting.

Mr. Speaker, it is my hope that the antienvironment, antiregulatory, extreme agenda in this House will come to a close soon. It appears to have run out of steam. All that is left of it for the time being is this silly resolution that says Congress should carefully consider the costs of Government spending and regulatory programs.

It is about time that this Congress began to carefully consider all of its bills. We constantly face bills that have never been considered in committee, and this is one of them. Fortunately, it is just a resolution, and it is innocuous. Its worse crime is that it is a waste of our time and the taxpayer money.

Its attempt to designate July 3, 1996 as "Cost of Government Day" is already out of date. Apparently the rule that ended bills to designate days of the year for certain worthwhile causes, such as charities to cure diseases, does not apply to resolutions designating days for Republican propaganda purposes.

I would urge my Republican colleagues to stop wasting time on meaningless resolutions and get on with the Nation's business. We have appropriations bills as far as the eye can see, and just a few weeks to complete our work. The American people want to see us complete the Nation's business without another Government shutdown. Resolutions such as this only distract us from the real work ahead of us.

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Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield 4 minutes and 30 seconds to the distinguished gentleman from Texas [Mr. DELAY], majority whip.

Mr. DELAY. Mr. Speaker, I thank the Chairman for yielding time to me.

I am truly shocked by the gentleman from Virginia's remarks about calling this resolution an innocuous resolution. I think it gets to the crux of the matter of why we wanted to bring this resolution to the floor, to highlight to the American people something that obviously the Democrats think is insignificant, innocuous, does not mean anything, that the American family today started on July 4 working for itself. That is what this resolution is about. They know that. They are trying to cover it up.

For 40 years they have built the Federal Government to such a huge size and taking money from the American family that now we work until July 3 for the Federal Government and start on July 4 working for ourselves. No one is talking about their bad regulations. What we are talking about is rushing to regulations, rushing to judgment without cost-benefit analysis and taking a commonsense approach to regulations.

USA Today newspaper yesterday was talking about the number of kids that had been killed by airbags, airbags, rushed to put into cars without the kind of commonsense, thoughtful regulations that may have created an airbag system in cars that would not have killed those kids.

So I rise in support of this resolution. I think it is a very important resolution that shows the American people that the cost of government day is July 3. It is altogether appropriate that we let the American people know how much they are spending for their Government. This year the average American family did not gain its freedom from the cost of government until July 3. July 4 may have been the day that we celebrated the anniversary of our Declaration of Independence from British tyranny, but this year it was July 3 when Americans actually gained their freedom from paying off their own Government.

Thomas Jefferson once said, a wise and frugal government shall restrain men from injuring one another, shall leave them free to regulate their own pursuits of industry and improvement and shall not take from the mouth the labor of bread it has earned. This is the sum of good government.

My friends, while that description may sum up good government, it certainly does not describe our Federal Government. Far too often the Federal Government takes, through direct and indirect taxes, the bread the American people have earned. As a former small business owner, I have felt the very real sting of Federal regulations and its costs on my business.

More people need to realize that government is a cost of doing business. Government is also a cost to the American family. If you add up the cost of regulations and taxes on the local, State and Federal level, the average family involuntarily donates over 50 percent of its income to the government. Today one parent is forced to work for the government while the other one works to support the family.

According to the Commerce Department figures, Federal, State and local governments last year consumed 31.3 percent of all national output, the highest level in the history of the United States. That is the real legacy of the Clinton administration: the tax trap; higher taxes on working families.

On the other hand, the Republican Congress has made great strides toward reducing the size and cost of government. This 104th Congress has already cut spending by $43 billion. We have cut our staff by a third. We have passed legislation to reduce taxes on middle-class families. We have signed into law unfunded mandates reform. And we have enacted the Paperwork Reduction Act, and we have passed two balanced budgets, two balanced budgets, the first budgets that balance in a generation. We are moving in the right direction. In fact, 2 years ago it was 52 percent of a family's income. We have it down to 50 percent and moved the days back a day or two.

This resolution serves as a simple reminder that the Government is too big and it costs too much. So I urge my colleagues to vote for this resolution and to work with me to make the Government work better and at less cost to the American family.

Mr. MORAN. Mr. Speaker, I yield myself 30 seconds.

Since the gentleman was shocked at the fact that we questioned this bill and suggested it was somewhat innocuous, I have to ask how the American people are better off for our having passed this resolution, particularly when its purpose is to designate July 3 as the "Cost of Government Day," this being July 9.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, that is a very good question. They are better off because most Americans do not realize that over 40 years we have built the Federal Government to the point that it takes 52 percent of their income to survive.

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a member of the committee.

Mr. BLUTE. Mr. Speaker, I thank the chairman for yielding the time.

I rise today in strong support of this concurrent resolution expressing the sense of Congress that the cost of government is too high and should be reduced. It is outrageous that Americans must now work until July 3 to pay for the cost of Federal, State, and local governments plus the cost of government regulatory redtape.

The total 1996 cost of the Government is $3,381 billion. My goodness, that is $13,000 for every man, woman, and child in America. In 1995, the University of Stanford Decisions and Ethics Center compiled data on the burden of taxation on all households in the United States. The results of this study are shocking. According to Stanford, government depletes at least 45 to 60 percent of all income earned by individual households, regardless of income level.

But taxes are not the only cost of government. Regulations also impose financial burdens on Americans. According to the Washington University Center for the Study of American Business, rulemaking agencies of the Government employ almost 131,000 people, the highest level in American history, and a 28-percent jump from the 1983 level of 102,000. As we know in Massachusetts, new drug approvals can take upward of 15 years, denying needed therapies to patients who need them but also forcing our companies in biotechnology and other innovative sciences to lose the competitive edge that they need to compete with their European and Japanese competitors.

Mr. Speaker, some Americans are lucky enough to have a 40-hour work week. Indeed, this has become a luxury. But for the majority of Americans, the day begins earlier and earlier in the morning and ends later and later in the week. Why? So that American workers can make enough money to support two families. Yes, you have to support two: your own family plus Uncle Sam who has an uncontrollable appetite. That means that Americans will spend 184.6 days out of the entire year working for the government at all levels.

Mr. Speaker, I strongly support this concurrent resolution.

Mr. MORAN. Mr. Speaker, I yield myself 1 minute and 15 seconds to suggest that there is good reason why America did not have the mad cow disease that occurred in Europe. In fact, we hear of so many things that occur in other countries that were prevented here. All we are asking is for a balance.

The majority whip, the gentleman from Texas [Mr. DELAY], criticized the use of airbags in his speech. But he did not mention the number of lives that have been saved by the use of airbags. We think on this side of the aisle that the American people want things like airbags and we ought to present a balance.

Mr. BLUTE. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Massachusetts.

Mr. BLUTE. Mr. Speaker, the majority whip was referring to the USA Today article yesterday which was very extensively researched. It was referring to the passenger-side airbags and the regulations that were imposed a number of years ago that were not well thought out, that was a rush to judgment in the bureaucratic mindset of some of our transportation officials and has been an unmitigated disaster for children and has killed far more children than it has saved. I think what we are saying is, we need regulations. We certainly do. They need to be well thought out.

Mr. MORAN. Mr. Speaker, to clarify for the gentleman from Massachusetts, he is not suggesting nor is his side suggesting we ought not require airbags to be included in the manufacture of U.S. automobiles.

Mr. BLUTE. I am suggesting, if the gentleman will continue to yield, that we look at, for example, passenger-side airbags as to whether that is well thought out for the safety of our children in automobiles. It has been a disaster, as most observers have agreed, that that regulation was not well thought out.

Mr. CLINGER. Mr. Speaker, I yield 3 minutes and 15 seconds to the gentleman from California [Mr. HORN], a member of the committee, chairman of the Subcommittee on Government Management, Information, and Technology.

Mr. HORN. Mr. Speaker, I thank the chairman of the full committee for yielding time to me.

Mr. Speaker, the Government costs—and the Government taxes that back up those costs—are spotlighted by July 3d as Cost of Government Day. These costs and taxes are siphoning money away from family resources. They are robbing millions of our citizens and those who want to be citizens of achieving the American dream.

The 104th Congress is working to give higher incomes and lower taxes to all Americans. We have eliminated more than 200 unnecessary Federal programs and agencies. We have downsized the Washington bureaucracy as well as the congressional bureaucracy. We have moved government funds and programs to the States, and hopefully they will be even further decentralized to the communities and counties where real life occurs and real government occurs.

Members of the 104th Congress approved a balanced budget plan, but it was vetoed by President Clinton.

We tried to provide tax relief to the middle class through a $500 per child tax credit, but it was vetoed by President Clinton. We tried to provide marriage penalty relief and estate tax relief. We did get relief for seniors by phasing out the Social Security earnings limitation from which they have long suffered. We have tried to provide a deduction for families caring for elderly parents, an adoption tax credit, long-term care insurance tax reforms. Again, the President used his veto. He likes big government.

Our Nation was founded on the principle of working hard and enjoying the fruits of one's labors. But as seen by the Cost of Government Day, this is simply no longer true. Instead, our fellow taxpayers work over 6 months to pay the bills. Congress and the President must continue to rethink and work together to cut Government spending and many of our outdated regulatory programs. We must ensure that America's workers are able to keep more of what they earn.

I listened to my good friend from Virginia [Mr. MORAN] earlier claim that if we had been in control of the executive branch and gotten our way, we would not have issued these recent regulations. Well, if my good friend will recall, since he and I are both members of the Committee on Government Reform and Oversight, we always had an exemption to issue health and safety regulations. The President was never limited in that area. If you can find some other health and safety things to do in the next couple of weeks, you can issue regulations whether our laws had been on the books or not.

I think my good friend will recall that health and safety regulations were exempt from the downsizing of many other regulations which, as the gentleman from Massachusetts [Mr. BLUTE] said, were simply not well thought out. If the gentleman wonders if I am for airbags, you bet I am for airbags. I am for airbags that work, not just from the front but also from the side door. I want to protect the children as well as the parents.

Mr. MORAN. Mr. Speaker, will the gentleman yield?

Mr. HORN. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Speaker, I am not surprised the gentleman is for airbags. He is a very thoughtful member of the committee and of this body. We did have an issue on meat and poultry inspection.

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Mr. HORN. Mr. Speaker, my colleagues will recall that we have fought consistently to get decent standards for frozen chicken, which, when it is thawed and then frozen again, creates tremendous bacteria. The Department of Agriculture has a lower standard than the State of California. The Department of Agriculture does not want to accept the higher California standard. And guess who is most influential with the Department of Agriculture? It is known as Tyson's Foods.

Mr. MORAN. Mr. Speaker, I yield myself 30 seconds to underscore a point that we have been trying to make, and I think it is consistent with some of the rhetoric that we have been hearing today. The gentlewoman from New York [Ms. SLAUGHTER] had an amendment that we would maintain our standards on meat and poultry inspection, which is a very relevant one, particularly when we see what has happened with mad cow disease in England and other situations that have endangered peoples' lives and health, and 220 Republicans voted against that amendment.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds to respond, and I would underscore what the gentleman from California [Mr. HORN] said, and that is that there is a clear exemption in the unfunded mandates law and others which says the President has the right to waive that where health and safety is involved and clearly can do that without being limited to the law.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank my friend for yielding, and I appreciate the debate here on the floor today.

As I see it, in a nutshell, the problem is this: that our Government has gotten too big and our Government costs too much, and the American people have expressed that sentiment time and time again, and that is why I think this legislation before us, this resolution, is so important.

Mr. Speaker, last Thursday our Nation celebrated its 220th birthday. We recalled the enormous sacrifices our Founding Fathers made to leave us a Nation founded on individual freedom. We remembered all the past generations of Americans who gave so much and suffered so much in many times and places to preserve this most precious legacy that we have.

Unfortunately, thanks to a government that has grown too big and costs too much, Americans also marked their first full freedom, day of freedom, from paying for the Federal Government, as July 3. After 185 long days Americans are finally able to work for themselves, not the Federal Government.

Today the total cost of government, that is Federal, State and local, in terms of spending and regulation, comes to more than $3 trillion a year. Let me repeat that. The Federal, State and local government taxes costs the American people over $3 trillion a year. Federal regulations alone, remember, Federal regulations alone, amounts to $600 billion. That is more than we need to easily balance our budget.

This hidden regulatory tax costs each family in my congressional district $6,000 of their hard-earned income each year, and this tax continues to rise. So for all the people in America, not only in mine, but for my colleagues' constituents, too, each household, $6,000 a year for Federal regulations.

In fact, since November 14, 1994, this administration, the Clinton administration, has issued 4,300 new rules; 4,300 new rules since November 14, 1994. I just want to say that since November 14, 1994 this administration has issued 4,300 new rules, and no one has said that we need more rules. That is thousands and thousands of more pages of red tape for our small businesses. Remember, defunct businesses do not create jobs.

Finally, think of what a family could do with the extra $6,000. Perhaps they could set aside some money for their sons' or daughters' college tuition. Perhaps they could afford their first new home, down payment for that. Perhaps they could open their own small business. The possibilities are endless.

It is time to lift the regulatory burden that is smothering the American dream. Excessive regulation is not only wasteful, it is mortally wrong. Now is the time, Congress, to act, because America is patiently waiting.

Mr. MORAN. Mr. Speaker, I yield myself a minute and a half.

Mr. Speaker, in the first place a lot of the regulations that have been cited have not, in fact, been new regulations. They have been rescissions and modifications. That grandiose number is misleading because it would be implied that those are all new regulations. They certainly are not. But the fact is we do have too many regulations, and I personally believe that the Federal Government too often imposes cookie-cutter compliance on States and localities and private businesses.

I think we would be far better off if we moved to an outcome-based approach, particularly to environmental regulation where we told the private businesses and the States and localities: "This is the goal; we want you to achieve this in the most effective and efficient manner possible. But you know your demography, you know your geography, and we think that you have the best understanding as to how to reach this goal," and we do not really argue, I hope, on the goals of clean water and clean air and safe meat and poultry.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding, and he is more than gracious in yielding. I just pointed out the fact that the gentleman earlier was criticizing the moratorium on regulations.

The SPEAKER pro tempore (Mr. SHAW). The time of the gentleman from Virginia has expired.

Mr. MORAN. Mr. Speaker, I yield myself another 2 minutes and yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, take time to look at the excessive regulations the gentleman just said that we ought to be looking at, and the gentleman was criticizing the riders on our appropriations bill last year that does exactly what the gentleman just said that we ought to be doing: set the standard allowing local and State governments and private industries to come up with the solutions.

That is all we are talking about.

Mr. MORAN. Mr. Speaker, I reclaim my time to explain our objection.

It was not an objection to reviewing many of our regulations, but we object to suspending those regulations in the meantime while we are reviewing them. We think that the American people want and need that kind of protection, but we also think that we should continue to be scrutinizing those regulations to make sure that they function in the most efficient reasonable manner possible.

I yield to the gentleman from Texas.

Mr. DELAY. I am sure the gentleman does not want to mislead the people watching C-SPAN. The only moratorium we were talking about is suspending any new regulations, not suspending existing regulations.

Mr. MORAN. Mr. Speaker, as the gentleman knows, because I know he does not want to deceive the American people certainly, the fact is these regulations were up for reauthorization, and they would have expired. That is why we needed to continue the regulations in effect while we were reviewing them.

But our principal point with regard to this resolution is that we should be balanced in the information we present to the American people. We ought to review the costs. Absolutely we ought to review how it is tying up States and localities and private businesses. But we also need to balance that with an estimate, an understanding of the benefits, so we give the American people the cost and the benefits, let them decide, and that is the way we can make the best judgment as well. This resolution does not address benefits; it only addresses the costs. And I think to act responsibly we need to look at both.

Mr. Speaker, I yield back the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

I just want to underscore. I think this deserves bipartisan support, as the gentleman from Virginia said. I think we are in agreement that we have too many regulations, that they need to be carefully considered before we impose additional burdens on the American people. We have taken, I think, substantial steps in this direction with the passage of the unfunded mandates law, which passed overwhelmingly on a bipartisan basis, to suggest that there needs to be a close look taken to regulations that are imposing tremendous new, additional financial burden on States and local government. So this resolution really is in keeping with that.

I would suggest to the gentleman from Virginia [Mr. MORAN] that it is—I think our point has been in the past too often all we looked at was the benefit and all we looked at was what was proposed to be accomplished by that regulation. We never looked at the cost, and that was one of the things I think that has become a part of this now, is that we do try to take a balance.

Yes, sure, we have to consider what is going to be the impact on people, but we have to consider what the cost is going to be as well. I would hope that that is implicit in this resolution that we really do not have a balance. I would suggest that in the past we did not have that balance because the only thing that was required to be considered was the benefit to be derived from it.

So I would hope that this resolution would achieve broad bipartisan support, I think it should not be seen as a partisan measure at all.

Mr. MORAN. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Virginia.

Mr. MORAN. Would it be possible to amend this to where it says in the third to last line, consider the costs and benefits of government spending, two words, and we can make all the Democrats happy?

Could we get unanimous consent to do that?

Mr. CLINGER. I do not believe that this can be amended on the floor.

Mr. MORAN. By unanimous consent, I am told, it can actually, I say to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I think, as I say, my view is that the resolution has drafted, and implicit in that is the fact that it would indeed cover, as the gentleman knows clearly, we are going to consider the benefits that are going to be derived from any resolution. So I would think that what this does is add the additional component that the costs should be considered as well.

Mr. MORAN. I hope we are not paranoid, but that was not our implicit assumption. It only refers to costs, but not benefits. If it included benefits, we will not have any problem whatsoever.

Mrs. KELLY. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 193, a resolution expressing the sense of Congress that the cost of Government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn.

July 3, 1996, is Cost of Government Day, the date when the average American has earned enough in gross income to pay off all direct and hidden taxes—total Federal, State, and local government spending, plus the cost of regulation. In other words, July 3 is the day when Americans stop working for Uncle Sam and start working for themselves and their families.

This year, the total bill comes to $3.38 trillion—$13,000 for every man, woman, and child in America.

Mr. Speaker, the people that I represent live in the 12th most taxed congressional district in the Nation, and the 2d most taxed State in the Union. The cost of government has become too expensive, too burdensome, and they need relief. When working Americans are forced to take two jobs, work longer hours away from their families, simply to makes ends meet, something is wrong.

Congress created new programs in the past, often with the best of intentions, but failed to consider how its decisions affect the people who must pay the bills. When you add to the Federal tax burden the taxes paid at the State and local level, and consider the hidden costs—costs associated with compliance with Federal regulations and mandates—it becomes clear that the American people can no longer afford the huge government bureaucracy that has been created over the years.

I am proud to say that this Congress recognizes the fiscal pressures facing working Americans today, and is working to ease the burdensome cost of government. We passed a balanced budget plan to stop the runaway spending that threatens our future and the future of our children and grandchildren; we've passed regulatory relief legislation to restore a degree of common sense to the manner in which Government regulations are drafted and carried out; we've passed legislation to give working Americans a modest degree of tax relief, and we have even attempted to roll back the tax increase that President Clinton pushed through Congress in 1993.

Unfortunately, the President has fought us at every turn. We owe it to working Americans to keep trying, Mr. Speaker, and enact policies that will allow them to keep more of what they earn. The cost of government is simply too high. We can do something about it, and I urge my colleagues to join me today in supporting this important resolution, and join me in working for a leaner—and better—government.

Mr. CLINGER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 193.

The question was taken.

Mr. DELAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1515

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHAW). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE MONTGOMERY GI BILL, THE ARMED FORCES' BEST RECRUITMENT TOOL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, recently the Chairman of the Joint Chiefs of Staff stated that, "we remain committed to maintaining quality personnel, and recruiters from all Services have stated the Montgomery GI bill is the best recruitment tool they have."

I have had the great pleasure of serving on the Veterans' Affairs Committee with the Honorable G.V. (SONNY) MONTGOMERY, the principal author and sponsor of the newest GI bill. It is no surprise that the Department of Defense's latest evaluation of the Montgomery GI bill strongly supports this program's continuation. Sonny designed the new GI bill with great care and after extensive hearings which included more than 200 witnesses. Because of his careful attention to program structure, the Montgomery GI bill has been uniquely successful and has fulfilled all of its intended purposes. As noted in a recent report, the percentage of new recruits choosing to enroll in the GI bill has risen from 50 percent at the program's inception in 1985 to a remarkable 95 percent in fiscal year 1995. Since the implementation of the Montgomery GI bill, more than 2 million active-duty recruits have elected to participate in the program—vividly demonstrating the attractiveness of this GI bill to the young people entering the Armed Forces.

Further, Mr. Speaker, the Department of Defense notes that the percentage of GI bill participants who are using their benefits following military service continues to rise, from 40 percent in 1991 to 46 percent at the end of 1993. This is a promising and important trend, but we must continue to watch these numbers closely. We all want these men and women, who earn their education benefits through honorable military service, to make full use of their GI bill education assistance.

Regarding the adequacy of the Montgomery GI bill benefit as a recruitment incentive, the Department of Defense noted that during fiscal year 1995 all services met their recruiting objectives. Some 96 percent of new recruits were high school diploma graduates, 71 percent had above-average scores on the aptitude tests administered to new recruits, and fewer than 1 percent were in the lowest acceptable aptitude category. In spite of these impressive statistics, the Department of Defense cautions, "With recent recruiting successes, current basic benefits appear to be adequate as an enlistment incentive. However, if college costs, especially tuition and fees, continue to rise significantly above inflation, the offset provided by the Montgomery GI bill benefits will require close monitoring to keep the program competitive." I urge my colleagues to pay close attention to this serious concern raised by the Department of Defense. SONNY MONTGOMERY has struggled to keep the GI bill basic benefit competitive, and I hope to ensure that the program that carries his name is maintained and strengthened in the 105th Congress.

I know SONNY would want me to emphasize that the first and primary purpose of the Montgomery GI bill is to assist in the readjustment of members of the Armed Forces to civilian life. The Department of Defense reports that total cost—tuition, fees, room and board—for a 4-year education rose 31 percent between 1985 and 1993. During the same time period, average tuition and fees at 4-year institutions increased 43 percent. Because of these increases in the cost of education, the GI bill benefit covered only 39 percent of the total costs and 70 percent of tuition and fees in 1993–94. The men and women who volunteer and honorably serve our Nation through military service more than earn their educational assistance benefits—and they deserve a benefit level that will significantly assist them in their efforts to pursue further education.

In the early years of the program, enrollment rates differed somewhat based on demographic groups such as gender, race/ethnicity, or education level. In fiscal year 1995, however, there were virtually no differences in enrollment rates among demographic groups, clearly demonstrating the broad appeal of the Montgomery GI bill.

Preliminary numbers show that, although there is little difference in the GI bill enrollment rates based on aptitude levels, the usage rates differ dramatically. The young people with the highest scores on aptitude tests are far more likely to use their GI bill benefits than those whose scores were in the average to below-average range. this early information is a useful warning that special efforts may be necessary to ensure that all GI bill participants take advantage of their earned benefits.

There is little difference in usage rates among the race/ethnicity groups. Usage rates by gender differ more than do enrollment rates with male usage below female usage, and married veterans use their benefits at a lower rate than their single counterparts. The next Department of Defense report to Congress on the Montgomery GI bill, due in 1998, will include more veterans who have passed their time limit for benefit usage. Consequently, we will then have a more accurate idea of usage trends.

Mr. Speaker, I would like to remind my colleagues that the Montgomery GI bill was enacted in 1984 in spite of powerful opposition. Because SONNY MONTGOMERY and his supporters were tenacious and committed they prevailed and won a long, hard battle. America's best and brightest young women and men have the opportunity to earn education assistance benefits through honorable military service. I want to thank SONNY MONTGOMERY and all those who participated in and supported this remarkable effort and hope we continue to support it in the future.

THE NEED TO PRESERVE MEDICARE AND MEDICAID PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I want to address the House about the fact that increasingly and persistently we see efforts on the part of the Republican leadership, in the past in 1995, again this year, and I suspect, unfortunately, to continue through the rest of 1996, efforts to cut Medicare and Medicaid. I also want to remind my colleagues on the Republican side, and particularly the GOP leadership, about the need to pass health insurance reform.

My colleagues on the Democratic side are aware of the fact that we have within our Caucus a Democratic health care task force. Part of our effort has been to try to preserve Medicare and Medicaid and to oppose the drastic cuts in Medicare and Medicaid that would negatively impact America's seniors if the Republican proposals were to go forth in the House of Representatives and in the Senate.

Similarly, our Democratic health care task force has been supportive of legislation that was originally introduced by Senator KASSEBAUM, who is a Republican, and Senator KENNEDY, who is a Democrat, and here in the House by one of my colleagues on the Republican side, the gentlewoman from New Jersey, Mrs. ROUKEMA, that would try to reform the health care system to provide coverage, insurance coverage, for those people who lose their jobs or have to change jobs, and also those Americans who suffer from preexisting medical conditions, who are unable to get health insurance now because of restrictions in the private health insurance market.

I just wanted to say very briefly, before I went into a few details about why it is necessary to keep up this battle against cuts in Medicare and Medicaid, to say very briefly that on the issue of Medicare, the Republican plans have basically been to eliminate provider choice to seniors, to allow doctors to overcharge seniors, to force seniors to pay more out of pocket and to get less under Medicare, and basically to cut Medicare and Medicare programs for seniors in order to use the money for tax breaks primarily for wealthy Americans.

On the issue of Medicaid, most of the Republican plans have been to eliminate benefit guarantees to seniors for the disabled children and also many other American families, and to allow States to cut an additional $178 billion on top of the congressional Republican cut of $72 billion.

I wanted to start out this evening, though, by talking about the Kennedy-Kassebaum bill and the effort to provide health insurance reform this year that has basically been spearheaded here in the House of Representatives not only by Democrats, but also some Republicans who feel that modest health insurance reform is the way to go in this Congress, before we adjourn.

The President, President Clinton, pledged his support for the bipartisan Kennedy-Kassebaum bill in his State of the Union address earlier this year, and congressional Democrats have tried to work with moderate Republicans to get the bill on its way to the President's desk. The Senate passed the Kennedy-Kassebaum bill 100 to 0, unanimously. But what is holding up this bipartisan health insurance reform bill is the Republican leadership's insistence here in the House on adding medical savings accounts, a special perk for the healthy and wealthy, that lets them opt out of traditional health plans and drives up costs for everyone else who remains in traditional health plans.

The Senate voted not to include the medical savings account perk in their version of the bill, but House Republicans and right-wing Senate Republicans still demand that it be included in the final version sent to the President. I am asked over and over again, why is that the Speaker, Speaker GINGRICH, and his Republican colleagues in the leadership, are so determined to include MSA's or medical savings accounts in an otherwise bipartisan bill.

The reason, I believe, is because of the $1.2 million in political contributions to the GOP over the past year, I should say over the past 5 years, that have come from J. Patrick Rooney and other executives of the of the Golden Rule Insurance Co. which will reap massive profits if the Republican medical savings accounts plan becomes law.

A few weeks ago the Consumers Union, which is a group that puts out reports from time to time on health care issues, issued a report, actually on June 26 of this year, that is entitled "Medical Savings Accounts: A Growing Threat to Consumers' Health Care Security." I am not going to get into all the details of this Consumers Union report here this afternoon, but I just wanted to touch on the executive summary which begins the report and explains why MSA's or medical savings accounts are harmful to most consumers.

It says in the executive summary of this Consumers Union report that the medical savings accounts would basically not only be a roadblock to congressional enactment of modest health insurance reform that addresses the issue of portability when people change jobs or when they have a preexisting medical condition, but basically would devastate consumers in the health care system.

So here we have a situation where we are moving or we are trying to move, those of us who support this Kennedy-Kassebaum bill, in a way that would include more people who now do not have health insurance. We know that many Americans have no health insurance, and we are trying to get more of them coverage. So we are saying if you lose a job or you transfer a job or you have a preexisting medical condition, we want you to be able to get health insurance.

But MSA's or the inclusion of MSA's in this bill would do just the opposite. It would drive up the costs of health insurance and make it more difficult for more Americans to get insured because of the increased costs that health insurance would have.

A key conclusion of this Consumers Union report says, and there are three; one, that the proposed MSA's will mean severe financial hardships for families that use MSA's because they are devoid of essential consumer protections. Families with average income would have to pay 9 percent to 23 percent of annual income for health care before MSA coverage kicks in. Now, understand that when you talk about MSA's, it is a high deductible policy. It basically says when you have a catastrophic problem, that your health care needs would be taken care of. But if you have anything less than that, your ordinary daily medical needs, then you have to pay out of pocket. The Consumers Union report says, second, that millions of consumers will find that the health insurance that they want the most, the traditional low-deductible comprehensive coverage, is no longer available to them, and third, that MSA's are likely to increase the already large number of uninsured and underinsured Americans, making it even harder for Congress to make health care affordable and accessible. I wanted to cite 10 ways that the Consumers Union mentions why MSA's harm consumers. They list them as follows.

First, MSA's expose individuals to paying the first $5,000 for health care each year before insurance coverage kicks in. This is the high deductible. For families it is $7,500.

Second, MSA's allow insurance companies to charge consumers 30 percent on all covered expenses after the deductible is met. So even after you go beyond the deductible you are talking about a 30 percent out-of-pocket cost.

Third, MSA's allow insurance companies to include low lifetime limits in their policies, leaving families unprotected against the cost of catastrophic illness.

Fourth, MSA's do not provide a cap on out-of-pocket costs.

Fifth, MSA's would lead to drastic premium increases for traditional comprehensive policies, ultimately promoting the elimination of these policies in some markets.

What you are doing here, if you are healthy or you are wealthy, you buy this high deductible MSA, but because the healthy and wealthy people are now taken out of the insurance pool, the costs for those who are left in the insurance pool goes up, premiums go up, and a lot of people simply cannot afford traditional health insurance anymore.

□ 1530

The sixth point that Consumer Union makes is that MSA's leave benefit design up to insurance companies, allowing policies that exclude preventive care and conditions such as pregnancy.

Seventh, MSA's do not require insurance companies to accept all individuals who apply for coverage or to charge them a fair price.

Eighth, MSA's do not require employers to contribute to the high deductible insurance policy or the employee's MSA. In other words, contributions from your employer are voluntary.

Ninth, MSA's do not require employers who offer them to also offer employees a choice of a traditional low deductible comprehensive health insurance plan, your traditional health insurance plan; and, lastly, tenth, MSA's do not require employers to continue to spend the same amount on health care coverage that they do today.

Essentially the conclusion in brief that the Consumer Union report makes is that Congress should keep MSA's out of health insurance reform legislation. I could not have said it better. If we are going to see comprehensive health insurance reform passed this year in the House, in the Senate, and be signed by the President that addresses the issues of portability and makes it possible for people with preexisting conditions to get health insurance that they need, MSA's cannot be included. I have to hope that between the House and the Senate over the next few weeks or the next few months before we adjourn that an effort is made on a bipartisan basis to simply move the original Kennedy-Kassebaum bill without MSA's. Otherwise there will be no health insurance reform passed in Congress and signed into law this year, which I think would be a tragedy for so many millions of Americans who need health insurance and cannot get it now because of the restrictions that exist under existing law.

I wanted to spend a little time on the Medicare issue and also a little bit on the Medicaid issue, because Medicare and Medicaid are so important not only to senior citizens, not only to low-income people but also hospitals because so many of our hospitals and our health care institutions are heavily Medicare and Medicaid dependent and if we make the kind of drastic cuts in Medicare and Medicaid that the Republican leadership has been proposing for the last 18 months, our hospitals and our health care institutions in general will suffer, many of them will actually close, because they will not have sufficient funds to continue to operate.

Medicare right now provides quality health care benefits for over 32 million senior citizens. But again the Republican leadership wants to transform Medicare into a program of substandard care.

The Republican leadership says that Medicare is in crisis. We hear that time and time again on the floor of this House. They say that that is because it is running a deficit. But I would argue that minor adjustments, not a major overhaul, could insure Medicare solvency.

When Democrats were in the majority we made sure that Medicare was being adequately funded. In 1982 the Medicare trustees predicted that the Medicare trust fund would run out of money by 1986, but obviously that did not happen. Democrats protected Medicare and maintained a level of quality care for senior citizens into the 1990's. Now that the Republicans are in the majority, they are scaring senior citizens by saying that Medicare is again going to go bankrupt in the early part of the next decade and using words like "reform" to disguise their efforts to destroy the Medicare Program.

If you listen to Speaker NEWT GINGRICH, I would maintain that his real motives lie in a speech he gave during last year's Medicare debate where the Speaker said he wanted to see Medicare wither on the vine. That is a sign, I would say, of the misguided Republican leadership that Medicare would be led to wither on the vine.

So many of those who are now in the leadership, Speaker GINGRICH, Mr. Dole, now the Republican Presidential candidate in particular, did not support Medicare when it was first voted on the floor here of the House of Representatives 30 some odd years ago.

I think it is a sign of the misguided Republican leadership that Medicare has run its first ever deficit in its 31 years as a health care program for senior citizens now when the Republicans are in control of Congress.

The Republican budget that was passed just a few weeks ago, or perhaps a month ago now, calls for over $168 billion in cuts, reductions or whatever you want to call them, in the Medicare Program. I do not want to get into this debate on whether it is a real cut or a cut in the growth of the program, but in any case it is a $168 billion cut. Basically the Republican leadership is proposing to take money out of the Medicare Program in order to pay for tax breaks for wealthy Americans. Although the amount of money being taken from Medicare is significant, I do not want to downplay that, the devil is really in the details because the Republican leadership is proposing a major overhaul of Medicare to make it less efficient and more costly for seniors.

As much as we decry as Democrats the cuts in Medicare, more significant is what the Republicans are trying to do to restructure the Medicare Program. Basically their proposal calls for co-opting senior citizens into managed care. I do not have a problem with managed care per se, but I do not believe in Speaker GINGRICH's attempts to force seniors into managed care and somehow say that that is giving senior citizens more choices.

The only choice that the Republican leadership is giving to seniors under their Medicare plan is the choice to receive substandard health care. Where Medicare historically offered patients their own choice of doctors, protected against high out-of-pocket costs and offered a guaranteed level of coverage, the Republican leadership proposal would essentially take that all away.

In addition, and this goes back to what I was saying before, the Republicans are proposing to incorporate the medical savings accounts, what we discussed before in the context of health care reform, they want to incorporate the MSA's also into the Medicare overhaul.

Last year the nonpartisan Congressional Budget Office stated that these tax breaks, the MSA tax breaks, would actually cost Medicare several billion dollars. Again an effort to restructure Medicare and, I would maintain, overhaul it in a way that has a very negative impact on America's senior citizens.

I would urge really that senior citizens again take notice of what is happening here and what is being proposed by the Republicans and call on Congress to protect Medicare from any further raids by Speaker GINGRICH and the Republican leadership.

Lastly this afternoon I want to talk a little bit about Medicaid. Medicaid many people think of as the program for poor people. But it also pays about 50 percent of all nursing home care for senior citizens. The Republican budget makes extreme cuts, $72 billion over 6 years, to the Medicaid program and allows States to cut an additional $178 billion for a grand total of $250 billion in Medicaid cuts. These Medicaid cuts are over and above the Medicare cuts I discussed before.

Without Medicaid, many middle-class adult children of nursing home parents will have to pay for their parents' expensive care while trying to send their own children through college. So keep in mind, and I say that to those Americans who would have parents or grandparents that are in nursing homes, if you have to end up paying for a lot of their care, that means less money out of your pocket that you might not have available to pay for your own children, your own children's education or other programs.

Recently the Commerce Committee voted on the Medicaid Repeal Act, the Republican Medicaid proposal. I am a member of the Committee on Commerce and I fought very hard against this bill when it came to our committee. The Republican Medicaid Repeal Act will eliminate all current guarantees of health care coverage and eliminate current guarantees of nursing home benefits to the elderly.

I offered an amendment during the markup in the Committee on Commerce that would return these guarantees in this terrible legislation, but it was rejected by every Republican on the committee. Other Democrats offered similar amendments to continue health care coverage for the disabled, for children, for pregnant women. Again, all of these were defeated by the Republican members of the committee. On top of all this, the GOP Medical Repeal Act will sharply reduce payments to hospitals for care.

I said before, I do not think a lot of people realize how dependent many of America's hospitals and health care institutions are on Medicare and Medicaid. In New Jersey, my State, a lot of hospitals have the majority of their income from those two Federal and State programs. What I am concerned about is with these steep cuts that are being proposed in both programs, a lot of hospitals in New Jersey and throughout the country will simply have to close their doors. I think at a time when Congress should be seeking ways to decrease the number of uninsured and underinsured, the Republican leadership's answers will make these problems worse. What we are talking about here is an effort to try to provide quality health care for seniors and for all Americans.

The bottom line is that more and more Americans today, and you can make a comparison with last year, 2 years ago, 5 years, 10 years ago, every year more and more Americans and the percentage of Americans are uninsured and have no health insurance. If we make these drastic changes in Medicare and Medicaid, if we do not do what is necessary to reform health care insurance along the lines of what Senators KASSEBAUM and KENNEDY have proposed, then we are going to see more and more Americans be uninsured and not have health care. The consequences to our society are severe not only today but certainly tomorrow.

The irony really, too, of the Republican budget which was passed in this House not too long ago is that in addition to making these cuts in Medicare and Medicaid, it also increases the deficit. In the past Democrats were able to decrease the deficit and still preserve Medicare and Medicaid. I think that this is just a strong indication of the misplaced priorities and values of the Republican leadership, if they find it necessary to cut Medicare and Medicaid and in the same context are actually increasing the deficit.

I remain committed to fighting these Republican efforts that would raise the deficit while slashing Medicare and Medicaid, and I know that myself and many of my Democratic colleagues will continue to speak out over the next few weeks and the next few months until this session ends to remind American seniors that we cannot make these drastic changes in the Medicare and the Medicaid program and that we need to pass health insurance reform now and certainly before the end of this session of Congress.

CLINTON ATTACKS ON REPUBLICAN BUDGET NOT BASED ON TRUTH OR REALITY

The SPEAKER pro tempore (Mr. SHAW). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized for 60 minutes as the designee of the majority leader.

Mr. STEARNS. Mr. Speaker, I came to the well of the floor to talk a little bit about Medicare because I have had town meetings back in my district, and time and time again I hear from both my colleagues who have talked to the Democrats, perhaps in Florida, about the cuts in Medicare. I want to again present some information about this erroneous claim.

I know the President is continuing to run advertising claiming Republicans are cutting Medicare, which is not true. So I thought I would again just take a moment and talk about President Clinton, the budget cuts, and sort of defend what we are doing and put it in perspective.

The President has claimed that with his rhetoric about Medicare, he is saying, "When I talk about Medicare, there's no difference about what I say about Medicare than when the Republicans talk about defense." The reality, however, is that since 1987 there has been a steady decline in defense spending. In fact, it is at the lowest percent of our gross national product ever. This parallel between defense spending and Medicare is not quite there. I will go into that a little further along.

Recently, in response to a question from CNN's Wolf Blitzer, President Clinton admitted in fact that Republicans are not cutting Medicare. He is right about that because spending on this program will increase at almost 7 percent a year. So the spending not only is going up, but it is going up above inflation at roughly 7 percent a year.

How could spending which increases from $5,200 a year in 1996 to $7,200 a year for each beneficiary in the Medicare program in 2002 ever be called a cut? We always hear the expression, only in Washington is that considered a cut.

I think what has to be said to the people of this country who are in the Medicare program, We have increased it 7 percent a year to 2002. We think this is enough. We think if you allow us to continue this increased spending at 7 percent and allow some choices, we can prevent this program from going bankrupt.

Perhaps more than any other issue, President Clinton has hammered away at this Medicare issue by falsely accusing the GOP of, quote, cutting Medicare, when again it is going up at 7 percent a year to 2002.

When the President was trying to sell his health care package to the American people, his message was quite different. I would like to read exactly what he said when he was proposing in 1993 a new health care plan. He said:

> Today, Medicaid and Medicare are going up at 3 times the rate of inflation. We propose to let it go up at 2 times the rate of inflation. That is not a Medicare or Medicaid cut. We are going to have increases in Medicare and Medicaid, but a reduction in the rate of growth.

So, frankly, there is the President of the United States saying exactly what we have heard Republicans say, yet the President is participating in this distortion of what is happening to Medicare.

□ 1545

Those who are quick to criticize or condemn what we are trying to do to save Medicare and Medicaid should exercise a little caution. It is wrong to scare our senior citizens this way. No one has proposed cutting any benefits. This will not happen. In fact, as the budget goes along, we are increasing it 7 percent a year.

Now, let us talk about the First Lady. During the debate on the ill-fated Clinton health care bill, this is what she said. "We feel, confident that we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients."

For the past year, the administration officials have been singing a different tune, it appears. So both the President in 1993, and the First Lady in 1993, when they talked about their health care bill, they talked about we feel confident, "That we can reduce the rate of increase in Medicare without undermining quality by slowing the growth."

In fact, let us even look at one of their Cabinet officials, Secretary Shalala. What did she say about this? She said, "Our argument is that if you are slowing down growth here and that is below what is happening in terms of cost out there, it is a real cut." So when the President proposed slowing down the rate of growth in Medicare and Medicaid, it was not a cut, but now that our budget contains something similar, very similar, they say it is a cut. As I stated earlier, only in Washington could an increase of 7 percent a year be called a cut, a cut be called an increase.

Defense spending is misconstrued by the President. I heard the President say, well, you know the Republicans are slowing the growth of spending on defense and that argument is applicable to Medicare. But we really have reduced spending in defense. President Clinton describes defense spending as a slowdown in spending growth cuts. The reality is that since 1987, defense spending has not kept pace even with inflation, whereas the program that we have here with Medicare, what the Republicans proposed and passed on the House floor, is 7 percent, twice inflation.

I want to be sure that we all understand the President's position on Medicare and defense spending. Medicare will grow again at twice the rate of inflation, yet the President says that is a cut. Defense spending was 2 percent of the budget in 1987. Mr. Clinton has put it at 15 percent in his 1997 budget. Even though defense spending has sustained sharp decreases in spending since 1987, this is categorized as an increase by the administration; that is, the Republicans are increasing spending in defense when, in fact, if you look at 1987 compared to 1997, there have been sharp decreases.

How can anyone possibly who knows these facts want to believe what the President says? This is one time that old saying "actions speak louder than words" could be applied.

On another issue, let us take a look at what President Clinton said during the 1992 Presidential campaign about welfare. One of his major campaign themes was, I want to change welfare as we know it today. Most recently in a radio address, he has said, quote, Wisconsin has submitted to me for approval the outlines of a sweeping welfare reform plan, one of the boldest yet attempted in America. All in all, Wisconsin has the makings of a solid, bold welfare plan. We should get it done. Those are his exact words. Well, what did President Clinton do? Well, he did veto two of the welfare bills that we submitted to him.

Why do we not take a look at the President's position on the need for a balanced budget? In his State of the Union Message in 1993, he made the following statement:

> My budget plan will use independent budget office numbers, CBO. I did this so that no one could say I was estimating my way out of this difficulty. I did this so the American people will think we are shooting straight with them.

Well, what did he do? Well, after many other broken promises and with no proposal of his own, he vetoed the balanced budget that we presented to him in 1992. The President, while on the "Larry King Show," stated emphatically, I will balance the budget in 5 years. As we remember all too well, he could not decide whether to balance the budget in 5 years, 7 years, 10 years or somewhere in between. He also refused to negotiate with us for a 7-year balanced budget using real numbers scored by CBO. He finally agreed after many, many months of negotiations.

Previously during his State of the Union, he said that this budget that we offered was acceptable. Well, what did he do during the budget negotiations in the latter part of 1995? He said CBO numbers are unacceptable to us because it commits us to accepting Republican cuts. Let me read that again: CBO numbers are unacceptable to us because it commits us to accepting Republican cuts. First of all, the President said he wanted to abide by CBO numbers and, second, they are not Republican cuts that he talked about. It is increasing at 7 percent a year.

Now, when President Reagan took command of the White House, he kept his word and delivered on his promise to cut taxes. He believed, just as President Kennedy did, that tax cuts would stimulate the economy. It worked in the early 1960's, and he believed it was just what the economy needed. President Kennedy felt that way. In the 1980's, the American economy boomed. While President Reagan kept his side of the agreement, the Democrat Congress doubled spending during the same period. Ironically, President Reagan was constantly being accused by his critics of cutting the budget.

The President campaigned, President Clinton campaigned, for the Presidency saying that he would give the middle class some much needed relief by lowering their taxes. Well, what did he do? He gave Americans the largest tax increase in the country's history, $245 billion to be exact. Some of my colleagues and the people who are watching perhaps can remember that quiz show from the early 1960's which was hosted by Johnny Carson. The show was called "Who Do You Trust?" My colleagues, I bring this to your attention because we have heard during the early start of this campaign the cry that Republicans are cutting Medicare. This is far from the truth. We have heard the President say that we have defense spending going up when, in fact, it is decreasing as a percent of the gross national product.

We have heard the President say he wanted to balance the budget in 5, 7, and 10, and then finally came reluctantly to agree with our 7-year balanced budget. He talked about welfare, making it workfare, but he vetoed two welfare bills. He talks about a middle-class tax cut during his campaign, yet he has not provided the same. In fact, after he was elected, he gave us the largest tax increase in American history.

So Mr. Speaker, the 1996 Presidential race might be based on the same question that Johnny Carson issued when he hosted his show, a quiz show in the early 1960's. The show of course was called "Who Do You Trust?" Whom do you trust to lead this country for the next 4 years? I think it is clear that our candidate, Senator Dole, could be trusted and, based upon the information I have given to you today, I ask all the Members, who do you trust?

AMERICANS SUPPORT TERM LIMITS

The SPEAKER pro tempore (Mr. SHAW). Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, during the last campaign, many of us campaigned on the whole issue of term limits, and it is something that a lot of the American people have asked for. In fact, all the polling information demonstrates that between three-fourths and 85 percent of the American people support some form of term limits.

Earlier in this Congress, we had a vote for the first time in the history of this Congress, I think, we had a vote on term limits. Unfortunately, we were unable to get the two-thirds majority necessary to pass that by.

We went back to some of our offices, I went back to my office and talked to some of the people on my staff and said: What could we do in terms of if we can't get a term limits bill passed this year, what possibly can we do to take some of the fun out of it?

We also had heard a lot in our campaigns and we hear at our town meetings. I, for example, have had 75 town meetings in my district, and another issue that comes up frequently is the whole issue of pension reform. We read about some of our retiring colleagues or some of the former colleagues that have retired from this body, and we hear about six-figure pensions which they will receive for the rest of their lives, adjusted for inflation, and, frankly, I think that is an outrage that a lot of the American people feel.

So we came up with a relatively simple bill, it is H.R. 1618, which would change the way that pensions for Members of Congress are accrued. That bill now has, I think, 57 different cosponsors. I am going to be going up to a meeting in the Committee on Rules in just a few minutes to see if perhaps we cannot get a modified version of that adopted or at least made in order for adoption onto the legislative appropriation bill.

But I want to talk a little bit tonight about legislative or congressional pensions and what has happened over the last number of years, because I think some of our Members do not quite understand that the whole history of congressional pensions is really not that old of a history. In fact, until January 1942, there was no pension for any Member of Congress. As a matter of fact, in January 1942, the Congress for the first time passed pensions for Congress into law, but it was repealed 2 months later. It was repealed because of the public outcry.

Again in 1946, the Congress came back and instituted a pension for Members of Congress, and I would like to read for the benefit of Members what they said in the preamble to that bill. They said that, and I quote, "It would contribute to the independence of thought and action. It would be an inducement for retirement of those of retiring age or with other infirmities, and it would bring into the legislative service a larger number of younger Members with fresh energy and new viewpoints concerning the economic, social and political problems of the Nation."

That was in 1946. Frankly, what we see today is an awful lot of Members who are staying long beyond their years and, frankly, we should encourage early retirement.

So my bill is relatively simple. It says that if Members stay longer than 12 years, they cannot continue to accrue additional pension benefits. We would limit pension accrual for Members of Congress to only 12 years.

Consider some of the annual pensions that some of our colleagues who have retired already are currently receiving, and I want to be bipartisan about this: Former Speaker of the House Tom Foley is currently getting a pension from the taxpayers of $123,804; Dan Rostenkowski, who will soon become a constituent of mine in Rochester, MN, will be receiving a pension of $96,462.

But I want to be bipartisan. Former Minority Leader Bob Michel will be receiving a pension of $110,538, and that will be adjusted each year for inflation.

As a percentage of their last years' salaries, Mr. Foley will be getting 72 percent of his last year's salary, Mr. Rostenkowski, 73 percent, and Mr. Michel, 74 percent.

Now, according to Money magazine, the average private-sector employee gets a retirement of about 27 percent of their last year's income.

The National Taxpayers' Union calculates that the lifetime benefits for these retiring Members, for example, two of our Members who are retiring this year, one a congresswoman from Colorado, her lifetime benefit, if you accrue this over the lifetime of what she is assumed to receive, will be $1,182,573. Another of our colleagues, a gentleman from Massachusetts who is retiring this year, the total cost of his accrued benefits amount to $3,461,869.

Under the bill that we are introducing, H.R. 1618, and that we have introduced and the bill that we would hope to get offered as an amendment to the legislative appropriation bill, the maximum amount that a new Member of Congress, beginning with the 105th Congress, could receive at today's salary would be $27,254. Now, compared to people in the private sector, that is still a generous benefit, Mr. Speaker. On the other hand, compared to what former Members and current Members of Congress are receiving, that certainly is a step in the right direction.

So if we cannot have term limits, I believe that we ought to take some of the fun out of staying here for long periods of time and go back to what the Congress said in 1946 when they introduced the whole notion of pensions for Members of Congress. There is tremendous public support for this basic idea. We have had national polling done by the Luntz Research Cos., and they concluded that 78 percent consider this a good idea or a top priority. Two-thirds would be more likely to reelect a Member who voted for this pension reform.

Mr. Speaker, I would like to perhaps take this issue up again tomorrow.

SAFEGUARD THE PROTECTIONS OF INTELLECTUAL PROPERTY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. FORBES] is recognized for the balance of the pending hour as the designee of the majority leader.

□ 1600

Mr. FORBES. Mr. Speaker, I take the floor this afternoon to speak of an issue of grave importance to all of us as Americans. If you like the North American Free Trade Act [NAFTA] and you like the General Agreement of Tariffs and Trades [GATT] you are going to love the upcoming reforms to one of the most important tenets of American ingenuity, the protection of intellectual property, our ability as a nation to protect our ideas, our inventions.

Ladies and gentlemen, this issue is of paramount importance. I rise to alert millions of my fellow Americans about the importance of this Nation's patent system. It was so important that our Founding Fathers saw fit to include the protections of intellectual property in the U.S. Constitution.

The greatness of America has been defined largely by American ingenuity, by people like Henry Ford, Eli Whitney, the host of inventors who have made America number one in the world. Our dominance throughout the 20th century has largely been because American ideas have been protected from foreign intrusion. American inventors, who schemed at their kitchen tables or out back in their garage and came up with a new invention, those ideas were protected by patent law.

Mr. Speaker, I rise this evening because we are about to give away American ingenuity. This administration, in its move to provide for a one-world global economy, is about to forsake the uniqueness that is American ideas. The uniqueness that is American ideas. Our patent system is about to be changed if Americans do not come to the defense of the existing patent system that protects American ideas. We call it the Moorhead-Schroeder Steal American Ingenuity Act.

Mr. Speaker, this is not one of those glamorous subjects that so enthralls the public that they sit captivated on every word. But like the American Revolution, like the Civil War, like the movement from an agrarian society into an industrial society, if we do not step forward and protect our right as Americans to have new ideas, to invent the kinds of products and services that have made America unique, we will move into the 21st century a lesser nation, as Japan and China and every other industrial world moves to steal American ideas.

Specifically, what am I talking about? Mr. Speaker, for over 100 years that young individual who was out back in the garage working on that new idea, and once that idea took root, would send in all of the schematics and all of the parts of that idea that made it unique to that person and file it in Washington with the U.S. Patent Office. The U.S. Patent Office would then have one of its examiners review that patent, that unique idea, that notion that was just so individual to that individual and their ability to invent a new product that nobody else had come up with that idea.

Well, as the examiner looks to that invention and the uniqueness of that intellectual property of that American citizen, the presumption has always been that it is owned by that American individual who was out back in the garage coming up with a new product.

As they reviewed the uniqueness of this American idea, prior to giving the patent, it was protected. No foreign nation could sneak in and grab that idea and copy that idea. No multinational corporation with a legal department of 100 lawyers could sneak in there and grab that idea, certainly not with the complicity of the United States. That small individual's idea, that individual's idea that was a small idea to start with was unique and protected.

Now, in this global economy, this administration's move to make it a one-world relationship, we are about to hand off the uniqueness of the American patent system so that we can lower the standards of American ingenuity so that other nations will have benefit of the unique ideas that are so American.

Imagine if Henry Ford, in inventing the model A, had taken those ideas and sent them off to Washington, DC to the Patent Office, thinking that it was a unique idea of his, that he had this great idea for a motor car, a horseless motor car. But imagine if Henry Ford were doing that under the new Clinton administration policy that they so want to push, where in 18 months, before the patent had even been issued, all of those notions about Henry Ford's new model A would be in the public domain.

Here is poor Henry Ford, long before he had become famous. He did not have the capability to hire a battery of lawyers to protect himself or his idea that was uniquely his. He did not have that protection. But along came that multinational corporation, with their legal staff of 100 lawyers and there was Henry Ford's model A, 18 months out, published, for all the world to see, to copy.

No longer was Henry Ford's model A uniquely American. No, now they are going to produce them in Japan and in China and all over the world, where governments finance efforts to steal American technology. Governments step in and finance it in other parts of the world.

So here we are, something so uniquely American, where the presumption has always been that if Henry Ford had come up with the idea for a model A that was uniquely Henry Ford's idea, it was to be protected and it said so in the U.S. Constitution. But now we have the Commissioner of the United States Patent and Trade Office, who in negotiations said, you know what, we have to lower American standards so that we are fairer to the Japanese, so that we are fairer to the Chinese, so that we are fairer to all the other nations of the world; and no longer will Henry Ford's model A be unique to Henry Ford because here is poor Henry Ford, he is not a big corporation yet, he is just a private guy working in his garage.

He had a great idea, but along comes that battery of lawyers from another nation. In the past, under the patent system, the idea was always presumed to be Henry Ford's. No foreign government could steal it, no multinational corporation could steal it. It belonged to Henry Ford. It was his intellectual property, protected under the U.S. Constitution.

Well, as I said, the Commissioner of the U.S. Patent Office is moving this Nation into a new era. And it is a troubling era that I quite honestly believe, if it is allowed to stand, if the proposed legislation that will be coming to this floor in the next several weeks, the Moorhead-Schroeder Steal American Technology Act, if that is allowed to come to this floor and it is approved by this body, and approved by the other and signed into law, watch American ingenuity take a back seat, because it will no longer be protected.

The genius that has so defined this country in the last 100 years, that has been so uniquely American, will now be subject to invasion from abroad. No longer will that individual who came up with that great idea, once the Patent Office approved that person's application, no longer would there be a 17-year protection, because in 18 months, whether the patent has been approved or not, it will be published in the public domain for all to see, for all to copy, and we will be putting American ingenuity in jeopardy, as multinational corporations, as foreign governments are able to step forward and rob, and rob, Americans of their ideas.

Mr. Speaker, we have been discussing here the challenges that American ingenuity is facing: In 1868 the air brake, an American idea; 1911, air-conditioning; 1911, the self-starter automobile; 1972, the pocket calculator; 1925, the circuit breaker; 1852, the electronic brake, and we could go on and on and on about ideas that came about because a bright, forward thinking American sat down at their kitchen table and put their talent to work and came up with some creative ideas to make life easier in America, and those ideas were sold abroad.

A patent is an official document, Mr. Speaker, and it confers a right of privilege, ownership. It protects by a trademark or by a trade name so as to establish proprietary rights, private property. Someone's ideas belong to that someone. American ideas belong to Americans. The importance lies not in its definition but in the right we are protecting.

It is someone's right to own their idea, their invention or their innovation. When we think in terms of ownership, we tend to visualize land or some kind of durable good defined as property rights. Mr. Speaker, someone's idea, their invention, their innovation is also property. It belongs to them. It is their intellectual property. Perhaps it is our greatest property because the ideas of men and women are limitless. Limitless. They are our past, they are our present and they are, more importantly, our future.

The right to intellectual property was recognized, as I have said earlier, by the Founding Fathers and they made sure, specifically outlined in the U.S. Constitution, that the inventors are the only class of people, the only class of people who enjoy protection in the Constitution. In article I, section 8, clause 8 it reads as follows:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

This is their intellectual property, Mr. Speaker. This is American ideas, American ingenuity. In the middle of the last century Americans were given a guaranteed patent term of 17 years. Since that time the United States has risen to become the leader in patents throughout the world.

Invention is one of the things that America does best, and we have plenty of those examples just in the last several decades alone. By offering the strongest patent protection in the world, the United States has stimulated more creativity and new industries than anywhere else, and an annual $30 billion intellectual property surplus now exists. That is right, the United States is the leader in intellectual property.

For my colleagues that do not follow patent issues closely, and believe me, at first blush it seems rather dry, the importance of that statistic, however, cannot be lost.

□ 1615

Let me explain. We in the United States have more fundamental patents than any other country in the world. Fundamental patents are those patents most often cited in works worldwide.

In 1991, the United States had over 100,000 fundamental patents, basic patents. The 14 other industrialized countries combined barely matched that 100,000. Fundamental patents are used in measuring a nation's prosperity, because it is those patents that will continue to bring in income and those patents that will continue to generate new jobs for a nation.

This is no secret to the world. Foreign interests know that the United States has and will continue to have cutting-edge technology that adds to our Nation's economic power. They desperately want a piece of that action. They want our property for their prosperity.

Japan, for instance, acquired much of its base of technology, much of it American, perfectly legally through licensing, careful study of scientific papers and patents. But when the United States was not willing to share, some Japanese companies simply copied with little regard for our American patents and other intellectual property rights. IBM versus Fujitsu. Honeywell versus Minolta. Corning Glass versus Sumitomo Electric. These are just the latest complaints that Japan has stolen American technology.

I would be remiss if I did not talk about something that is even closer to home for this Member from New York State, privileged to represent Long Island in this House of Representatives.

About 25 years ago or so there was a university professor who came up with a technology. We know it commonly today as the MRI. Dr. Raymond Demadian, a man of very modest means who was a teacher, an educator, came up with this technology, and working with his graduate students he perfected the technology called the MRI.

Because of commercial espionage, that MRI technology ended up in other hands. Dr. Demadian, for well over two decades, has been involved in a legal struggle to protect the rights of his own idea, the MRI. But he is a man, as

I said, of modest means. He does not have the legal departments that multinational corporations had that went in there and stole his idea. He does not have the support of a whole government apparatus that foreign nations offered some of their own people when stealing the MRI technology.

So today, in what would be admittedly a several billion dollar industry, American exports have been stolen, and Dr. Demadian struggles to protect this intellectual property rights. It is a tragedy. It is a tragedy that this man who, like Henry Ford or Eli Whitney or so many of the other great Americans who sat down with a good idea and put it together, but because they did not have deep pockets to fund aggressive legal actions, because they were individuals of very modest means, some would say poor individuals, they were susceptible to the invasion by outsiders, multinational corporations that saw the promise of that American idea for their own companies, for their own nations, and they went in and they stole it.

What is going to happen with the Moorhead-Schroeder "Steal American Technology Act" is that no longer are we going to be able to protect American ideas. No longer.

If this legislation is allowed to become law, we are going to take American leadership in the world on the level of greatness, technological innovation, new and unique ideas, and we are going to hand it off to foreign nations that will fund the kind of espionage, the kind of stealing of American ideas that has been going on. We will be complicit in making it even easier for them to come in here and, after 18 months of an application being on file, we will publish for the whole world to see the wonderful ideas of Americans of modest means who came up with a good idea.

Within 20 years of having filed that application, even if it took 10 years of exhaustive examination on some of the more difficult patents, if it takes 10 years to examine that patent application and finally give that patent out, that inventor will only have 10 years of protection before the whole world can come in and steal American ideas.

In the war for global economic dominance the fiercest battles today are over intellectual property. Where nations once fought for control of trade routes and raw materials, they now fight for exclusive rights to ideas, innovations, and inventions. Economic power is what it is all about in today's world.

We are worried about the creation of jobs, about growing the American economic, about providing for a stable work environment, and about ingenuity and growing this Nation into the future. If we do not protect the sanctity of American ideas, of the ability of unknown individuals of modest means to go out in their garage or down in their basement and put together a unique concept that they can market, if we do not provide that kind of protection to American citizens, we will be moving into the 21st century and the United States will lose its place as the greatest Nation on the face of the Earth because we will have handed off the technology that is uniquely American, that has made us the leader in the world for over a century. We will be handing off this kind of technology to Third World nations that fund the kind of commercial espionage that Dr. Demadian and his Fonar company were subjected to when they invented the MRI. We will be handing that off for others.

Let us talk a minute about small business and those who create opportunity for America. They are the inventors. They are the small business people, the entrepreneurs who leave that salaried job and they say, "You know what, I've got a great idea, and I'm going to invent something," and they go out and put it together.

They have to find something somebody who is going to market it for them and somebody who is going to produce it for them, and they need time. But time will not be with them if the Moorhead-Schroeder steal-American-technology legislation is allowed to become law, because that time will not be available to that inventor. No, it will not, Mr. Speaker, because in 18 months it will be published for the whole international community to look at, to coy, to steal.

I might add, Mr. Speaker, and there is so much we could say about this unfortunate move to water down American ingenuity and American technology, and it is troubling, but let me just say this:

In addition to forcing publication for all the world to see, we are also going to weaken the protections, because under the current system, if Henry Ford gets that patent, his idea is protected. The only basis on which anybody could go back in and reexamine the issuance of that patent, find out if Henry Ford was really entitled to it, is if it comes about published in some kind of periodical somewhere that somebody else had the idea before he did. It has to be some kind of empirical evidence that was published and that idea predated Henry Ford. That is the only way you could go in there, under the current system and reexamine that patent. So the onus is on others to prove that that was not there, that that patent, that good idea, did not exist in the marketplace before.

Under the changes of the Moorhead-Schroeder "Steal American Technology Act," the lawyers are going to have a field day because no longer will the presumption be that the one who came up with the good idea, the Henry Ford of today, no longer will the presumption be that is his property; that is her property; that the American ingenuity that brought about that idea is protected. No longer. The onus now will be on the inventor to prove in all kinds of courts of law that they in fact have a right to that idea.

So when the multinationals step in and they say, "Oh, no, we are working on that back in our laboratory, and we have got a team of 100 lawyers here who will prove to you that Henry Ford did not invent the Model A. No, no, no, no, we were doing it out back. We just did not tell anybody,".

Henry Ford, with no money, no big corporation, just a little inventor back in his garage, he is going to have to fight the legal department of XYZ multinational corporation. Or he is going to have to fight the Japanese Government or the Chinese or whomever else has been able, within that very short time frame, within the 18 months when we publish it for all the world to see, the inventor is going to have to prove that it really was his or her idea.

Now, I ask you, Mr. Speaker, does that not put American ingenuity into jeopardy? I suggest it does, and I suggest it will be a full employment act for the legal community like we have never seen.

One other aspect of the Schroeder-Moorhead "Steal American Technology Act" that is most troubling is the notion of privatizing the Patent Office. No longer will the patent examiners have civil service protections so that they are insulated from the influences of corporate America, multinational corporations, the pressures of lawyers. No longer.

We are going to privatize the Patent Office, privatize it, if ever there was a wrong-headed way to go about protecting American ingenuity. We should not be privatizing the Patent Office. We should not be taking dedicated public servants and making them subject to the marketplace and the pressures of the marketplace.

Mr. Speaker, this is a matter of troubling consequences for all of us. I understand that the subject is not the most glamorous. It is rather dry.

But if we are to protect American ingenuity, if we are to provide for an American climate that allows future Henry Fords and Eli Whitneys and all the other great inventors who have made America great, we must ensure that the current patent law is not compromised, that we do not move into this global, one-world atmosphere in which American ingenuity takes a back seat, in which multinational corporations are able to benefit at the expense of budding entrepreneurs, small business people, that mom or dad or young person who is sitting at a kitchen table with a great idea or out back in the garage working at their table trying to come up with a great idea that some day will create tens of thousands of jobs, grow the American economy, and continue the United States of America's rightful place as the most technologically proficient, highly educated and sophisticated Nation in the world, where new ideas are our currency. New ideas are what makes America great. New ideas will protect our freedoms and our democracy.

If we allow the Moorhead-Schroeder "Steal American Technology Act" to be passed into law, the United States will relinquish its first place status as we move into the 21st century, and we can look forward to a very troubling, troubling time in American history.

Mr. Speaker, I rise tonight to alert millions of my fellow Americans about the importance of our country's patent system. I realize that it is not one of those glamorous, sexy issues like military operations or missing FBI files. And that as I speak, millions of people may be grabbing for their remote controls, searching for something—anything else to watch. However, it is vital to the public that they are aware there is a movement in Congress to destroy our Nation's patent system as we know it. It comes in the form of a bill, H.R. 3460—the Moorhead/Schroeder Patent Reform Act. Before I go into the devastating effects this legislation will have on our economy, I want to take a moment to illustrate the significance of our patent system and what it means to the United States economic stability.

It is U.S. discoveries and U.S. inventions that dominate the cultures of every country in the world. The pocket calculator, the minicomputer, frozen food, motion pictures and, the telephone are just a few of the patents granted for inventions that have made us smarter, our work easier and improved the quality of our lives. Who are the U.S. innovators that have created these modern miracles? The majority of the innovations are created by small independent inventors. People like you and me, who turned an idea into a product that we all can use and enjoy.

Examples of great U.S. inventions: 1868—the air brake; 1911—air conditioning; 1911—self-starter automobile; 1972—the pocket calculator; 1925—the circuit breaker; 1852—the electric brake; 1911—the gyrocompass; 1982—the artificial heart; 1928—the iron lung; 1937—nylon; 1868—the refrigerator rail car; and 1927—the television.

But, before I go any further, let me explain what a patent is. By definition, a patent is an official document, conferring a right or privilege. Ownership. It protects by a trademark or a trade name so as to establish proprietary rights—private property. The importance lies not in its definition but in the right we are protecting. It is someone's right to own their idea, invention or innovation. When we think in terms of ownership we tend to visualize land or some kind of durable good, defined as property rights. But someone's idea, invention or innovation is also property—it's called intellectual property. Perhaps it is our greatest property because the ideas of men are limitless. They are our past, our present, and more important, our future.

The right to intellectual property was recognized by our country's founders and specifically written into the Constitution. In fact, inventors are the only class of people who enjoy protection in the Constitution. It's found in article 1, section 8, clause 8 and reads as follows: "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In the middle of the 20th century, Americans were given a guaranteed patent term of 17 years. Since that time, the United States has risen to become the leader in patents in the world. Invention is one of the things America does best. By offering the strongest patent protection in the world, the United States has stimulated more creativity and new industries than anywhere else—and an annual $30-billion intellectual-property trade surplus. That's right, the United States is the leader in intellectual property. For my colleagues that do not follow patent issues closely, the importance of that statistic will be lost. Let me explain.

We, the United States, have more fundamental patents than any other country in the world. Fundamental patents are those patents most often cited in other works worldwide. In 1991, the United States had over 100,000 fundamental patents. The other 14 industrialized countries, combined, had only 127,000. Fundamental patents are used in measuring a nation's prosperity because it is those patents that will continue to bring in income and generate jobs for a nation.

This is no secret to the world. Foreign interests know that the United States has and will continue to develop cutting edge technology that add to a nation's economic power. They want a piece of the action. They want our property for their prosperity.

Japan, for instance, acquired much of its base of western technology, most of it American, perfectly legally through licensing, careful study of scientific papers and patents. But when the United States was not willing to share, some Japanese companies simply copied with little regard for patents or other intellectual property rights. IBM versus Fujitsu, Honeywell versus Minolta, and Corning Glass versus Sumitomo Electric—these are only the latest, best-publicized complaints that Japan has stolen American technology. A series of studies financed by the United State Government since 1984 warn that Japan has caught up with the United States or passed it in the development of integrated circuits, fiber optics, and computer hardware engineering.

Technology has been at the root of a number of recent diplomatic flaps between the United States and Japan: sanctions against Japanese electronic products in response to microchip dumping.

The Japanese buy patents rather than develop their own technology, which requires enormous investment. They buy the patent, perfect it, synthesize it, sell it, and reinvest the money in another patent. The numbers are there to prove it. The United States maintains a healthy and growing surplus with Japan in license fees and royalties. In 1986, Japanese companies paid $697 million to United States firms, up from $549 million in 1984.

Small wonder that foreign companies, particularly Japan and Europe dream of weakening patent laws and obtaining breakthrough technologies without rewarding American inventors. More alarming is the fact that many of my colleagues here in the House want to make it easier for foreign interests to get hold of U.S. technology. That's exactly what the Moorhead-Schroeder bill does.

Make no mistake, the American patent system is very different from the European and Japanese systems. In Japan and in countries covered by the European patent convention, inventors receive patents good for 20 years from the date that the patent application is filed. American patents are kept confidential during the application process and cannot be contested until after issuance.

I quote "in the war for global economic dominance, the fiercest battles today are over intellectual property. Where nations once fought for control of trade routes and raw materials, they now fight for exclusive rights to ideas, innovations, and inventions." And, economic power is what it is all about in today's world.

America is under widespread economic attack from foreign predators. Technological espionage and patent infringement are serious problems.

Let me tell you about one of the most tragic stories of patent infringement—the MRI story. Dr. Raymond Damadian, president and chairman of the Fonar Corp. holds the first patent for the MRI scanning machine that was filed in 1972. He and his students built the first scanner and performed the first scan in 1977. However, Dr. Damadian's patent was not enforced and he was the victim of industrial espionage.

A gypsy company servicing medical equipment hired Fonar service engineers, thereby acquiring a full set of Fonar's top secret engineering drawings and multiple copiers of Fonar's copyrighted software. Fonar obtained a temporary restraining order from a Federal judge ordering this group not to use Fonar's schematics or software in the service of scanners. The judge's orders were ignored. Through a modem connection, Fonar secured hard proof that the gypsy service company was loading Fonar's diagnostic software onto a scanner, in clear violation of the judge's orders.

The judge cited the gypsy company for contempt of court. Fonar complained there were no sanctions beyond the citation. The judge said, "What do you expect me to do, put them in jail?" The irony is, if it had been someone's automobile instead of millions of dollars of technology, incarceration would have been automatic.

In another instance, a Japanese company reversed a sales contract for a Fonar scanner on which Fonar had already received a downpayment. The company site in Brooklyn was next to a large train track and they lacked the technology to cope with the trains. The passing trains were destroying the images. Fonar began receiving phone calls asking how Fonar coped with train interference. After about a year, the phone calls stopped and Fonar learned the customer's train problem was solved. Subsequently, a Fonar engineer visited the company site and found a copy of Fonar's train compensating apparatus installed on a Japanese scanner.

Altogether the conditions I have described do not portray a happy circumstance for the

American inventor who must fend off gigantic foreign competitors engaged in a feeding frenzy on America's technology. In 1992 the United States suffered a medical equipment trade deficit with Japan of $320 million. If Fonar's MRI patents had been enforced, this would have been a trade surplus instead of a deficit.

The MRI is an American invention with an American patent. Today MRI is a multibillion dollar industry. Because Fonar's patent was not enforced, of the eight companies engaged in MRI technology, there are only two left that are American, Fonar and GE. All the rest are foreign.

Modern inventors, like Dr. Raymond Damadian, are now finding their constitutional right to patent protection threatened.

Our Founding Fathers would be rolling over in their graves if they knew that an inventor's rights were being violated. By enacting the Moorhead-Schroeder bill we will make this already bad situation worse.

That's why I can't understand why anyone would support this legislation. Before this horrendous bill comes to the floor for a vote, it is imperative that all of my colleagues, from both sides of the aisle, understand just how damaging it is. Essentially, all U.S. inventors and great American ingenuity will be penalized, if not completely stifled.

The Moorhead-Schroeder bill will grant foreign interests unrestricted access to the patent secrets of American inventors. It will give away our most sacred property—our ideas.

Put simply, the Moorhead-Schroeder bill will do the following:

First, it turns the Patent Office into a corporation where it is no longer subjected to congressional oversight. It removes patent examiners from civil service protection. This will rock the integrity of the entire U.S. patent system. Patent examiners should have civil service protection for the same reason that Federal judges have lifetime tenure. Their missions are quasi-judicial in nature, making them targets for pressure and influence.

Second, it destroys the confidential patent-pending relationship between the inventor and the Patent Office, exposing inventors' trade secrets to competitors before a patent is granted. Many companies keep an eye out for new ideas and new technology and then either steal it or design around it. Why should pending patent applications be one of the few areas where company confidential information must be published?

Third, it calls for publishing unissued patent applications at 18 months from filing. This is not in the U.S. interest. When the U.S. Patent System is a major reason that the United States is the most innovative country in the world, why would we want to expose our patents for the world to steal?

The Moorhead-Schroeder bill is so damaging to American technology, it begs the question, Why is Congress even considering it? The answer lies with the Patent Office Commissioner Lehman. In a 1994 agreement known as the Lehman-Asou Accord, Commissioner Lehman told the Japanese Ambassador that we would change our patent system to resemble the Japanese and European systems. Under the Constitution, Commissioner Lehman has no authority to make that promise. Now the Moorhead-Schroeder bill has been offered to clean up his mess. Never has the cliche "two wrongs don't make a right," been more appropriate.

The Moorhead-Schroeder bill contains several other provisions that discredit inventors and favor copiers and thieves.

Writing in Electronic Design in October 1995, patent columnist John Trudel made the following observation after speaking with an official from the U.S. Patent Office regarding the 1994 Lehman-Asou agreement "The administration promised the Japanese that we will make U.S. patent findings public information after 18 months. If that sticks, all your competitors can copy your idea before you are even granted a patent. The worst news is hidden. Embedded in the middle of the official's talks was the phrase "reexamination rights." Alarm bells went off in my head. Did that mean that any U.S. firms fortunate enough to have patents will be subject to endlessly defending them against reexamination by the Japanese Keiretsus? Guarded in public, the official admitted that his worst fears were valid when he spoke privately with a patent official. He likened the event to Japan's World War II surrender on the *USS Missouri*. Some were gleefully calling Tokyo on their cellular phones to report, "The United States has given us its patent system." He was referring to 1994 agreement Lehman signed with the Japanese. It says that is all right there folks. We are giving away our Patent System. We who serve in Congress have an obligation to stop ill-conceived international agreements entered into by political appointees. Mr. Lehman had no right, under the law, to give away our property rights. Is it not enough that we have a $40 billion trade deficit that he sees a need to give away any hope of future prosperity?

Three of Moorhead-Schroeder bill changes, when taken in combination, establish a disastrous scenario that illustrates why the Japanese are insisting that America adopt them.

The Moorhead-Schroeder bill weakens our Patent System by mandating that first, a patent term will be measured from the filing date—agreed to in the GATT Agreement. It scraps our 17-year patent protection in favor of a 20-year term extending from the day an application is filed. Under this arrangement, a patent that takes 15 years to grant—and many highly technical patents require an extensive review process—would be entitled to only 5 years of protection.

Second, patents—granted or not—will be made public within 18 months. Publishing patents 18 months after filing will allow companies, worldwide, to copy and to develop the breakthrough technology while the patent applications are still pending in the United States.

Third, three-party reexamination—the most egregious provision of the Moorhead-Schroeder bill may very well be this broadened reexamination proposal.

The broadened reexamination changes proposed in this legislation have the potential of being the most malignant of all the provisions. Let me explain the hidden consequences of changing the reexamination process.

Generally, the broadened powers of reexamination that the Moorhead-Schroeder bill grants now opens every patent holder to a full-scale litigation attack by lawyers anywhere in the world. H.R. 3460 says "Any person, at any time, may file a request for reexamination." Under present law litigation can only be initiated by a patent holder as part of his enforcement against an infringer. An infringer may not initiate litigation. Under the proposed changes of Moorhead-Schroeder bill, a series of attacks by several foreign corporations, in rapid succession, can be used to cause most American inventors to succumb and abandon their patents for lack of financial resources to defend themselves.

The United States has a 200-year-old policy of protecting the American inventor. Patent reexamination was only granted under very restricted conditions. The Patent Office conducted the review on its own and the third party challenger was not involved in the review.

The Moorhead-Schroeder bill expands the reexamination process to question every component of the patent. At its best, the Moorhead-Schroeder bill invites all the world, and all of its lawyers, to repeat the process a second time and attempt to invalidate all U.S.-approved patents.

Furthermore, under the Moorhead-Schroeder bill foreign corporations are now given the right to appeal any decision they don't like. The international challengers and their attorneys are invited to enter the process and continue to the very end. This is the scenario the Moorhead-Schroeder bill creates. The challenger submits his patent challenge, which may be a several-hundred-page legal brief. There is no restriction. The patent applicant/holder then submits a written response. The challenger in turn submits a final response. The challenger can tactically reserve his most severe challengers for his final written response which the patentee cannot respond to. The reexamination process has become full blown litigation complete with attorneys. The Moorhead/Schroeder bill will make the re-examination process so difficult that no independent inventors will have the means or time to fight for his idea. The incentive to create will be lost the right of ownership will go to the highest bidder.

You've got to worry about American technology when everyone seems to tell you there's less of it everyday. What can be done to stop the invasion on our patents? Some people advocate altering our Patent System, arguing that we should do it to harmonize with the new world order. Those people support the Moorhead/Schroeder bill. Others, including myself, insist that the United States Government should work to identify and support critical technologies. We support the alternative piece of legislation to the Moorhead/Schroeder bill—we support H.R. 359.

H.R. 359, also known as the Rohrabacher substitute, has wide bipartisan support with over 200 cosponsors. The Moorhead/Schroeder bill has only 18 cosponsors.

Through the Rohrabacher bill we have the change to strengthen the U.S. patent term to 17 years from grant or to 20 years from filing, whichever is longer. All patentee's inventions will be published 60 months after initial application is filed. The Moorhead/Schroeder bill would publish it 18 months after the initial application is filed.

The Rohrabacher substitute maintains current law is regard to the term of the Commissioner. The Commissioner will continue to serve at the pleasure of the President. The Patent and Trademark Office will continue to be located in Washington, DC. This is the system that has worked for over a century. In that time, we have grown to become the leader in fundamental patents. The system obviously works. Why change it? If H.R. 3460 is passed, the Patent and Trademark Office could be established anywhere, even in Japan or China.

As I see it, all the evidence points to the Rohrabacher substitute being the better bill. It is in compliance with the GATT Treaty. Furthermore, Mickey Kantor in a letter to Senator Dole has pledged not to oppose it.

A piece of silicon may cost just a few dollars, but the knowledge of how to design and make complex integrated circuits is worth hundreds of millions. Fighting theft of intellectual property is difficult, but the payoff can be incalculable.

If the Moorhead/Schroeder bill passes, it will signal an open invitation for foreign corporations to come and take our property. That is why I implore my colleagues to vote down the Moorhead/Schroeder bill and support the Rohrabacher substitute measure, H.R. 359.

One who believed in the necessity of private property was Abraham Lincoln, who said: "Property is the fruit of labor; property is desirable; it is a positive good in the world. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise."

Giving away the property of our inventors is nothing short of killing the creative spirit that has made us the greatest country in the world. If you doubt this, ask yourself why foreign governments are now pressuring us to abandon our tried-and-true American Patent System?

Mr. Speaker, I submit the following for the RECORD:

FONAR CORPORATION,
Melville, NY, May 22, 1996.

The Honorable MICHAEL P. FORBES,
House of Representatives, Cannon House Office Building, Washington, DC.

MIKE, Moorhead's Intellectual Property Committee is marking up an extremely MALIGNANT omnibus anti-patent bill, H.R. 3460, for immediate introduction to the floor. It contains:

A: Forced publication to the world of all patentee patent applications before their patents are granted and whether or not they are ever granted (formerly Moorhead's HR 1733).

B: Broadened reexamination (formerly HR 1732) to broaden the powers of foreign entities to challenge (incognito) all existing patents in the hope of invalidating them. The new power now expands the power to challenge inventions and get them removed even before they become patents while they are in the application process. Eighteen month publication "cocks the trigger" for HR 1732 by advertising to all foreign entities what America's new patent applications are.

C: Privitize the patent office (formerly HR 1659) putting Corporate America in charge of the PTO and removing the government's traditional protection of America's inventors and their applications from Corporate mistreatment.

Please stop the bill.

Please talk to your friends in Judiciary to stop it.

Please talk to your fellow Congressmen on the Hill to stop it.

The bill is extremely dangerous to America's inventors and the American system of free enterprise.

Sincerely yours,
RAYMOND DAMADIAN,
President and Chairman.

TESTIMONY OF RAYMOND DAMADIAN, M.D., PRESIDENT AND CHAIRMAN, FONAR CORP., BEFORE THE HOUSE JUDICIARY COMMITTEE

Mr. Chairman, by way of introduction, I am the President of Fonar Corporation, a Long Island company that employs 300 and manufacturers MRI machines.

I hold the first patent for the MR scanning machine which was filed in 1972, and my students and I built the first scanner and performed the first scan in 1977.

The path has not always been easy, Mr. Chairman. My patent was not enforced. That, coupled with severe losses of the rest of our proprietary technology by industrial espionage, has made it impossible for us to build a prospering manufacturing company. Our experience has taught us that America's current industrial environment is not supportive of new companies trying to bring new inventions to market. Patent enforcement and freedom from espionage, the fundamental ingredients of such ventures, are all but non-existent.

A few examples from our company's experience make the point best.

A gypsy service company servicing medical equipment hired Fonar service engineers, thereby acquiring a full set of our top secret engineering drawings and multiple copies of our copyrighted software. We obtained a temporary restraining order from a federal judge ordering this group not to use Fonar's schematics or software in the service of scanners. They ignored the judge's order. Through a modem connection, we secured hard proof of them loading our diagnostic software on our scanner, in violation of the judge's order. The judge cited them for contempt of court. When we complained there were no sanctions beyond the citation, the judge said "What do you expect me to do, put them in jail?" The irony is, if it had been someone's automobile instead of millions of dollars of technology, incarceration would have been automatic.

In another instance, a Japanese manufacturer of MRI and a direct competitor of Fonar's hired one of our service engineers. We reminded the employee that he had signed a non-compete at the time of employment, in return for his training. He ignored his commitment and joined the Japanese company. When we brought an action to enforce our contract, we learned that the Japanese company had indemnified him and was paying all his legal bills.

In another case, we learned how we lost valuable technology to a German Company. To protect the technology of our magnets, which was precious to the company, we required that all of our magnet installations take place behind locked doors. An executive of the company proudly told me that that precaution was easily overcome. He reported that he took the technician out to dinner, filled him with alcoholic beverages and thereby secured an invitation to enter the room and inspect the scanner for as long as he wished, which he did.

In another case, a Japanese company reversed a sales contract on a scanner on which we had already received a downpayment. The Brooklyn scanner site was next to a large train track and the Japanese company lacked the technology to cope with trains. Our company began receiving phone calls asking how Fonar coped with trains. We learned the customer was angry that the passing trains were destroying his images. After about a year, the phone calls stopped and we learned the customer's train problem was solved. One of our engineers visited the site. He found a copy of our train compensating apparatus installed on the Japanese scanner.

Altogether the conditions described do not portray a happy circumstance for the American manufacturer who must fend off gigantic foreign competitors engaged in a feeding frenzy on America's internal markets. The combined effects of these adverse circumstances can be seen on the chart I have attached. In 1992 the U.S. suffered a medical equipment trade deficit with Japan of $320,000,000. If my MRI patents had been enforced, this would have been a trade surplus instead of a deficit. Destructive espionage tilts the scales even more sharply against us.

The MRI is an American invention with an American patent. Today MRI is a multi-billion dollar industry. Because Fonar's patent was not enforced, of the eight companies taking sales out of the American market today, there are only two left are American, Fonar and GE. All the rest are foreign. They are Hitachi, Tosiba, Shimadzu, Siemens, Philips and Picker.

Our experience as a company has been that civil remedies are wholly inadequate in dealing with industrial espionage.

The proposed legislation for effective criminal sanctions appears to be the only means by which these noxious practices and the enormous economic destruction they bring upon America each year can be deterred.

Finally, Mr. Chairman, I wanted fervently in the development of the MRI to use my invention to build a great new multi-billion dollar manufacturing enterprise for America in the same way the Edison and Bell did. I have found that even though I have now labored diligently for more than a quarter of a century, the tools for doing what Edison, Bell, Eastman and others did, no longer exist. Indeed we have had the disheartening experience that no amount of toil at creating new innovations could reverse the process, but that by a combination of willful patent infringements and industrial espionage our innovations were stripped from us as fast as we could create them. Moreover, I believe you will not find my experience unique. Indeed I believe you will find it universal. I have sadly concluded, Mr. Chairman, that unless America quickly restores to its innovators the basic tools they need to build businesses, such as patent enforcement and protection from espionage, America will soon cease to exist as a manufacturing nation.

The economic cratering and threat to our national security that the loss of our manufacturing base to foreign nations will create, will be dire enough. The social upheaval that can be expected to follow in he wake of such a manufacturing demise can be expected to jeopardize the very republic on which we stand.

I have come to Washington not to regale Congress with this sad message on the unfortunate outcome of MRI, but to persuade Congress and the American people of the urgency of the matter and of the urgent need to restore the tools of patent enforcement and protection from espionage that our nation's manufacturers must have to compete.

A great host of foreign nations are helping themselves to the inventions of American innovators by means of industrial espionage and willful patent infringement. Through their use, they are devouring our internal markets and leaving us unemployed. America must rise up to protect her property. If she does not, it will be natural for foreign interests to construe that American puts little material value on these properties and that she can be counted on to look the other way as her properties are illegally devoured.

DIAGNOSTIC IMAGING AND THERAPY SYSTEMS—TRADE BALANCE—CALENDAR YEAR 1992

[In U.S. dollars]

Country	Exports	Percent share	Imports	Percent share	Balance
Germany	301,638,699	14.95	578,026,441	32.55	(276,387,742)
Japan	264,670,735	13.12	585,495,403	32.97	(320,824,668)
Canada	167,714,703	8.31	22,832,903	1.29	144,881,800
Netherlands	143,067,845	7.09	168,253,096	9.47	(25,185,251)
France	139,053,469	6.89	123,562,901	6.96	15,490,568
United Kingdom	112,547,658	5.58	75,174,628	4.23	37,373,030
Italy	90,432,792	4.48	25,967,958	1.46	84,484,834
Australia	68,713,260	3.41	3,955,211	0.22	64,758,049
China	65,697,608	3.26	230,093	0.01	65,467,515
Brazil	59,351,337	2.94	6,928	0.00	59,344,409
Mexico	58,427,919	2.90	3,873,607	0.22	54,554,312
South Korea	52,492,524	2.60	3,653,817	0.21	48,838,707
Hong Kong	38,993,025	1.93	12,000,784	0.68	26,992,241
Belgium	35,464,619	1.76	22,388,550	1.26	13,076,069
Switzerland	34,039,311	1.69	15,763,755	0.89	18,275,556
Taiwan	29,607,240	1.47	2,268,816	0.13	27,338,424
Spain	29,148,523	1.45	9,970,803	0.56	19,177,720
Sweden	26,178,428	1.50	23,025,472	1.30	5,152,968
Argentina	24,046,114	1.19	10,100	0.00	24,036,014
Austria	20,289,187	1.01	7,862,878	0.44	12,426,309

Data Source: U.S. Department of Commerce, Bureau of the Census.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

☐ 1630

THE FAMILIES FIRST AGENDA AND A FURTHER DISCUSSION ON SUPREME COURT JUSTICE CLARENCE THOMAS

The SPEAKER pro tempore (Mr. SHAW). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I would like to talk today about the families first agenda of the Democrats, recently announced. Of course we have between now and November to really get to understand and fully digest what this agenda is all about, but I am very excited about it because it does crystallize and place in one package some of the very important points that I have been trying to get across for the last 18 months.

I think the families first agenda is a good statement as to what is most important that is going on here in Washington at this point. It talks about what is happening with working families and workers in the workplace and what we need to do to deal with guaranteeing that we place families first by seeing to it that working families have an opportunity to survive with dignity and that people in the workplace have a fair chance to make a living. That is one very important part of it. Another part of the families first agenda, of course, deals with education. Nothing is more important than education at this particular point in the history of this Nation.

We are in a critical transition period. This is a period where high tech knowhow has taken over. It is a period where skills that were relevant and useful and could command a great price in the marketplace 30, 40 years ago are no longer able to command that price. For that reason we have a great gap in our income structure, and more and more people are sinking to lower and lower levels in terms of their income while the country is really prospering and a handful of people are getting richer and richer. The families first agenda was developed by the Democratic Caucus under the leadership of Minority Leader GEPHARDT. I think he did a great job, and we certainly would expect from Democrats that kind of agenda.

I want to start by indicating that there is an editorial that appeared in the Atlanta Constitution that was not developed by Democrats, was not developed by the Democratic Caucus. In fact I do not think you could ever accuse the Atlanta Constitution of being a group of wild-eyed liberals. This editorial, I think, could very well be an introduction to the families first agenda. The families first agenda could benefit greatly from this editorial, which is labeled the "Shrinking Middle Class." It appeared in the Atlanta Constitution of Friday, June 21. I am going to talk about this editorial and then move into the families first agenda.

Before I do that, I did want to make a few comments about the topic that I discussed just before we adjourned for the July 4th holiday. I got a lot of comments as a result of my last 60-minute presentation. I talked at that time about another subject which was close to education, educating children. I used the situation with respect to Clarence Thomas, Supreme Court Justice Clarence Thomas who has been the focus of a controversy in Prince George's County. There were some board members of the local school board who objected to Justice Thomas addressing a group of youngsters who were receiving awards.

Prince George's County and this particular school in particular is predominantly black, overwhelmingly black. The board member, Mr. Kenneth Johnson, had raised the issue of considering the kinds of positions that Justice Thomas has taken, which have hurt black people so much, have hurt the African-Americans in this country so very much, should he be allowed to come to a school of predominantly black children and not have a situation where he could be questioned or there could be a discussion. Should he be allowed to come in and serve as a role model without anybody making any effort to see to it that youngsters understand that there is a controversy surrounding Mr. Thomas which definitely impacts on their lives and that you ought to have some different kind of format.

I praised Mr. Johnson's action, and he was not trying to deny Supreme Court Justice Thomas the right to speak. He wanted a different format. I think it was most appropriate.

I got a lot of criticism for that. A lot of people called in. One lady called in teary-eyed, saying that she never thought she would see the day where a black Congressman would sit on the floor of the House and criticize a black Supreme Court Justice. My answer to that is it is very difficult, I assure you, but these are very difficult times. These are very complex times. The world is not simple anymore with respect to civil rights. The fact is that everybody who fought in the civil rights struggle had a common goal and you had clear objectives, people were being denied the right to drink at water fountains. They were being denied hotel accommodations. They were being denied the right to take a job even when they were qualified for the job. They were openly discriminated against.

It was all very obvious, very blatant, and we were all marching to the tune of one drum against these insults and against the disadvantages that they posed. It was much clearer. Now, you have a situation where people who are the beneficiaries of affirmative action, like Supreme Court Justice Thomas, have attacked the same affirmative action that he was a beneficiary of. Supreme Court Justice Thomas has begun to help turn back the clock on many of the progressive steps that were taken and made by African-Americans in this country.

So, if he is handing down decisions which attack the Voting Rights Act, decisions which attack affirmative action, decisions which make new law and that law is very much to the disadvantage and the detriment of black people in general and certainly black children, then I think Mr. Johnson, the school board member who raised the issue, has a legitimate point. This man should not be held up as a role model without question.

Yes, when I was the age of these school children in the eighth grade, any black who achieved anything was held up as a model. Be somebody was a very general statement. Be somebody, achieve, rise to any level. It did not matter what kind of philosophy you had when you got there; ideology, those things were too complicated. It did not have to be discussed because just about any black who was a role model also was against segregation, they were also against discrimination.

Things were very simple. But when you have a situation as complicated as the kind of decisions that have been handed down by the Supreme Court, certainly the latest set of decisions on the Voting Rights Act and then my last discussion I talked about the Voting Rights Acts decisions. I talked about the attack on affirmative action. I talked about how these kinds of actions on the top are generating a spirit of something to do with the kind of extremism you see acted out at the bottom with the burning of black churches. There is a relationship.

These kinds of actions are radical actions being taken by the Supreme Court. The Voting Rights Act decisions that have been handed down by the Supreme Court, they break with the current law. They break with the trend in law. The break new ground because the general progressive movement forward of American law as interpreted by the Supreme Court has not taken the kind of positions that the Supreme Court now has begun to take. The Supreme Court is using the 14th amendment to justify striking down programs which are very much in step with what the 14th amendment was designed to accomplish.

The Supreme Court leadership, the majority on the Supreme Court have chosen to use the 14th amendment as a battering ram to wipe out any legislation designed to benefit the descendants of African-American slaves. That is a radical departure from the way the law was being interpreted before.

The Supreme Court, this majority on the Supreme Court, joined by Justice Thomas, also refuses to follow a simple procedure that every other Supreme Court and most other courts of law have held up as a very necessary procedure. That is to examine any law or any part of the Constitution and try to determine what the Founding Fathers meant at the time that item was placed in the Constitution or what the Congress meant at the time a law was passed. The intent of Congress, the intent of the Founding Fathers has always been one of the foundations of the analytical process that goes on when the law is deliberated at the level of the courts.

So, the intent of the 14th amendment is very important. The fact that this majority has chosen to totally ignore the intent of the 14th amendment and use it as a battering ram to push a color-blind philosophy, it is an ideology, a color-blind ideology of Sandra Day O'Connor and the other members who join her repeatedly in insisting that the 14th amendment says that we must have a color-blind society, that has no foundation in the 14th amendment. It may be that the general implication of what America is all about and the Constitution and the Bill of Rights, everything says that we should have a color-blind society and that is implied. But the 14th amendment certainly is not the place where you should ground that kind of theory. Just the opposite, when it comes to people who are descendants of African slaves. The slaves were the subject of the 14th amendment. The slaves were the concern of the 14th amendment.

I had to move through this very rapidly last time. So, for the benefit of people who are upset about my argument, I just wanted to repeat it. Again, it relates to education, which I want to talk about later as my primary topic. It relates to the education of our children. Nothing is more important as history and having children understand history in a proper manner. Nothing is more important than having children understand that role models are determined not by people's position in the hierarchy but by what that position means, the philosophy of the ideology, the kind of actions that these people take.

So to take the 14th amendment and twist it and distort it and to have the 14th amendment being used as a justification for wiping out the Voting Rights Act, to have the 14th amendment being used as a justification for getting rid of affirmative action, that is a heinous misuse and abuse of the 14th amendment. The 14th amendment was designed to ameliorate the crimes of slavery. It was designed to make some compensation for what had gone on before the 14th amendment was passed. The 14th amendment came right after the 13th amendment.

Mr. Speaker, the 13th amendment freed the slaves. The 14th amendment dealt with guaranteeing that nobody would misunderstand that these slave persons have equal rights. Not all Americans have equal rights, all other Americans had equal rights. They have always had them under the Constitution. It was a new group of Americans who were being elevated to the point where they, too, would have equal rights. Originally the Constitution spoke of slaves only as three-fifths of a person in the counting of the populations of the States. The Constitution states that the slaves shall be considered three-fifths of a person. Well, the 14th amendment makes it clear that no longer is that true, that each person in the United States, a person shall include slaves, slaves shall be considered as persons. That was the primary thrust of sections 1 and 2 of the 14th amendment.

What you have is the Supreme Court, the majority on the Supreme Court, the Sandra Day O'Connor majority, the Clarence Thomas and Sandra Day O'Connor majority insisting that only one section, in fact, one sentence is relevant. And that is section 1 of the 14th amendment, which talks about all persons born and naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside.

Why did the 14th amendment have to say that? It said it already in the Constitution before. Who were they talking about? What were they clarifying? When they say all persons born or naturalized, they mean a new group of people now that must be recognized, those people who had before been considered only three-fifths of a man. They now must be recognized as full citizens of the United States. No States shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

That is the part of the 14th amendment which O'Connor and Thomas and company insist is the basis for the establishment of a color-blind United States of America.

□ 1645

Well, you did not need to say that people should not be denied equal protection of the law. That was the case for all other people except slaves. Only the newly freed slaves had to be included, and the 14th amendment wanted to make it clear that the newly freed slaves must not be denied equal protection of the laws.

Now that is section 1 of the 14th amendment. What the O'Connor-Thomas majority on the court ignored completely are the following: section 2, section 3, section 4 and section 5.

Section 2 makes it quite clear that this 14th amendment is concerned primarily about slaves. Section 2 talks about Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State. This is section 2 of the 14th amendment.

As I said before, the primary business of the 14th amendment is to rectify, to take care of, the conditions that had been created by slavery and the conditions that the Constitution had recognized.

Why do you have the statement in the section 2 of the 14th amendment which talks about counting the whole number of persons in each State? Because before some persons in each State, those who were slaves, were not counted as a whole number. Three-fifths of a slave was counted as a person for the benefit of taking the census, and the census, of course, determines what the voting power and electoral college would be of each State. The census would, of course, determine how many Representatives each State would have.

The great compromise was to allow slaves to be counted at all. That is why the three-fifths number was arrived at. Section 2 in the 14th amendment, it goes back to make the correction, and it says you must count the whole number of the persons.

It also went on to say that when the right to vote at any election for the choice of electors for President or Vice President, Representatives, in other words, for any Federal office, when the right for any Federal office is denied or for any State office is denied to these people who now are not going to be counted as three-fifths, but be counted as a whole, you shall have a problem if you deny anybody the right to vote, especially these new slaves, new citizens who were former slaves. You should have a problem, and your proportion in the House of Representatives would be reduced by the number of such male citizens to the male citizens of the total State. You shall have a reduction if you are guilty of denying the right to vote to these citizens.

Why would this be included if you were not talking about a new group of citizens? If it is confusing, I will read the whole thing: But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of a legislature thereof is denied to any of the male inhabitants of such State being 21 years of age and citizens of the United States are in any way abridged except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State. That is section 2 of the 14th amendment.

Notice that they are concerned about denying the right to vote to one group of people, those who participated in rebellion or other crime are denied the right to vote. If you do not understand what that means, go on to read section 3. Section 3 is more concerned about people who participate in rebellion. Again I am reading this only to make the point that the 14th amendment was primarily concerned about the Civil War, the aftermath of the Civil War or the War of the Rebellion, whatever you want to call it, and the conditions of slaves, the freedom of slaves, the recognition of the freedom of slaves, the recognition of full citizenship for slaves, and it also wanted to make it clear that people who had rebelled did not have certain rights.

The part that is totally ignored in the 14th amendment is section 3. No person shall be a Senator or Representative in Congress, or elected President or Vice President, or hold any office, civil or military, under the United States or under any State, who have not previously taken an oath as a Member of Congress or as a officer of the United States or as a member of the State legislature or as an executive or judicial officer of any State to support the Constitution of the United States and then shall have engaged in insurrection or rebellion against the same or given aid or comfort to the enemies thereof; those persons shall not hold office except the last sentence of section 3 of the 14th amendment:

But Congress may by a vote of two-thirds of each house remove such disability.

This is part of the 14th amendment which Sandra Day O'Connor keeps citing as an amendment to make America colorblind. This is an amendment which dealt with the problems related to slavery and rebellion against the Government of the United States which causes civil war.

And then finally, section 4, the validity of the public debt of the United States authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. This is in the 14th amendment. They are talking about the debts incurred in fighting the Civil War, the pensions owed to soldiers who fought the Civil War, who fought against the rebellion. They are going to clarify that the other side is not included in the next sentence: But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid or insurrection, rebellion against the United States or any claim for the loss or emancipation of any slave. All such debts, obligations and claims shall be held illegal and void.

Section 4 of the 14th amendment; if you do not understand before you get to section 4 that the 14th amendment is about slavery, it is about correcting the injustices of slavery. It is about the War of the Rebellion, it is about dealing with people who had rebelled, denying them the right to hold office, making provision for some of them to hold office if the Congress votes by a two-thirds vote, and it is about debts that were incurred in the Civil War, debts that were incurred on the Union side, on the side which upheld the Constitution of the United States, all being made legal and debts that were incurred by the people who were rebelling being made illegal.

It is in the 14th amendment: Neither the United States, nor any State, shall assume or pay any debt or obligation incurred in aid or insurrection, rebellion against the United States or any claim for the loss or emancipation of any slave. But all such debts, obligations and claims shall be held illegal and void.

I am not going to go on. I do not want to refight the Civil War. My concern is if you want to deal with a Supreme Court that sits there and interprets the law and ignores more than 75 percent of the 14th amendment to come out with a conclusion based on one sentence in the first, in section 1, and say that that Supreme Court is a legitimate institution, that the majority there is acting in a respectable way, that no one should challenge what they do, that Clarence Thomas is not part of a conspiracy to distort the Constitution, distort the 14th amendment; if you want to take that position, I am trying to tell you you are not on sound ground.

Those of us who challenge the majority in the Supreme Court in their voting rights decision based on the 14th amendment certainly have a legitimate argument. We certainly have a right to challenge Clarence Thomas, Justice Clarence Thomas, on the position that he takes on the voting rights amendment. When you combine that with the position he is taking on affirmative action, we certainly have a right to challenge him to be held up as a role model for black children.

I have taken the time to do this because I got so many inquiries and so many comments on the comments that I made the last time I was here for a special order. I was talking then about how you educate children. I talked about history and how important history is in the education of children. Education is a major part of our families first agenda, and I want to talk now about the families first agenda.

Education, history, math, science, all of it is important. We had a situation where during this 104th Congress an absurd proposal has been made by the majority to abolish the Department of Education. Not only do they come with billions of dollars in cuts for education programs, but they have proposed to totally abolish the Department of Education.

This same majority, the Republican majority, has chosen to wage a relentless war on the working families and workers in their workplace. The kind of antilabor legislation that has been proposed and, in some cases, passed on the floor of this House are indicative of what the other side, the Republican majority, thinks about working families. So the working families first, families first agenda of the Democrats, is an answer, an appropriate answer to the positions that were not stated in the Contract With America, but certainly have been taken de facto by the Republican majority.

We are defending American workers. Families first agenda is a defense of American workers.

I go back to the Atlanta Constitution editorial, which could easily be a good introduction to our Families First agenda. The Atlanta Constitution editorial on June 21 is about the shrinking middle class, and I will read parts of it. It is reporting on the fact that an analysis by statisticians at the U.S. Census Bureau has confirmed and expanded on reports of a growing economic inequality in the United States.

Expressed in stark English, the report says that the rich are getting richer and the rest of America is getting poorer. Now, you have heard that before, but this comes from the Atlanta Constitution, which is not a New York liberal paper but pretty much respected in circles that criticize us New York liberals.

Continuing to read from editorial: Expressed in numbers the news is no better. Between 1974 and 1994 the share of national income going to the richest 5 percent of American households rose by 33 percent. Meanwhile the share of national income going to the bottom 60 percent fell by 14.3 percent. That trend can be traced back more than 20 years and has seemed to accelerate rather than slow over the past 5 years.

The implications of that ongoing transformation are tremendous and ought to inform public policy on the gamut of social issues from welfare reform to crime, but it does not. For example, we know that education matters over the past 20 years, incomes of those with advanced college degrees have risen while incomes of those with less than a college degree have fallen sharply. Yet the trend in Congress has been to cut financial aid that would make college possible for many poor and middle-class students.

I am continuing to read from the Atlanta Constitution editorial of June 21: We also know that the minimum wage, which sets the floor for workers at the bottom of the economic scale, has failed to keep pace with inflation. The falling real minimum wage in turn contributes to the declining income share of the working poor. Yet Congress continues to balk at raising the minimum wage.

Now, we know now that the Senate is still considering the minimum wage; the other body. We did pass the minimum-wage increase in this House after much hand-wringing and threats. Finally, common sense prevailed. The focus groups told the Republican majority they had to do it. The public opinion polls told the Republican majority that they ought to listen to the public for a change. So we got a bill passed here in this House, but it still faces a difficult time in the Senate.

Returning to the article, the editorial in the Atlanta Constitution: The Census Bureau data also raised a series of fundamental questions that we ought to be asking ourselves. At what level does economic inequity threaten the social stability of our Nation?

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"And does the rising crime rate and growing alienation among our young people suggest that we may have already reached that point?"

Let me re-read this. This is a paragraph from the Atlanta Constitution editorial entitled "Shrinking Middle Class."

"The Census Bureau data also raises a series of fundamental questions." The first question is, "At what level does economic inequity threaten the social stability of our Nation, and does the rising crime rate and growing alienation among our young people suggest that we may have already reached that point?"

No. 2, "If falling incomes make it more difficult for young men to raise families, at what point do they begin to abandon the joys and responsibilities of fatherhood? Have we perhaps reached that point already, as evidenced by the rising rate of illegitimate births?"

Point three, "Does the growing economic strain on the bottom 60 percent of Americans account in some way for the growing anger among many white men, who have been told that their problems are the fault of the Government, of minorities, or of foreign trade?"

The next point, "At what point does the inequality between rich and poor begin to undermine the democratic character of the United States, a nation that long prided itself on the relative equality of its people as compared with nations in Europe and elsewhere? Today, income inequality in the United States exceeds that of any other industrialized nation."

"Today, income inequality in the United States exceeds that of any other industrialized nation. Are we still the country we believe ourselves to be? Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country."

I continue to quote from the Atlanta Constitution editorial. "Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country. It is a laughable charge. A quiet class war is already underway, and it is being fought largely because of technology. The computer revolution is altering the relationship between human beings and machines. It is making human labor less valuable and machines more valuable. Corporate downsizings and stagnant wages, accompanied by soaring corporate profits and a recordbreaking stock market, are the first visible symptoms of that largely invisible process. It concentrates wealth in the hands of those with money to invest in computer technology, and to a lesser degree, among those with the education to serve or build computers. Meanwhile, it impoverishes those attempting to make their living by their own hard work.

Trying to halt that technological revolution would be futile. We do not have the power. We do have the power, however, to mold and guide technology to ensure that American values and ideals are honored. We also have the power to adjust social policy to economic reality. But we have failed to do so."

I end the article, the editorial which appeared in the Atlanta Constitution on June 21, 1996. I include the entire editorial into the Record.

The material referred to is as follows:

SHRINKING MIDDLE CLASS

An analysis by statisticians at the U.S. Census Bureau has confirmed and expanded on reports of a growing economic inequality in the United States. Expressed in stark English, the report says that the rich are getting richer and the rest of America is getting poorer.

Expressed in numbers, the news is no better. Between 1974 and 1994, the share of national income going to the richest 5 percent of American households rose by 33 percent. Meanwhile, the share of national income going to the bottom 60 percent fell by 14.3 percent.

That trend can be traced back more than 20 years, and has seemed to accelerate, rather than slow, over the past five years. The implications of that ongoing transformation are tremendous and ought to inform public policy on the gamut of social issues, from welfare reform to crime.

But it doesn't. For example, we know that education matters. Over the past 20 years, incomes of those with advanced college degrees have risen, while incomes of those with less than a college degree have fallen sharply. Yet the trend in Congress has been to cut financial aid that would make college possible for many poor and middle-class students.

We also know that the minimum wage—which sets the floor for workers at the bottom of the economic scale—has failed to keep pace with inflation. The falling real minimum wage in turn contribute to the declining income share of the working poor. Yet Congress continues to balk at raising the minimum wage.

The Census Bureau data also raise a series of fundamental questions that we ought to be asking ourselves:

At what level does economic inequity threaten the social stability of our nation, and does the rising crime rate and growing alienation among our young people suggest that we may have already reached that point?

If falling incomes makes it more difficult for young men to raise families, at what point do they begin to abandon the joys and responsibilities of fatherhood? Have we perhaps reached that point already, as evidenced by the rising rate of illegitimate births?

Does the growing economic strain on the bottom 60 percent of Americans account in some way for the growing anger among many white men, who have been told that their problems are the fault of government, minorities and foreign trade?

At what point does the inequality between rich and poor begin to undermine the democratic character of the United States, a nation that long prided itself on the relative equality of its people as compared with nations in Europe and elsewhere? Today, income inequality in the United States exceeds that of any other industrialized nation.

Are we still the country we believe ourselves to be?

Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country. It is a laughable charge. A quiet class war is already under way, and it is being fought largely because of technology. The computer revolution is altering the relationship between human beings and machines. It is making human labor less valuable and machines more valuable.

Corporate downsizings and stagnant wages, accompanied by soaring corporate profits and a record-breaking stock market, are the most visible symptoms of that largely invisible process. It concentrates wealth in the hands of those with the money to invest in computer technology, and to a lesser degree among those with the education to serve or build computers. Meanwhile, it impoverishes those attempting to make their living by their own hard work.

Trying to halt that technological revolution would be futile. We do have the power, however, to mold and guide technology to ensure that American values and ideals are honored. We also have the power to adjust social policy to economic reality. But we have failed to do so.

As I said, this could be an introduction to the Democratic families first agenda. At the heart of the families first agenda is the recognition that we are in a transition period in the American economy: that high technology, the age of the computer, the miniaturization, telecommunications innovations, new innovations every day, internets, the age of information, all of these things are going forward and nobody can stop them. Nobody should try to stop them. What we as Members of Congress and as public policymakers must do is try to understand the hardship that is being created by the majority of the people out here in our own Nation. The majority of the people cannot cope with these changes unless they have some kind of Government policies which recognize the difficulties. The families first agenda recognizes these difficulties.

The families first agenda puts a great deal of emphasis on education. The President's proposals for tuition, for tax deductions for tuition for the first 2 years, $10,000 of tax deductions, puts a great emphasis where it should be, on education. The President's proposals for a $1,500 tax credit puts the emphasis where it should be, on education. The proposal for merit scholarships puts the emphasis where it should be, and that is on education.

Familes first includes these proposals. It is moving definitely in the right direction. Again, I applaud and commend the House Democratic leader, the gentleman from Missouri, Mr. GEPHARDT, for putting together this families first package. I think we cannot say too much about it between now and November to get the American people fully to understand that this is a defining statement, very simply set forth. There are many details that we will add in our individual districts. Certainly in my district, I have a job to do back in the 11th Congressional District in Brooklyn, to make certain people understand what the families first agenda is all about.

They are going to have a chance to have a debate, I understand, because according to the Washington Times of yesterday, Monday, July 8, I have a Republican opponent. She is so invisible that I did not know she existed before I read about her in the Washington Times. I have a Republican opponent, and she is going to join in the debate because she is definitely going to bring the ideas of the Republican majority to the 11th Congressional District.

My district has never had an opportunity to see a real Republican who walked from door to door, as this article says that my opponent was in the housing project at Brownsville, a poor section of my district, a low-income housing project. She was there, going from door to door, telling people that vouchers are a good idea, school vouchers are a good idea. I think they should hear that.

She is one of 24 black Republicans running for Congress this year, so I think these 24 black Republicans, who may be a part of a Clarence Thomas movement all across America, are people who are going to take the position that economic policies and policies related to discrimination and voting rights, all those policies that are being promulgated by the right and are hurting African-Americans directly, that those policies should be promulgated by African-American candidates in African-American communities, in some cases. Certainly my opponent is running in a community which is 74 percent black. It will be a good test to see how many people appreciate these ideas.

My opponent wants to talk about vouchers for private schools. I think people in my district ought to hear it. The low-income people in the projects ought to hear it proposed that the answer to the education problems in our society are vouchers for private schools. She should tell them that if the government provided vouchers, it would be about the amount equivalent to what we provide for title I programs. The only voucher program that has ever been proposed at the Federal Government level takes the title I money and divides it in areas where schools are eligible for title I. That comes out to between $1,000 and $1,500 per child.

So my opponent, the Republican who is going to venture into the low-income housing projects, wants to tell them that "We will give you a voucher of $1,000 or $1,500 so you can send your child to the private school, but you have to get the rest."

That will be interesting to see how rapidly they throw my opponent out of the building, because $1,500 is not going to pay for anybody's private school tuition over a year. Where is the rest of the money going to come from, $3,000, $4,000? My opponent and other Republicans who are going to run in districts like mine should understand that poverty means you do not have any money left over even to have music lessons, even to give your child music lessons. You do not have any money left over if you are living on minimum wage and minimum wage is providing you with an income of $8,400 a year. If a person is on minimum wage and they go to work every day, they make $8,400 a year.

Most jobs are laying off, and for various reasons people do not go to work every day: They get sick, they have various problems. So a person on minimum wage does not even make $8,400 a year. They do not have any money to make up the difference between the voucher and the private school tuition. That is just one example. I think Republicans running in districts like mine will understand a great deal a year from now, between now and November.

But let the issue be joined. Let them come forward and learn about poverty. I think in the process of running for election, if more Republicans learn about poverty, it will mean that in the next Congress, which will probably be controlled, or which undoubtedly will be controlled by the Democratic majority, will have an atmosphere of more informed participants, and we can return to civility and get on with trying to do what is good for the Nation, including what is good for poor people.

The families first agenda starts us down that road. I am going to read the introductory letter of the gentleman from Missouri [Mr. GEPHARDT], or portions of his letter, because it is a very good letter:

> As Democrats, we have worked to fight the more extreme parts of the Republican agenda during the past year and a half, and we should make no apologies for that role. It was important to defend the interests of average, working families. But we also have an obligation to tell those families what we would do if we are elected this fall—and why their choice of Representative or Senator will have national and not just local consequences.

I am reading from Mr. GEPHARDT's introductory letter about the families first program.

> The truth is, we're in a much more competitive global economy. For too many middle-class families, just staying in place means a never-ending scramble of longer hours, second jobs, and credit card debt. Family incomes have been falling for nearly 20 years. Economic pressures are stretching the limits of family and community life. Our country is changing in profound and permanent ways—and too many Americans aren't prepared for that change.
>
> Republicans all but ignored these bread-and-butter, day-to-day concerns. That is why the Families First agenda is comprised entirely of the kinds of changes that affect people's day-to-day lives—in their homes, in their neighborhoods, in their children's schools.
>
> Just as importantly, we do not want to replace the extremism of one party with the extremism of another. Every part of this agenda is modest, moderate, and achievable. It is not about big government handouts. It is merely an attempt to have more families earn more security for themselves in this tough new economy. Our hope is that, in the end, many moderate Republicans will join us in support of the Families First agenda.
>
> The message is simple: If Democrats are given a chance to lead the Congress this fall, our sole and central mission would be to help those families who are working hard to pay the bills, raise their children, and save for a decent retirement. That is the only way to have a Congress that truly puts families first and special interests last. I urge you to join in the effort to share this Families First agenda with the American people, and look forward to working with you on winning a Democratic majority to make a real difference in the lives of working families across America.

Mr. Speaker, I include in its entirety the letter of June 24, 1996, of the gentleman from Missouri [Mr. GEPHARDT] to his fellow Democrats.

The material referred to is as follows:

> FAMILIES FIRST,
> *June 24, 1996.*
>
> DEAR FELLOW DEMOCRAT: On Sunday, Tom Daschle and I joined with Democrats at four satellite sites across the country to announce the Families First Agenda—an action plan developed by House and Senate Democrats working together on the steps that a new Democratic majority would take to improve the lives of hard-working, middle class families.
>
> As Democrats, we have worked to fight the more extreme parts of the Republican agenda during the past year and a half, and we should make no apologies for that role. It was important to defend the interests of average, working families. But we also have an obligation to tell those families what we would do if we are elected this fall—and why their choice of Representative or Senator will have national, not just local, consequences.
>
> The truth is, we're in a much more competitive global economy. For too many middle class families, just staying in place means a never-ending scramble of longer hours, second jobs, and credit card debt. Family incomes have been falling for nearly twenty years. Economic pressures are stretching the limits of family and community life. Our country is changing in profound and permanent ways—and too many Americans aren't prepared for that change.
>
> Republicans all but ignored these bread-and-butter, day-to-day concerns. That is why the Families First Agenda is comprised entirely of the kinds of changes that affect people's day-to-day lives—in their homes, in their neighborhoods, in their children's schools.
>
> Just as importantly, we do not want to replace the extremism of one party with the extremism of another. Every part of this agenda is modest, moderate, and achievable. It is not about big government hand-outs. It is merely an attempt to help families earn more security for themselves in this tough new economy. Our hope is that, in the end, many moderate Republicans will join us in supporting the Families First Agenda.
>
> The message is simple: if Democrats are given a chance to lead the Congress this fall, our sole and central mission would be to help those families who are working hard to pay the bills, raise their children, and save for a decent retirement. That is the only way to have a Congress that truly puts families first, and special interests last. I urge you to join in the effort to share this Families First Agenda with the American people, and look forward to working with you on winning a Democratic majority to make a real difference in the lives of working families across America.
>
> Yours very truly,
> RICHARD A. GEPHARDT,
> *House Democratic Leader.*

Mr. Speaker, the families first agenda has many parts. I will just summarize those parts. In the families first agenda, Democrats offer realistic, moderate, and achievable ways to help every struggling family. They an be described in terms of three main principles: security, opportunity, and responsibility.

Security. Under security we have paycheck security, helping families get the paycheck they deserve; health care security, expanding access to quality health care for children; retirement security, making pensions more available and portable; personal security, making our neighborhoods, communities, and schools safer places to live, work, and learn.

Opportunity is the second big category. Educational opportunity, making college and vocational schools tax deductible, and other ways to make it easier for parents to make sure their kids get better paying jobs. Economic opportunity means helping small businesses to prosper. The third category is responsibility: Government responsibility, balancing the Federal budget while protecting fundamental commitments like Medicare; individual responsibility, real welfare reform and a crackdown on parents who will not support their children, and efforts to prevent teen pregnancies; corporate responsibility, hands off employee pensions, end tax breaks that encourage companies to move American jobs overseas, and basic protection for our environment.

I am just going to talk today in the few minutes I have remaining about paycheck security and educational opportunity and economic opportunity. The families first agenda places a great deal of emphasis on what is most important first, and that is paycheck security. Paycheck security starts with a decent minimum wage. You have to have some rewards that are relevant. For people who go to work every day, to make $4.25 an hour, $8,400 a year, is not rewarding work. It does not encourage people to work. It does not say that we care about families. So paycheck security must first of all involve raising the minimum wage.

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Paycheck security also provides paying women what they deserve. By better enforcing the laws already on the books requiring equal pay for women and by offering voluntary fair pay guidelines for businesses, we can help make sure that women get the pay they deserve.

Paycheck security involves making quality child care more affordable. Families should not have to cut corners on child care. But with quality care priced at thousands of dollars a year, many families have no choice. That is why Democrats are proposing a bigger tax break to help parents afford quality child care. I think even the people from one end of my district to the other, people in low-income housing projects, people who are lucky enough to live in single-family homes in the wealthier part of my district, they all will quickly understand that child care and paying for child care imposes a particular burden on parents and that there should be more relief for parents who have children who need child care.

Finally, banning imports made with child labor. In order for our workers at the lowest levels to have jobs available, they should not have to compete with imports that are made with child labor in other parts of the globe.

So paycheck security, starting with minimum wage, is very important. Paycheck security also means that in the workplace, there ought to be a friendly atmosphere. In the workplace there ought to be safe conditions. I serve on the Committee on Economic and Educational Opportunities so I am very close to some things that have occurred this year which are most unsettling.

The fact is that the Contract With America that was proposed by the Republican majority before they got elected had nothing to do with attacking working conditions for workers in America. There were no platforms in there, there were no items which talked about waging war on workers. But what has happened over the past 18 months is that war has been declared on working people in the workplace. Indirectly that means that war has been declared on working families.

As I said before, you declare war when you refuse to pass the minimum wage, and even now the Senate balks at passing the minimum wage. You declare war on workers when you come up with the omnibus appropriations bill that the Republicans came up with where they threatened to make drastic cuts in the labor programs. There was a 30-percent cut in the House bill originally for the National Labor Relations Board. The National Labor Relations Board is the cornerstone for the kind of relationship that we have established in this country between labor and management. Unions do not mean very much if you do not have decent decisions being passed down by the National Labor Relations Board and if you are going to cut the budget by 30 percent, it means that you are on the way to trying to completely wipe out that National Labor Relations Board and its effectiveness. That cut did not go through. We fought it. So we brought it to a standstill. The act cuts the funding still but it does not cut it by that much.

We were also successful in addressing the attempt to defund large parts of OSHA, the Occupational Safety and Health Agency. We forced them to allow certain things to continue, such as the continued work on developing standards for ergonomics. But new regulations were still prohibited by this Congress. Every worker, regardless of whether he belongs to a union or not, benefits from the work of OSHA. Yet this Republican majority attacked the work of OSHA.

I think the most important thing that is underway right now is the present attack by the Republican majority on the overtime of workers. Your overtime pay now is jeopardized. They are coming for your overtime pay. The Republicans want the overtime pay of working Americans. They have something called the Working Families Flexibility Act and we fought hard to stop it but we were not able to prevent the passage of this compensatory time bill in the Committee on Economic and Educational Opportunities. I serve on the Committee. It was painful to watch the hand go out reaching for the overtime of American workers.

Again, you do not understand poor people if you want to say to them that "you work overtime and we're not going to give you cash, we're going to give you an opportunity to take time off and aren't you happy about that?"

Yes, we need to change our Fair Labor Standards Act to some degree to allow for some categories of people to have that kind of flexibility, but this kind of assault on the overtime provisions of the Fair Labor Standards Act, which did not include any protections, employers could go bankrupt and walk away with your compensatory time and you could not get it, employers could coerce people and say, "I'm not paying you in cash. You don't have a choice. I'm going to give you time off instead."

The overtime pay that workers earn in American is very important to the quality of life of families, and when the Republicans say, "We are coming for your overtime," it is just one more assault on working families, one more reason for this families first agenda.

The Davis-Bacon confrontation continues. They are trying to take away the Davis-Bacon protections, which only seek to guarantee that from one area of the country to another you do not undercut and erode the standard of living and the wages of workers by bringing in big Federal projects and having them go to low-bidding, roaming, renegade contractors who move about the country with low-paid workers under terrible conditions, who provide no health insurance, who provide no pension plans, who do not have decent working conditions, and you let them undercut the construction workers in the local areas.

So the families first agenda is a defense of workers agenda. We are defending them from the onslaught of the Republican majority here in the Congress.

The educational opportunities part of the Agenda is also a defense of an attack on educational opportunities. This Republican majority started the year by proposing that we abolish the Department of Education. No other industrialized nation in the world has proposed to run away from and abandon its responsibilities to provide some kind of centralized coordination of education.

Every other nation understands how important education is in its prosperity, in maintaining its standard of living and its place and position in the global economy as well as its position of leadership. Some nations understand very well that if you invest very heavily in education, you can take certain segments of the global economy.

I do not think it is by accident that Bangalore, India, is one of the places which is highlighted for computer programming technology. Companies from all over the world reach into Bangalore, India, to get computer programmers. For 1 month's wages that United States companies pay here to computer programmers, they can get a whole year's worth of work from an Indian computer programmer in Bangalore. It is not by accident that in Bangalore somebody has provided the education for large numbers of people, somebody has chosen to specialize and to make that a human resource that all the world wants to reach into.

We should understand that the future of the country is not bound up in our F-22 fighter planes, the future of the country will not be guaranteed by a new Star Wars system, the future of the country has nothing to do with more Seawolf submarines. We have added $13 billion to the defense budget, and that will buy us no more education. It will buy us weapons systems that will be obsolete in terms of the kinds of challenges that we are going to face. The global economy is not about who has the best weapons. We are way ahead of everybody else. We are likely to stay ahead of everybody else. What we need is education.

In the housing projects of Brownsville, the people are very concerned about education. My opponent who is going from door to door ought to tell them about the $10,000 tax deduction that is being proposed by the Democrats. The Democratic President is proposing a $10,000 tax deduction for college and job training. Under this provision, families will be able to deduct up to $10,000 from their taxes for tuition at a college, graduate school or certified training or technical program. I want to emphasize that, a certified training or technical program will also be included for a 2-year period.

The deduction will also be available to recent graduates paying off interest on student loans. There are many families in poor communities who have one member who has gone to college who is struggling to pay back that loan or one member who is in college who is being hit with tuition increases. In the City College of New York City, in the State College of New York State, increases in tuition have resulted in thousands of students dropping out of school because they are poor. When you are poor, there is no margin. They were struggling to meet the previous tuition. If you raise it by $500 or $700, then you wipe out the opportunity, because they do not have any savings, they do not have any margin. They are living at a point where providing daily necessities is all their income will provide.

My Republican opponent will learn this if she will just stay there and listen long enough. We also have 2 years of college for kids with good grades, some merit scholarships.

Finally, economic opportunity is on the agenda. Nobody wants to back away from providing small businesses with new opportunities and greater help for small businesses. I think small entrepreneurs ought to be included under the National Labor Relations Act. Some way should be developed to help small entrepreneurs in the process of dealing with larger corporations and dealing with working conditions that, because they are small and because they are not united, invite exploitation.

People who learn how to operate computers, people who are able to program computers, people who are able to enter the high tech world of telecommunications also need some protection. They need some help. I would go beyond the Democratic agenda and make certain that they get the kind of help that is needed in meeting the kind of intense and hostile competition that comes from large corporations trying to bargain them into bargain situations.

We have a situation right now where the sweat shops are being highlighted because sweat shops are forced by a bidding process to go for the cheapest possible work setup. They are exploiting workers, and that has become a scandal that has been temporarily exposed. We hope that some good will come out of the present exposure, but that kind of situation is a continuing problem for small businesses.

Mr. Speaker, I want to conclude by saying that we will come back to explore the Families First Agenda. The Families First Agenda is a packaging which really concretizes what the Democratic minority has been trying to do all year long.

We have fought the hostile attacks on the American workers and the work force. We have fought for better working conditions for workers. We have fought for families to have a chance to survive. We have fought for the minimum wage. We continue to fight for aid to students in college. We fought for aid for Head Start students. We fought the Republicans on the cuts in title I.

Our Families First package is only a statement that we will continue to be the champions of American working families. We will defend workers, we will defend families, and in the process we will defend the conditions which will help to make this Nation a great Nation. The transition we are in, the transition which leads to a great income gap between the rich and poor, the suffering that is taking place quietly out there is people try to make ends meet, all of it is relevant to the coming election, all of it is relevant to the things that we as Members of Congress and other elected officials are responsible for. We want to make America great and the only way to make America great is to follow the leadership of the Democrats and put families first.

CLINTON ADMINISTRATION SHELVES RULES ON HEALTH MAINTENANCE ORGANIZATIONS

The SPEAKER pro tempore (Mr. GUTKNECHT). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, I was shocked when I read in yesterday's Long Beach Press Telegram an article that originated in the New York Times concerning the administration's shelving of rules as they concern HMO's, health maintenance organizations. For years I have felt very strongly that most doctors I know and most Americans I know do not want a doctor to be paid a bonus because that doctor does not refer the patient to the specialist whom is needed to solve a particular problem. Probably each of our district offices has had one or more cases where our constituents have complained of that type of treatment under both Medicaid and Medicare depending on the type of health organization they have gone to.

Let me read the first two paragraphs of this article:

> Facing a torrent of criticism from health maintenance organizations, the Clinton administration has temporarily shelved new rules that would have restricted the common HMO practice of rewarding doctors who cut costs and control the use of services by Medicare and Medicaid patients.
>
> On March 27, the administration issued rules to protect consumers by limiting the use of such financial incentives to reward doctors. But after the protests by HMO's health maintenance organizations the Department of Health and Human Services quietly suspended enforcement of the rules, which are mandated by a 1990 law.

□ 1730

That is a law passed by the Congress of the United States. We are now in 1996, and that has been kicking around in the Department of Health and Human Services over the last two administrations, the Bush administration and the Clinton administration. I must say, I think that set of rules ought to be reexamined by the Clinton administration. People are sick and tired of seeing poor care because somebody is making a profit out of it.

This article goes on to cite a few classic examples which could happen anywhere in the United States. One lawyer—Mark Hiepler of OxNard—who has been successful in suing a number of HMO's said the incentives created conflicts of interest and put a wedge between doctor and patient. "The more a doctor treats a patient, the less money he gets," said Hiepler, who added: "The less he treats a patient, the more money he gets. The incentives take several forms. In many cases," says reporter Robert Pear of the New York Times. "In many cases, a group of internists or family doctors receives a flat payment—say $70 a month—to manage all the care required by a Medicare patient. If the patient needs tests or specialty care, the physician group must provide it or pay for it. This might encourage the group to minimize the referral of patients to specialists."

Mr. Speaker, I think we have to be very careful when we have conflicts of interest that lead to wrong medical judgments which are to the ultimate ill of the patients involved. It is one thing to find economies in a hospital or a nursing home, or any human organization, but we do not find economies when we make a decision that ends up in a tragic situation because the general practitioner or health care gatekeeper could not discover something that perhaps only a specialist could discover and that individual patient has not been referred by the gatekeeper to the specialist.

I think that is shocking, and I think the administration ought to reexamine its decision. If there are problems with those regulations that defy common sense, that is one thing. But if the Federal Government sides with one party in this relationship, it should be the patient.

Mr. Speaker, I think the deferral is an outrage and the administration ought to get to work, clean up the regulations and issue them if they prevent conflicts of interest and if they prevent responsible, solid, and effective medical practice. I do not know one doctor, frankly, that does not think what has been going on with these so-called gatekeepers is a real tragedy.

Mr. Speaker, I include the article by Robert Pear of the New York Times which appeared in the Long Beach Press-Telegram on July 8. It is entitled "U.S. rules on HMOs shelved."

U.S. RULES ON HMOS SHELVED

INCENTIVES: PLAN ATTEMPTED TO PROTECT PATIENTS FROM CUTS IN MEDICAL REFERRALS

(By Robert Pear)

WASHINGTON.—Facing a torrent of criticism from health maintenance organizations, the Clinton administration has temporarily shelved new rules that would have restricted the common HMO practice of rewarding doctors who cut costs and control the use of services by Medicare and Medicaid patients.

On March 27, the administration issued rules to protect consumers by limiting the use of such financial incentives to reward doctors. But after the protests by HMOs, the Department of Health and Human Services quietly suspended enforcement of the rules, which are mandated by a 1990 law.

The rules were an effort by the administration to ensure that elderly and poor people were not denied medically necessary care.

But HMOs, including Kaiser Permanente, Aetna, Humana and the Health Insurance Plan of Greater New York, denounced the rules, saying they would force the companies to rewrite contracts with tens of thousands of doctors. HMOs said the government did not understand the importance of financial incentives in a fast-moving, competitive industry.

The rules do not flatly prohibit such incentives, but limit the amount of money that a doctor can lose on any one patient or patients with very high medical costs.

The rules would require HMOs to disclose details of these incentives to patients and the government.

Health plans say they establish such financial incentives to deter inappropriate and unnecessary care. But critics say the rewards have led to the denial of needed services.

Mark Hiepler of Oxnard, a lawyer who has successfully sued several HMOs, said the incentives created conflicts of interest and put a wedge between doctor and patient.

"The more a doctor treats a patient, the less money he gets," Hiepler said. "The less he treats a patient, the more money he gets."

The incentives take several forms. In many cases, a group of internists or family doctors receives a flat payment—say $70 a month—to manage all the care required by a Medicare patient. If the patient needs tests or specialty care, the physician group must provide it or pay for it. This might encourage the group to minimize the referral of patients to specialists.

In addition, doctors may receive cash bonuses if they meet certain goals for controlling the use and cost of care. Or the health plan may withhold a portion of the doctors' pay and distribute it at the end of the year if spending was less than projected.

In their comments on the new rules, HMOs said it is common to make more than 25 percent of potential payments to doctors contingent on the physicians' success in controlling the use and cost of care, including referrals.

When the Clinton administration issued the rules limiting such incentives March 27, Secretary of Health and Human Services Donna Shalala declared: "No patient should have to wonder if their doctor's decision is based on sound medicine or financial incentives. This regulation should help put Americans' minds at rest."

The rules were supposed to take effect May 28, but the Clinton administration has pulled them back for further review, without any notice to consumers.

In a brief memorandum mailed to HMOs on May 28, the administration said, "We realize this compliance date is unrealistic." The memo added that the government would not take any enforcement actions before Jan. 1, 1997.

Bruce Fried, director of the Office of Managed Care at the Federal Health Care Financing Administration which supervises Medicare and Medicaid, said, "It would have been overly burdensome are probably impossible" for HMOs to comply sooner. "We were overly ambitious," he said in an interview.

But the American Medical Association, medical specialty groups and consumer organizations said that the rules were a good first step in protecting patients and that the government should impose even more stringent restrictions on the use of financial incentives to limit care.

When the rules were first proposed in December 1992, federal health officials solicited comments, and they tried to address the concerns expressed by HMOs and the public in the final regulations issued this year. The officials said they were surprised by the vehement objections expressed by HMOs in the last three months.

When the final rules were issued in March, federal officials said few HMOs would be affected. The protests by HMOs suggest that they make much greater use of bonuses and other financial rewards than federal officials had assumed.

The U.S. District Court in Nashville expressed concern in a recent case, saying HMOs had "pecuniary incentives" to deny care to Medicaid recipients in Tennessee.

Rep. Pete Stark, D-Calif., the author of the 1990 law, said its purpose was "to protect patients from being killed by denial of medical care."

Stark said he was dismayed to read comments on the new rules by HMOs and their lobbying organization, the American Association of Health Plans. "Their opposition speaks volumes about what is wrong with managed care in America today," he said.

Stark asserted that the industry's comments showed "no regard for the care of patients" and were "designed to derail the regulations."

Karen Ignagni, president of the American Association of Health Plans, rejected the criticism. "Any suggestion that we don't support beneficiary protections or government regulation of the quality of care is just plain wrong," she said.

But Ignagni said the new rules "are impractical and unrealistic and do not reflect recent developments in the market," where many doctors are eager to share financial risks with HMOs.

More than 4 million Medicare beneficiaries and 12 million Medicaid recipients are in HMOs and other managed-care plans, and enrollment is rapidly increasing.

The rules place limits on the financial incentives that HMOs may give to doctors. First, they say, "No specific payment of any kind may be made directly or indirectly under the incentive plan to a physician or physician group as an inducement to reduce or limit medically necessary services" to a specific patient under Medicare or Medicaid.

The rules also say that if doctors stand to lose more than 25 percent of their pay because of the use of medical specialists or other factors, the HMO must provide insurance to the doctors to limit their financial losses.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3755, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS BILL, 1997

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104-662) on the resolution (H. Res. 472) providing for consideration of the bill (H.R. 3755) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1829

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 6 o'clock and 29 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3754, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1997

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104-663) on the resolution (H. Res. 473) providing for consideration of the bill (H.R. 3754) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT OF OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT, FISCAL YEARS 1994 AND 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Resources:

To the Congress of the United States:

I am pleased to submit the Biennial Report of the Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration (NOAA) for fiscal years 1994 and 1995. This report is submitted as required by section 316 of the Coastal Zone Management Act (CZMA) of 1972, as amended (16 U.S.C. 1451, *et seq.*).

The report discusses progress made at the national level in administering the Coastal Zone Management and Estuarine Research Reserve Programs during these years, and spotlights the accomplishments of NOAA's State coastal management and estuarine research reserve program partners under the CZMA.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 9, 1996*.

REPORT OF CORPORATION FOR PUBLIC BROADCASTING, FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Commerce:

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting (CPB) for Fiscal Year 1995 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1995.

Since 1967, when the Congress created the Corporation, CPB has overseen the growth and development of quality services for millions of Americans.

This year's report highlights ways the Corporation has helped millions of American families and children gain new learning opportunities through technology. At a time when technology is advancing at a pace that is as daunting as it is exhilarating, it is crucial for all of us to work together to understand and take advantage of these changes.

By continuing to broadcast programs that explore the challenging issues of our time, by working with local communities and schools to introduce more and more children to computers and the Internet, in short, by honoring its commitment to enriching the American spirit, the Corporation is preparing all of us for the 21st century.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 9, 1996*.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

(The following Members (at the request of Mr. HORN) to revise and extend their remarks and include extraneous material:)

Mr. GUTKNECHT, for 5 minutes, today.

Mrs. SMITH of Washington, for 5 minutes, on July 12.

Mr. EHLERS, for 5 minutes, on July 11.

Mr. MCINTOSH, for 5 minutes, on July 11.

Mr. HORN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous material:)

Mrs. MALONEY.

Mr. MILLER of California.

Mr. ACKERMAN.

Mr. PELOSI.

Mr. GEJDENSON.

Mrs. LINCOLN.

(The following Members (at the request of Mr. HORN) and to include extraneous material:)

Mr. LEWIS of California.

Mr. RADANOVICH.

Mrs. JOHNSON of Connecticut.

Mr. THOMAS.

Mr. ROGERS.

(The following Members (at the request of Mr. GOSS) and to include extraneous material:)

Mr. PALLONE.

Mr. HASTERT.

Mr. FALEOMAVAEGA.

Mr. STARK in two instances.

Mr. TALENT in two instances.

Mr. PAYNE of New Jersey in two instances.

Mr. WOLF.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On June 28, 1996:

H.R. 2437. An act to provide for the exchange of certain lands in Gilpin County, Colorado.

On July 2, 1996:

H.R. 1880. An act to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building";

H.R. 2704. An act to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue, Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building"; and

H.R. 3364. An act to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

On July 3, 1996:

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

On July 8, 1996:

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria;

H.R. 2070. An act to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life"; and

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family oriented park.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore (Ms. GREENE of Utah):

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park; and

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria.

ADJOURNMENT

Mr. GOSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 10, 1996, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3983. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon, and Imported Onions; Modifications of Size Requirements [Docket No. FV96-958-1FR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3984. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Grading and Inspection, General Specifications for Approved Plants and Standards for Grades of Dairy Products; United States Standards for Instant Nonfat Dry Milk (7 CFR Part 58) [DA-93-04] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3985. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Assessment Rate for Domestically Produced Peanuts Handled By Persons Not Subject to Peanut Marketing Agreement No. 146 and for Marketing Agreement No. 146 Regulating the Quality of Domestically Produced Peanuts [Docket No. FV96-998-21FR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3986. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Correction Docket—Pork Promotion, Research, and Consumer Information Order—Increase in Importer Assessments [Docket No. LS-96-001] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3987. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Milk in the Southwest Plains Marketing Area; Suspension of Certain Provisions of the Order (7 CFR Part 1106) [DA96-05] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3988. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Washington; Assessment Rate [Docket No. FV96-946-2FIR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3989. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt; Compensation [APHIS Docket No. 96-016-7] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3990. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt; Removal of Quarantined Areas [APHIS Docket No. 96-016-6] received July 9, 1996, pursuant to 5

U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3991. A letter from the Assistant Secretary for Marketing and Regulatory Programs, Department of Agriculture, transmitting the Department's final rule—Fees for Rice Inspection (RIN: 0580–AA47) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3992. A letter from the Acting Under Secretary for Food Safety, Food and Safety Inspection Service, transmitting the Service's "Major" final rule—Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems [Docket No. 93–016F] (RIN: 0583–AB69) received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3993. A letter from the Assistant Secretary of Education, transmitting notice of final priority for fiscal year 1996—Safe and Drug-Free Schools and Communities Federal Activities Grants Program (Hate Crimes Prevention), pursuant to 20 U.S.C. 1232(f); to the Committee on Economic Educational Opportunities.

3994. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Bell Operating Company Provision of Out-of-Region Interstate, Interexchange Services [CC Docket No. 96–21] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3995. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Digital Transmission Within the Video Portion of Television Broadcast Station Transmission [MM Docket No. 95–42, RM–7567] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3996. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Edenton, Columbia and Pine Knoll Shores, North Carolina) [MM Docket No. 95–46, RM–8594] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3997. A letter from the Managing Director, Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations (Forest Acres, South Carolina) [MM Docket No. 96–25, RM–8752] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3998. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Pullman, Washington) [MM Docket No. 96–27] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3999. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Chester and Richmond, Virginia) [MM Docket No. 96–29, RM–8731] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4000. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Conway and Myrtle Beach, South Carolina) [MM Docket No. 91–75, RM–7230] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4001. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Antigo, Wisconsin) [MM Docket No. 96–30, RM–8762] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4002. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Ocean Salmon Fisheries Off the Coast of Washington, Oregon, and California; Closure from Point Arena, CA, to the U.S.-Mexican Border [Docket No. 960126016–6121–04; I.D. 062896A) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4003. A letter from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone off Alaska; Allow Processing of Non-Individual Fishing Quota Species [Docket No. 960321089–6175–02; I.D. 031396B] (RIN: 0648–AG41) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4004. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone off Alaska; Northern Rockfish in the Western Regulatory Area [Docket No. 960129018; I.D. 062196A] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4005. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Gulf of Alaska; Atka Mackerel in the Western Regulatory Area [Docket No. 960129018–6018–01; I.D. 061996A] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4006. A letter from the Clerk, U.S. Court of Appeals for the District of Columbia Circuit, transmitting an opinion of the U.S. Court of Appeals for the District of Columbia Circuit (95–5334—Ramah Navajo School Board, Inc., et al., versus Babbitt (July 2, 1996)); to the Committee on Resources.

4007. A letter from the Acting Assistant Secretary for Legislative Affairs, Bureau of Consular Affairs, Department of State, transmitting the Bureau's final rule—VISAS: Passports and Visas Not Required for Certain Nonimmigrants (22 CFR 41) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4008. A letter from the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, Patent and Trademark Office, transmitting the Office's final rule—Elimination of Requirement for Proof of Service in Consented Requests for Extensions of Time to File a Notice of Opposition [Docket No. 960621181–6181–01] (RIN: 0651–AA89) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4009. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class D and E Airspace Areas; Saipan Island, CQ (Federal Aviation Administration) [Airspace Docket No. 95–AWP–38] (RIN: 2120–AA66) (1996–0087) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4010. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (31) [Docket No. 28612; Amendment No. 1737] (Federal Aviation Administration) (RIN: 2120–AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4011. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of Jet Route J–66 (Federal Aviation Administration) [Airspace Docket No. 94–AWP–10] (RIN: 2120–AA66) (1996–0086) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4012. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (38) [Docket No. 28614; Amendment No. 1738] (Federal Aviation Administration) (RIN: 2120–AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4013. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of VOR Federal Airways: TX (Federal Aviation Administration) [Airspace Docket No. 93–ASW–5] (RIN: 2120–AA66) (1996–0088) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4014. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of VOR Federal Airways; TX (Federal Aviation Administration) [Airspace Docket No. 93–ASW–4] (RIN: 2120–AA66) (1996–0084) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4015. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD–11 and MD–11F Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–133–AD; Amendment 39–9691; AD 96–14–07] (RIN: 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4016. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (8) [Docket No. 28615; Amendment No. 1739] (Federal Aviation Administration) (RIN 2120–AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4017. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–10 and MD–11 Series Airplanes, and KC–10 (Military) Airplanes (Federal Aviation Administration) [Docket No. 956–NM–254133–AD; Amendment 39–968691; AD 96–14–04] (RIN 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4018. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Change Time of Designation for Restricted Area R–3107, Kaula Rock, HI—Docket No. 96–AWP–12 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0082) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4019. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 767 Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–124–AD; Amendment 39–9687; AD 96–14–05] (RIN: 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4020. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Jet Route J–81—Docket No. 93–ASW–3 (Federal Aviation Administration (RIN: 2120–AA66) (1996–0089) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4021. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Extension of Great Lakes Load Line Certificate (U.S. Coast Guard) [CGD 96–006] (RIN: 2115–AF29) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4022. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Air Brake Systems; Long-Stroke Brake Chambers (National Highway Traffic Safety Administration) (RIN: 2127–AG25) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4023. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–132–AD; Amendment 39–9692; AD 96–14–08] (RIN: 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4024. a letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal-Aid Project Authorization (Federal Highway Administration) (RIN: 2125–AD43) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4025. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing 777–200 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–134; Amendment 39–9688; AD 96–14–06] (RIN: 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4026. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Aircraft Flight Simulator Use in Pilot Training, Testing, and Checking and at Training Centers (Federal Aviation Administration) (RIN: 2120–AA83) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4027. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aviat Aircraft Inc. Models S–2A, S–2B, and S–2S Airplanes (formerly Pitts Models S–2A, S–2B, and S–2S) (Federal Aviation Administration) [Docket No. 95–CE–101–AD; Amendment 39–9690; AD 96–09–08 R1] (RIN: 2120–AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4028. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F27 Mark 100, 200, 300, 400, 500, 600, and 700 Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–253–AD; Amendment 39–9675; AD 96–13–07] (RIN: 2120–AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4029. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 B2 and B4 Series Airplanes (Federal Aviation Administration) [Docket No. 94–NM–102–AD; Amendment 39–9679; AD 96–13–11] (RIN: 2120–AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4030. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–200 ("Combi") and 747–300 ("Combi") Airplanes Modified in Accordance with Heath Tecna Supplemental Type Certificate (STC) SA2365NM or STC SA5108NM (Federal Aviation Administration) [Docket No. 96–NM–128–AD; Amendment 39–9683; AD 96–14–01] (RIN: 2120–AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4031. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 767 Series Airplanes Equipped with Pratt & Whitney Model JT9D–7R4 Engines (Federal Aviation Administration) [Docket No. 95–NM–154–AD; Amendment 39–9684; AD 96–14–02] (RIN: 2120–AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4032. A letter from the General Counsel, General Accounting Office, transmitting a report entitled "ADDRESSING THE DEFICIT: Updating the Budgetary Implications of Selected GAO Work" (GAO/OCG–96–5) June 1996, pursuant to 31 U.S.C. 9106(a); jointly, to the Committee on the Budget and Government Reform and Oversight.

4033. A letter from the Assistant Attorney General of the United States, transmitting the Attorney General's combined fourth quarterly and year-end report to Congress, entitled "Attacking Financial Institution Fraud," for fiscal year 1995 by the U.S. Department of Justice, pursuant to Public Law 101–647, section 2546(a)(2) (104 Stat. 4885); jointly, to the Committee on the Judiciary and Banking and Financial Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODLING: Committee on Economic and Educational Opportunities. H.R. 2428. A bill to encourage the donation of food and grocery products to nonprofit organizations for distribution to needy individuals by giving the Model Good Samaritan Food Donation Act the full force and effect of law; with an amendment (Rept. 104–661). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee on Rules. House Resolution 472. Resolution providing for consideration of the bill (H.R. 3755) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–662). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 473. Resolution providing for consideration of the bill (H.R. 3754) making appropriations for the legislative branch for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–663). Referred to the House Calendar.

Mr. CANADY: Committee on the Judiciary. H.R. 3396. A bill to define and protect the institution of marriage (Rept. 104–664). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severely referred as follows:

By Mr. SMITH of Michigan:

H.R. 3758. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1986 to provide prospectively for personal retirement savings accounts to allow for more control by individuals over their social security retirement income, to provide for a limitation on payment of benefits payable from the Federal Old-Age and Survivors Insurance Trust Fund with respect to individuals with higher levels of income once payments of such benefits have exceeded prior contributions plus interest, and to provide other reforms relating to benefits under such title II; to the Committee on Ways and Means.

By Mr. ROTH (for himself, Mr. GILMAN, Mr. HAMILTON, Mr. GEJDENSON, Mr. LEACH, Mr. BEREUTER, Mrs. MEYERS of Kansas, Mr. MANZULLO, Mr. GALLEGLY, Mr. JOHNSTON of Florida, Mr. MARTINEZ, and Mr. TORRICELLI):

H.R. 3759. A bill to extend the authority of the Overseas Private Investment Corporation, and for other purposes; to the Committee on International Relations.

By Mr. THOMAS (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. PAXON, Mr. HOEKSTRA, Mr. WAMP, and Mr. EHLERS):

H.R. 3760. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes; to the Committee on House Oversight.

By Mr. FALEOMAVAEGA:

H.R. 3761. A bill to clarify the rules of origin for textile and apparel products from American Samoa; to the Committee on Ways and Means.

By Mr. GUNDERSON (for himself, Mr. ROBERTS, Mr. JOHNSON of South Dakota, and Mr. THORNTON):

H.R. 3762. A bill to assure payment to dairy and livestock producers for milk and livestock delivered to milk processors, livestock dealers, or market agencies; to the Committee on Agriculture.

By Mr. HINCHEY:

H.R. 3763. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit employment discrimination based on participation in labor organization activities; to the Committee on Economic and Educational Opportunities.

H.R. 3764. A bill to amend the National Labor Relations Act and the Labor Management Relations Act, 1947, to permit additional remedies in certain unfair labor practice cases, and for other purposes; to the

Committee on Economic and Educational Opportunities.

By Mr. KING:

H.R. 3765. A bill to award a congressional gold medal to the late James Cagney; to the Committee on Banking and Financial Services.

By Mr. PAYNE of New Jersey (for himself, Mr. Royce, Mr. Frank of Massachusetts, Mr. Porter, Mr. Lantos, Mr. Hilliard, Mr. Wynn, Mr. Fattah, Mr. Rush, Mr. Olver, Mr. Dellums, Mr. Chabot, Ms. McKinney, and Mr. Frazer):

H.R. 3766. A bill to prohibit economic assistance, military assistance, or arms transfers to the Government of Sudan until appropriate action is taken to eliminate chattel slavery in Sudan, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 294: Mr. Bentsen.

H.R. 447: Mr. Andrews.

H.R. 911: Mr. Hobson and Mr. Bachus.

H.R. 1010: Mr. Costello and Mr. Brewster.

H.R. 1023: Mr. Ensign.

H.R. 1073: Mr. McCollum.

H.R. 1316: Mr. Dornan.

H.R. 1618: Mr. Taylor of North Carolina and Mr. Deal of Georgia.

H.R. 1711: Mr. Hutchinson, Mr. Hastings of Florida, and Mr. Lightfoot.

H.R. 2143: Mr. Sabo.

H.R. 2209: Mr. Bunning of Kentucky, Mr. Wilson, Mr. Kennedy of Massachusetts, Mr. Stearns, Mr. Owens, Mr. McCollum, Mr. Schumer, Mr. Kildee, Mr. Waxman, Mr. Quinn, Mr. Ackerman, Mr. Rahall, Mr. Miller of California, and Mr. Walker.

H.R. 2270: Mr. Camp.

H.R. 2306: Mr. Bentsen.

H.R. 2333: Mr. Radanovich.

H.R. 2536: Mr. Foley and Mr. Neumann.

H.R. 2566: Mr. Costello.

H.R. 2578: Mr. Shays.

H.R. 2690: Mr. McCollum.

H.R. 2745: Mr. Hamilton.

H.R. 2856: Mr. Shays.

H.R. 2976: Mr. Bono, Mr. Canady, and Mrs. Seastrand.

H.R. 3000: Mr. Hyde, Mr. Yates, Mr. Traficant, Ms. Kaptur, and Mr. Gonzalez.

H.R. 3077: Mr. Ward, Mr. Spratt, Mr. Ackerman, and Mrs. Lowey.

H.R. 3102: Mr. Vento and Mr. Franks of New Jersey.

H.R. 3142: Mr. McDermott, Mr. Wilson, Mr. Wicker, Mr. Campbell, Mr. Linder, Mr. Pallone, and Mr. Miller of California.

H.R. 3180: Mr. Stupak.

H.R. 3195: Mr. Gunderson, Mr. Heineman, Mr. Chabot, and Mr. Pete Geren of Texas.

H.R. 3207: Mr. Paxon, Mr. Sam Johnson, Mr. DeFazio, Mr. Clinger, Mr. Hoekstra, Mr. Boehlert, and Mr. Moran.

H.R. 3211: Mr. Burton of Indiana and Mr. Hastings of Washington.

H.R. 3226: Mr. Payne of Virginia, Ms. Brown of Florida, Mr. Romero-Barcelo, and Mr. Dellums.

H.R. 3234: Mr. Thornberry, Mr. Heineman, and Mr. Watts of Oklahoma.

H.R. 3251: Mr. Hutchinson.

H.R. 3391: Mr. Crapo, Mr. Gillmor, Mr. Richardson, and Mr. Paxon.

H.R. 3423: Mr. Cox, Mr. English of Pennsylvania, and Mr. Cunningham.

H.R. 3468: Mr. Heineman and Mr. Campbell.

H.R. 3496: Mr. Waxman, Mr. Calvert, Mr. Clyburn, Mr. Flake, Mr. Towns, Ms. McKinney, and Mr. Owens.

H.R. 3571: Mr. Calvert and Mrs. Meyers of Kansas.

H.R. 3580: Mr. Paxon and Mr. Burton of Indiana.

H.R. 3590: Mrs. Maloney, Mr. Kildee, Mr. Waxman, Mr. Thompson, and Mr. Hinchey.

H.R. 3618: Mr. Bishop, Mr. Foglietta, Mr. Frost, Mr. Chabot, Mr. Hinchey, Mr. Kennedy of Massachusetts, Mr. LaFalce, Mr. McDermott, Mr. Johnston of Florida, Mr. Flanagan, Mr. Ackerman, and Mr. Jefferson.

H.R. 3626: Mr. Campbell.

H.R. 3648: Mr. Torres, Mr. Rangel, Ms. Slaughter, Mr. Pastor, Mr. Filner, Mr. Ackerman, Ms. Norton, Mr. Frank of Massachusetts, and Mr. Dellums.

H.R. 3723: Mr. Hamilton.

H.R. 3724: Mr. LaTourette, Mr. Rohrabacher, and Mr. Cunningham.

H.R. 3747: Mr. Fattah.

H.R. 3752: Mr. Coburn.

H. Con. Res. 179: Mr. Smith of New Jersey.

H. Con. Res. 190: Mr. Schumer, Mr. Klug, Mr. Horn, Ms. Lofgren, Mr. Campbell, Mr. Faleomavaega, Mrs. Maloney, Mr. Filner, Mr. Pallone, Mr. Hinchey, Mr. Nadler, Mr. Smith of New Jersey, Mr. Shays, and Mr. Stearns.

H. Res. 30: Mr. Whitfield, Mr. Torricelli, and Mr. Boehner.

H. Res. 423: Mr. McHale, Mr. Tate, and Mr. Lightfoot.

H. Res. 429: Ms. McKinney, Mr. Solomon, and Mr. Vento.

H. Res. 452: Mr. Ney, Ms. Furse, Mr. Condit and Mr. Visclosky.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3754

Offered By: Mr. Gutknecht

Amendment No. 2: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3754

Offered By: Mr. Gutknecht

Amendment No. 3: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . (a)(1) Chapter 84 of title 5, United States Code, is amended by inserting after section 8410 the following new section:

"§ 8410a. Limitation relating to Members

"(a) This section shall apply with respect to any member serving as—

"(1) a Member of the House of Representatives after completing 12 years of service as a Member of the House of Representatives; or

"(2) a Senator after completing 12 years of service as a Senator.

"(b) A Member to whom this section applies remains subject to this chapter, except as follows:

"(1)(A) Deductions under section 8422 shall not be made from any pay of service performed as such a Member.

"(B) Government contributions under section 8423 shall not be made with respect to any such Member.

"(C) Service performed as such a Member shall not be taken into account for purposes of any computation under section 8415.

"(2) Government contributions under section 8432(c) shall not be made with respect to any period of service performed as such a Member.

"(c) Nothing in subsection (b) shall be considered to prevent any period of service from being taken into account for purposes of determining whether any age and service requirements for entitlement to an annuity have been met.

"(d) For purposes of subsection (a)—

"(1) only service performed after the 104th Congress shall be taken into account; and

"(2) service performed while subject to subchapter III of chapter 83 (if any) shall be treated in the same way as if it had been performed while subject to this chapter.

"(e) For purposes of this section, the term 'Member of the House of Representatives' includes a Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.".

(2) The table of sections for chapter 84 of title 5, United States Code, is amended by inserting after the item relating to section 8410 the following new item:

"8410a. Limitation relating to Members.".

(b)(1) Chapter 83 of title 5, United States Code, is amended by inserting after section 8333 the following new section:

"§ 8333a. Limitation relating to Members

"(a) This section shall apply with respect to any Member serving as—

"(1) a Member of the House of Representatives after completing 12 years of service as a Member of the House of Representatives; or

"(2) a Senator after completing 12 years of service as a Senator.

"(b) A Member to whom this section applies remains subject to this subchapter, except as follows:

"(1) Deductions under the first sentence of section 8334(a) shall not be made from any pay for service performed as such a Member.

"(2) Government contributions under the second sentence of section 8334(a) shall not be made with respect to any such Member.

"(3) Service performed as such a Member shall not be taken into account for purposes of any computation under section 8339, except in the case of a disability annuity.

"(c)(1) Nothing in subsection (b) shall be considered to prevent any period of service from being taken into account for purposes of determining whether any age and service requirements for entitlement to an annuity have been met.

"(2) Nothing in subsection (b) or (c) of section 8333 shall apply with respect to a Member who, at the time of separation, is a Member of whom this section applies.

"(d) For purposes of subsection (a), only service performed after the 104th Congress shall be taken into account.

"(e) For purposes of this section, the term 'Member of the House of Representatives' includes a Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.".

(2) Table of Contents.—The table of sections for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8333 the following new item:

"8333a. Limitation relating to Members.".

H.R. 3754

Offered By: Mr. Roemer

Amendment No. 4: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . Of the funds appropriated in this Act for "HOUSE OF REPRESENTATIVES—Salaries and Expenses—Members' Representational Allowances", any amount remaining in a representational allowance of a Member of the House at the end of the session of Congress or other period for which the allowance is made available shall be returned to the Treasury, to be used for deficit reduction.

H.R. 3755

Offered By: Mr. Fox of Pennsylvania

Amendment No. 2: In the item relating to "RELATED AGENCIES—Corporation for National and Community Service—domestic volunteer service programs, operating expenses", after the dollar amount, insert the following: "(increased by $4,075,000)".

In the item relating to "RELATED AGENCIES—National Labor Relations Board—salaries and expenses", after the dollar amount, insert the following: "(reduced by $4,075,000)".

H.R. 3755

Offered by: Mr. Hefley

Amendment No. 3: Page 71, line 6, after the dollar amount, insert the following "(reduced by $1,000,000)".

H.R. 3755

Offered By: Mrs. Lowey

Amendment No. 4: Page 22, line 22, after the dollar amount, insert the following: "(reduced by $2,600,000)".

Page 26, line 1, after the first dollar amount, insert the following: "(increased by $2,600,000)".

H.R. 3755

Offered By: Mrs. Lowey

Amendment No. 5: Page 85, line 14, strike "(a)".

Page 85, line 15, strike the dash and all that follows through "(1)" on line 16.

Page 85, line 17, strike "; or" and all that follows through page 86, line 4, and insert a period.

H.R. 3755

Offered By: Mr. Mica

Amendment No. 6: Page 57, line 24, after the dollar amount, insert "(increased by $40,500,000)".

Page 57, line 25, after the dollar amount, insert "(increased by $40,500,000)".

Page 58, line 9, after the dollar amount, insert "(increased by $40,500,000)".

Page 66, line 9, after the dollar amount, insert "(decreased by $40,500,000)".

H.R. 3755

Offered By: Mr. Mica

Amendment No. 7: Insert the following before the last undesignated paragraph of the bill:

TITLE VI—HEAD START CHOICE DEMONSTRATION PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the "Head Start Choice Demonstration Act of 1996".

SEC. 602. PURPOSE.

The purpose of this title is to determine the effects on children of providing financial assistance to low-income parents to enable such parents to select the preschool program their children will attend.

SEC. 603. PROGRAM AUTHORIZED.

(a) Reservation.—The Secretary shall reserve, and make available to the Comptroller General of the United States, 5 percent of the amount appropriated for each fiscal year to carry out this title, for evaluation in accordance with section 608 of Head Start demonstration projects assisted under this title.

(b) Grants.—

(1) In general.—The amount remaining after compliance with subsection (a) shall be used by the Secretary to make grants to eligible entities to enable such entities to carry out at least 10, but not more than 20, Head Start demonstration projects under which low-income parents receive preschool certificates for the costs of enrolling their eligible children in a Head Start demonstration project.

(2) Continuing eligibility.—The Secretary shall continue a Head Start demonstration project under this title by awarding a grant under paragraph (1) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this title for such preceding fiscal year.

(c) Use of Grants.—Grants awarded under subsection (b) shall be used to pay the costs of—

(1) providing preschool certificates to low-income parents to enable such parents to pay the tuition, the fees, and the allowable costs of transportation (if any) for their eligible children to attend a Head Start Choice Preschool as a participant in a Head Start demonstration project; and

(2) administration of the demonstration project, which shall not exceed 15 percent of the amount received in the first fiscal year for which the eligible entity provides preschool certificates under this title or 10 percent in any subsequent fiscal year, including—

(A) seeking the involvement of preschools in the demonstration project;

(B) providing information about the demonstration project and Head Start Choice Preschools to parents of eligible children;

(C) making determinations of eligibility for participation in the demonstration project for eligible children;

(D) selecting students to participate in the demonstration project;

(E) determining the cash value of, and issuing, preschool certificates;

(F) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

(G) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in section 608.

SEC. 604. PRIORITY

In awarding grants under this title, the Secretary shall give priority to eligible entities that propose to carry out Head Start demonstration projects—

(1) in which Head Start Choice Preschools offer an enrollment opportunity to the broadest range of low-income children;

(2) that involve diverse types of Head Start Choice Preschools; and

(3) that will contribute to the geographic diversity of Head Start demonstration projects assisted under this title, including awarding grants for Head Start demonstration projects in States that are primarily rural and awarding grants for Head Start demonstration projects in States that are primarily urban.

SEC. 605. APPLICATIONS.

(a) In General.—Any eligible entity that wishes to receive a grant under section 603 shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

(b) Contents.—Each application described in subsection (a) shall contain—

(1) information demonstrating eligibility of the eligible entity to carry out a Head Start demonstration project;

(2) with respect to Head Start Choice Preschools—

(A) a description of the types of potential Head Start Choice Preschools that will be involved in the demonstration project;

(B)(i) a description of the procedures used to encourage Head Start Choice Preschools to be involved in the demonstration project; and

(ii) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each Head Start demonstration project;

(C) an assurance that each Head Start Choice Preschools operated, for at least 1 year prior to accepting preschool certificates under this title, an educational program similar to the Head Start project for which such preschool will accept such certificates;

(D) an assurance that the eligible entity will terminate the involvement of any Head Start Choice Preschool that fails to comply with the conditions of its involvement in the demonstration project; and

(E) a description of the extent to which each Head Start Choice Preschool will accept preschool certificates issued under this title by eligible entities as full or partial payment for tuition and fees;

(3) with respect to the operation of the demonstration project—

(A) a description of the geographical area to be served;

(B) a timetable for carrying out the demonstration project;

(C) a description of the procedures to be used for the issuance and redemption of preschool certificates issued under this title by eligible entities;

(D) a description of the procedures by which a Head Start Choice Preschool will make a pro rata refund to an eligibility entity, of the cash value of preschool certificate issued under this title by such entity for any participating child who withdraws from the demonstration project for any reason, before completing 75 percent of the preschool attendance period for which the preschool certificate was issued;

(E) a description of the procedures to be used to provide the parental notification described in section 607;

(F) an assurance that the eligible entity will place all funds received under this title into a separate account, and that no other funds will be placed in such account;

(G) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

(H) an assurance that the eligible entity will cooperate with the Comptroller General of the United States and the evaluating agency in carrying out the evaluations described in section 608; and

(I) an assurance that the eligible entity will—

(i) maintain such records as the Secretary may require; and

(ii) comply with reasonable requests from the Secretary for information; and

(4) such other assurances and information as the Secretary may require.

SEC. 606. PRESCHOOL CERTIFICATES.

(a) Preschool Certificates.—

(1) Cash value.—Except as provided in subsection (c), the cash value of a child's preschool certificate received under this title

shall be determined by the eligible entity, but shall be a cash value that provides to the recipient of the preschool certificate the maximum degree of choice in selecting the Head Start Choice Preschool the child will attend.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—Subject to such rules as the Secretary may issue, in determining the cash value of a preschool certificate under this title an eligible entity shall consider the additional reasonable costs of transportation directly attributable to the child's participation in the demonstration project.

(B) PRESCHOOLS CHARGING TUITION.—If a child participating in a demonstration project under this title was attending a public or private preschool that charged tuition for the year preceding the first year of such participation, then in determining the cash value of a preschool certificate for such child under this title the eligible entity shall consider—

(i) the tuition charged by such preschool for such child in the preceding year; and

(ii) the cash value of the preschool certificates under this title that are provided to other children.

(3) SPECIAL RULE.—An eligible entity may provide a preschool certificate under this title to the parent of a child who chooses to attend a preschool that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the child's participation in the demonstration project.

(b) ADJUSTMENT.—The cash value of the preschool certificate for a fiscal year may be adjusted in the second and third years of a child's participation in a Head Start demonstration project under this title to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that child's continued attendance at a Head Start Choice Preschool, but shall not be increased for this purpose by more than 10 percent of the cash value of the preschool certificate for the fiscal year preceding the fiscal year for which the determination is made.

(c) MAXIMUM CASH VALUE.—The cash value of a child's preschool certificate shall not exceed the then most recent national average per child expenditure for children participating in Head Start programs, as determined by the Secretary.

(d) INCOME.—A preschool certificate received under this title, and funds provided under such certificate, shall not be treated as income of the parents for purposes of Federal tax laws.

(e) CONSTRUCTION.—Nothing in this title shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by religious or other private institutions, except that no provision of a State constitution or State law shall be construed or applied to prohibit any grantee from paying the administrative costs of a program under this title or to prohibit the expenditure in or by religious or other private institutions of any Federal funds provided under this title.

SEC. 607. PARENTAL NOTIFICATION.

Each eligible entity receiving a grant under section 603 shall provide timely notice of its Head Start demonstration project to parents of children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

(1) describe the demonstration project;

(2) describe the eligibility requirements for participation in the demonstration project;

(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for a child;

(4) describe the selection procedures to be used if the number of children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

(5) provide information about each Head Start Choice Preschool, including information about any admission requirements or criteria for each Head Start Choice Preschool participating in the demonstration project; and

(6) include the schedule for parents to apply for their children to participate in the demonstration project.

SEC. 608. EVALUATION.

(a) ANNUAL EVALUATION.—

(1) CONTRACT.—The Comptroller General of the United States shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the demonstration program under this title.

(2) ANNUAL EVALUATION REQUIREMENT.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to annually evaluate each demonstration project under this title in accordance with the evaluation criteria described in subsection (b).

(3) TRANSMISSION.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to transmit to the Comptroller General of the United States—

(A) the findings of each annual evaluation under paragraph (1); and

(B) a copy of each report received pursuant to section 609(a) for the applicable year.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the Head Start demonstration program under this title. Such criteria shall provide for—

(1) a description of the implementation of each demonstration project under this title and the demonstration project's effects on all participants, preschools, Head Start programs, and communities in the demonstration project area, with particular attention given to the level of parental satisfaction with the demonstration program; and

(2) a comparison of the educational achievement of all children enrolled in preschool in the demonstration project area, including a comparison of—

(A) such children receiving preschool certificates under this title; and

(B) such children not receiving preschool certificates under this title.

SEC. 609. REPORTS.

(a) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under section 603 shall submit to the evaluating agency entering into the contract under section 608(a)(1) an annual report regarding the demonstration project under this title. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

(b) REPORTS BY COMPTROLLER GENERAL.—

(1) ANNUAL REPORTS.—The Comptroller General of the United States shall report annually to the Congress on the findings of the annual evaluation under section 608(a)(2) of each demonstration project under this title. Each such report shall contain a copy of—

(A) the annual evaluation under section 608(a)(2) of each demonstration project under this title; and

(B) each report received under subsection (a) for the applicable year.

(2) FINAL REPORT.—The Comptroller General shall submit a final report to the Congress within 9 months after the conclusion of the demonstration program under this title that summarizes the findings of the annual evaluations conducted pursuant to section 608(a)(2).

SEC. 610. NONDISCRIMINATION.

Section 654 of the Head Start Act (42 U.S.C. 9849) shall apply with respect to Head Start demonstration projects under this title in the same manner as such section applies to Head Start programs under such Act.

SEC. 611. DEFINITIONS.

As used in this title—

(1) the term "eligible child" means a child who is eligible under the Head Start Act to participate in a Head Start program operating in the local geographical area involved;

(2) the term "eligible entity" means a State, a public agency, institution, or organization (including a State or local educational agency), a consortium of public agencies, or a consortium of public and nonprofit private organizations, that demonstrates, to the satisfaction of the Secretary, its ability to—

(A) receive, disburse, and account for Federal funds; and

(B) comply with the requirements of this title;

(3) the term "evaluating agency" means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(4) the term "Head Start Choice Preschool" means any public or private, preschool, including a private sectarian preschool, that is eligible and willing to carry out a Head Start demonstration project;

(5) the term "Head Start demonstration project" means a project that carries out a program of the kind described in section 638 of the Head Start Act (42 U.S.C. 9833);

(6) the term "local educational agency" has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965;

(7) the term "parent" includes a legal guardian or other individual acting in loco parentis;

(8) the term "preschool" means any entity that carries out a program that—

(A) is designed for children who have not reached the age of compulsory school attendance; and

(B) provides comprehensive educational, nutritional, social, and other services to aid such children and their families; and

(9) the term "Secretary" means the Secretary of Health and Human Services.

SEC. 612. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $30,000,000 for fiscal year 1997, and such sums as may be necessary for fiscal years 1998 and 1999, to carry out this title.

H.R. 3755

OFFERED BY: MR. NADLER

AMENDMENT NO. 8: Page 19, strike lines 8 through 15.

H.R. 3755

OFFERED BY: MR. NADLER

AMENDMENT NO. 9: Page 74, line 6, strike the colon and that follows through line 10 and insert a period.

H.R. 3755

OFFERED BY MR. NADLER

AMENDMENT NO. 10: Page 86, strike line 5 and all that follows through page 87, line 3.

H.R. 3755

OFFERED BY: MR. NEY

AMENDMENT NO. 11: In the item relating to "DEPARTMENT OF LABOR—BLACK LUNG DISABILITY TRUST FUND", after each of the first and second dollar amounts, insert the following: "(increased by $2,000,000)".

In the item relating to "DEPARTMENT OF LABOR—BUREAU OF LABOR STATISTICS—SALARIES AND EXPENSES", after the first dollar amount, insert the following: "(reduced by $2,000,000)".

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT NO. 12: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (A) LIMITATION ON USE OF FUNDS FOR AGREEMENTS FOR DEPARTMENT OF DRUGS.—None of the funds made available in this Act may be used by the Secretary of Health and Human Services to enter into—

(1) an agreement on the conveyance or licensing of a patent for a drug, or another exclusive right to a drug;

(2) an agreement on the use of information derived from animal tests or human clinical trials conducted by the Department of Health and Human Services on a drug, including an agreement under which such information is provided by the Department of Health and Human Services to another on an exclusive basis; or

(3) a cooperative research and development agreement under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) pertaining to a drug.

(b) EXCEPTIONS.—Subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend the funds involved that—

(1) the sale of the drug involved is subject to a reasonable price agreement; or

(2) a reasonable price agreement regarding the sale of such drug is not required by the public interest.

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT NO. 13: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS FOR AGREEMENTS FOR DEVELOPMENT OF DRUGS.—None of the funds made available in this Act may be used by the Director of the National Institutes of Health to enter into—

(1) an agreement on the conveyance or licensing of a patent for a drug, or another exclusive right to a drug;

(2) an agreement on the use of information derived from animal tests or human clinical trials conducted by the National Institutes of Health on a drug, including an agreement under which such information is provided by the National Institutes of Health to another on an exclusive basis; or

(3) a cooperative research and development agreement under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) pertaining to a drug.

(b) EXCEPTIONS.—Subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend the funds involved that—

(1) the sale of the drug involved is subject to a reasonable price agreement; or

(2) a reasonable price agreement regarding the sale of the drug is not required by the public interest.

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT NO. 14: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used to make any payment to any health plan when it is made known to the Federal official having authority to obligate or expend such funds that such health plan prevents or limits a health care provider's communications (other than trade secrets or knowing misrepresentations) to—

(1) a current, former, or prospective patient, or a guardian or legal representative of such patient;

(2) any employee or representative of any Federal or State authority with responsibility for regulating the health plan; or

(3) any employee or representative of the insurer offering the health plan.

H.R. 3755

OFFERED BY: MR. SOLOMON

AMENDMENT NO. 15: Page 87, after line 14, insert the following new sections:

SEC. 515. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of title 10, United States Code, and other applicable Federal laws) at the institution or subelement); or

(2) a student at the institution(or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

(b) EXCEPTION. The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 516. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

(2) access to the following information pertaining to students (who are 17 years of age or older) for purposes of Federal military recruiting: student names, addresses, telephone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 517. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

H.R. 3755

OFFERED BY: MR. SOLOMON

AMENDMENT NO. 16: Page 87, after line 14, insert the following new section:

SEC. 515. (a) LIMITATION ON USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES. None of the funds made available in this Act may be used for any activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) EXCEPTION.—The limitation in subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend such funds that there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance.

H.R. 3755

OFFERED BY: MR. STUMP

AMENDMENT NO. 17: Page 19, after line 2, insert the following:

VETERANS PROGRAM INCREASES

The amount provided for "EMPLOYMENT AND TRAINING ADMINISTRATION—TRAINING AND EMPLOYMENT SERVICES" is reduced, the amount provided for "DEPARTMENTAL MANAGEMENT—ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING" is increased, and the amount provided for the Homeless Veterans Reintegration Program (as authorized by section 738 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448)) is increased, by $5,800,000, $3,800,000, and $2,000,000, respectively.

SENATE—*Tuesday, July 9, 1996*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

In quietness and trust shall be your strength.—Isaiah 30:15.

Almighty God, for a brief moment we retreat into our inner world, that wonderful trysting place where we find Your strength. Here we escape from the noise of demanding voices and pressured conversations. With You there are no speeches to give, positions to defend, or party loyalties to push. In Your presence we can simply be. You love us inspite of our mistakes and give us a new beginning each day. We thank You that we can depend on Your guidance in all that is ahead of us. Suddenly we realize that this quiet moment in which we have placed our trust in You has refreshed us. We are replenished with new hope. Now we can return to our outer world with greater determination to keep our priorities straight. Today is a magnificent opportunity to serve You by giving our very best to our leadership of our Nation. In the name of our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able assistant majority leader is recognized.

THE CHAPLAIN'S PRAYER

Mr. NICKLES. Mr. President, I congratulate the Chaplain for once again delivering a beautiful prayer for not only the Senate but for our Nation as well.

SCHEDULE

Mr. NICKLES. Mr. President, today the Senate will immediately resume consideration of H.R. 3448, the small business tax package legislation, with time until 12:30 equally divided between the two managers or their designees. The Senate will recess from the hours of 12:30 to 2:15 for the weekly policy conferences to meet. At 2:15, immediately following the conferences, the Senate will begin voting on pending amendments to the small business tax legislation. Under a previous agreement, following those votes, the Senate will begin consideration of S. 295, the TEAM Act.

Senators should also be reminded the vote on passage of the Department of Defense authorization bill will now occur at 12 noon on Wednesday. Following the vote on the Defense bill, there will be a cloture vote on the motion to proceed to S. 1788, the National Right To Work Act, to be followed by any votes ordered on amendments to the TEAM Act legislation. Also, on Wednesday morning at 10 a.m., there will be a joint meeting of Congress to hear an address by the Prime Minister of Israel.

So to repeat, for the information of all my colleagues, we will have 3 hours of debate and discussion on the tax component of the bill pending before us today. At 2:15 we will have a vote immediately on the Bond-Lott amendment, followed by a vote on the Kennedy amendment, followed by a rollcall vote, if necessary, on the tax portion of this bill, followed by final passage. For the information of all our colleagues, we will have a series of votes beginning at 2:15. We urge all Members to be attentive and ask that those rollcalls move expeditiously.

I now call on my colleague, Senator ROTH, from Delaware, to manage the tax portion of this bill.

SMALL BUSINESS JOB PROTECTION ACT OF 1996

The PRESIDING OFFICER (Mr. BROWN). Under the previous order, the Senate will now resume consideration of H.R. 3448, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take-home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that act.

The Senate resumed consideration of the bill.

Pending:

Kennedy amendment No. 4435, to amend the Fair Labor Standards Act of 1938 to provide for an increase in the minimum wage rate and to exempt computer professionals from the minimum wage and maximum hour requirements, and to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles.

Bond amendment No. 4272, to modify the payment of wages provisions.

The PRESIDING OFFICER. The time until 12:30 p.m. shall be equally divided between the Senator from Delaware and the Senator from New York or their designees.

Mr. KENNEDY. Mr. President, may I ask the Senator a question? Did the Senator include a vote on the TEAM Act after the Defense authorization? Is that referenced in the Senator's list of votes?

Mr. NICKLES. The Senator is correct.

Mr. KENNEDY. I thank the Senator.

The PRESIDING OFFICER. Who seeks recognition?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, America's most valuable economic resource is the spirit of enterprise that moves in our people. This spirit is reflected in men and women and families that build businesses on dreams, personal risk, and good ideas. It is reflected in the strength of our communities, communities held together by commerce. It is reflected in the strong economic status our Nation enjoys, indeed, in our superpower status. And it is reflected in the security and opportunity we enjoy as individuals.

The responsibility of Congress, of Government in general, is to help promote an environment where this spirit can flourish, especially among America's small business men and women.

How important is it that we succeed in this endeavor? Consider that there are 22 million small business owners in America today, and that each year another 800,000 new small startups are created. Consider that nearly 6 out of 10 Americans get their paychecks from small businesses and that small business represents 99.8 percent of all American businesses. They contribute more than half of our sales in our country. They provide more than half of our economy's output and 55 percent of all new innovations each year.

Consider, Mr. President, that of the 25 million future jobs that will be needed to provide employment for Americans, 75 percent will come from small business. Recently, I heard that the majority of small businesses today are being created by women. With these trends in mind, we can see how important it is that we succeed in passing a small business bill that meets the real needs of America's entrepreneurs, a bill that unleashes enterprise and rewards risk taking.

Toward this end, Senator MOYNIHAN and I have spent a great deal of time taking comments from our colleagues pertaining to this small business bill. We have consulted with the leadership on both sides of the aisle. We believe we have developed an amendment that addresses the requests and comments we received.

Before turning my attention to the managers' and leaders' amendment, however, I would like to address the tax provisions to the small business bill that are proposed by the Finance Committee.

For small business, the only thing worse than excessive taxation is a visit from the people at "60 Minutes." Frankly, Mr. President, I know several small business men and women who would rather face Mike Wallace. Excessive taxes are the sludge that binds the gears of small business, and we must do something about them.

The tax provisions proposed by the Finance Committee represents a good start. They lift some of the burden that is borne by small businesses. They make it easier for small business men and women to hire, to expand, to modernize. Our tax provisions facilitate the ability of small businesses to offer retirement plans for their employees. They allow businesses to bring more employees into pension plans.

Beyond all of this, we make both undergraduate and graduate education more affordable for employees by extending the tax-free treatment of employer-provided education assistance. These are incentives that will go a long way toward creating an environment for growth, job creation, economic security, and real opportunity for Americans. Legislation with similar tax incentives passed the House by a vote of 414–10.

Specifically, what this bill does is provide an increase in the expensing of small business equipment from the current $17,500 annual amount to $25,000 by the year 2003. It offers a package of subchapter S corporation reforms that will improve the ability of small business men and women to use this corporate status. Among a number of reforms, the principal changes include increasing the number of subchapter S corporation shareholders, easing the use of subchapter S corporations in the area of estate planning, broadening the access of subchapter S corporations for small banks, employee stock ownership plans and charities, and granting greater flexibility in the use of multiple subchapter S corporations. Additionally, the reforms will permit taxpayers to keep subchapter S corporation status, and allow corrections for inadvertent mistakes.

Our bill also contains pension simplification proposals, including spousal IRA's and a new kind of pension plan for small business. Our purpose here is to increase access to the pension system for the millions of small business employees who currently do not have this important security. One of my major objectives is that spouses be treated equally when it comes to pension benefits and individual retirement accounts. Currently, a homemaker can only contribute up to $250 to an IRA. Under our plan, they would be able to invest up to $2,000, the same amount contributed by their spouses.

In addition, our package permits tax-exempt organizations to set up section 401(k) opportunities for their employees, and it simplifies pension rules for employers who currently offer pension plans. Beyond this, we offer a package of proposals that extend tax benefits that have expired. These important benefits include the tax credit for research and development which keeps us competitive in the global economic community. They include credits for the very expensive costs associated with the development and testing of drugs for rare diseases. These are often referred to as "orphan drugs"—orphans because their limited demand makes it otherwise cost prohibitive to research, develop, and market them.

Included in the package of extenders is an extension of the section 29 alternative fuels credit. This credit provides an incentive for the production of clean and environmentally friendly energy sources.

Mr. President, in the last 5 years, small businesses have created 9 out of 10 new jobs. In fact, small business provided all the net new jobs from 1987 to 1992. Mr. President, 9 out of 10 of these firms have fewer than 20 employees. They are, indeed, the heroes on the front line. With these changes to the tax law, these small business men and women will have greater incentives and resources to move our economy forward.

Should anyone doubt how stalwart these men and women are compared to those in other countries, should anyone doubt that Government policies have consequences on their ability to succeed, I refer to a recent article from the London Sunday Telegraph. According to that paper,

> The United States has created 30 times more new private-sector jobs in the European Union over the last 20 years. . . The British Treasury reported that the EU created fewer than 1 million net jobs, compared with more than 31 million produced by the more deregulated American economy.
>
> The stark Treasury figures paint a much grimmer picture than the Foreign Office' recent White Paper on Europe, which claimed that the EU had created 8 million jobs over the same period.
>
> Compiled from independent figures, the Treasury tracks detailed employment patterns between the two trading blocks for 1974–1994. With roughly similar populations during that period of around 250 million, they show the United States created 31,306,000 net new jobs in the private sector to Europe's 823,000. . .
>
> Speaking in London on Friday. . . the French commissioner for a single currency, admitted that overzealous EU regulation had taken its toll on job creation.

Mr. President, taxation and regulation do have profound influences on the ability of nations to create jobs. What we propose is to take some of the burden off the backs of American small business men and women. My hope is that this is only a beginning, but it is a good beginning.

Now, our tax provision to the Small Business Job Protection Act of 1996 passed the committee unanimously. There is no reason why we cannot see similar success here on the floor.

Mr. President, I now turn our attention to the managers' and leaders' amendment. In developing this amendment, I believe we have maintained the goals that were set out in crafting the campaign finance reform bill. Our objectives were, first, to retain the bipartisan spirit of the bill. Second, to stay with two basic themes: To create incentives for small business and economic growth; and to extend many of the important tax provisions that have either expired or are set to expire. Our third objective sought to refrain from opening up controversial issues, issues that would divide Republicans and Democrats here on the floor.

AMENDMENT NO. 4436

(Purpose: To provide additional amendments.)

Mr. ROTH. Mr. President, I send to the desk a copy of the managers' and leaders' amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Delaware [Mr. ROTH], for himself, Mr. MOYNIHAN, Mr. LOTT, and Mr. DASCHLE, proposes an amendment numbered 4436.

Mr. ROTH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. ROTH. Mr. President, I note that a copy of the amendment and its explanation will be available on the desk of each Senator on the Senate floor.

Many Members of the Senate have raised tax proposals for consideration in this managers' and leaders' amendment. Some of these proposals are outside the scope of the objectives I mentioned. Other proposals are relevant to our objectives but they are controversial or costly.

This managers' and leaders' amendment strives to stick with the small business and extenders themes, so these controversial, nongermane proposals are not included.

Mr. President, the major components of the managers' amendment are:

First, to extend most of the expired provisions to December 31, 1997. This is a half-year extension. I note that the section 29 alternative fuels credit is extended to December 31, 1998, and the grandfather for certain publicly traded partnerships is extended to December 31, 1999.

Second, this amendment provides additional pension simplification provisions. Most of these are directed at protecting spouses of pension plan participants.

Third, at the request of a bipartisan group of Labor Committee Senators, led by Senator KASSEBAUM, our amendment offers a clarification of the effect of the Harris Trust Supreme Court case. The Harris Trust case overturned 20 years of Labor Department policy regarding insurance companies. It created additional uncertainty about the liability of insurance companies that fund employee benefit plans. Our proposal adopts the Labor Committee's directive to the Labor Department, mandating a clarification of the treatment of insurance companies under the Employee Retirement Income Security Act [ERISA].

In a recent letter from Secretary Robert Reich, he stated the Labor Department's strong support for the Labor Committee's bill. In that letter, the Secretary writes: "The legislation will provide the guidance necessary to avert disruption in the insurance industry, thereby improving the security of American workers' pension plan assets."

Fourth, our amendment provides additional clarifications of the worker classification safe harbor known as section 530. This concerns the distinction between employees and independent contractors for employment tax purposes. I believe these additional clarifications are necessary steps to help clear up the confusion and controversy in worker classification.

Mr. President, the managers' and leaders' amendment is fully offset, and I would like to comment on a couple of these.

First, the managers' and leaders' amendment adopts a proposal from the President's budget that denies the personal exemption deduction and dependent care credit if taxpayers do not supply the dependent's Social Security number. I believe this proposal is necessary to insure against fraud.

Another important offset is the extension of the 10-percent air ticket and cargo excise taxes.

The House bill did not include an extension of this ticket tax. The aviation program's authorization terminates on September 30, 1996. In response to concerns raised by Commerce Committee members, the Finance Committee bill extends the ticket tax through the end of this year as an interim measure to ensure adequate funding for the aviation program until it is reauthorized.

Under the managers' and leaders' amendment, the air ticket and cargo excise taxes are further extended until April 15, 1997—an additional 3½ months. This is an extension I agreed to reluctantly and one I believe should be revisited in conference with the House.

Mr. President, I believe the managers' and leaders' amendment lives up to the spirit of the bipartisan Finance Committee bill. I urge my colleagues' support.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I will not take a great deal of time this morning as I spoke yesterday, and there are Senators who wish to speak to other provisions of this bill. But I would take as much time as is required to state my gratitude to and admiration for the work of the chairman, our chairman, Senator ROTH.

Mr. President, would you care to pause for a moment and ask, how many unanimous, bipartisan, 100-page bills have you seen come to the Senate floor in the 104th Congress? I think not many. I dare to think there has not been even one.

The chairman has crafted a major tax cut—a major tax cut. It comes from a unanimous Finance Committee, and it has other matters attached to it. But I hope that as we debate those other matters, we would not overlook the substantive, important revenue provisions in this bill.

I just want to say it is very difficult to make it look easy, and the chairman has managed that. I want to express my appreciation.

I would particularly call attention to the employer-provided educational assistance provisions in this bill. This, Mr. President, is almost surely the most successful education program the Federal Government sponsors. A million persons a year are provided higher education by their employers, and the tuition is tax free.

I had occasion to speak about this yesterday. Outside the organizations involved, not many people would know of this program. There is no bureau in the Department of Labor for employer-provided educational assistance, and no bureaucracy; it has no titles, no confirmations, no assistant secretaries. A million persons a year are sent by their employers to higher education, about a quarter for graduate-level education, with the understanding that they are capable of doing work at higher levels and skills and compensation, and that it is mutually rewarding to the individual and the firm.

To say again, a quarter of these individuals are going to graduate schools, and very complex ones. Ask any major employer about their training systems, and they will say nothing is more helpful than being able to send a promising young person, or middle management person, to a graduate school to learn a new field, learn a field that has developed since that person had his education. That can be very rapid in many technologies. Consider the area of software: 16 years is another era.

We have had employer-provided educational assistance in place since 1978, but we have been on and off about keeping it in place. It has expired. Now we are going to bring it back—retroactive to the last day's expiration, up to December 31 of this year. In the managers' amendment, we extend it another year.

I would like to simply say to the chairman that I hope early in the next Congress we can make this provision permanent so it can be depended on. This will permit workers to make it part of their plans. They can go off to the University of Delaware and take another degree in advanced chemistry, and then come back in another, better, position. It is part of your career program, and it should be. This is a wonderful piece of unobtrusive social policy.

I would also like to thank the chairman for including in the managers' amendment a version of the expatriation proposal I first introduced in 1995. I will not go into the details at great length, but we have resolved the expatriation issue in this bill. Expatriation is the matter of individuals, wealthy individuals, who renounce their American citizenship in order to avoid American taxes. This is no small sum. In the course of the next 10 years, this provision will pick up $1.7 billion.

This issue arose in 1995 when the Finance Committee reported a bill to restore the health insurance deduction for the self-employed. We were going to include expatriation at that time, and yet we had a series of communications from scholars of the first order, including Prof. Paul B. Stephan III, a specialist in both international law and tax law at the University of Virginia Law School; Mr. Stephen E. Shay, who served as international tax counsel at the Department of the Treasury; Detlev Vagts of Harvard Law; Andreas F. Lowenfeld of New York University Law; and particularly Prof. Hurst Hannum of the Fletcher School of Law and Diplomacy at Tufts University, who raised the question of whether our statute was legal under the International Covenant on Civil and Political Rights, which the United States ratified in 1992. It is our law, treaty law, and it is therefore the supreme Law of the Land under article VI of our Constitution.

Section 2 of article 12 of the international covenant states: "Everyone shall be free to leave any country, including his own."

The expatriation legislation had seemed to legal scholars to raise a question of infringement of the treaty and, in effect, the law would fall before the treaty, the treaty being the higher law. Professor Robert F. Turner, a professor of international law at the U.S. Naval War College, so testified before the Finance Committee. Although other experts gave us contrary opinions, it was clear to us that the Senate should not act improvidently on the matter. Genuine questions of human rights under international law, and the solemn obligations of the United States under treaties, were in question. So when the conference committee met on the self-employed health deduction bill, we had no alternative but to defer a decision on the matter until we got it straight. To do otherwise, obviously, would have been not only imprudent but irresponsible.

Even so, there are persons in the Chamber who wondered whether or not we were looking after millionaires who renounce their citizenship and move to the Bahamas, and there were some rather heated exchanges. I said at that time that you never have to be more careful of human rights than when you are dealing with persons who are despised. Nobody thinks very much of a millionaire who chooses to become a Bahamian and keeps his membership in the Woonsocket Yacht Club.

In the ensuing months, a general consensus developed that it was possible to craft legislation to curb the abuse of expatriation without violating our international legal obligations. Which is precisely what this bill does. We were determined, and we now bring to the floor, Mr. President, a measure which addresses the problem—and which will raise $1.7 billion over 10 years. Although not many people expatriate, their tax liabilities are significant. So this provision will raise $1.7 billion. The Finance Committee has a record, we hope, of being vigilant about abuses but also concerned and careful about rights. So, Mr. President, I would like to thank again the chairman for this work. We have done it well.

We are going to have to be careful in conference about the provisions on Puerto Rico. We have major provisions we have decided to end after 60 years, the provisions under section 936 of the Internal Revenue Code, but I think we are doing so in a way that is acceptable to the elected officials in Puerto Rico and all in all is a good job. It took us 2 years to get it right, and we bring it before you with pride and confidence that it will be enacted—whatever else happens in the course of the day.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I thank my good friend and colleague, Senator MOYNIHAN, for his contribution to the development of both the Finance Committee legislation as well as the managers' amendment. It could not have been done without his contribution. I just want it to be known that he has, as always, brought great intelligence, skill, and knowledge to this most important task.

I share with him his interest and concern in education. I think it is only fair to say that in today's world, where technology and knowledge are changing so rapidly, there has never been a time for it to be more important that we keep the most well educated people anywhere in the world, and certainly Senator MOYNIHAN has been a leader in that effort.

I have to say to my distinguished colleague that many of these extenders I think are critically important. One of my first questions on it is, Why don't we make them permanent? Unfortunately, we have a problem of cost and budget rules, but this is something that we will have to look at jointly in the future.

Mr. MOYNIHAN. Mr. President, I take that remark with great encouragement. I think the chairman is right. When the chairman is right, he will figure how to do what is right. I thank him very much.

Mr. ROTH. At this time, I am happy to yield to the senior Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I very much appreciate the chairman of the Finance Committee yielding to me for just a moment to comment on one aspect of the bill. I think the package that has been put together by the Finance Committee under the distinguished leadership of both the chairman and ranking member is an important package. I am particularly pleased that, for example, there has been provision for educational assistance and the orphan drug tax credit. These were expiring credits that have been extended that I think are very important. I am also pleased that the extension of the airway and airport trust fund has been acknowledged, and I would like to speak to the clarification of the application of ERISA to insurance company general accounts. This has also been included in the managers' package, and I am not sure that it is clearly understood. I am very appreciative of it being included, and I think it was important to do so. If I may, Mr. President, just for a moment speak to what this is about.

The Department of Labor has been working closely with all parties for nearly 3 years to address the complex issue raised by the Harris Trust decision of the Supreme Court in December 1993. They ruled then in John Hancock versus Harris Trust that this longstanding practice of including pension assets as part of a general account could violate ERISA. The Court recognized it was overturning the Department's ruling and that its decision created the possibility of serious disruptions in the pension marketplace. It indicated, however, that any problems could be addressed legislatively or administratively. So that is what this is about, and that is why this bill has the full support of this administration. The administration believed that it had to be addressed legislatively and that was the only way that we could fully acknowledge the difficulties that were apparent by the Supreme Court's decision.

In its January 17, 1996 letter of support, Secretary Reich writes that the legislation:

> Will provide the guidance necessary to avert disruption in the insurance industry, thereby improving the security of American workers' pension plan assets.

Let me make clear the ERISA Clarification Act, as this is called, does not overturn Harris Trust. Rather, it requires the Labor Department to issue guidance by March of next year as to how insurance companies are to deal with pension plans in the future. To protect the rights of plan participants and beneficiaries, consistent with the Harris Trust decision, any guidance issued by the Department must contain strict standards that companies must meet in order to qualify for the relief. Failure to comply with these rules will subject any company to all the sanctions imposed by ERISA on those who violate the fiduciary responsibility and prohibited transaction rules.

The legislation also prevents the Harris Trust decision from being applied retroactively. This is appropriate because the life insurance industry has relied for almost 20 years on Government's interpretation as to how it was to act under the statute and because exposing the industry to retroactive liability could severely threaten the security of pension assets.

In response to some initial concerns raised by the administration and others, the legislation before us contains several modifications. Most important: No. 1, the legislation contains new, stricter standards to ensure that any guidance issued by the Labor Department must fully protect the rights and interests of plan participants and beneficiaries; and, No. 2, the legislation would not grant relief from proceedings based on fraudulent or criminal activities by insurers. I would also like to point out the bill does not affect any ongoing civil actions.

I think this is very important that this be included in the management package at this time. This is in addition to the State insurance regulations that already provide important protections to contract holders, so I am confident that there is the protection there that is necessary, and it is important that this be enacted at this time in order to ensure the security of pension assets for millions of American workers and retirees who hold assets in insurance company general accounts.

So I am very pleased and express my appreciation, again, to both the distinguished chairman and ranking member of the Finance Committee for including this important legislation in their managers' amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Massachusetts.

Mr. KENNEDY. Will my friend, the ranking minority member of the Finance Committee, be willing to yield 10 minutes?

Mr. MOYNIHAN. Of course. The Senator spoke eloquently yesterday, and I look forward to hearing him do the same today.

Mr. KENNEDY. Mr. President, will the Chair let me know when there is a minute and a half left, please.

Mr. President, the other part of this debate is about the basic, underlying issue, which is whether this country is going to respond to the very powerful needs of working families who are working 40 hours a week, 52 weeks a year, playing by the rules, trying to provide for their families. That is really the underlying issue which the Senate is going to be voting on in the early afternoon. I wish to address that particular part of the debate and the alternatives which will be before the Senate.

Minimum wage workers are the people who do some of the most thankless jobs in America. They are Head Start schoolteachers, they are teachers' aides who work with the 50 million of our young people in kindergarten through 12th grade. They are health care workers who look after our parents in nursing homes and in hospitals all across this country. They clean the offices and restrooms, collect the garbage at the curb, make the beds in fancy hotels, mop up the floors in public schools and hospitals. Minimum wage workers are the people who make the engine of our economy work while laboring behind the scenes and toiling at the drudgery jobs that must be done for America to thrive.

Minimum wage workers have dreams for their families, their children, and their future, just like all other Americans. They have served their country in war and peace, and they still believe in the American dream. They cry into their pillows at night when their children are sick and they have no money for the doctor. They are giving to America, not taking from America. They are fighting to stay off welfare because of the shame they would feel if they took a handout from a Government established for the people and by the people. Their faces pressed against the windows of our affluence, they see the riches and abundance that so many take for granted but so often seems beyond their reach. But if they work hard and well, they know their children will have a greater chance for a better life.

The minimum wage increase the Senate will vote on today will bring millions of those workers closer to that dream, and I urge the Senate to vote in a spirit of generosity that extends a helping hand, not the back of your hand, to all those who need and deserve this help. Today, we have the opportunity to put action behind the rhetoric of family values. If we really care about work, about families, about children and the future, we will vote for an increase in the minimum wage for all workers.

If we care about helping the working poor, then we must support an increase in the minimum wage, regardless of the size of the company they work for. If we want to help minorities and women and single parents, then we must raise the minimum wage for all workers without the so-called opportunity wage. If we want to help adults stay off the welfare rolls, we must raise the minimum wage.

Support for the minimum wage is an effective way to achieve the basic goal of improving the lives of American workers. Raising the minimum wage is long overdue. The increase we are voting on today should take effect as soon as possible, obviously prospectively, I hope some 30 days after the President signs it into law. And it should be available to all minimum wage workers.

I urge the Senate to reject artificial limitations on the size of the company or the time the worker has been on the job. Reject the gimmickry and chicanery we see in the Bond proposal.

A fair minimum wage is the goal. No one who works for a living should have to live in poverty, and I urge the Senate to vote for the Democratic amendment and against the Republican amendment.

Mr. President, this issue is about the number of individuals earning the minimum wage and whose hopes and dreams are in the future. They are about Tonya Outlaw of Windsor, NC, the parent of two girls, ages 6 and 8. She works as a teacher at the Kiddie World Child Development Center. She worked there for 3½ years. She used to work at the Purdue chicken factory, where she used to earn more than minimum wage, but it was not enough to pay for child care. In order to work, Tonya needed child care for her children. Working at Kiddie World provided a solution.

Now Tonya earns $4.25 an hour, and it is very hard to get her family the things they need. She said sometimes it is hard to provide her children with things they need like coats, medicines, and other types of essential needs. Tonya is unable to afford the insurance that they make available at her children's school, and she is unable to provide her children the medicine they need when they are sick. If they increase the minimum wage, she hopes to afford a place of her own, for her family. It is time for her to get a raise in the minimum wage.

It is time for Alvin Vance, who is 45 years old and works picking up residential garbage. He earns the minimum wage of $4.25 an hour. He works 50 hours a week, counting 10 hours of overtime. This provide him with about $200 take-home pay. Alvin receives no health benefits or paid vacation, no paid sick days. If Alvin is sick, he will go to the charity hospital where he can obtain services with little or no charge.

Alvin receives no AFDC, WIC, or food stamps. His rent is $125 a month for a one-room shack in a high-crime neighborhood. He has no car and must get a ride or walk to work, which is 7 miles away. It is time for him to get a living minimum wage.

We heard comments today about the bipartisanship which has accompanied the provisions in this proposal that has been recommended by the Finance Committee. Just to point out once again the bipartisanship which has existed on the minimum wage in the past, Harry Truman in 1949, with President Eisenhower in 1955, President Kennedy in 1961 and 1963—increases; President Johnson in 1967 and 1968, President Nixon and President Ford, 1974 through 1976; President Carter, 1978 through 1981, President Bush, 1990 to 1991. This has been a bipartisan effort.

This is what Senator Bob Dole said in 1974:

> A living wage for a fair day's work is a hallmark of the American economic philosophy.

President Nixon, April 1974, on signing the minimum wage:

> The federally legislated minimum wage for most American workers has remained static for 6 years despite a number of increases in the cost of living. Raising the minimum wage is now a matter of justice that can no longer be fairly delayed.

We go into the more recent years in 1989 and 1990, President George Bush:

> It gives me great pleasure to sign into law the first increase in the minimum wage since 1981.
>
> I have called for an increase in the minimum wage that would protect jobs and put more money in the pockets of our workers. . . I am pleased to sign it. It offers promise of better wages for working men and women.

Senator DAN COATS during the debate on the minimum wage increase:

> Let me state that I am one Senator who is convinced that an increase in the minimum wage is justified. I do think that by doing so, we can assist an element of the public, the working poor, often those a step below or just a step above welfare and above poverty. And that since the minimum wage has not been increased since January of 1981, and since it has lost in that time period nearly 20 percent of its value to inflation, then an increase in the minimum wage is justified.

It had lost nearly 20 percent of its value in 1989, and DAN COATS at that time was supporting an increase. Now it is at the lowest level of purchasing power in 40 years, and the economy's strength certainly clearly justifies this increase.

Mr. President, this is an issue about work. It is an issue about children.

The PRESIDING OFFICER. The Senator is advised he has 1½ minutes remaining.

Mr. KENNEDY. I thank the Chair. This is an issue about children, the children of working families that are working hard and trying to make it. This is an issue about women. More than 60 percent of the full-time minimum wage recipients are women. It is an issue about families and family values. It is an issue about the taxpayers, because this is going to lift over some 100,000 families out of poverty, 300,000 children out of poverty, reducing the burden on the taxpayers, on AFDC and the Food Stamp Program and other support programs.

Most of all, it is about work. Are we going to honor work in our society? Are we going to say men and women who play by the rules, work hard 40 hours a week 52 weeks of the year are going to have a living wage for themselves, their children, and their future? That is the option that will be here to vote on at 2:15 and 2:30 this afternoon. I hope we will support Senator DASCHLE's amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, recognizing that we are unlikely here on the floor of the Senate to repeal the law of supply and demand, as many of our Members would like us to try to do, we have included in this debate a tax bill, H.R. 3448, the Small Business Job Protection Act of 1996, which was put together on a bipartisan basis to try to offset some of the negative impacts of an increase in the minimum wage, especially as it relates to increasing unemployment among young people with low skill levels. What I would like to do this morning is talk about some very positive provisions in that bill and explain why I am for the Small Business Job Protection Act of 1996.

I want to talk specifically about four provisions of this bill that I have been directly involved in, and explain to my colleagues why they are important and why it is critical that this bill pass and why we must send a bill to the President which can be signed.

The first issue I want to talk about has to do with agricultural club dues. We have had, since 1987, a running dispute between the Internal Revenue Service and the Farm Bureau about Farm Bureau dues. In this bill, we have a provision that I and others have pushed which says to the Internal Revenue Service that: First, dues to the Farm Bureau are not taxable Farm Bureau income; second, that the Farm Bureau is a nonprofit agricultural research and business promotion institution which is owned by its members; and third, that being part of the Farm Bureau is being part of agriculture.

Interestingly enough, the Internal Revenue Service did not oppose our effort to say to them that in the future, Farm Bureau dues will not be viewed as income to the Farm Bureau. Yet for some unexplainable reason, the Internal Revenue Service has continued to press ongoing lawsuits against Farm Bureaus in Florida, Georgia, Illinois, Kentucky, Michigan, Missouri, North Carolina, Tennessee, Texas, Washington State and Alabama. In these States, there is ongoing litigation—instituted by the Internal Revenue Service—where the IRS is trying to force the Farm Bureau to pay taxes they do not owe.

I do not understand how the Internal Revenue Service can say that they are willing to be supportive of an act of Congress that defines that for all future times, dues to the Farm Bureau are not taxable income, but yet refuses to go back and drop all these lawsuits. We had hoped in the Finance Committee to work out an agreement on this issue. I worked with the chairman and the ranking member who were hopeful that the Internal Revenue Service would issue a position paper saying that it would drop these existing lawsuits, but the Internal Revenue Service has refused to do that.

In fact, Mr. President, I ask unanimous consent that a letter to this effect, from the Assistant Secretary of the Treasury for Tax Policy, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, June 24, 1996.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: This letter is in response to the question you raised at the Senate Finance Committee mark-up held on Wednesday, June 12, 1996 concerning farm bureaus.

Last year, in Revenue Procedure 95–15, we clarified that no tax is to be imposed on associate member dues payments received by tax-exempt agricultural organizations unless the organization's principal purpose in forming or availing itself of an associate member class was to produce income from an unrelated trade or business.[1] The approach in the ruling reflects current law. See *National League of Postmasters* v. *Commissioner*, sl. op. (4th Cir. June 14, 1996,), affirming T.C. Memo 1995–205 (May 11, 1995).

While Rev. Proc. 95–15 was being developed, the IRS suspended its examinations of agricultural organizations to ensure that any associate member dues issues that had been raised would be resolved consistently with the analysis in the Revenue Procedure. We are confident that as the IRS finishes the remaining examinations on this issue, it will follow the Revenue Procedure in analyzing the activities of farm bureaus and the income they receive with respect to their associate members.

Of course for periods to which the proposed legislation would apply (Section 1113 of the Small Business Job Protection Act of 1996), the treatment of associate member dues paid to agricultural organizations would follow the statute as amended.

Nevertheless, if there are cases under audit for taxable years beginning prior to December 31, 1994 which cannot meet even the test of the Revenue Procedure, it is not possible to provide administrative relief, other than relief that may be available under section 7805(b) of the Internal Revenue Code. Thus, you should be aware that, because each case will be determined according to its own facts and circumstances, we cannot assure you that the IRS will provide administrative relief in these pre-effective date cases beyond the guidance provided in Revenue Procedure 95–15.

Please call us if you have any further questions.

Sincerely,

DONALD C. LUBICK,
Acting Assistant Secretary (Tax Policy).

Mr. GRAMM. Mr. President, to get to the bottom line, basically, the Internal Revenue Service has said that no matter what Congress does in terms of defining dues to the Farm Bureau as nontaxable income, they are going to pursue these lawsuits anyway. So we will be offering later as part of the managers' amendment an amendment that I have authored which basically says to the Internal Revenue Service, "We have made a decision in Congress, we want these frivolous lawsuits to be dropped, and we want them to be dropped now."

This is an issue that should be settled. The position of the IRS is indefensible in the opinion of the vast majority of Members of Congress and is indefensible in the opinion of the vast majority of the American people. We not only want the IRS to stop doing this in the future, we want them to go back to these old lawsuits and end this harassment once and for all.

We are taking a major step in that direction in this bill. In an amendment that the chairman will offer on my behalf later and on behalf of others, we are also going to go back and, in essence, say to the IRS, "Drop these lawsuits and end this issue once and for all."

The second issue that I think is important in this bill is also another IRS issue. For some unexplainable reason, roughly 3 years ago, the Internal Revenue Service decided that newspapers and paperboys were cheating the Internal Revenue Service. The Internal Revenue Service, in a series of lawsuits filed all over the country against major daily newspapers, said that paperboys—and I use the term "paperboy" because there is no comparable gender neutral term in the English language that I have found, and though I was once a paperboy, if someone has a gender neutral term, I will be happy to use it—but until they do, I will use the one that people recognize.

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[1] As noted in the Senate Finance Committee report accompanying H.R. 3448, the focus of the inquiry under the Revenue Procedure "is upon the organization's purposes in forming the associate member category (and whether the purposes of that category of membership are substantially related to the organization's exempt purposes other than through the production of income). . . ."

In any case, the Internal Revenue Service has argued that paperboys are not legitimate independent contractors and that they have, in essence, conspired with newspapers to avoid being employees and, in the process, have not paid Social Security taxes, withholding taxes, unemployment insurance, and Medicare taxes. The ultimate objective of the IRS, it appears, is to force paperboys to become employees of daily newspapers.

Mr. President, in the grand scheme of things this is not a very important issue. But I was once a paperboy—I threw 106 newspapers—and for the life of me, I cannot understand why the IRS wants to destroy a system which allows literally hundreds of thousands of young people, both boys and girls, to be independent businesspeople.

If the IRS had its way, it would raise the cost of having a daily newspaper delivered to your door and it would destroy an opportunity that has been part of the American system of small business since almost the colonial period. In my opinion, the negative impact of this approach goes far beyond newspapers and the cost to those who read them.

Let me make the point as succinctly as I can: I am trained as an economist, and at some point in my career I became interested in various historic economic periods in America, the greenback and free silver movement period, and other periods in the 18th and 19th centuries. One of the things which I discovered was that people in the 18th and 19th centuries, for some unexplainable reason, understood economics and understood how our economy works much better than educated people do today.

After having looked at this, I concluded that the reason this was so is that in the world of the 18th and 19th centuries—when most people were farmers or independent businesspeople—most people actually bought things, produced things, and sold things. They were both buyers and sellers in the market at the same time, and because of this, just carrying on their daily business provided a tremendous educational experience for them about how this great economic system works.

Today, when people graduate from college, they go to work for some big company or for the Government, and for most of their lives they specialize in one particular field. They may buy things, they may sell things, they may produce things, or they may even deal with the huge paperwork and litigation trail that often goes with it—but very few people in America today are actually engaged in all facets of any business.

One of the reasons that I have taken on this paperboy issue with a very strong commitment and zeal is that being a paperboy is one of the last jobs left where young people are actually in business for themselves. They buy their newspapers from the newspaper and then sell it to their customers. I bought 106 copies of the Ledger-Enquirer from the local newspaper and delivered it to 106 residences and businesses. I collected the money, as literally millions of paperboys have done since the colonial period, and in the process not only did I earn money, but I learned about how our market system works. I think it is vitally important that we not let the Internal Revenue Service destroy this great educational and business system that is available to young people all over America. So I have championed this provision in the bill that says to the Internal Revenue Service, get out of the paperboy business. Let paperboys be independent businesspeople. Stop challenging their independent status. Do not destroy a great American institution which not only brings the newspaper to our home at 6 o'clock in the morning, at a very low price, but also is a great business and learning opportunity for the young people of this country.

So I am very proud of this provision. Is it going to change the world? No. But for hundreds of thousands of young people all over America, it is going to preserve their opportunity to be an independent businessperson. It is going to preserve a great American institution and it is going to tell the Internal Revenue Service to go make war on somebody else and leave America's paperboys alone.

The third provision in the bill that I want to talk about is the research and development tax credit. This credit came into place in 1981 in an effort to try to encourage American businesses to invest in research and development. If I had the chart with me that I have used around the country, I could show that in every single year since 1970 Japan and Germany have invested a higher percentage of their gross domestic product in nondefense R&D than has the United States of America.

We need more research and development if we want to produce the products of the 21st century, if we want to be competitive in the world market. If we really want higher wages in this country, we should not simply just mandate them in Congress, we should promote investment in research and development. We should promote investments which develop new products, which develop new tools, and which develop new ways of doing things. We need to be the leader of the world in science and technology, and extending the R&D tax credit is a critical part of that effort.

Quite frankly, Mr. President, I am disappointed that we are only extending the R&D tax credit for 18 months. This tax credit should be made permanent because people need to know with certainty that if they undertake a long-term R&D project—that if they try to bring a new product on to the market, or to develop new tools and new techniques, or to bring the power of science to the farm and to the factory—that there will be a consistent and favorable tax policy.

The R&D tax credit is broadly supported on both sides of the aisle. I think it is absolutely imperative that we adopt this bill and put the credit back into place, and eventually I want to make it permanent. This business of taking important features in the tax structure and every 6 months or every year going through the process of redebating it creates uncertainty and it greatly reduces the positive benefit to the country of long-term research, development, and experimentation expenditures by private businesses. So I think it is imperative that we make this tax credit permanent. I am pleased that we are reinstituting it. I see it as a positive step forward, but I do not think we are going far enough.

One final issue: Senator HUTCHISON has sponsored, and I have cosponsored, a bill to eliminate a terrible inequity in the Tax Code. And that terrible inequity is that if you work outside your home and the company you work for does not have a private retirement program, you can put up to $2,000 a year tax free into an individual retirement account. If, however, you decide to stay at home and raise your children and be what is traditionally called a homemaker, you lose the ability to put $2,000 a year into your individual retirement account.

I believe, and Senator HUTCHISON believes, that the Tax Code discriminates against people who decide to stay at home to raise their children and to provide for their family.

I want to make it very clear that neither Senator HUTCHISON nor I are trying to make a value judgment here as to what people should do. My mama worked all during my childhood because she had to. My wife has worked because she wanted to. But the point is this, the Tax Code should not discriminate against people based on whether they make a decision to work outside their home or inside their home.

The provision that is in our bill makes it so that regardless of whether a person decides to take a job in the economy or whether they decide to stay, and work, in their home and to raise their children, they have the equal right to provide for their retirement and to provide for their individual security.

Under this provision we will let a homemaker, as well as someone who works outside the home, set up an individual retirement account, and we will allow them to put up to $2,000 a year tax free into that account. The net result will be to strengthen families and to allow people who stay at home and raise their children to build up a retirement program like other people can. We will be eliminating an antifamily element in the Tax Code, and, therefore, I think this is an important provision.

I am equally committed to the goal of trying to expand what people can use individual retirement accounts for. Last year, we were successful in both Houses of Congress in opening up individual retirement accounts to allow them to be used to build up a nest egg for a downpayment on a first home, to be used for college tuition, and to be used for major medical expenses. I think this is an important step in creating a lifelong saving program which will not only expand national savings and enrich the country in the process, but will make it easier for people to prepare financially for the expenditures that they are going to have to face during their lifetimes. In making it easier to save, we will make families stronger, we will make people more secure, and we will spread happiness, which is the only legitimate aim of a free government.

I am afraid that with all of our efforts here to defy logic and economics and to repeal the laws of supply and demand that we are going to forget that there are other provisions being voted on today. Individually, they do not represent Earth-changing policy, but getting the IRS out of the business of trying to force the Farm Bureau to pay taxes on dues, getting the IRS out of the business of trying to destroy the independent contractor status of paper boys, extending the R&D tax credit, and letting homemakers have the same right to build up retirement that those who choose to work outside the home have are all important changes in tax policy.

I think these changes will be beneficial to the country as a whole as well as to the individuals who are directly affected. I want to thank our chairman for his leadership on this bill and for allowing individual Members who care strongly about these small issues, which often end up falling through the cracks, to get them into this bill. I yield the floor.

Mr. MOYNIHAN. Mr. President, I congratulate the Senator from Texas for a very careful exposition. I think this is perhaps the first time he has been on the floor as a member of the Committee on Finance.

As many academic theories go, there are problems sometimes with reality. This Senator from New York at age 12 was a paperboy. He had learned if at 9 o'clock at night you bought 10 copies of the Daily News and 5 copies of the Daily Mirror at 96th Street and Broadway and then sold them in places of entertainment along Amsterdam Avenue, if you bought them for 2 cents and you sold them for 5, you had a profit of 150 percent capital that very day. I knew all of this by the age of 13. Somehow by age 16 I had forgotten it entirely. And here I am, looking for Social Security. That is why I insist Social Security will be there.

Thanking the Senator, I have the honor to yield 8 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. The Democratic minimum wage amendment that is pending which I cosponsored is simple and straightforward. It would increase the Federal minimum wage from $4.25 an hour to $5.15 an hour. That is 90 cents over 2 years, not even indexed for inflation.

Mr. President, the increase in the minimum wage for our Nation for working families in our Nation is a matter of simple justice. Mr. President, the Republican alternative to this bill is in many ways, I think, worse than the House-passed bill. It is certainly not a step forward; rather, it is a great leap backward. First of all, Mr. President, the Republican amendment argues that a family would not receive a raise until January 1, 1997. That would deny people an extra $500. That is important. We want this minimum wage to take effect right now. For people who have significant wages, for people who have significant incomes, $500 may not seem like much, but for many families, for many wage earners who just make a little bit over $8,000 a year, that additional $500 is a difference that makes a difference.

Second of all, the Republican alternative would create a subminimum wage that would apply to all workers regardless of age for a 6-month period. Mr. President, this particular part of their alternative I find to be egregious. I know of no other word. In other words, we are saying there will be a 8-month period for wage earners, regardless of age, regardless of experience, regardless of background. They call this an opportunity wage. I, instead, call it an exploitation wage. It to me makes no sense at all. You are 55 years of age, you have been downsized, you had a good job, and you are saying through this amendment, that as a matter of fact, people who have been downsized now have to start out at $4.25 an hour, and for 6 months work at that. They cannot even receive $5.15 an hour. Mr. President, for a 55-year-old out-of-work steelworker in Hibbing, MN, that is not justice. For a 38-year-old waitress in Sauk Centre, that is not justice. For a 27-year-old young man working in a grocery store in Rochester, that is not justice.

To make the argument that is not just teenagers, it is everybody, regardless of their age, regardless of their experience, that for 6 months they make $4.25 an hour, not even $5.15 an hour, I think, is no less than a scandal.

Finally, Mr. President, the exemption, the small business exemption, is unprecedented, it is unnecessary, it creates a two-tier wage structure, and about half of the 10 million or so wage earners and families that would be benefited by this would no longer benefit.

Mr. President, when I look at this alternative and I look at all of the exemptions, I look at all the delays, and all of the rest of it, it is hard to determine under the Republican alternative, who, if anyone, would actually receive an increase even if their bill was to become law. There are so many loopholes and so many exemptions to the Bond alternative that after all is said and done, if it was passed, it is hard to even figure out who would actually receive an increase.

Mr. President, we should have no illusions about this on the floor of the Senate. Justice delayed is justice denied, and the BOND amendment does not represent a step forward.

Mr. President, I would like to talk about this minimum wage debate and this vote, which I think is a historic vote on the floor of the Senate, in a national context and in a family context. I do not think this is a vote really about the minimum wage. I think it is about more than a minimum wage. For the vast majority of Minnesota families and families in this country, they view this as providing a foothold into the middle class. Over 50 percent of the minimum wage workers are adults, they are not teenagers. Over 60 percent of the minimum wage workers are women, and for these women and these men and their families, an additional $1,800 is a difference that makes a difference. It means you can buy the groceries and put food on the table. In a cold weather State like Minnesota you can pay the heating bill. You might be able to afford your tuition at a community college.

Mr. President, this is not about just the minimum wage. It is more important than the minimum wage. This is about the squeeze that families feel. This is about the concerns that people have that their children in their twenties cannot find employment that they can count on. That is to say, a job that pays a decent wage. This is about the concern that people have that they cannot afford to send their kids to college. This is about the concern that people have that they cannot make ends meet. This minimum wage amendment that we have introduced represents a step forward for our country. Justice delayed is justice denied. The Bond alternative does not represent a step forward, Mr. President. It represents a step backward.

Now, I will not go through the whole political economy debate but I will make two final points. Point one, you look at Salomon Bros. report on this and they say if you raise the minimum wage you have people who can consume more and the economy does better and it creates more jobs, and then you have 100 economists that signed the letter, including a Nobel laureate economist, and they say this is a modest increase, it will not lead to a decrease in jobs. We use to have bipartisan support for raising the minimum wage. We used to believe it was the right thing to do. We used to believe it was a matter of fairness and justice. We should pass this minimum wage in its strongest form.

Mr. President, the National Retail Federation, in talking about the Bond amendment said, "Passing the Bond amendment is probably our best chance to kill the minimum wage increase." "Passing the Bond amendment is probably our best chance to kill the minimum wage increase."

Senators, colleagues, if you vote for this amendment, that is what you are doing. You are killing the minimum wage increase. There are so many exemptions built into it and so many loopholes that all of the wage earners and all of the families that could benefit will not be able to benefit. We are not going to be able to fool anybody. You cannot duck and run. You cannot hide. You cannot duck for cover. You cannot look for a political cover vote—and that is what this amendment is.

We should vote for this minimum wage. It is long overdue. It is the right thing to do. I hope that there will be very strong support for it.

Mr. President, let me just finish on a somewhat different note and just reference some of the remarks that my colleague from Illinois is going to make.

I am concerned with the managers' amendment. We now just had a chance to see the specifics. It is very long, very involved, and there are a number of provisions in this amendment that I am extremely concerned about.

My colleague from Illinois I might ask very briefly to speak about an important Supreme Court decision and what is in this managers' amendment.

Mr. SIMON. Yes. There are a number of things. I thank my colleague for yielding.

The PRESIDING OFFICER. The Senator is advised that the time has expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I yield 10 minutes to the distinguished Senator from Missouri.

Mr. WELLSTONE. I wonder whether I might ask unanimous consent for 1 more minute so my colleague can finish this.

Mr. GRAMM. Mr. President, if we could amend the unanimous-consent request so that the distinguished Senator from Minnesota has 1 more minute but at the expiration of that minute the distinguished Senator from Missouri be recognized for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WELLSTONE. I thank my colleague.

Mr. SIMON. I thank my colleague. There are several provisions in here.

First of all, ESOP's—we take away the advantage. We have always said ESOP's are a good thing. Now we retreat on that. Harris Trust is a provision that protects the pension funds. I do not know how much is at stake here; $300 billion is one figure. I heard $500 billion, another figure.

This complicated thing we are acting on without a hearing. I do not think it makes sense.

Then, finally, we are changing the small business provisions on 401(k) plans so that highly compensated executives will have advantages over those of lesser incomes.

I think the managers' amendment is a very bad amendment.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Thank you, Mr. President.

I am pleased to have this opportunity to participate in the debate that relates to the compensation levels received by American workers. It is an important debate, in my judgment, because it allows us to address the problem which is understood by people across the political spectrum and around the country.

The fact is that take-home pay has declined by 6.3 percent since its 1989 level. Americans' tax burden has been going up while their take-home pay has been going down. Currently, we charge people more for government than we have at any other time in history. That troubles me. Americans spend more on taxes than they do on food, clothing and shelter combined.

This concept of wage stagnation, of the flatness of wages, has really caused the American people to be troubled. The Senator from Minnesota, Senator WELLSTONE, recently—in fact, just a few moments ago—talked about the fact that families are struggling to make ends meet, are worrying about how they get their kids to college, are worrying about being able to move into the work force and are worrying about getting the kind of experience which is necessary in order to become productive, long-term workers in our economy.

So I think there is an important condition to be addressed. It is a condition of wage stagnation, of a flatness in terms of take-home pay.

As I spent the last couple of weeks, or almost a couple of weeks, home in Missouri, I worked with workers side by side. I worked with a group of workers in the Eagle Pitcher Corp. which manufactures batteries for use in satellites. I did assembly line jobs and those workers are concerned about their take-home pay. I worked in the food service industry. And, yes, those workers are concerned there about their take-home pay. One day I worked in the apparel industry—in manufacturing of clothing and uniforms. And those workers also are concerned about their take-home pay.

While individuals are concerned about their take-home pay—none mentioned an increase in the minimum wage. They understand that the minimum wage is something that would address only between 4 and 5 million people in this country, and many of those individuals are not full-time workers.

I think we need to address this problem of wage stagnation far more substantially than we would if we were to increase the minimum wage.

There are problems attendant with increasing the minimum wage which would intensify the economic difficulty for individuals, not relieve it. For instance, the Congressional Budget Office indicates that a 90-cent increase would create employment losses in the country from 100,000 to up to 500,000 jobs lost. I do not think we want to craft relief that will cause a significant number of American workers to lose their jobs.

Seventy-seven percent of the American Economists Association responded that a minimum wage increase would have job losses that are substantial.

Even the Democratic Leadership Council opposes a minimum wage increase. Even the Clinton administration understands this concept. Secretary Reich, in a letter to President Clinton, dated July 20, 1993, wrote: "A full assessment of where to set the minimum wage should consider a wide range of factors beyond its income effects on the working poor. After all, most minimum wage workers are not poor."

So if we really want to try to increase the take-home pay for individuals, I do not think the minimum wage is a very good way to do it.

First, many of those who are on the minimum wage are not poor people. About 57 percent of these workers are in households with income of over $45,000.

Second, we do not want to shrink the job base for this country in the process of helping people.

So what kinds of alternatives are there for helping people with flat wages which also do not shrink the job base but grow the job base, which do not just address 4 to 5 million people but address 70 or 80 million people? What are the kinds of things that we can do to provide relief that really would help families—generally—across the board, rather than focus on less than 5 percent of the American work force?

I believe that there is such an opportunity, and I have offered it in the U.S. Senate. Almost all of the individuals who speak so eloquently in favor of the minimum wage voted against this proposal. But the truth of the matter is this proposal would help almost 80 million workers instead of 4 million workers. It is something that would grow the job base of the United States by a half million jobs instead of shrink it by a half a million jobs.

It would be something that would allow a broad base of Americans to have more take-home pay rather than just helping a few. It is this—right now, as Americans pay more in taxes than we have ever paid in history, we pay double taxes on the Social Security taxes which we have deducted from our paychecks. It is money we never see.

The money actually is taken by our employer and sent to the Government. It is the Social Security tax of 6.2 percent of our income. Then we are later charged income tax on that same tax which we have already paid.

If we were to allow this tax to be deductible to ordinary workers like it is deductible to corporations which pay the other half of the Social Security tax, we would have a $1,770 impact on the average two-earner working family, and that would benefit 77 million-plus workers instead of 4 million-plus workers. It seems to me, if we want to address this challenge in our culture, which has recognized the flatness in take-home pay, we ought to do it on a broad base for Americans rather than a narrow base, and we ought to do it in a way that grows this economy rather than stunts the economy.

As the economists have indicated, a mandated increase in the minimum wage could result in up to 500,000 jobs lost. However, the economists have indicated there would be 500,000 jobs gained if we were to provide this kind of tax relief to American families.

I think we ought to find ways to grow ourselves into helping people out of wage stagnation rather than stunt the economy and hope there would be those who would benefit as a result, in spite of the fact we had substantial job losses. The reasons are substantial to provide deductibility of our Social Security taxes which we pay from our income taxes.

First, it is necessary to eliminate this double taxation on American families.

Second, corporations which pay the other 6.2 percent of a person's earnings in order to make the total combined 12.4 percent of earnings, deduct their share—yet, the average worker cannot deduct their share. This fundamental lack of fairness, this disparity in tax treatment between the corporate side and the individual side should be resolved.

Finally, if we really want to help American workers. We ought to be looking out for workers generally rather than a very small segment of workers, many of whom are only part-time employees. Many of whom are the youngsters like my children. They began work in the fast food industry. Well, some 40 years ago I began work in the fast food industry myself, or at least in the ice cream industry. I do not think there was really fast food in those days. But I think we ought to find a way to help American families generally, and we can help American families generally by providing tax relief for American families generally. It is tax equity because it would give the American family the same tax break that the American corporation enjoys. It would be tax fairness because it would stop a double taxation on American families. And it would help grow the economy rather than slow the economy, which is the way we ought to try to move people ahead in terms of their own wages.

That ought to really be the focus of our endeavor. We ought to try to benefit families generally. We ought to try to provide help and assistance to the 70 or 80 million wage earners that could be assisted from this proposal rather than limit our assistance to the 4 million or so individuals who are involved in the minimum wage category.

I believe there has been an appropriate recognition, a diagnosis, if you will, of a discomfort in the American body politic. The diagnosis is for wage stagnation. I believe we can remedy that by providing tax relief for American families generally, rather than seeking to focus our efforts on a very small segment of the American population.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator's time has expired.

Mr. ASHCROFT. Mr. President, if my time has not been consumed, I would reserve the remainder.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Mr. President, I yield 8 minutes to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 8 minutes.

Mrs. BOXER. I thank the Chair. I thank very much Senator MOYNIHAN who has been working so hard to put together a measure this body can pass and feel good about. I thank him specifically for helping us with some very important provisions dealing with pension protection for widows. Without going into those details, I see that it has been included in the managers' amendment, and I am very grateful because what happens many times, I say to my friend, is that when a person loses a spouse—in this particular case I am talking about, it is usually a woman left in a circumstance where the pension that they were receiving together drops from 100 to 50 percent, and there are ways to fix that so the couple gets two-thirds in pension, so that there is no dropoff after a death. What we have been saying is that this option ought to be available, and the committee, on a bipartisan basis, has recognized this, and I am grateful to all sides on that.

On the other issue about which I rise to speak, I am not as pleased because I am worried. I am worried that while we take up the minimum wage, there will be enough votes to carry what I consider to be an egregious loophole, and I think if it does pass—and I am very hopeful it will not—what we will be doing here today really is more of a sham, because we have information which says that if the Bond amendment passes—and I know my friend from Missouri really believes it is the right thing to do, and I respect his view; I just do not happen to agree with it—if the Bond amendment would pass, 50 percent of those who would get a minimum wage increase would not get that increase.

I think that would be a little bit akin to going to a birthday party for twins, and you can imagine two little children 6 years old, 7 years old, and you give a gift to one and nothing to the other. I do not think anyone in America would do that. I do not think we should treat our working people that way. Simply because one works for a large corporation and another for a small should not mean that we punish the one who works for a small corporation. By the way, the definition of such a corporation is $500,000 in business, which is not exactly a mom and pop operation. And so I am worried about this vote today. I am excited, frankly, that we finally come to the point where we have a chance to vote for a clean minimum wage. I am not so sure the body will do so.

Really, the question today is whether there will be a straightforward increase in the minimum wage, which is at a 40-year low. That increase will go soon to the people at the bottom of the economic ladder that my friend from Massachusetts, Senator KENNEDY, I think, has described so well—who these people are and what they do. They are at the very bottom of the American economic ladder. They work very hard. They earn well below the poverty level. We are calling for a slim dime-an-hour increase for those people over 2 years—over 2 years. I think we ought to just do that the way we have done it in the past.

Again, the Senator from Massachusetts has pointed out that under President Nixon we have done it, under President Bush we have done it, under President Kennedy we have done it, under President Carter we have done it, and we really did not set up a two-tiered permanent system. We never did that before. We should not do it now. We have never set up a subminimum wage. We have never done that before. We should not do that now.

I just want to point out to my colleagues that the issue of the minimum wage in many ways is about people who are struggling to earn money for their families, and many of them are women. As a matter of fact, most of the people on the minimum wage are adults, and most of those are women.

There is a particularly egregious part of the Bond amendment that I hope Members will look at and vote against. That has to do with those workers at the bottom of the ladder who count on tips—in other words, waitresses and waiters and others. Now, again, these are the people who work with the sweat of their brow, and they go home at night and they can barely stand on their feet. I want you to know that 80 percent of those people are women. They are women. What we are going to do here is freeze in their minimum wage because, under the current law, people who count on tips get half the minimum wage. Actually, it used to be 60 percent, but we changed that in the 1980's. They get half the minimum wage and then they get their tips to compensate. In the Bond amendment we freeze that at the current half of the current minimum wage, and therefore those folks are frozen in place and they are going to go down the economic ladder.

Why would we do that when we have a chance today to send a message, Republicans and Democrats alike, that we think everybody ought to be brought along in this economic recovery? We hear there is good news out there. There is good news out there. There is more to be done, but we are seeing that unemployment rate go down.

So my message here this morning is this: Why do we not just do the right thing? Just do it. Just vote for an increase in the minimum wage the way we have done for so many years. And this argument that, oh, jobs will be lost and it will be inflationary—if we had that attitude we would still have people working for 50 cents an hour. If we truly believed that every single minimum wage increase was going to bring loss of jobs we never would have increased the minimum wage. Why do we not do the right thing today?

Mr. President, I hope we will defeat the Bond amendment and pass a clean increase in the minimum wage.

Mr. MOYNIHAN. I thank the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield 10 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah, [Mr. BENNETT], is recognized.

Mr. BENNETT. Mr. President, one of the things that continues to amaze me in my service in the Senate is how we, in this body, spend all of our time projecting and conjecturing about the future and not much time looking at the past in an attempt to find out if there is a model that can give us a more sure understanding of the future than the projections of professional pundits and economists. In this debate on minimum wage, we do have a clear model from the past which illustrates what happens when the minimum wage is raised. I want to spend some time this morning talking about this model.

By coincidence, the best summary of this model appeared in this morning's New York Times. Under the headline, "Thesis, Rise in Wages Will Hurt Teenage Group," we have the following:

> At one time, Sidewinder Pumps Inc., in Lafayette, La., would hire a dozen or more young people to work each summer at minimum-wage jobs like weeding or expanding the parking lot—tasks that were not really essential to the company but that let it give teenagers a taste of what paid work is like.
>
> When the Federal minimum wage went up in the early 1990s, the company cut back to three or four summer workers. And this year the prospect of another increase led the company to end this quarter-century tradition.

The last time Congress raised the minimum wage this company cut back the number of minimum wage earners. Now, some are proposing to raise further the minimum wage and this company is now eliminating more jobs. This situation is not theory, but actual experience, actual practice.

The article goes on to give us some statistics:

> In March 1990, just before the Federal Government raised the minimum to $3.80 from $3.35, 47.1 percent of teen-agers had jobs, but that promptly began a slide that carried it down to less than 43 percent a year later, when the $4.25 wage kicked in. The figure then tumbled to 39.8 percent by June 1992 before slowly recovering to 43.2 percent now.
>
> "The timing of the drop in teen-age employment is absolutely coincident with the increase in the minimum, whereas for other groups the recession's bite was delayed," declared Finis Welch, an economics professor at Texas A&M University and a prominent student of the subject.

In other words, the last time the minimum wage was raised, the group that was hurt the most, in terms of unemployment, statistically and historically, was teenagers. The article states:

> Black teenagers, often most in need of basic job skills, fared even worse. At the beginning of 1990, 28.8 percent of this group held jobs. But lack of hiring and dismissals drove this down to 22.5 percent by January 1991 and to a low of 20.4 percent in August 1991. Not until April 1996 did it recover to 28 percent.

In other words, they started out at 28 percent. The minimum wage was raised, and black teenagers saw employment go all the way down to 20 percent. It has taken 6 years to get back to 28 percent. And now some want to again raise the minimum wage so that black teenagers can see their employment go back down, the way it did the last time the minimum wage was raised.

The article continues:

> "Teenagers shouldered a disproportionate share of the burden" even after allowing for their ranks contracting from demographic trends, said Erich Heinemann, an economist at Brimberg & Co., a Wall Street firm. "To a very significant degree," he added, "the 1990–1991 recession was a teenage recession."

The article summarizes:

> [Some have] found the 1990–91 experience persuasive.
>
> "The last increase turned out to be a cruel joke for low-skilled teenage workers," he declared. "To the extent that the minimum is raised high enough to positively affect wage levels," he contended, "it will negatively affect the demand for labor."

Like many in this body, I worked as a teenager. I started out when the minimum wage was 40 cents. You do not earn a lot of money at 40 cents an hour. Frankly, the money was not the most important reason for me to work. It seemed important at the time, in fact, it seemed like a tremendous boon to me because I was earning more money than I received in allowance from my parents. But looking back on it, the most important thing I gained from working at age 14, was the experience of going to work: Showing up on time, staying the full work period whether I was bored or not, punching out at the proper time, dressing in proper attire—the kinds of experiences which I find far more valuable than the money. We are denying these experiences to more and more teenagers when we raise the minimum wage. Fortunately, the amendment by the Senator from Missouri will allow many teenagers to continue to have the work experience that this Senator had when he was a teenager.

For me, the lessons learned from the last increase in the minimum wage are persuasive. We should learn from the past. We should learn from what happened last time and be very, very careful about raising it this time.

At the risk of sounding more demagogic than I would like, I say to teenagers who lose their jobs, to black teenagers who see a repetition of what happened in 1990–91 when they appealed, "Where did the jobs go," the answer might be, "Talk to the senior Senator from Massachusetts. In the name of trying to help you, he has fashioned a program that has destroyed your jobs."

I know the Senator from Massachusetts does not have that motive. I know he is acting out of the best of intentions. But I say that past experience in raising the minimum wage indicates that history will repeat itself and we will again see jobs lost. I plead with the senior Senator from Massachusetts in the name of the teenagers whose jobs will be destroyed, to examine past history and do his best to see to it that we do not repeat the mistakes made 6 years ago.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I am happy to yield 8 minutes to the junior Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts, [Mr. KERRY], is recognized for 8 minutes.

Mr. KERRY. Mr. President, thank you very much. I thank the Senator from New York.

Mr. President, let me address some of the concerns that were just raised by the Senator in Utah. The facts show that through the years, there may be individual instances where there is a tailoff in the numbers of teenagers who might be hired by a particular company but, broadly speaking, the number of teenagers who are helped by the increase in the wage is much greater. The fact is that any company that requires a certain amount of work to be done is going to pay somebody a wage to do that work that they want to get done. They are not just hiring teenagers as a matter of altruism.

Generally speaking, we in the U.S. Congress have recognized our responsibility to make up for that gap so that teenagers have the very opportunity that the Senator from Utah talks about. That is why historically we have had a Summer Jobs Program, until our Republican friends in recent years have seen fit to zero it out—zero it out.

The basic issue here remains the same: What are we willing to give in America as the value of an hour's work? We decided that in the late 1930's, and under every President since then, Republican or Democrat alike, with Republican votes and Democratic votes—we have raised the minimum wage. And with what impact, Mr. President? With the impact that unemployment has gone down and the wages of more Americans have at least come up closer to the poverty level.

My friend from Texas earlier said we should not monkey with supply and demand. But this is the same Senator who is down here voting to preserve the wool and mohair subsidy. If that is not monkeying with supply and demand, not to mention all of the pages in here of different tax provisions, subchapter S provisions, depreciation allowances—we monkey with it every single day. The question is, For what social purpose do we do that?

The fundamental issue before the U.S. Senate is, for people who work hard and play by the rules, do they deserve a raise? Not a handout—a helping hand up, yes, but not a handout. The way you send that message is to value the work with a living wage.

We have done that before, Democrats and Republicans alike. We have raised the minimum wage closer to the poverty line, not a great level, but that is what we feel we can do in the best balance against job loss and other market forces.

I acknowledge there are market forces. We do not want to monkey with the level that is so high that you would, in fact, generate enormous unemployment. But the proposed increase would not put our country in danger of reaching that level.

In Vermont and Massachusetts, we raised the minimum wage at the beginning of this year. New Hampshire and New York refused to raise the minimum wage. Unemployment in Massachusetts and Vermont went down. Unemployment in New York went up and New Hampshire went up.

Mr. President, it is clear historically that raising the minimum wage may create minor dislocations. My friend talks about one company laying off five people in this article in the New York Times. Five people who are kids, teenagers at the minimum wage, let's say 8 weeks of employment, if they take some time off in the summer, is $288. So we are now being told that a company is going to deny a teenager $288 for 8 weeks of work. It is hard for me to believe that if that job was necessary, that company is not going to produce enough product or sell enough goods to make up $288 for a teenager to work. What we need is a little more ethic in America where our corporations understand an obligation to try to hire teenagers, to try to pay people a decent wage.

We know the statistics. We are living in a country that now has the third highest number of poor children since 1964. Two-thirds of the people on the minimum wage are adults, not teenagers, and most of them are women. In my State of Massachusetts, almost 5 percent of the children in Massachusetts live in families where at least one parent works full-time but the family still lives below the poverty line. Nationally, more than 2 million children live in families which would get a raise if the minimum wage is increased to $5.15 an hour.

The question is, should these children and their families get an increase in the minimum wage, and should the Congress fill the gap to help those teenagers have a summer job? Then everybody benefits correctly and we do not create a Hobson's choice of denying both of them everything: No summer jobs and no minimum wage, and the country can get poorer together. That is really what we are talking about here.

We have heard this argument year in and year out. We keep hearing it: "Oh, if you raise the minimum wage, America isn't going to get stronger."

From 1938 to now, look at the number of jobs we have created, look at the increased strength in America, look at the stock market go up. Last year, the stock market went up 34 percent in 1 year, and corporations took record profits. But the consumer debt in America went up. The consumer debt in America is at the highest level in history.

So we are going to vote today on whether or not someone at the bottom of the economic ladder who has seen their income decline and their wages decline in the last years is going to get an opportunity to work for less than three-quarters of the rate of poverty.

If you work at the minimum wage in America a 40-hour week, 52 weeks a year, you earn $8,500 a year. Try and live on that. The poverty level for a family of four is $16,000 a year. The poverty level for a family of three is $12,500. Can we not even find it in our capacity, where we have the most expensive, rich pensions in American history, where we have a salary—all of us —at $130,000 a year, to raise the minimum wage for people working at the bottom of the economic ladder? That is the test of the conscience of the Senate today.

The efforts of the Republicans to come in with an exemption for two-thirds of the companies in this country is wrong. In combination with the rest of their amendment, one-half of the people working for the minimum wage would be denied an increase. This is a vote over right and wrong, and I think history has proven that it is right to raise the minimum wage.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. KASSEBAUM. Mr. President, I yield 10 minutes to the senior Senator from Colorado, Senator BROWN.

The PRESIDING OFFICER. The Senator from Colorado, Senator BROWN, is recognized for 10 minutes.

Mr. BROWN. Mr. President, I thank the Senator from Kansas for her kindness in yielding time.

We are debating today as if one side is in favor of raising wages and the other is not. With all due respect to my dear colleagues, I suggest that is not the question. Both sides are in favor of wages going up. As a matter of fact, anyone who serves in the U.S. Congress, ought to have at the center of what they are here for an effort to promote and improve the lives and the compensation of the working men and women of America.

However, there is a real and a legitimate difference of opinion about how you increase wages, and compensation. Many of my colleagues sincerely believe Government is the way to set prices for products and services in an economy. But let me point out that countries that have taken that philosophy to an extreme, that have put that philosophy into effect in a broad range of both services and goods in a market have had disasters. There is no question as to why countries have abandoned socialism across the world. They have abandoned it because it is a disaster.

The real price-setting mechanism that is efficient and productive and perhaps most carried, in terms of job opportunities, is a market system. To suggest the Government is the right one to determine the right wage for every individual is absurd.

Perhaps some will vote for this because it does a little damage, and I think in some areas that is probably true. But the problem with it is this says more than simply set a wage; it says it is illegal for someone to work a job that pays under a certain amount, even if that person wants to. It becomes illegal for you to take that job even if there is no other job available.

I hope Members will take a look at who this legislation impacts. We have heard the passionate rhetoric from people, many of whom have never held a minimum wage job in their lives. I think sometimes you can be more impassioned when you have not had that opportunity. But, Mr. President, the ones who are primarily affected are not necessarily four-member families. The ones who are primarily affected are people who are getting their first job, oftentimes teenagers. Do we want them to do better? Absolutely. But no one should vote on this measure without realizing what its impact is going to be.

I look back on the jobs that I had as I grew up. I think of them because they were very, very important in helping me understand how to work, how to be productive, how to accept responsibilities. One of the first jobs I had was as a dishwasher in the local restaurant down the street. It was a job on Friday or a Saturday night. I was not a Catholic, but I was very thankful for Catholics because they had an affinity for fish on Friday nights. This restaurant served fish and thus had a job for a dishwasher.

That job has been eliminated now. The higher costs have encouraged them to automate much of the function. Yes, they still have some dishes, but now it is different. Two things have happened. One, they have automated, and, two, the higher cost of labor has caused many restaurants to skip recyclable dishes and simply use paper plates. Those who go to McDonald's or Burger King or many of the other fast food restaurants know what that means, but they may not understand the jobs that are lost because we have the fast food operations.

I was a lawn boy. It was a great job. I worked 40 hours a week in high school, long days on Saturday and Sunday. It is the way I paid my way through school. Most of those jobs are gone now, at least in the area we were in. Not all of them, but in the area we were in, many of them no longer put in the kind of vegetation that needs the intense care that it did. Some of them, thankfully, are still available. But this change in wage will affect the job opportunities that are available to kids.

I was a busboy and a waiter. Those jobs with fast food restaurants have largely been dropped. I worked in a service station for 4 years. Those jobs primarily have been dropped, not all of them but most of them. You have now self-service in your filling stations. I assume we have a whole generation who does not really know what a full-service gas station is. It used to be a great source of jobs for teenagers.

Mr. President, the point is this, this measure will have an impact, not necessarily on the families, but will have an impact on jobs available to kids. Mr. President, you ask yourself, what happens to kids who get out of school at noon—and there are a lot of school districts in this country that end at noon or 12:30; in Colorado I know there are some that end at 12:30 and 1 o'clock—and there is no one home because mom is out working, as my mom was, until 6 o'clock at night or 7 o'clock at night?

Ask yourself what happens to a teenaged boy—I say teenaged boy because I think the propensity to get into trouble is greater for them than for girls; but I suspect both are subject to that problem. You ask what happens to them with little homework from their schools and 4 or 5 hours off in the afternoon and no job.

Mr. President, I can tell you what happens. All you have to do is look around this country and see what happens. You deny those kids jobs, and you do not keep them busy, you create a crime problem and a juvenile problem of epic proportions. No one should look at what happens in this country today and not understand that the absence of job opportunities for teenagers and for high school kids, both male and female, is a major factor in the rise of juvenile delinquency.

So, Mr. President, people will vote on their philosophy. Some will say they are doing something to help out low-income people. But, Mr. President, we also should keep in mind what we do to young people when we deny them job opportunities. We reduce the chance to learn, the way to earn your way out of poverty. I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I have the great pleasure of yielding 8 minutes to the distinguished Senator from Illinois, a scholar and a friend.

The PRESIDING OFFICER. The Senator from Illinois, Senator SIMON, is recognized for 8 minutes.

Mr. SIMON. I thank my colleague from New York, and I thank him for his leadership.

I strongly support the minimum wage and I oppose the Bond amendment. The speech that my friends from Colorado and Utah just made about teenagers, if the Bond amendment said, let us not apply it to those under 18, then, frankly, I might even consider voting for such an amendment. I think that would make a little bit of sense. I do not think the Bond amendment, as it is constructed, does make sense.

Raising the minimum wage clearly is needed. I hear the phrase "welfare reform" around here a great deal. But 95 percent of it is not welfare reform. This bill raising the minimum wage probably will do more for welfare reform than all the bills that are called "welfare reform" around here because you give people a chance to earn a little. You give them an option.

Twenty-four percent of our children in this Nation live in poverty. No other Western industrialized nation has anything close to that. If you need a good argument for campaign finance reform, look at what is happening in the minimum wage. What if the people at the minimum wage were big contributors? Would we have this kind of a problem? The minimum wage would pass overwhelmingly. And this is a women's issue; 58 percent of the people who draw the minimum wage are women. We ought to be doing better than this.

Having said that, Mr. President, I am concerned about some provisions in the basic bill, the small business provisions, and the managers' amendment which I am going to ask for a vote for and will oppose. On the basic bill, we knock out the incentive to banks to finance ESOP's, the employee stock option plans. This is a legacy of Senator Russell Long, and it is a good legacy for our country. ESOP's should be encouraged, not discouraged. Let no one fool themselves; knocking out this financial incentive for ESOP's virtually kills the chance for additional ESOP's in this country.

Second, the modification of the 401(k) plans. Here it is geared to helping people in the higher income brackets. Here is a letter from the American Academy of Actuaries. Let me just quote from this letter.

> There is likely to be increased discrimination in favor of highly compensated employees. Such redistribution of contributions in favor of higher income workers could tarnish 401(k) plans to the extent that they would no longer receive the support needed in Congress to justify their cost to taxpayers.

Under current law, if lower income employees put in 1 percent, or defer 1 percent, higher income employees can defer 2 percent. There is a whole series of limitations. Under this proposal, if a lower income employee puts in 1 percent, the higher income employee can defer 9.5 percent. It is clearly for the benefit of those in the high-income brackets who work for corporations.

Then, finally, Mr. President, in the managers' amendment, which is a procedure under which we put this in—and we did not have a chance to modify it, no amendments; and the same on these other provisions that I just talked about—this reverses the Hancock versus Harris Trust decision in the U.S. Supreme Court. It is an ERISA thing. I have to tell you candidly—I see the chair of our committee here, and she knows this—I do not know that much about ERISA, and, real candidly, I do not think anyone in the U.S. Senate really understands ERISA. It is a very complicated thing.

I do know this, that we are moving back on safeguarding the pension funds of workers with this amendment. What the Harris Trust decision did was, it said that the John Hancock Co., when it set aside pension funds in stocks, had to meet the ERISA standards. But what John Hancock was doing was taking these other funds and putting them—let me read the Supreme Court decision, the group annuity contract No. 50, which is what they call it there.

> Group annuity contract No. 50 assets were not segregated, however. They were part of Hancock's pool of corporate funds or general account out of which Hancock pays its cost of operation and satisfies its obligations to policyholders and other creditors.

They do not think they had to meet ERISA standards. The Supreme Court said you have to meet ERISA standards here, and the managers' amendment, with all due respect to my friends who are sponsoring this, the managers' amendment reverses that decision and says that insurance companies, when they do not have these fixed stocks and put the rest in the general pool, they continue to do that, out of which they take all these expenses.

Let me just point out one unusual feature of this bill. Mr. President, you have been here a while in this body and in the other body. Listen to this: "The amendment made by this section shall take effect on January 1, 1975." Have you heard about a bill like that before? Why does this take effect January 1, 1975? To protect insurance companies who have abused these pension funds so they do not have to meet ERISA standards. That is not good legislation, my friends. We ought to be protecting pension funds, not loosening the protection.

I have great respect for Senator MOYNIHAN, Senator ROTH, Senator LOTT, and Senator DASCHLE, but I think this is a move in the wrong direction. The managers' amendment ought to be defeated. We should not reverse that Supreme Court decision. Justice Thomas wrote the dissent and took the side of the insurance companies. The U.S. Senate, with this vote, will take the side of the insurance companies. There is huge money involved. I was told about $300 billion in assets are affected here. I received a call from our former colleague, Senator Howard Metzenbaum, who said, "You are wrong. It is $500 billion." I do not know what it is. Maybe it is $100 billion. Whatever it is, it is a lot of money. We ought to be doing everything we can to protect pension funds, not to move in the other direction.

Mr. President, when the time comes on the managers' amendment, I will request a vote. I will vote against it. I know what the situation is and I recognize that I will be outvoted but I want to make clear I am not part of moving in this direction.

Mrs. KASSEBAUM. Mr. President, I yield myself 2 minutes from the leaders' time.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. KASSEBAUM. If I may respond briefly to my good friend and colleague and member of the Labor Committee as well, some clarification on the Harris Trust. I have spoken earlier to it and I will not reiterate. I certainly agree, ERISA is complicated. It is something all of us struggle to understand.

In this particular situation, as I pointed out, the administration is strongly for this. This particular language in the managers' amendment does not overturn the Harris Trust. What it does is require the Labor Department to issue guidance by March of next year as to how insurance companies are to deal with pension plans in the future. Because the Supreme Court decision created some concerns about how these would be handled as plan assets, there needs to be a clarification. Until that clarification is given, much is in doubt, and many workers will be seriously hampered by uncertainty regarding their pension plans and how it would be counted as a plan asset.

I just suggest to the Senator from Illinois, we made two changes which we hoped would address some of the concerns that had been raised by the Senator from Illinois. One was the legislation would not grant relief from proceedings based on fraudulent or criminal activities by insurers. I know that had been a concern. That language is now clearly stated. Second, that the legislation gives the Secretary of Labor authority to ensure that insurers do not engage in prohibited transactions prior to the issuance of final guidelines.

I had hoped that might take care of some of the concern of the Senator from Illinois.

Mr. SIMON. If my colleague would yield.

Mr. MOYNIHAN. I yield to the Senator from Illinois.

Mr. SIMON. Mr. President, I am happy to respond. Some of what the Senator says is correct, and I appreciate the changes that were made. I do think this area is complicated enough we should have at least had a hearing. Here we are passing this massive change without a hearing. I think it is not a good way for a legislative body to proceed.

Mrs. KASSEBAUM. Mr. President, just to respond, we have considered this in the last Congress as well. We have not had a full-blown hearing but it is something Senator Metzenbaum, as part of the Labor Committee in the last Congress, raised. It has been under consideration for some time as all parties were trying to find common ground. It was hoped this was the common ground that would succeed.

Mr. MOYNIHAN. Mr. President, I yield 8 minutes to the Senator from Connecticut.

Mr. DODD. I thank my colleague. I commend my colleague from New York and others who have been responsible for putting this matter together. Before getting to my comments on the minimum wage, let me also address the issue raised by our colleague from Illinois that our colleague from Kansas responded to, and that is dealing with the Harris Trust matter.

Mr. President, let me say categorically and unequivocally to you, Mr. President, as well as to our colleagues, there is nothing in the managers' amendment that reverses the Harris decision by the Supreme Court—nothing at all. To put it briefly here, for 20 years the industry had operated on a set of guidelines established by the Department of Labor. No action was brought by the Department of Labor. It relied on the guidance as a means of how they did business dealing with pensions. In fact, no one can demonstrate any wrong that was done at all.

The Supreme Court reached its decision in 1993 and and said using the guidance of the Department of Labor is invalid. The Court also in the decision then recommended that the Department of Labor or Congress establish new guidelines and regulations by which these pensions would be regulated. The Department of Labor thought it would be better if Congress acted and they acted on their own, and it ought to be done statutorily rather than by regulation. So for the past year and a half the Department of Labor, the industry, and those of us who have been involved in this matter, have spent about a year and a half putting together this amendment that is prospective, deals forward, and sets up a series of regulations that will not go into effect until next June, after serious consideration.

We do not establish the regulations, the Department of Labor does. What those who are opposed to us doing this have in mind is that they want to have the retroactivity and to go back into those 20 years that the industry was allowed, through no action at all, to operate under Department of Labor guidances. Obviously, it could be a windfall to the trial lawyers to go back and bring actions based on 20 years of practice. We are trying to respond to that decision at the direction of the Court and to do so in a comprehensive, thoughtful way. That is what we have done.

I point out that the language of this amendment dealing with the Harris Trust passed the committee 14 to 2 in a bipartisan vote. A lot of effort went into this. I commend my colleague from Kansas, Senator KASSEBAUM, who did a remarkably fine job, along with her staff. Bob Reich, the Secretary of Labor sent a letter to the chairman of the committee, Senator KASSEBAUM and Senator KENNEDY urging adoption of this legislation. They spent a long time at it. As our colleague from Illinois pointed out, ERISA is complicated, but to suggest somehow we are reversing the Harris decision is just totally, completely, fundamentally incorrect.

What we are trying to do is deal with a situation that, if we do not address, puts pensioners at risk by leaving the situation with only the Harris decision and no corrections being made.

So I say, with all due respect to those who oppose this, this is a windfall, or could potentially be something that the trial lawyers would love to dive into for 20 years based on the Harris decision. We are saying, for 20 years that is how it operated. No one complained about it. No wrong was done. We are correcting a situation.

I commend those who have been involved in this for bringing us to the point where we are going to finally straighten this matter out, as it should be.

For those reasons I hope, at least on that basis, that our colleagues will vote against the managers' amendment that deals with a number of issues.

Let me now reach, if I can, to the substance of what is the major debate and argument, and that is dealing with the minimum wage increase.

Mr. President, I ask unanimous consent that the sum and substance of my prepared remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MINIMUM WAGE

Mr. President, nearly 6 months ago, President Clinton came before a joint session of Congress with a commonsense proposal—increasing America's minimum wage from $4.25 to $5.15 an hour.

Considering that we've joined together in the past—in a bipartisan manner—to raise the minimum wage and lend a hand to working Americans, this would seem to be a straightforward initiative.

However, since January 1996, the snow melted, the temperatures swelled, and the flowers began to bloom, but for America's working families the minimum wage remains very close to a 40-year low.

Because, over the past 5½ months, the Republican leadership in Congress has utilized every possible tool to block this legislation.

They've tried to convince the American people that raising the minimum wage will cost jobs—even though study after study shows this to be untrue.

They raised erroneous economic arguments—even though 101 economists, including 3 Nobel Prize winners, endorse an increase in the minimum wage.

They've asserted that minimum wage recipients are wealthy high school kids flipping hamburgers—even though more than 73 percent of minimum-wage workers are adults.

Even though more than 47 percent are full-time workers and 4 in 10 are the sole wage earner for their families.

Now today, after nearly 6 months the Republican leadership in Congress is finally giving the Senate an opportunity to cast a vote on the minimum wage.

But, it seems just as we climb one mountain, my colleagues across the aisle put another one in the way.

Because what we have before us today is not an amendment to increase the minimum wage.

Instead we have an amendment that would eviscerate the minimum wage.

Under the provisions of the Bond amendment one would be hard pressed to find any American who actually would benefit from this phony increase.

First of all, it would exempt an entire category of Americans from the minimum wage's benefits—namely the 10.5 million who work for companies that make less than $500,000. That represents two-thirds of all workplaces.

Second, the Bond amendment would delay any increase until January 1, 1997.

So after making working families wait nearly 6 months for Congress even to vote on a minimum wage, Republicans would make Americans—struggling to get by—wait an additional 6 months to see any benefit. But, that's only the beginning.

Exemptions in the Bond amendment would force working Americans to wait 180 days after starting a new job before receiving a minimum wage increase.

This provision along with the delay in implementation until January 1, 1997, would mean America's working families would, at the earliest, not receive the benefits of an increased minimum wage until July 1997.

Now, I know my colleagues across the aisle say this provision is necessary to protect small businesses.

Well, I say, what about working families? Who will protect them?

Certainly not this legislation. Because under the Bond amendment working Americans would be at the mercy of their employers.

There is absolutely nothing in this amendment to stop a business from paying a new employee at the subminimum wage for 179 days, firing them, and then turning around and hiring a new worker, whom they could then pay at the same subminimum wage.

Under the Bond amendment, there is little incentive for a business to keep a new employee for more than 180 days and provide a minimum wage increase.

Instead, for millions of American workers struggling to work their way out of poverty and make ends meet, their newfound paychecks would be replaced by pink slips or another subminimum wage-paying job.

Well, Mr. President, in my State of Connecticut and throughout America, working families cannot afford to wait any longer for a real increase in the minimum wage.

And if we're going to be truly serious about helping those Americans that work hard and play by the rules, then an immediate and unequivocal increase in the minimum wage should pass by a unanimous vote.

Now, I realize that the Democratic proposal of an extra 90 cents an hour may not seem like a lot.

But, raising the minimum wage would benefit nearly 12 million Americans.

For those Americans who are struggling to get by at $4.25 an hour this increase represents $1,800 in potential income.

Raising the minimum wage could pay for 7 months of groceries, 1 year of health care costs, or more than a year's tuition at a 2-year college.

Today, the annual income of a minimum wage worker is $8,500 a year—well below the poverty level for a family of three, which is $12,500.

In fact today, nearly one in five minimum wage workers lives in poverty.

How can any American expect to bring themselves out of poverty or pull themselves up by their bootstraps when they're expected to raise a family on $8,500 a year?

The fact is, at the present rate minimum-wage workers have little hope of ever earning their way out of poverty.

But if the rate is increased the dream of reaching the middle class becomes attainable.

Over the past year I've heard a lot of talk from the other side of the aisle about encouraging responsibility and a strong work ethic among our Nation's welfare recipients. I think it's something we can all agree upon.

But, it's utter hypocrisy to talk about encouraging responsibility while we ask our Nation's poorest citizens to live on a meager wage of $36 a day.

I know my colleagues on the other side of the aisle like to claim that raising the minimum wage would cause unemployment.

But, according to The New York Times a 90-cent minimum wage increase would probably eliminate fewer than 100,000 of the approximately 14 million low-paid jobs in the economy. That's less than a 1 percent loss.

In addition, studies done after the minimum wage was raised in 1990 demonstrate that not only did it have a negligible effect on job loss, but in some locales it actually brought higher employment.

The fact is, a higher minimum wage is not only a stronger incentive to work, but it reduces turnover, increases productivity and lowers cost for retraining and recruiting.

The minimum wage is not, and should not be, a political issue.

In fact, I am pleased to see that members from both sides of the aisle are coming to the realization that low-wage workers in this country deserve a pay raise.

The Republican amendment before us today would leave millions of Americans mired in poverty, barely able to make ends meet and struggling to put food on the table.

Today, we have an historic opportunity to reverse that trend and lend a helping hand to millions of America's working families.

I strongly urge all my colleagues to reject the Bond amendment and continue the bipartisan tradition of supporting the minimum wage as a living wage for working Americans.

Mr. DODD. Mr. President, I am saddened by this day that we are involved in a lengthy debate about the increase in the minimum wage. This should not be happening. It really should not be happening. We are talking about a 90-cent increase over 2 years. It has been 5 or 6 years since we have had any increase at all.

The notion somehow that a family—remember, more than 73 percent of the people who get the minimum wage are over the age of 20. If you are on the minimum wage and you are age 20, it is not inconceivable that you are raising a family. We are not talking about teenagers. Few are over the age of 25. Some are. Obviously, then the number comes down. You have a sizable number of people between the ages of 20 and 25. But to suggest somehow that you can live on $36 a day—that is what the minimum wage is—$36 a day, with more than 73 percent of the people earning the minimum wage over the age of 20, and that we can't find it here possible to come up with a 90-cent increase for those people.

If you will just consider the great debate we had here over last year's welfare reform, one of the major matters of debate and concern is, how do you avoid people falling back into dependency and on to public assistance? How do we get people who are living on welfare to move from welfare to work? That has been the subject of major debate and discussion here.

How ironic, indeed, in this day in July that we are now going to potentially reverse or deny the opportunity for people who are making a minimum wage today, to get a modest increase over the next 2 years. With the minimum wage close to a 40-year low in terms of earning power, how do we prevent people from tumbling back into welfare?

It seems to me that this ought to be passing unanimously on a voice vote. This ought not be the subject of an acrimonious debate on minimum wage at the very hour we are trying to move people from welfare to work. How can we say to people that if you get a minimum wage job, the most you can hope to make is $8,500 a year or $36 a day? I do not know of anywhere in America that you can live on $36 a day any longer. In fact, that is almost $4,000 less a year than is the poverty level for a family of four—which is $12,500.

Frankly, as our colleagues know, there is no illusion. The Bond amendment is designed to just blow significant holes through the minimum wage and would take away from the roughly 10 million people who would otherwise qualify for the minimum wage and deny them the opportunity—those 10 million Americans—from seeing any benefit from a minimum wage increase.

Our colleague from Minnesota earlier pointed out the benefits of $1,800. That is what a minimum wage increase of 90 cents amounts to—$1,800 a year. With $1,800, you could afford a year of health insurance for yourself, or at least participate in health insurance. It is more than a year's tuition for the average 2-year community college, $1,800 a year. Think what a benefit that might be for someone at that minimum wage level trying to better themselves, trying to improve themselves, to be able to get an education, to move themselves further along, to avoid tumbling back, as I said earlier, into a life of dependency on State, local, or Federal welfare; $1,800 a year could buy groceries for a family for 7 months.

So while I know people say we have to protect small business, I understand that. But of one study that I have seen done, says of the approximately 14 million low-paid jobs in the economy that could potentially be affected—there may be fewer than 100,000 jobs that would be adversely affected by a minimum wage increase. One of the most conservative studies done says 100,000 people out of 14 million people.

I appreciate and understand the concern of wanting to protect small businesses. But how about protecting these people out there that we talk about all the time, who are getting off welfare, staying off welfare, and going to work? They need protection as well.

Lastly, I would point out, as someone earlier did—I believe my colleague from Massachusetts—we have now done away pretty much with the summer JOBS Program. Again, what an irony indeed that we would be sitting here today talking about youth employment at the very time we ought to be trying to put kids to work during the summer. Then we turn around and deny, of course, a minimum wage increase that could potentially affect and benefit those younger people, as well, who would be looking for some employment, to be able to participate and contribute to their own educational needs and costs of participating and contributing to their family's financial needs.

I will conclude as I began on this point. Again, I am saddened by this debate. This should not be happening—this debate.

This is something that we passed and which has enjoyed strong bipartisan support. When President Bush took the leadership on it, it had bipartisan support. We have spent so many weeks. We have gone from the winter now into the depths of summer arguing for an increase in the minimum wage. I think it is a sad day, indeed, for this body.

So I urge my colleagues for the remaining hour or so which we have before the vote to search their souls on this issue and support this minimum wage increase, and oppose the Bond amendment, which would gut this effort.

I thank my colleague.

Mr. MOYNIHAN. I thank my friend from Connecticut for clarifying most particularly the provision in the managers' amendment concerning the pension fund. I hope they listened to it carefully, and also the remarks of the chairman of the Committee on Labor and Human Resources, the senior Senator from Kansas.

Mr. President, I yield 8 minutes to my distinguished friend and neighbor from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Thank you. I thank my good friend from New York State. We have the privilege of living parts of the year in the northern parts of our two States. I commend him for the strong work that he has done on this. He has been a stalwart supporter, as well as the Senator from Connecticut and the Senator from Massachusetts, of the question of the minimum wage.

Mr. President, it really comes down to this: Working Americans deserve the opportunity to earn a decent wage.

It has been more than 5 years since the last increase in the minimum wage. You would think when it has been more than 5 years, that would be enough reason to increase the minimum wage, just that issue alone. But during the last 5 years, living costs have not stood still. In fact, the cost of living has gone up.

Since 1991, the average monthly gas bill has gone up. Since 1991, the average monthly electric bill has gone up. In fact, in my home State of Vermont, where many Vermonters use wood stoves to heat their homes, and when it is 20 below zero—that is not a luxury in heating your homes—but since 1991, the average cost of a cord of wood has gone up. But throughout all this time, the minimum wage has stayed the same.

The basic living costs of working Americans in every area—food, heat, shelter, transportation—have gone up. But the minimum wage has remained the same.

In fact, the minimum wage is at a 40-year low, as far as its buying power. The minimum wage earner today grosses only $8,840 a year.

I defy anybody in this body to try to raise a family on that amount of money. But there are people who do.

In Newport, VT, the most rural area of my home State, Brian Deyo and his family have been trying to do just that. In fact, the Wall Street Journal reporter met Mr. Deyo and his family and wrote the article about the sheer harshness of life on the minimum wage.

Mr. Deyo works full time in a hockey stick factory. He brings home $188.40 a week. A lot of the time he and his wife have had to choose between paying rent, or buying food, or paying the medical expenses for a chronically ill daughter.

They talk about sometimes during especially tough times, Mr. Deyo will take his last $5 and go down to the hardware store and buy a box of bullets to go hunting in the Vermont woods because that is the only way his family is going to eat. And he will go out there and hope that he gets lucky and finds a deer.

But I think Mr. Deyo said it better than any of us ever could. He said, and I quote him, "I'm proud to be a working man. I only wish I could make a living."

So I ask unanimous consent that a copy of the Wall Street Journal article about Brian Deyo and his family, entitled "Minimum Wage Jobs Give Many Americans Only a Miserable Life," be printed in the RECORD after my remarks.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEAHY. But as the Wall Street Journal points out, Brian Deyo is not alone. Many working families depend on the minimum wage. In fact, 73 percent of those affected by the proposed minimum wage increase are adults. Many are trying to support their families on a minimum wage, and that minimum wage has been mauled by inflation. This should be a bipartisan issue.

The distinguished Senator from Connecticut just said, as others have, the last time it was raised it was—I believe my good friend from New York will agree with this—under a Republican President, and the time before that, the Senator from New York reminds me. We had Republicans and Democrats joined together on this. The last minimum wage increase, which was a 2-year 90-cent increase just like the one that is under consideration today, received overwhelming bipartisan support when it was voted on in 1989. In fact, it passed the House by a vote of 382 to 37—better than 10 to 1. It passed the Senate by a vote of 89 to 8—again, better than 10 to 1.

Back then, Senator Dole and Speaker GINGRICH voted for raising the minimum wage, but today some of my colleagues on the other side of the aisle fiercely oppose any raise in the minimum wage. I find it ironic that some of the same Senators who would vote to give tax breaks to the wealthy are against giving working families a raise. Some have said they will fight with "every fiber of their being" the idea that a person who works 40 hours a week could make as much in a year as Members of Congress make in a month.

So let us not play politics with the lives of working families struggling to live on the minimum wage. We need to pass a minimum wage increase now. I hope my colleagues will support Senator KENNEDY's amendment and support this bill to make the minimum wage a living wage.

Let us be serious about what we are talking about. Let us think, would any of us accept for ourselves or our families the basic minimum wage today? Would any of us accept the idea that our family, members of our family, would try to support a family, whether it is our children, our siblings, cousins, or anybody else, at the minimum wage?

They cannot live on it in Vermont. They cannot live on that in California or Texas or, frankly, Mr. President, in any State in this country. So let us let the Senate at least stand up and do the right thing.

Mr. President, I yield back to the Senator from New York.

EXHIBIT 1

[From the Wall Street Journal, Nov. 12, 1993]

THE WORKING POOR: MINIMUM-WAGE JOBS GIVE MANY AMERICANS ONLY A MISERABLE LIFE

IN RURAL VERMONT, SOME GO WEEK TO WEEK, HOPING NO MAJOR BILLS HIT THEM

HUNTING BEAR FOR THE TABLE

(By Tony Horwitz)

NEWPORT, VT.—On payday, Brian Deyo's sole purchase is a $4.96 box of cheap bullets known as "full metal jackets."

Mr. Deyo works full time at a hockey-stick factory. He takes home $188.40 a week. After rent and utilities, that leaves about $20 for food—and no margin at all for misfortune, such as the one Mr. Deyo now faces. Vermont's brutal cold hit freakishly early this fall, and he must buy heating oil three paychecks ahead of plan.

"Every day I'm making choices," says Mr. Deyo, who has a wife and a chronically ill two-year-old daughter. "Do I pay the rent and risk having the power cut? Or do we take a chance on both and buy food?"

This payday, the choice is clear: He's two weeks late on the rent, and the fuel tank must be filled. Unable to afford food, he will hunt for it. Stalking through the icy woods beneath the Green Mountains, Mr. Deyo mulls his life. At age 28, he senses he has done something wrong, but he isn't sure what. "I'm proud to be a workingman," the son of two factory workers says. "I only wish I made a living."

"Making work pay" has become a Clinton administration catch phrase, but one that appears increasingly hard to fulfill. Put simply, the aim is to lift working Americans above the poverty line—a threshold that Mr. Deyo and 9.4 million others currently don't reach. Almost 60% of poor families have at least one member working. "Someone who plays by the rules and tries to work full time should be able to support a family," says Lawrence Katz, chief economist at the Labor Department.

However, with universal health insurance—one means toward achieving this goal—under siege, the administration has retreated from another. In late October, after arguing for months that a modest rise in the minimum wage is needed to help pull workers out of poverty, Labor Secretary Robert Reich shelved his campaign until after Congress votes on health-care reform. This delay was welcomed by business groups, which argue that an increase would cost jobs because employers would automate, relocate overseas or cut staff to recoup higher labor costs.

But what's often obscured by such policy debate is the sheer harshness of life in low-wage America. The minimum wage—currently $4.25 an hour—was mauled by inflation in the 1980s and now provides an income so meager that welfare recipients often do better if they turn down jobs paying it. A full-time minimum-wage worker grosses $8,840 a year—$2,300 under the poverty line for a family of three. In 1979, the same worker earned $459 above the line.

The depressed minimum wage also anchors the bottom end of a pay ladder so low that even people who, like Mr. Deyo, climb up a few rungs are still in poverty. In fact, such workers often are worse off than those earning $4.25 an hour because they are more likely to be adults and heads of households qualifying for little or no government assistance. Many minimum-wage workers are young part-timers with other income from spouses or parents.

"Families where the main breadwinner is making $5 or $6 an hour—these are the people who are really hurting," says Gary Burtless, a labor economist at the Brookings Institution. This largely forgotten group also helps account for the 44.3% jump in the number of working poor between 1979 and 1992.

America's working poor are mostly white, mostly high-school educated and disproportionately rural—a profile that is typified by the three-county corner of Vermont known as the Northeast Kingdom. This bucolic landscape of moose crossings, maple-syrup stands and scarlet foliage also harbors 10% unemployment, closed mills and ramshackle homes.

Barbara Stevens runs a crisis center in Newport, a town of 4,700 that is a two-hour drive from Burlington. The morning after the first big chill, her office was crammed with disheveled people unprepared for the winter and seeking help. Many were on their way to work. "They'd say things like, 'I've got two kids and no oil in the furnace, so we slept in the car last night with the heat on,'" Ms. Stevens says.

One such visitor is Mr. Deyo, the hockey-stick worker. Late paying his bills, he has had his electricity disconnected several times. This is a special calamity for Mr. Deyo; his daughter has asthma and relies on a ventilator. Letters from Ms. Stevens and local doctors have helped him to get his power switched back on.

Ironically, Mr. Deyo is earning more than he ever has. After years of minimum-wage jobs, he gets $5.50 an hour stenciling trademarks onto hockey-stick blades. His annual gross income is so near the poverty line that now he qualifies for very little public assistance. In principle, this suits him fine; he's a former National Guardsman and a conservative Republican wary of government and liberal "do-gooders." But in practice, just a minor setback—even a blown-out tire on his 1980 Buick—sets off a cycle of late bills, ruined credit ratings and shakey employment.

Though the cost of living here is low, his take-home pay of $188.40 a week barely covers his fixed costs: $60 rent for a cramped apartment, about $40 for heat, $40 for power (high because of his daughter's ventilator and humidifier), $10 for gasoline and $15 for installment payments on the family's few possessions. The Deyos can't afford a phone. That leaves about $20, mostly spent at a discount market that sells dented cans and crushed boxes.

"We don't buy taped boxes because the food could have spilled on the floor and been scooped back in," says Roxanna Deyo, who stays home because she is loath to put her frail child in day care.

The Deyos also live in terror of small shocks that can knock them off their tightrope budget. Three years ago, for instance, their car developed transmission trouble. Unable to afford a $500 repair bill, Mr. Deyo had to abandon the car—and his job cleaning kitchens at a ski resort more than an hour's drive away.

Soon afterward, the Deyos, seeking work in higher-wage Massachusetts, sold all they owned to go there. But they ran out of money before finding jobs. Two years later, they are still making payments on the used, now-tattered furniture they bought on their return north. Many needs are put off indefinitely. Plagued by painful, rotted teeth, Mr. Deyo waited two years until he was laid off and eligible for Medicaid before having a few pulled.

Week to week, the Deyos still cling to one luxury. To "break the constant tension," Mr.

Deyo says, he buys a take-away dinner every Saturday, usually a plain pizza costing $5.99.

"I feel like I'm doing what I'm supposed to do," says Mr. Deyo, who dreamed of studying forestry when he graduated from high school but couldn't afford the fees and went to work at McDonald's instead. "I work hard, my family's together. But I'm running just to stay where I am, which isn't a real great place."

His most recent frustration: an attempt to free his family of rent—and of their grim quarters—by purchasing a $24,000 trailer to park on his parents' land. A local bank refused his loan request, citing "excess obligations" and "insufficient income."

One upbeat note: the Deyos, who anxiously await their annual rebate from the earned-income tax credit to catch up on bills and buy appliances, should see the amount double in early 1995 to about $3,200 because of a recent change in the law.

A growing number of Americans share the Deyos' plight. Lawrence Mishel of the Washington-based Economic Policy Institute says 28% of adult workers are at wage levels too low to keep a family of four out of poverty, compared with 21% in 1979. He also notes that their privation has deepened: 14.3% of adult workers now earn wages below 75% of the poverty line, triple the 1979 percentage.

Mr. Mishel and other economists cite various reasons, such as the decline of manufacturing jobs and of unions in an ever-more technological economy. In addition, minimum-wage increases, which tend to bump up the whole bottom of the pay scale, didn't occur between 1981 and 1990. That especially hurt young workers, such as Mr. Deyo, who began working during the 1980s at the minimum wage and have edged up very slowly ever since.

However, the depressed minimum wage may have kept alive some jobs that otherwise would have vanished. Along Newport's railroad tracks, in an old flour depot, American Maple Products Corp. employs 40 people bottling syrup and making candy Santas and other treats. The family-owned company is typical of the light, often-marginal businesses that employ many low-wage workers nationwide.

"Maple candy," the company's president, Roger Ames, dryly observes, "is not your basic growth industry."

Starting most workers at the minimum wage, Mr. Ames ekes out profits of 3% on sales from what he admits is a creaking plant. At one conveyor belt, nine people fill jugs with syrup, then cap, date and box the jugs by hand—a task, Mr. Ames says, that costly new machines can perform with two workers. Nearby, two people run a 50-year-old device that drops candy into molds, while other workers use their fingers to smooth the fuzzy edges left by the plant's old tools.

"If you're paying the minimum wage and it takes 20% more time to do a job than it should, it doesn't seem that critical," Mr. Ames says.

He adds that a 50-cent increase in the minimum wage would cost him about $100,000 a year and force him to "take a hard look" at labor-saving machinery. He would stop replacing workers who leave or retire and go to a peacework system that might penalize older employees.

"I don't have a sweatshop mentality," Mr. Ames says. But he says neither he nor other employers are likely to raise their pay simply out of charity, particularly in a competitive industry. "If you had someone who mowed your lawn every week for $5, would you reach in and pay $10 the next week?" he asks.

Moreover, he is under no pressure to raise pay because few employers deviate from the prevailing wage. The result: an uncompetitive labor market that traps low-skilled workers even as they climb the pay scale. Connie Lucas went to work at American Maple 12 years ago at the minimum wage and now earns $6.10 an hour. With a weekly take-home pay of only $151.50, and worried about the plant's future (her husband also works there), she decided to seek another job.

"But every opening offers the same—$4.25, $4.25, $4.25," the 35-year-old Ms. Lucas says. "I can't afford to work another 12 years just to get back to where I am."

Bonnie Buskey wonders whether she can afford to work at all. Last spring, both she and her husband were unemployed and received about $1,000 a month in public assistance. Now, he works in construction, and she works full time at American Maple at the minimum wage. Together, they bring home about $1,200 a month.

But Ms. Buskey pays a baby sitter $2 an hour to look after her two girls for part of the day, slicing her real wage during those hours to $2.25. And now that the Buskeys are off welfare, they no longer qualify for Medicaid. Unable to afford health insurance, Ms. Buskey spent a week's pay on a recent visit to the dentist and lives in dread of serious illness.

"The message from the government seems to be, 'Stay home, vegetate in front of the TV, and you'll be better off,'" the 29-year-old says. Asked why she doesn't, she shrugs. "Good old American pride. I like to think that I earn whatever I get."

In fact, some people do quit jobs because they can do better on benefits. Ms. Stevens, the Newport social worker, says she feels forced to advise jobless people to turn down work at or near the minimum wage. "I have to tell them, 'The job's good for your soul and good for your mind but not for your pocketbook,'" she says.

Trapped at the bottom by the low minimum wage, such workers also must compete with people sliding down the pay ladder. At the hockey-stick factory, Mr. Deyo's brother-in-law and co-worker, Garth Shannon, has never worked for the minimum wage. His first job after finishing high school was at a shoe factory that paid $9 an hour. But after a wage dispute, the plant moved to the Dominican Republic, and Mr. Shannon has bounced down the pay scale ever since, enduring plant closings, layoffs and menial jobs.

"Most people plan for when things get better," says the 35-year-old Mr. Shannon, who wears thick glasses on which he pays monthly installments. "I try to plan for when things get worse."

As a foreman, he is among the factory's best-paid workers, earning $5.95 an hour. But with a family of five, his poverty is even worse than Mr. Deyo's. He heats his jerry-built home with a wood stove in which he burns old doors and other scrap timber salvaged from abandoned houses. He burns kerosene lamps to save on electricity. Like the Deyos, the Shannons can't afford a telephone. They also couldn't afford a foundation when they built the house seven years ago; stones and wood props keep it from sliding downhill.

A conservative man with a fierce work ethic, Mr. Shannon has urged his wife to work part time rather than stay home with their youngest daughters, age five and eight. As a nursing-home housekeeper, who earns $4.61 an hour and brings home $20 a week after baby-sitting bills. "Work is what made this country great," says Mr. Shannon, who has draped an American flag across the front of his house.

But as he cooks home-made pizza for his girls, he confesses to occasional despair at how little his labor provides for his family. the worst moment came when his five-year-old's kindergarten class took a day trip to a zoo in nearby Canada. The Shannons couldn't afford the $12 bus fare and were too proud to borrow. "We kept her home that day so she wouldn't feel bad about missing the trip," he says.

David Price, Mr. Shannon's and Mr. Deyo's boss, is sympathetic. He helped pay for Mr. Shannon's glasses and recently gave him his own children's outgrown clothing. But like Mr. Ames at American Maple, Mr. Price doesn't need to raise pay to keep his 13 workers; he has 500 job applications on file.

So Mr. Price does small things, such as treating workers to a birthday lunch. In October, it was Mr. Deyo's turn. Devouring a prime-rib sandwich, he confides that it is his first meal out in six months. Mr. Price also gives workers a turkey at Christmas and a ham at Easter; Mr. Deyo still has a bit of ham left, in his freezer, "for emergencies," he says.

But there is little else in the larder. So, on payday, after banking his check to cover the rent, Mr. Deyo buys bullets and drives to his brother-in-law's home. The two men hike off in search of an animal Mr. Shannon recently spotted in a cornfield. "I've never eaten bear," Mr. Deyo says excitely, toting a used military rifle he bought for $80. "But they look like they have a lot of meat on them."

The two men soon find tracks but no bear. At dusk, after two hours of tramping through dense woods, Mr Deyo spots a crow—"edible if you cook it just right," he says. But he can't get close enough for a shot. Frustrated, he aims at a chipmunk. Mr. Shannon talks him out of it. "There wouldn't be enough meat there for a sandwich," he says.

Exhausted and cold, the two head back. Mr. Deyo tosses his gun in the trunk. Mr. Shannon touches his brother-in-law on the arm. "It could have been worse," he says. "At least we didn't waste any bullets."

Mr. MOYNIHAN. Mr. President, may I just thank the Senator from Vermont. The remark by Mr. Deyo, "I'm proud to be a working man. I only wish I could make a living," needs to be underscored.

Mr. HELMS. Mr. President, in the first place, raising the minimum wage is a political issue, not an economic issue. In order to adjust the perspective, it should be remembered that the Senator from Massachusetts may be revealing a bit of a forked tongue on this phony political issue.

That is why I am supporting the Lott-Bond amendment which honestly and clearly addresses the real issues of this debate.

For years, Senator KENNEDY served as chairman of the Senate Labor and Human Resources Committee—prior to his losing his chairmanship in the 1994 elections. To my knowledge the issue of minimum wage increase was never brought up, even once, by Senator KENNEDY during the 2 previous years before he lost his chairmanship.

But, Mr, President, I recall that in 1995, when the State Department reorganization bill became the pending business in the Senate, there he was, the same Senator from Massachusetts, who was the first to pop his head up and begin as the lead-off filibusterer among the Democrats who had their orders to stymie a bill that would have saved the American taxpayers billions of dollars while clearing a lot of dead wood from the U.S. foreign policy apparatus.

And what was the subject of Senator KENNEDY's filibuster? He was shouting at the top of his voice about the dire need to raise the minimum wage—a subject, bear in mind that had prompted not a peep out of Chairman KENNEDY during those years when he headed the Senate Labor and Human Resources Committee.

But now, the political issue of raising the minimum wage is before the Senate and, at the outset, it would be unfair to the American people to fail to warn them that if the minimum wage is raised, the American economy is likely to suffer in a number of ways. Americans—particularly teenagers, minorities, and low-skilled workers—can expect a significant loss in job opportunities. Moreover a mandatory wage increase will result in countless small businesses throwing in the towel. It has always happened, and it always will.

Increasing the minimum wage will therefore harm the working poor and high school and college students. It will not help them. According to a respected University of Chicago economist, Kevin Murphy, every 10-percent hike in the minimum wage reduces job availabilities by 1 percent, with the greatest loss of jobs occurring among the working poor, and among students.

This is why I support the Bond amendment which will curtail some of the harsh effects of a minimum wage increase. The Bond amendment will exempt small businesses from the increase in the minimum wage, and it will allow for a training wage for newly hired employees for the first 6 months. As we all know, most new jobs are created by small businesses.

The Wall Street Journal confirms Professor Murphy's warning, saying,

> . . . to the degree that economists ever reach a consensus on anything, they concur that the minimum wage increases unemployment among low-skilled workers. What's clear is that anyone in the White House with an economics degree has been told to hold his or her nose while the political types try to relaunch the Clinton presidency on a minimum-wage hike.

Mr. President, while proponents of a minimum wage increase tearfully pretend to be concerned about the welfare of America's least well-to-do citizens, I dare say the proponents are really interested in the next election. As I stated at the outset, this minimum wage issue was locked onto the back burner when the Democrats controlled both ends of Pennsylvania Avenue. In fact, President Clinton never even mentioned the minimum wage, not once, when Mr. Clinton's party controlled Congress in 1993 and 1994.

Then when the Democrats lost control of Congress, there came the minimum wage issue drowning in phony tears. And with it, the crack of the whips of the powerful labor union bosses. When all that happened, President Clinton made haste to mention the minimum wage issue more than 47 times.

Mr. President, let's play just suppose: Just suppose Congress and the President do increase the minimum wage, what can the American people expect?

The warning has come time after time from bipartisan economists—loss of jobs, higher labor costs, and consequential higher prices for American consumers.

Economists at the Heritage Foundation, for example, estimate that a 90-cent increase in the minimum wage will result in more than 200,000 fewer entry level jobs in 1999. Furthermore, according to an article in The Wall Street Journal "Lawrence Lindsey, a governor at the Federal Reserve Board, says internal staff studies suggest a 90-cent increase would reduce employment by about 400,000 jobs over the long term."

Retail prices will, in turn, increase through 1998 because employers will pass their increased costs on to the consumers, with the consumers being hit hardest. Unemployment among teenagers will increase by an expected 20 percent and will put an end to many entry-level jobs. This, of course, will deny young unskilled people the priceless opportunity to gain work experience.

Labor costs for small businesses, and larger ones as well, will increase, forcing many business owners to make substantial adjustments in the way they do business in order to stay afloat.

How will employers deal with these new demands imposed on them by the Federal Government? They will, of course, pass the costs on to the consumers, raising prices for food, goods and services. Many will have to eliminate employees, or reduce benefits to employees—or both. Even new Democrat economist Rob Shapiro concedes as much.

Proponents of the increase in the minimum wage want to keep secret the fact that 80 percent of minimum wage earners are not below the poverty line. To the contrary, a high percentage of minimum wage earners are members of middle-income families. The Bureau of Labor Statistics confirm that 37 percent of minimum wage earners are teenagers. The vast majority of high school and college students are working at summer jobs, not struggling to feed their families because they are secondary wage-earners in their families.

Moreover, many of these minimum wage earners in fact take home more than $4.25 an hour. The Bureau of Labor Statistics confirms that "Just over half were employed in retail trade, and another one-fourth worked in services. It should be recognized that for many working in these industries, tips and commissions may supplement the hourly wages received."

So let the record be clear—despite the statements of Senator KENNEDY and other proponents of raising the minimum wage—the babble of voices is trying to sell political nonsense. If Congress really wants to help America's working families, it would reduce taxes instead of increasing the minimum wage.

Twenty-eight million households would benefits from a $500 per child tax credit—but Mr. Clinton vetoed that idea.

In North Carolina, 758,648 households would have more take-home money with the $500 per child tax credit. But only 42,876 of those households would benefit from the minimum wage increase.

Mr. President, I receive thousands of letters each week, and one of them came from Bruce Stakeman of Durham, a small business owner. In explaining the minimum wage to his son, Jeremy, Mr. Stakeman said:

> I told (Jeremy) that I had a very large yard of 4 acres and would pay him $1 for him to cut. He said no way! I don't blame him. $2.? No. $3.? No. This went on until we reached the dollar amount for which he would be willing to cut my grass. I told him this was the minimum wage. He agreed. If a 13-year-old can understand this, why is it so hard for well educated people in Washington to?

Mr. President, I ask unanimous consent that Bruce Stakeman's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, one doesn't have to be a rocket scientist to understand this issue. It's simply a matter of common sense, and reviewing Thomas Jefferson's ideas about the free enterprise system.

The American people deserve better than to be misled by political schemes. After all, in the mid-thirties, when President Franklin D. Roosevelt signed the Social Security legislation into law, he warned that this program must never be allowed to become into a political football.

Mr. President, look at who's booting around this political football.

EXHIBIT 1

ENVIRONMENTAL TECHNOLOGIES, INC.,
April 18, 1996.

Hon. JESSE A. HELMS,
Raleigh, NC.

DEAR MR. HELMS: This is my response to the desire of the liberals to raise the minimum wage. My thirteen year old son and I were in the car when the news came on the radio, about President Clinton's desire to raise the minimum wage. Having owned a small business and managed others I understand the problems associated with its raising. I then began to explain this to my son, Jeremy.

Suppose you owned a small business. Let's say for this example we use a restaurant and minimum wage is $4.00 per hour. You have five teenagers employed making $4.00 per hour. You as the employer have taken the chance to start a business and give people a chance to earn a fair wage. You are making a living, but not getting rich. I then asked him, the government tells you that you have to pay the new minimum wage of $5.00 per hour. You want to maintain your standard of living, what do you do? He responded, you could raise your prices. What might happen, I asked? You might lose some of your customers. What else could you do? You could let one of the employees go. Now you have an unemployed person drawing unemployment compensation.

Then we discussed what the minimum wage should be? I told him I had a large yard of four acres and would pay him $1.00 for him to cut it. He said, no way! I don't blame him. $2.00? No. $3.00? No. This went on until we reached the dollar amount that he would be willing to cut my grass. I told him this was the minimum wage. He agreed. If a thirteen year old can understand this, why is it so hard for well educated people in Washington to?

In Durham, just about everywhere I go has a help wanted sign on their window. Never have I seen a sign for minimum wage, most start at $5.00 per hour. As you see I am opposed to raising the minimum wage. It may mean the difference in my son getting a starter job where he can learn how to work outside the home. Thank you for this opportunity to express my opinion.

Sincerely,

BRUCE A. STAKEMAN.

Ms. MOSELEY-BRAUN. Mr. President, I rise in support of the Small Business Job Protection Act of 1996. This legislation will help small businesses invest, grow, and create new jobs. I am pleased to be able to say that this is a bill that enjoys bipartisan support; it is a testament to the progress that can be made when Senators from both sides of the aisle work together.

This bill increases the level of investment by small businesses that can be expensed, rather than capitalized and depreciated from the current $17,500 level to $25,000. It reforms subchapter S corporation laws, most significantly by increasing the maximum number of shareholders in an S corporation from the current 35 to 75. And it gives business employers a number of other tools designed to promote job creation, expansion, and prosperity.

To further stimulate job creation, the bill creates a new tax credit, the work opportunity tax credit. This new credit replaces the current targeted jobs tax credit program. The work opportunity tax credit encourages employers to hire people from populations suffering from high unemployment, who are on government assistance, or who have limited education. The work opportunity tax credit would also create incentives to hire 18 to 24 year olds who are on food stamps for 90 days, which will promote self-sufficiency and help prevent these individuals from returning to the welfare system. By creating this new category for 18 to 24 year olds, employers will have an inducement to hire young people who are all too often overlooked. Additionally, the minimum employee work requirement would be reduced from 500 to 375 hours. This will enable employers to benefit from the credit to compensate for job training costs associated with hiring individuals that generally need extra training and attention.

This bill not only helps small businesses, it also expands opportunity for education, which is a priority of mine. I was delighted to work with Chairman ROTH to ensure that employer-provided educational assistance was retroactively reinstated and extended for graduate education. However, I am troubled by the failure of the House to extend the program for graduate-level study. I firmly believe that employer-provided educational assistance should be a priority within this bill, and I hope that this can be resolved in conference.

I am very pleased to have had the opportunity to work with Members on both sides of the aisle for the inclusion of the Spousal IRA Equity Act. For the first time, women who stay at home to care for the family's children will have the ability to place the same amount of money in a tax-free IRA as men who work outside the home. Each spouse, including whichever spouse is the family homemaker, will now have the opportunity to make a deductible IRA contribution of up to $2,000 a year.

This bill partially corrects another problem area that affects millions of women. Earlier this year, I introduced the Womens' Pension Equity Act of 1996. I am pleased to see that this small business tax legislation includes two of the most important provisions from my women's pension bill. One provision requires the IRS to create a model form for spousal consent with respect to survivor annuities. Another provision would require the Department of Labor to create a model qualified domestic relations order form.

Pensions are often the most valuable financial asset a couple owns—earned together during their years of marriage. Unfortunately, it is now all too easy for a woman to unknowingly compromise her right to a share of her spouse's pension benefits in case of divorce if both spouses do not sign a complete QDRO form. These provisions would make it more likely that women will be able to protect their rights to pensions.

This legislation also extends for 6 months the currently expired excise tax on commercial airline tickets. This 10-percent ticket tax has historically been the principal source of funding for the aviation trust fund. Since the tax expired last year, however, the fund has been without a revenue source, and has been spending down its balances.

The ticket excise tax was designed to ensure that users of our aviation system played a major role in financing of the Federal Aviation Administration, and these revenues have been used to help the FAA enhance airline safety, and ensure that the airline industry safely meets the needs of the traveling public. Without this revenue, the long-term ability of the FAA to perform its safety mission could be put at risk.

I therefore support the short-term extension of the ticket tax. However, commercial aviation has changed radically since the ticket tax was first imposed in the 1970's. The old system may no longer be appropriate to today's aviation industry—or tomorrow's. I therefore urge the administration to use the 6-month period provided by this bill to evaluate whether the 10-percent excise tax on tickets should be extended for the long term in its current form, or whether it should be replaced with another concept more attuned to the realities of the modern aviation industry.

The financing system imposed by the Federal Government to pay for the FAA must build on the strengths of the dynamic American aviation industry. I therefore strongly urge the administration to take the next 6 months to review the current funding needs of the FAA, and work to craft a permanent system for financing aviation that meets the interests of the American traveling public and of all the other participants in that system.

There are a number of other features in this bill that make a lot of sense, and that will be of significant benefit to our country, but rather than speak further on provisions of the bill that already command broad, bipartisan support, I would instead like to address a few issues that I believe need further review. Given the current floor situation, it is not possible to fully address all of these issues here on the Senate floor. That review will therefore necessarily have to take place in the upcoming Senate-House conference.

The House bill, for example, contains a provision that would tax nonphysical compensatory damage awards. Under the House language, victims of sex discrimination, race discrimination, and emotional distress would be required to pay taxes on any damages they receive resulting from a successful lawsuit in any of these areas of the law. Singling out this category of damages for differential tax treatment is wrong and discriminatory, and it would make it more difficult for people who suffer these harms both to access the court system and to achieve justice. I am therefore pleased and commend my colleagues in the Senate for excluding this provision, and I hope that the Senate language is adopted in conference.

The Research and Experimentation tax credit is another area that will need careful attention in conference. I have worked hard with my colleagues Senator BAUCUS and Senator HATCH to ensure that the R&E tax credit is extended in the bill now before this body, and I am pleased that the R&E tax credit will be extended effective July 1, 1996. However, I am deeply concerned by the fact that it was neither extended in the House version nor retroactively reinstated in the Finance Committee to cover the gap created by our failure to act. The last extension of the credit expired on June 30, 1995, and based on six prior extensions of the credit, businesses had every reason to expect that the credit would be extended without creating a gap where the credit is not available. If Congress is now to reverse that series of precedents, we might well create a chilling effect on business research and development investment. We need to make the R&E tax credit permanent, so that there will be no future gaps in the availability of the credit.

The section 29 tax credit for nonconventional fuels is yet another area that needs further consideration. This tax credit is good for our environment. For example, recovering and managing landfill gas such as methane has improved the quality of life around landfills, reduced smog, and alleviates global warming. With this tax credit, landfill gas has become a practical fuel for use in conventional electrical generating equipment. However, the extension of the credit will be less effective as it relates to coal unless the placed in service date is changed from January 1, 1998 to January 1, 1999, given the scope and complexity involved in converting coal into synthetic fuels.

While I believe these issues need to be addressed, I want to reiterate that the bill as it was reported from the Finance Committee is a good bill. Women, children, and working people will all benefit if this bill can be enacted, and it will help promote job creation and economic growth. I want to commend my colleagues on the Finance Committee, particularly Chairman ROTH and the ranking Democratic member, Senator MOYNIHAN, who have worked hard to produce a bipartisan bill that promotes growth and stability among small businesses.

I will speak separately on the minimum wage amendments that have been offered to this bill. At this time I only want to remind all of my Colleagues that this bill will not and cannot become law if this body passes a minimum wage provision that works against the interests of working Americans. I therefore urge all of my colleagues to vote for the minimum wage amendment being offered by the distinguished Senator from Massachusetts, Senator KENNEDY, and against any attempts to undermine this long overdue, and very modest increase in the minimum wage.

The Finance Committee worked in a bipartisan way to create a bill that commands broad support. It is a bill of which we can be proud, and of which the American people can be proud. If we continue the bipartisanship that brought the bill this year, if we continue to work together to put the interests of the American people first, we can ensure that this bill remains bipartisan, and that it becomes law. The alternative, to continue a politics of confrontation and gridlock, is not in the public interest, not in our national interest, and will result in creating another legislative failure out of what would otherwise be a significant legislative success. I strongly urge my colleagues not to let that happen. I urge my colleagues to cast votes based on the bipartisanship that has brought the bill this far. I urge the Senate to vote against gridlock and for the American people, so that this bill can become law.

Mrs. MURRAY. Mr. President, I rise today in strong support of the Kennedy amendment and as a cosponsor of the minimum wage increase.

I cannot sit idle as I hear of those struggling to live on today's minimum wage. I thought, like many of you, that the minimum wage earner was my daughter or one of her friends: a teenager flipping burgers or taking food orders to earn some extra cash for new clothes or a movie.

That is the misperception though. The sad fact is that 73 percent of those earning between $4.25 and $5.14 an hour are over the age of 20. That represents 9 million adults who will attempt to live on $8,840 this year. One-third of these adults are the sole income-earners in their families. If these adults were supporting a family of three, they would fall $2,682 below the Federal poverty line.

I am immensely troubled with the fact that 58 percent of those struggling with a minimum wage are women; 5.2 million women, many of these single mothers, would benefit directly from this increase.

These single moms are trying. Trying to raise two kids on a below-poverty income. And how does Congress reward these single parents? By attacking Medicaid that would have paid for her son's asthma medicine. By cutting her child care support that allows her to work. By taking away funding for nutrition programs that pay for her kids to eat at school or day care. By eliminating her Head Start Program that gives her kids a chance at starting school ready to learn. By refusing to add 90 cents to her hourly wage—a wage that pays for heat, clothing, and food.

Aren't these the individuals and families we are trying to keep employed and off of Federal support? Instead, this Congress has targeted the low-income family through cut after cut and a resistance to move them above the poverty line.

This amendment does not eliminate jobs, it barely keeps people working, who otherwise would be completely reliant on public support. If we had only passed this amendment a year ago, it would have meant that the single mother would have earned an additional $2,000 today. To that low-income family, that would have meant more than 7 months of groceries, 4 months of rent, a full year of health care costs, or 9 months of utility bills.

I did not reach my decision to support the minimum wage easily. I have listened carefully to the concerns of small business owners from across my State, who have highlighted the implications of this increase. I don't want to see prices for the American consumer rise or jobs eliminated. But I don't think an increase to the minimum wage will end employment in small business, either.

It has now been over 5 years since the last minimum wage increase. We must remember that the value of the current minimum wage has fallen by nearly 50 cents since 1991 and is now 27 percent lower than it was in 1979. Now is the time to adjust that inequality and demonstrate a true commitment to our working families.

A slight increase in this wage provides those who work hard and play by the rules an increased opportunity and a chance to succeed. If any of my colleagues oppose the minimum wage, I urge them to live on $8,840 this year and then reconsider their vote.

Mrs. FEINSTEIN. Mr. President, I rise to support increasing the minimum wage from the current floor of $4.25 to $5.15 per hour, the 90-cent increase being phased-in in two stages over the next year.

This issue is about making ends meet. It's about people being able to pay the rent and put food on the table, and the bottom line is, the current minimum wage is simply not enough to live on.

A person working full time at minimum wage today does not even make enough money to meet the Federal poverty level. An American working a 40-hour week makes an annual salary of $8,640—nearly $300 below the Federal poverty level of $8,910. For a family of two, the poverty level is $11,920.

The minimum wage is supposed to be a safeguard against poverty-level wages, but for millions of Americans, the cost of living has outpaced any protection afforded by the minimum wage.

Many families in this country are just one paycheck away from disaster—whether it is an illness, the need to move, or simply the car breaking down—many people living paycheck to paycheck live in fear that they may not make it this month or the next. They live in dread of the next heat wave that could force them to choose between paying the extra-high electric bill or buying the kids a new pair of shoes.

We don't have a magic wand to fix their situation, but in my view we do have an obligation to maintain a minimum wage level that, at the very least, keeps pace with the cost of living.

Let me give you an example of what raising the minimum wage just 90 cents would mean to a family:

It means $1,800 more money every year; enough to pay 4 months of rent; enough to cover health care costs for a whole year; enough to pay 9 months of utility bills; and enough to buy 7 months worth of groceries.

Maintaining a minimum wage that makes sense is especially important for States like mine with a higher than average cost of living:

A loaf of bread in Los Angeles, at $1.34, is double that of the United States average of 75 cents.

A gallon of milk in the United States costs $1.41 on average, but in San Diego it costs $1.71.

A can of tuna that costs 69 cents on average costs 90 cents in San Diego.

In San Francisco, housing costs are 160 percent higher than the national average.

The cost of health care in Los Angeles is 37 percent higher than the national average.

The cost of transportation is 22 percent higher and there a fewer lower cost alternatives.

The minimum wage does not just affect teens who are working their first job. Seventy percent of Americans who receive the minimum wage are adults over 20 years old. Forty percent are the sole breadwinner in their family and more than three of every five are women, many of whom are single women supporting a family.

A decent wage has long been a hallmark of this country's promise. It means a livable wage for a fair day's work. It means providing for your family and staying off welfare. A decent minimum wage honors work. I hope my colleagues will join me in passing this amendment. It will mean a great deal to a lot of hard-working Americans.

Mr. HATFIELD. Mr. President, I agree that Congress should increase the minimum wage standard. I have voted for reasonable minimum wage increases in the past and will certainly vote for the reasonable increase of the minimum wage today.

As this Congress discusses welfare reform, it has been emphasized time and time again that those who can work should work. However, with the minimum wage today at $4.25 an hour, a person laboring 8 hours a day, 5 days a week, 52 weeks a year would gross only $8,840. The minimum wage is already very close to its lowest real value in over 40 years. In addition, paired with inflation, the minimum wage increase of 1989 has been virtually nullified. If the minimum wage in January 1978 had kept pace with the Consumer Price Index, for example, the current level would be $6.40 in 1996. If we expect those on welfare to work, we can at least ensure that a minimum wage is a living wage and by voting for an increase in the minimum wage today we will have taken steps to assure those who are working are justly compensated for their work.

The minimum wage, established in 1938 by the Fair Labor Standards Act has been raised 17 times, more recently in 1989 and 1991. I voted both for final passage and the conference report of the wage increases in 1989, which raised the minimum wage to $3.80, and 1991, which raised it to its current level. A minimum wage provides vital protection for those workers who are not union members or who have few if any skills and little bargaining power. With bipartisan support, Congress should raise the minimum wage to $5.15 per hour and I support that increase.

CLARIFICATION OF SECTION 4271 AVIATION EXCISE TAX

Mr. PRYOR. Mr. President, H.R. 3448 reinstates all airport and airway trust fund excise taxes, including the section 4271 tax on the transportation of property by air. In Revenue Ruling 80–53, the Internal Revenue Service clarified that this excise tax does not apply to charges paid by the U.S. Postal Service for accessorial ground services. Although the Internal Revenue Service has followed the same interpretation in an unpublished ruling involving a commercial carrier, there seems to be confusion about the application of section 4271 to commercial integrated carriers that provide accessorial ground services, in addition to air transportation.

In reinstating section 4271 excise tax, is it your view, Senator THOMPSON, that the statutory language of section 4271 is to be interpreted and applied to commercial carriers in accordance with the holding of Revenue Ruling 80–53—i.e., that amounts reasonably attributable to accessorial ground services of commercial carriers are not taxable under section 4271? If you agree with this statement, would you also agree that any uncertainty about the present or future application of section 4271 to commercial carriers should now be eliminated.

Mr. THOMPSON. I agree.

SBIC PARTICIPATING SECURITY PROGRAM

Mr. BOND. Mr. President, I ask unanimous consent that I be allowed to engage in a colloquy with the managers of the bill and the Senator from Arkansas [Mr. BUMPERS], regarding a correction that is needed for the Small Business Investment Company Participating Security Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. This is an issue that arose so recently that it has proven impossible to address it in this small business tax bill, even though this would be the perfect forum for it because it is a tax issue having a serious impact on SBIC's. So we are hopeful that this issue can be taken care of in the conference committee on the small business tax bill.

Specifically, we are talking about a correction that is critical to the continuation of the newest form of SBIC: the participating securities SBIC. The need for and the language of the correction are supported by Treasury, SBA, and the SBIC industry.

As you know, Mr. President, SBIC's are small, privately managed and privately capitalized venture capital firms that are licensed by SBA to invest solely in U.S. small businesses. In return for their agreement to invest and to put 100 percent of their private capital at risk before Government funds are at risk, SBIC's are eligible to draw additional capital, or leverage, which is raised by the sale of SBA-guaranteed certificates. Leverage is repaid with interest, and a share of the profits in the case of participating securities SBIC's, as investments mature. At a time when strictly private venture capital funds are less and less inclined to invest in the $250,000 to $3 million range critical to small businesses and more and more interested in investing in foreign companies which compete with our U.S. small businesses, the need for the SBIC program is perhaps greater than ever.

The participating securities SBIC is a new form of SBIC financing that was created by Congress in 1992 to stimulate equity, vis-a-vis debt, investment in small U.S. businesses. With that legislation, Congress created not only a vehicle that has attracted substantial private capital for equity investment in small U.S. companies, but also created the mechanism by which the U.S. Treasury—and thereby the taxpayers—share directly in profits made by these SBIC's from their investments. To date, 35 participating securities SBIC's with $565 million in private capitalization operating in 17 States have been licensed by the SBA. By the close of fiscal year 1996, it is estimated that the Government will have received over $500,000 in profits over and above principal and interest factors from these new SBIC's. When one considers that nonprofit sharing SBIC's provided early financing to companies such as Apple Computer, Intel, Federal Express, and Cray Research, it is understandable why so many are excited about this new form of industry-led partnership with Government. It is a true partnership that will see U.S. taxpayers share both directly and indirectly in the profits associated with the creation of new jobs, technologies, and overall economic development by the small firms in which SBICs invest.

As referenced above, leverage funds for participating securities SBIC's are raised quarterly by sale of SBA-guaranteed certificates by a funding trust set up for this purpose. The certificates are 10-year obligations with interest payable quarterly. Because the participating securities issued by SBIC's to the trust in return for the leverage raised by the trust's certificate sales are equities which do not require the SBIC's to pay any amounts unless they have earnings, which they likely will not have while holding the stock of the small companies they invest in, the SBA's guarantee of the payment of both regular interest and principal is the critical element which supports the sale of the certificates through public capital markets. In recognition of SBA's guarantee as the primary reliance factor for investors, in all fundings to date, the Internal Revenue Service, through private letter rulings, has characterized the SBA-guaranteed certificates sold by the trust as obligations of the U.S. Government and not as those of the participating securities SBIC's being funded by the trust. These rulings have supported the six sales that have occurred thus far in the short history of the new program.

At this point, Mr. President, I wanted to ask my good friend from Arkansas, Senator BUMPERS, a question regarding the intent behind the enabling legislation for this program when it was passed in 1992. Because the Senator from Arkansas was chairman of the Small Business Committee at that time, he is probably better qualified than anyone in this body to opine on this matter. And my question is this: Was the intent of the enabling legislation for the participating securities program that the SBA-guaranteed certificates sold by the trust were to be obligations of the U.S. Government and not obligations of the participating securities SBIC's being funded by the trust?

Mr. BUMPERS. That was certainly my intent, and I believe the intent of the members of the Small Business Committees of both the House and Senate, when we acted on this legislation in 1992. I feel confident that this was the understanding of the other Members of this Chamber, as well. Frankly, to treat these certificates as debt instruments backed by the full faith and credit of the United States is the only way to make this program work. If they were not, the investors would demand a far higher return on their investment because the risk would be significantly higher. And the important aspect of that fact at present is that without this change, the cost of this program to the Federal Government will be substantially more. The consequences of failing to cure the definitional defect are severe. Either future leverage fundings would be impossible, thereby directly ending the program, or the uncertainty surrounding the nature of the certificates would dramatically increase their cost, thereby effectively ending the program in our view. Not only would a valuable program have been killed unnecessarily, but the Government might be liable for unfunded leverage commitments outstanding at this time, perhaps as much as $90 million, and, perhaps, losses of the $565 million in private capital that has been committed to the program to date in reliance on the availability of leverage capital at reasonable rates. For this to happen because of a lack of definitional clarity would be unfortunate indeed.

Mr. BOND. So this characterization of the SBA-guaranteed certificates sold to the public as U.S. Government debt is what permits the certificates to be sold to the broadest possible base at the lowest possible interest rates.

Mr. BUMPERS. That is correct. And currently the rate is the rate for 10-year Treasury bonds plus approximately 75 basis points.

Mr. ROTH. If I might ask a question at this point, it is my understanding that heretofore, the IRS has been willing to confirm that these certificates are debt obligations of the United States Government. Is that correct?

Mr. BOND. That is correct. The IRS has provided private letter rulings to that effect on six occasions in the past. Unfortunately, just last week, the IRS made a final decision that it is unwilling to give a permanent revenue ruling that would so characterize the certificates for all time. The IRS believes that the language of the statute is ambiguous with respect to congressional intent and fears that a ruling based on the ambiguous language might have negative consequences in non-SBIC areas. However, notwith-standing this unwillingness of IRS to issue a revenue ruling, the Department of Treasury is not opposed to a legislative correction to clear up the issue of congressional intent.

Mr. MOYNIHAN. If I could make one inquiry of the Senator from Missouri. There is significant time sensitivity to this issue, is there not? What happens to the SBIC Participating Security Program if we do not resolve this issue soon?

Mr. BOND. It could be in trouble by the end of the year. Without clarifying language, it could well be impossible to sell any more certificates following the August 1996 quarterly offering. And let me add that the reason this issue was not raised earlier was that, up until last week, the SBA and IRS believed it could be worked out administratively. But at that time, the IRS determined it needed a legislative fix, and that is why we are here today. We have asked the Joint Committee on Taxation for a revenue request, which we hope will be ready post-haste.

Mr. MOYNIHAN. Well, this is certainly an issue that needs to be addressed.

Mr. ROTH. I thank the Senator from Missouri and the Senator from Arkansas for bringing this matter to our attention. Although the Participating Security Program is relatively new, it appears to have great potential for small business. Let us see what we can do to resolve this issue.

Mr. BOND. I thank the managers and my friend from Arkansas for taking the time to discuss this important issue.

DISALLOWANCE FOR BUSINESS MEALS

Mr. BAUCUS. Mr. President, I would like to engage the chairman of the Finance Committee in a colloquy regarding a provision in the Small Business Job Protection Act.

Section 1120 of the act provides an exception from the 50 percent disallowance for business meals for certain remote seafood processing facilities.

It is my understanding that this provision is intended to address a specific issue related to these seafood processing facilities, and is not intended to imply congressional intent on other exceptions to the 50 percent disallowance on business meals claimed by taxpayers.

Mr. ROTH. The Senator is correct.

Ms. MOSELEY-BRAUN. Mr. President, I rise today to talk about just a few of the compelling reasons that this Congress should support a real increase in the minimum wage.

By raising the minimum wage, this Congress can close the ever increasing gap between the working people of this country and the wealthy, help ensure that there is a market for all the goods and services the workers of this country produce, stop paying assistance and start collecting taxes, and honor the American tradition of rewarding hard work and perseverance.

The current minimum wage is not a living wage for the millions of American's who support themselves and their families on $4.25 an hour. Today, 10 million Americans earn the minimum wage—well below the poverty line for a family. In my State alone, over 10 percent of the work force earns the minimum wage—545,647 Illinoisans earn $4.25 an hour. This means that an Illinoisan, working 40 hours a week, 52 weeks a year, earns only $8,840.

The legislation we are considering today would increase the minimum wage by 90 cents over the next year. It has been almost 5 years since the minimum wage was last increased. During this time, the real value of the minimum wage has, of course, declined. While wages have stayed the same, prices have increased, as I'm sure anybody who has gone to the grocery store or the doctor's office lately can tell you. It is no wonder then, that the working people of this country are faced with a declining standard of living.

As I have pointed out to the Senate before, in the 1980's, 80 percent of Americans did not improve their standard of living. While the average wage increased 67 percent, the average price of a home increased by 100 percent, the average price of a car increased 125 percent, and the cost of a year in college increased by 130 percent. The minimum wage increased by only 23 percent. In fact, a recent study stated that the decline in the value of the minimum wage since 1979 accounted for between a 20- and 30-percent increase in wage inequality in this country.

It is important to understand that workers earning the minimum wage are not just young people working at their first job—although many young people contribute to their family's income.

The majority of the people earning the minimum wage—two-thirds—are adults. Many of these are parents raising families on under $9,000 a year. The poverty rate for a family of four is $15,600.

Close to 60 percent of those earning minimum wage are women. These are women who are taking responsibility for themselves and their children. They go to work every single day, and still the minimum wage does not provide them with a living wage on which to raise their families. It is a travesty that a mother or father working full time—40 hours a week, 52 weeks a year—cannot support a family or get out of poverty, no matter how hard they work.

A 90-cent increase in the minimum wage would provide a full-time worker earning the minimum wage with $1,800 a year in additional income. That money could pay more than 7 months of groceries, rent or mortgage for 4 months, a full year of health care, or 9 months of utility bills for a family living on the minimum wage. The money would make a world of difference to that family. That money would also be part of the economy.

A family that can pay for rent, groceries, or health care is putting money back into the economy. That family is buying goods and services produced by other workers. That family is also earning taxable income and reducing the need for public assistance. An increase in the minimum wage helps people to contribute to, rather than drain, the Nation's economy.

It is not only the lowest paid workers who will benefit from this increase. All those who earn a dollar or two above the minimum wage should see their income rise. This will increase the pool of consumers, increase taxable earnings, and improve the lives of countless American families.

Paying a living wage does not mean that jobs will be lost. Last year, a group of respected economists, including three Nobel Prize winners, concluded that an increase in the minimum wage to $5.15 an hour will have positive effects on the labor market, workers, and the economy. Any job loss is negligible compared to the benefits an increase in the minimum wage would produce.

Some argue that small businesses should be exempt from the minimum wage increase. We should remember that the minimum wage bill is attached to the Small Business Jobs Protection Act of 1996, a bill that provides $6.5 billion in tax benefits for small businesses over 10 years.

Even more to the point, however, is the fact that small businesses which right now pay a living wage to their employees are at a competitive disadvantage to those which do not. By setting a floor, a minimum wage, we will level the field for business. If there is a consistent basic wage among businesses, no worker's livelihood will become the basis for competitive advantage. We should help small businesses to pay a living wage, not allow them to be penalized if they do so.

Workers are our greatest resource. The American worker is more lasting and more valuable than all our coal and oil. The American worker made this country great. We should recognize the contributions of our workers and reward those who work long and hard to earn a living. We must be especially careful to ensure that those workers caring for children are able to do so. Parents working full time to support their families must be able to support their families.

I urge my colleagues to vote against the Bond amendment. That amendment strips the wage increase of any real meaning by providing exceptions and loopholes that will leave millions of workers without the minimum wage increase they deserve.

I urge my colleagues to vote for the Kennedy amendment. This amendment covers more of America's minimum wage workers with less delay. This amendment responds to the wishes of the American people and provides a real increase in the minimum wage.

Our country is founded on the belief that hard work is the foundation of success—this is the American dream. Congress should encourage, not discourage, effort and perseverance. A minimum wage should provide a living wage for those who are working day in and day out to provide for themselves and their families. Family values and the American dream are ideas we like to talk about, but today we can actually make them more real for millions of Americans.

Mr. MACK. Mr. President, I rise today in support of S. 295, the Teamwork for Employees and Management Act.

This bill, which I am proud to cosponsor, amends the National Labor Relations Board Act to permit teams of employees in nonunion settings to work with management to address workplace issues of mutual interest. Under current law, only union representatives can represent workers in communication with management.

In an article in this week's edition of the AFL–CIO News, union members were urged to call their Senators and tell them that "the TEAM Act is an underhanded effort to prevent workers from forming unions." This is simply false. The TEAM Act merely gives nonunion workers an effective voice for change in the workplace. In essence, the bill extends the same rights to nonunion workers which union members already possess. How can that be such a bad idea?

Employee participation on labor/management teams gives them the opportunity to make significant and valuable contributions to their companies. Employee involvement teams are about respect and fairness for all workers. Today's worker's have much to offer about the work they perform, and employers have learned to listen to them.

Even President Clinton agreed with this concept. In his 1996 State of the Union Message he said: "When companies and workers work as a team, they do better—and so does America." I could not agree more.

Mr. President, there are many difficult issues facing America's work force. One area which should be neither challenging nor stressful is the relationship between labor and management. I believe that Congress must offer policies which improve the quality of work life and reduce the tension between managers and workers. The TEAM Act is such a proposal. This bill intends to break down the communication barriers between employers and employees, and as a result, establish more cooperative labor/management relationships in American companies.

Mr. President, I urge my colleagues' support of this legislation. American laws should be designed to stimulate and encourage cooperation and teamwork in the work force, rather than suppress such activities. The time has come to pass the TEAM Act.

Mr. DOMENICI. Mr. President, millions of Americans worry about their ability to retire, pay the bills and not be a burden to their children. Some worry because their employer is unable to provide them with a pension. Others worry about whether their existing pensions will be there for them when they retire.

This bill is a blessing for all of these workers. It will make it easier for people to get pensions and will protect pensions of those who already have them.

Thirty-six million Americans work for small businesses that can't afford to provide pensions to their employees. These 36 million people will benefit from the simple pension plan created in this legislation. This plan allows small businesses tax-favored treatment when they establish pension plans for their workers, and it eliminates most of the redtape associated with creating a pension plan.

Two million Americans who work for tax-exempt organizations will, for the first time, be eligible to sign up for 401(k) savings plans.

In addition to pension reforms, the bill includes provisions that help small businesses and their workers. They include creation of the work opportunity credit designed to encourage the hiring of hard-to-place workers, and an increase in expensing for small business to help the Nation's job creators grow and create more jobs. The work opportunity tax credit replaces the targeted jobs tax credit which I helped author. The reforms update that legislation.

The bill changes the S corporation laws to make it easier for families to maintain their enterprises and the bill extends a popular tax provision that allows employers to provide their workers with educational assistance on a tax-favored basis.

This bill also includes an expansion of IRA provisions for homemakers so that they can contribute $2,000 to an IRA.

The bill and managers' amendment also extends the R&D tax credit through December 31, 1997.

Out of the six areas of tax law, the most complex for small business owners are the independent contractor rules, depreciation, alternative minimum tax, inventory accounting, pension rules, and the home office deduction.

This bill addresses the independent contractor rules and pension rules. This is a very good start.

The tax title contains revenue offsets to pay for the relief granted to small businesses and pensions. The bill reduces the deficit by $100 million in 1996 and by $1.1 billion in 1997.

A few of the revenue offsets are from the vetoed Balanced Budget Act: reform of section 936 possessions tax credit, repeal of the 50-percent exclusion for financial institution loans, elimination of the interest allocation exception for certain nonfinancial corporations, revision of the expatriation tax rules.

The bill also reinstates the airport and airway trust fund taxes through April 15, 1997.

This bill contains many tax provisions passed by Congress last year in the Balanced Budget Act which was vetoed by President Clinton.

Congress believes that it is worth sending the small business tax relief to the President again in this minimum wage bill.

Despite the current tax burden, small business is the fastest growing, most vibrant sector of our economy. The bill provides much needed relief so that businesses can create even more new jobs.

I hope that next Congress we will enact comprehensive tax reform. Instead of limited expensing, there could be expensing and no depreciation calculation. We would eliminate the alternative minimum tax and get rid of inventory accounting.

If we enacted the USA tax plan introduced by Senator NUNN and me the Tax Code would get much simpler.

There are 5 million employers in the United States today. Some 60 percent employ 4 employees or fewer and 94 percent employ fewer than 50 employees.

Tax regulations and compliance burden ranks highest among small business people's problems and concerns.

A recent NFIB tax survey found that 79 percent of those responding said we should substantially change the Federal Tax Code as it affects both business and individuals.

Current code smothers small business.

Arthur Hall of the Tax Foundation found that small business owners—small corporations with assets less than $1 million—pay a minimum of $724 in compliance costs for every $100 paid in income taxes. This is a total of $28.6 billion in compliance costs for these small business owners, compared to $3.9 billion paid in income tax.

Additionally, small firms bear a compliance burden at least 24 times greater than big business.

There is growing recognition by politicians, economists, and all citizens alike of a disturbing fact—the burden created by Federal income tax and other Federal regulations falls predominantly and disproportionately on the very people who we rely upon to create jobs—small business owners.

Endless paperwork associated with tax regulations takes more and more time, allowing less and less time to run their businesses.

The alternative minimum tax and depreciation calculations mean endless hours of work and high accountants fees, often for little bottom line tax benefit.

Additionally, 53 percent said payroll taxes are less fair or much less fair than business income taxes.

One-half of small business owners start their business with less than $20,000, most of which is from personal savings or family savings. The unlimited savings allowance in the USA tax will make it much easier for entrepreneurs to get started. This means more new businesses and more new jobs.

I am pleased to support the tax title of this bill; however, we need comprehensive reform.

PROVIDING EQUAL TAX TREATMENT TO SOFTWARE EXPORTS

Mr. LEAHY. Mr. President, I am disappointed that the tax package in the Small Business Job Protection Act, H.R. 3448, does not include any provisions to correct the foreign sales corporation tax to provide equal treatment to computer software exports.

I believe the managers of the bill, Senator MOYNIHAN and Senator ROTH, have done a fine job on the tax provisions in this legislation, except for this one issue. I want to thank Senator MOYNIHAN for his support and I will continue to work with him and other Senators to correct this tax discrimination because it has hampered the competitiveness of our software industry for far too long.

In 1971, before the birth of the software industry, Congress created tax incentives for U.S. companies to bolster exports. In an increasingly competitive global economy, Congress realized that U.S. businesses must export to succeed. Since 1987, however, the Treasury Department has interpreted the law to exclude most U.S. software exporters from receiving these benefits.

Correcting this inequity will protect U.S. software development jobs and encourage economic growth through increased software exports. The United States is currently the world leader in software development, creating more than 500,000 high-wage, high-skill jobs in this country. Our tax policy should be encouraging the creation of more of these jobs, not hindering the ability of our software companies to compete in the global economy.

Correcting this problem does not grant special treatment to the software industry. It would merely restore equal treatment under existing law. Fixing this anomaly in our tax law makes economic and common sense. I urge my colleagues to provide equal tax treatment to software exports as soon as possible.

Ms. MIKULSKI. Mr. President, I am voting to raise the minimum wage. This increase in the minimum wage is long overdue. While opponents have tried to kill this increase, inflation has killed the value of the current wage.

The bill before us today has two major components. First of all, it raises the minimum wage from $4.25 an hour to $5.15 an hour. This is a major step in improving paycheck security for America's workers.

Second, the bill contains a number of tax provisions. Many of these provisions are designed to benefit small business, and to address concerns that small business might be hurt by the wage increase the bill provides.

One tax provision of special importance to me is the language that expands the availability of spousal IRAs. Along with Senator KAY BAILEY HUTCHISON, I am the author of the Homemaker IRA Bill. Sixty of our colleagues have joined in cosponsoring our bill to allow homemakers to get a full IRA deduction. So we are delighted that our bill, which is so important in providing retirement security for American families, has been included in this legislation.

If this Congress fails to raise the minimum wage, we will be letting down millions of hard working men and women. We will be letting down the 130,000 Maryland workers who will benefit from an increase.

The last time we acted to raise the minimum wage was 1989. When we add in what inflation has done to that increase in the last 7 years, the minimum wage is at its lowest level since 1955—40 years. How many in this Chamber would be satisfied with 1955 wages?

When I say I am for a minimum wage increase I want to make clear that I will not vote for the Republican amendment. The Republican amendment is an attempt to have it both ways. Tell the voters you voted for an increase, but don't tell them that the millions of working men and women who need the increase will never get it. Under the Republican amendment, two thirds of all workplaces—and 10.5 million employees—would be denied the minimum wage increase.

The Republican amendment delays the increase for another half year. It effectively cuts out all waiters and waitresses, and others who depend on tips. This is a particular concern to women. Women represent some 80 percent of tipped employees.

The Republican amendment denies an increase to every worker, regardless of age, for the first 6 months on any new job. The Republican amendment will not result in an increase in the minimum wage but it will result in an increase in the public cynicisms about Washington.

The Democratic amendment is straightforward, and it will raise the minimum wage. Under our proposal the minimum wage will increase from $4.25 an hour to $5.15 an hour by the second year. This is a modest proposal that will not kill jobs, but will help America's families.

Mr. President, some will argue that the minimum wage doesn't really help families or adult workers, but that is not what the facts tell us. The facts are that over 60 percent of workers receiving the minimum wage are adults. And over one-third of minimum wage earners are the only wage earners in their families.

Too many workers are losing ground. Too many people are working longer and working harder, but their checks are getting smaller. These people don't work on Wall Street and they don't work in this Chamber, but they do work in every corner of the United States and every place in between. They live their lives trying to meet their day to day needs. In a country where voters wonder if Washington is interested in improving their lives, raising the minimum wage is one small signal we can send that says we do care.

Mr. President, I also want to mention my support for the small business tax package that will become a part of this legislation if it is passed. I am pleased that we have a bipartisan agreement on a tax package that will provide some needed tax changes.

Some have denounced a minimum wage increase as being antibusiness. These same people fail to mention the nearly $11 billion in tax cuts that are a part of this legislation. Extension of the research, education, and targeted tax credits are all important tax deductions that I have long supported. I believe the continuation of these credits will help businesses as well as help the country.

I am also very pleased that this tax package includes an expansion of the IRA for spouses. I want to take this opportunity to commend Senator HUTCHISON, with whom I introduced the bill early last year to provide homemaker IRA's. Senator HUTCHISON has been such an able and staunch advocate for our legislation, and I am pleased that it is included in the bill before us. By passing this we are finally recognizing the value of the labor of all the spouses who work at home.

Mr. President lets pass a minimum wage increase. One that is real and one that is needed.

Mrs. FRAHM. Mr. President, few would disagree that small businesses are the backbone of the American economy. From the mom-and-pop general store, to the diner on Main Street, small businesses play an integral role in keeping our economy moving. In fact, these enterprises create half of all of the new jobs created in this country.

The greatest obstacle facing small business today is the Federal Government itself. Ronald Reagan had it clear in his mind when he said what the test of an economic program should be: "Government has an important role in helping develop a country's economic foundation. But the critical test is whether the Government is genuinely working to liberate individuals by creating incentives to work, save, invest and succeed."

Sweeping tax reform is the only way to truly unleash America's potential and free small business from the burden of Government while encouraging savings, investment and real prosperity. However, until we have someone in the White House who puts the interests of small businesses and the American people before politics, this type of complete tax reform seems impossible.

In the meantime, passing the Small Business Job Protection Act provides immediate and meaningful relief for small businesses in Kansas and the rest of the Nation. The specific provisions of this bill will enable small businesses to increase capital investments, enhance job and overall economic growth, and provide retirement savings options for their employees. This is the proper role of Government.

People are worried about the economy and more specifically their financial futures. When I talk to Kansans, one thing is abundantly clear—people are fearful of their post-employment futures. They wonder if they will be able to afford to retire despite all of their years of hard work. For many the only option is to work until they no longer can. The American dream of a secure retirement becomes more and more of a dream and less of a reality every day.

Currently, complex regulations and the resulting high costs keep small businesses from offering retirement plans to their employees. Only 19 percent of workers in businesses with fewer than 25 employees had employer provided pensions made available to them, and only 14 percent participated. A major contributing factor to this dismal statistic is the sky-high cost per participant of establishing and maintaining these pensions.

This bill will fix this situation, making pensions accessible to more Americans, and helping to secure their financial futures. A lifetime of hard work should be accompanied by the earned reward of a secure retirement.

To me, Kansas common sense dictates that our policy toward small business should support creation and growth, In fact, during the 1980's, they accounted for an increase of more than 20 million jobs alone—20 million. It is vital that we look to protect America's small enterprises. We cannot afford to send hard-working Americans to the unemployment lines.

However, I am very concerned that a mandatory increase in the minimum wage, will excessively raise labor costs, forcing employers to either close down or dramatically decrease the number of people that they employ.

We must remember that protecting small business protects small business employees. A minimum wage increase without substantial protection for small business will destroy hundreds of thousands of entry-level and low-wage jobs. Many Americans rely on these jobs for their very survival.

The solution here is not the quick fix of simply paying individuals a bit more per hour—the prudent, long-range solution is providing these individuals with the training they need to land higher paying jobs. A minimum wage increase will substantially decrease the funds that small employers will be able to spend on the training of entry-level employees to prepare them for higher paying jobs.

Although I oppose any effort to increase the Federal minimum wage, I certainly support Senator BOND's small business exemption provisions. Since small enterprises are the hardest hit by a minimum wage increase, they are in the greatest need of relief to continue to be competitive.

If we are going to pass legislation that makes such important strides in protecting small business, and more importantly, the people who depend on them—we cannot take a giant step backward by simply creating new obstacles for these hard-working entrepreneurs to overcome.

Again, raising the minimum wage is not the feel-good cure-all. However, tax relief and a minimum exemption for small business are steps in the right direction. Any minimum wage increase must be coupled with such provisions if we are to keep hard-working Americans from a trip to the unemployment office.

It is my top priority to help bring some commonsense conservatism to the U.S. Senate. I urge my colleagues to do the same. By supporting a small business protection bill with a minimum wage increase, we take one step forward and two giant steps back. We owe it to the American people to keep their dreams of a brighter future alive.

SECTION 936

Mr. MOYNIHAN. Mr. President, last year, the Senate voted to terminate section 936 and provide for a 10-year grandfather period, with various restrictions, for existing companies doing business in Puerto Rico. Many of us were uncomfortable leaving Puerto Rico without any economic incentives to replace section 936 following its termination. I want to commend and thank the distinguished chairman of the Committee on Finance for his leadership in reporting out, as part of the Small Business Job Protection Act of 1996, language that begins to address this serious problem.

The provision we are considering today is a step toward encouraging job creation for the 4 million American citizens in Puerto Rico by putting in place a long-term wage credit for companies currently doing business in Puerto Rico. This provision also moves toward the program that we established in 1993. The chairman is to be commended for recognizing the importance of this modification, and I urge the Senate to insist on this modification when we go to conference.

While this bill provides security for the almost 150,000 employees of companies currently doing business in Puerto Rico, it does not address the issue of new investment and new jobs under a wage credit program, and leaves in question the adequacy of the incentive at the end of 10 years.

Mr. ROTH. My distinguished colleague from New York makes some good points, and his views reflect his long standing interest in the economic stability of Puerto Rico. Let me note that I view section 936 as an overgenerous tax benefit. However, I recognize that our provision for a continuing wage credit provides significant economic stability for Puerto Rico and enhances job security for these many thousands of employees of U.S. firms. I included the continuing wage credit in the Finance Committee bill as a response to the concerns raised by Senator MOYNIHAN about Puerto Rico.

Mr. GRASSLEY. Mr. President, I rise today in strong support of the business tax provisions in this legislation. In particular, I want to speak about a tax item that I had an opportunity to help include in the legislation. People from my State of Iowa, and other farm States, have been actively seeking tax relief. This tax bill is a giant step in the right direction.

In particular, young farmers and all consumers will benefit from the inclusion of legislation that we call the Aggie Bond Improvement Act, S. 1674. Young farmers will benefit from the improved access to the farming profession. Consumers will benefit from the addition of a new generation of farmers into the profession that guarantees the flow of cheap food into our Nation's supermarkets.

Aggie bonds are tax exempt bonds used for first time farmers. I introduced the Aggie Bond Improvement Act with Senators PRESSLER, BAUCUS, and MOSELEY-BRAUN in order to improve the popular first time farmer programs administered by various state authorities. These authorities issue tax exempt bonds to finance loans for first time farmers. With the help of the authorities, these usually younger farmers must secure a participating private lender. This legislation protects the Government's interests because this is a Government and private sector partnership where the private sector lender assumes all of the risk.

However, problems exist in the current program, and this legislation corrects some of those problems. The biggest problem is that the current first time farmer program does not allow a young farmer to purchase the family farm. Because the success of our Nation's farming industry has followed from passing our farmland to succeeding generations, the current program discriminates against families and thereby discourages success.

Under current law, a son who is farming with his father, and meets certain eligibility tests, may qualify to use aggie bond financing to buy farmland from a stranger, but not from his father, or even his grandfather. Ironically, the father or grandfather could also use the aggie bond program to sell farmland to any qualified beginning farmers, as long as that farmer is not related to him. Thus, fathers or grandfathers and sons can use aggie bond financing, but not if the transaction involves the sale of the family farm from one generation to the next.

This imposes an unfair burden to family farms when compared to nonfarm family businesses. In nonfarm family businesses, such as manufacturing or retail businesses, intergenerational sales can use all of the tax and purchase benefits that are available in sales between unrelated parties. Thus, when purchasing the family business, children of nonfarm business persons compete fairly with the open market place.

However, children of farm families do not have a level playing field when compared to unrelated buyers. Instead, they have a huge financial burden on them. This is easily explained by the fact that they have to pay a higher rate of interest to get loans to buy the same farmland that unrelated persons can buy.

I will add that there is an aging generation of farmers on the land that would like to retire, but cannot because the next generation cannot afford the capital to buy the land. In my State of Iowa, and I think in most agricultural States, the average age of our farmers is in their upper fifties. In 5 to 6 years we will have 25 percent of our farmers wanting to retire. This legislation to improve the State aggie bond programs simply makes the necessary transactions possible. Though it is only a small provision in the greater bill, the aggie bond legislation in this Small Business Job Protection Act is extremely important to farm States and consumers alike. Therefore, the tax legislation in the Small Business Job Protection Act earns my resounding support.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD after my remarks a letter that I received from a resident of Knoxville, IA. Her name is Leslie Miller, and I think that she does an outstanding job of quantifying and personalizing the importance of this aggie bond legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IOWA STATE SAVINGS BANK,
Knoxville, IA, July 8, 1996.

Hon. CHARLES GRASSLEY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY: I am writing to express support for H3448 because it contains provisions originally included in your bill, S1674. The most important of these provisions would expand the use of tax-exempt aggie bonds to include financing the sale of farmland between related parties. These important changes are needed to ease the financial burdens involved with shifting family farming operations from one generation to the next.

Iowa State Savings Bank has frequently used aggie bond financing (through Iowa's Beginning Farmer Program) to lower interest costs to beginning farmers. We have found this program successful in helping young farmers acquire the base they need to survive in farming. We have been frustrated that this program has not been available to finance transactions between related parties, particularly sales between parents and children.

Under current law, a son who is farming with his father, and meets certain eligibility tests, may qualify to use aggie bond financing to buy farmland from a stranger, but not from his father (or even his grandfather). Ironically, the father (or grandfather) could also use the aggie bond program to sell farmland to any qualified beginner farmer, as long as that farmer is not related to him. Thus, fathers (or grandfathers) and sons can use aggie bond financing, but not if the transaction involves the sale of the family farm from one generation to the next.

This inequity imposes an unfair burden to family farm businesses when compared to family businesses that are non-farm in nature. In non-farm family businesses, such as manufacturing or retail businesses, intergenerational sales can use all of the tax and purchase benefits that are available in sales between non-related parties. Thus, children of non-farm businesspersons compete fairly with the open marketplace, when purchasing the family business.

However, children of farm families to do not have a "level playing field" when compared to non-related buyers. Instead, they have a huge financial burden placed on them that can be best explained by the following examples. These examples use average land values from the 1995 Iowa Land Value Survey, released in December, 1995 by Iowa State University. The values are based on estimates as of November 1, 1995, as compiled by Mike Duffy, an extension economist in Farm Management at ISU.

Example 1: Assume that a farmer wants to sell his 270 acre, average-sized, Marion County farm. He prices the farm at $1200 per acre (the county average price) which totals $324,000. He is willing to take 20% down payment and will finance the sale with a 25-year contract. If he sells this farm using the aggie bond program, his interest is tax-exempt, so he could charge about 6.5% interest. If he sells the farm to his son, the interest cannot be tax-exempt, so he will have to charge 9.03% interest (the higher interest is needed for the father to receive the same amount of after-tax money that he would get under the aggie bond program).

Under these conditions, the non-related buyer would pay the father a total of $531,426 over the life of the contract. On the other hand, the son would wind up paying $661,583 over the life of the contract. This means the son would pay $130,157 more to buy the farm, than a non-related person would pay. The difference is an extra $5206 per year (or an extra $19.28/acre per year), which places the son at a huge financial disadvantage.

(Note: If the father charges his son the same 6.5% interest rate, then he must sell the farm to his son for $1386/acre to get the same after-tax dollars from his 25-year contract.)

Example 2: Assume the same size farm, but use the Iowa state average of $1,455/acre. This brings the purchase price to $392,850. Also assume a 20% down payment and a 25-year contract. Under these conditions, a non-related buyer, paying 6.5% interest will pay $644,353 over the life of the contract. A son, paying a taxable 9.03% interest, will pay $802,169 over the life of the contract. Thus, the son would pay $157,816 more than a non-related person would pay for the same farm. This is a difference of $6,313, per year (or $23.38/acre per year). Again, the extra dollars make it difficult for the son to survive in farming.

We believe that the changes proposed in H3448 will affect 15 to 18% of our borrowers. This number can only increase as other children recognize that it may be possible for them to buy their family farm. H3448 can also be of immediate benefit to farmers in poor health, who are reluctant to sell their farm to strangers, but might sell it to a child willing to start farming.

We ask that you share the information in this letter with those who would not support the changes proposed in H3448. Thank you, once again, for your diligent work on behalf of beginning farmers and farm families everywhere.

Sincerely,

LESLIE S. MILLER,
Vice President.

CONTRIBUTIONS IN AID OF CONSTRUCTION

Mr. GRASSLEY. Mr. President, this small business tax bill includes legislation that helps home buyers.

The provision is called contributions in aid of construction. It repeals the gross-up tax imposed on families building homes since the 1986 Tax Act.

It will save families and small businesses up to $2,000 off the price of a new home or building. The gross-up tax is one where under current law, regulated public utilities must include in their taxable income contributions from customers, or potential customers. These utility services include water and sewer systems.

Customers routinely must finance the cost to the utility of extending the necessary capital improvements to the family home. Therefore, State utility commissions require that homes hoping to get utility services contribute to the company both the cost for the capital improvements necessary to extend the service, and the amount of tax that the utility will have to recognize on the receipt of the funds or assets needed for those improvements.

This gross-up tax can increase the cost of the contribution in aid of construction by 70 percent.

The cost to families of the present law encourages the proliferation of small, uneconomical, and environmentally unsafe water and sewer systems.

This legislation is paid for by the water utility industry. Contributions in aid of construction are so important that the water utility industry has volunteered to change the depreciable lives of its property to finance the law change.

Over a 10-year period, this legislation in the chairman's mark raises an extra $200 million more than is necessary to pay for the legislation.

The contributions in aid of construction legislation is important tax relief for families, and I believe that it is an outstanding addition to this legislation.

CHURCH PENSIONS AND PENSION SIMPLIFICATION

Mr. President, I am pleased that this manager's amendment contains, in the pension simplification portion, provisions which will help clarify the treatment of church pension plans. The amendment would allow combined pension plan coverage for self-employed clergy. It would allow pension plans established prior to the enactment of ERISA, which is the case for many of the church plans, to use the new definition of highly compensated employees. It authorizes, but does not require, the Treasury to design safe harbors from the nondiscrimination rules for church plans. And it allows for the payroll deduction of pension contributions for clergy on foreign missions. The final bill will also retain a change in the tax treatment of parsonage allowances which will benefit many ministers.

Mr. President, we included last year in the Finance Committee's portions of the Balanced Budget Act legislation which Senator PRYOR and I introduced early in this Congress designed to deal with many of the problems the church plans were having with the rules pertaining to highly compensated employees and to nondiscrimination. Ultimately, those provisions were dropped from the legislation on the grounds that they did not meet the requirements of the Byrd rule. If the legislation we are considering today is enacted, Mr. President, we will have gone a long way toward taking care of the most serious of the problems faced by the church plans. Of course, much will depend on the Treasury Department's willingness to develop rules for nondiscrimination with which the church plans can live. I am optimistic that can be done, Mr. President. I believe that, as the Treasury Department reviews the situation faced by the church plans because of the way many of the interested denominations are organized, Treasury staff will conclude that it is practically impossible for many of the church plans to do the kind of data collection and analysis necessary to demonstrate compliance with the nondiscrimination rules. This is certainly not to say that these plans discriminate; but it is to say that Treasury should help work out a method to insure that such plans can more easily demonstrate that they do not.

I will conclude with just a word about the main pension simplification provisions in the bill, Mr. President. And that is to say that these simplification represent a major step forward. Their enactment should ultimately result in more pension plans being created, particularly by smaller businesses. Since it is that segment of the business community that has the greatest difficulty in offering pensions to their employees, enactment of these provisions should result in a major increase in pension coverage. Ultimately, that means more savings and more income for retirees. These simplification provisions have been on our congressional agenda for several years. It is high time they were enacted.

Mr. BYRD. Mr. President, the Senate is today considering a legislative proposal to increase the federal minimum wage, which currently stands at $4.25 per hour. Few actions taken by this body can effectuate more immediate and discernable effects on our nation's low-wage earners than increasing the minimum wage. Many of these minimum wage earners are struggling to make ends meet in today's paradoxical economy, where continued economic growth has been accompanied by rising economic inequality among our nation's citizens. Indeed, we are entering a time where President Kennedy's famous saying, "A rising tide lifts all the boats," might be made more appropriate if it included an exception for those diminutive vessels that may be washed away and sunk by the indiscriminate waves of economic growth. Consider a report issued by the U.S. Census Bureau on June 20, 1996, that revealed that income inequality, based on the most commonly used index measure, increased 22.4 percent from 1968 to 1994, despite considerable economic growth in that same period. For example, in 1994, a household with an income in the 95th percentile earned $109,821, while a household with an income in the 20th percentile earned $13,426. The former household earned 8.2 times as much as the latter. In 1968, however, a household with an income at the 95th percentile earned just six times that of a household at the 20th percentile. Clearly, we have seen growing economic disparity in our nation, and there is no indication of this perilous trend reversing itself. If we are to combat this nefarious problem, we must first identify its causes. The aforementioned Census Report presents several reasons for the growing income disparity. Specifically, the report states:

> The wage distribution has become considerably more unequal with more highly skilled, trained, and educated workers at the top experiencing real wage gains and those at the bottom real wage losses. One factor is the shift in employment from those goods-producing industries that have disproportionately provided high-wage opportunities for low-skilled workers, towards services that disproportionately employ college graduates, and towards low-wage sectors such as retail trade. . . . Also cited as factors putting downward pressure on the wages of less-educated workers are intensifying global competition and immigration, the decline of the proportion of workers belonging to unions, *the decline in the real value of the minimum wage*, the increasing need for computer skills, and the increasing use of temporary workers.

While, as the report states, there are numerous contributors to rising economic inequality, the declining value of the minimum wage must be addressed if we are to seriously combat this insidious trend.

Mr. President, as passed by the House of Representatives, H.R. 3448 would increase the statutory minimum wage from its current level of $4.25 per hour to $4.75 per hour this year and $5.15 per hour next year. In inflation adjusted terms, the proposal would restore the minimum wage to roughly the same level it had after the most recent 1991 increase went into effect. If no action were taken this year with respect to the minimum wage, it would continue approaching a 40-year low in real buying power by 1997. Included in the House-passed minimum wage increase is an exemption for employees under 20 years of age who are in their first 90 days of service to an employer—the so-called "Opportunity" Wage. A similar, albeit temporary, provision was included in the last minimum wage increase in 1989, and, despite the fact that the Department of Labor found that few employers actually used this "training" wage, it is being reestablished on a permanent level in the bill before us today. While I question the logic of rehashing this failed experiment, I nevertheless intend to support the bill as it currently stands. It will restore the minimum wage to a reasonable level by making work pay for a substantial number of our lowest-wage earners.

Mr. President, it should be noted that the value of the minimum wage in real, or inflation adjusted, dollars peaked in 1968 and has since fallen gradually to less than 60-percent of that value. According to a report by the Congressional Research Service, the value of the minimum wage today would have to be $7.13 per hour to be worth as much as it was in 1968. Mr. President, the proposal before us today would only increase the minimum wage by 90 cents per hour over two years—hardly enough to bring it close to its 1968 inflation-adjusted level. Yet, we are told by many that this minimum wage increase is unnecessary and excessive. The Republican leadership has cleverly crafted an amendment to the House-passed minimum wage increase that would effectively deny even this modest minimum wage increase to a substantial number of deserving workers. The Republican amendment to H.R. 3448 would not only delay the increase until next year, but it would also extend the "Opportunity" wage to 180 days of service for all employees, not just to those under the age of 20. In addition, the Republican amendment would exempt all businesses with less than $500,000 in annual sales from the minimum wage increase. The Department of Labor estimates that this provision alone would deny the minimum wage increase to 10.5 million workers. In my own state, West Virginia, this small business exemption would exclude nearly 67,000 workers from coverage under the new minimum wage increase. Clearly, this amendment represents an attempt to eviscerate the minimum wage increase entirely. If we are to approve a real increase in the minimum wage, we must defeat this tendentious amendment.

Mr. President, allow me to reiterate that we are engaged in a fundamental debate about fairness. We are considering a proposal to increase the federal minimum wage from $4.25 per hour by just 90 cents to $5.15 per hour. In my own state of West Virginia, this increase in the minimum wage would affect nearly 100,000 workers—about 23 percent of West Virginia's estimated 425,000 employed wage and salary workers. According to the U.S. Department of Labor, in 1995, the percentage of West Virginians paid wages at or below the $4.25 minimum wage was 10.2 percent, which was the highest in the nation and nearly twice the national average of 5.3 percent. The pending minimum wage increase would give a raise of up to $1,800 a year to these workers that could be used to pay for seven months of groceries, nine months of utility bills, or four months of housing costs. In addition, many of these low-wage earners are women who represent their families sole source of income. According to the 1990 Census, more than 80 percent of single parent families in West Virginia were headed by women. In short, the pending minimum wage increase would help lift many low-income families above the poverty line—not with work-deterring welfare checks, but with higher wages for hours worked.

Mr. President, in conclusion, I would like to reemphasize my support for the modest minimum wage increase that is before us today. It is a proposal that will affect the lives of many of our most needy citizens. It is not akin to handing out welfare checks; the minimum wage only applies to those who work. Moreover, in the context of welfare reform, it is essential that we create incentives for current recipients to work and earn a decent living. The current minimum wage earner who works 40 hours a week earns just $170 a week, or about $680 a month. Every Member of this body earns nearly that much in one day. So, I hope that all Senators will view the minimum wage increase in the context of fairness, and not partisanship. In addition, I ask that all Senators consider the growing income inequality that I have already discussed. We are slowly becoming a nation of haves and have-nots—we are losing those in the middle. This trend does not augur well for the future of our Nation. Aristotle admonished mankind more than 2000 years ago about how important it is to maintain a healthy, sizable middle class, or what he described as the "middle people." He writes in "Politics":

> It is the middle citizens in a state who are the most secure: they neither covet, like the poor, the possessions of others, nor do others covet theirs as the poor covet those of the rich. . . . It is clear . . . that the best partnership in a state is the one which operates through the middle people, and also that those states in which the middle element is large, and stronger if possible that the other two altogether, or at any rate stronger than either of them alone, have every chance of having a well-run constitution.

We must remember Aristotle's insightful words. While the minimum wage will not instantly lift any poor, low-wage earner to the middle class, it will provide a more accessible ladder for those who, although they may lack certain skills, have the energy and determination to fulfill their own American dream. Let us give them that chance.

Mr. President, I yield the floor.

Mr. HARKIN. Today we get the opportunity to assure that 12 million American workers are provided with a much needed and much deserved raise. The value of the minimum wage is 50 cents less than it was when it was last increased and it's headed for a 40-year low. At last we have the chance to increase the minimum wage so that American families aren't working harder for less.

Some say that working Americans don't deserve a raise. I say look at the facts. In my home State of Iowa our minimum wage is 40 cents above the national law. The increase has meant more money in the pockets of Iowa workers and more money spent in our local economy. Jobs are up, unemployment is down, and our economy is stronger.

Look around the Nation. Two-thirds of minimum wage workers are adults. Nearly 60 percent are women. More than one-third are the sole breadwinners.

Now think about this. Last year, the CEO's in America's top companies made an average of over $4.3 million—about $12,000 a day. Meanwhile someone working for minimum wage made $8,500 a year. That means that a top CEO made more in 1 day than a minimum wage worker earns in well over a year. That's not right and it's not good for America.

The one thing spoiling this vote today is an amendment offered by the majority. They delayed this vote for as long as they could and they're still trying to stack the deck against working Americans. The Bond amendment is even more extreme than the Goodling amendment that was rejected as too extreme by House Republicans. Through a host of exemptions, denials, and delays, the Republican minimum wage proposal is designed to provide the minimum possible minimum wage increase to the minimum number of people.

First, the Bond amendment delays the increase until January 1, 1997—that means that for another 6 months, minimum wage workers will go without a raise, as they already have for more than 5 years. This works out to about $500 in pay that employees would receive over the next 6 months, money that could be spent on crucial family needs like health care, food, and housing.

Next, they want to create a subminimum wage for all workers. Their proposal would allow employers to pay all new employees a subminimum wage of $4.25 an hour, for 6 months. That means that no matter how old you are and how much experience you have, if you start a new job, your value to your employer is equal to the most inexperienced employee. That's far worse than the opportunity wage passed by the House that affected young workers age 20 and under for 90 days.

And last, the Bond amendment would exempt 10.5 million workers—two-thirds of all companies—from a minimum wage coverage by providing for an across-the-board exemption for small businesses with less than $500,000 annual sales. This is unnecessary. The economy has added more than 10 million jobs since the last minimum wage increase and small business has led the way.

The Bond amendment is a blatant attempt to derail the opportunity to give America a raise. The National Retail Association admitted as much in one of their action alerts to members. Referring to the Bond amendment the alert advised members that, "It is our last chance and best hope for stopping the minimum wage increase this year."

The majority is trying to two-step with the working Americans. They say for every step forward, working Americans have to take two steps back. Well, we don't do that dance and I urge my colleagues to reject the Bond amendment.

The bottom line: America deserves a raise. Profits and productivity are up. There is room to give workers a wage they deserve without harming economic growth. The rest of the economy shouldn't be doing better than the people who make it run.

So I urge my colleagues to support a raise in the minimum wage. It is the right thing to do and it is overdue.

Mr. President, I also want to make brief remarks on the tax provisions in the bill.

I am a strong supporter of the pension improvements: increasing the ability of small businesses to establish pension plans with far less paperwork. Too many smaller businesses do not have pension plans. And, this legislation will help in that area. We need to do more to increase the availability of pensions and to secure further protections against inappropriate actions that reduce pension benefits.

The higher expensing limits allowing more capital purchases to be deducted will be helpful to many small businesses.

The extension and modifications in the targeted jobs tax credit, now called the work opportunity tax credit and the extension of the exclusion of employer paid higher education costs are an excellent step toward increasing the ability of Americans to improve their education and job skills. We need to help people get their first leg up the ladder of success and we need to improve the skills of workers. The measure also extends the R&D tax credit which I have long supported.

I am also pleased that the Senate once again passed provisions to block billionaires from gaining tax advantages from renouncing their citizenship. This is long overdue reform.

So, while I believe certain provisions can and should be improved in this bill, overall it is a victory for American workers and will provide needed help to small businesses. I hope conferees are named promptly and a strong bill is quickly sent to the President in a form he will sign.

MINIMUM WAGE AND NURSING HOMES

Mr. HATCH. Mr. President, I would like to ask the bill's proponents about one serious ramification of a minimum wage increase, that is, the effect this increase will have on the Medicaid Program. Almost one-half of Medicaid dollars are spent in long-term care, primarily for the elderly. It stands to reason that an increase in the minimum wage will affect all health care providers, including those who are providing care under Medicaid.

Nursing homes are large employers of minimum wage workers. They employ significant numbers of nurse aids, orderlies, food service, and housekeeping staff who all contribute to the care of nursing home patients. Labor costs account for about 60 percent of all nursing home costs.

However, unlike other businesses, the nursing home industry is unable to reduce its staff. The level of care that is required both by internal quality standards and by Federal regulations means that nursing home staff, particularly those individuals who are directly providing patient care, cannot be reduced.

In short, nursing homes are caught in a catch-22. They cannot adjust the size or configuration of their staffs; so they suffer a significant increase in labor costs. Yet, unless the minimum wage increase is taken into account in determining Medicaid reimbursement rates, nursing homes cannot recover any of the increase.

So, unlike any other business, which can either reduce its number of workers or pass the increased costs on to consumers, nursing homes are simply left to absorb it. I am very concerned that this will have a serious adverse impact on our nursing homes both in the short- and long-run. In our country, we need to be able to depend on these facilities to provide quality care for our frail elderly and infirm population.

Does the Senator from Massachusetts agree with me that the Fair Labor Standards Act should be a factor in determining nursing home reimbursements under Medicaid?

Mr. KENNEDY. Yes, I do. Major nursing home reform passed Congress in 1987 as part of the Omnibus Budget Reconciliation Act [OBRA], Public Law 100–203. This act required significant changes in staffing and training requirements, quality of care, patient services, and enforcement of new nursing home standards. Because Congress was concerned about the ability of the nursing home industry to absorb costs of this magnitude, special language was included to ensure that the Medicaid reimbursement systems of the States were altered to cover these costs. Just as care was taken to ensure that the Medicaid reimbursement system adequately accommodated the OBRA 1987 cost increases, I believe it is fair to do so in conjunction with a new minimum wage law. The increase in the minimum wage should be taken into account in plans submitted by States to HCFA. The Federal nursing home quality standards have been enormously successful in improving the quality of care and quality of life of our nursing home residents and we do not want to do anything to diminish the successes we are achieving as a result of those reforms.

We are all well aware that States now are setting Medicaid rates, not on the basis of costs incurred by facilities in providing long-term care services, but rather on State budgetary constraints. A recent survey of nursing homes nationwide indicates that in half the States, a majority of facilities do not receive Medicaid rates that cover the actual cost of providing care to their Medicaid patients. This situation will only worsen if States are not held accountable for recognizing increased labor costs that facilities will incur under this new minimum wage law.

Mr. HATCH. I think we agree that any increases in the minimum wage should be a factor in Medicaid reimbursements. I thank my colleague for this clarification.

Mr. HARKIN. Mr. President, I wanted to lend my support to the colloquy between my colleagues Senators HATCH and KENNEDY relative to nursing homes and the minimum wage. In their colloquy my colleagues note that nursing homes, many of which, particularly in rural areas like my State of Iowa, are funded primarily through the Medicare and Medicaid programs. Nursing homes provide vital services to our elderly and disabled citizens and they employ many minimum wage workers who provide direct care to these residents. Therefore, this minimum wage increase, which will help these valued workers and help increase their retention, will have an impact on nursing homes costs. And that should be reflected in Medicare and Medicaid payments. It is essential that state Medicaid payments be reasonable and adequate to enable well-run facilities to meet and exceed the quality standards set by law.

I thank my colleagues for raising this important issue and I appreciate the opportunity to express my agreement with their statements.

Mr. BINGAMAN. Mr. President, finally, the issue of raising the minimum wage has come to the floor for a vote. It has been disturbing during these many months that the Republican leadership has employed extraordinary legislative tactics, some quite complicated and perplexing even for our parliamentarians, to keep the Members of this Chamber from voting on this issue.

In the State of New Mexico, which I represent, more than 10 percent of the work force, approximately 80,000 workers, would receive a wage increase if this legislation is passed. Let me put in stark perspective what we are talking about.

Minimum wage levels today are approaching their lowest levels in history. Despite having raised the minimum wage 17 times since 1938, each time with bipartisan support, the minimum wage will hit its lowest level in real dollars in January 1997. Two-thirds of those earning the minimum wage today—and working full time—are adults, and 40 percent of those earning minimum wage are the sole breadwinners for their families. For working hard, trying to stay in the mainstream of those wanting to get ahead in this economy, these workers make just $8,840 a year. And usually, they don't have health coverage. They don't have gain-sharing. They aren't covered by pension benefits. And their training resources are usually very limited, if not non-existent.

This is a subject that we should have been allowed to vote on long ago. Americans need to know that we support those who want to work to get ahead. A family of four earning less than $16,039 is classified as one in poverty. And yet, we have a substantial portion of America's work force earning $8,840 a year—well under the poverty level. Furthermore, I think that we must recognize that women represent 60 percent of the work force earning minimum wage, and that occupations with the highest percentage of minimum wage workers are women. This is not acceptable.

Earlier this year, I issued a report entitled "Scrambling To Pay the Bills: Building Allies for America's Working Families." In that report, I endorsed an increase in the minimum wage—which I strongly support today. However, we tried to do some other things in that report as well. One of these was to address the huge disparity between what the CEO of a firm made in salary compared to the lowest-paid employee of that respective firm. Numerous objections came from the business community that we were attempting to set up a ratio that did not reflect a reasonable ratio between the highest and lowest paid workers for a company. When we wrote this, I mistakenly assumed that the lowest paid employee was probably earning somewhere about $15,000 a year—and 50 times that figure would allow the CEO to earn $750,000 a year, in order to receive some tax advantages we were proposing. That same week, the Washington Post reported that CEO's of America's top 100 firms earned an average salary over $4 million.

I was wrong on two fronts. The lowest paid are earning less than $9,000 a year and the highest paid salaries are somewhere between 400 and 500 times this figure. I don't think that this ratio reflects a fair balance between those who are working hard to help companies and communities prosper and those who are profiting higher up in the salary chain.

We must defeat an effort here today sponsored by Senator Bond to exempt certain small businesses from paying a higher minimum wage to their employees. Of the more than 10 million workers who deserve a raise, the Bond amendment exempts nearly 5 million—and would have undermined the entire rationale for the minimum wage, which establishes a floor above which all employees can expect a fair and decent return for the work they expend on an employer's behalf. The Bond amendment would encourage employers to favor particular groups of workers over others, particularly younger workers over older ones. This is not acceptable and not just.

The Bond amendment also creates a 6 month waiting period before the increased minimum wage kicks in. This is nothing more than a way for many employers with high turnover to keep from ever paying the minimum wage to those who work in high turnover industries. It is not uncommon for restaurants to experience more than 200-percent staff turnover in 1 year.

Workers can't support families—and can hardly support themselves—on $4.25 an hour. In the 17 previous times that the minimum wage has been raised, there have been naysayers who have predicted dire consequences. The economic trauma that had been predicted by these negative commentators has never occurred, and it is wrong not to include minimum wage workers in the gains of an economy that is producing sky-high corporate salaries, historic corporate profits, and all time high stock market averages.

Mr. President, we can't ignore hard working Americans working on the lower end of the economic ladder any longer. I strongly support this raise in the minimum wage, and I urge others to do the same.

Mr. SHELBY. Mr. President, I want to express my support for provisions in the Small Business Job Protection Act of 1996, that will help make higher education a reality for thousands of young people in America.

It is no secret that many families in our Nation are struggling to finance their childrens' education. College tuition costs have skyrocketed in the past decade increasing 95 percent at private institutions and 82 percent at public institutions. Some families will spend more than $100,000 just to send one child to college.

Mr. President, the financial burdens facing parents with college-age children is overwhelming. The tendency of some in this Chamber would be to create a new Federal program to try to deal with this issue. Yet, many States, including Alabama, have shown that is not necessary by developing their own prepaid tuition funds. These funds allow parents to make a tax-free investment, years in advance of their child's enrollment in college, with the guarantee that the child's full tuition will be paid for by the State when he or she enrolls in college. These tuition plans provide parents some help in dealing with the exorbitant inflation in tuition costs.

The Clinton administration, until very recently, was planning on taxing these State funds and the parents who invest in these plans. After months of encouragement, we have been successful in getting the administration to temporarily back off from taxing these funds and the working class families who invest in them. At the same time the President was cheering the benefits of lowering the cost of education through his new education tax credit, his administration was preparing to slap a new tax on families.

Mr. President, this bill ensures that these funds will not be taxed, and it provides that parents will not have to pay taxes on the money they invest in these funds. These are two very positive steps, but I believe we should go further. Congress should ensure that students are not forced to pay taxes on their education when they enroll in college. Currently, the student is taxed on the difference between the value of the education services they receive from the State and the amount his or her parent paid for the prepaid tuition contract.

Mr. President, the correct way to view these prepaid tuition arrangements should be as a prepayment of services, not an investment scheme to make money. When parents enter into these contracts with the States, they are trying to buy their child's future education at an affordable price. Neither they nor their children are trying to get rich. Therefore, I don't believe the Federal Government should saddle students with taxes on their college expenses. Students today are already facing a lifetime of enormous taxes to pay off the debts of previous generations. Now, the IRS would have these same people pay taxes on a service their parents purchased for them long before they enrolled in college.

Unfortunately, because of the minimum wage issue, we were unable to offer amendments to this legislation. Had we been permitted, I would have offered an amendment to ensure that students would not be taxed on their college expenses. I am a cosponsor of Senator McCONNELL's bill which would accomplish that, and I applaud him for his efforts in this area. I will continue to do everything I possibly can to find ways to make education in America more affordable. The bill before us today is a significant step in that direction, and I look forward to working with Chairman ROTH and others in the future to provide even more favorable tax treatment for families.

Mr. BRYAN. Mr. President, the difficulty in bringing the issues we are voting on today before the Senate has resulted in an unfortunate parliamentary situation, where the bill is not open to amendments. While I generally support the bill, and plan to vote in favor of the bill today, I would have preferred the bill to be open to amendment, both to add other desirable provisions, particularly to the small business tax relief title, and to offer amendments to strike provisions which I believe are inappropriate.

In particular, there is one provision which I am strongly opposed to: the provision which imposes income tax withholding on winnings from keno and bingo. Under current law, income taxes are withheld only for winnings where the odds are over 300 to 1, but bingo and keno are exempt. The bill being considered by the Senate today extends this withholding to bingo and keno winnings over $5,000, regardless of the odds of the wager.

The change in withholding included in the bill is not included for any serious policy or enforcement reason. In fact, there is good reason not to require withholding on gambling winnings. For example, gambling winnings can be offset by gambling losses—drastically reducing the actual tax due from the winnings. Since withholding is intended to approximate actual tax liability, requiring withholding for a tax liability that does not exist runs counter to sound tax policy.

Of course, requiring withholding on bingo and keno winnings was not included in this bill for tax policy or enforcement reasons—it was solely in order to raise revenue for other tax provisions of the bill. While I am supportive of these tax cuts, I object to offsetting them with a provision that will negatively impact only one segment of the economy, the gaming-entertainment industry.

Tax withholding on bingo and keno winnings is unsound for policy reasons and unfair to an important industry in my State. This provision, and similar provisions proposed or adopted in recent years, continue to show a disregard and lack of knowledge concerning the gaming/entertainment industry in Congress and at the IRS. The revenue raised by this provision is relatively small—$69 million over 10 years—but could cause significant harm in a legitimate industry.

I will vote for this bill in spite of my opposition to increasing withholding on gambling winnings, but I urge the conference committee to drop this misguided attempt to raise revenue.

Mr. HATCH. Mr. President, I support the tax provisions included in H.R. 3448, the bill now before us. These provisions are important, not only to small businesses, but to almost every American business. And, I am one who believes, Mr. President, that simplifying and lessening the tax burden faced by American entrepreneurs—both small and large—will have substantial benefits for workers as well. Unfortunately, the detriments of the minimum wage increase, which is also included in this bill, outweigh the benefits of the tax provisions in this bill.

Mr. President, H.R. 3448 has much to recommend it. For example, I am pleased to see that the bill increases the amount of newly purchased equipment that a small business can expense from the current $17,500 to $25,000. This change will make it easier for these enterprises to afford to invest in new equipment. This will help not only small businesses but also those larger companies that supply equipment to them and will thus have a multiplier effect on the economy. Moreover, increasing the expensing allowance will decrease the recordkeeping burden these companies face.

This bill also goes a long way toward reforming the tax treatment of S corporations. My colleague and friend from Arkansas, Senator PRYOR, and I have long been advocating the need for S corporation reform. While this bill does not contain all of the reform measures that we introduced in our S. 758, the S Corporation Reform Act, it certainly is a very good step in the right direction.

Many of my colleagues may not realize it, Mr. President, but there are nearly 2 million S corporations in the United States, most of them small businesses. These reform provisions are designed to ease their tax compliance burden and to increase these companies' access to capital.

Another very good set of provisions included in this bill is that dealing with pension simplification. All of us are aware, I think, of the special problems that small businesses face in providing pension benefits to their employees. It is no accident that fewer than 20 percent of the employees of small businesses are covered by a pension plan. The problem is twofold, Mr. President.

First, many small businesses are afraid to commit to providing a certain percentage of their payroll every year to funding a pension or profit sharing plan. It's not that these businesses are stingy with their employees. Rather, many of them are operating on such thin cash flow margins that they are hesitant to add to their overhead and possibly overcommit their already strained resources.

The second problem is probably even more widespread among small enterprises. This problem is that setting up and administering a pension plan is a very costly undertaking. Let's face it, Mr. President. Most small businesses in America are already struggling to keep up with the myriad rules and regulations that are piled on them by Federal, State, and local governments. The last thing they need is to have to learn and comply with the mind-numbing regulations governing pension plans contained in the Internal Revenue Code. Even hardened tax veterans admit that these rules are almost beyond comprehension for them. How is a small business man or woman supposed to master them? The alternative is paying big dollars for a specialist to administer the plan, again stretching the small firm's tight resources.

This bill deals with both of these problems by providing for a new type of pension plan that allows small employers to sponsor pension plans with low employer contributions. It gives the business the flexibility to contribute a higher percentage of employee compensation in good years or to contribute as low as 1 percent in difficult years. At the same time, however, employees are given the benefits of tax favored treatment on both their own contributions and those of the employer.

Moreover, Mr. President, H.R. 3448 simplifies the onerous compliance burden that now accompanies pension plan sponsorship. These rules are designed to take away the worst of the compliance headaches that are now keeping many businesses from offering pension plans to their employees. All in all, the pension reform provisions in this bill should go a long way toward increasing the retirement security of the millions of Americans who work for small businesses.

Let me mention one other very important section of the tax bill now before the Senate. This bill temporarily extends a number of tax provisions that Congress has allowed to expire. These include the research and experimentation credit, the work opportunity tax credit, the orphan drug tax credit, and the tax credit for producing fuel from a nonconventional source. It is important to note, Mr. President, that these so-called extenders are important for small, medium, and large businesses alike. There are thousands of businesses in my home State of Utah, and millions across the Nation, that will find the extension of these provisions important in helping them to grow and create jobs in the future.

But, as much as I like the tax title of this bill, Mr. President, I have to say that it is far from perfect. Let me just briefly outline what I see as its greatest deficiencies.

As my colleagues know, the only reason we are voting on a tax bill today is because of the increase in the minimum wage that is also included in H.R. 3448. I believe strongly that mandatory increases in labor costs create any number of problems for both small businesses and workers. I will discuss those in a moment.

The House of Representatives recognized the added burden placed on small businesses in particular and attached the small business tax provisions to the minimum wage bill in order to help alleviate some of the harsh results that the minimum wage increase will have on small enterprises.

One harsh result that will come from a 21-percent increase in the minimum wage is the loss of jobs. According to CBO, it is estimated that increasing the minimum wage will mean that as many as 500,000 jobs will either be lost or not created.

Yet, as beneficial as these tax provisions are, and they will have an indirect benefit to job creation, they are not designed to be big job generators. I would have liked to see provisions that would have at least offset the job losses that will result from the minimum wage hike.

The best thing we could include in a bill designed to overcome the disemployment effect of the minimum wage increase is a cut in the capital gains tax rate. Such a change would unleash a significant portion of the estimated $8 trillion in unrealized capital gains that is out there in our economy. If we could free up only 10 percent of this mountain of capital—or $800 billion—the job creation that would result would overshadow the loss of jobs that will result from increasing the minimum wage.

Don't get me wrong, Mr. President. The tax measures in this bill are positive provisions that will assist small businesses. They don't, however, have the job creation power that a capital gains tax cut has. So, if the Senate were really serious about helping workers or those who cannot find a job, we would concentrate our efforts on improving opportunities for those who may be unemployed or underemployed. The best way to do this is by expanding the availability of capital needed to create these opportunities.

I am also concerned about the way that this bill extends the expired tax provisions. Ideally, Congress should find a way to make these provisions permanent. The continual expiration and reinstatement of these provisions leads to taxpayer skepticism about our tax laws and greatly reduces the effectiveness of the provisions. This is particularly true of the research and experimentation credit. The bill before us today does include an extension of the research credit, but only on a prospective basis from July 1, 1996. Therefore, the bill leaves a year-long gap, from July 1, 1995 to June 30, 1996, in which the research credit is not in effect.

The research credit has been a part of the Internal Revenue Code since 1981, but only as a temporary measure. It has been allowed to expire seven times, counting the most recent expiration on June 30, 1995. Each of the times that the bill expired before this last expiration, Congress has extended the bill on a retroactive basis. Thus, even though Congress often did not act until after the research credit had expired, it has always, until this bill, gone back and made the credit effective from the date of expiration.

The seamless extension of the research credit is important because the businesses that have counted on the credit as an incentive to increase their research activities will now find that the credit is not available for an entire year. Many of these companies based their research plans on the availability of the credit. Why shouldn't they count on it being there? After all, Congress had never left a gap in its extensions of the credit before. The bill before us, however, breaks this faith and sets a very poor precedent. This gap, along with the temporary nature of the credit, will greatly reduce the effectiveness of this credit, Mr. President. I hope that this problem can be corrected in conference.

Finally, Mr. President, let me briefly mention another flaw of this bill. In the name of closing a perceived corporate tax loophole, H.R. 3448 dramatically reduces the benefits available to companies doing business in Puerto Rico under section 936 of the Internal Revenue Code. We could debate the merits and perceived abuses of section 936 all day. I simply want to point out to my colleagues that the focus of attention on this issue has been far too concentrated on a few companies that have reportedly reaped rich benefits from the section 936 credit, and far too little on the people of Puerto Rico, who have been able to pull themselves out of dire economic circumstances over the past few decades, largely as a result of the credit.

I believe that Congress is being shortsighted in gutting section 936, Mr. President. Without the jobs that section 936 companies bring to the island of Puerto Rico, many U.S. citizens will find themselves in economic difficulties. Congress will likely spend more money in increased transfer payments through higher welfare benefits and unemployment benefits than will be saved through the tax changes included in this bill. At a minimum, we should ensure that Puerto Rico has a permanent incentive to attract new jobs to the commonwealth.

So, Mr. President, I am disappointed in the overall small business tax package. I favor its provisions, but I believe they should be stronger. The potential positive impact could be so much greater.

My views on increasing the minimum wage are well known. I have long believed that raising the statutory minimum wage merely raises the rungs on the ladder of opportunity.

I am also well aware of the opinion polls that show that a substantial majority of the American people believe that a raise in the minimum wage is a good idea.

Many believe that this is a quick, painless way to help the disadvantaged in our society; many believe that a minimum wage hike is costless; and many believe that it has no adverse impact. I can only suggest that the people have not been given all the facts about this proposal.

I wonder, for example, if the people realize that even the most optimistic estimate puts job loss at 100,000 entry level jobs. The Congressional Budget Office estimates the loss of 100,000 to 500,000 jobs given a 21 percent increase in the minimum wage. Other estimates are higher.

While there are always dissenters, there are few public policy issues on which there is such an overwhelming consensus among economists. Three-quarters of the members of the American Economic Association agree that minimum wage hikes have a disemployment effect that stifles employment opportunities for low-skilled workers.

This position is summed up by William Baumol and Alan Blinder, who was a Clinton appointee to the Federal Reserve Board: "The primary consequence of the minimum wage law is not an increase in the incomes of the least skilled workers, but a restriction on their employment opportunities."

The long and the short of it is simply that you cannot mandate an increase in the price of entry level or unskilled labor—which is exactly what the statutory minimum wage is—without reducing the demand for that labor.

It is true that some workers will reap the benefit of the increase. But, by mandating wage increases we are going to destroy job opportunities for many others.

Let me put it another way: Some workers will get a $36 a week raise. Potentially half a million workers won't have a job at all. I hope my colleagues do not break their arms patting themselves on the back for such benevolence.

Now, let us look at the demographics of who would be helped and who would be hurt by the loss of job opportunities.

There are more adult minimum wage earners in families earning $30,000 per year than in families earning less than $10,000 per year. Forty percent of all minimum wage earners are teenagers and young adults living at home. They are not heads of household.

A majority of minimum wage earners live in families in which they are not the principal breadwinner. Only about a quarter of all minimum wage earners are heads of household.

The fact is that there is no way to target the benefit—to the extent there is one—only to those who are heads of households or working poor.

The reality is that those who are not poor are more likely to get raises and those whose skills do not justify the higher wage will be out of jobs. Study after study has concluded that raising the minimum wage is an ineffective means of helping those who are disadvantaged.

Kevin Lang, professor of economics at Boston University, has stated that "Low-skilled adults in states that raised their minimum wage were often crowded out of the job market by teens and students."

Peter Brandon, of the Institute for Research on Poverty at the University of Wisconsin has found that "welfare mothers in states that raised their minimum wage remained on public assistance 44 percent longer than their peers in states where the minimum wage remained unchanged."

If there was ever an issue for which the benefits were swamped by the downsides, this is it. And, those who we intend to help are exactly those who are most likely to be hurt.

Yes, Mr. President, raising the minimum wage sounds like an easy way to help those who are working but still struggling to find their way out of poverty. It is no wonder that, lacking the facts, the American people would support this.

Frankly, if I thought it would do what my friend Senator KENNEDY says it will do, I would support it myself. If I believed we could improve the standard of living for all Americans by governmental fiat, I would be joining the Senator from Massachusetts on the other side of the aisle. Who would not want to stamp out poverty with the stroke of a pen?

But, things just do not work that way. It is not that easy.

The idea that there is no adverse impact from a mandatory increase in the cost of hiring workers is delusional.

And, what's worse, this adverse impact is for nothing.

This legislation will not be the economic salvation of minimum wage earners. Even for a minimum wage worker lucky enough to benefit from it, it will provide a $36 a week raise.

It will take about $7.10 an hour to produce an income equal to the poverty level for a family of four. But, proponents will not suggest raising the wage to that level. Why? Because they know the consequences.

This proposal to increase the minimum wage, like the emperor who has no clothes, is spurious. And, someone has to tell the truth. The American people deserve to know all the facts about this minimum wage hike.

We have a lot of work to do yet during this Congress. It is disappointing that my colleagues on the other side of the aisle have become Johnny one-notes with respect to the minimum wage and have offered it to virtually every bill we have debated since mid-March.

Is this the only idea they have to offer? It would certainly seem so.

Let us get down to business on some proposals that will help working men and women—like tax cuts, a balanced budget, regulatory reform. Let us get the economy moving. Let us create new jobs and new opportunities, not jeopardize the ones we have.

Mr. FEINGOLD. Mr. President, I rise today in support of the Democratic proposal to increase the minimum wage.

First, let me address the issue of process.

It has been clear for months that there is a majority in the Senate who have been prepared to vote for the modest $.90 increase over 2 years which has been proposed. This increase would raise the current level set in 1989 at $4.25 to $5.15, in two 45 cent steps.

Indeed, the majority of our colleagues have already voted to support an increase of this size.

Yet, rather than allow this issue to be fully debated and voted upon, enormous time and energy has been spent on devising ploys to either block such a vote or to load it down with anti-labor poison pills.

Mr. President, I'm relieved that this game playing is finally going to stop. I'm pleased that we will finally have the opportunity to have a clean, up or down vote on raising the minimum wage.

We ought to raise the minimum wage because it is the fair, just, and necessary thing to do.

It has been 5 years since the minimum wage was last adjusted.

The minimum wage has been adjusted seven times since the minimum wage law was first enacted in 1938.

Each time, opponents predicted economic disaster would follow any increase. None of those dire predictions came true. The American economy has continued to grow.

Since the minimum wage was enacted, every President except Ronald Reagan signed an increase in the minimum wage into law.

Adjusting the minimum wage at regular intervals is a routine task that should never have been turned into a pitched partisan battle.

Indeed, Mr. President, it is remarkable that this fierce debate should be taking place in the 104th Congress. This Congress has been awash with statements about how we should have work, not welfare. Those are views that I, too, share. We should be promoting work, not welfare.

But how can we encourage people to leave the welfare rolls and join the work force when we fail to set a minimum hourly wage that provides a decent income?

An American worker, working full-time, 40 hours a week, 52 weeks a year, at the current minimum wage would earn less than $9,000 per year.

The current poverty level for a family of four is $15,600. Forty percent of those earning the minimum wage today are the sole breadwinners for their families.

The 90 cent increase being proposed would make a real difference in the lives of these families, and encourage them to stay in the work force.

It is estimated, Mr. President, that 12 million American workers—200,000 in my own State of Wisconsin—would directly benefit from the increase being proposed in the Democratic amendment.

The vast majority—more than two-thirds—are adult workers, not teenagers, and they are working to help support their families.

Over 101 leading economists, including three recipients of the Nobel Prize in Economics, have refuted the argument that increasing the minimum wage would hurt the economy. Instead, they have concluded that the modest increase being proposed would have a positive, not a negative, impact upon the labor force and the economy in general.

Apparently, Mr. President, many of my colleagues on the other side of the aisle remain unconvinced by the opinions of Nobel laureates. Although the amendment they are advocating purports to raise the minimum wage, it is difficult to imagine a worker who would actually have the opportunity to benefit from it, because it is so loaded down with exceptions.

Actually, their amendment seems designed to assure that the status quo is maintained. It exempts all employees of small businesses with gross annual revenues under $500,000—the very businesses most likely to pay their workers the least. These businesses employ 10½ million people and comprise two-thirds of all American workplaces. Not all employees who work in such settings earn the minimum wage, but those who do deserve the same modest raise that others who work for more prosperous businesses receive, once this bill is passed and signed by the President.

Another outrageous provision in the Republican amendment would create a permanent second class, subminimum wage. Employers would be allowed to pay new workers, regardless of age or experience, $4.25 an hour for their first 6 months on the job. Although my colleagues on the other side of the aisle refer to this lower rate of pay as a "opportunity wage," there is no suggestion anywhere in their amendment that workers will receive training in exchange for this discriminatory treatment.

This provision would be particularly harmful for migrant and seasonal agricultural workers, who rarely work for the same employer for 6 month periods of time. Up to 8,000 migrant workers are employed in my State of Wisconsin alone.

Finally, adding insult to injury, the Republican amendment wouldn't even fully take effect for another year and a half.

Mr. President, the workers who benefit from an increase in the minimum wage are likely to do something important with the extra dollars they receive: Spend them on goods and services for their families. That's good for everyone, as these dollars are plowed back into the economy, creating jobs and expanding economic growth.

Mr. President, there seems to be a lack of understanding in the minds of some about the connection between the economic well-being of the average American worker and economic prosperity for the Nation.

Some see the down-sizing of large companies and layoffs of thousands of workers across America as an unfortunate, but necessary part of increasing profits for Wall Street investors and attracting the investments of the multinational conglomerates.

They fail to appreciate the fact, however, that if American workers don't have the money to purchase the goods and services, eventually both Wall Street and corporate America will feel the pain as well.

The modest increase in the minimum wage being proposed is not a panacea for the troubling trends in the relationship between American workers and their employers. There is a growing feeling that the link between corporate responsibility and the workforce has been frayed almost beyond recognition and that American workers are coming to be regarded as disposable goods.

In his campaign for the Republican Presidential nomination, Pat Buchanan tapped into this sense of abandonment of the average American worker by corporate America and by international trade agreements like GATT and NAFTA that appear to put the profits of large corporations ahead of the jobs of American laborers.

Mr. President, let me stress that this growing separation between employees and their employers is not limited to corporate America or to minimum wage job holders.

It is not limited to the worker flipping hamburgers at the local fast-food shop.

It reaches into all levels of the work force, from the mid-level corporate executive to the filing room clerk, who are surviving the mergers and downsizing but wonder each night if they will be next.

Not a week goes by without a story in some major paper documenting the anxieties of members of the work force, when companies like IBM and AT&T begin casting off thousands of long time employees. Many companies, still burdened by the debt acquisition of the leveraged buy-out frenzy of the 1980's see themselves as having limited options and are forced, by economic pressures, to close factories, spinoff divisions, and lay off employees at all levels.

Yet, some of the new employment trends cannot be attributed solely to economic pressures.

I recently heard of a nonprofit agency, funded almost entirely by State and Federal grants which employed some 35 individuals. Yet only five of those people were regular, full-time employees. The rest were so-called contract workers—employees in every sense of the word, but forced to work without health care, without pension coverage, without sick leave, without vacation or other benefits.

The Federal Government itself also engages in this practice, hiring people as temporary employees—again without the protections that regular workers receive.

The vocabulary of the workplace is now filled with new terminology like outsourcing which describes the practice of laying off workers and replacing them with individuals—called either temporary workers, contract workers, or contingent workers—who lack the benefits of regular employees and can be treated accordingly, like disposable employees, to be purchased and discarded at will.

Mr. President, I have raised issues which I know go beyond the simple question of whether it is time to increase the minimum wage because I think we need to start thinking about these broader questions.

Secretary Reich has spoken out forcefully already about the need to reestablish the concept of corporate responsibility to the labor force. I would take that a step further and broaden it to the need to repair the deteriorating bonds between employers and employees in all sectors of our society.

As we approach the turn of the century, there are troubling signs that we may be moving backward, toward relationships between workers and employers that are reminiscent of the 19th century. I seriously doubt anyone wants to see the workplace of the 21st century resemble that of the last century. America left that era behind long ago.

A great Nation draws upon the strengths and contributions of all its people. John F. Kennedy said, in 1961, when he asked Congress 35 years ago to increase the minimum wage, "Our Nation can ill afford to tolerate the growth of an underprivileged and underpaid class. Substandard wages lead necessarily to substandard living conditions, hardships and distress."

Let's do our job.

Let's vote for an honest increase in the minimum wage.

Let's acknowledge that America's prosperity rests upon the well-being of its people, its work force, and their families.

Mr. KYL. Mr. President, it is regrettable that the bill that comes before us today combines two unrelated and very different issues—tax relief with an increase in the minimum wage.

I presume that the two issues were coupled in an effort to mitigate the adverse effect that the minimum wage increase would have on small businesses. It would not, however, mitigate the adverse effect on those individuals who will be unable to find jobs, or who will lose their jobs, on account of the increased wage that the Federal Government will have mandated.

The Congressional Budget Office (CBO) estimates that the proposed 21-percent increase in the minimum wage to $5.15 would create job losses of between 100,000 to 500,000. In addition, CBO has said that the creation of thousands of jobs could be inhibited if the minimum wage is increased.

I have heard from numerous constituents who are opposed to an increase in the minimum wage. One motel management owner in Arizona wrote me to say that the tax repeal provisions of the bill are not enough to offset the negative ramifications of an increase in the minimum wage. Another constituent, the owner of a fast-food restaurant in Arizona, wrote to say that employees could be let go if the minimum wage is increased.

Congress can best facilitate increased job creation and wages by decreasing governmental interference in business and reducing taxes. I ask unanimous consent that a recent Arizona Republic editorial that provides a good summary of why raising the minimum wage is a bad idea be reprinted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, May 15, 1996]

MAXIMUM POLITICS

The tea-leaf readers in Washington predict congressional approval of a hike in the nation's minimum wage, probably coupled with some other tax-related legislation, in the next few weeks. Alternative plans are to raise the wage, now at $4.25 an hour, by 90 cents or $1.

What makes the vote to raise the minimum wage a near sure thing is that it has nothing to do with economics. Indeed, most economists say raising the minimum wage is likely to hurt those its supporters say they intend to help: the poor.

It doesn't take a degree in economics to understand why. Raise the price of labor to businesses and businesses are likely to respond by trimming some jobs. How many is open to debate. One familiar bench mark is that every 10 percent rise in the minimum wage trims 1 percent to 2 percent of affected jobs. Therefore, the legislation might endanger up to 200,000 U.S. jobs.

But forget economics. As the Washington Post's Robert Samuelson reports, it's election-year politics that's driving the minimum-wage push. Plain and simple. Consider: President Clinton says he's a backer of raising the wage. But in 1993 and 1994, asks Samuelson, guess how many times he advocated raising it when his party controlled Congress? Zero. Nada. Zip. Nil.

In 1995 and the first part of 1996, by way of contrast, Clinton has publicly thumped the tub for a minimum-wage hike 47 times by Samuelson's count. The economics of the argument hasn't changed, but the politics has. The American public overwhelmingly believes that raising the minimum wage is a good idea. So, for politicians, the issue is a no-brainer.

What likely accounts for the strong public appeal for raising the wage is that it seems like a decent thing to do. Maybe some of us remember working for the minimum and think back that it would have been nice to have a dollar more an hour. Families can't live on $4.25 an hour these days, we think. (But they'd get by even less easily without that job.)

Samuelson cites two myths he says are responsible for the public's support for boosting the wage. The fact that some of us remember earning it is a clue to one: that there's a permanent group of workers stuck at the minimum. Not so. The vast majority of minimum-wage workers quickly move up.

The other myth is that many minimum-wage workers are heads of households. In fact, says Samuelson, the data show that single parents make up only 3 percent of minimum-wage workers. More often than not, the typical minimum-wage worker is a teenager or young adult from a middle-class family or the second part-time jobholder in a two-income family.

Will raising the minimum cause great economic harm? Hardly. The loss of 200,000 jobs would cause hardly a ripple. Over time, they'd likely be replaced. But is it good policy? Not if the intent is to help poor people, who stand to lose some economic opportunities as a result.

A better way to help the working poor would be to make tax deductible the 6.2 percent of their wages they now are required to pay in payroll taxes to fund Social Security. It wouldn't add to the cost of labor, but would, according to the tax reform commission chaired by former Congressman Jack Kemp, give a boost to the incomes of 100 million U.S. workers and boost the GDP by half a percentage point. It also would end the unsavory practice of taxing a tax.

But good sense, economic or otherwise, is not what's driving the minimum-wage push. Political capital is what's at stake, and so long as it involves spending or jeopardizing other people's money it comes cheap.

Mr. KYL. Mr. President, there are far too many people in Washington who like to play fast and loose with other people's money. They are not content just to tax away a large share of people's hard-earned incomes to spend on government-knows-best programs. They even want to tell people how they have to spend the money they have left over after taxes.

They trust the American people so little that they feel they have to dictate what benefits they can receive and even what wages they can work for. Combined with high taxes, it is a prescription for the kind of anemic economic growth and stagnating wages that have been plaguing the Nation. It is like rearranging the deck chairs on the *Titanic*. The economy is still in peril.

Mr. President, I contend that the way to get people off of minimum wage is to ensure that the economy is healthy and growing and providing people with the opportunity to earn a better living for themselves and their families.

It is no coincidence that slow economic growth and stagnating wages have predominated since the low-tax policies of the 1980's were abandoned in favor of the high-tax policies of the 1990's. As noted in a recent report by the Institute for Policy Innovation, the economy has grown by about 2.2 percent on average so far this decade. By comparison, it grew at an average annual rate of 3.3 percent during the Reagan years.

Had the economy done as well during the Bush and Clinton administrations as it did under President Reagan, the economy would be $2.6 trillion larger than it is today. That would have added $21,000 to the average family's income between 1990 and 1996. Annual revenues to the Treasury would have been $90 billion greater, an amount that would cut this year's budget deficit by more than half.

So how do we promote the kind of growth that helped make everyone better off during the Reagan years? Cut taxes. As President John F. Kennedy once said, "An economy hampered with high tax rates will never produce enough revenue to balance the budget, just as it will never produce enough output and enough jobs."

The tax relief provisions in this bill, H.R. 3448, are a modest first step in the right direction. For example, we extend the tax exclusion for employer-provided educational assistance, something that will help people improve themselves and get ahead.

We extend the work opportunity credit and increase expensing for small businesses to encourage them to invest in new property and create new jobs. We extend the research and experimentation tax credit, and permit nonworking spouses the same opportunity to save in individual retirement accounts.

These and other changes in the law relating to S corporations and pension law are good steps toward making tax policy more conducive to economic growth and opportunity. I would add, however, that they are only modest first steps. They are no substitute for the across-the-board income tax rate reduction that many of us think would do far more good for the economy.

The tax changes we are considering here are good and sound. If we had the opportunity to vote on the merits, I would support them. However, these modest changes are not sufficient to justify the high cost of the minimum wage increase being proposed —a cost that will be borne by employees as much as employers.

Mr. KOHL. Mr. President, I rise in support of the Kennedy amendment to raise the minimum wage and against the Bond amendment, which would retain the status quo and deny an increase for millions of low wage workers.

Mr. President, we have just returned from the Independence Day recess. I always value the time spent in Wisconsin during breaks in the Senate schedule. Not only does it mean going home, it means spending time with people who work hard and work together by compromising in their daily lives.

Hard-working families struggling to make it to the next pay-check do not have the luxury to shirk responsibility or skip their work. They must go to work every day and get the job done. That's why it shouldn't be a surprise when the people of this country grow more and more pessimistic, even angry, because Congress has yet to get the job done and pass meaningful legislation.

In the attempt to score political points and out-maneuver the other party, legislation that is critical to working families has languished or been killed.

Instead of increasing investments in education and job training to provide the foundation for a stronger economy, these programs have been cut. The earned income tax credit, which helps working poor families stay afloat, has been targeted for huge reductions. A bipartisan health care reform bill that passed the Senate by a 100–0 vote has become stalled and may die because some want to poison the modest reforms with controversial provisions. Bipartisan campaign finance reform legislation has been killed. And balanced budget legislation, which everyone agrees is needed to end deficit spending and shore up the economy for our children's future, is now also on a partisan track to failure.

Despite the odds that partisan politics may win the day, I remain hopeful that moderate proposals can still be enacted during this Congress. One of the most important bipartisan and moderate intitiatives is the minimum wage amendment offered by Senator KENNEDY. This amendment closely resembles the wage increase passed by the House of Representatives and excludes controversial provisions rejected by a majority of House Members.

The Kennedy amendment would allow some of the hardest working American's to make a better life for themselves and their families. It would increase the minimum wage from the current level of $4.25 to $5.15 over 2 years. Granting a 90-cent wage increase over 2 years will help these families keep up with inflation and stay at or above the poverty level. Over 200,000 workers and their families in my State of Wisconsin would benefit from the increase.

This amendment would be coupled with a series of tax breaks for small businesses to help offset the potential effects of the wage increase. I remain concerned about the challenges facing small businesses even though many prominent economists argue that the modest increase proposed would not significantly jeopardize employment or business opportunities. So I am pleased that these tax breaks will help ensure that any impact is minimal.

The Bond amendment is a stark contrast to this reasonable minimum wage proposal. Instead of starting the 2-year increase this year, the Bond amendment would delay for 6 months the much needed raise. Further, the Bond amendment holds down millions of American workers who are employed at small businesses or who work in the restaurant industry by carving out huge exclusions to the increase.

Anyone who has been on the job for less than 6 months would get no increase. At least 4 million workers would be affected by this permanent submimimum wage. Under Senator BOND's proposal, another 2 million workers would be denied any increase because they work for tips. The complete exemption provided for companies that earn less than $500,000 annually would result in workers at two-thirds of all small businesses being left behind.

Supporters of these exclusions claim that the minimum wage increase would devast small businesses. Even though it is arguable that significant negative effects would result from a modest minimum wage increase, the proposal before us would provide 34 specific tax breaks for small businesses.

History also argues against this claim. Since the last minimum wage increase, far from being devasted, small businesses have helped spur economic growth and bring our Nation out of recession. Under the Bond amendment, scores of small businesses would be rewarded with generous tax breaks even though they would be exempted from raising the wages of their lowest paid workers.

Opponents of the minimum wage have also been quick to assert that minimum wage earners are mainly teenagers from middle class families. Again, the facts tell a different story. Two-thirds of those paid the minimum wage are adults and a third of those are the sole household wage earners for their families. If granted the minimum wage increase without exclusions, over 2.3 million children from poor and near poor families would benefit.

Mr. President, recent reports on the economy continue to show healthy growth and provide optimistic prospects for business. But although unemployment is down and millions of jobs have been created over the past 3 years, the average American worker remains uneasy.

With the strong economic growth, corporate CEO's have been rewarded with sky-high salaries and impressive benefits. In contrast, real wages have become stagnant for many Americans and their standard of living has decreased over the years. Perhaps more disturbing, working families have seen their health benefits eroded and opportunities for child care diminished.

The Congress cannot create complete equity in the work force and resolve all of the challenges of working families. That is not realistic and ignores the fundamentals of our economy. But there are actions Congress can take that will make a real difference.

We can help ensure health security by reforming the health insurance market; we can provide child care and education opportunities by balancing Federal investments in these programs; and I still believe we can balance the Federal budget in a fair manner. Today we can and must help the lowest wage workers by passing a long-over due minimum wage increase. The House of Represenatives has already done so, it is now time for the Senate to act.

Mr. President, 5 years have elapsed since the minimum wage was increased and the real value of the wage has fallen by nearly 50 cents over that period. Furthermore, the real value of the minimum wage is 29 percent lower than it was in 1979. Without action, the value of the minimum wage will plummet to a 40-year low by 1997. Do people really believe that working at $4.25 an hour, which amounts to $8,500 a year, is a fair and livable wage?

To deny America's lowest paid workers a sustaining wage during a time of substantial budget cuts simply represents misguided priorities. This is precisely the time when we need to reward the people who work. If we are going to cut funding for education and training and reform welfare, we must provide individuals with the economic tools necessary to get ahead.

The last minimum wage increase under President Bush enjoyed broad bipartisan support. I urge my colleagues in the Senate to undertake a similar bipartisan effort today and demonstrate their commitment to working families by restoring the fair value of the minimum wage.

The Senate is faced with a critical choice that will determine whether or not the minimum wage increase becomes a reality this year. One amendment would provide a modest minimum wage increase to the working poor; the other would grant an increase to some workers, but leave millions of Americans with stagnant wages and result in a certain presidential veto. Let us do the right thing by passing the Kennedy amendment and rejecting the Bond amendment.

Mr. PRESSLER. Mr. President, I rise in support of the amendment offered by the chairman and ranking member of the Finance Committee—the so-called managers' amendment. I just want to take a moment to comment on a few of the provisions of the amendment that are very important to churches and ministers in my home State of South Dakota.

Specifically, there are three provisions in the managers' amendment that are taken from S. 881, the Church Retirement Benefits Simplification Act, introduced by friends and colleagues from Iowa and Arkansas, Senators GRASSLEY and PRYOR. This bill already has 34 cosponsors. One of the provisions in S. 881 was included in the House-passed version of the underlying legislation we are considering today. This provision would respond to the Internal Revenue Service retreat from its four-decade-old policy of not taxing parsonage allowances paid to retired clergy. The provision would clarify that all retirement benefits of clergy are not subject to self-employment taxes.

The three additional provisions of S. 881 that are included in the managers' amendment address the churches' concerns regarding the treatment of chaplains and foreign missionaries and the application of nondiscrimination rules designed for secular employers to church pension plans.

First, the manager's amendment would clarify that chaplains may continue to participate in denominational pension plans. Under current law, chaplains who work outside the church, serving in hospitals, jails, and other secular organizations, are not expressly allowed to participate in their denomination's pension plan. Often, chaplains may leave their church to work in a secular organization for only a brief period of time, and it makes little sense for Congress to force those chaplains to participate in the secular pension plan instead of the denominational one. The managers' amendment simply would clarify that chaplains may participate in their denomination's plan without inadvertently violating pension coverage and related rules.

Second, the managers' amendment would facilitate the ability of foreign missionaries to participate in their denominational pension plan. This amendment would promote sound retirement policy while also benefiting the foreign missionaries who are America's humanitarian emissaries abroad.

Finally, the managers' amendment would authorize the Secretary to develop a safe harbor from the nondiscrimination rules for those church plans that were left out when Congress exempted most church plans from the same nondiscrimination rules. Although the IRS has issued a self-imposed moratorium on enforcement of these nondiscrimination rules for church plans, that moratorium ends soon. This amendment would give the Secretary of the Treasury the authority to develop a safe harbor plan for the pension plans of the Catholic dioceses, the Episcopalian Church, and the Presbyterian Church. These churches simply do not have the infrastructure to prove compliance with the nondiscrimination rules which apply to secular employers.

Again, I want to commend the two managers—Chairman ROTH and Senator MOYNIHAN—for their assistance in addressing the concerns of the churches in this legislation. Thanks to their leadership, we can correct and clarify the laws to ensure that they not unduly burden church retirement plans and the clergy and lay workers who participate in them.

Mr. CRAIG. Mr. President, I rise in support of the amendment to H.R. 3448 offered by the chairman of the Small Business Committee, Senator BOND. I also support the Finance Committee's amendment to the tax title of that bill, which already has been adopted.

For once, with the inclusion of these amendments in H.R. 3448, Congress would be looking at an issue in context and taking in the big picture. Both amendments are necessary to make this an acceptable bill, on balance.

This bill is supposed to be named the "Small Business Job Protection Act of 1996."

Title I, the tax title, is consistent with that spirit. It would make the Tax Code a little fairer, improve economic and employment opportunities, and provide some necessary tax relief.

However, unless the Senate adopts the Bond amendment as well, this bill will not be worthy of its name. It will not protect small business. And it will hurt the low-wage breadwinners it is supposed to help.

I commend Senator BOND and Senator ROTH for the work they have done on their amendments.

All too often, past Congresses have taken a perceived problem; put it under a microscope; and tried to address it with a one-size-fits-all Federal mandate. The result often has been Government by anecdote. Unintended consequences and innocent bystanders have not always been taken into account in the rush to adopt a feel-good solution.

That risk of unintended consequences is definitely present in the case of proposals to increase the Federal minimum wage.

We feel for those Americans who are working hard at making ends meet. It is easy and it is tempting to look at a $4.25 an hour minimum wage and say, let's just mandate an increase in that wage. But that would be the wrong answer.

Standing alone, an arbitrary increase in the minimum wage destroys jobs for the very persons it is meant to help—the working poor and entry-level employees.

Common sense, the laws of economics, and experience all tell us this. There is no dispute over this fact, except from some inside the Washington, DC, beltway and from some academicians with a political agenda.

We've all heard the numbers. The commonly accepted figure is that, an arbitrary, stand-alone increase in the minimum wage from $4.25 an hour to $5.15—a 21-percent increase—would result in the loss of 621,000 jobs. In Idaho, it would destroy 3,200 jobs.

Some have suggested that the economic impact of such an increase is negligible. But it's not negligible for each one of those 621,000 Americans—or possibly more—who would lose their jobs as a result. In many cases, the job lost would be the most important one that person will ever have—his or her first job.

The Bond amendment takes a fair and balanced approach that would minimize the harm that would come from a one-size-fits-all, federally mandated increase in the minimum wage. It would treat small employers fairly and would be good for those entry-level workers most in need of making it to the first rung on the ladder of economic opportunity.

Unlike the amendment defeated in the House, the small business exemption in the Bond amendment would apply only to the minimum wage increase in this bill.

Mr. President, most Senators were serving in Congress in 1989. We remember what happened when we finally voted for a compromise minimum wage bill then. Everyone—if you read the RECORD, you will see everyone—thought and said there was a small business exemption in that bill for every small business with gross receipts of less than $500,000. That bill would not have passed in 1989 without that $500,000 exemption. Everyone understood that the 1989 compromise would increase the small business threshold from $362,500 to $500,000 and broaden the exemption from some service and retail employers to all enterprises.

But then, a bureaucrat at the Department of Labor noticed an apparent drafting error. The bill's language was convoluted and was interpreted as applying the Fair Labor Standards Act to virtually every individual employee in the country, regardless of the employer's receipts. I say it was an apparent drafting error because everyone thought there was a universal, $500,000 threshold, and I do not want to accuse anyone of lying to the Congress or the President back in 1989.

Correcting this apparent drafting error had been a bipartisan effort up until recent weeks. Democrat Members in both the Senate and the House previously introduced bills to restore this intended exemption, in bills that would have gone farther than the Bond amendment.

In recent years, small businesses have created every net new job in this country. They take the risks of hiring and training new workers. They do not have the economies of scale of large businesses and suffer a disproportionate impact from Government regulation. They tend to be labor intensive. If you drive up the costs of their labor, they will be forced to create fewer jobs.

In fact, 77 percent of the economists who responded to a survey of the American Economics Association agreed that, by itself, a higher mandated minimum wage would have a negative impact on employment.

Obviously, that negative impact is going to fall on workers at or near the minimum wage, and especially those who are the least-skilled and need an entry-level job the most. The Bond amendment would safeguard the most vulnerable employees, those of the smallest businesses, against that impact.

The Bond amendment also includes a realistic opportunity wage, or training wage.

Realistically, the Federal minimum wage today already is a training wage. The average minimum wage worker is earning $6.06 an hour after 1 year.

In most work places, at every level of compensation, it is common for a new employee to be paid more after a few months. That is because there is almost always a learning curve, during which the employer is investing time, energy, and money in training and acclimating the new employee. The opportunity wage in this amendment simply reflects that reality of labor economics.

Some critics have said the training wage would allow churning of employees—the firing of employees when they become eligible for the new, higher, minimum wage, and replacing them with new hires at the training wage. The Bond amendment makes that practice specifically illegal.

Finally, the Bond amendment would provide employers—especially small businesses with limited resources and profit margins that are slim or nonexistent—with a more realistic effective date for this bill.

Unlike the Federal Government, employers make reasonable projections of their revenues and then budget their resources to live within those means. To impose an immediate increase in costs of thousands of dollars would be a cruel jolt to many small, vulnerable employers. To do so retroactively, as would happen under the Kennedy amendment or the House-passed bill, would be unconscionable.

The Bond amendment would provide the necessary flexibility to protect the workers and small businesses that would be most vulnerable to a one-size-fits all mandate. It is an important part of a two-step process to improve this bill. The second step is the inclusion of the tax provisions that would provide essential relief for small businesses, help them create jobs, and make the Tax Code a little fairer.

I particularly want to express my support and appreciation for several of the tax provisions in title I of this bill, including:

Increasing the availability of spousal individual retirement accounts; revising and extending the work opportunity tax credit, which will help employers hire and retain disadvantaged employees; restoring and extending the tax exclusion for employer-provided educational assistance; making S-corporation rules more flexible; providing fairer treatment for dues paid to agricultural or horticultural organizations; extending the research and experimentation tax credit; and improving depreciation and expensing rules for small businesses.

I have supported these provisions consistently in the past and commend the Finance Committee for including them in this bill.

There is at least one provision in the House-passed version of this bill that I hope the Senate would accept in conference: Restoring and making permanent the exclusion from FUTA—the Federal unemployment tax—for labor performed by a temporary, legal, immigrant agricultural worker. Such employees are ineligible for FUTA benefits that are financed by this tax. Therefore, this tax is imposed on employers for no reason, except that the previous exclusion simply expired.

The Finance Committee provisions are valuable and beneficial. And I commend the chairman of the Small Business Committee for the thoughtful approach he has taken on his amendment. For me to vote for this bill, it would also be necessary for us to adopt the Bond amendment, which includes essential safeguards for employees and small businesses alike, and make this package complete.

HIGHER EDUCATION SAVINGS ACT

Mr. McCONNELL. Mr. President, I am pleased that the Finance Committee has included my proposal to clarify both the tax treatment of the State-sponsored education savings plans and taxation of the beneficiary's investment. This measure will put an end to the tax uncertainty that has hampered the effectiveness of these State-sponsored programs and help families who are trying to save for their children's higher education needs.

I have been working on this proposal since I first introduced S. 1787 in 1994. This Congress I have introduced S. 386 to provide families with an incentive to save for college and put an end to the tax uncertainty regarding the State-sponsored programs. This legislation will offer families an opportunity to save in order to keep pace with the spiraling cost of education. S. 386 has been endorsed by the National Association of State Treasurers, the National Association of State Scholarships and Grant Programs and the Kentucky Advocates for Higher Education.

Mr. President, the facts are clear. Education costs are outpacing average wages, creating a barrier to attending college. Throughout the 1980's education costs have risen by roughly double the rate of inflation. In 1983, tuition at the University of Kentucky and University of Louisville rocketed 16.7 percent followed by an 11.2-percent increase in 1994. Since 1986, the cumulative percentage increase in tuition at Kentucky's two largest public universities rose an astounding 82.3 percent.

Unfortunately, Kentucky's numbers are not extraordinary when compared to average tuition increases nationwide. Over the past 10 years, tuition rose by 81.7 percent for public universities and 95 percent for private schools compared to 46.6 percent increase in the median income for the same period. Which brings us to the real problem: education costs are quickly out-pacing income growth.

As tuition costs continue to increase, so does the need for assistance. In 1990, over 56 percent of all students accepted some form of financial assistance and the statistic was even higher for minority students. It is increasingly common for students to study now and pay later. In fact, more students than ever are forced to bear additional loan costs in order to receive an education. In 1994, Federal education loan volume rose by 57 percent from the previous year. On top of that, students have increased the size of their loan burden by an average of 28 percent. So not only are more students taking out loans, but they are taking out bigger loans as well.

Over the past decade, many States have tried to respond to the concerns parents have raised regarding the affordability of a college education. Today, 11 States, including Kentucky, have responded by developing programs that will provide families with incentives to save over the long term to make college more affordable. Sixteen other States are quickly moving to put into place their own education savings plans.

Currently, there are 500,000 participants investing over $2 billion in State-sponsored savings programs. In Kentucky, there are 2,700 participants with $4 million invested in their children's future. Under this plan, participants don't have to be rich to benefit. In fact, the average monthly contribution in Kentucky is just $47.22. This proposal rewards those who are serious about their future and are committed to the education of their children.

The language included in this bill is a variation of my original legislation. It provides tax-exempt status to qualified State tuition programs. In November 1994, the U.S. Appeals Court ruled that the Michigan Education Trust is not subject to Federal income tax. Although the circuit court was quite clear on this issue, it is my understanding that the IRS continued to look for a different avenue to tap this growing investment pool. This proposal clarifies legislatively the tax status of these programs and puts and end to the uncertainty and constant threat posed by the IRS. I am told by Kentucky's program administrators that this tax clarification is their No. 1 priority and vital to the continued existence of the program.

This legislation will also clarify the tax treatment of the investment itself. As proposed in the recent Treasury regulations, the child would be taxed on the earnings buildup at the time of distribution. While my original legislation proposed the inside buildup be fully tax exempt, I believe that this clarification is a significant reform and consistent with the limits of this bill. I want to assure every one of my colleagues that I will reintroduce legislation and continue my efforts to make the inside buildup in this investment tax free. Nonetheless, this proposal will be a tax cut for Kentucky participants since they have been forced to pay taxes annually to avoid possible penalties, while the IRS has been considering the tax treatment of this investment.

This legislation is not a funding cure but is a serious effort to encourage long-term savings, by eliminating the tax disincentive to do so. Aside from limited assistance through bond programs, nothing has been done to encourage savings or decrease borrowing. I believe it is widely agreed that it is in our best interest as a nation to maintain a quality education system for everyone. We need to make a decision, however, on how we will spend our limited resources to ensure that both access and quality are maintained.

Before I close, I would like to take a moment and commend Senators ROTH, GRAHAM, SHELBY, and BREAUX for their hard work and support of this legislation. I appreciate their interest and look forward to working with them in the future to make these investments tax exempt.

SMALL FISHING VESSELS

Mr. KERRY. Mr. President, for almost 8 years hard-working owners of fishing vessels in New Bedford, MA have been subject to an Internal Revenue Service ruling that would result in approximately $11 million in penalties. This situation arises from an IRS misinterpretation of Tax Code provisions as they applied to crew members on small fishing vessels. The IRS's interpretation and assessment is potentially devastating to the fishing families in southeastern Massachusetts—a region already struggling with the departure of the textile industry and the demise of the fishing industry. I am pleased that the managers amendment to H.R. 3448 includes a section clarifying the application of this disputed provision and making the original intention of the Congress clear with respect to it.

I have worked on this issue for many years along with the senior Senator from Massachusetts as well as colleagues in the other body, especially Congressman BARNEY FRANK, Congressman GERRY STUDDS and Congressman RICHARD NEAL.

Mr. President, today the Senate is providing relief for four fishing vessels in New Bedford—F/V *Edgartown*, F/V *Nordic Pride*, F/V *Lady J*, F/V *Seel*—by rendering moot a court action against them. Central to the case is the question of whether crewmembers on small fishing vessels are considered self-employed or employees for tax purposes. The pay of employees is subject to withholding of Federal income tax while payment to persons who are self-employed is not subject to withholding.

Life on the seas requires fishermen to be ruggedly independent individuals. Fishing boat operations reflect this independence in that they are fundamentally small business operations with crews that typically vary from trip to trip, with each crewmember acting as a free agent. Recognizing this unique arrangement on fishing vessels, Congress amended the Tax Code in 1976 to clarify the employment status of crewmembers as self-employed and required the self-employed crewmembers to be compensated solely with a share of the catch.

It is common practice in fishing communities around the country to provide a small cash payment called a "pers" to the cook, first mate and engineer in recognition of additional duties they perform at sea. These pers represent only 1 to 5 percent of the total compensation and amount to approximately $500 annually based on a $30,000 income.

In 1977, the IRS issued Ruling 77-102 which stated that a pers payment would subject the entire salary of the pers recipient to withholding. In response, the industry initiated a sliding scale per that ranged from $24.50 to $25.50 depending on the catch. The IRS did not question this practice until 1988 when the Service suddenly issued an unexpected interpretation of the pers payment and ruled retroactively that the entire salaries of crewmembers receiving pers were subject to withholding. The IRS ruling means that much of the New Bedford fleet does not qualify for the small fishing vessel treatment on withholding and therefore each boat owner owed the IRS large amounts in back withholding for the fishermen who worked on them. As a result, IRS placed liens on property and is poised to begin enforced collections from the boat owners which will be devastating to the New Bedford fishing industry as it struggles to survive until the groundfish stocks recover.

This bill will permit the pers payments—which are essentially calculated as a share of the catch—without jeopardizing the self-employment status of crewmembers. Let me emphasize, Mr. President, that the boat owners believed they complied with the new tax laws and regulations, and in fact they did comply with the law as Congress intended it to be applied to small fishing vessels. The vessel owners paid the crew the amounts the IRS now claims should have been withheld, and the crewmembers, as contractors, were individually responsible for paying taxes due on those payments. To assess these boat owners now would be grossly unfair and will have the effect of sinking the New Bedford fleet.

Those of us trying to remedy this situation have been working for a solution for 7 years. We have appealed to the Treasury Department and the Internal Revenue Service, and introduced legislation that was vetoed twice by President Bush. Today, we are working against the clock as the Court of Appeals will soon hear the vessel owners appeal if this provision of H.R. 3448 is not enacted into law.

Mr. President, this has been a long and difficult struggle to provide relief for the fishing families of New Bedford. I am pleased we are on the cusp of victory. Until the bill is signed by President Clinton, I will continue to fight for these hard-working families in southeastern Massachusetts.

Mr. SPECTER. Mr. President, I am voting in favor of increasing the minimum wage because there has been no increase since 1989 while cost of living adjustments have been provided to others.

I am pleased to note that this bill, the Small Business Job Protection Act of 1996 provides benefits to small business which will offset their higher wage payments. Among important provisions to help small business, the bill as amended includes over $11 billion in tax incentives, such as tax incentives for employer-provided tuition aid, increased expensing limits for small business equipment purchases, pension simplification rules, and extension of expired tax credits for research and development, employment of certain targeted individuals, and the orphan-drug tax credit.

With respect to the minimum wage provisions of this bill, while I have given serious consideration to the provision to exclude businesses with less than $500,000 in annual revenues, I have decided to vote against the Bond amendment because of the provision that delays the increased minimum wage for 6 months regardless of the age of the employee. That would allow too much opportunity for circumventing the law by discharging employees just short of the 6-month period and employing new people.

I am voting against the Kennedy amendment because I believe the provisions of the underlying House bill provide a better balance with the longer waiting period of 90 days before the new minimum wage must be paid compared to only 30 days in the Kennedy amendment and because the House bill provides more equitable treatment for restaurant owners on the tip issue.

In this statement, I am including, at the manager's request, an explanation for my amendment which will help small businesses in their efforts to operate defined benefit pension plans. This amendment will help small businesses in their efforts to comply with new stricter funding rules enacted as a part of the Uruguay Round Agreements Act [GATT]. It gives the Internal Revenue Service [IRS] the authority, under very limited circumstances, to waive the excise tax that is imposed on a company that fails to meet a liquidity requirement mandated under the new law.

By way of background, at least two small Pennsylvania companies, Freedom Forge Corp. of Burnham and Erie Forge Corp. of Erie were not aware of the new liquidity requirements when they became effective less than 1 month after the GATT enabling bill was enacted. The bill had no transition rules that applied to the new liquidity requirements. I am advised that the Pension Benefit Guaranty Corporation, the Federal agency with jurisdiction, called companies proactively to inform them of the new liquidity requirements, but that these two Pennsylvania companies are among the only companies not to receive such counseling. Consequently, these companies were unable to prepare for their new obligations in a timely manner and, I am informed, had to increase their pension plan funding by approximately 1,500 percent.

Once the companies became aware of the new law and the resulting dramatic increase in pension obligations, I understand that they acted as quickly as possible to come into full compliance with the law and remain in compliance today. However, because they did not receive the same warning from the Pension Benefit Guaranty Corporation as other companies did, they are subject to a penalty excise tax for the first quarter in which they were not in compliance with the new law.

Currently, the Internal Revenue Service has no statutory authority to waive the penalty excise taxes that apply in these instances, even where the contribution due the plan was due to reasonable cause and reasonable steps have been taken to remedy the liquidity shortfall. In the absence of a legislative remedy, these companies will be forced to pay penalties to the IRS because they did not immediately comply with a law they had no knowledge of, in spite of their proven best efforts to fund their pension plans once made aware of their new responsibilities under the law. While ignorance of the law generally is not an excuse, I believe, Mr. President, that where the Government actually notified and counseled companies, but not these, it is appropriate that the tax penalty be waived.

Accordingly, my amendment that the distinguished managers of the bill included in their package of amendments would provide authority to the IRS to waive the excise tax in those cases where the shortfall was due to reasonable cause and reasonable steps were taken to remedy the liquidity shortfall. In consulting with the Pension Benefit Guaranty Corporation about this problem and a possible legislative solution, I am advised that the agency said that their primary interest is ensuring that pension plans have adequate funds to pay their benefits. The agency recognizes that some companies had difficulties complying with the new liquidity requirements due to a lack of transition rule. Therefore, I am advised that the agency has no objections to my amendment so long as it requires that reasonable steps have been taken to remedy the shortfall as a condition of the waiver, which my amendment provides.

This change in law will enable Freedom Forge Corp., Erie Forge Corp. and any other company that may find itself in a similar circumstance to be treated with fairness. Without fair pension laws, small companies will be unlikely to undertake this substantial responsibility. As legislators, we should be encouraging small employers to provide a pension plan for their employees, not discouraging them. Therefore, I commend Chairman ROTH for his understanding of pension policy and for including this important amendment in the managers' amendments package.

I thank the Chair and yield the floor.

Mr. HELMS. Mr. President, the Small Business Job Protection Act of 1996 includes two essential and much-needed provisions that I've supported for years. Together, these provisions will extend for 3 years the tax credit for employer provided educational assistance to workers, and it will allow spouses to invest fully in tax-deferred individual retirement accounts even though they are not employed outside of their homes.

Reauthorization of the employer provided education tax credit, codified at section 127 of the IRS Code, will enable American workers to provide for their families in a more substantial way. First authorized in 1978, this provision has helped more than 7 million working Americans to further their education and to acquire additional skills.

Mr. President, earlier this year I introduced Senate Concurrent Resolution 57 to extend this critically needed tax provision. I was gratified and encouraged when this resolution was adopted. Now, it's time for the Senate to act on the commitment expressed in Senate Concurrent Resolution 57 and extend the credit through December 31, 1997.

Mr. President, this Congress approved a reauthorization of this tax credit in the Balanced Budget Act of 1995. Notwithstanding his rhetoric in support of education, the President vetoed the bill, and prevented the extension of this urgently needed education tax credit, while sowing uncertainty among the workers and employers who were understandably relying upon these tax-free benefits.

This uncertainty is particularly acute among workers and employers in areas undergoing sweeping economic changes. In my State of North Carolina, thousands of textile workers have lost their jobs in recent years, while other industries have experienced phenomenal growth. Extension of this credit will help all workers by encouraging employers to provide tax-free education benefits to their employees, thereby benefiting employers by improving worker skills while benefiting their workers by reducing concerns about job security.

Mr. President, perhaps the case for extending this credit was made most eloquently by two distinguished North Carolinians. Representative of employer concerns, Nan Keohane, president of Duke University in Durham, NC, wrote to me saying that:

> We at Duke believe it is important for our employees to achieve their educational goals and to acquire the skills they need to succeed in an increasingly complex society. The ability to exclude education benefits from personal income tax is obviously important to our own employees, and particularly to those who otherwise could not afford the educational costs that the tax on these benefits would require.

Typical of letters from workers who have written to me is one by Jeff Stanley, a fine young man who works for Motorola in Research Triangle Park. Jeff has been working toward a Bachelors Degree in Business Administration at North Carolina Wesleyan College; he is close to completing it. However, his employer-provided education benefits are, he says, "taxed at approximately 40 percent" and that "[t]his extra expense is causing a financial hardship. I would very much like to complete my degree within the next year, but due to the extra expense of the taxation, I may have to delay the completion."

Passage of the Small Business Job Protection Act will ensure that Jeff Stanley can complete his education without those benefits being made subject to a 40-percent tax rate, the effect of which is to discourage pursuit of a life-long education goal. This time, I hope the President will permit this important provision to become law.

Another provision of the bill proposes that spouses may invest fully in an individual retirement account. Current law prohibits these working spouses from investing more than $250 in an IRA. Yet, if the same spouse works outside the home, he or she is able to participate fully in IRA tax-deferred investments—to the tune of $2,000 per year.

The Small Business Job Protection Act eliminates this double-standard and recognizes the value of those who labor in the home. In the process, it will benefit the estimated 18.6 million households with married couples. Many of those households include a parent who chooses to work at home, frequently sacrificing more lucrative careers for the more rewarding job of raising children. It's common sense that the tax code shouldn't discourage these parents from working in the home.

Mr. President, the IRS Code is a testament to the big-spending leviathan known as the Federal Government. In addition to over-taxing American citizens, the Code contains countless irrational provisions which ought to be scrapped. It's too bad that politics caused this bill to be burdened with an unwise increase in the minimum wage; rammed down the throats of countless thousands of small businesses who will have to eliminate untold numbers of entry-level jobs that are so meaningful to young workers today.

UNANIMOUS-CONSENT AGREEMENTS

Mrs. KASSEBAUM. Mr. President, if I may just do some housecleaning for the majority leader.

I ask unanimous consent that immediately following the stacked votes beginning at 12 noon on Wednesday, there be a period for the transaction of morning business not to exceed 1 hour, with 40 minutes of the time under the control of the Democratic leader or his designee, and 20 minutes under the control of Senator THOMAS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. I further ask that at 9 a.m. on Thursday there be a period for the transaction of morning business not to exceed 1 hour, 40 minutes under the control of Senator DASCHLE or his designee, and 20 minutes under the control of Senator COVERDELL.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. I yield the floor, Mr. President.

SMALL BUSINESS JOB PROTECTION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. MOYNIHAN. Mr. President, I am happy to yield 8 minutes to my distinguished friend and fellow member of the Finance Committee, Senator GRAHAM of Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I wish to speak briefly on a provision which I hope will be included in this bill at the time we take our final vote. It is a provision which is of great importance to working parents and their children across America.

For years, one of the major challenges to American families has been how to plan for their children's educational future. This challenge has been exacerbated in recent years due to the continued rising costs of college education.

In response to this challenge, over the past 10 years States have formed innovative partnerships with families. These are typically known as prepaid college tuition plans. These plans, although not structurally identical, share a common purpose. These plans allow parents to pay in advance for a child's tuition at a participating college or university, thereby locking in today's tuition prices, guaranteeing the child's access to a future college education. The State then takes the funds which have been paid by the participant, typically the parent, and invests them in a way that keeps pace with the cost of college education. These programs are designed so that people of moderate means can help their children realize the dream of a college education. For instance, the typical Florida family participating in this program earns approximately $50,000 a year.

These programs are also tailored to maximize flexibility. Families can either purchase a prepaid tuition contract with a lump sum or, if they choose, they can pay the child's education in monthly installments. These plans, therefore, are affordable. For instance, those families who opt to invest on a monthly basis in my State of Florida put aside an average of about $53 a month, roughly the price of cable television service.

This affordability has made prepayment programs enormously successful in Florida and across the Nation. Most importantly, at a time when the next generation will struggle to provide for the financial security of its children, prepaid college programs provide a powerful incentive for families to save, to invest in their futures, to provide for some security when an unexpected tragedy occurs.

Let me share with you an example of such an unexpected tragedy. Mr. and Mrs. Daniel Gilliland enrolled their sons, Sean and Patrick, in the Florida program in 1988, the first year of its existence. Four years later, Sean entered the University of Florida as a freshman in the fall of 1992. In 1994, the father, Daniel Gilliland, died unexpectedly, just as the younger son Patrick was about to go to the University of Florida for his freshman year. The death of Daniel Gilliland was devastating to the family, but because the Gillilands were able to participate in the Florida prepaid college program both children were able to go on with their lives and continue their education. I will quote from a letter from Mrs. Gilliland, which I ask unanimous consent be printed in the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAHAM. She states, "By expecting the unexpected, we were able to give both sons an education at a fine university that would certainly otherwise have been difficult for me as a single parent."

When Daniel died, I silently offered "thanks that we had the foresight and chance to participate in this program."

Today, Sean is a senior at the University of Florida, ready to graduate with a degree in business. Patrick maintains a 3.6 average, while working toward a degree in athletic training.

Mr. President, it is because of success stories like the Gilliland's that the prepaid college programs are flourishing. Twelve States already have operating programs. Those States are those depicted in green on this map. Four States depicted in yellow will begin tuition programs this year, and a dozen more are moving towards enacting prepaid tuition legislation, those depicted in red.

As an example, the Texas prepaid tuition program, which was set up this year, receives 4,000 inquiries a day and enrolled 40,000 participants within the first few weeks of implementing the program.

In Florida, 376,000 families are currently participating in the program; 40,000 participants join each year.

Why, in the face of this great success, are we considering Federal legislation to affect State prepaid tuition plans? The reason is because early this year the taxation of these plans was called into question by the Internal Revenue Service. The IRS contacted six States with operating programs and informed them that the IRS intended to do two things: First, the IRS stated that it would treat the State fund as a taxable corporation rather than a tax-exempt government entity. Obviously, this action would make it difficult for States to meet their obligation to families under the plan. Second, the IRS stated that families should have to pay tax annually on the interest income earned on amounts transferred to the fund.

Mr. President, it just does not make sense to me that an individual who purchases a tuition contract should have to pay tax every year on the earnings on the funds. First, the contributor has surrendered control of his funds. He or she can only get money back if a student dies or should not qualify for college. And then, under most plans, the State refunds only the principal. Second, the contributor does not have access to the funds to pay the tax, since the money contributed to the tuition contract now belongs to the fund itself.

Given the fact that most who contribute to the fund are of modest means, it is a tremendous disincentive to investing in education to make contributors pay tax on interest income for up to 18 years before the child goes to college.

Because we felt so strongly about this issue, a bipartisan group of Senators, including Senators McCONNELL, BREAUX, and SHELBY, decided to do something about it. In discussions with the administration and the Department of Treasury we were able to get the IRS to revisit this issue. I am pleased to report that on June 11 of this year, the IRS issued new rules that will temporarily exempt State tuition plans from interest income taxation. This matter has not been settled. The Department of Treasury has asked for help from Congress, asking us to clarify the tax treatment of these plans. Until we act, the financial future of these plans, along with the education of over a half-million participants nationwide, remains in limbo. This bill will clarify that these State programs are not taxable and that the earnings on the fund will not be taxed until the child goes to college.

Removing the specter of Federal taxation from these plans is particularly appropriate at this time, a time when Congress should be trying to foster innovative programs among the States and encouraging families' efforts to save and invest for their children's future.

I would like to particularly thank Senator ROTH and Senator MOYNIHAN for their support and assistance in including this important provision in the legislation. With enactment of this legislation, parents and children will be able to rest easier, knowing that Congress has done the right thing in protecting their investment and protecting their—and our—Nation's future.

EXHIBIT 1

MRS. DANIEL D. GILLILAND,
Bradenton, FL.

KAREN S. FENTON,
Editor, College Bound, Florida Prepaid College Program, Tallahassee, FL.

DEAR MS. FENTON: I am writing to acknowledge your invitation to share "success stories".

My husband Daniel and I enrolled our two sons Sean and Patrick in the College Program in 1988, I believe the first year this was offered.

Sean entered the University of Florida (Honors Program) in the fall of 1992 a graduate of Manatee High School, Bradenton, Florida.

Daniel died suddenly two years later at age 52, so with Sean then a sophomore, and Patrick about to enter his freshman year also at the University of Florida, I did silently offer thanks that we had the foresight and chance to participate in this program.

By expecting the unexpected, we were able to give both son's an education at a fine university that would certainly otherwise have been difficult for me as a single parent.

Today, Sean has reached his senior year pursuing a degree in business, with an area of specialization in Japanese studies.

Patrick presently in his sophomore year maintains a 3.6 average while working towards a degree in Athletic Training.

Thank you for allowing me to share this brief page from our lives with you and other participants of this college program.

Sincerely,

SALLY A. GILLILAND.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I am sure I can speak for the chairman, Senator ROTH, when I say to Senator GRAHAM of Florida that it is we who are indebted to him for having brought this matter to the committee, set forth the issues with clarity and succinctness, and won unanimous support for obviously an important subject—important not just to Florida but, as the map shows, to States across the Nation.

I see Senator CONRAD has risen. I am happy to yield 8 minutes to him.

The PRESIDING OFFICER. The Senator from New York has 5 minutes remaining at this time.

Mr. MOYNIHAN. I ask unanimous consent if I might use 3 minutes of the leader's time for Senator CONRAD.

The PRESIDING OFFICER. The Senator may do that.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I support the Small Business Job Protection Act of 1996 and urge my colleagues to join me in supporting this legislation. The Senate Finance Committee made a series of bipartisan changes in the bill as it came from the House, led by our chairman and ranking member, the Senator from New York. I want to publicly commend them for the outstanding job they did in improving this legislation. I especially want to single out the ranking member who has, as always, made enormous contributions to this finished product. I think this is a significant improvement over what was sent to the committee.

The bill raises the minimum wage by 90 cents over the next 2 years. I think everybody who has been following this debate understands that. The current minimum wage is at a 40-year low in purchasing power. Maybe I need to repeat that, because I think it is a stunning fact. We are not talking about a 4-year low, we are talking about a 40-year low in terms of its purchasing power.

I brought this chart that shows what the minimum wage has been from 1960 to the end of 1995 in purchasing power. As we can see, the minimum wage has been all over the map over this period of time. Without exception, it has been higher than it is today. It is time to act. It is the right thing to do. It is the fair thing to do.

Over the past 2 years, I and many others have supported welfare reform that encourages adult, able-bodied welfare recipients to work. However, any welfare to workfare reform, to be effective, must be accompanied by a living wage for those who do work. I do not know how anybody can seriously advocate welfare reform as it has been talked about in this Chamber and fail to support a living wage for those who do work. That is fair. That is what we ought to do.

The legislation before us also contains numerous provisions to help small businesses. I come from a State of shopkeepers, farmers, and small manufacturers. My State has many very small businesses. I was just telling a colleague that a cousin of mine ran a small gift shop in my hometown of Bismarck, ND. I know something about that business. I know that it provided a modest income. I am not going to use those figures here because back home people would know exactly who I am talking about and I would be breaking faith with a treasured relative. But I can tell you, I know what happens to small businesses. I used to be the tax commissioner of my State.

I have looked at the books and records of literally hundreds of businesses in my State, and I think I understand very, very clearly the pressure that an increase in the minimum wage puts on small business owners. I have evaluated it very carefully, and think I fully appreciate its effects.

Mr. President, I say to those small business owners in my State who have been strong supporters of mine, it is time now to increase this minimum wage. It is the right thing to do. It is the fair thing to do. I know it is going to mean difficulty for some. I regret that. But I also know there are literally thousands of people in my State who are dependent on this minimum wage to provide for their families' incomes.

Today, that family income, for those who are on the minimum wage, is $8,800 a year. I defy anyone to explain to me how you live on $8,800 a year, even with a very small family, even if it is a single person—$8,800 a year.

To offset the effect on small businesses, we have included many provisions to help small businesses. I am strongly supportive of those provisions. The key provision increases the amount of investment small businesses can expense from the current $17,500 per year to $25,000 per year. That is a tax savings of up to $2,900 a year when it is fully phased in.

Mr. President, these sound like modest amounts. They are modest amounts, but when you talk about the very small businesses in my State, they make a difference. It will be a tremendous help to thousands of small businesses and farmers in North Dakota.

In addition, the legislation contains a series of provisions reforming subchapter S corporations. Again, my

State has hundreds and hundreds of subchapter S corporations. My wife, when she was in the private sector, had a subchapter S corporation. I am very familiar with the operations of those businesses. These changes are long overdue.

I think the business community is going to welcome a key provision that increases the number of allowable stockholders from 35 to 75 and allows S corporations to have subsidiaries.

These and other changes will allow S corporations to grow and invest, creating jobs and a better future for literally millions of Americans.

For working families, the most important changes in the bill provide for simplified pension plans for small businesses. Again, not only will the employees be the beneficiaries, the owners of these businesses will be the beneficiaries. Anybody who has gone through the paperwork required of pension plans for small businesses knows what I am talking about. The rules as currently constituted are a nightmare for small business owners. These provisions are going to improve that circumstance dramatically.

Mr. President, I again salute the ranking member of the Finance Committee, the senior Senator from New York, for the outstanding effort that was made in the Finance Committee to improve these provisions.

The savings incentive match plan for employees [SIMPLE] reduces compliance and reporting requirements for small businesses with 100 or fewer employees. Businesses will be able to offer either IRA's or 401(k) plans.

Mr. President, for families in which one spouse decides to stay at home to care for children, this bill allows for a full IRA contribution of up to $2,000. This will remove the penalty that is in the current code with respect to spouses who are at home.

In this legislation, the Congress recognizes the work of raising children to be productive members of society is just as important—many of us believe more important—than paid work. In fact, it is the most important job of any in our society.

These are dramatic improvements to current law that will allow millions of Americans to provide for their retirement. In doing so, the savings generated will help provide for the investment needed for economic growth and prosperity.

The Senate Finance Committee also provided for the extension of a number of important tax incentives. Specifically, the targeted jobs tax credit is extended and renamed the "work opportunity tax credit." This tax credit provides incentives for businesses to hire difficult-to-place workers.

Second, the research and experimentation tax credit and the orphan drug tax credit are extended. These assure that the private sector is encouraged to develop new technologies and new drugs.

For my State and many others with lignite and low-rank coals, this legislation extends a tax credit incentive to produce and market alternative, environmentally friendly energy products. It will help high-technology energy businesses find investors who are willing to build multimillion dollar plants using new technologies to bring these alternative fuels to market.

In closing, I wish to raise two issues. First, these tax benefits must be paid for. Unfortunately, one of the major sources of the funding is the extension of the airline ticket tax. This tax made sense when airline ticket prices were regulated. Under regulation, prices in small markets served by one or two airlines were basically the same as prices in large, heavily traveled, highly competitive markets. That is no longer true. Deregulation brought higher ticket prices to many rural states and smaller cities. Compounding that inequity, the 10-percent tax places a larger burden for supporting the Federal Aviation Administration on small markets.

That is simply unfair. The airline ticket tax needs a major overhaul. The burden of paying for the FAA should not fall disproportionately on small markets. While this extension of the ticket tax will undoubtedly pass because it is attached to a bill that has so many positive benefits, we need to get about the business of reform before any additional extensions are made. Rural States like North and South Dakota, Montana, and Nebraska as well as small cities in every State will benefit from reform.

We must also begin to develop new approaches to help stabilize the rural economy. Senator HATCH, Senator HARKIN and others have drafted legislation to encourage the development of farmer-owned food-processing cooperatives. While the prices of raw commodities fluctuate wildly from year-to-year depending on the weather, processed-food prices are far more stable. Farmers need to be able to process some of their own production for the market in order to stabilize their incomes. Farmers can do that through farmer-owned cooperatives. I applaud the efforts of Senators HATCH and HARKIN and others. I hope that their legislation can be added to this bill in conference as a way to help bring some economic stability to the highly volatile farm sector.

This small business legislation may be the most important piece of legislation Congress addresses this year. So far, this legislation has enjoyed bipartisan support. I recommend its passage without amendments. That would kill any chance of the legislation becoming law.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I yield 4 minutes of the leader's time to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Mr. President, and I thank the Senator from Kansas for her leadership on this very important issue.

Mr. President, I want to speak specifically about the homemaker IRA part of this bill. The homemaker IRA was put forward 3 years ago by myself and Senator MIKULSKI. It now has 62 cosponsors. This is a matter of simple fairness and equity. I cannot believe that we are standing here today talking about this issue, because if you work outside the home, you can set aside $2,000 a year which accrues tax free for your retirement security. But if you are a homemaker working at home, raising your children, contributing to this country and its stability, you are allowed to set aside $250 a year.

If we can pass the homemaker IRA and allow the homemakers of this country to be equal in their ability to contribute to their retirement security for a one-income-earner couple, the difference will be $188,554 for a 30-year accumulation at $2,000 a year versus $335,000, a difference of $150,000, roughly. That is the difference in retirement security that we can make today if we can pass this very important bill.

The homemaker IRA had also been passed in the Balanced Budget Act last year. It was included. It was vetoed by the President. This is a bill I hope we will be able to see signed by the President. It is very important for the many small business advantages, as well as the homemaker advantages in retirement security. It is very important that we send the bill to the President and that he sign it.

This is a big bill. It is a bill that has a lot in it. It has the minimum wage, we have the Bond amendment, and we have the Kennedy amendment. I am very concerned about the potential of adopting the Kennedy amendment, which is a retroactive minimum wage increase and the fact that that could kill the homemaker IRA bill, because I cannot vote for a retroactive increase in wages that someone who is now in the middle of the summer, who might have an inn or a restaurant and has set prices according to what the wage scale is to all of a sudden wake up and find that the costs are 20-percent higher.

I cannot vote for that. I think it is wrong. So I hope that we will be able to pass this bill in a responsible way with some exceptions for small business to give them the ability to continue to compete because they do not have the advantages of the efficiencies of a large business.

I hope that we will be able to pass the Bond amendment which will have a minimum wage increase but one that can be provided and planned for, one that will have some small business exemptions so that they will still be able to compete.

I hope we can put together a package that will be signed by the President that will be bipartisan, that will have the Bond amendment protections of our small business people as we are also protecting the homemakers and the people who are not now allowed to set aside $2,000 a year for their retirement security but could if they worked outside the home.

I commend Senator KASSEBAUM and Senator MIKULSKI who have been working on homemaker IRA's for 3 years and the many cosponsors that we have for that bill. I hope that we can put together a bill that will not kill the small businesses of our country, and at the same time that we can help the homemakers who are contributing to the stability of our country every day and do not have the same advantages of retirement security that those who work outside the home do. Thank you, Mr. President.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I commend Senator HUTCHISON and Senator MIKULSKI for the leadership they have provided on the homemaker IRA's. I am pleased to have been a cosponsor, along with a number of others. I think it is a very beneficial aspect of the Finance Committee legislation that is before us. Senator HUTCHISON and Senator MIKULSKI have fought some valiant battles to bring this to the public's attention, particularly to the attention of the Congress.

I now will yield the remaining time on the bill to the senior Senator from Missouri, Mr. BOND.

The PRESIDING OFFICER. The senior Senator from Missouri is recognized.

Mr. BOND. I thank the Chair. Might I inquire how much time is available?

The PRESIDING OFFICER. There are 13 minutes 35 seconds remaining.

Mr. BOND. I thank the Chair.

Mrs. KASSEBAUM. Mr. President, I say to my colleague, there are a few minutes more of leader's time if the Senator from Missouri feels he needs a few extra minutes.

Mr. BOND. I thank the distinguished Chair of the Labor Committee.

Mr. President, I rise today to talk about the provisions in my amendment and to give some background to my colleagues on why this amendment is important. I think by now everybody knows it would allow small businesses, the smallest of the small, grossing less than $500,000, the opportunity to continue to pay the minimum wage at $4.25. Businesses grossing above $500,000 would begin paying $4.75 on January 1, 1997, and $5.15 on January 1, 1998.

Without this provision, this would be a retroactive minimum wage increase. As the Senator from Texas has already pointed out, it means that businesses who have laid out their plans, issued price lists, or bid on contracts will find that somebody is going around and reaching into their pockets and pulling out money that might not be there. Without the delayed effective date, it is possible that small businesses or a business of any size might find themselves working under existing arrangements, contracts, price lists, for a loss if we do the unheard of step of imposing a retroactive minimum wage. That alone, I think, mandates the passage of this amendment.

In addition, we provide a training wage. A training wage is important not only to get teenagers and young people into work, but to get people coming off of welfare into a job, getting them started in the habits that make a job a productive commitment and teach the skills that are needed to hold a job.

The most important part of this amendment, however, is the small business exemption. Why do we set out the exemption for the smallest of the small businesses? Mr. President, as chairman of the Small Business Committee, I have had the opportunity to talk with and, most importantly, to listen to many small businesses around this country.

It is obvious to me that my colleagues, who are talking about how it is no problem for small businesses to have a 20-percent increase in what they pay minimum wage workers, have not been listening to the small businesses. They do not know what burdens they are under. These people who are getting started, they have an idea. They are willing to take a risk. They are willing to take it all on their own shoulders. They may work out of their house. They put their savings into their ideas. Most of them work far more than a 40-hour work week. They are just getting started—they are just getting started. If they become successful, like a Microsoft, as soon as they hit $500,000 annual gross revenue, then the minimum wage goes up to the full amount provided in this bill.

Who does this affect? Well, Mr. President, among the people it affects are the National Association of Women Business Owners, NAWBO. This business organization has pointed out that between 1987 and 1996 the growth of women-owned firms continued to outpace the overall growth of business by nearly 2 to 1 and revenues generated by women-owned enterprises by more than triple. Almost 8 million women-owned businesses exist in the United States, and many of those, as we have heard in testimony before our committee, are very small businesses just getting started. If they are getting started, if they are making a success, we do not want to penalize them and their workers by imposing on those smallest of the small businesses a burden that they cannot handle.

These are Main Street businesses, mom and pop, and in many instances a mom operation, working out of their garage, working out of their basement, with 3 to 4 to 5 to 10 employees. This kind of increase in the minimum wage is a 20-percent increase in their payroll costs for those minimum wage workers. That is a real problem. That is why the Administrator of the Small Business Administration under President Clinton, Phil Lader, back on March 2, 1995, wrote to Secretary Reich, the Secretary of Labor, saying, "On balance, however, I believe that a tiered system"—a lower minimum wage for the smallest businesses— "would serve two public policy objectives: promoting small businesses and preserving jobs."

It is obvious that since then the ear to small business has lost out in this administration. Organized labor and the Secretary of "organized" Labor have had their way. The Small Business Administration is now saying they no longer support that. But when he was speaking as a person who listens to small business, he said very clearly we need a two-tiered system.

President Clinton has announced, as most of you have heard, that exempting the smallest of the small businesses is a poison pill. I frankly think that shows how little he understands how tight margins these smallest of the small businesses work on. He has promised to veto the legislation for that and a host of other provisions. I have to say that I am very surprised and disappointed about the President's characterization because the small business exemption has traditionally had broad bipartisan support in this body.

Special minimum wage provisions for small businesses are not a new concept. The Fair Labor Standards Act has contained small business exemptions for well over 30 years. When the minimum wage was increased in 1989, Congress made several changes designed to expand small business protections. Congress eliminated the exemption from minimum wage and overtime provisions for retail and service establishments grossing under $362,500 and replaced it with a $500,000 threshold for all types of businesses.

Unfortunately, the 1989 amendments did not provide a true exemption. People did not realize at the time they did not provide the exemption and actually expanded coverage of small businesses because Congress failed to amend the portion of the minimum wage provision that covered individual employees. As a result, all employees engaged in commerce are covered by the minimum wage provision regardless of the revenue of their employers, despite the fact that this Congress, people on both sides of the aisle, thought they were giving the small business exemption.

I was stunned to hear Senator KENNEDY call this amendment cynical, devious, and shameful. What a difference an election year makes, Mr. President. It is obvious to me from reading the numerous floor statements made in 1989 that Congress thought it was protecting small businesses grossing under $500,000 from the Federal minimum wage and overtime provisions.

For example, Senator KENNEDY explained on the Senate floor that the Labor Committee:

> really bent over in our committee to try to consider the impact of the increase of the minimum wage on small business. That is why, when we initially considered the $4.65 minimum wage, we increased the threshold exemption for small business from $362,000 to $500,000 . . . we have been responsive, we believe, to the concerns of the small business community.'

Those are Senator KENNEDY's own words. I ask, was that statement cynical, devious, and shameful? If not, what are the statements today?

A number of other people have come to the floor. I saw my good friend from North Dakota speak just a few moments ago on the minimum wage. April 11, 1989, he said on the floor,

> The expanded enterprise test will do much to blunt the effect of increasing the minimum wage on small businesses. It is something the administration rightly sought, and I am glad it has been included in both the committee-reported bill and the compromise.

Senator BINGAMAN, during the 1989 minimum wage debates, on November 7, 1989:

> This legislation also includes an increase in the exemption for small businesses from $362,500 to $500,000. This increase helps alleviate some of the concerns expressed by small businesses throughout the Nation.

Mr. President, those concerns are still there, and even more so, particularly when small business found that the 1989 amendments were not responsive to the concerns of small business because what was billed as a change exempting more businesses, actually resulted in broader coverage, since the businesses grossing under $362,500 lost their exemption.

Mr. President, this amendment is more modest than what Congress intended in 1989 because no small business with employees engaged in commerce would be completely exempted from the Federal minimum wage and overtime provisions would not be impacted.

My colleague from Arkansas and the ranking member of the Small Business Committee, Senator BUMPERS, introduced in 1991 a bill that would have corrected the problems caused by the 1989 amendments. If enacted, the Bumpers legislation would have provided an exemption from minimum wage and overtime provisions for retail and service establishments grossing under $362,500. All other small businesses grossing under $500,000 would have been exempted from the 1989 increase. In essence, a three-tiered system, no minimum wage below $362,500, the existing minimum wage up to $500,000, and the increase above. That bill had 48 cosponsors, 26 Republicans and 22 Democrats—Twelve of those Democrats are still in the Senate. I call on them to support a concept less far reaching than what they introduced and sponsored as a bill in 1989.

When Senator BUMPERS introduced his bill on February 5, 1991, he said,

> The clear intention was to protect the jobs of those who work in the smallest companies from the backlash of a higher Federal wage. However, the small business exemption has inadvertently been rendered useless because of a subsequent conforming amendment * * *

Later on he says,

> We have, without intending to do so, given small businesses an exemption which is meaningless and which has added to their problems.

Congressional Quarterly, doing a story on June 8, 1996, quoted Senator BUMPERS as saying,

> I've been a small businessman with less than $500,000 in sales and I know this thing could be pretty detrimental.

Senator KERREY, reacting to a statement that Democrats in the House said the proposal would lead to the creation of a new class of exploited workers said, "If they were good Democrats, they were," referring to demagoging the issue.

Senator PRYOR, on February 5, speaking in support of the Bumpers bill said,

> While these rates—talking then of a minimum wage increase from $3.80 to $4.25—While these rates may not seem high, to a mom and pop enterprise operating on a razor thin profit margin, it could be the final wave that takes them under.

This seemingly innocuous omission in wording has in effect precluded almost all small businesses from qualifying for the exemption Congress obviously intended. If any of my colleagues have any doubt about congressional intent, all they have to do is go back and read the RECORD during the debate. Both proponents and opponents laud the small business exemption.

Now, Mr. President, my amendment does not go as far as the proposal made by Senator BUMPERS in 1991. Unlike the Bumpers amendment, there is no complete exemption from any business from the Federal minimum wage. The amendment does not affect the FLSA overtime provisions. The amendment simply maintains the status quo for America's small business by allowing them to continue to pay $4.25.

Mr. President, I see I am probably approaching the end of my time, and I ask for 5 minutes of the leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, what we have today is an opportunity to correct this mistake made in 1989 by enacting legislation that reflects both Congress intent in 1989 and the Bumpers legislation that had such broad bipartisan support in 1991. This amendment does not go as far as what was intended in 1989 by a Democrat Congress and a Republican President and supported in 1991 by a bipartisan group of Senators. Twelve of the twenty-two Democrats who cosponsored Senator BUMPERS' bill in 1991 are still in the Senate. I call on them today to maintain their earlier position so we can pass this amendment that is so important to America's small business.

Let me focus just a minute on a couple of things that had been stated in the media that this amendment does and does not do. Some statements have been made that the amendment provides a complete exemption from any minimum wage. I have stated that is simply not true. For those exempted, it keeps the minimum wage at $4.25.

President Clinton talked about the amendment causing employees of small businesses to be ineligible for an increase in their wages and locked in to the current minimum wage. Who do we think provides wages in this country? Is it Congress in its largess? No; it is the people who have committed their time, resources, energy, and their capital to providing the best jobs they can and the products and services that the marketplace will take. Anybody who understands a market economy knows that everyone in America is eligible for a raise.

The minimum wage is a floor, not a ceiling, and nothing in our capital system or nothing in my amendment sets an upper limit on how much a worker can earn. The purpose of the small business amendment is, in fact, to make sure that America's workers continue to have the opportunity to enter into the small business work force and earn raises in the future.

I also ought to address the statements that have been made on this floor totally, I think, without justification, that some 10.5 million workers would be covered by this minimum wage exemption. That simply is out of whole cloth. There are 10.5 million workers who are employed by businesses grossing under $500,000, but this amendment does not affect nearly that many. There are 11 States that have higher minimum wages. Those workers would not be affected. It takes it down to 8.8 million. How many of those actually work at minimum wage? We do not have the accurate figures, but the Small Business Administration's advocacy counsel said approximately 10 percent of the workers in small business earn the minimum wage. So we are talking roughly 10 percent of 8 million to 9 million people, or 800,000 to 900,000 people.

Phil Lader, the Administrator of the SBA, agrees with me—has agreed with me in the past before he got his arms twisted—that the small business exemption is a good policy because it impacts a small number of employees while ensuring that firms at the margin will not be forced to cut jobs or not grow. In the letter I cited earlier from Mr. Lader to the Secretary of Labor, he said, "an exemption for the smallest of small businesses makes sense." Mr. Lader went on to state that:

> An exemption allowing the minimum wage to stay at its present level for firms would be a way of crediting the smallest employers for costs they incur: (1) by employing young workers in their first jobs; (2) by providing general skills training to workers; (3) by hiring a large fraction of part time, seasonal and contingent workers, and (4) by bearing the cost of turnover associated with minimum wage jobs.

Mr. Lader also pointed out that:

> By maintaining the status quo, the smallest of small businesses will be able to continue to provide jobs to the marginally employable, an important public policy goal during a time of near-full employment.

Mr. Lader concludes by saying he believes that:

> rather than penalize workers in small firms, maintaining the present minimum wage would enable these small employers to sustain present employment levels without imposing the need to make difficult choices to preserve profitability.

I agree with that position. I think that comes from a good understanding of what small businesses have been saying. I am sorry that he has not been able to maintain that position because the policy of the White House has changed.

If you listen to small businesses, as members of the Small Business Committee have, as I have done, and as the Small Business Administration has done, you will know that small businesses, while they have difficult battles in the marketplace, fear nothing more than the heavy hand of the Federal Government—in this case the mom and pop or the mom operation with 5 and 10 employees getting a 20-percent increase in minimum wage mandated by the Federal Government which could force them to lay off 20 percent of their workers. That is one out of five, two out of 10, four out of 20.

People have called this cruel to say they can be exempt. Mr. President, I think it is far crueler to throw these people out of work by saying to small business that we cannot allow you to continue to pay $4.25 an hour and make a profit on the business that you have undertaken.

Small businesses under 500,000 deserve an exemption. On a bipartisan basis Congress in the past thought they were giving them that exemption. It is time to make good on the promises made by the statements from our distinguished colleagues on the other side of the aisle, as well as this body.

Mr. Lader and I both believe that an exemption for the smallest of small businesses makes sense because it saves jobs. Unlike a corporation that can pass increased labor costs on to the consumer, the small, local grocery store or florist or hardware store doesn't have that option and the owner is who is dealing with a 5-percent profit margin is not taking home much money himself.

Mr. Lader's point about providing jobs to the marginally employable is even more important today than it was 1-year ago when the letter was written. The Department of Labor just announced that unemployment is at a 6-year low. As Federal and State governments try to maintain this level of employment and struggle to reform our present welfare system, it is vital that we be able to rely on small businesses to continue to provide jobs. I think that we should take Mr. Lader's advice and allow these small businesses to remain at the current minimum wage so that two important public policy goals Mr. Lader mentions—promoting small businesses and preserving jobs—can be met.

My amendment also contains several provisions that have already passed the House. The first two provisions were noncontroversial on the House sides and I believe that the same will hold true on this side. First, the amendment clarifies that employees do not have to be paid for time spent driving to and from work in company vehicles. Second, the overtime exemption for computer professionals making over $27.63 per hour is maintained.

My amendment also contains the same tip credit provision that passed the House. Tipped employees would continue to be paid at least $2.13 per hour by their employers and would also earn tips. If the cash wage of $2.13 and the tips did not add up to the Federal minimum wage, then the employer would make up the difference. Thus, tipped employees, like all other employees, would earn at least the Federal minimum wage.

My amendment contains an opportunity wage that would allow employers to pay first-time employees $4.25 for 180 consecutive days. This provision is designed to get unskilled people into the job market where they can develop the good work habits that make advancement possible. My amendment expands on the 90-day time period in the House bill because employers are more likely to hire unskilled workers that they have sufficient time to train. Unlike the House provision, my amendment does not include an age limit because unskilled workers of all ages much be permitted to enter the work force more easily.

As my distinguished colleague, Senator CHAFEE, pointed out on the floor recently, Senators from both sides of the aisle are demanding that people get off of welfare and work and we must provide some incentive to employers for hiring unskilled workers. These people will be working at this first jobs and will be provided with the skills they need to advance and earn more.

Mr. KENNEDY said recently that the "downsized, laid-off workers in a time of high unemployment" will be hurt the most by the opportunity wage. I would point again to the figures released recently by the Department of Labor that show that unemployment has fallen to 5.3 percent, the lowest level in 6 years, and that wages are up to $11.82 per hour on average. President Clinton hailed the numbers as showing that "wages for American workers are finally on the rise again. These figures indicate that the laid-off steelworker and the officeworker with 30 years of experience that Senator KENNEDY spoke of are not going to be earning the opportunity wage. Instead, the opportunity wage is going to allow access to the job market for unskilled workers with little or no job experience, workers who otherwise would not have been hired at all.

My amendment delays the implementation of the minimum wage increase until January 1, 1997. This delay will help small businesses adjust and minimize job loss. This is particularly true for small retailers that hire more workers during the holiday season. A delay is also important for employers that have committed to hiring teenagers for summer jobs. As Federal funding for summer youth job programs dries up, we must support private efforts.

America's small businesses have been extremely successful and have created the vast majority of new jobs in the last decade. If we want this level of growth to continue, and if we want to give America's workers the opportunity to get in on the ground floor of some of today's most profitable businesses, we must protect these businesses from Federal mandates. I urge you to support my amendment so that the opportunities available in America's small businesses continue grow.

UNANIMOUS-CONSENT AGREEMENT

Mr. BOND. Mr. President, I now ask unanimous consent that, notwithstanding the previous order, at 2:15 p.m. today the Democratic leader be permitted to make a statement utilizing his leader time to be followed by the recognition of the majority leader to make closing remarks on H.R. 3448, also using leader time; further, that immediately following those remarks the Senate then proceed to the previously ordered votes with the first vote limited to the standard 15 minutes and all additional stacked votes reduced to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate at 12:53 p.m. recessed until the hour of 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

SMALL BUSINESS JOB PROTECTION ACT OF 1996

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous agreement, the minority leader is recognized.

Mr. DASCHLE. Mr. President, I ask unanimous consent to use just 2 minutes of my leader time prior to the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, we are about to cast some very important votes this afternoon. I believe it is fair to say the American people are going to be watching very carefully. These are the ones they understand all too well. Many have not had a raise in 5 years. They have not seen an increase in the minimum wage more than once in the last 15. Many of them now have lost ground.

The question before us is very simple: Should 13 million Americans get a raise? It should not matter where you work or how long you have been working. Anyone who works 40 hours a week should not have to live in poverty.

We have all made our speeches as passionately as we know how about the need to improve our welfare system. There is no better way to get people off welfare than to give them a job that pays something beyond a minimum wage, so that they are not relegated to poverty for the rest of their lives. We have all talked about how pro-family we are. Nothing could be more profamily than to ensure parents have a working wage, that instead of working two or three jobs, they can work one and tend to their children at those times when otherwise they would have to work.

So the choice is very clear. Either we vote for this increase or sentence millions of workers to even more poverty and family troubles than they are experiencing right now.

No one should be confused about the amendments. The Bond amendment guts the minimum wage bill. As the National Retail Federation said, this is the best chance to defeat the minimum wage bill. The Kennedy amendment will strengthen it.

We have a chance to do something positive today. We should do it in a bipartisan way. We have done it before and passed votes on the minimum wage in this Chamber. The House of Representatives did it just 6 weeks ago. We can do it, too, this afternoon. Let us vote to give millions of Americans the raise they deserve.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the majority leader is recognized.

Mr. LOTT. Mr. President, I yield 2 minutes to the distinguished chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware.

MODIFICATION OF AMENDMENT NO. 4436

Mr. ROTH. Mr. President, I send to the desk a modification to the managers' amendment that has been cleared by the two managers and the two leaders.

The PRESIDING OFFICER. Under the previous order, the Senator has the right to modify the underlying amendment.

The modification is as follows:

On page 26, between lines 6 and 7, insert:

SEC. 1467. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b), as added by section 1444(a), is amended—

(1) by inserting "or a multiemployer plan (as defined in section 414(f)" after "section 414(d))", and

(2) by inserting "AND MULTIEMPLOYER" after "GOVERNMENTAL" in the heading thereof.

(b) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Subparagraph (I) of section 415(b)(2), as added by section 1444(c), is amended—

(1) by inserting "or a multiemployer plan (as defined in section 414(f))" after "section 414(d))" in clause (i) thereof,

(2) by inserting "or multiemployer" after "governmental" in clause (ii) thereof, and

(3) by inserting "AND MULTIEMPLOYER" after "GOVERNMENTAL" in the heading thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1996.

SEC. 1468. PAYMENT OF LUMP-SUM CREDIT FOR FORMER SPOUSES OF FEDERAL EMPLOYEES.

(a) IN GENERAL.—Title 5, United States Code, is amended—

(1) in section 8342(c) by striking "Lump-sum" and inserting "Except as provided in section 8345(j), lump-sum";

(2) in section 8345(j)—

(A) in paragraph (1) by inserting after "that individual" the following: ", or be made under section 8342 (d) through (f) to an individual entitled under section 8342(c),"; and

(B) by adding at the end the following:

"(4) Any payment under this subsection to a person bars recovery by any other person.";

(3) in section 8424(d) by striking "Lump-sum" and inserting "Except as provided in section 8467(a), lump-sum"; and

(4) in section 8467—

(A) in subsection (a) by inserting after "that individual" the following: ", or be made under section 8424 (e) through (g) to an individual entitled under section 8424(d),"; and

(B) by adding at the end the following:

"(d) Any payment under this section to a person bars recovery by any other person.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any death occurring after the 90th day after the date of the enactment of this Act.

On page 26, line 7, strike "1467" and insert "1469".

Mr. ROTH. This modification includes two provisions. First, multiemployer pension plans are exempted from the Tax Code pension benefit limits and, second, employee contributions to the Federal Government retirement funds would be subject to the judgment of a divorce court in the same way annuity and survivor benefits are subject to such orders.

I yield back the remainder of my time.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, it has taken a long time for the Senate to finally come to the point where we are today. It has been delayed for weeks—actually, I guess, months—so I do wish to thank the distinguished Democratic leader for his cooperation in setting up this process that we begin voting on today.

I also especially thank the chairman of the Finance Committee and the ranking member of the Finance Committee. They did a very good job in the committee on the small business relief package. It was passed unanimously, I believe. We now have a leaders'-managers' amendment that will further improve it, and I think that is a very significant part of this legislation. I commend them for the work they have done.

I remind my colleagues today that we need to remember that small businesses play a crucial, in fact, probably the most important, role in the creation of new jobs in this country. More than 75 percent of all new employment opportunities in America occur in small businesses. They account for over 50 percent of all sales and produce 55 percent of our gross domestic product.

In that context, I have always been reluctant to vote for any measure which would restrict the formation and expansion of small business.

It is all too easy for Congress to promise benefits—like the increase of minimum wage—and to look the other way when our legislative mandate destroys jobs instead of creating them, and prevents willing workers from climbing up the opportunity ladder.

That is why I strongly support what was reported out of the Finance Committee with this small business tax relief, and why I also support very aggressively the amendment offered by Senator BOND. If we are going to impose a higher minimum wage and thereby limit job creation and economic opportunity, the least we can do is to offer some support, some buffer for small businesses to be protected from the worst effects of our good intentions.

So the Bond amendment is the responsible thing to do. It is a modest amendment, despite all the rhetoric directed against it. It would exempt from the higher minimum wage those small businesses which gross less than $500,000 a year.

I believe this has had bipartisan support in the past. In fact, President Clinton's own Administrator of the Small Business Administration endorsed this concept as recently as 1995. And not so long ago, Senator BUMPERS proposed an even broader exemption that had the support of 12 Democratic Senators who still serve here today. The Bond amendment also has a training wage. If we do not have a training wage for entry level people, First, they may not get a job or, second, if they have a job they run the risk of losing it. There is something worse than low wages and that is no wages. This helps to address that, providing entry-level training wage assistance.

There are several other very good features in this legislation for small businesses, though, beyond the Bond amendment. It increases to $25,000 the amount small businesses can write off for their purchase of equipment. It makes important changes to the tax rules concerning independent contractors, to reduce IRS harassment of those workers and of the businesses that contract for their services. It also extends several important tax provisions that have expired, including the exclusion from income for employer-provided educational assistance and the tax credit for research and development expenses.

The bill and the managers' amendment contain pension simplification measures that will expand pension coverage and eliminate much of the redtape that often deters employers from offering pension plans. The bill creates a new form of pension plan for small businesses, rightly called the SIMPLE Act, crafted to address the concerns of the men and women in the small businesses all across this country.

Equally important, finally, after talking about it for years, we are going to allow a full IRA deduction for the spousal IRA. The spouse who works inside the home now can only deduct $200 for her IRA instead of the regular $2,000. We should absolutely do this. At long last, the spouses would be treated the same as others.

There are other good provisions in this legislation. I endorse particularly the small business relief package. I urge my colleagues to support that. I urge my colleagues to vote against the Kennedy amendment.

There is a minimum wage increase in the Bond amendment, and the basic package, which is the House-passed package, has the minimum wage increase in it. When you couple that minimum wage increase with these small business tax reliefs and the small business exemption, then you have a package that really provides increased wages and protection from job loss. I urge my colleagues to vote for the Bond amendment, against the Kennedy amendment, and I yield the floor.

VOTE ON AMENDMENT NO. 4272

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the Bond amendment, No. 4272. The yeas and nays have not been ordered.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Maine [Mr. COHEN] are necessarily absent.

I further announce that if present and voting, the Senator from Maine [Mr. COHEN] would vote "yea."

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—46

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Coverdell
Craig
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—52

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
D'Amato
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

NOT VOTING—2

Cochran
Cohen

The amendment (No. 4272) was rejected.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 4435

The VICE PRESIDENT. The question recurs on the Kennedy amendment.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the Kennedy amendment No. 4435. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Maine [Mr. COHEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Maine [Mr. COHEN] would vote "nay."

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
D'Amato
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Harkin
Heflin
Hollings
Inouye
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—52

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Coverdell
Craig
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Cochran
Cohen

The amendment (No. 4435) was rejected.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 4436, AS MODIFIED

The VICE PRESIDENT. The question is on agreeing to the Roth amendment.

Mr. SIMON. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Maine [Mr. COHEN] are necessarily absent.

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—96

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Campbell
Chafee
Coats
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—2

Byrd
Simon

NOT VOTING—2

Cochran
Cohen

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Under the previous order, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have not been ordered.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Maine [Mr. COHEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Maine [Mr. COHEN] would vote "yea."

The result was announced—yeas 74, nays 24, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—74

Abraham
Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Snowe
Specter
Stevens
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—24

Ashcroft
Bennett
Bond
Brown
Burns
Coats
Coverdell
Craig
Faircloth
Frahm
Gramm
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
Nickles
Smith
Thomas

NOT VOTING—2

Cochran
Cohen

The bill (H.R. 3448), as amended, was passed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Delaware.

Mr. ROTH. Mr. President, first of all, I want to express my appreciation to the distinguished senior Senator from New York for contributions he has made in bringing this tax legislation to a successful conclusion. I can say in all honesty, it would not have happened without his wise counsel, his advice and willingness to work across the aisle. I greatly appreciate it.

I also wish to express my appreciation to the many staff people who worked so hard to bring this legislation to the Senate floor. While many of us were back home, perhaps working hard there in local offices, or celebrating our Nation's birthday, we had many, many staff members from Senator MOYNIHAN's office, the staff of the two leaders, as well as mine, dedicating long hours to trying to bring this legislation that we have just voted on to conclusion.

I would like to especially mention Lindy Paull, Frank Polk, Mark Prater, Rosemary Becchi, Sam Olchyk, Doug Fisher, Lori Peterson, Brig Gulya, Tom Roesser, as well as Mark Patterson, Jon Talisman, Patti McClanahan, and Maury Passman for their excellent work.

For the managers' amendment, I would like to express my thanks to Annette Guarisco and Susan Connell, of Senator LOTT's office.

From Senator DASCHLE's office: Larry Stein, Alexandra Deane Thorton, Glenn Ivey, Leslie Kramerich.

Again, I thank Senator MOYNIHAN and his very excellent staff for their help and cooperation.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to reciprocate and thank Mark Patterson and making a doubly reference to Lindy Paull.

This was the first major tax bill that our distinguished chairman has reported out of his committee and to the floor. I think it is a tribute to the way he has handled this matter, and it reflects his career in the Senate, that the bill passed by a 3-to-1 margin, 74 to 24. There will be no discussion of vetoes anywhere else in town. We will now appoint conferees.

I would like to say from our side that we look to the leadership of the chairman in conference. I am sure we will insist on our measures, and I expect to come back wholly pleased and honored by the association and more than pleased with the outcome.

Mr. KENNEDY. Mr. President, the vote earlier on the minimum wage was a resounding victory for the minimum wage, and a convincing repudiation of a cynical attempt to kill the bill. The Senate rose to the occasion to have the minimum wage. President Clinton can sign this bill with pride.

Enough is enough is enough. It has been a long time since Congress acted to make the minimum wage a living wage. Along with Social Security and Medicare, the minimum wage is one of the three most successful social programs ever enacted. In this context we have protected Social Security, we have protected Medicare, and today we are protecting the minimum wage.

Today's vote means that millions of Americans will soon receive the long overdue increase they deserve in the minimum wage. Today's vote means that a solid majority of the Senate has kept the faith with the fundamental principle of the minimum wage. No one who works for a living should have to live in poverty.

Today's vote means that minimum wage workers are no longer the invisible Americans. We see them every day—the child care workers who care for children, the health care aides who care for patients in hospitals, and senior citizens in nursing homes, teachers' aides who labor in the classroom to educate their pupils, and the millions of other Americans who work hard days and long hours to make America work. Their work is indispensable to our country. And today the Senate gave them a helping hand.

The minimum wage has not gone up in 5 years. We all know that the gap between the rich and poor is widening in America. The economy may be doing well. But the benefits are flowing primarily to those at the top.

Corporate downsizing and layoffs may not affect the wealthy, but the vast majority of Americans are being left out and left behind, and those at the bottom of the ladder are being left farther behind.

They need our help, and today they received it.

TEAMWORK FOR EMPLOYEES AND MANAGEMENT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 295, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 295) to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senate is now considering S. 295. Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I am going to speak for a moment about the full bill, the Teamwork for Employees and Management Act, which has been called the TEAM Act, and why I think this is an important piece of legislation.

It is important because it improves the quality of life for workers on the job as well as the quality and productivity of American firms competing in the global marketplace. We are in a new era, Mr. President, and because of global competition I think we need to look at new and innovative ways in which we can encourage a cooperative spirit in the workplace. This is why I think this legislation is important and why I hope my colleagues will support this with a strong vote.

The Senate has already spent a considerable period of time debating the TEAM Act. As I stated earlier in that debate, it responds to a series of decisions by the National Labor Relations Board that cast doubt on the legality of employee involvement programs, particularly in nonunion settings.

For instance, just last December, the board invalidated an employee involvement program in my own State of Kansas. A committee of workers and managers at Dillon's stores in Wichita, Newton, and Wellington, KS, met quarterly to discuss workplace issues and minutes of the meetings were then distributed to all employees. Employee representatives served voluntarily on the committee for 1-year terms and were elected by secret ballot.

Over the course of 7 years, the committee discussed such issues as whether the company would begin providing day care services for workers; whether Dillon's stores would begin providing a gym for workers to exercise in; whether better lifting equipment could be used for stocking shelves; whether the no-smoking lounge could be better maintained and a total no-smoking policy be implemented; and whether safety goggles could be provided for bakery employees.

These commonsense suggestions, Mr. President, are precisely the type of contributions that we need to promote. It is the type of discussions regarding the environment that both employees and employers are involved in that I think just make good sense for us today. There is nothing devious about this. This is not an attempt to try to diminish the unions. These are, however, issues that are of importance to every employee, and they are issues which the employers should care about as well.

Supervisors might not be focused on day care or new ways to stock shelves or the need for safety goggles, but these are the issues of concern for workers. Regrettably, the National Labor Relations Board said that discussing these issues in worker management committees violated Federal labor law.

Mr. President, I continue to be surprised by the level of opposition that some Members of the Senate express toward employee involvement. Quite simply, the TEAM Act removes the barriers in Federal labor law that prevent workers and supervisors from meeting in committees to discuss workplace issues.

I thought I might take a moment just to read the language of the TEAM Act, since I think it is very straightforward. The bill states that it shall not be illegal for an employer:

> * * * to establish, assist, maintain or participate in any organization or entity of any kind, in which employees participate to address matters of mutual interest (including issues of quality, productivity and efficiency) and which does not have, claim or seek authority to negotiate or enter into collective bargaining agreements under this Act with the employer or to amend existing collective bargaining agreements between the employer and any labor organization.

This language is clear. It says that Federal labor law will not prevent supervisors and workers from discussing matters of mutual interest. I do not think we need to fear these type of discussions in the workplace. If so, we have already created a hostile environment—one that is full of dissension, potentially, among employees and between employees and employers.

Some opponents of the TEAM Act suggest that workers will be exploited if the TEAM Act becomes law. But I fail to see why these discussions about workplace issues exploit workers.

The law seems to be clear that employers in nonunion companies unilaterally can address workplace issues. For instance, in the Dillon's stores that I mentioned a few moments ago, the company could decide on its own to provide safety goggles, to begin day care or to expand a no-smoking policy, but the management probably did not know these issues were important for workers.

That is not to say employers should not have known that these issues were important, but as we have seen all too often over the years there is a lack of communication that many of us think often takes place between employers and employees. This legislation is simply designed to encourage communication, and to make sure that there is an understanding that they will not be in violation of the National Labor Relations Act.

Under the TEAM Act, workers retain the right at any time to select a union to represent them, and firms must recognize and bargain with the union once workers choose that representation. The TEAM Act is clear that employee teams may not "have, claim or seek authority to negotiate or enter into collective bargaining agreements."

This legislation is not a camel's nose under the tent. This is not an effort to have a sham type of union. All these have been accusations that have been made that clearly are not true nor were ever the aim of this legislation.

In the 1930's, employers did create company unions to compete with independent unions that workers chose. The employer would then refuse to bargain with the independent union in favor of the company union.

Significantly, this practice would be patently illegal under the TEAM Act. Once the workers seek the union the employer must recognize the union as the employee representative. Employers may not use teams to bypass an independent union.

I have an amendment to be offered later that will make crystal clear that the TEAM Act does not apply once workers have selected union representation.

I have an additional point that I would like to make regarding employee exploitation. During our hearings in the Labor Committee, we heard from workers who participate in employee teams. I think that all the Senators who heard the Labor and Human Resources Committee hearings were impressed with the workers. They are the ones who enjoy teamwork. They are the ones whose ideas are implemented. They are also the ones whose economic future is at stake.

As Ms. Molly Dalman, a team member from Donnelly Corp. in Michigan testified:

> Our goal is to keep each other informed, to produce a high-quality product in the most efficient manner. This helps us to be competitive in the market * * *. I know my job, what I need to do, and how to do it, better than my team leader or any engineer. Therefore, I need to feel as if I have some control in my work area, and by working in teams, I have that control.

This is part of the hearing record. It exemplifies what many workers have said to us regarding their relationship in the workplace and why they believe this legislation would benefit them.

She concluded:

> I cannot imagine how any company could function without the active participation and support of all employees from all areas working together. Teamwork promotes a better working environment [and] a better company. I cannot envision [my company] without the support of its teams.

Another team member testified that her team dealt with multiskill work design, quality, training, rotation, and overtime guidelines. Not only was the "product line much better equipped," she said, "to respond quickly to a fast-paced, very sophisticated market," but she personally felt a greater degree of job satisfaction and "just a sense of ownership."

I think, Mr. President, that her comments exemplify what I feel. This is an important bill—it is one that should not be in any way viewed as something nefarious, something that we are trying to do to undermine the unions. It is designed to address the workplace as it exists today and give the employees a sense of being involved.

These workers are not being exploited. Instead, the TEAM Act gives workers the tools they need today, to do an ever better job. We need to harness our human resources, not to silence them.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum and that the time be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, my understanding is that the unanimous consent agreement allows for the introduction of an amendment with a 1-hour team agreement, 30 minutes on each side, on behalf of the minority leader or his designee.

AMENDMENT NO. 4437

(Purpose: To provide for a substitute amendment)

Mr. DORGAN. Mr. President, I call up an amendment under that unanimous consent request and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 4437.

Mr. DORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Teamwork for Employees and Management Act of 1995".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the escalating demands of global competition have compelled an increasing number of American employers to make dramatic changes in workplace and employer-employee relationships;

(2) these changes involve an enhanced role for the employee in workplace decisionmaking, often referred to as "employee involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) employee involvement structures, which operate successfully in both unionized and non-unionized settings, have been established by over 80 percent of the largest employers of the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of American businesses, employee involvement structures have had a positive impact on the lives of those employees, better enabling them to reach their potential in their working lives;

(5) recognizing that foreign competitors have successfully utilized employee involvement techniques, Congress has consistently joined business, labor, and academic leaders in encouraging and recognizing successful employee involvement structures in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate employee involvement structures have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930s when employers established deceptive sham "company unions" to avoid unionization; and

(7) the prohibition of the National Labor Relations Act against employer domination or interference with the formation or administration of a labor organization has produced uncertainty and apprehension among employers regarding the continued development of employee involvement structures.

(b) PURPOSES.—It is the purpose of this Act to—

(1) protect legitimate employee involvement structures against governmental interference;

(2) preserve existing protections against deceptive, coercive employer practices; and

(3) permit legitimate employee involvement structures where workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. LABOR PRACTICES.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end thereof the following new subsection:

"(h)(1) The following provisions shall apply with respect to any employees who are not represented by an exclusive representative pursuant to section 9(a) or 8(f):

"(A) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to meet with the employees as a group, or to meet with each of the employees individually, to share information, to brainstorm, or receive suggestions or opinions from individual employees, with respect to matters of mutual interest, including matters relating to working conditions.

"(B) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to assign employees to work units and to hold regular meetings of the employees assigned to a work unit to discuss matters relating to the work responsibilities of the unit. The meetings may, on occasion, include discussions with respect to the conditions of work of the employees assigned to the unit.

"(C) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to establish a committee composed of employees of the employer to make recommendations or determinations on ways of improving the quality of, or method of producing and distributing, the employer's product or service and to hold regular meetings of the committee to discuss matters relating to the committee. The meetings may, on occasion, include discussions with respect to any directly related issues concerning conditions of work of the employees.

"(2) The provisions of paragraph (1) shall not apply if—

"(A) a labor organization is the representative of the employees as provided in section 9(a);

"(B) the employer creates or alters the work unit or committee during any organizational activity among the employer's employees or discourages employees from exercising the rights of the employees under section 7;

"(C) the employer interferes with, restrains, or coerces any employee because of the employee's participation in or refusal to participate in discussions with respect to conditions of work, which otherwise would be permitted by subparagraphs (A) through (C) of paragraph (1); or

"(D) an employer establishes or maintains a group, unit, or committee authorized by subparagraph (A), (B), or (C) of paragraph (1) that discusses conditions of work of employees who are represented under section 9 without first engaging in the collective bargaining required by this Act.

"(3) An employee who participates in a group, unit, or committee described in subparagraph (A), (B), or (C) of paragraph (1) shall not be considered to be a supervisor or manager because of the participation of the employee in the group, unit, or committee.".

Mr. DORGAN. Mr. President, we are now discussing something called the TEAM Act, which to a lot of Americans will not mean very much. It is an acronym that talks about teamwork.

We have gone through a kind of interesting and difficult time in our country in recent years. We have seen a transition to a global economy, a period during which it has been, at least for some companies, difficult to deal with new rules of competition. These companies have had to deal with global competition, have had to experience the reality of competing with companies that produce elsewhere in the world and which have production facilities that are not required to meet the same rules or the same obligations as we are required to meet in this country.

They do not always have to worry about child labor laws. They do not have to worry so much about antipollution concerns, do not have to worry about things like minimum wages. The result has been that American enterprises find themselves competing with, in many cases, enterprises in other parts of the world that hire 12-year-old kids and pay them 24 cents an hour, throw chemicals into the water, pollution into the air, and produce a product and ship it to Pittsburgh or ship it to Denver or Bismarck or Topeka and sell it and compete against local businesses while they do that.

This has been an increasingly challenging time for American businesses. There are those who say—and I believe they are correct, especially the new breed of American entrepreneur—that the only way that we can meet this difficult international competition and do so successfully and do so in a way that allows us to win in international economic competition, is if we have more teamwork and if we have more cooperation between those who run American businesses and those who work for those businesses. I have no disagreement about that at all.

I think we have a requirement in this country, with the new global economy, to have educated, dedicated, motivated workers who come to the workplace and say, we want to be part of a team, we want to succeed, we want to produce good products and sell them at a good price and earn good wages, and we want the company to earn good money.

That is part of what this is all about. There is not a disagreement on the floor of the Senate about the value of teamwork. The disagreement exists about precisely how we would change the law to accommodate these concerns.

Most companies in this country already have work units, teams, employee groups that are established to talk about what those companies are doing, what their goals are, what their day is like, how to be more efficient. Most of the largest employers in America already have, in both unionized and nonunionized settings, employee involvement structures of one kind or another. That exists in some 30,000 workplaces in this country.

So it is not a case where this does not already exist. In fact, if you take a look at some of the case studies of some of the very successful companies in our country, you will see that they have established workplace teams in a very successful way. They have involved employees in helping make some of the decisions on how to produce most effectively and efficiently. So there is not going to be a disagreement on the floor of the Senate about whether teamwork is valuable. Of course it is.

The findings and purposes to the amendment that I have offered to the legislation being considered on the floor talks about the escalating demands of global competition. It requires an increasing number of employers to make changes in the workplace and changes in employee-employer relationships. I talk about the changes that involve an enhanced role for the employee in workplace decision-making. It is often referred to as employee involvement, which has taken a lot of different forms including self-managed work teams, quality of work teams, quality circles, joint labor-management committees, and many more. It is being done all across this country.

In addition to enhancing the productivity and the competitiveness of American businesses, these kinds of structures have had a positive impact on the lives of many employees, better enabling them to reach their potential as employees. I also point out that foreign competitors have successfully utilized employee involvement techniques. Congress has encouraged the same thing, as well.

However, having said all that, and wanting to encourage teamwork, let me emphasize that we want to encourage teamwork in the right way. We do not want someone to come to the floor of the Senate, or some group to come to the floor of the Senate and address a problem in a manner that causes more problems and more difficulties. That is what we fear the underlying bill does.

The amendment I am offering is very straightforward. There are some who say, and I think they are correct, that NLRB decisions have created uncertainty about the conditions under which certain employee involvement teams or organizations can be permitted or will be permitted, uncertainty about where the lines are and about what employers can do. To the extent that is correct, and I believe it is, there is that uncertainty that does exist. My amendment attempts to clarify those areas that are now causing such uncertainty, but it does so in a way that does not cause injury in a range of other areas.

My amendment creates certain safe harbors for employers who establish work units, quality circles and other employer-employee committees or teams, provided that working conditions are discussed only on an occasional basis incidental to the purpose of the committee. In other words, we do not want to have a circumstance where some employer-dominated committee—some employer-dominated committee—selected by the employer for a specific purpose, runs off and gets involved in a whole range of discussions about matters that are more appropriately a part of collective bargaining or matters outside the purview of what is allowed in the NLRB.

In the legislation I have offered, we provide specific guidance in these areas, and I think we do so in a way that is appropriate. Page 4 of the amendment provides:

> (A) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to meet with the employees as a group, or to meet with each of the employees individually, to share information, to brainstorm, to receive suggestions or opinions from individual employees, with respect to matters of mutual interest, including matters relating to working conditions.
>
> (B) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to assign employees to work units and to hold regular meetings of employees assigned to a work unit to discuss matters relating to the work responsibilities of the unit. The meetings may, on occasion, include discussions with respect to the conditions of work of the employees assigned to the unit.
>
> (C) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to establish a committee composed of employees of the employer to make recommendations or determinations on ways of improving the quality of, or method of producing and distributing, the employer's product or service and to hold regular meetings of the committee to discuss matters relating to the committee. The meetings may, on occasion, include discussions with respect to any directly related issues concerning conditions of work of the employees.

When the U.S. House, the other body, debated this issue, there was an amendment offered by Congressman SAWYER that received, I believe, 204 votes. It did not prevail, but it was a very close vote and received some bipartisan support. The amendment I offer today is very similar to the Sawyer amendment that was offered in the House—identical with respect to the provisions, similar with respect to the language that establishes those provisions.

This is not a new subject. It was substantially debated in the House of Representatives. My colleagues who followed that debate will recognize that what I am attempting to do here in the Senate is exactly what Congressman SAWYER did in the House. I changed some of the language in the amendment but did not change the substance of the amendment itself.

Again, let me say that I believe cooperation in the workplace has merit. I believe it enhances our country's capability. It enhances the opportunity of businesses to be more productive, to be more efficient. It is helpful to both the employer and the employee. It will not, under any condition, be helpful to harmony in the workplace, to efficiency, or to improving this country's competitiveness, to do something that changes labor law under the guise of the TEAM Act, that will cause more uncertainty and more strife with respect to organized workers in this country.

That will happen if we enact legislation that infringes in areas that are now of the province of what normally would be collectively bargaining. We do not want to retreat to a circumstance where employers pick their team and say, "By the way, we now have a cooperative team of employees." It so happened that Uncle Joe, the person who runs this place, picked the four of them, handpicked the four, and now these four presumably speak for all other employees. Well, that moves directly toward the establishment of management unions, which, in my judgment, is and should be a violation of labor law. We do not want to pass a TEAM Act that does that. We do want to pass a TEAM Act that fosters, enhances, and encourages cooperation in the workplace.

My amendment, I believe, does that. I hope the Senate would view the amendment in a positive way. We will have more discussion on it, but other Members on my side would like to use some time. With that, I yield the floor.

Mrs. KASSEBAUM. Mr. President, I will briefly respond to the Senator from North Dakota, because much of what he said echoes my earlier comments. We are both addressing the importance of cooperation in the workplace, and both of us are acknowledging that there is a problem with the law at this point, and there needs to be a clarification regarding the National Labor Relations Act.

For a long time, it has been argued that there is no problem with the law—that teams could continue without running afoul of the National Labor Relations Act. I think the Senator from North Dakota acknowledges that there needs to be some clarification. However, I am not sure from what was said—and I have not had a chance to read the language of the amendment that has been introduced because it is different than we had thought it was going to be—about what sort of specific guidance he was laying out in his amendment and what he believes are the problems in the TEAM Act itself that cause the disturbance that he believes it would in the workplace.

These are things that I hope, Mr. President, we can explore, as we have a chance to address some questions regarding the amendment that was put down by the Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield 10 minutes to the Senator from Illinois, Senator SIMON.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I thank my colleague. I rise in support of the Dorgan amendment. I think it makes sense. It provides balance. It makes it clear that if the Kempthorne Industries, for example, decide they want to have a committee to look at the question of plant safety or plan a picnic for the staff, or anything else, they can do that.

But the Dorgan amendment also says if you are going to get into a question of wages and hours, and the traditional benefits, the traditional labor-management things, that should be left up to the conventional process. You should not have employers appointing a committee of employees. The employees, when you get into labor-management issues like wages and hours and so forth, should be left to a committee picked by the employees. I think that makes sense. I think it contains balance.

I add that I think balance is the one word we need in labor-management relations in this country today. I was interested a while back in picking up the New York Times and seeing where George Shultz, whom we think of primarily as the former Secretary of State, and noting that George Shultz also was the Secretary of Labor at one point under a Republican administration, saying our laws have gone out of balance in terms of not being balanced enough in the direction of encouraging labor organizations and the result is going to be a loss of productivity in our country. I think that point is an extremely important point.

I have introduced a series of seven bills that I think also provide a little balance. For example, in this whole area of labor-management relations, if you have a pattern in practice of violating the Labor Relations Act, you can still get a Federal contract; while, if you have a pattern in practice of violating civil rights laws, you cannot get a Federal contract. I think the example of the civil rights laws is what we ought to follow in the labor laws also. I do not know why we should award companies that have a pattern and practice of violating labor laws with Federal contracts. I mention this because I think there we need balance. I think the Dorgan amendment provides balance.

I think what we want is to say to an employer, if the Kempthorne Corporation, or the Kassebaum Corporation, or the Dorgan Corporation, or the Simon Corporation, if as an employer I want to appoint a committee to look at plant safety, or lighting in the plant, or planning an annual banquet, that is a fine thing. I do not think plant management ought to have the ability to say this is a committee of employees that is going to negotiate with me in terms of wages and hours. I think the National Labor Relations Act should be left as it is on that issue.

So I am going to strongly support the Dorgan amendment. I think it is a move in the right direction. I hope that we can get a majority to favor it.

One of the things that has happened, Mr. President, over the years in my 22 years here is that we have become excessively partisan. I have said this before on the floor. I think an amendment like the Dorgan amendment is one that frankly Republicans and Democrats alike ought to be supporting. I think it makes eminent good sense.

Mr. President, I am about at the end of my time. I see two of my colleagues standing. I yield the floor at this point.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, if I may respond for a moment, just to assure the Senator from Illinois that I wish I could support the amendment of the Senator from North Dakota. I think there is still some difficulty with it that we need to consider, however. But I want to assure you that the TEAM Act does nothing to change the ability for collective bargaining on wages and hours. This specifically is stated—that it in no way wants to reinterpret the National Labor Relations Act, and it is not an infringement on that. It is a clarification where actually the chairman said there needs to be a clarification regarding section 882. On the other hand, I want to make clear that he does not support the TEAM Act. But I would like to so ask some questions.

Mr. SIMON. Mr. President, if my colleague will yield.

Mrs. KASSEBAUM. I am happy to yield.

Mr. SIMON. Just to respond by saying when you say it needs clarification, the reality is we have had clarification. For example, California has had 29,000-and-some cases brought before the NLRB. They have had two cases before the NLRB which said you have a problem here in creating a company union through management. And then they did not fine anyone. They just sent it back to them and said restructure it. The State of Illinois with 12 million people—I do not know how many cases; I forget; just one case nationally. We have only had half a dozen. I really do not think there needs to be the clarification that my friend and colleague from Kansas suggests is needed.

Mrs. KASSEBAUM. Mr. President, I can appreciate that. But just that one case which came up, as I gave an illustration of—the Dillon stores in Kansas—the grocery stores, and a ruling then that had the chilling effect and has caused a number of nonunion settings of employees and employers to be very uncertain. And actually that is what I think the Senator from North Dakota was saying. There was some uncertainty, and in trying to address with specificity I think it becomes too specific.

If I just may mention, at least as I understand it, that there are three categories that are addressed in the amendment of Senator DORGAN. I think again it goes back to a rigidity and a lack of flexibility that I think is important. I do not think you can have three categories and three sizes that would fit all. I would like to see if I am correct in this.

One would be an employee in a brainstorming discussion group that can only meet for a short duration of time to discuss matters of mutual interest. If workers and supervisors want to discuss important workplace issues on a regular basis, that would not be permitted under this category. When important workplace issues are raised, managers would have to tell workers that further discussions would be illegal. If that is, indeed, the intent of the language in the amendment, I think again specificity that does not allow for a flexibility that we were trying to encourage with employer-employee discussions.

Also, there would be employee work teams that were established for a duration that could discuss quality and productivity issues. But discussions on workplace issues like health and safety, or vacations, or other issues, child care and so forth, could occur only sporadically. When work teams have exhausted their quota of discussion time on important issues like safety, then managers would have to terminate further discussion, or face violating Federal law.

I do not want to add words that are not theirs. But it seems to me that these are providing conditions that even further confuse what could or could not be done.

Then the third is what I think are called employee committees which may discuss again workplace issues like safety and no smoking policies as often is desired. However, the employees chosen by secret ballot election under NLRB procedures have a new entitlement—the assistance of outside experts to address issues before the committee. I understand that was taken out. But I do not know what the third employee committee does. But it is a committee structure that I think in the specificity lends itself to even further concern about whether there would be a clear understanding of what could or could not be done.

So again, I think it is very important for us to explore this and with a clear understanding of whether we have actually complicated the procedure or have enhanced clarification.

Mr. COVERDELL addressed the Chair.

Mrs. KASSEBAUM. I yield the Senator from Georgia 10 minutes.

Mr. COVERDELL. That will be fine. I appreciate the yielding of time from the Senator from Kansas.

Mr. President, I rise in support of the amendment of the Senator from Kansas and the Senator from Maine, Ms. Snowe, called the TEAM Act.

I might, in my opening statement here, make the point that the workers themselves from my State are those who are contacting our office in support. It is the laborers, it is the working men and women of my State who have created a steady flow through our office in support of what the Senator from Kansas is endeavoring to do.

A recent example. There is a company in Lawrenceville, GA, which is just northeast of Atlanta. It reduced its manufacturing costs within its plant $6 million through the efforts of teamwork. The team consisted of nine employees, people from the assembly line to plant managers. They met for 6 months. They brought in experts throughout the company to give advice. The end result? A savings of nearly $6 million from these workers.

The problem with this is that without the amendment being offered by the Senator from Kansas, this company and people engaged in this activity are at risk from the National Labor Relations Board. They could be held to be in violation of the law and regulations. So the effort by the Senator from Kansas is to create legislation that does enormous good in the workplace because it allows teams like this one I have just described to assemble and yet not be at risk. Great good could occur throughout our country.

I want to read a press release I just received the other day from the Employment Policy Foundation. It reads:

> Lost in the current political controversy about increasing the minimum wage and passing the TEAM Act is the fact that only the TEAM Act promises a better economic future for most of America's working families. American living standards and workers' compensation have been rising slowly over the past decade largely because productivity has been growing slowly. The TEAM Act, which reforms outdated rules that impede the formation of workplace teams in nonunion settings, sets a path to a higher productive growth. It does so by clarifying the legal status of teams whose continued and expanded use are in jeopardy—

Just as I said a moment ago.

> because of a series of National Labor Relations Board decisions.
>
> The Foundation's recent study estimating the potential productivity in real wage effects of employee involvement reports documented productivity gains of 18 to 25 percent from workplace employee involvement systems in which teams play a central role.

Mr. President, much of the workplace today is governed by laws and legislation that is three to four decades old. We are coming on a new century, and it is time to modernize and make more flexible the workplace of the new century. It is time to turn away from the status quo. The TEAM Act is a progressive idea. It is an inclusive idea. It is an idea that will help stimulate the economy and make more comfortable the workplace for thousands and thousands of American families.

By a 3-to-1 margin when asked to choose between two types of organizations to represent them, workers chose one that would have no power but would have management cooperation over one with power but without management cooperation. In this same survey, the worker representation and participation survey conducted in December 1994 by Princeton Survey Research Associates, 79 percent of workers who had participated in employee management teams reported having personally benefited from the process.

I can personally testify that the corporation in which I grew up has employed a vast series and array of employee-managed teams. It has had an enormous effect on that company, a very positive effect on the company. Everybody is engaged in the overall welfare of the company and where it is going. Morale is higher. It has been a tremendous asset to this company in which I have personal knowledge.

What happened by looking at this personal situation, though, is nothing more than a reflection of what is going on or potentially can go on all across our country.

Mr. President, on Friday, June 21, of this year, a letter signed by the chief executive officers of 624 companies and trade associations who support passage of the TEAM Act was delivered to President Clinton asking the President to reject a veto and seize this chance to lead by supporting legislation that enables employees and managers to cooperate.

Again, Mr. President, what I am saying here is that this legislation, sponsored by the Senator from Kansas, is a move to the new century. It is a move to a modern workplace. It is a move to flexibility. It is a move to better morale. We have great anxiety and frustration in the workplace today. This kind of legislation, which offers a move toward a modern setting, is absolutely required.

The letter that I referred to a moment ago was prepared in response to repeated statements by Secretary of Labor Robert Reich and the AFL-CIO that few companies care about passage of the TEAM Act.

I do not know where they are getting their information, but it is not corroborated by any survey I have seen. It is not corroborated by any of the employees who have come at their own expense to Washington from Georgia to argue in support of what the Senator from Kansas is endeavoring to do. It is not supported by anything I have personally seen in the workplace. I have had a chance to look at these teams and watch what it does to company productivity and company morale.

The letter to the President, as I said, is dated June 21. It said:

> In your State of the Union Address this last January, you said, "When companies and workers work as a team, they do better and so does America." We agree, and your leadership is needed now to allow 85 percent

of the American work force to respond effectively to your call.

The only way you could characterize opposition to this modern device in the workplace is that old ideas adopted by AFL-CIO labor leaders in Washington simply cannot abide by modernizing the workplace. They are benefited by leaving things just the way they are, where they feel they can be in complete control.

I point out that the measure very carefully does not affect collective bargaining. It just allows American workers the same benefits that are accruing in industrialized nations all around the world and that have threatened our competitiveness. It is time for us to modernize our workplace. It is time for us to allow our creative workplace to do those things that our competitors are doing so we can match them in this global economy.

Mr. President, I yield back any time I have remaining to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I wish to express my appreciation to the Senator from Georgia for his comments. I know that he cares a great deal about trying to make sure we can have a creative and constructive environment in the workplace, certainly in the State of Georgia. He also recognizes how that environment has helped businesses grow in the State of Georgia.

I would like to add a comment about something else that was stated earlier, that there was really no need for us to have this legislation; that, as a matter of fact, there were many cases that had been favorably handled and that there was not a worry in the workplace.

I would just like to give an example of why there is concern. A National Labor Relations Board administrative law judge has handed down a decision in the long-awaited Polaroid case. The Polaroid Co. has been heralded as one of America's most progressive companies, having championed workplace collaboration since the 1930's.

Following the NLRB's decision in the 1992 Electromation case, which sparked this effort to try to clarify the National Labor Relations Act, Polaroid concluded that its 60-year-old teams violated the Board's rule. The company tried to restructure its committee organization to comply, but the NLRB's June 14 decision shows the futility of such efforts. Even though the new committee structure was much weaker than the old, the administrative law judge ordered it disbanded.

Polaroid further illustrates for employers the clear rule on meaningful workplace cooperation: If it happens in a nonunion setting, it is regarded as illegal.

The Polaroid case also addresses another argument propounded repeatedly by the opponents of cooperation in nonunion settings: The TEAM Act is not necessary because antiteamwork NLRB decisions only happen in small companies that are not household names. Certainly Polaroid is a household name. It is one we have all heard of, and I think the Polaroid case clearly illustrates why the current law has caused uncertainty throughout the Nation's companies as they try to comply with the letter of the law.

To quote from a press release of Bill Gould, Chairman of the National Labor Relations Board, on June 6, in which he said in a speech in Omaha:

> In a non-union situation, the sensible response to all of this is to allow employee groups, with or without a management representative component, to discuss anything that they would like to, whether it be wages, break periods or the problems confronted in selling the product. The more that workers know about the enterprise and the better that they are able to participate effectively in decision making, the more likely it is that both democratic values and competitiveness are enhanced. And, if the law is simplified, lay people—ordinary workers and small business persons—will be able to adapt to their own circumstances and avoid reliance upon wasteful litigation and the high priced counsel that go with it.

He went on to say:

> Employers ought to be able to promote the creation of and to subsidize employee groups. In the real world that is what is happening anyway. With workers unrepresented by unions in 85 percent of the workforce, how else can such systems flourish?

To be fair, as I said before, Chairman Gould does not support the TEAM Act that is before us. But clearly his statement in Omaha in June indicates that he does believe the very problem we are trying to address in the TEAM Act should be addressed. I believe, however, that the problem is addressed in the TEAM Act in such a way that it could be supported by a broad range of those on both sides of the aisle. Those who speak in opposition clearly are those who fear it will do something that, indeed, it could not do. By the language in this legislation, their fears could not be realized—it in no way infringes on the collective bargaining process or the letter of the law in the National Labor Relations Act.

Mr. President, I suggest the absence of a quorum with the time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I urge the Senate to reject the TEAM Act. Its supporters pretend it is needed to increase the competitiveness of American industry, and they pretend it will promote the kind of cooperative workplaces that will have an advantage in the world economy. But those arguments are a sham.

This legislation has nothing to do with cooperation and everything to do with undermining workers' rights. It overturns one of the fundamental protections of American law, that employers cannot set up company-dominated unions as a trick to prevent workers from joining real unions.

No one opposes honest cooperation between labor and management in the workplace. But Congress should not try to tip the balance by siding with union-busting employers.

Do not be fooled by the smokescreen set up by the employer coalition that wants this legislation. This bill is designed for one purpose only: To nullify the critical provisions of current law that make it illegal for any employer to dominate or interfere with a labor organization.

Under the TEAM Act, management can create a labor organization, dominate it, interfere with it, or terminate it as management sees fit as long as management does not try to engage in collective bargaining or create legally enforceable rights.

What does this mean? It means that employers will be permitted to substitute a representative they control for a genuine representative of the employees. The TEAM Act would make it legal for management to foist a labor organization on employees that employees did not ask for or did not vote for. It would be legal for management to impose a company-dominated union made up of employees handpicked solely by the employer. They would meet when the employer sees fit, consider only the issues the employer wants considered, and then speak for all the employees when they do so.

The Senate should have no part of puppet unions like that. Making that kind of one-sided, phony labor organization legal has nothing to do with promoting labor-management cooperation or competitiveness. It has nothing to do with empowering employees. It is cynically designed to increase the power of employers and give managers more and more control over the lives of their employees. If management can dominate employees' organizations, they can control the demands that employees make for better pay and better working conditions.

That is precisely what happened in the court case that proponents of the TEAM Act rely on. In the Electromation case, an Indiana manufacturer responded to employee unrest about wages and benefits by setting up employee action committees that the company dominated and controlled. In the words of the U.S. Circuit Court of Appeals for the Seventh Circuit, the company proposed and essentially imposed the action committees upon its employees as the only acceptable mechanism for resolution of their acknowledged grievances.

Electromation unilaterally selected the size, structure and procedural function of the committees. It decided the number of committees and the topics to be addressed by each. Despite the fact that the employees were seriously concerned about the lack of a wage increase, no action committee was designated to consider this specific issue. I repeat that. Despite the fact that the employees were seriously concerned about the lack of a wage increase, no action committee was designated to consider this specific issue. In this way, Electromation actually controlled which issues received attention by the committee and which did not.

That is precisely the kind of domineering management behavior that the TEAM Act would legalize. Electromation demonstrates what this bill would do. Senators who think it is right for employers to impose a sham organization on their employees, who think it is right for the employer to control which grievances employees can air and how and when they can be aired should vote for the TEAM Act. But do not pretend you are voting for cooperation in the workplace. If you reverse the Electromation case, you are voting for domination of employees, not cooperation with employees.

The National Labor Relations Board, made up exclusively of members appointed by Republican Presidents, made clear the Electromation company only wanted to control the discontent of its employees after the company unilaterally changed wages and working conditions. The case has nothing to do with cooperation, quality or efficiency.

In the words of the NLRB, the purpose of the action committee was, as the record demonstrates, not to enable management and employees to cooperate to improve quality or efficiency, but to create in employees the impression that their disagreements with management had been resolved bilaterally.

In short, the company was engaged in a fraud on the employees, and the TEAM Act would legalize that fraud.

Some have suggested there is no harm in the kind of phony labor organization the NLRB struck down, because sooner or later the employees will discover the fraud and reject the employer-controlled committee. They argue nothing in the TEAM Act prevents employees from voting for a real union that would truly represent their interests.

But many of the employees in the Electromation case did see through the fraudulent action committees created by the company's management. They wanted to be represented by a union. They petitioned for a union election, but they were defeated. The NLRB filed a complaint against the company for the unfair labor practice of dominating a labor organization. The company suspended the action committees, and the union won a rerun of the election.

Once the Government stepped in and protected the employees' rights, the employees exercised those rights. Without the current law, the phony committees would never have been suspended, and the union would never have won.

That is what the TEAM Act is all about: Substituting sham, company-dominated unions for genuine employee representatives. If the TEAM Act passes and employers are given the green light to create sham organizations, it will be harder for unions to organize. That is the real goal of the TEAM Act, and the Senate should have no part of it.

Let us have genuine cooperation, not fake cooperation, in the workplace. It is wrong for employers to impose organizations on their employees that they have not asked for or voted for.

No one, that the employees have not chosen, should be given the authority to represent them. American workers today have the right that Congress gave them 61 years ago to choose their own representatives—that is what this issue is really all about—whenever they discuss the issues of wages, hours and working conditions with their employer. The TEAM Act would take that right away, and it deserves to be defeated by the Senate and vetoed.

Mr. President, I point out, once again, for the benefit of the members of the committee, our own committee report that was filed by the majority, with a minority report as well, on page 8 of that report, what the current situation is with regard to cooperation.

All of us want cooperation. All of us want the increase in efficiency, increase in competitiveness. That is taking place today. It is taking place with regard to health and safety, which had been referred to earlier in the debate. In the State of Washington and the State of Oregon, these worker committees have gotten together to consider health and safety issues. They have been appointed by the employer and representatives of the workers. They have worked very effectively.

We have seen significant reductions of Workmen's Compensation costs in the States of Washington and Oregon because of these joint committees of cooperation. They are taking place today, and they are working.

We have seen even, according to the business organizations in that State, the savings for businesses in the State of Washington of over $1 billion in the last 5 years because of this kind of cooperation. That is taking place today.

We had tried to advance a similar concept 2 years ago, and we were opposed in the Human Resources Committee by our Republican friends. We were trying to share and encourage that kind of cooperation that was taking place in the States and saving workers billions of dollars that were effectively being denied them with increased wages because they end up on Workmen's Compensation, as well as denying employers a greater return on their investment. Our Republican friends responded: "No, we aren't going to have any part of that but as a substitute under the word of 'TEAM.' We have this other proposal."

The committee majority report indicates "Employee Involvement Works."

> During the past 20 years—

This is the majority. This is those favoring the alleged TEAM Act.

> During the past 20 years, employee involvement has emerged as the most dramatic development in human resources management. One reason is that worker involvement has become a key method of improving American competitiveness.
>
> Evidence of the success—and corresponding proliferation—of employee involvement can be found in a 1994 survey of employers performed at the request of the Commission on the Future of Worker-Management Relations. The survey found that 75 percent of responding employers—large and small—had incorporated some means of employee involvement in their operations.

That is going on now. That is taking place today. Meaningful cooperation is taking place today.

> Among the larger employers—those with 5,000 or more employees—the percentage was even higher, at 96 percent. It is estimated that as many as 30,000 employers currently employ some form of employee involvement or participation.

It is working. This is a problem that effectively does not exist, with the exception of those particular employers who want to use this as a means and a device to undermine legitimate worker interests in terms of their working conditions and in terms of their future salaries and their economic interests.

> The success of employee involvement can also be found in the views of American workers. A survey conducted by the Princeton Research Associates found overwhelming support for employee involvement programs among workers, with 79 percent of those who participated in such programs reporting having "personally benefitted" from the process. Indeed, 76 percent of all workers surveyed believed that their companies would be more competitive if more decisions about production and operations were made by employees rather than managers.

It is happening today. It is going on as we are here this afternoon.

> Clearly, employee involvement is more than just another passing fad in human resources development. Over the last 20 years, it has evolved—along with a global economy—into a basic component of the modern workplace and a key to successful labor-management relations. As such, American industry must be allowed to use employee involvement in order to utilize more effectively its most valuable resource—the American worker.

Everything on there we agree with. That is not what this is about. That is taking place. Even the majority is pointing out that 30,000 employers currently are doing this. So it is suggested by some, well, they cannot do it enough or they are concerned about this particular issue and this particular problem.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. KENNEDY. I ask, Mr. President, what is the time agreement?

The PRESIDING OFFICER. There is an hour on the bill, equally divided. The Senator could use some time off the bill.

Mr. KENNEDY. Yes. I will yield myself 15 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. KENNEDY. Mr. President, now just to refer to the fact that cooperation between the employers and the employees is necessary. The majority has recognized that in the largest plants, it is about 96 percent being utilized and in the smaller plants over 75 percent.

So now let us look at what has happened since 1992, since this Electromation case that evidently is causing all of this uncertainty out there with regard to this kind of cooperation—there are 30,000 companies where this is taking place. "The NLRB Orders to Disestablish Work Committees," from 1992 through 1995, 4 years. And 30,000 employers doing it.

Are there any disestablishment orders in the State of Washington? No, not even one. Any in the State of Oregon? No. Zero. In the State of Nevada, zero. These are cases allegedly that are being brought, can be brought by employees, employers. disestablishments in California, two. Utah, zero. Arizona, zero. Alaska, zero. One in Colorado. None in Wyoming. And the list goes on. None in North Dakota. None in South Dakota.

What is the problem, Mr. President? We are saying we are all for cooperation. If we do not have a problem, I think it is reasonable to ask, what is really the purpose behind this legislative effort? And I suggest that the real purpose of it is not just to develop the cooperation, which is taking place today, but is effectively to undermine the legitimate economic interests of the workers in those particular States.

Mr. President, we can look at how much of a problem this is. I hope our colleagues will look through this. This is a handful of cases between 1992 and 1995 that this bill is supposed to correct.

Mr. President, if we look over here we can see that this is even more graphic as to what the true problem is; 8(a)(2) charges—these are the charges that we are considering here to address the TEAM Act—227.

Now 8(a)(3) charges. What are these? These are the firings of various workers for their participation in union activity or trying to join a union. They are being dismissed, illegally, by their employers. Those are 8(a)(3) charges, 13,000. Compared to 8(a)(2), 227.

Look. In 8(a)(2) remedies, 87 remedies out of the 227. Look. Remedies for reinstatement, 7,000; and 8,000 for remedies of back pay. Remedies for reinstatement are when there has been adverse action by the employer, violating the law. That is what these cases are, 7,900 of them in 1994 to reinstate because of illegal activity by the employer versus 87 with regard to 8(a)(2).

It seems to me if we ought to be here this afternoon, we ought to be doing something about these workers that are being illegally abused and treated in their employment by employers. For 8(a)(3), 8,500 were reinstated with remedies for back pay.

Mr. President, nonetheless, we are asked to go on out here because of this uncertainty, allegedly. We do not have any record to indicate that this is a major problem. What we do have is the major indication about what is happening out there in the real working places of this country. We are interested in cooperation. But the way to get it is to have employers respect employees and to have that vice versa, Mr. President. That is done when you have effective collective bargaining.

What has happened? "Proportion of the NLRB Elections in which a Union Supporter is Illegally"—Illegally—"Discharged." If we were around here to consider what we ought to be doing something about, look at the growth, according to the NLRB, in cases where a worker is illegally discharged, from 1975 to 1985, and right up here in the 1990's. The increase of 400 or 500 percent, depending how you want to calculate it, over that period of time, where we are finding individuals—individuals —are pursuing their economic rights for themselves, their wives, their children, illegally discharged under the current law. That is what is going on out here in this country.

Here is another chart that would support the same kind of analysis in terms of the 8(a) charges. In the early years you find out, between 1950 and 1954, for the 8(a)(3) charges, the number of average annual back pay awards going up considerably here, as it indicates that these workers are being illegally fired. The average number of reinstatements continues to escalate because they are being illegally fired. That is happening to individuals.

Finally, Mr. President, this other chart I have back here would indicate what the percent is of the total number of cases that we are talking about. I direct our colleagues right up here, 8(a)(2). Of this whole pie, for the illegal activities of employers against workers, for all of this whole pie, this tiny slice is it, right in this darkened area, 227 cases. Yet we are being asked to legislate on this particular issue.

It is a problem, Mr. President, that does not exist. This is being promoted, supported, for legislative action by those who are the most strongly committed to denying equal justice and fair justice to the workers of this country. That is why it is not coincidental that we will have this debate and a vote tomorrow, and we will have the vote on another proposal that is antiworker on the issue of the right to work.

We will have the proposal for a cloture to end debate on the right to work bill. The bill was put down last Friday. We have been under controlled time on these other matters for the time. But, nonetheless, we will be asked to vote to end debate. I do not know of any filibuster that has been promoted on that measure, but we will be asked to vote to end debate, despite the fact it was never reported out of committee. We had one day of hearings. It was never reported out of the committee. And they laid down a cloture motion on that legislation to deny any kind of discussion, debate.

We are going to have that. We will have these two measures, one on a matter that is really not before the workers and employers of this country. The report itself has demonstrated the expansion of work cooperation, which we agree with and which we support. The total number of cases are pitifully small against a background where there is increasing illegal activity against workers. And their interests are being ignored.

Mr. President, just to speak very briefly for just a few moments on the issues of the right to work. It is so interesting that it is our Republican colleagues who are constantly talking about the right to work issue. We now find that there are some 23 States that are right-to-work States. The remaining majority of States are not right-to-work States. So States have been making their minds up under the current and existing law. States have been deciding what is in their interest.

How many times have we heard that talked about here on the floor of the U.S. Senate? States ought to be able to make their judgments. We do not want the long arm of the Federal Government interfering with the legitimate interests of the States. Now wait a minute, with the exception of the right to work. There we want a Federal imposition of a national policy that will have the right-to-work statute override State law.

What does that really and effectively do? This is the interesting point. Under the current law there is no requirement that any worker be required to join a union if the decision is made by the members, the workers in there, to go and vote for a union. They are not, under current law, required to join. But if they are going to continue to work there, and there is going to be continued enhancement in terms of their wages, working conditions, in their child-care programs, and their pension as a result of collective bargaining, they can be required under the current law—if both the employer and the union agree—to at least pay for that part of the union activity that is going to enhance their benefits. In other words, no freeloaders, no freeloaders.

If they are going to be a part of the work force in a particular plant or factory, and they choose not to join their union, they have that right not to do so. If the union goes ahead and gets an increase in terms of wages, an increase in their health care benefits, an increase in consideration for child care or other kinds of activities as a result of their activity, then that individual has to make a contribution to the extent that those dues would be used to finance that financial and economic enhancement. OK, that is what the conditions are under the law today.

Now, we will have a situation when we vote tomorrow, we will vote on cloture on a bill that will say, "Look, to those workers that are out there, if you in your particular company vote to have a union, you do not even have to pay for any of the basic improvements that you get in your working conditions." If that union goes on out and has a strike and enhances their economic conditions, increases their wages, improves working conditions, increases health care, gets better coverage for patients, pensioners, and better coverage for children at the end of the day, that other individual who gets the same benefits does not have to pay a thing, does not have to pay a thing.

That is the effect of the passage of a national right-to-work law. That is what this act is all about. Apparently, some Senators do not think that the people in Massachusetts or the State of Washington or the State of Kansas or any other State can understand that concept sufficiently enough to be able to make their own judgment. We, in our almighty wisdom, say that we are going to make that judgment here on the floor of the U.S. Senate, and even cutting off more debate.

Mr. President, how can you interpret that to be anything more than a wholesale assault on the economic rights and the struggling efforts that have been a part of the trade union movement to enhance their working conditions and economic justice in this country? At a time, Mr. President, when the rich are getting richer, when the top 20 percent are the ones that are benefiting the most from this economic expansion, and the other 80 percent of Americans are being left out and being left behind in too many instances, there is just a wholesale assault on those working families. What is it about us that we want to take it out on these working families? I do not understand it.

Looking at the economic history from 1950 to the early 1970's, everyone moved along together. We all went along together. Americans went along together. Now we see this enormous disparity when those that are the weakest, entering the job market, denied the opportunities in education because of changes in our education system and the support systems to permit qualified, talented young Americans to go to schools and colleges and get the training. At a time when they have that need, what are we saying? We are saying, on the one hand, under the TEAM Act, we are going to give more and more authority and power to the employer, to take it out on you, the workers, on the backs of the working men and women, by weakening your economic ability to look out for your interests. Not only are we going to do that, but we will superimpose a national right-to-work program that on the other hand is going to remove any kind of responsibility from those who are working in a workplace where they get economic advantages are going to be participating and paying their fair share. No, you can be a freeloader in America; you can be a freeloader. Others who want to work through the economic system and work through collective bargaining, if they get some benefit, you can stay and get all the benefits free and clear, and we have to make that judgment here.

That has been against a background where we have had this constant resistance to provide any increase in the minimum wage, and only reluctantly and finally today have we been able to have the opportunity to gain an expression on the floor of the U.S. Senate to provide an increase in the minimum wage. It is against a background of continued efforts to undermine the earned-income tax credit which works, again, for the low-income workers who have children.

Now, you just cannot say, Mr. President, that this is all accidental, it is all coincidental. We are also declaring war on Davis-Bacon. The average income for construction workers is $27,000. I was so amazed and interested that as soon as our Republican friends gained control of the U.S. Senate, one of the first things they did was offer a repeal of the Davis-Bacon Act, which requires payment of the prevailing local wage for construction workers in this country so that the Federal Government will not be a promoter or detractor in terms of the wages——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield myself 10 minutes.

That the Government would not be a participant in trying to tilt the scale of economic justice in the bidding on construction contracts. They came right here on the floor of the Senate and tried to repeal that particular protection, undermine the conditions for construction workers—who average $26,000 or $27,000 a year, and have the second most dangerous job outside of mine workers in this country—undermine their ability to provide for themselves. And cutting back on the earned-income tax credit for those people that make $25,000 to $27,000 and are trying to provide for their children.

They oppose an increase in the minimum wage. Now they are doing it with regard to a national law on the right to work, and they are also doing it in terms of the TEAM Act. Can we look against that background and say, Oh, we have here a TEAM Act that really is in the interests of those working families, when we have the solid record of what the majority has been attempting to do to working families? You have a tough time convincing me of that, Mr. President. You have a tough time convincing me of that. All we have to do is check and talk with working families and we find out what those answers are.

Mr. President, I hope when the time comes that the TEAM Act would be rejected. I have admired the efforts of Senator DORGAN and others to try and find some common ways they think this matter can be resolved. I understand that they are working on that particular measure. I, myself, am unconvinced that we ought to be doing anything at all in this particular area. It is basically a problem that does not exist, but I certainly want to listen further to my colleagues and friends who have been strong advocates for working families, and will continue to consult with them.

I withhold the balance of our time.

Mr. GORTON. Mr. President, I yield myself such time as I may use upon the Dorgan amendment, and if I utilize all of that time, then I will use time from the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. The distinguished Senator from Massachusetts has talked about the large number of proposals before the Senate in one form or another, two of which will actually come to a vote sometime in the next 24 or 48 hours. I will restrict my remarks to those two and will attempt to be relatively brief in connection with each.

First and foremost, because we will be voting on TEAM in an ultimately final form and presumably sending it back to the House and I hope to the President of the United States, I wish to make a few remarks on the TEAM Act itself.

The Senator from Massachusetts, it seems to me, has two objections to the TEAM Act which are not entirely consistent with one another. The first is that it is a terrible idea to allow labor-management cooperation outside of a formal union-management negotiating session; that we are still, in America, in the position we were in the 1930's in which most people who work and most people who are employers or supervisors regard themselves in polar opposite camps with antagonistic kinds of interests.

The second argument made by the Senator from Massachusetts seems, paradoxically, quite different and that argument is that there are so many of these teams and so much cooperation going on at the present time without any harassment being aimed at it, that we do not need this legislation.

Mr. President, I think that both arguments are in error, as largely inconsistent as they may be. We live in a very different world than the world faced by our predecessors who passed the National Labor Relations Act of 1935, in a quite different world than the only time in which major changes were made in that act in 1947.

By and large across this country, both labor and management realized that management cannot be successful unless it has happy, productive, and committed employees, and that employees recognize they cannot be successful unless their management, unless the company for which they are working, is itself successful. As a consequence, there is a far greater feeling of community of interest today than there was at the time of the passage of this act.

So what is it that the Senator from Massachusetts asks us to believe? He asks us to believe that these interests are always antagonistic with one another, that employers lust after the ability to do in their employees in one way or another, largely by subterfuge. He speaks of a world, Mr. President, that simply does not exist today, and he speaks about a bill that is very, very short and quite plain in its meaning.

I can read for you the 10 lines of the bill that is before us that include the entire substance of the legislation, and it reads, and I quote.

> . . . it shall not constitute or be evidence of an unfair labor practice . . . for an employer to establish, assist, maintain or participate in any organization or entity of any kind, in which employees participate to address matters of mutual interest (including issues of quality, productivity and efficiency) and which does not have, claim or seek authority to negotiate or enter into collective bargaining agreements under this Act with the employer or to amend existing collective bargaining agreements between the employer and any labor organization.

That is it, Mr. President. That is all there is to it. People can get together voluntarily to solve problems without running afoul of the National Labor Relations Act.

The Senator from Massachusetts has said in his argument you can only have cooperation effectively with effective collective bargaining. But in the private sector, only 12 percent of all of the employees of this country have chosen to engage in formal collective bargaining through a labor-management relationship.

The National Labor Relations Act protects the right of employees to join unions and to bargain collectively. It also protects the right of employees to say, "We do not want to do it in this way." And 88 percent of all of our private sector employees have chosen the latter course of action. Yet, at one level, the Senator from Massachusetts says they should not be allowed to do anything at all. Everything that is done is likely to be a subterfuge for a company-dominated union to get around the National Labor Relations Act itself, and at the other level he says, "Oh, no, we can do it already."

The problem is that the ability to continue to do what has grown up spontaneously all across this country is threatened by the actions of the National Labor Relations Board and of the courts of the United States.

All this proposal does is, in effect, to say you can keep on doing what you have been doing. You can deal with a number of matters of general interest like quality, productivity, and efficiency, and, if we pass the Kassebaum amendment, it will add to that health and safety as specific subjects for such cooperation together with other alliances.

That is all it says. The Kassebaum amendment will make it even more clear that this does not undercut those labor-management agreements that exist with respect to 12 percent of private sector employment which is covered by collective bargaining agreements at the present time.

My question is: What are they afraid of? This is happening. It is threatened. This bill will remove that threat. No one has to engage in this kind of activity who does not wish to. Any group of employees who wish to join a union and operate under the National Labor Relations Act retains the right to do exactly that.

This is 1996, Mr. President. We have a far more cooperative attitude today. We need that more cooperative attitude to compete with the rest of the world. We need it for the increasing prosperity of our society, and this bill, with the Kassebaum amendment, will accomplish exactly that goal.

We do not need to repeat the arguments of 1935. They are no longer relevant. It is possible to do a job both for employees and employers outside of the specific strictures of the National Labor Relations Act. That is what the TEAM Act proposes. That is why it ought to be passed.

I must say I do find myself in agreement with the Senator from Massachusetts on one of the other subjects that he brought up, and that has to do with the cloture vote on a national right-to-work law, which will also be voted on here. I intend, as he does, to vote against cloture on that proposition because I am, as he said he was—but I think there is a little bit of disingenuousness in it—very much in favor of the present law which says that each State can make its own choice with respect to whether or not it will have a so-called right-to-work law on its books.

Twenty-three States have made such a choice. Twenty-six States have rejected such a choice. My own State is one of those 26 which has done so twice by referendum by a vote of the people of those States themselves.

I believe that is precisely the correct balance in this highly controversial issue. I do not believe that the people of the State of Washington should govern the decision of the people of Wyoming in that connection, or the people of Wyoming, the choices that are made by the people of the State of Washington.

So I like the present law. I was delighted to hear it defended by the Senator from Massachusetts, except for the fact that during almost his entire career he has wanted to repeal the right of States to make that choice. In other words, he may here today be defending States rights, but, in fact, he wants to deprive the States of those rights and to say to a State that has chosen quite freely to pass a right-to-work law that you do not have the privilege, you do not have the right to do so.

I think this is a matter of federalism. I think this is a matter which the people of each State should be permitted to choose for themselves.

I, therefore, will vote against cloture, but I think as a result of a more profound devotion to federalism that is, in fact, shown on this issue by the Senator from Massachusetts.

The really important issue, however, Mr. President, is, in fact, the TEAM Act. It is, in fact, confirming the right of both employees and employers to do what they are already doing in 30,000 workplaces around the country: to encourage others to do the same thing without undercutting the rights of any person who wishes to be a part of a labor union whatsoever. In order to confirm those rights, we need to pass the bill.

The bill reflects the real condition of our workplace today. The bill promotes effectiveness and the competitiveness in our workplace, and, perhaps equally significantly, it promotes the kind of cooperation that makes work a more pleasurable as well as a more remunerative way in which the great majority of the working age population of the United States lives so many of its hours at the present time.

It is important that we pass it. I think it is significantly important that we pass the Kassebaum amendment. But it is one of the rewards of this long debate over minimum wage that we are not being subjected to a filibuster on the TEAM Act but, in fact, are going to be permitted to express our views on it tomorrow. I look forward to its passage.

With that, Mr. President, seeing no one else desiring to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask unanimous consent that the quorum be divided equally with respect to time of each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I rise to speak in strong support of the TEAM Act. I commend Senator KASSEBAUM, chairman of the Senate Labor and Human Resources Committee, for bringing this bill out of committee and making it a high priority.

I think it is useful to begin with a review of why this legislation is necessary. Because the idea of employer-employee communication and cooperation seems so fundamental, it is astonishing to some people that this measure must be debated at all let alone the fact that it is so controversial.

In 1992, the National Labor Relations Board issued a decision in the Electromation case which held that employer-employee committees to discuss workplace procedures and policies violated the National Labor Relations Act.

As a former union member, I understand full well the NLRA's prohibition on so-called company unions. But, the Board's decision in Electromation, which defines a "quality circle" or "child care center feasibility committee" or other form of employee-employer committee as a company union, misses the mark entirely.

It simply cannot be claimed at the NLRA was intended to outlaw every type of employee-employer input mechanism. To state otherwise is to advocate that workers can communicate with employers only through unions. Since when does the U.S. Government impose that kind of gag rule on American workers?

I can hardly believe that my colleagues on the other side are going along with this twisted interpretation of labor law.

But, I suppose $35 million from the AFL–CIO could be a powerful incentive to grant organized labor such a special privilege at the expense of the rank and file.

The TEAM Act does not—does not—authorize any employee committee or cooperative organization to engage in collective bargaining.

The TEAM Act does not—does not-affect any employee's right to join a union. It should be noted that the TEAM Act applies to nonunion employers.

So, what are some of the horrible things that employee-employer committees are barred from discussing?

It is illegal under Electromation from discussing free coffee for employees. It is illegal to discuss the possibility of providing a soda machine, microwave, or other furnishings for the employee lounge.

It is illegal to discuss tornado warning procedures or rules about fighting. It is illegal to discuss a ban on radios or the use of video game machines. It is illegal to discuss rules about posters, drug and alcohol testing, dress codes, or a smelly propane buffer. It is illegal to discuss sponsoring a company softball team.

I cannot believe that there is a single Senator who would defend such obstruction to cooperation and employee input in decisionmaking. And, it seems pretty incongruous to me that an American institution that claims to want to give workers a louder voice in their workplaces is leading the opposition.

It seems as if organized labor is afraid of empowering workers. It seems that organized labor does not want workers to have their own voice. It seems that organized labor not only does not condone employers who seek out workers' opinions on workplace issues, but also demands that such openness continue to be punished by law.

Mr. President, there is really very little more to say about this measure. The TEAM Act, which would repair this ridiculous interpretation of the National Labor Relations Act, is a good, commonsense bill.

Once again, I want to extend my appreciation to Senator KASSEBAUM for her leadership on this issue. As one who has walked a mile in her moccasins, I know just how confounding any change in labor policy can be. I mean, good grief, the dollar threshold for the Davis-Bacon Act has not been raised since 1931.

I urge all my colleagues to support this measure. And, I call on President Clinton to sign it into law.

Mr. BROWN. Mr. President, I rise today to offer my support to the TEAM Act. In my own State of Colorado, I have seen how beneficial the TEAM Act can be to both employers and employees. The reason for the success is simple, the TEAM Act makes good sense. The act ensures that all employees have the right to be heard, thereby strengthening the hand of U.S. companies in competitive world markets. The TEAM Act does this without hindering the rights of employees to choose union representation or infringing on workplace safeguards that are already in place.

Any well-intentioned law can have harmful, unintended consequences. The Team Act would rectify the unintended consequences of section 8(a)(2) of the National Labor Relations Act to allow employees and managers to address issues such as scheduling, work assignments, health and safety, training, and work rules, all of which are now illegal topics of discussion in nonunion workplaces.

The archaic provisions of section 8(a)(2) of the 1935 National Labor Relations Act are entirely out of step with modern management techniques that are mutually beneficial to employers and employees. It is shocking to this Senator that employers and employees are not allowed, under the law, to sit down and discuss issues of importance to them. A regulation designed to protect American workers has been twisted to a purpose for which it was never intended. No law should prevent employees and employers from working together for the common good of the employee and the company.

Management-labor cooperation makes a lot of sense. The people actually doing the work often have a better handle on the problems and possible solutions that can help American industry be much more productive. The TEAM Act encourages workplace cooperation by involving the employee in the decisionmaking process of the company. Active participation in discussions about quality, production, and other workplace issues makes companies like Eastman Kodak in Windsor, CO, run more smoothly and produce a better product.

If American companies are going to remain competitive, employers and employees must work together to improve quality productivity, safety, and efficiency. Countries such as Japan and Sweden have already implemented this practice of cooperation in the form of quality circles in which managers sit down with employees to plot strategy, improve quality and productivity, and discuss safety. To remain competitive on the global market American companies and their employees need to be able to come together and discuss their concerns without fear of being penalized for violating the National Labor Relations Act.

Currently there are over 30,000 companies with workplace cooperative programs. It is time to change an outdated law and let employers and workers cooperate. It is my hope that we will pass the TEAM Act.

Mrs. KASSEBAUM. I yield 10 minutes or such time as the Senator from Vermont would need.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I have come to speak on the TEAM Act. I do so because I feel very strongly that there is a misunderstanding as to what we are discussing, the importance of it to this country, and that if we sat back and took a look at where we are and what we are talking about and understood the ramifications, there would be unanimous support for the TEAM Act.

I come to you with somewhat of a different perspective than some of my colleagues. I earlier today supported the minimum wage. I am not one who has anything but respect for the various positions of labor versus management. Sometimes I am with one; sometimes I am with the other. On this one, I am strongly in favor of doing what must be done to improve this Nation's productivity, and that is what we are talking about here—this Nation's productivity—for if there is no productivity, there is no profit. If there is no profit, then there is nothing for the workers and the management to split up for the owners and the stockholders.

So I come here as an original cosponsor of the TEAM Act because I believe that cooperation between employers and employees is the wave of the future. Unfortunately, it has been the wave of the future for our competitors for some 40 years. We are behind. Why? The historical confrontation and conflict models of industrial relations will not serve us in this 21st century, the models that were created in the 1930's when we had industries taking advantage of workers, when it was necessary for the workers to join together to fight for higher wages and to fight for their share of productivity. We now have a realization that the processes we utilized in the 1930's are no longer relevant. That was learned by our competitors many years ago.

I was a senior at Yale University back in the late 1950's, and at that time we took a look at what needed to be done to improve productivity and to improve how our Nation could meet the demands of the future. Many suggestions were made. I remember writing my senior thesis, and I understood what needed to be done, in my own mind, in order to improve the productivity of this Nation.

At that time we were discussing innovative matters, such as workers and management getting together, learning how to split the profits through profit sharing, stock options, and all of these matters. It was a fascinating time for academia. As we studied and put together imaginative ideas on how to improve productivity in the Nation, there was just one problem. Nobody was listening, neither the management nor the workers, for they were all still in the 1930's mode, wondering what could be done as they fought each other to see who could get the advantage over the other.

Who was listening? The Germans, the Japanese—the Asians, the Europeans. What happened? If you look back now, you see such an unbelievable contrast of what the goals were in manufacturing, and what the results were. Ours was, "fight, fight, fight." And what happened? As we went through the years, the relationships between management and workers did not improve. In fact they got testier, they got worse. And in some cases, like the automobile industry, workers were in a situation where they got tremendous advantages for themselves, but all of a sudden they were fighting the Japanese and Germans, and those automobiles came in with much better quality. And what happened? We almost lost the automobile industry.

Why? Because the Europeans and the Asians had understood, as we did not at that time, that if the workers and management could sit down with each other, could take a look at what their problems were that they had to face, how they could improve quality, how they could work in order to improve productivity, could improve the profit, then they could all sit down and have a better chance to make sure they were each taken care of.

So, if you look back at what happened in this Nation, the relationship between laborers and management has not improved. In fact, it has even gotten worse in many cases: "fight, fight, fight." What happened? If you take a look at the unions, our unions have gotten weaker. The union movement now is frustrated because it cannot organize the companies. On the other hand, in Germany and in Japan the opposite took place. They learned how to get together, concepts which are a little frightening to those who were worrying about communism in the 1950's. "My God, you cannot let workers and management get together."

But they learned to improve their productivity and the way they did things. When things were returned you went, not to the managers, you went to the production line and said, "How come all these parts came out this way?" And the workers sat down and said, "If we improve this, we will have better quality and sell more." And then what happens? You then argue over how you split the increase in productivity.

If you examine the unions in Europe, what happened to them is, using these concepts, they got stronger and stronger. And in Asia they got stronger and stronger. In fact, in Germany there are workers on the boards of directors. In Japan they had worked out work security agreements long before our workers did in this country. The main desire there is to keep people employed, even sometimes at the expense of stockholders; even, sometimes, at the expense of corporate profits.

So there the unions, by working together with management toward a common goal, strengthened the union movement in those countries. In this country what happened? We were still fighting against each other and were not worried about productivity.

So what has happened now? This kind of, fight, fight, fight, has resulted in weird decisions under the NLRB, saying you cannot even sit down and do the most menial things without going through the whole process of unionization. We have some 30,000 businesses now that can be intimidated into doing something because, if they sit down and try to work it out to improve productivity, they may have an action brought against them to stop them from working together, stop them from doing what is necessary to improve their business. They could get fined, they could receive an injunction to prevent what ought to be done so they can have more productivity, more profit to split among the stockholders and workers together.

So why in the world would we now say it is a bad idea to do what our competitors across the world have been doing, putting us out of business, and we say we cannot sit down and work together without going through the whole unionization process? It may not be too late for us. But it is such a simplistic thought, that it is a good idea for us all to sit down and figure out how we can change the production line to improve the product, so we can sell more and then talk about an increase in wages, instead of saying no, you cannot do that because that may mean we are working too closely together.

If we work too closely together, my gosh, that is not good.

Why not?

Well, I don't know, but it was not good in the 1930's so it is probably not good now.

We are not in the 1930's. Relationships between employees and employers have changed dramatically in those areas where we figured out the best way to work is to work together. We have shining examples in this country, Motorola and others, who have learned how to compete, and to a certain extent the automobile industry, that has learned how to compete. All it means is to learn to work together.

The TEAM Act means we can work together and improve everybody's lives. We can improve the safety, we can improve the productivity, and we can improve the profit. Why in the world would you be against that? Why? Because we are still in a mindset of the 1930's, which is long gone if you want to be a competitive business in this Nation.

So I urge my colleagues to forget a lot of the rhetoric they have heard and just think about the basics of business. That is, if we work together, management and labor can sit down and figure out how to improve things, how to improve safety so we lower costs, how to improve the quality of the things we produce so they are more salable—how we can make sure we all have a better profit, a better business, a safer business, so we can be healthier and happier. So why in the world can anybody be against the TEAM Act? I just do not know how.

I am hopeful my colleagues will understand that this is incredibly important for the future of this Nation. For we are being driven out, in many cases, by our competitors, who understand that teamwork is the answer to their future. I say we had better learn that lesson. And the way we are going to start learning it is pass the TEAM Act so those businesses that do understand what needs to be done can do it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I want to express my appreciation to the Senator from Vermont, who has been a stalwart supporter of this legislation, for putting it in a historical perspective that helps us understand why it is important for us today, and relevant, to consider the innovations that would help us establish an environment in the workplace that will lend it great creativity.

Another stalwart supporter who has done much to enhance this legislation and work with the business community is the Senator from Missouri. I yield him as much time as he desires from the Kassebaum amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Kansas for her excellent work in helping us develop the capacity as Americans to be competitive and to be productive, and to maintain our standard of excellence around the world.

There is no other nation that has the capacity, especially in areas of complexity, that the United States does, whether it is in pharmaceuticals or just in technological industry—whether it be computers, software, or hardware, the United States is No. 1.

It comes as a result of the recognition of the importance of the human resource in the equation. You simply cannot be competitive without tapping every part of the resource that you have. When we think of this summer and the excitement that will surround the Olympic Games in Atlanta, it is unthinkable that we would send teams to Atlanta and forbid the coaches to talk to the players. What nonsense that would be, not to allow a player to come off the field or off the court and say to the coach: "This is what they are doing. This is how we can make an adjustment to improve our performance, to make it possible for us to be winners instead of losers."

It is a fundamental recognition of the fact that the people on the court will have a different perspective than the people off the court. The people on the field will have an awareness of how things are going that is special, different, unique, and of value.

The same is true in industry. No matter how hard a compassionate manager tries to observe the process from outside, no matter how well the engineer from the design room tries to structure the environment for productivity, the fellow who is actually on the floor is going to have an ability to say, "This doesn't work here. It may look good in theory, but it doesn't work in practice."

We need to tap the resources of the broad spectrum of individuals on the American team for productivity in order to make sure that we continue to be winners, that we continue to forge a position for the United States which puts us at the top of complex industries, the most valuable services and goods in the world, and gives us the opportunity to maintain a standard of living that makes America a great magnet.

Last I checked, people were still flocking to these shores. They were not leaving here to go elsewhere. They were still coming here because of the great opportunities that exist, because of the way in which this culture recognizes the contribution that can be made by citizens generally.

I think that is what the TEAM Act is all about. It is about understanding and recognizing the tremendous resource that workers are, that they can be to their own future by guaranteeing productivity and thereby ensuring job security, that they can be to the competitive position of this country by outproducing and outworking and outthinking and outsmarting and outcooperating workers anyplace else in the world.

Most Americans would believe, and it is because we are commonsense people, that it is OK for employees and employers to talk. If you would have listened to the debate in this Chamber, you would have heard from those on the other side of the aisle, "Why, it's all right, it's all OK, it's perfectly legal right now. We don't need this."

When they say it is perfectly legal now, we do not need this, it confounds me that they have amendments to this. Why would they want to have a substitute proposal for something that is perfectly OK? The truth of the matter is, it is not perfectly OK.

Let me read from a list of things that have been ruled inappropriate for nonunion employers to talk to their nonunion employees on. Let us just let the American people have an understanding of what the law is here and whether it needs to be changed.

If you discuss the extension of the employees' lunch breaks by 15 minutes, that is illegal, from the case of Sertafilm and Atlas Microfilming;

The length of the workday, to discuss how long each workday is going to be, that is illegal, from Weston & Brooker Co.;

A decrease in rest breaks from 15 minutes to 10 minutes, that is illegal to talk about with workers;

What paid holidays you have. The Singer Manufacturing case held that was illegal to talk about;

The extension of store hours during the wheat harvest season. The Dillon's company case said you cannot talk with workers about that to get their input.

Who are we trying to kid? Workers know what kind of break they need. Workers know what kind of workday they would like to work. I know of one plant in my home State that decided they wanted to work 4 days of 10 hours a day instead of 5 days of 8 hours a day and have 3-day weekends every week. Why would Government stand between workers and manufacturers, between managers and employees or their associates to say you cannot discuss those things, and yet that is what the law is for eight out of nine American workers, because eight out of nine American workers are nonunion workers.

You see, this is something that is totally and perfectly all right for union workers to talk with employers about. It is just not legal according to the National Labor Relations Board for nonunion.

I could talk to you about other things. Safety labeling of electrical breakers is wrong for the managers to talk to the employees about. I hope they go ahead and talk about it anyhow. They ought to.

Tornado warning procedures: Wrong, cannot talk about that.

Purchase of new lifting equipment for stock crew: Wrong.

Rules about fighting: Wrong.

Safety goggles for fryer and bailer operators: Wrong.

Wait a second. We do not want to rule out of the equation of American business the contribution that employees can make to the safety and productivity, to the efficiency, to the level of service. If the store workers want to mention to the managers that we should stay open later during the wheat harvest in the Great Plains of America, which turns out to be the bread basket for the world, it seems to me that we should not make that against the law.

The sharpness of the edges of the safety knives: That is illegal to talk about.

Pensions, profit-sharing plans, overtime pay: Cannot talk about that.

Oh, it is said that, "Well, if you talk about those things, the people will think you have a union when you don't. It will be a sham union." Frankly, I do not underestimate the American worker that severely.

Over the Fourth of July, over the break of the last 10 days, I went and worked in about five or six places in

Missouri, actually on the job side by side with people. I never met a single worker who did not know whether he or she was in a union. They know. Who are we trying to kid? Workers know whether union dues are being deducted. They know whether they are in a separate organization. It is not hard. This is not above the capacity of the American worker. What strikes me is that the American worker is bright.

I was involved in some jobs which I thought, looking from the sideline, might be easy or simple, and I found out that to do them well, there were subtleties about how you did them, there were challenges, and the American workers develop those capacities and those subtle efficiencies and they know how to put them in the system. They should be able to talk to managers about them.

The idea somehow that if we allow managers to talk to employees, employees will be tricked into thinking they have a union when they do not have a union is ludicrous. It underestimates the intelligence of the American work force. American workers know, they know for sure, they know surely whether or not they are in a union.

A second objection from the other side is, "Well, maybe if we allow people to talk, they will be just talking to certain employees who only have limited views, and they will not reflect the views of employees generally." There is a safeguard. If there is an unfair system established where workers and employers are communicating with each other and it is working against the interests of the workers, it is easy. Workers have every right to unionize. They can form a labor union. They can petition for a labor union. They can ask that unions come in if they think it is unfair.

There is a structural guarantee of competition. If nonunion systems are not working well for employees, if these things are likely to be so distorted or so unfair, nothing in this law, nothing in this proposal in any way derogates, undermines, erodes or otherwise lessens the right of a worker to petition for an election to organize or unionize a plant.

If the teams are unfair representatives or if they are shams or if they are in some way defrauding or abusing the workers, it is clear there is a remedy, and there is every incentive for employers and companies not to engage in that kind of activity, because this law does nothing, does absolutely nothing to change the right of workers to ask that they be represented, if they choose to, by a union.

There are about 30,000 employers that would like to have such plans. Why is it they would like to have such plans? Because they have seen that when we work together we succeed. Strange to me, that is basically a quote from President Clinton's State of the Union Address. He said, and I agree, and I quote, "When companies and workers work as a team, they do better, and so does America."

The real truth of that matter is understood in the hearts and minds of everyone who has ever worked on a team, knowing that when you work together, you do better than when you work at odds with each other. Yet we see this administration and its representatives in the Department of Labor opposing this opportunity, and they should not.

When I was Governor of the State of Missouri I had the opportunity to work with companies. Like I do today, I would go and work on the assembly line. I would go and work with people to learn about their jobs to see what was happening.

One of the companies that was hauled into the justice system of the Labor Department for cooperating with its employees was a company called EFCO Corp. It was a small company in Missouri, had about 60 jobs. Now it has over 1,000 jobs. Much of its capacity was to increase its on-time deliveries, which went from the low seventies up into the high nineties, and which allowed workers to start working 4 days a week instead of 5 days a week, get their 40 hours in in 4 days and have long weekends, spend more time with their kids, accommodate the demands of their families. It all came from these programs.

What was most distressing was that when EFCO wanted to be involved, it was said to have dominated its discussion groups or teams because they provided employees with pencils and pens and allowed them to have access to the financial records of the company. That was what the NLRB said was a violation.

You would say this company is bending over backward. It opens up the books to the workers and says: How can we do better for you and how can we, as a team, do better, how can we as a company have the kind of performance and productivity that will recommend us to the world? And indeed they are now a world-class company. But because they provided the pens and pencils and they allowed the workers to have access to the company's financial records, the NLRB filed charges against the company. This is not the kind of thing that recommends America for leadership. It is the kind of thing that takes correction.

The ability of union workers to collaborate with employers is well ensconced. It is fought for by the unions and protected by the employers, recognized as a great benefit. But why should we limit that great benefit to 11 or 12 percent of our society, to the one out of nine workers in America that are in unions? Why not extend this benefit to all the workers in America saying that it is entirely appropriate for nonunion workers, as well as union workers, to be involved in collaborating and cooperating, in providing their good judgment of how best to improve the situation for workers and to improve the productivity and profitability of the business?

A great deal has been made by those who apparently resent this potential, saying how terrible it would be if the employer chose which workers to talk to. Frankly, most employers want to get a good sampling. But it seems to me that what they want to do is impose a rule that says there will be no talking at all for fear that someone might chose the wrong person with whom to talk. It totally ignores the fact that if there are really misrepresentations involved in the situation, there is always the opportunity for those in the plant to ask that there be a union certified. And that election would proceed under the new law that has been proposed here just as readily as it does under the old.

No. I do not think we would send our teams to Atlanta forbidding the players to talk to the coaches. We have too much sense to do that. No, I do not think that union companies are going to stop having team discussions between employees and the company owners and managers. They have too much sense to do that. And, no, I do not think that this Government should stand between the owners of corporations and their managers and the employees who work hard and want to succeed and want to be productive and keep them from talking to each other, because I believe the American people have too much sense to do that.

I urge my colleagues to extend this benefit which now inures to the benefit of one out of nine workers in America to the rest of the working population. Let us give everyone an opportunity to contribute to a winning effort, to succeed. That will maintain America's position as the most productive and most profitable and most rewarding place, not just for companies, but for citizens, not just for institutions, but for individuals. It is in fact a reason that America continues to draw people from around the globe. It is the fact that we have recognized the worth and value of individuals. And for us to deny their value in a commercial setting would be a substantial error which we must not make. Mr. President, I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. I thank the Senator from Missouri for a very sincere and eloquent statement on a subject that he knows a great deal about. Senator ASHCROFT as both a Governor of Missouri and a Senator from Missouri has spent a great deal of time, as he mentioned, working in different companies around the State. He knows this issue well. He feels very passionately and is dedicated to it. I value greatly his help with this legislation.

AMENDMENT NO. 4438

(Purpose: To provide for a substitute amendment)

Mrs. KASSEBAUM. Mr. President, I now send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 4438.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first world insert the following:

1. SHORT TITLE.

This Act may be cited as the "Teamwork for Employees and Managers Act of 1995".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the escalating demands of global competition have compelled an increasing number of employers in the United States to make dramatic changes in workplace and employer-employee relationships;

(2) such changes involve an enhanced role for the employee in workplace decision-making, often referred to as "Employee Involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) Employee Involvement programs, which operate successfully in both unionized and nonunionized settings, have been established by over 80 percent of the largest employers in the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of businesses in the United States, Employee Involvement programs have had a positive impact on the lives of such employees, better enabling them to reach their potential in the workforce;

(5) recognizing that foreign competitors have successfully utilized Employee Involvement techniques, the Congress has consistently joined business, labor and academic leaders in encouraging and recognizing successful Employee Involvement programs in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate Employee Involvement programs have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930's when employers established deceptive sham "company unions" to avoid unionization; and

(7) Employee Involvement is currently threatened by legal interpretations of the prohibition against employer-dominated "company unions".

(b) PURPOSES.—The purpose of this Act is—

(1) to protect legitimate Employee Involvement programs against governmental interference;

(2) to preserve existing protections against deceptive, coercive employer practices; and

(3) to allow legitimate Employee Involvement programs, in which workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. EMPLOYER EXCEPTION.

Section 8(a)(2) of the National Labor Relations Act is amended by striking the semicolon and inserting the following: ": *Provided further*, That it shall not constitute or be evidence of an unfair labor practice under this paragraph for an employer to establish, assist, maintain, or participate in any organization or entity of any kind, in which employees who participate to at least the same extent practicable as representatives of management participate, to address matters of mutual interest, including, but not limited to, issues of quality, productivity, efficiency, and safety and health, and which does not have, claim, or seek authority to be the exclusive bargaining representative of the employees or to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements between the employer and any labor organization, except that in a case in which a labor organization is the representative of such employees as provided in section 9(a), this proviso shall not apply;".

SEC. 4. LIMITATION ON EFFECT OF ACT.

Nothing in this Act shall affect employee rights and responsibilities contained in provisions other than section 8(a)(2) of the National Labor Relations Act, as amended.

Mrs. KASSEBAUM. Mr. President, the amendment that I am offering conforms the TEAM Act to the bill that was passed by the House of Representatives last fall. It just basically has three provisions that clarify the TEAM Act.

First, the amendment includes health and safety among those issues that may be discussed by teams. The original TEAM Act states that teams may discuss matters of mutual interest, including quality, productivity and efficiency issues. We always intended for teams to be able to discuss health and safety. Nevertheless, we wanted to make explicit that health and safety could be a topic of discussion. The amendment makes this clarification.

Second, the amendment specifically limits the TEAM Act's safe harbor to nonunion settings. Despite a construction clause in section 4 of the bill that should have assured organized labor that firms could not use teams to bypass a union, organized labor somehow apparently still believes that teams will undermine unions. That is not the case. Nevertheless, we make it abundantly clear that we do not intend teams to undermine unions and we state in plain English that the TEAM Act's safe harbor only applies to nonunion settings.

Finally, the amendment states that teams have equitable participation by workers and managers. The purpose of this provision is to clarify that workers may raise issues for discussion just as managers may raise issues as well. This is not meant to be a rigid formula for participation in the teams. It is simply meant to promote open dialog in teams. Many unionized workplaces suffer from an "us-versus-them" attitude, and we do not want teams to suffer the same problem.

This has been my concern with the amendment that was offered earlier by the Senator from North Dakota. There is a specificity and a rigidity written into the amendment that does not allow for the flexibility that I think Senator ASHCROFT spoke to with much clarity and eloquence.

Those are the main provisions of the substitute amendment that I am introducing.

For a point of clarification, Mr. President, I ask how much time is left on the Kassebaum amendment.

The PRESIDING OFFICER. There are 14 minutes and 10 seconds remaining.

Mrs. KASSEBAUM. On my side?

The PRESIDING OFFICER. Yes. And 30 minutes on the other side.

Mrs. KASSEBAUM. I appreciate that. I think that the Senator from Vermont wishes to speak again. I yield to him now however much time he wants out of that remaining time that is left. I yield to Senator JEFFORDS.

The PRESIDING OFFICER. The Senator from Vermont has 14 minutes remaining.

Mr. JEFFORDS. Mr. President, I am a cosponsor of the TEAM Act because I believe that cooperation between the employers and employees is critical to our future. The historical confrontation and conflict model of industrial relations will not serve us in the 21st century. Over 30,000 American companies use employer-employee involvement programs.

The TEAM Act addresses the concern that the National Labor Relations Board will discourage future efforts at labor-management cooperation. Specifically, in the Electromation decision, the NLRB held that employer-employee action committees that involved workers meeting with management to discuss attendance problems, no-smoking rules, and compensation issues constituted unlawful company dominated unions. Senator ASHCROFT went through a whole list of items which obviously should not have raised the concern of the NLRB.

Congress enacted section 8(a)(2) of the National Labor Relations Act forbidding employer domination of labor organizations, to eliminate the sham unions of the early 1930's. That was an appropriate and necessary act. The TEAM Act is a direct recognition that the world of work has changed since the 1930's, as I stated earlier. In that era, many in American business believed that success could be achieved without involving workers' minds along with their bodies. Today, recognition is widespread among business executives that employee involvement from the shop floor to the executive suite is the best way to succeed.

The employee involvement efforts protected by the TEAM Act are not intended to replace existing or potential unions—not intended. In fact, the language of the bill specifically prohibits this result. That is why it is hard for me to concede that the opposition has any merit.

The legislation allows employers and employee to meet together to address issues of mutual concern, including issues relating to quality, productivity, and efficiency. However, those efforts are limited by language that prohibits the committees or other joint programs from engaging in collective bargaining or holding themselves out as being empowered to negotiate or to modify collective bargaining agreements. It is very clear, that sets the line, you cannot do what the unions are worried about.

Mr. President, the essence of the matter is the definition of a labor organization under the NLRA is so broad that whenever employers and employees get together to discuss such issues, that act arguably creates a labor organization. In that situation, the existing language of section 8(a)(2) comes into play and the question becomes whether the employer has done anything to dominate or support that labor organization. It takes very little for an employer to be found to have violated section 8(a)(2).

In prior debates, my Democratic colleagues have disputed whether such domination and support can be as little as providing meeting rooms or pencils and papers for the discussions. However, it is clear that at present no employer can be 100 percent certain that its dealings with a team comply with the law. The standard is simply too unclear. Thus, we have this bill before the Senate.

In our earlier debate on this issue, I heard Senator KENNEDY state that upwards of 80 percent of American companies are engaging in some form of teamwork or other cooperative workplace programs. His conclusion was that all this activity is taking place now without a change in the law, so there is no need to change the law. However, what that argument misses, Mr. President, is the fact that much of this activity is a technical violation of existing law.

While these programs may be doing wonders for the productivity of the companies where they are employed, any of them are no more than a phone call away from running afoul of the NLRA. What this does is places the unions in a position of intimidation, to try and force organization where they may not be able otherwise to get it.

It is no defense to an unfair labor practice charge that the program is working, that working conditions and productivity have improved, or that the company's bottom line has risen. None of that matters. If it is a technical violation of the antiquated rule, the NLRB will shut down the work team, fine the company, and force it to sign papers swearing never to do it again. The TEAM Act would prevent the continuation of these absurd results. That is all we are asking for here.

I recently was visited by a workplace team from my own State of Vermont. I am certain many of my colleagues in the Senate have had similar visits. There are successful teams operating throughout the country. That is the way it should be. We should keep it that way. The workers who visited me were from the IBM computer-chipmaking facilities in Burlington, VT. The more traditional top-down management style still prevails in most shifts and in most departments in that plant. However, on the night shift at this plant, the workers decided about 3 years ago to try a cooperative work team. They chose the name WENOTI for their group. That name is a combination of the words "we, not I," to symbolize their focus on what is good for all, not just what is good for one.

When the team representatives came to my office a few months ago, they were as proud a group of employees as I have ever seen. The WENOTI team consistently leads the plant in all productivity and quality control measures. Moreover, they told me that their job satisfaction has risen directly to the relationship of their ability to contribute meaningfully to the successful completion of their jobs. They were participating, and they were seeing results.

IBM is a profitmaking organization, and it is not promoting employee involvement solely out of altruism, but, rather, IBM has come to the realization that employee involvement is vital to the company's bottom line. Doing so has the added dividend of giving employees a greater stake and a greater satisfaction in their job. Time and again, you hear employees praise companies that do not ask them to check their brains at the door.

So if affected employers and employees support this legislative effort, what is the problem? It comes as no great surprise that organized labor takes a dim view of it. Oddly enough, to do so, it also must take a dim view of the American worker.

Organized labor's arguments are based on the assumption that workers are not smart enough to know the difference between a sham union and a genuine effort to involve them in a cooperative effort to improve a product, improve the productivity, improve the profit, and hopefully, and most likely what will occur, enhance the ability of workers to see increased pay and benefits in their job.

In fact, Mr. President, the evil that section 8(a)(2) of the NLRA was designed to prevent was employees being fooled into thinking a union was in the plant to represent their interests when, in reality, it had been set up by the employer to act in the company's best interests. Employers may have been able to get away with that behavior in the 1930's when this provision was written, but I think today's workers are smarter and better informed than ever before. I think that is exactly why the employers are trying to harness their brains as well as their backs, and in the modern-day work force, the need for brains is greater every day.

Section 8(a)(2) needs to be amended to reflect the reality of today's work force. That is all that this bill is trying to do.

The real problem for unions is, under current law, they have a monopoly on employee involvement. Like the AT&T or the Vermont Republican Party of old, nobody likes to lose their monopoly. But consumers or voters or workers profit from choices in competition, not from a static response to a changing environment.

This is clearly the trend of the future. We should not allow an outmoded interpretation of law written for an early era get in the way of this Congress. I urge my colleagues to support the TEAM Act. I urge them to protect the future of this Nation by allowing us to be cooperative and to be productive in the world's economy so we can continue our domination in the world economy.

Mrs. KASSEBAUM. Mr. President, I appreciate very much the efforts of Senator JEFFORDS over a long period of time. He has been valuable in committee as well as making a case on the floor. I thank him.

The Senator from Virginia [Mr. WARNER] desires to speak. Until he is here, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

AMENDMENT NO. 4437, AS MODIFIED

Mr. KENNEDY. Mr. President, on behalf of Senator DORGAN, I send this modification of this amendment to the desk.

The amendment (No. 4437), as modified, is as follows:

Strike all after the word "SHORT" on page 2, line 1, and insert the following:

TITLE.

This Act may be cited as the "Teamwork for Employees and Management Act of 1995".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the escalating demands of global competition have compelled an increasing number of American employers to make dramatic changes in workplace and employer-employee relationships;

(2) these changes involve an enhanced role for the employee in workplace decision-making, often referred to as "employee involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) employee involvement structures, which operate successfully in both unionized and non-unionized settings, have been established by over 80 percent of the largest employers of the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of American businesses, employee involvement structures have had a positive impact on the lives of those employees, better enabling them to reach their potential in their working lives;

(5) recognizing that foreign competitors have successfully utilized employee involvement techniques, Congress has consistently joined business, labor, and academic leaders in encouraging and recognizing successful employee involvement structures in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate employee involvement structures have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930s when employers established deceptive sham "company unions" to avoid unionization; and

(7) the prohibition of the National Labor Relations Act against employer domination or interference with the formation or administration of a labor organization has produced uncertainty and apprehension among employers regarding the continued development of employee involvement structures.

(b) PURPOSES.—It is the purpose of this Act to—

(1) protect legitimate employee involvement structures against governmental interference;

(2) preserve existing protections against deceptive, coercive employer practices; and

(3) permit legitimate employee involvement structures where workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. LABOR PRACTICES.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end thereof the following new subsection:

"(h)(1) The following provisions shall apply with respect to any employees who are not represented by an exclusive representative pursuant to section 9(a) of 8(f):

"(A) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to meet with the employees as a group, or to meet with each of the employees individually, to share information, to brainstorm, or receive suggestions or opinions from individual employees, with respect to matters of mutual interest, including matters relating to working conditions.

"(B) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to assign employees to work units and to hold regular meetings of the employees assigned to a work unit to discuss matters relating to the work responsibilities of the unit. The meetings, may, on occasion, include discussions with respect to the conditions of work of the employees assigned to the unit.

"(C) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to establish a committee composed of employees of the employer to make recommendations or determinations on ways of improving the quality of, or method of producing and distributing, the employer's product or service and to hold regular meetings of the committee to discuss matters relating to the committee. The meetings may, on occasion, include discussions with respect to any directly related issues concerning conditions of work of the employees.

"(2) The provisions of paragraph (1) shall not apply if—

"(A) a labor organization is the representative of the employees as provided in section 9(a);

"(B) the employer creates or alters the work unit or committee during any organizational activity among the employer's employees or discourages employees from exercising the rights of the employees under section 7;

"(C) the employer interferes with, restrains, or coerces any employee because of the employee's participation in or refusal to participate in discussions with respect to conditions of work, which otherwise would be permitted by subparagraphs (A) through (C) of paragraph (1); or

"(D) an employer establishes or maintains a group, unit, or committee authorized by subparagraph (A), (B), or (C) of paragraph (1) that discusses conditions of work of employees who are represented under section 9 without first engaging in the collective bargaining required by this Act.

"(3) An employee who participates in a group, unit, or committee described in subparagraph (A), (B), or (C) of paragraph (1) shall not be considered to be a supervisor or manager because of the participation of the employee in the group, unit, or committee.".

Mr. KENNEDY. Mr. President, I wanted to just speak briefly on the measure that is before us. I see other Senators who want to address the Senate this evening. So I will only take a few moments.

But during the course of the discussion about what is legitimate and what is not legitimate, under existing laws there are a number of items that were raised, most of which were raised in a previous debate and discussion on the TEAM Act. We asked the General Counsel of the National Labor Relations Board to make a comment on them.

I ask unanimous consent that his complete letter to me be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. GOVERNMENT,
NATIONAL LABOR RELATIONS BOARD,
Washington, DC, May 14, 1996.

Hon. EDWARD M. KENNEDY,
Senator, U.S. Senate, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: This is in response to your request of May 11, 1966 for my assessment of the accuracy of certain claims concerning the proper interpretation of Section 8(a)(2) of the National Labor Relations Act (NLRA) with reference to S. 295 (the "Team Act"). As General Counsel of the National Labor Relations Board (NLRB), it is my responsibility to investigate alleged violations of the NLRA and prosecute meritorious claims. The responses to the questions you posed set out below are based on my considered judgment of the proper interpretation of Board cases. They constitute my view of the applicable law, as General Counsel, and do not constitute an opinion of the Board or its individual members.

1. An organization whose purpose is to deal with an employer to discuss quality, productivity, and efficiency would not constitute a labor organization, provided it did not also deal with the employer concerning grievances, labor disputes, wages, rates of pay, hours, or working conditions, or exist in part for such purposes.

Assuming the employee organization did deal with the employer concerning working conditions and thus constituted a labor organization, the employer would not "dominate" such an organization simply by providing it with office supplies and meeting space. "Domination" is typically found where an employer exercises a strong influence over the organization, by such actions as initiating the committee, presiding over meetings, selecting the employee representatives, or selecting the topics to be discussed. See *Electromation, Inc.*, 309 NLRB 990, 995 (1992), enfd., 35 F.2d 1148 (7th Cir. 1994).

The NLRB has also made it clear that an employer would not violate Section 8(a)(2)'s proscription on providing unlawful "support" to a labor organization simply by providing a meeting room or office supplies, provided it did not do so in the context of other acts of domination, interference, or support of the organization. *Keeler Brass Co.*, 317 NLRB 1110 (1995); *Electromation*, 309 NLRB at 998 n. 31; *Duquesne University*, 198 NLRB 891, 891 & n. 4 (1972). See, for example, *Sunnen Products, Inc.*, 189 NLRB 826 (1971)

2. A "labor organization" under the NLRA is a body in which employees participate and deal with the employer concerning "grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work." Discussions of quality, productivity and efficiency do not necessarily constitute dealing with the employer on conditions of employment within the statutory definition.

3. The NLRA does not authorize the NLRB to fine companies for violating the NLRA. The appropriate remedy for a violation of Section 8(a)(2) would require the employer to cease any unlawful assistance to or disestablish an unlawfully dominated organization and reestablish the status quo ante.

4. Talking to employees does not constitute dealing. The NLRB has made clear that nothing in the NLRA prevents an employer from encouraging its employees, for example, to become more aware of safety problems in their work, or from seeking suggestions and ideas from its employees. Therefore, brainstorming groups, whose purpose is simply to develop a range of ideas, are not engaged in dealing. Similarly, a committee that exists for the purpose of sharing information with the employer, but makes no proposals to the employer, is not ordinarily engaged in dealing. *E.I DuPont & Co.*, 311 NLRB 893, 894, 897 (1993).

Dealing requires a pattern or practice whereby employees make proposals to management and management responds to those proposals. Where there is no dealing, there is no labor organization and, therefore, no unlawful domination of a labor organization. Of course, where the employees are represented by a collective bargaining agent, the employer is required to discuss bargainable matters through the representative.

5. Nothing in the NLRA prohibits employees from talking to their employer about tornado warning procedures. Talking to employees does not constitute dealing between

employees and their employer. The NLRB's decision in *Dillon Stores*, 319 NLRB No. 149 (1995), does not hold that it is illegal for workers to talk with their employers about tornado warning procedures. That case held that the employer unlawfully dominated employee committees that presented to management proposals and grievances on virtually every possible aspect of the employment relationship. Although at one meeting there was a question and answer about tornado warning procedures, that topic was wholly peripheral to the NLRB's decision. The decision does not describe the nature of the question or answer. Nor does it even remotely suggest that that exchange was relevant to the finding that the committee existed for the purpose of dealing with the employer in that case, or that any discussion about that subject would necessarily constitute dealing, or be impermissible.

6. Nothing in the NLRA prevents employers from seeking suggestions and ideas from employees. Therefore, it does not prevent an employer from seeking such input from employees about how to settle a fight among employees.

7. Nothing in the Act prohibits an employer from talking to employees, who are not represented by a union, about extending lunch breaks. As already discussed, talking to employees does not constitute dealing.

The NLRB's decision in *Atlas Microfilming Division of Sertafilm, Inc.* 267 NLRB (1983), enfd. 753 F.2d 313 (3d Cir. 1985), is not to the contrary. That case did not involve a violation of Section 8(a)(2) of the NLRA, nor did the NLRB find that an employer could not discuss extending the lunch hour with unrepresented employees. There, the NLRB found that the employer violated Section 8(a)(5) and (1) of the NLRA by unilaterally extending the lunch break an additional 15 minutes, at a time when the employer had an obligation to bargain with a union that was the exclusive representative of the employer's employees.

8. It is not illegal for an employer to have a dialog with his employees about flexible work schedules. Where employees are simply providing information or ideas, rather than making proposals as part of a pattern or practice of making proposals, there is not dealing between the employees and the employer. Further, where employees seek to make proposals in the context of an organization over which they have control, there is no unlawful employer domination of organization.

The NLRB's decision in *Weston & Broker Co.* 154 NLRB 747,763 (1965), enfd. 373 F.2d 741 (14th Cir. 1967), did not make it against the law for employees to discuss working arrangements with their employers. The employer in that case did not attempt to discuss work arrangements with employees. Rather, in that case, the employer unilaterally changed employees' hours of employment, without providing notice to the union representing the employees, or bargaining with the union, and it was those actions that the NLRB found to be a violation of the employer's obligation to bargain under Section 8(a)(5) of the NLRA.

9. It is not illegal for an employer to seek input from employees concerning improving productivity. An employer is prohibited only from dominating, interfering with, or supporting a labor organization. A labor organization is one that exists in whole or in part for the purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work, as set out in Section 2(5) of the NLRA. When discussions about productivity do not implicate the subjects listed in the statutory definition of labor organization, Section 8(a)(2) of the NLRA is inapplicable. See *Vons Grocery Company* 320 NLRB No. 5 (December 18, 1995) (employee participation group devoted to considering specific operational concerns and problems did not have a pattern or practice of making proposals to management on subjects listed in Section 2(5), and therefore was not a labor organization).

10. An employer can talk to employees about matters such as day care centers, softball teams, the employee lounge, vacations, dress codes, and parking regulations. Employees can provide information or ideas without engaging in dealing under the NLRA. Further, employees can made proposals through an organization, to which the employer may respond, where the employees have control of the structure and function of the organization.

I reiterate that these responses represent only my considered judgment of the applicability of Board precedent to the questions you pose.

Sincerely,

FRED FEINSTEIN,
General Counsel.

Mr. KENNEDY. Mr. President, Senators have pointed to the recent administrative law judge decision relating to the Polaroid Corp. as an example of what is wrong with the National Labor Relations Act. I disagree with those Senators. Polaroid illustrates what is right with the NLRA and wrong with the TEAM Act.

In Polaroid the employer created something it called the Employee Owners Influence Council to replace the Polaroid's Employees' Committee which the employer unilaterally disbanded. Polaroid got rid of the committee when advised that the committee was a labor organization whose officers, under the Landrum-Griffin Act, must be elected. Polaroid's CEO unilaterally disbanded the Employees' Committee because he believed that a companywide election would be disruptive, divisive, and contrary to the collaborative heritage that we value at Polaroid.

When he disbanded the Employees Committee, the CEO expressed concern that this could leave a vacuum in the company and could lead to a union organizing drive. Polaroid therefore set about to create an alternative structure that would be compatible with our corporate values. The administrative law judge found that in creating this structure, Polaroid was motivated in part by its opposition to any union, or union not dominated by the company and by its concern that in the absence of a company dominated structure, the resulting void might leave an opening for such unwanted union.

Polariod selected the members of the Employee Owners Influence Council, controlled the agenda and established all the ground rules for its proceedings. Polaroid made clear to the employees, as the ALJ found, that if they wished to have any voice in shaping company policy and practices they had best do so through the mechanism of EOIC.

Polariod sought to circumvent §8(a)(2) in creating the EOIC by transparent artifices. The members of the EOIC were told that they reflected, but did not represent the views of other employees—although they could report on what I have heard. The members of the EOIC likewise were told not to make recommendations, although they could respond to company proposals. And the members of the EOIC did not arrive at majority decisions, although polls were taken of the EOIC members. The ALJ had no trouble seeing through these word games and found that the EOIC was, in fact, an employee representation committee.

In sum, the Council at issue in Polaroid was unlawful because it violated the core purpose of §8(a)(2): it deprived employees of the opportunity to determine for themselves how they wish to be represented and to choose their own representatives and substituted, instead, an employer controlled system of employee representation. S. 295 would, indeed, allow such employer domination. That is why S. 295 should be defeated.

Mr. President, I would like to just very quickly mention for the Members some of the items that were brought up during this afternoon and that had been brought up previously, and his response to them.

The NLRB has made it clear that employers would not violate section 8(a)(2)'s proscription on providing unlawful support to a labor organization simply by providing a meeting room or office supplies, provided it did not do so in the context of other acts of domination, interference, or support of the organization.

The issue about employers talking to their employees about matters of mutual interest, and talking to employees, does not constitute dealing. The NLRB has made clear that nothing in the NLRA prevents an employer from encouraging its employees, for example, to become more aware of safety programs in their work, or from seeking suggestions and ideas from employees.

Therefore brainstorming groups whose purpose is simply to develop a range of ideas are not engaged in dealing. Similarly, a committee that exists for purposes of sharing information with the employer but makes no proposal to the employer is not ordinarily engaged in dealing.

Nothing in the NLRA prohibits employees from talking to their employer about tornado warning procedures. Talking to employees does not constitute dealing with employees and their employer.

That issue was raised this afternoon as well.

Nothing in the NLRA prevents employers from seeking suggestions and ideas from employees. Therefore it does not prevent an employer from seeking such input from employees in how to settle a fight among employees.

That was suggested to be illegal.

> Nothing in the Act prohibits an employer from talking to employees who are not represented by a union about extending lunch breaks. As already discussed, talking to employees does not constitute dealing.

I believe that that activity was suggested as violating the law.

> It is not illegal for an employer to have a dialog with his employees about flexible work schedules. Where employees are simply providing information or ideas, rather than making proposals as part of a pattern or practice of making proposals, there is no dealing between the employees and the employer. Further, where employees seek to make proposals in the context of an organization over which they have control, there is no unlawful employer domination of that organization.

The NLRB's decision in Weston & Brooker did not make it against the law for employees to discuss working arrangements with their employers. The employer in that case did not attempt to discuss work arrangements with employees. Rather, in that case, the employer unilaterally changed employees' hours of employment without providing notice to the union representing the employees, or bargaining with the union, and it was those actions that the NLRB found to be a violation of the employer's obligation to bargain under section 8(a)(5) of the NLRA.

There has been references to that earlier in the afternoon. It is important to put it in perspective, and I believe this comment does.

> It is not illegal for an employer to seek input from employees concerning improving productivity. An employer is prohibited only from dominating, interfering with, or supporting a labor organization. A labor organization is one that exists in whole or in part for the purposes of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work, as set out in section 2(5) of the NLRA. Where discussions about productivity do not implicate the subjects listed in the statutory definition of labor organization, section 8(a)(2) is inapplicable.

Mr. President, I include the whole letter. It is a very good statement. What we have tried to do is to take a number of the questions that were raised during earlier debate by a number of our colleagues and asked for an explanation and for an understanding by the chief counsel as to the conditions of the law. I think if people take the time to review the letter and put it against what has been suggested they would have a clearer idea.

Finally, I come back, Mr. President, to say, as I mentioned from our previous charts earlier today, we have, No. 1, seen where this kind of cooperation is taking place in 30,000 businesses across the country. The number of cases that have been brought each year is virtually a handful. This is not a problem. What we are doing with, I believe, with the consideration of the TEAM Act is that rather than get involved in cooperative kinds of endeavors, it is only going to provide increasing kinds of tension.

When the employers know their rights and the employees know their rights and they are able to work that out, then we have an increasing understanding and increasing productivity. When you have exploitation of one side by the other, you have tension and lack of cooperation. We find that today there is that increasing cooperation and we support that and believe that that ought to be the case. But we are strongly opposed to the idea that under the label of cooperation or some idea of "team," we are going to substitute carefully selected employees by the employers to be the effective negotiators for employees in the areas of conditions and wages. That is stated not to be the purpose of it. If it is not the purpose of it, I do not believe this legislation is really needed, and for those reasons and reasons outlined earlier in the day I hope the legislation would not be approved.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. I would respectfully disagree with the ranking member of the Labor and Human Resources Committee; there is a problem. And while there may be only 1 case out of 1,000 perhaps that is a problem, it has, as I have said earlier, a chilling effect. And the example I gave this afternoon was of the Polaroid decision which was in June and was I think an enormous problem and an example of the effect and influence on everyone.

Point of inquiry. How much time is remaining for my amendment, or on my side?

The PRESIDING OFFICER. There are 3 minutes 2 seconds.

Mrs. KASSEBAUM. I yield to the senior Senator from Virginia that amount of time plus any leader time he would desire.

Mr. WARNER. Mr. President, plus what other time?

Mrs. KASSEBAUM. Any amount of leader time——

Mr. WARNER. I thank the Senator.

Mrs. KASSEBAUM. The Senator from Virginia desires.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I am here as, I believe, one of the strongest supporters of this proposed legislation. I am privileged to serve on the Small Business Committee. Chairman BOND and others had hearings at which I participated.

Mr. President, before the distinguished Senator from Massachusetts leaves the floor, I wonder if I might ask him a question on my time.

Mr. President, in the course of the hearing before the Committee on Labor, chaired by the distinguished Senator from Kansas and the distinguished Senator from Massachusetts as the ranking member, I put forth the suggestion that I find this proposed legislation a first cousin to the suggestion box which is found in industrial plants and offices all across America. I have great difficulty in trying to determine, if you can drop a written suggestion in the box, why can't one or two employees verbally suggest to their employers—whether it is, say, a day care center or needed improvements in the restaurant—why can they not do that and then help the employer implement it? It seems to me so elementary.

Mr. KENNEDY. Mr. President, I respond, they cannot only do it but they do much more in the 30,000 businesses across the country that the majority report mentions. If you take the State of Washington and the State of Oregon, the two clearest States, they have been able to save in State workman's compensation hundreds of millions of dollars, over billions of dollars have been realized as a direct result of this kind of cooperation. We are all for that. As we pointed out, this is a problem that does not exist.

Here is a map showing the virtual nonexistence of these cases before the NLRB. No one in the State of Virginia has brought a successful case under this section in the last 4 years. And if the Senator is here tonight to say that there is great confusion or a great problem or trouble among the employers, I would like to know about it because no one has brought a case to the NLRB under this particular section.

Mr. WARNER. Mr. President, I would say in the course of the hearing in the Small Business Committee, we had employers come up who went ahead and violated the law knowingly and take the risk of being sued, and one of them was a Virginia firm.

Mr. KENNEDY. The only point is that this is 1992 through 1995 and we do not have those cases recorded. I have gone over in careful detail the total number of cases over the period of the last 10 years that have been brought. I will bring those charts back. I know the Senator wants to address the Senate.

We are for cooperation. You have the examples of 30,000 different employers where that is taking place now. We have, I believe it is 227 cases that have been brought in 4 or 5 years as compared to the 13,000 illegal firings of workers in Virginia and around the Nation and the remedies that have been out there to provide back pay and reinstatement. This is numbers going in the thousands.

It seems to me, if we are going to talk about doing something to improve the climate, we ought to be trying to look out for workers' rights. In 1994, there were 227 charges of 8(a)(2) violations of all kinds—not just those that are the subject of S. 295. In 1994—as you know, Electromation was 2 years before, in 1992—there were 87 cases. You look at those where they have remedies for reinstatements by employers, 7,900; remedies for back pay because of illegal activity, 8,500, that is a problem.

Mr. WARNER. Mr. President, I disagree with my colleague. I find this law is always a chilling effect, a very severe chilling effect, on the ability of the workers of today to implement their suggestions with management.

If I might pose a second question to my good friend and colleague, this law was put on the books in 1935. And how well we recall the profile of the work force in those days, having less benefit of education, having grown up, father and son, in an atmosphere where the workers were told what to do by the managers who were not looking for any suggestions.

That labor force, I say to my good friend, has changed dramatically since 1935. Today, it is a well-educated work force. It is a work force that wants to participate and have a voice in their organization, firm, manufacturing company, or whatever the case may be, becoming more competitive; competitive domestically, competitive internationally. The concept in this legislation is spreading through Asia. My good friend is aware of that.

I would be interested in his views in comparing the work force of 1935 to the work force of 1995, 1996, 1997; and whether or not that alone, that profile, that change in the individual, does not dictate that the Congress should awaken to change this archaic law?

Mr. KENNEDY. I would answer it this way, Mr. President. The greatest danger to the workers in 1935 was company-dominated unions—company-dominated unions. Anyone who understands the industrial history of this country understands that they were the principal vehicles which were used to deny workers their legitimate rights.

All I am saying here is let us not repeat that unfortunate history. This has nothing to do with the education or the ability of the employees. It is: Let us not repeat history, to go back to company-dominated unions. And that is the danger of this proposal.

The final point I make is this. I know the Senator is familiar with the majority report of the committee. This is the majority report. This is the majority report that supports the TEAM Act. Citing the Commission on the Future of Worker-Management Relations, their survey found 75 percent of responding employers, large and small, had incorporated means of employee involvement in their operation. Among the larger employers, those with 5,000 employees or more, the percentage was even higher—96 percent. "It is estimated that as many as 30,000 employers currently employ some form of employee involvement or participation."

Wonderful. Amen. You have it going already and you have no complaints about it. Meanwhile, you still have the growing numbers of workers being thrown out and being reinstated because of violations of the law, because of illegal activity from many employers, and also remedies for back pay.

The point I am making is we have those, even in the majority report, taking place. We are all for it. The area that is proscribed is exactly the area which the Senator has referred to, and that is the ability of company employers making decisions about which employees are going to negotiate and represent employees to negotiate with the employer about wage and working conditions. That is proscribed. That is what we are concerned about.

I know Senator KASSEBAUM has spoken eloquently, and it is not her desire to substitute the company-designated employees for that purpose. But I daresay we are going right down the road on it. If we are able to make progress in the other areas, I think we ought to continue to make progress, rather than come up with a solution for a problem that I do not think really exists. But I thank my colleague.

Mr. WARNER. I thank the distinguished Senator from Massachusetts. I feel the workers today are far too intelligent, far too mobile, to allow that. They will move on to another situation unless they feel their intelligence is being utilized just as fully as their brawn and other attributes.

I feel the TEAM Act is a common sense measure designed to eliminate a Government-imposed restraint on America's competitiveness. This country, our companies, and our workers must increasingly compete in a world economy. Every shortcoming of a company, whether it is bloated management, undereducated employees, or excessive debt, can doom that company today. This reality faces high-tech firms with Asian competition and traditional industries struggling against the developing nations. It is a one-world economy, and I commend the managers of this bill for bringing forth this legislation to free the bonds and loosen the shackles and restraints on the American worker today to get out and compete with workers all over the world. How different that was in 1935 when, incidentally, this country regrettably was in a period of isolation and our markets were within our own States or across State borders.

Then the Wagner Act. That act presently throws into doubt all kinds of employee involvement programs. It was enacted in 1935 when employees were expected to do exactly what they were told. "You are here to be told what to do, not listened to; to be seen, not to be heard from."

"Theirs not to reason why, Theirs but to do or die" to quote Alfred, Lord Tennyson. That was over 60 years ago, when almost every business required a lot more physical labor than creative thinking. That was when the struggles between labor and management were seen as zero-sum battles, where laborers fought for every last crumb that their industrial bosses may have given them. Those days are behind us, fortunately.

Now we are in 1996 and everybody knows that business must have the most effective, productive, and satisfied employees to compete in the world economy. Which plant is going to be more successful, the one where management calls all the shots and simply barks orders at the employees? No. It is the company where employees' ideas and suggestions are encouraged, listened to, respected, and utilized. It does not take an expert on business productivity to know that employee involvement is the key to our survival in this one world market.

I was fortunate to chair a hearing in the Committee on Small Business on the TEAM Act. The hearing was held in April of this year. We heard testimony from experts but we also heard testimony from the laborers themselves. I remember one man proudly wore his blue collar outfit.

One expert witness, Edward Potter, of the Employment Policy Foundation, testified about detailed studies concerning increases in productivity made by American companies over the past few decades. Three-quarters of these increases—I will repeat that—three-quarters of the increases in the productivity were attributable to employee involvement in their respective workplaces. The team concept was far more responsible for productivity improvements than, indeed, education, capital investment, or work experience. Without employee involvement we have little improvement in productivity. And without increases in productivity, we are doomed in this one-world market.

I believe in the smarts and talents of the American worker. Companies and employees in my Commonwealth of Virginia have shown remarkable ingenuity in using team concepts to take on world competition. The AMP Corp., a worldwide corporation which manufactures electrical connectors, has a plant in Roanoke, VA, which provides several examples of this creativity necessary to meet the challenge of foreign competition.

One team of workers went with their managers to another AMP facility and learned a new stamping process. Implementing this process in Roanoke increased output so much that 20 new jobs were created.

Another team of workers was assigned the task of comparing AMP's production processes to foreign competitors, a job previously done solely by management. The employee team was better able to see how inventory levels, technology changes, and production cycles affected productivity. As a result, quality and delivery is better, prices are lower, and the employees have increased job security.

Last, the community education team reaches out to local schools. Through this team, AMP has been able to recruit new workers from the Roanoke area with the necessary technology training rather than recruiting out of the area.

Many Virginia companies have had similar success stories. The team concept is one that works and it is astonishing that outdated laws cast doubt on the legality of programs that benefit both the company and its employees.

I would like to address for a minute the amendments which will be offered by the other side of the aisle. These amendments would require that all teams be formed only after formal elections by the employees affected by the decisions of the team. This is micromanagement of the workplace at its worst: the present situation where the legality of teams is unclear is a better one than what these amendments would create.

Imagine the logistical nightmares of having to hold a formal election every time more than one employee wants to discuss something with a supervisor. Take a 20-person printing company where Fred and Jane are two of 18 nonmanagement workers. Their work stations are next to a piece of equipment emitting fumes where ventilation around that area is poor. As a result, Fred and Jane would like to have the machine moved to an empty area with an air duct. Under these amendments, the 18 workers would have to hold a formal election before Fred and Jane could suggest to the owner that the equipment be moved. This election no doubt would have to comply with NLRB regulations about the notice of the election, timing, secrecy provisions, and the like. Is this really necessary? Can't we trust the 18 workers to be watchdogs of their own needs? Can't we trust Fred and Jane to make reasonable suggestions to the owner? Or do we have to micromanage every decision made in the workplace? I think the answer is clear.

I believe enactment of the TEAM Act without harmful amendments would be a boon to American industry and American workers. Only by allowing them to compete freely in the world economy can we expect our companies to be successful and their employees well-paid and satisfied. I urge my colleagues to join me in sending the TEAM Act to the President.

I thank the distinguished chairman of the committee, the Senator from Kansas, the manager of this legislation, for allowing me to participate in this debate. I once again extend my strongest congratulations for your leadership in seeing this legislation move forward and, indeed, to our fellow colleague, the Senator from Missouri, Senator BOND, the chairman of the Small Business Committee.

I yield the floor.

Mrs. KASSEBAUM. I thank the Senator from Virginia who knows well the importance of this legislation to the effectiveness and the well-being of employees.

As a member of the small business community, I think he has addressed very effectively just how much it would be an asset to employees, as well as employers, to have some certainty about their ability to communicate and work together in the workplace.

Mr. WARNER. Mr. President, I thank my distinguished colleague.

MORNING BUSINESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 8, 1996, the Federal debt stood at $5,154,104,445,604.38.

On a per capita basis, every man, woman, and child in America owes $19,430.90 as his or her share of that debt.

CABLE INDUSTRY OFFERS SCHOOLS FREE INTERNET ACCESS

Mr. PRESSLER. Mr. President, today, I had the pleasure of participating in the launch of Cable's High-Speed Education Connection, the cable industry's latest contribution to the American educational system and America's children. At the heart of this initiative is a commitment by the cable industry to offer every elementary and secondary school in the country that is passed by cable, basic high-speed Internet access via cable modems—free of charge.

For years, the computer industry has offered greatly discounted pricing on hardware and software to schools, universities, teachers, and students. This same industry is arguably both the most successful and the least regulated in the United States.

As chairman of the Senate Committee on Commerce, Science, and Transportation, one of my primary goals in authoring the Telecommunications Act of 1996 was to apply this competitive formula to the telecommunications industry. I am convinced it is a formula for success. This formula creates a world in which different telecommunications companies can compete with each other in the delivery of new services to American consumers.

I was especially interested in breaking up the local exchange monopolies and encouraging new entrants to provide alternative telephone services and television programming. I congratulate the cable industry for rapidly taking the lead in demonstrating how this newly competitive environment accelerates the provision to students and teachers of access to the latest and best educational technologies.

What will be the result? Elementary and secondary schools will be wired for cable. They also will be equipped with modems maximizing the delivery of high-speed digital services. These developments very positively impact the future of learning—including the development of distance learning—which particularly helps rural States like South Dakota. In fact, I understand that among the first cable markets targeted for these new services will be Rapid City, SD. These wired schools will expose young generations to some of the best of cable technology. They will create sophisticated users of the next generation of cable information services. They will help create masters of the information age.

So, what we witness here is not the result of Government's decision as to which technology should be mandated for low cost delivery to schools. We witness instead the initial stages of a competition for the loyalty and attention of future adult generations in their decisions about which services best accommodate their needs.

Mr. President, I am pleased that the cable industry is taking the initiative today to provide American schools—free of charge—with high-speed access to the Internet using cable modems. Cable's High-Speed Education Connection builds on the foundation established by Cable in the Classroom, an ongoing multimillion dollar educational project that provides more than 74,000 schools nationwide with free access to cable systems and more than 6,000 hours of commercial-free educational programming each year. The cable industry is to be commended for being a leader in providing educational benefits and network access to the communities it serves.

I encourage other companies and industries to follow the example the cable industry announced today and applaud what likely is only the first step by the cable industry to improve the quality and availability of education technology.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT, OCEAN SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION FOR FISCAL YEARS 1994 AND 1995—MESSAGE FROM THE PRESIDENT—PM 157

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

I am pleased to submit the Biennial Report of the Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration (NOAA) for fiscal years 1994 and 1995. This report is submitted as required by section 316 of the Coastal Zone Management Act (CZMA) of 1972, as amended, (16 U.S.C. 1451, et seq.).

The report discusses progress made at the national level in administering the Coastal Zone Management and Estuarine Research Reserve Programs during these years, and spotlights the accomplishments of NOAA's State coastal management and estuarine research reserve program partners under the CZMA.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 9, 1996.*

REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 158

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting (CPB) for Fiscal Year 1995 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1995.

Since 1967, when the Congress created the Corporation, CPB has overseen the growth and development of quality services for millions of Americans.

This year's report highlights ways the Corporation has helped millions of American families and children gain new learning opportunities through technology. At a time when technology is advancing at a pace that is as daunting as it is exhilarating, it is crucial for all of us to work together to understand and take advantage of these changes.

By continuing to broadcast programs that explore the challenging issues of our time, by working with local communities and schools to introduce more and more children to computers and the Internet, in short, by honoring its commitment to enriching the American spirit, the Corporation is preparing all of us for the 21st century.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 9, 1996.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3253. A communication from the Administrator of the Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a rule entitled "The Tobacco Loan Program," received on June 26, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3254. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Spearmint Oil Produced in the Far West," received on June 26, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3255. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Sheep Promotion, Research, and Information Program," received on June 27, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3256. A communication from the Director of the Office of Civilian Radioactive Waste Management, Department of Energy, transmitting, pursuant to law, the annual report for fiscal year 1995; referred jointly, pursuant to Public Law 97–425, to the Committee on Energy and Natural Resources, and to the Committee on Environment and Public Works.

EC–3257. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the People's Republic of China; to the Committee on Banking, Housing, and Urban Affairs.

EC–3258. A communication from the Assistant Attorney General, transmitting, pursuant to law, the report entitled "Attacking Financial Institution Fraud"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3259. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, a rule relative to bid acceptance, (RIN1010–AC18) received on June 27, 1996; to the Committee on Energy and Natural Resources.

EC–3260. A communication from the Director of the State and Site Identification Center, Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "National Priorities List for Uncontrolled Hazardous Waste Sites," (FRL–5520–2) received on June 20, 1996; to the Committee on Environment and Public Works.

EC–3261. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a final rule entitled "Regulation of Fuels and Fuel Additives," (RIN2060–AG06) received on June 27, 1996; to the Committee on Environment and Public Works.

EC–3262. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of four rules entitled "Requirements for Preparation, Adoption, and Submittal of Implementation Plans," (FRL5530–4, 5529–3, 5527–4, 5531–6) received on June 28, 1996; to the Committee on Environment and Public Works.

EC–3263. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of nine rules entitled "General Procedures to OPT out of the Reformulated Gasoline Requirements," (FRL5528–6, 5363–2, 5358–8, 5372–8, 5369–7, 5358–7, 5382–1, 5381–5, 5381–2) received on June 27, 1996; to the Committee on Environment and Public Works.

EC–3264. A communication from the Acting Administrator, General Services Administration, transmitting, a report relative to a lease prospectus for the Federal Bureau of Investigation; to the Committee on Environment and Public Works.

EC–3265. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Land Disposal Restrictions Phase III-Decharacterized Wastewaters, Carbamate Wastes, and Spent Potliners," (RIN2050–AD38) received on July 2, 1996; to the Committee on Environment and Public Works.

EC–3266. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval of State Programs and Delegation of Federal Authorities," (FRL5531–3) received June 2, 1996; to the Committee on Environment and Public Works.

EC–3267. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the report of an informational copy of a lease prospectus; to the Committee on Environment and Public Works.

EC–3268. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report relative to Uranium purchases for calendar year 1995; to the Committee on Energy and Natural Resources.

EC–3269. A communication from the Deputy Associate Director for Compliance, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to refunds of offshore lease revenues; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–646. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Appropriations.

"HOUSE CONCURRENT RESOLUTION NO. 31

"Whereas, approximately six hundred ninety-seven thousand United States service members were deployed to the Persian Gulf in the 1990–1991 Operations Desert Storm/Desert Shield conflict; and

"Whereas, while the vast majority of these troops returned home healthy, a significant number of individuals who served in this conflict have reported persistent symptoms that they believe are related to their experience in the war, collectively known as Persian Gulf War syndrome; and

"Whereas, most common among these symptoms are fatigue, joint pain, headache, sleep disturbances, loss of memory, and rash; and

"Whereas, much more serious conditions have also been linked to Gulf War service, such as upper respiratory disease, birth defects in infants born to Gulf War veterans, mild cases of acute diarrhea, and cutaneous and viscerotropic leishmaniasis, causing death in some cases; and

"Whereas, recently, Dr. Howard B. Urnovitz, a research microbiologist from California, testified before the United States House of Representatives Subcommittee on Human Resources and Intergovernmental Relations that there is an underlying problem with the immune response of Persian Gulf War military to the polio vaccine, which suggests that some factor perturbing the antibody response may be inducing this unexpected outcome; and

"Whereas, there is evidence that the exposure of veterans to chemical agents may explain many of the previously inexplicable symptoms that they are plagued with today, for, according to James J. Tuite, III, former director of the U.S. Senate Banking Committee investigating into the arming of Iraq and the health effects of the Persian Gulf War, the Persian Gulf War was the most toxic battlefield in the history of modern warfare, and studies since World War I have shown that individuals exposed to chemical agents and other related poisons have had symptoms similar to those that plague the Gulf War veterans; and

"Whereas, Mr. Tuite further testified that many of the chemical poisons that were detected and confirmed by coalition chemical specialists are known to affect the central nervous and immune systems; and

"Whereas, to provide protection against the lethal effects of chemical warfare nerve agents, troops deployed to the Persian Gulf were issued twenty-one thirty milligram tablets of pyridostigmine bromide (PB), a drug which has been suggested as a cause of this chronic illness in Gulf Veterans; and

"Whereas, a most recent study by Duke University shows that a combination of three chemicals, including PB, used to protect soldiers from insect-borne diseases and nerve-gas poisoning may have caused the symptoms reported by an estimated thirty thousand Gulf War veterans based on a study using chickens, who suffered neurological dysfunction when issued the mixture of the insecticides and the anti-nerve-gas agent; and

"Whereas, the United States Government has responded to the concerns of the failing health of these veterans by creating several projects to help to treat the afflicted veterans and to research the causes of their disease; and

"Whereas, the Department of Defense, headed by Secretary William Perry and Deputy Secretary John White, and in support of President Clinton's commitment to our Persian Gulf troops, has launched an unprecedented effort in researching and treating Gulf War veterans' illnesses; and

"Whereas, such projects include the Comprehensive Clinical Evaluation Program (CCEP), which was initiated in June, 1994, by the Department of Defense to provide in-depth medical examinations to nearly twenty thousand service and family members who are suffering from conditions induced by the Gulf War; and

"Whereas, a Specialized Care Center (SCC) was opened at Walter Reed Army Medical Center in March, 1995, for the intensive treatment of symptomatic Persian Gulf War veterans, and another of these centers is scheduled to open at Wilford Hall Medical Center in San Antonio, Texas, in mid-May, 1996; and

"Whereas, ongoing and planned epidemiologic studies by the Department of Defense, Veterans' Affairs, and Health and Human Services further search for answers to these inexplicable symptoms of disease suffered by Gulf War veterans; and

"Whereas, the Clinton administration has also created an advisory committee on Gulf War veterans' illnesses to ensure an independent, open, and comprehensive examination of health concerns related to Gulf War service, which consists of twelve members made up of veterans, scientists, health care professionals, and policy experts; and

"Whereas, the committee delivered in interim report in February, 1996, which offered directives to the Department of Defense regarding medical and clinical issues, research, and the hazards of future use of chemical and biological weapons, and will deliver their final report to the president no later than December, 1996; and

"Whereas, as many questions remain unanswered regarding Gulf War Syndrome, it is vital that our government continue to conduct the research and treatment that it has initiated and further increase its allocations for such research and treatment in order to provide relief for the many veterans afflicted by Gulf War Syndrome; and

"Whereas, these troops bravely fought for our country in the Gulf War, putting their lives on the line in the name of the United States of America; and

"Whereas, the courageous service demonstrated by all troops deployed in the Gulf War conflict merits the United States Government's continued efforts in solving this medical dilemma; and

"Whereas, it is vital to the health of our nation that the efforts to answer the questions involved with Gulf War Syndrome be continued by our government: Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize congress to continue its efforts to fund and provide for the treatment of Persian Gulf War Syndrome and for continued research about the causes, effects, and treatment of the syndrome, and does further request that congress allocate additional resources to provide sufficient funding to make such research and treatment a priority so that this disease can be better understood and ultimately cured; and be it further

Resolved, That a suitable copy of this Resolution be transmitted to the secretary of the United States Senate, the clerk of the United States House of Representatives, and to each member of the congressional delegation from Louisiana.

POM–647. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Banking, Housing,and Urban Affairs.

"SENATE JOINT RESOLUTION 37

"Whereas Alaska had, by regulation, imposed a primary manufacturing requirement applicable to timber harvested from state-owned land that is destined for export from the state; and

"Whereas that regulation was permissive, allowing the director of the division of land to require that primary manufacture of forest products be accomplished within the state; and

"Whereas, considering the Commerce Clause of the United States Constitution, in Southcentral Timber Development, Inc. v. Wunnicke, 467 U.S. 82, 91 L.Ed.2d 71, 104 S.Ct. 2237 (1984), the United States Supreme Court determined that the state's regulation could not be given effect; while the court found evidence of a clearly defined federal policy imposing primary manufacture requirements as to timber taken from federal land in Alaska, it determined that the existing Congressional sanction reached only to activities on federal land and concluded that the state's assertion of Congressional authorization by silence to allow a state to regulate similar activities on nonfederal land could not be inferred; and

"Whereas since the Wunnicke decision, Congress has, in the Forest Resources Conservation and Shortage Relief Act of 1990, extended an existing ban on unprocessed log exports from federal land in the 11 contiguous Western states to cover timber harvested from nonfederal sources in those states; the extension of the ban on unprocessed log exports in those states collectively does not affect Alaska; and

"Whereas the principal purposes, stated or assumed, in the 1990 Congressional Act for extending the ban on unprocessed log exports in the contiguous Western states—the efficient use and effective conservation of forests and forest resources, the avoidance of a shortfall in unprocessed timber in the marketplace, and concern for development of a rational log export policy as a national matter—are equally valid with respect to the significant timber resources held by this state, its political subdivisions, and its public university; and

"Whereas the state cannot act to regulate, restrict, or prohibit the export of unprocessed logs harvested from land of the state, its political subdivisions, and the University of Alaska without a legislative expression demonstrating Congressional intent that is unmistakably clear; Be it

Resolved, That the legislature of the State of Alaska urges the United States Congress to give an affirmative expression of approval to a policy authorizing the state to regulate, restrict, or prohibit the export of unprocessed logs harvested from its land and from the land of its political subdivisions and the University of Alaska.

POM–648. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Commerce, Science, and Transportation.

"HOUSE CONCURRENT RESOLUTION NO. 11

"Whereas, the historic gulfward boundary of the state of Louisiana extends a distance into the Gulf of Mexico three marine leagues from the coast; and

"Whereas, the coastline of the state of Louisiana is accepted and approved as designated in accordance with applicable Act of Congress; and

"Whereas, the United States Congress, by its Tidelands Act approved May 22, 1953, recognized and confirmed state ownership of the lands beneath navigable waters within the state's boundaries, and the natural resources, including oil, gas, and all other minerals, and fish, shrimp, oysters, and other marine animals and plant life therein; and

"Whereas, said Tidelands Act adopted state boundaries in the Gulf of Mexico as they existed at the time such state became a member of the Union not more than three marine leagues into the Gulf of Mexico from the coastline; and

"Whereas, which "coastline" is defined in the Act as that portion of the coast which is in direct contact with the open sea and the line marking the seaward limit of inland waters; and

"Whereas, the state of Louisiana owns these submerged lands and natural resources within such land and waters in trust for its people, and the economic welfare of the state and public services depend upon the state revenues to be derived from these valuable resources: Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to extend the coastal boundary in Louisiana from three miles to ten miles; and be it further

"*Resolved*, That a copy of this Resolution be transmitted to the presiding officers of the Senate and House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–649. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 109

"Whereas, several years ago the Internal Revenue Service issued a private letter ruling that provided that the total expense reimbursement for school bus drivers be included in wages; and

"Whereas, in response to this ruling local school boards have had to include within wages on the school bus drivers W–2 forms the total expense reimbursement paid to school bus drivers; and

"Whereas, including expense reimbursement in wages has caused hardships on the school bus drivers in many instances forcing them into higher tax brackets: Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to assure and provide that expense reimbursements no longer be considered as wages for purposes of the federal income tax; and be it further

"*Resolved*, That a copy of this Resolution be transmitted to the presiding officers of the Senate and House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation."

POM–650. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations.

"HOUSE CONCURRENT RESOLUTION NO. 52

"Whereas, 'female genital mutilation' is a term used for a variety of genital operations performed on young female children and women in accordance with traditional beliefs and customs; and

"Whereas, it has been estimated that approximately one hundred fourteen million women and girls have been mutilated throughout the world and that in the United States female genital mutilation is the process of being made illegal; and

"Whereas, circumcision is the mildest form of female genital mutilation with excision and infibulation being the more severe forms of the procedure; and

"Whereas, the Foundation for Women's Health, Research and Development has for the past ten years sought to actively campaign for the eradication of female genital mutilation; and

"Whereas, female genital multilation is not a cultural issue, but is an issue of the abuse of children and women's basic human rights to good health; and

"Whereas, female genital multilation may cause numerous physical complications, including hemorrhage and severe pain, which can ultimately cause shock and even death; and

"Whereas, female genital multilation may also cause long-term complications resulting from scarring and interference with the drainage of urine and menstrual blood, such as chronic pelvic infection, which may cause pelvic back pain, dysmenorrhea, inferility, chronic urinary tract infections, urinary stones, or kidney damage; and

"Whereas, Ms. Fauziya Kasinga, an eighteen-year-old young woman, fled her homeland of Togo to escape multilation and has been in a York County, New York, jail for more than a year waiting for immigration officials and judges to decide whether to grant her plea for refuge; and

"Whereas, many young women from around the world will continue to flee their countries and face imprisonment before succumbing to the painful and inhumane custom of female genitale multiation; and

"Whereas, the President and Congress may utilize the influence of the United States in the relationships of this nation with foreign countries to spare many nonconsening women and young girls the inhumane and dangerous procedures associated with the custom or ritual of female genitale mutilation or imprisonment for refusing such multilation: Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby urge and request the Honorable Bill Clinton, President of the United States of America, and the Congress of the United States of America to utilize the influence of the United States in international relations to end the custom or ritual of female genital multilation in those countries where such procedures are presently practiced upon individuals who choose not to undergo such procedures and to grant political asylum to individuals who flee their homelands to escape the custom or ritual; and be it further

"*Resolved*, That a copy of this Resolution be transmitted to the Honorable Bill Clinton, President of the United States of America, to the presiding officers of the Senate and House of Representatives of the Congress of the United States of America, and to each member of the Louisiana congressional delegation.

POM–651. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs.

"HOUSE CONCURRENT RESOLUTION NO. 83

"Whereas, the United States Congress, by its authority to regulate commerce among the states, has repeatedly preempted state laws, including those relating to health, welfare, transportation, communications, banking, the environment, and civil justice, reducing the ability of state legislatures to be responsible to their constituents; and

"Whereas, more than half of all federal laws preempting states have been enacted by congress since 1969, intensifying an erosion of state power that leaves an essential part of our constitutional structure—federalism—standing precariously; and

"Whereas, the United States Constitution anticipates that our American federalism will allow differences among state laws, expecting people to seek change through their own legislatures without federal legislators representing other states preempting states to impose national laws; and

"Whereas, constitutional tension, necessary to protect liberty, arises from the fact that federal law is "the supreme Law of the Land", while in contrast powers not delegated to the federal government are reserved to the states or to the people; and that tension can exist only when states are not preempted and thus remain credible powers in the federal system; and

"WHEREAS, less federal preemption means states can act as laboratories of democracy, seeking novel social and economic policies without risk to the nation; and

"WHEREAS, the National Conference of State Legislatures has stated well the dynamic nature of federalism and the need for freedom of the states to act in areas reserved to them, noting that federalism anticipates diversity, that the unity of the states does not anticipate uniformity, and that every preemptive law diminishes other expressions of self-government and should be approved only where compelling need and broad consensus exist; and

"WHEREAS, S. 1629, the proposed Tenth Amendment Enforcement Act of 1996, is designed to create mechanisms for careful consideration of proposals that would preempt states in areas historically within their purview through procedural mechanisms in the legislative, executive, and judicial branches of government, namely:

"In the Legislative branch by requiring a statement of constitutional authority and an expression of the intent to preempt states,

"In the Executive branch, by curbing agencies that may preempt beyond their legislative authority, and

"In the Judicial branch, by codifying judicial deference to state laws where the congress is not clear in its intent to preempt: Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to enact the proposed Tenth Amendment Enforcement Act of 1996, does further urge and request the Louisiana congressional delegation to co-sponsor the legislation, and does urge and request the Honorable Bill Clinton, President of the United States, to sign the legislation into law when it is presented to him for signature; and be it further

"*Resolved*, That copies of this Resolution be transmitted to the Honorable Bill Clinton, President of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to each member of the Louisiana congressional delegation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAHAM:

S. 1933. A bill to authorize a certificate of documentation for certain vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BROWN:

S. 1934. A bill to provide for an exchange of lands with the city of Greeley, CO, and the Water Supply & Storage Co. to eliminate private inholdings in wilderness areas, to cause instream flows to be created above a wild and scenic river, to eliminate potential development on private inholdings within the forest boundary, to reduce the need for future water reservoirs, to reduce the number of Federal land use authorizations, and to improve the security of the water of the city and the company, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BRADLEY:

S. 1935. A bill to provide for improved information collection and dissemination by the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRAIG (for himself and Mr. MURKOWSKI):

S. 1936. A bill to amend the Nuclear Waste Policy Act of 1982; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CRAIG (for himself, Mr. BAUCUS, Mr. PRESSLER, Mr. BURNS, Mr. GRASSLEY, Mr. DOMENICI, Mr. THOMAS, Mr. KEMPTHORNE, and Mr. BOND):

S. Res. 277. A resolution to express the sense of the Senate that, to ensure continuation of a competitive free-market system in the cattle and beef markets, the Secretary of Agriculture and Attorney General should use existing legal authorities to monitor commerce and practices in the cattle and beef markets for potential antitrust violations, the Secretary of Agriculture should increase reporting practices regarding domestic commerce in the beef and cattle markets (including exports and imports), and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRADLEY:

S. 1935. A bill to provide for improved information collection and dissemination by the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

THE PUBLIC TRUST AND ENVIRONMENTAL ACCOUNTABILITY ACT

Mr. BRADLEY. Mr. President, today I am introducing the Public Trust and Environmental Accountability Act to improve collection, retrieval, and dissemination of vital environmental data needed for community information and disaster response.

For the first time, under the Public Trust and Environmental Accountability Act, firefighters, plant neighbors, local governments, and the general public will have easy access to complete data on a plant's permit compliance and plant operation. Not only will the public be able to discover whether their local facility has had past environmental violations but they will also be able to research that company's compliance history throughout the United States using just one consolidated file, available by computer search.

For example, last year, when the Napp Technologies plant in Lodi, NJ, exploded, the community surrounding the plant had little knowledge of what went on within the plant gates. If the Public Trust and Environmental Accountability Act had been in effect, local citizens would have known: what chemicals were stored onsite; what permits were held by the plant; what violations had occurred; whether there had been any accidents or releases of chemicals; and, when the plant was last inspected.

Currently, data collected by the Environmental Protection Agency [EPA] is scattered and fragmented across the Agency or left in files at the State level. Instead of centralizing and coordinating all data by plant or location, much of EPA's information is kept in numerous duplicative files in the Agency's separate program offices where it is divided arbitrarily by the type of pollutant under regulation such as air, water, or solid waste. Thus using EPA data to build a complete compliance profile of a particular plant is both time consuming and unnecessarily difficult.

However, my bill streamlines this unwieldy system by directing EPA to enhance access, encourage public use, and improve management of public information that it has collected under the Agency's many environmental statutes, pollution prevention initiatives and environmental permitting requirements. Under the act, EPA would create standard formats for information collection and improve the coordination of data which it has received from its various units and from other sources such as State agencies. The Act would also provide the public with greater computer access to EPA data bases.

No additional data would be required from the private sector. In fact, the current reporting burden on industry could be reduced once streamlined data collection was in place. The bill also complements new EPA initiatives aimed at consolidating permit requirements and eliminating paperwork.

This bill is an example of how we can use public power to help communities protect themselves through access to information rather than through additional programs or more bureaucracy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Trust and Environmental Accountability Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Agency.

(2) AGENCY.—The term "Agency" means the Environmental Protection Agency.

SEC. 3. IMPROVED INFORMATION COLLECTION AND DISSEMINATION.

(a) PURPOSES.—The purposes of this section are—

(1) to enhance public access and encourage use of information collected by the Agency;

(2) to improve the management of information resources; and

(3) to assist Agency enforcement, pollution prevention, and multimedia permitting and reporting initiatives.

(b) PLAN.—Not later than 1 year after the date of enactment of this Act, the Administrator shall develop a plan to implement policies, programs, and methods for integrating and making publicly available information pertaining to the environment and public health policy concerns within the jurisdiction of the Agency.

(c) MATTERS TO BE ADDRESSED.—The policies, programs, and methods under subsection (b) shall provide for—

(1) creation of standard information formats for collection, integration, retrieval, storage, retention, and dissemination of information;

(2) improved coordination of information collection and information management to integrate separate information resources, including the development and implementation of common company, facility, industrial sector, geographic, and chemical identifiers and such other information as the Administrator determines to be appropriate;

(3) a system for indexing, locating, and obtaining information maintained by the Agency concerning parent companies, facilities, chemicals, and the regulatory status of entities subject to oversight by the Agency;

(4) ready accessibility of, and dissemination of, publicly available information generated by or submitted to the Agency, including public accessibility by computer telecommunication and other means; and

(5) universal availability of electronic reporting for all environmental reporting requirements established under laws administered by the Agency directly or through delegations to States, territories, and Indian tribes.

(d) COORDINATION.—

(1) IN GENERAL.—The Administrator shall coordinate the Agency's information collection and dissemination activities with the activities of other Federal, State, and local agencies to reduce unnecessary burdens and promote greater integration of information.

(2) OTHER INFORMATION.—When necessary to support the mission of the Agency, the Administrator may provide for the integration and dissemination of publicly available information not collected by the Agency.

(e) LIMITATION.—Nothing in this section shall affect the duty of the Agency to maintain the confidentiality of trade secrets, confidential business information, or information that is subject to a rule of court or court order requiring maintenance of confidentiality.

(f) PRICING.—The Administrator may set charges for the provision of information under this section in accordance with the pricing policies of chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(g) DISSEMINATION POLICIES.—Dissemination policies of the Agency shall include fee reductions, fee waivers, and other support services to encourage public use of information maintained by the Agency.

(h) REPORTS.—Not later than 2 years after the date of enactment of this section and annually thereafter, the Administrator shall produce and make available reports that summarize the information that has been made available under this section.

SEC. 4. SOURCE REDUCTION AWARD PROGRAM.

The Administrator shall establish an annual award program to recognize companies that operate outstanding or innovative source reduction programs.•

ADDITIONAL COSPONSORS

S. 1892

At the request of Mr. LAUTENBERG, the names of the Senator from Massachusetts [Mr. KENNEDY] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 1892, a bill to reward States for collecting medicaid funds expended on tobacco-related illnesses, and for other purposes.

S. 1898

At the request of Mr. DOMENICI, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1898, a bill to protect the genetic privacy of individuals, and for other purposes.

S. 1917

At the request of Mr. ABRAHAM, the names of the Senator from Pennsylvania [Mr. SANTORUM], and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of S. 1917, a bill to authorize the State of Michigan to implement the demonstration project known as "To Strengthen Michigan Families."

S. 1928

At the request of Mr. LEVIN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1928, A bill to amend the Internal Revenue Code of 1986 to eliminate tax incentives for exporting jobs outside of the United States, and for other purposes.

SENATE RESOLUTION 277—RELATIVE TO THE BEEF AND CATTLE MARKETS

Mr. CRAIG (for himself, Mr. BAUCUS, Mr. PRESSLER, Mr. BURNS, Mr. GRASSLEY, Mr. DOMENICI, Mr. THOMAS, Mr. BOND, and Mr. KEMPTHORNE) submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 277

Whereas historically high cattle supplies, low cattle prices, and high feed costs have brought hardship to United States cattle producers: Now, therefore, be it

Resolved,

SECTION 1. MONITORING AND EVALUATION OF ANTITRUST RELATED ISSUES.

It is the sense of the Senate that the Secretary of Agriculture and the Attorney General should—

(1) increase monitoring of mergers and acquisitions in the fed and nonfed beef packing sectors for potential antitrust violations; and

(2) investigate possible barriers to entry or expansion in the beef packing sector.

SEC. 2. COLLECTION AND REPORTING FUNCTIONS.

It is the sense of the Senate that the Secretary of Agriculture should—

(1) to the extent practicable on a regional basis, improve the collection, timeliness, and reporting of—

(A) contract, formula, and live cash cattle;

(B) captive supply cattle, including a definitional change from every 14 to every 7 days;

(C) boxed beef prices;

(D) price differentials within Department of Agriculture quality grades;

(E) all beef and live cattle exports and imports; and

(F) weekly fed cattle value matrix; and

(2) cooperate with the industry to improve collection and reporting of—

(A) retail scanner data to develop a retail price series that reflects both volume and price of all beef sold at retail; and

(B) price and quantity data for United States beef sold for consumption in the away-from-home market.

SEC. 3. SELF-REGULATION WITHIN THE PRIVATE SECTOR.

It is the sense of the Senate that—

(1) in the case of cattle that are not sold on a live cash basis, a "grid" pricing structure should be utilized to determine prices and spreads through competitive bidding not more than 7 days prior to shipment; and

(2) agricultural lenders should consider the total asset portfolio, instead of merely the cash flow, of an entity participating in the cattle and beef markets when evaluating loan performance.

SEC. 4. INTERNATIONAL BARRIERS TO TRADE.

It is the sense of the Senate that—

(1) the Secretary of Agriculture should continue to identify and seek to eliminate unfair trade barriers and subsidies affecting United States beef markets;

(2) the United States and Canadian Governments should expeditiously negotiate the elimination of animal health barriers that are not based on sound science; and

(3) the import ban on beef from cattle treated with approved growth hormones imposed by the European Union should be terminated.

SEC. 5. EMERGENCY LOAN GUARANTEES.

It is the sense of the Senate that funding for emergency loan guarantees, which assist agricultural producers who have suffered economic loss due to a natural disaster or other economic conditions, should be funded.

Mr. CRAIG. Mr. President, I rise to submit a resolution of critical importance to our Nation's cattle producers. The beef industry assistance resolution is designed to address the short-term problems that plague the cattle industry because of the prolonged down cycle of the beef market.

A number of my colleagues share my concerns, and I am pleased to announce that original cosponsors of this resolution are Senator MAX BAUCUS, Senator CHUCK GRASSLEY, Senator LARRY PRESSLER, Senator PETE DOMENICI, Senator CONRAD BURNS, Senator DIRK KEMPTHORNE, and Senator CRAIG THOMAS.

As a former rancher, I have a firsthand understanding of the challenges that face the cattle industry. The prolonged down cycle is especially troubling because it affects the livelihoods of thousands of ranching families in Idaho and across the country.

These beef producers are the largest sector of Idaho and American agriculture. Over 1 million families raise over 100 million head of beef cattle every year. This contributes over $36 billion to local economies. Even with the extended cycle of low prices, direct cash receipts from the Idaho cattle industry were almost $620 million in 1995. These totals only represent direct sales; they do not capture the multiplier effect that cattle ranches have in their local economies from expenditures on labor, feed, fuel, property taxes, and other inputs.

Over the years, cattle operations have provided a decent living and good way of life in exchange for long days, hard work, and dedication. While the investment continues to be high, the returns have been low in recent years.

The problems facing the cattle industry in recent years are complex. The nature of the market dictates that stable consumption combined with increased productivity and growing herd size yield lower prices to producers. This, combined with high feed prices and limited export opportunities, has caused a near crisis.

Many Idahoans have contacted me on this issue. Some suggest the Federal Government intervene in the market to help producers. However, many others have expressed fear that Federal intervention, if experience is any indication, will only complicate matters and may also create a number of unintended results. I tend to agree with the latter. Time and again, I have seen lawmakers and bureaucrats in Washington, DC, albeit well-intentioned, take a difficult situation and make it worse. This does not mean that I believe Government has no role to play. I have supported and will continue to support measures of proven value. However, I will continue to follow this situation closely with the hope that free market forces will, in the long run, aid in making cattle producers more efficient, productive, and profitable.

The cattle industry is part of a complex, long-term cycle; however, there are producers who might not survive the short term consequences. The beef industry assistance resolution addresses a number of these short-term issues. These are issues that were raised at a hearing of the Agriculture Committee that I chaired a few weeks ago.

The resolution has five sections—antitrust monitoring, market reporting, private sector self-regulation, recognition of barriers to international trade, and emergency loan guarantees.

Section 1 encourages the Secretary of Agriculture and Department of Justice to increase the monitoring of mergers and acquisitions in the beef industry. Investigation of possible barriers in the beef packing sector for new firms and with other commodities is encouraged.

Section 2 directs the Secretary of Agriculture to expedite the reporting of existing beef categories and add additional categories. These categories include contract, formula and live cash cattle prices and boxed beef prices. The Secretary is also encouraged to increase the frequency of captive supply cattle from every 14 to 7 days. I am especially interested in the improved reporting of all beef and live cattle exports and imports. The second section also directs the Secretary to capture data on a previously unrecorded segment of the market—away from home consumption. While this market consumes approximately half of the Nation's beef production, very little is known about it.

Section 3 encourages two very important measures within the private sector. First, meat packing companies are encouraged to fully utilize a grid pricing structure which will provide producers with a more complete picture for the particular type of the cattle they produce. Second, agricultural lenders are encouraged to consider the total asset portfolio, not just cash-flow, when evaluating this year's beef loans. Even the best operators will have great difficulty cash-flowing a cattle outfit because of the prolonged period of low prices.

Section 4 recognizes a number of barriers to international trade that adversely affect American beef producers. The section is meant to elevate the importance of all trade issues and specifically references the elimination of the European Union hormone ban and animal health barriers between the United States and Canada.

Section 5 recommends that emergency loan guarantees be made available to agricultural lenders with cattle industry loans. I am disappointed that the President zeroed out funding for this program in his fiscal year 1997 proposal. I have heard from a number of lenders that a high number of loans are questionable for this fall.

The beef industry assistance resolution is a measure designed to provide immediate, short-term solutions to some of the serious problems facing the cattle industry. I know that a number of my colleagues have legislation pending in regard to the cattle market. I would comment that I see this resolution as a starting point, not an ending point for cattle industry issues.

AMENDMENTS SUBMITTED

THE SMALL BUSINESS JOB PROTECTION ACT OF 1996

ROTH (AND OTHERS) AMENDMENT NO. 4436

Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. LOTT, and Mr. DASCHLE) proposed an amendment to the bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take-home pay of workers, and for other purposes; as follows:

On page 243, strike lines 9 through 11, and insert:

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning after December 31, 1986.

(2) TRANSITIONAL RULE.—If—

(A) for purposes of applying part III of subchapter F of chapter 1 of the Internal Revenue Code of 1986 to any taxable year beginning before January 1, 1987, an agricultural or horticultural organization did not treat any portion of membership dues received by it as income derived in an unrelated trade or business, and

(B) such organization had a reasonable basis for not treating such dues as income derived in an unrelated trade or business,

then, for purposes of applying such part III to any such taxable year, in no event shall any portion of such dues be treated as derived in an unrelated trade or business.

(3) REASONABLE BASIS.—For purposes of paragraph (2), an organization shall be treated as having a reasonable basis for not treating membership dues as income derived in an unrelated trade or business if the taxpayer's treatment of such dues was in reasonable reliance on any of the following:

(A) Judicial precedent, published rulings, technical advice with respect to the organization, or a letter ruling to the organization.

(B) A past Internal Revenue Service audit of the organization in which there was no assessment attributable to the reclassification of membership dues for purposes of the tax on unrelated business income.

(C) Long-standing recognized practice of agricultural or horticultural organizations.

On page 246, strike lines 1 through 3, and insert:

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to remuneration paid—

(A) after December 31, 1994, and

(B) after December 31, 1984, and before January 1, 1995, unless the payor treated such remuneration (when paid) as being subject to tax under chapter 21 of the Internal Revenue Code of 1986.

(2) REPORTING REQUIREMENT.—The amendment made by subsection (a)(1)(C) shall apply to remuneration paid after December 31, 1996.

On page 256, line 2, strike the quotation marks.

On page 256, between lines 2 and 3, insert the following:

"(5) PRESERVATION OF PRIOR PERIOD SAFE HARBOR.—If—

"(A) an individual would (but for the treatment referred to in subparagraph (B)) be deemed not to be an employee of the taxpayer under subsection (a) for any prior period, and

"(B) such individual is treated by the taxpayer as an employee for employment tax purposes for any subsequent period,

then, for purposes of applying such taxes for such prior period with respect to the taxpayer, the individual shall be deemed not to be an employee.

"(6) SUBSTANTIALLY SIMILAR POSITION.—For purposes of this section, the determination as to whether an individual holds a position substantially similar to a position held by another individual shall include consideration of the relationship between the taxpayer and such individuals."

On page 257, between lines 5 and 6, insert the following:

SEC. 1123. TREATMENT OF HOUSING PROVIDED TO EMPLOYEES BY ACADEMIC HEALTH CENTERS.

(a) IN GENERAL.—Paragraph (4) of section 119(d) (relating to lodging furnished by certain educational institutions to employees) is amended to read as follows:

"(4) EDUCATIONAL INSTITUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'educational institution' means—

"(i) an institution described in section 170(b)(1)(A)(ii), or

"(ii) an academic health center.

"(B) ACADEMIC HEALTH CENTER.—For purposes of subparagraph (A), the term 'academic health center' means an entity—

"(i) which is described in section 170(b)(1)(A)(iii),

"(ii) which receives (during the calendar year in which the taxable year of the taxpayer begins) payments under subsection (d)(5)(B) or (h) of section 1886 of the Social Security Act (relating to graduate medical education), and

"(iii) which has as one of its principal purposes or functions the providing and teaching of basic and clinical medical science and research with the entity's own faculty."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

On page 268, lines 8 and 9, strike "December 31, 1996" and insert "December 31, 1997".

On page 269, strike line 10, and insert:

"(B) after December 31, 1997.

Notwithstanding the preceding sentence, in the case of a taxpayer making an election under subsection (c)(4) for its first taxable year beginning after June 30, 1996, and before July 1, 1997, this section shall apply to amounts paid or incurred during such first taxable year and the first 6 months of the succeeding taxable year."

On page 272, line 22, strike "June 30, 1997" and insert "December 31, 1997".

On page 273, between lines 6 and 7, insert:

(3) ESTIMATED TAX.—The amendments made by this section shall not be taken into account under section 6654 or 6655 of the Internal Revenue Code of 1986 (relating to failure to pay estimated tax) in determining the amount of any installment required to be paid before October 1, 1996.

On page 274, line 11, strike "June 30, 1997" and insert "December 31, 1997".

On page 276, line 20, strike "June 30, 1997" and insert "December 31, 1997".

On page 277, line 6, strike "January 1, 1998" and insert "January 1, 1999".

On page 277, line 16, strike "(a) IN GENERAL.—".

On page 277, lines 23 and 24, strike "after June 30, 1996, and before July 1, 1997" and insert "beginning on the date which is 7 days after the date of the enactment of the Small Business Job Protection Act of 1996 and ending on December 31, 1997".

On page 277, strike lines 25 and 26, and insert the following:

SEC. 1208. EXTENSION OF TRANSITION RULE FOR CERTAIN PUBLICLY TRADED PARTNERSHIPS.

(a) In General.—Subparagraph (B) of section 10211(c)(1) of the Revenue Act of 1987 (Public Law 100–203) is amended by striking "December 31, 1997" and inserting "December 31, 1999".

(b) Conforming Amendment.—Subparagraph (C)(i) of section 10211(c)(2) of the Revenue Act of 1987, as added by section 2004(f)(2) of the Technical and Miscellaneous Revenue Act of 1988, is amended by striking "December 31, 1997" and inserting "December 31, 1999".

(c) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of section 10211 of the Revenue Act of 1987.

On page 303, strike lines 1 through 23, and insert the following:

"(e) Special Rules Applicable to S Corporations.—If an organization described in section 1361(c)(7) holds stock in an S corporation—

"(1) such interest shall be treated as an interest in an unrelated trade or business; and

"(2) notwithstanding any other provision of this part, all items of income, loss, deduction, or credit taken into account under section 1366(a) and any gain or loss on the disposition of the stock in the S corporation shall be taken into account in computing the unrelated business taxable income of such organization."

On page 383, strike lines 3 through 15, and insert the following:

SEC. 1451. MISSING PARTICIPANTS.

(a) In General.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) Multiemployer Plans.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) Plans Not Otherwise Subject to Title.—

"(1) Transfer to corporation.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) Information to the corporation.—To the extent provided in regulations, the plan administrator of a plan that makes the election described in paragraph (1) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant.

"(3) Payment by the corporation.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) Plans described.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) Certain provisions not to apply.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4)."

(b) Conforming Amendments.—

(1) Section 206(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(f)) is amended—

(A) by striking "title IV" and inserting "section 4050", and

(B) by striking "the plan shall provide that".

(2) Section 401(a)(34) (relating to benefits of missing participants on plan termination) is amended by striking "title IV" and inserting "section 4050".

(c) Effective Date.—The amendments made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

On page 393, after line 24, add the following:

SEC. 1459. ALTERNATIVE NONDISCRIMINATION RULES FOR CERTAIN PLANS THAT PROVIDE FOR EARLY PARTICIPATION.

(a) Cash or Deferred Arrangements.—Paragraph (3) of section 401(k) (relating to application of participation and discrimination standards), as amended by section 1433(d)(1) of this Act, is amended by adding at the end the following new subparagraph:

"(F) Special rule for early participation.—If an employer elects to apply section 410(b)(4)(B) in determining whether a cash or deferred arrangement meets the requirements of subparagraph (A)(i), the employer may, in determining whether the arrangement meets the requirements of subparagraph (A)(ii), exclude from consideration all eligible employees (other than highly compensated employees) who have not met the minimum age and service requirements of section 410(a)(1)(A)."

(b) Matching Contributions.—Paragraph (5) of section 401(m) (relating to employees taken into consideration) is amended by adding at the end the following new subparagraph:

"(C) Special rule for early participation.—If an employer elects to apply section 410(b)(4)(B) in determining whether a plan meets the requirements of section 410(b), the employer may, in determining whether the plan meets the requirements of paragraph (2), exclude from consideration all eligible employees (other than highly compensated employees) who have not met the minimum age and service requirements of section 410(a)(1)(A)."

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 1998.

SEC. 1460. MODIFICATIONS OF JOINT AND SURVIVOR ANNUITY REQUIREMENTS.

(a) Amendments to Internal Revenue Code.—Section 417(b) is amended—

(1) by striking "For" and inserting:

"(1) In general.—",

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and

(3) by adding at the end the following new paragraph:

"(2) Election of 66⅔ percent survivor annuity.—

"(A) In general.—In the case of any plan with respect to which the survivor annuity under a qualified joint and survivor annuity is not equal to 66⅔ percent of the amount of the annuity which is payable during the joint lives of the participant and the spouse, such plan shall not be treated as meeting the requirements of section 401(a)(11) unless the participant may elect a qualified joint and survivor annuity with a survivor annuity which is equal to 66⅔ percent of such amount.

"(B) Treatment of annuity.—If a participant elects a survivor annuity under subparagraph (A), such annuity shall be treated as a qualified joint and survivor annuity for purposes of this title (other than subsection (c)(1)(A))."

(b) Amendments to ERISA.—Subsection (d) of section 205 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(2) by inserting "(1)" after "(d)", and

(3) by adding at the end the following new paragraph:

"(2)(A) In the case of any plan with respect to which the survivor annuity under a qualified joint and survivor annuity is not equal to 66⅔ percent of the amount of the annuity which is payable during the joint lives of the participant and the spouse, such plan shall not be treated as meeting the requirements of subsection (a) unless the participant may elect a qualified joint and survivor annuity with a survivor annuity which is equal to 66⅔ percent of such amount.

"(B) If a participant elects a survivor annuity under subparagraph (A), such annuity shall be treated as a qualified joint and survivor annuity for purposes of this title (other than subsection (e)(1)(A))."

(c) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan years beginning after December 31, 1996.

(2) Special rule for existing plans.—In the case of a plan in existence on the date of the enactment of this Act, the amendments made by this section shall apply to any plan year following the first plan year with respect to which the first plan amendment adopted after such date of enactment takes effect.

SEC. 1461. CLARIFICATION OF APPLICATION OF ERISA TO INSURANCE COMPANY GENERAL ACCOUNTS.

(a) In General.—Section 401 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1101) is amended by adding at the end the following new subsection:

"(c)(1)(A) Not later than December 31, 1996, the Secretary shall issue proposed regulations to provide guidance for the purpose of determining, in cases where an insurer issues 1 or more policies to or for the benefit of an employee benefit plan (and such policies are supported by the assets of such insurer's general account), which assets of the insurer (other than plan assets held in its separate accounts) constitute assets of the plan for purposes of this part and section 4975 of the Internal Revenue Code of 1986.

"(B) The proposed regulations under subparagraph (A) shall be subject to public notice and comment until March 31, 1997.

"(C) The Secretary shall issue final regulations providing the guidance described in subparagraph (A) not later than June 30, 1997.

"(2) In issuing regulations under paragraph (1), the Secretary—

"(A) subject to subparagraph (C), may exclude any assets of the insurer with respect to its operations, products, or services from treatment as plan assets,

"(B) shall provide that assets not treated as plan assets under subsection (b)(2) shall not be treated as plan assets under paragraph (1), and

"(C) shall ensure that the regulations—

"(i) are administratively feasible, and

"(ii) are designed to protect the interests and rights of the plan and of its participants and beneficiaries.

"(3)(A) Subject to subparagraph (B), any regulations issued under paragraph (1) shall not take effect before the date on which such regulations become final.

"(B) No person shall be subject to liability under this part or section 4975 of the Internal Revenue Code of 1986 for conduct which occurred before the date which is 18 months following the date described in subparagraph (A) on the basis of a claim that the assets of an insurer (other than plan assets held in a separate account) constitute assets of the plan, except—

"(i) as otherwise provided by the Secretary in regulations intended to prevent avoidance of the regulations issued under paragraph (1), or

"(ii) as provided in an action brought by the Secretary pursuant to subsection (a) (2) or (5) of section 502 for a breach of fiduciary responsibilities which would also constitute a violation of Federal criminal law or constitute a felony under applicable State law.

"(4) Nothing in this subsection shall preclude the application of any Federal criminal law.

"(5) For purposes of this subsection, the term 'policy' includes a contract."

(b) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendment made by this section shall take effect on January 1, 1975.

(2) Civil actions.—The amendment made by this section shall not apply to any civil action commenced before November 7, 1995.

SEC. 1462. SPECIAL RULES FOR CHAPLAINS AND SELF-EMPLOYED MINISTERS.

(a) In General.—Section 414(e) (defining church plan) is amended by adding at the end the following new paragraph:

"(5) Special rules for chaplains and self-employed ministers.—

"(A) Certain ministers may participate.—For purposes of this part—

"(i) In general.—An employee of a church or a convention or association of churches shall include a duly ordained, commissioned, or licensed minister of a church who, in connection with the exercise of his or her ministry—

"(I) is a self-employed individual (within the meaning of section 401(c)(1)(B)), or

"(II) is employed by an organization other than an organization described in section 501(c)(3).

"(ii) Treatment as employer and employee.—

"(I) Self-employed.—A minister described in clause (i)(I) shall be treated as his or her own employer which is an organization described in section 501(c)(3) and which is exempt from tax under section 501(a).

"(II) Others.—A minister described in clause (i)(II) shall be treated as employed by an organization described in section 501(c)(3) and exempt from tax under section 501(a).

"(B) Special rules for applying section 403(b) to self-employed ministers.—In the case of a minister described in subparagraph (A)(i)(I)—

"(i) the minister's includible compensation under section 403(b)(3) shall be determined by reference to the minister's earned income (within the meaning of section 401(c)(2)) from such ministry rather than the amount of compensation which is received from an employer, and

"(ii) the years (and portions of years) in which such minister was a self-employed individual (within the meaning of section 401(c)(1)(B)) with respect to such ministry shall be included for purposes of section 403(b)(4).

"(C) Effect on non-denominational plans.—If a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry participates in a church plan (within the meaning of this section) and is employed by an employer not eligible to participate in such church plan, then such minister shall not be treated as an employee of such employer for purposes of applying sections 401(a)(3), 401(a)(4), and 401(a)(5), as in effect on September 1, 1974, and sections 401(a)(4), 401(a)(5), 401(a)(26), 401(k)(3), 401(m), 403(b)(1)(D) (including section 403(b)(12)), and 410 to any stock bonus, pension, profit-sharing, or annuity plan (including an annuity described in section 403(b) or a retirement income account described in section 403(b)(9))."

(b) Contributions by Certain Ministers to Retirement Income Accounts.—Section 404(a) (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan) is amended by adding at the end the following new paragraph:

"(10) Contributions by certain ministers to retirement income accounts.—In the case of contributions made by a minister described in section 414(e)(5) to a retirement income account described in section 403(b)(9) and not by a person other than such minister, such contributions—

"(A) shall be treated as made to a trust which is exempt from tax under section 501(a) and which is part of a plan which is described in section 401(a), and

"(B) shall be deductible under this subsection to the extent such contributions do not exceed the limit on elective deferrals under section 402(g), the exclusion allowance under section 403(b)(2), or the limit on annual additions under section 415.

For purposes of this paragraph, all plans in which the minister is a participant shall be treated as one plan."

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 1996.

SEC. 1463. DEFINITION OF HIGHLY COMPENSATED EMPLOYEE FOR PRE-ERISA CHURCH PLANS.

(a) In General.—Section 414(q) (defining highly compensated employee), as amended by section 1431(c)1(A) of this Act, is amended by adding at the end the following new paragraph:

"(7) Certain employees not considered highly compensated and excluded employees under pre-ERISA church plans.—In the case of a church plan (as defined in subsection (e)), no employee shall be considered an officer, a person whose principal duties consist in supervising the work of other employees, or a highly compensated employee for any year unless such employee is a highly compensated employee under paragraph (1) for such year."

(b) Safeharbor Authority.—The Secretary of the Treasury may design nondiscrimination and coverage safe harbors for church plans.

(c) Effective Date.—The amendments made by subsection (a) shall apply to years beginning after December 31, 1996.

SEC. 1464. RULE RELATING TO INVESTMENT IN CONTRACT NOT TO APPLY TO FOREIGN MISSIONARIES.

(a) In General.—The last sentence of section 72(f) is amended by inserting ", or to the extent such credits are attributable to services performed as a foreign missionary (within the meaning of section 403(b)(2)(D)(iii))" before the end period.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 1465. INCREASE IN GUARANTEED AMOUNT OF MULTIEMPLOYER PLAN BENEFITS.

(a) In General.—Section 4022A(c) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new paragraph:

"(7)(A) In the case of a multiemployer plan which first receives financial assistance (within the meaning of section 4261) during the applicable period—

"(i) paragraph (1) shall be applied with respect to the guarantee of benefits under such plan by substituting '$11' for '$5' each place it appears and by substituting '$33' for '$15', and

"(ii) paragraphs (2), (5), and (6) shall not apply with respect to such plan.

"(B) For purposes of subparagraph (A), the applicable period is the period—

"(i) beginning on the date of the enactment of this paragraph, and

"(ii) ending on the last day of the first fiscal year for which the surplus in the corporation's multiemployer insurance program is less than 50 percent of such surplus for the fiscal year ending September 30, 1995.

"(C) For purposes of subparagraph (B), the surplus for any fiscal year shall be the surplus reflected in the Statement of Financial Condition for the fiscal year contained in the corporation's annual report, except that the assumptions used in computing such surplus shall be the same as those used for the fiscal year ending September 30, 1995."

(b) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 1466. WAIVER OF EXCISE TAX ON FAILURE TO PAY LIQUIDITY SHORTFALL.

(a) In General.—Section 4971(f) (relating to failure to pay liquidity shortfall) is amended by adding at the end the following new paragraph:

"(4) Waiver by secretary.—If the taxpayer establishes to the satisfaction of the Secretary that—

"(A) the liquidity shortfall described in paragraph (1) was due to reasonable cause and not willful neglect, and

"(B) reasonable steps have been taken to remedy such liquidity shortfall,

the Secretary may waive all or part of the tax imposed by this subsection."

(b) Effective Date.—The amendment made by this section shall take effect as if included in the amendment made by clause (ii) of section 751(a)(9)(B) of the Retirement Protection Act of 1994 (108 Stat. 5020).

On page 394, line 1, strike "**1459**" and insert "**1467**".

On page 417, lines 5 and 6, strike "after June 30 in calendar year 1996, and in calendar years after 1996" and insert "in calendar years after 1995".

On page 417, line 11, strike "take effect on July 1, 1996" and insert "apply with respect to sales occurring after the date which is 7 days after the date of the enactment of this Act".

On page 421, line 7, strike "December 31, 1996" and insert "April 15, 1997".

On page 421, lines 11 and 12, strike "December 31, 1996" and insert "April 15, 1997".

On page 421, line 21, strike "December 31, 1996" and insert "April 15, 1997".

On page 422, line 2, strike "January 1, 1997" and insert "April 16, 1997".

On page 422, line 7, strike "January 1, 1997" and insert "April 16, 1997".

On page 422, lines 18 and 19, strike "December 31, 1996" and insert "April 15, 1997".

On page 427, line 23, strike "amendment" and insert "amendments".

On page 438, between lines 19 and 20, insert the following:

SEC. 1612. ELECTION TO CEASE STATUS AS QUALIFIED SCHOLARSHIP FUNDING CORPORATION.

(a) IN GENERAL.—Subsection (d) of section 150 (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(3) ELECTION TO CEASE STATUS AS QUALIFIED SCHOLARSHIP FUNDING CORPORATION.—

"(A) IN GENERAL.—Any qualified scholarship funding bond, and qualified student loan bond, outstanding on the date of the issuer's election under this paragraph (and any bond (or series of bonds) issued to refund such a bond) shall not fail to be a tax-exempt bond solely because the issuer ceases to be described in subparagraphs (A) and (B) of paragraph (2) if the issuer meets the requirements of subparagraphs (B) and (C) of this paragraph.

"(B) ASSETS AND LIABILITIES OF ISSUER TRANSFERRED TO TAXABLE SUBSIDIARY.—The requirements of this subparagraph are met by an issuer if—

"(i) all of the student loan notes of the issuer and other assets pledged to secure the repayment of qualified scholarship funding bond indebtedness of the issuer are transferred to another corporation within a reasonable period after the election is made under this paragraph;

"(ii) such transferee corporation assumes or otherwise provides for the payment of all of the qualified scholarship funding bond indebtedness of the issuer within a reasonable period after the election is made under this paragraph;

"(iii) to the extent permitted by law, such transferee corporation assumes all of the responsibilities, and succeeds to all of the rights, of the issuer under the issuer's agreements with the Secretary of Education in respect of student loans;

"(iv) immediately after such transfer, the issuer, together with any other issuer which has made an election under this paragraph in respect of such transferee, hold all of the senior stock in such transferee corporation; and

"(v) such transferee corporation is not exempt from tax under this chapter.

"(C) ISSUER TO OPERATE AS INDEPENDENT ORGANIZATION DESCRIBED IN SECTION 501(C)(3).—The requirements of this subparagraph are met by an issuer if, within a reasonable period after the transfer referred to in subparagraph (B)—

"(i) the issuer is described in section 501(c)(3) and exempt from tax under section 501(a);

"(ii) the issuer no longer is described in subparagraphs (A) and (B) of paragraph (2); and

"(iii) at least 80 percent of the members of the board of directors of the issuer are independent members.

"(D) SENIOR STOCK.—For purposes of this paragraph, the term 'senior stock' means stock—

"(i) which participates pro rata and fully in the equity value of the corporation with all other common stock of the corporation but which has the right to payment of liquidation proceeds prior to payment of liquidation proceeds in respect of other common stock of the corporation;

"(ii) which has a fixed right upon liquidation and upon redemption to an amount equal to the greater of—

"(I) the fair market value of such stock on the date of liquidation or redemption (whichever is applicable); or

"(II) the fair market value of all assets transferred in exchange for such stock and reduced by the amount of all liabilities of the corporation which has made an election under this paragraph assumed by the transferee corporation in such transfer;

"(iii) the holder of which has the right to require the transferee corporation to redeem on a date that is not later than 10 years after the date on which an election under this paragraph was made and pursuant to such election such stock was issued; and

"(iv) in respect of which, during the time such stock is outstanding, there is not outstanding any equity interest in the corporation having any liquidation, redemption or dividend rights in the corporation which are superior to those of such stock.

"(E) INDEPENDENT MEMBER.—The term 'independent member' means a member of the board of directors of the issuer who (except for services as a member of such board) receives no compensation directly or indirectly—

"(i) for services performed in connection with such transferee corporation, or

"(ii) for services as a member of the board of directors or as an officer of such transferee corporation.

For purposes of clause (ii), the term 'officer' includes any individual having powers or responsibilities similar to those of officers.

"(F) COORDINATION WITH CERTAIN PRIVATE FOUNDATION TAXES.—For purposes of sections 4942 (relating to the excise tax on a failure to distribute income) and 4943 (relating to the excise tax on excess business holdings), the transferee corporation referred to in subparagraph (B) shall be treated as a functionally related business (within the meaning of section 4942(j)(4)) with respect to the issuer during the period commencing with the date on which an election is made under this paragraph and ending on the date that is the earlier of—

"(i) the last day of the last taxable year for which more than 50 percent of the gross income of such transferee corporation is derived from, or more than 50 percent of the assets (by value) of such transferee corporation consists of, student loan notes incurred under the Higher Education Act of 1965; or

"(ii) the last day of the taxable year of the issuer during which occurs the date which is 10 years after the date on which the election under this paragraph is made.

"(G) ELECTION.—An election under this paragraph may be revoked only with the consent of the Secretary."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 1613. CERTAIN TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.

(a) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

"(e) IDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the TIN of such individual is included on the return claiming the exemption."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 is repealed.

(B) Section 6724(d)(3) is amended by adding "and" at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(b) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

"(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the TIN of such individual is included on the return claiming the credit."

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) (relating to the definition of mathematical or clerical errors) is amended by striking "and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by inserting at the end the following new subparagraph:

"(F) an omission of a correct TIN required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment) or section 151 (relating to allowance of deductions for personal exemptions)."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is on or after the 30th day after the date of the enactment of this Act.

(2) SPECIAL RULE FOR 1995 AND 1996.—In the case of returns for taxable years beginning in 1995 or 1996, a taxpayer shall not be required by the amendments made by this section to provide a taxpayer identification number for a child who is born after October 31, 1995, in the case of a taxable year beginning in 1995 or November 30, 1996, in the case of a taxable year beginning in 1996.

On page 486, between lines 21 and 22, insert:

(d) COMPARABLE ESTATE AND GIFT TAX TREATMENT.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Subsection (a) of section 2107 is amended to read as follows:

"(a) TREATMENT OF EXPATRIATES.—

"(1) RATE OF TAX.—A tax computed in accordance with the table contained in section 2001 is hereby imposed on the transfer of the taxable estate, determined as provided in section 2106, of every decedent nonresident who is an expatriate if the expatriation date of the decedent is within the 10-year period ending with the date of death, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

"(2) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of paragraph (1), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

"(3) DEFINITIONS.—For purposes of this subsection, the terms 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A."

(B) CREDIT FOR FOREIGN DEATH TAXES.—Subsection (c) of section 2107 is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) CREDIT FOR FOREIGN DEATH TAXES.—

"(A) IN GENERAL.—The tax imposed by subsection (a) shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any foreign country in respect of any property which is included in the gross estate solely by reason of subsection (b).

"(B) LIMITATIONS ON CREDIT.—The credit allowed by subparagraph (A) for such taxes paid to a foreign country shall not exceed the lesser of—

"(i) the amount which bears the same ratio to the amount of such taxes actually paid to such foreign country in respect of property included in the gross estate as the value of the property included in the gross estate solely by reason of subsection (b) bears to the value of all property subjected to such taxes by such foreign country, or

"(ii) such property's proportionate share of the excess of—

"(I) the tax imposed by subsection (a), over

"(II) the tax which would be imposed by section 2101 but for this section.

The amount applicable under clause (i) or (ii) shall be reduced by the amount of any credit allowed under section 877A(i).

"(C) PROPORTIONATE SHARE.—For purposes of subparagraph (B), a property's proportionate share is the percentage of the value of the property which is included in the gross estate solely by reason of subsection (b) bears to the total value of the gross estate."

(C) EXPANSION OF INCLUSION IN GROSS ESTATE OF STOCK OF FOREIGN CORPORATIONS.—Paragraph (2) of section 2107(b) is amended by striking "more than 50 percent of" and all that follows and inserting "more than 50 percent of—

"(A) the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(B) the total value of the stock of such corporation,".

(2) GIFT TAX.—

(A) IN GENERAL.—Paragraph (3) of section 2501(a) is amended to read as follows:

"(3) EXCEPTION.—

"(A) CERTAIN INDIVIDUALS.—Paragraph (2) shall not apply in the case of a donor who is an expatriate if the expatriation date of the donor is within the 10-year period ending with the date of transfer, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

"(B) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of subparagraph (A), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

"(C) CREDIT FOR FOREIGN GIFT TAXES.—The tax imposed by this section solely by reason of this paragraph shall be credited with the amount of any gift tax actually paid to any foreign country in respect of any gift which is taxable under this section solely by reason of this paragraph. The amount of such credit shall be reduced by the amount of the credit allowed under section 877A(i).

"(D) DEFINITIONS.—For purposes of this paragraph, the term 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A."

On page 486, line 22, strike "(d)" and insert "(e)".

On page 487, line 19, strike "(e)" and insert "(f)".

On page 487, line 23, strike "(f)" and insert "(g)".

On page 488, line 21, strike "(d)(1)" and insert "(e)(1)".

On page 501, strike lines 16 through 25, and redesignate the subsequent paragraphs accordingly.

On page 512, strike lines 1 through 11, and insert:

"(i) EFFECTIVE DATE.—Except as otherwise expressly provided, any amendment made by this section shall take effect as if included in the provision of the Revenue Reconciliation Act of 1990 to which such amendment relates.

On page 521, line 6, strike "(1)" and insert "(1) IN GENERAL.—".

On page 521, line 13, strike "(2)" and insert "(2) EFFECTIVE DATE.—".

On page 571, line 5, strike "contribution to" and insert "distribution from".

THE TEAMWORK FOR EMPLOYEES AND MANAGEMENT ACT OF 1996

DORGAN AMENDMENT NO. 4437

Mr. DORGAN proposed an amendment to the bill (S. 295) to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Teamwork for Employees and Management Act of 1995";

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the escalating demands of global competition have compelled an increasing number of American employers to make dramatic changes in work-place and employer-employee relationships;

(2) these changes involve an enhanced role for the employee in workplace decision-making, often referred to as "employee involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) employee involvement structures, which operate successfully in both unionized and non-unionized settings, have been established by over 80 percent of the largest employers of the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of American businesses, employee involvement structures have had a positive impact on the lives of those employees, better enabling them to reach their potential in their working lives;

(5) recognizing that foreign competitors have successfully utilized employee involvement techniques, Congress has consistently joined business, labor, and academic leaders in encouraging and recognizing successful employee involvement structures in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate employee involvement structures have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930s when employers established deceptive sham "company unions" to avoid unionization; and

(7) the prohibition of the National Labor Relations Act against employer domination or interference with the formation or administration of a labor organization has produced uncertainty and apprehension among employers regarding the continued development of employee involvement structures.

(b) PURPOSES.—It is the purpose of this Act to—

(1) protect legitimate employee involvement structures against governmental interference;

(2) preserve existing protections against deceptive, coercive employer practices; and

(3) permit legitimate employee involvement structures where workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. LABOR PRACTICES.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end thereof the following new subsection:

"(h)(1) The following provisions shall apply with respect to any employees who are not represented by an exclusive representative pursuant to section 9(a) or 8(f):

"(A) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to meet with the employees as a group, or to meet with each of the employees individually, to share information, to brainstorm, or receive suggestions or opinions from individual employees, with respect to matters of mutual interest, including matters relating to working conditions.

"(B) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to assign employees to work units and to hold regular meetings of the employees assigned to a work unit to discuss matters relating to the work responsibilities of the unit. The meetings may, on occasion, include discussions with respect to the conditions of work of the employees assigned to the unit.

"(C) It shall not constitute or be evidence of an unfair labor practice under section 8(a)(2) for an employer to establish a committee composed of employees of the employer to make recommendations or determinations on ways of improving the quality of, or method of producing and distributing, the employer's product or service and to hold regular meetings of the committee to discuss matters relating to the committee. The meetings may, on occasion, include discussions with respect to any directly related issues concerning conditions of work of the employees.

"(2) The provisions of paragraph (1) shall not apply if—

"(A) a labor organization is the representative of the employees as provided in section 9(a);

"(B) the employer creates or alters the work unit or committee during any organizational activity among the employer's employees or discourages employees from exercising the rights of the employees under section 7;

"(C) the employer interferes with, restrains, or coerces any employee because of the employee's participation in or refusal to participate in discussions with respect to conditions of work, which otherwise would be permitted by subparagraphs (A) through (C) of paragraph (1); or

"(D) an employer establishes or maintains a group, unit, or committee authorized by subparagraph (A), (B), or (C) of paragraph (1) that discusses conditions of work of employees who are represented under section 9 without first engaging in the collective bargaining required by this Act.

"(3) An employee who participates in a group, unit, or committee described in subparagraph (A), (B), or (C) of paragraph (1) shall not be considered to be a supervisor or manager because of the participation of the employee in the group, unit, or committee.".

KASSEBAUM AMENDMENT NO. 4438

Mrs. KASSEBAUM proposed an amendment to the bill, S. 295, supra; as follows:

Strike all after first word and insert the following:

1. SHORT TITLE.

This Act may be cited as the "Teamwork for Employees and Managers Act of 1995".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the escalating demands of global competition have compelled an increasing number of employers in the United States to make dramatic changes in workplace and employer-employee relationships;

(2) such changes involve an enhanced role for the employee in workplace decisionmaking, often referred to as "Employee Involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) Employee Involvement programs, which operate successfully in both unionized and nonunionized settings, have been established by over 80 percent of the largest employers in the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of businesses in the United States, Employee Involvement programs have had a positive impact on the lives of such employees, better enabling them to reach their potential in the workforce;

(5) recognizing that foreign competitors have successfully utilized Employee Involvement techniques, the Congress has consistently joined business, labor and academic leaders in encouraging and recognizing successful Employee Involvement programs in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate Employee Involvement programs have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930's when employers established deceptive sham "company unions" to avoid unionization; and

(7) Employee Involvement is currently threatened by legal interpretations of the prohibition against employer-dominated "company unions".

(b) PURPOSES.—The purpose of this Act is—

(1) to protect legitimate Employee Involvement programs against governmental interference;

(2) to preserve existing protections against deceptive, coercive employer practices; and

(3) to allow legitimate Employee Involvement programs, in which workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. EMPLOYER EXCEPTION.

Section 8(a)(2) of the National Labor Relations Act is amended by striking the semicolon and inserting the following: ": *Provided further*, That it shall not constitute or be evidence of an unfair labor practice under this paragraph for an employer to establish, assist, maintain, or participate in any organization or entity of any kind, in which employees who participate to at least the same extent practicable as representatives of management participate, to address matters of mutual interest, including, but not limited to, issues of quality, productivity, efficiency, and safety and health, and which does not have, claim, or seek authority to be the exclusive bargaining representative of the employees or to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements between the employer and any labor organization, except that in a case in which a labor organization is the representative of such employees as provided in section 9(a), this proviso shall not apply;".

SEC. 4. LIMITATION ON EFFECT OF ACT.

Nothing in this Act shall affect employee rights and responsibilities contained in provisions other than section 8(a)(2) of the National Labor Relations Act, as amended.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, July 9, 1996, in open/closed session, to receive a report on the bombing of United States military facilities in Saudi Arabia on June 25, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 4 p.m. on Tuesday, July 9, 1996, in open session, to consider the nomination of Mr. Andrew S. Effron to be a judge of the U.S. Court of Appeals for the Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, July 9, 1996, at 8 a.m. to hold a closed hearing on intelligence matters and 11:30 a.m. to hold an open hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO PETER J. MORGERA AND HIS SERVICE TO THE AIR FORCE

Mr. SMITH. Mr. President, I rise today to pay tribute to Alc. Peter J. Morgera of Stratham, NH. Last Tuesday, this courageous young man fell victim to a tragic act of terrorism at the United States military complex in Dhahran, Saudi Arabia. Peter leaves behind his parents, Richard and Diane, and his two brothers, Tommy and Michael. He honored his country by serving overseas in Saudi Arabia and his family and community will miss him greatly.

Peter, a 25-year-old flight mechanic, was one of 19 American servicemen who lost their lives just 2 weeks ago when a truck bomb detonated outside military housing in Dhahran, Saudi Arabia. This blast which, in addition to taking the lives of Peter and 19 others, wounded 270 and was the worst incident of terrorism since the attack in Beirut in 1983. Peter, who was scheduled to return home on June 30, had served his country for 3 years in the Air Force.

Peter was a 1990 graduate of Exeter Area High School and is described by those who knew him as a great person, a hard worker, and someone who was always ready to lend a hand. When remembering Peter, his family and friends invariably mention his strong sense of community spirit and compassionate nature. He always did everything he could to help people when they needed it. At age 16, Peter began working with the Stratham Volunteer Fire Department and his fellow firefighters described him as extremely reliable and an excellent co-worker. One of the many ways he served the community was through teaching fire prevention at area schools. Peter had the kind of love for family and community this country is built upon, and it is individuals such as him that make this country great.

Peter's memory will be one of leadership and charity. He chose not to ignore the needs of those around him but to help meet those needs. Whether someone needed a helping hand or just a friendly face, Peter was there. Just last week, he was honored, along with his fellow servicemen who also died in the blast, at a special funeral ceremony by President Clinton. He served not only his community but his country as well, and his country will never forget his service or his sacrifice. We should, however, look beyond the tragedy of this great loss and let Peter's sacrifice be an example for us all. Although he left this world prematurely, he touched many lives with his caring ways and his memory will endure in many hearts.

Although Peter's death weighs heavily in the hearts of his family and friends, we should not dwell in sadness, but remember his zeal for life and continue to uphold those principles which he held dear. Peter's dedication to community was the embodiment of the American ideal, people like him are the backbone of their communities and the Nation. He gave his life as a guardian of the community and the Nation he loved so well. Therefore, let us mark this tragedy and remember what we have lost, but let us also celebrate Peter's life and the light he gave to those around him. His family and community will miss him dearly and honor him as a valiant American.

PASSAGE OF H.R. 3121

• Mr. SARBANES. Mr. President, today by unanimous consent the House approved H.R. 3121, a bill that will make a real contribution to increasing transparency and improving congressional oversight over arms transfers. In taking this action, the House accepted the Senate-passed amendments, obviating the need for a conference and clearing the bill for signature by the President. Since no report was filed with the bill in the Senate, I would like to take this opportunity to explain some of the changes that were made in the Foreign Relations Committee, and the rationale behind them.

First, we deleted a section that would have raised the thresholds above which arms sales must be notified to Congress. The current levels—$14 million for major defense equipment, $50 million for any defense articles or services, and $200 million for design and construction services—cannot be raised without reducing effective oversight, particularly since many of the most serious abuses of human rights take place with less sophisticated weapons systems.

Second, we lengthened the notification period for grant transfers of excess defense articles to 30 days, which is the current standard under section 516 of the Foreign Assistance Act of 1961. H.R. 3121 streamlines the existing excess defense article authorities, giving the administration added flexibility in many areas in exchange for a tight cap on the value of weapons that are provided to foreign countries without cost. Although it would have been preferable that this new cap of $350 million be calculated according to original acquisition cost rather than current value, the important point is that the cap is a firm one.

I remain concerned, however, about procedures for determining the current value of excess defense articles. In January 1994, a GAO report found that "irregularities in pricing/valuing EDA's compromise the reliability of EDA data." It concluded that "the military services did not always adhere to guidelines for pricing/valuing EDA's, and as a result, the acquisition and current values of the EDA program were understated."

According to pricing directives now in effect, equipment may be valued at anywhere between 5 and 50 percent of its original acquisition cost, depending on its age and condition. Over the past 4 years the current values have averaged about 25 percent of acquisition costs. It is the congressional expectation that, in implementing this provision, the Secretary of Defense will instruct the military services to adhere consistently to pricing directives that accurately reflect the value of the article to be transferred. Pricing decisions must be made without regard to the recipient of the article or to the amount of equipment that could be transferred within the statutory ceiling.

A third change to the initial version of the bill is a renewal of the requirement in current law that excess defense articles be offered to Greece and Turkey at the same ratio that applies to foreign military financing. The purpose of this provision is to promote peace and stability in the eastern Mediterranean by maintaining the military balance and restraining arms transfers to the region.

Fourth, we have reinstated an annual report that will show all the defense articles and services the United States provided to each foreign country in the previous fiscal year. There is growing concern about the proliferation of authorities under which the United States provides military aid, weapons and training to foreign countries. In addition to traditional sources such as grant military aid, international military education and training, leases and loans, and commercial sales, there have now been added such authorities as excess defense article transfers, drawdowns, cascading under the CFE Treaty, the defense export loan guarantee facility, and the military-to-military contacts program. Obviously it is important that, in making foreign policy decisions, we have a complete picture of all the ways in which we are providing arms or military assistance to other countries.

Fifth, a provision was added repealing the sunset clause on the Nuclear Proliferation Prevention Act. The NPPA, which refines and expands sanctions against countries and companies that help non-nuclear weapon states to acquire nuclear weapons, would otherwise expire with the enactment of the next State Department authorization bill.

Finally, two new sections increase transparency in reporting of arms sales. Section 155 requires that certifications of government-to-government arms sales, which are submitted under section 36(b) of the Arms Export Control Act, and notifications of commercial arms sales, submitted under section 36(c), are printed in the Federal Register. Section 156 ensures that at least the name of the country and the type and quantity of equipment for which commercial export licenses are issued be publicly disclosed, unless the President determines this would be contrary to the national interest. This reverses the burden of proof that applies under current law, where commercial licenses are revealed only if the Secretary of State determines it to be in the national interest to do so. Both of these provisions are of particular interest to the arms control and human rights communities, who have experienced unnecessary difficulty in obtaining information about unclassified arms sales.•

ADDITIONAL COSPONSOR—S. 1898

• Mr. DOMENICI. Mr. President, on June 24, 1996, I introduced S. 1898, the Genetic Confidentiality and Nondiscrimination Act of 1996.

Due to an inadvertent error, Senator PAUL SIMON was not identified on the text of S. 1898 as an original cosponsor. While I referred to Senator SIMON's original cosponsorship numerous times during my floor statement and it is so noted in the CONGRESSIONAL RECORD, the printed bill does not reflect my distinguished colleague's cosponsorship.

Therefore, I have requested this date that Senator SIMON be added as an original cosponsor to S. 1898. I further request that in the future this bill be known as the Domenici-Simon bill, as it was intended to be when it was introduced on June 24.

Thank you for the opportunity to clarify this issue.•

JOB PROTECTION ACT OF 1996

• Mrs. MURRAY. Mr. President, I am pleased the Senate passed the Small Business Job Protection Act of 1996. However, I am disappointed the Senate rejected the Kennedy amendment to the minimum wage increase.

I cannot sit idly by as I hear of those struggling to live on today's minimum wage. I thought, as many of you do, that the typical minimum wage earner was someone like my daughter or one of her friends: a teenager flipping burgers or taking food orders to earn some extra cash for new clothes or a movie.

That, however, is a grave misperception. The sad fact is that 73 percent of those earning between $4.25 and $5.14 an hour are over the age of 20. That means that 9 million adults this year will have to try to live on a salary of $8,840. One-third of these same adults are the sole sources of income for their families. If these workers were attempting to support a family of three, they would fall $2,682 below the Federal poverty line.

I am extremely concerned that 58 percent of those struggling with a minimum wage are women—5.2 million women, many of these single mothers, would benefit directly from this increase.

These single moms are trying. They are trying to raise two kids on a below-poverty income. And how does Congress reward a struggling parent's hard work? By attacking Medicaid that would have paid for her son's asthma medicine. By cutting the child care support that enables her to work. By taking away funding for nutrition programs that pay for her kids to eat at school or day care. By eliminating her Head Start Program that gives her kids a chance at coming to school ready and able to learn. By refusing to add 90 cents to her hourly wage—a wage that pays for heat, clothing and food.

Aren't these exactly the same individuals and families we are trying to keep employed and off of Federal support? Instead, this Congress has targeted the low-income family with cut after cut and a resistance to move them above the poverty line.

Mr. President, the Kennedy amendment would not have eliminated jobs. It would have barely kept people working—people who otherwise would be completely reliant on public support. If we had only passed this amendment a year ago, it would have meant that the single mother would have earned an additional $2,000 today.

To low-income families, that would have meant more than 7 months of groceries, 4 months of rent, a full year of health care costs, or 9 months of utility bills.

I did not reach my decision to support the minimum wage hastily. I have listened carefully to the concerns of small business owners from across my State, who have highlighted the implications of this increase. I don't want to see prices for the American consumer rise or jobs eliminated. But I don't think an increase to the minimum wage will end employment in small business, either.

It has now been more than 5 years since the last minimum wage increase. We must remember that the value of the current minimum wage has fallen by nearly 50 cents since 1991 and is now 27 percent lower than it was in 1979. Now is the time to adjust that inequality and demonstrate a true commitment to our working families.

A slight increase in this wage provides those who work hard and play by the rules an increased opportunity and a chance to succeed. If any of my colleagues opposes the minimum wage, I urge them to live on $8,840 this year and then reconsider their vote.

Mr. President, I want to take a minute to express my support for title I of H.R. 3448, the small business provisions. This section incorporates a variety of tax changes, pension simplifications and S corporation reforms that expand business opportunities for America's small businesses.

We all know small business is the engine that drives the American economy. As large corporations across the country downsize and consolidate, innovative small businesses expand and add jobs to the work force. In 1995, 22,000 individuals in Washington State were employed by software-related companies—66 percent of these companies are small businesses with less than 11 employees.

This legislation will only make it easier for these and other small businesses to invest in research and development, raise capital and spur economic growth.

Most importantly, the legislation reinstates several expired tax provisions including the research and development [R&D] tax credit and employer provided educational assistance.

The R&D tax credit is vital to small, technology-based companies that need to invest in long-term endeavors in order to stay competitive in rapidly changing business climates. At the same time, the employer-provided educational assistance is essential to maintaining a highly skilled, well-educated work force.

The legislation also improves the flexibility subchapter S corporations have when they set out to raise capital. Like S. 758, a bill which I cosponsored, this legislation raises the number of shareholders who can invest in S corporations. It increases the number from 35 to 75, and in doing so, this bill greatly increase an S corporation's ability to raise capital.

Mr. President, title I of this bill also incorporates two changes to our pension laws that were introduced in S. 1756, legislation I support that was introduced by Senator MOSELEY-BRAUN. First, the Treasury Department will be required to create a clear spousal consent form so that couples can make informed decisions about annuities. Also, Treasury will need to develop a qualified domestic relations order form spelling out how, to whom and when pension plans should be paid upon divorce. These provisions are essential to protecting spousal rights.

Finally, H.R. 3448 expands tax deductible IRA contributions to homemakers. This change will make retirement savings opportunities possible for individuals who work at home rather than in the work force. It will encourage greater savings in the United States, and it will improve retirement security for our hard-working homemakers.

Mr. President, even without the KENNEDY amendment, this legislation still goes a long way to helping over 10 million hard-working Americans. This legislation ultimately raises the minimum wage 90 cents over 2 years. It rewards our working families as they struggle to rise above the poverty line. I am proud the Senate took this important and eagerly awaited step today. •

METRO DETROIT YOUTH DAY

• Mr. ABRAHAM. Mr. President, I rise to recognize today as Metro Detroit Youth Day in my home State of Michigan. I commend the many sponsors and organizers of this event, being held today at Belle Isle's athletic field in Detroit. Recognizing the importance of leisure and recreation in improving the lives of youth, the sponsors and organizers of Metro Detroit Youth Day have dedicated their time and resources to giving young people in Detroit an opportunity to participate in recreational activities in a safe, yet competitive, environment.

Metro Detroit Youth Day emphasizes the need for physical education and fitness with the need for good sportsmanship. It brings together community leaders, business leaders, service organizations, and young people. Over 14,000 youth and 700 volunteers will participate this year.

I would like to pay special tribute to the following cochairs of Detroit Youth Day. In chairing this event, they have given young people examples to follow and have been role models for many others in the community—both young and old. They truly have made this day count. And so, I commend Harold Edwards of MichCon; Edward Deeb of Michigan Food and Beverage Association; Sharon Williams of Omni-Care; Tom Moss of West Side Athletics; Detroit Police Chief Isiah McKinnon; Ernest Burkeen of the Detroit Recreation Department; and Keith Bennett with Starr Commonwealth Schools.

In 1991, Metro Detroit Youth Day received the 477th Point of Light Award. In the spirit of that award, I offer congratulations and thanks to all who continue to make Metro Detroit Youth Day a success.•

ORDER OF BUSINESS

Mr. DeWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

ORGAN DONATION STAMP

Mr. DeWINE. Mr. President, I rise this evening to talk about an issue that I have talked about on several occasions previously on the floor, and that has to do with a problem we have in this country, a serious problem, and that is a shortage of organ donors.

We need to raise the awareness of the American people about this very important issue. That is why today I am calling upon the Citizens Postal Advisory Committee to approve a postage stamp in honor of organ donation.

Every day in this country eight people die—eight people every single day die—who are on a waiting list, a waiting list to have an organ transplant operation. In 1994, over 3,000 Americans died while waiting for an organ, 142 of them in my home State of Ohio.

As of May 1 of this year, which are the most current available figures that I have, there were 46,128 Americans on the waiting list for organs. That was an increase over the April numbers, just 1 month before.

On April 3, there were 45,583 people on the waiting list. So just in 1 month, over 500 people were added to that waiting list.

As of May 1, 32,256 people were waiting for kidneys. That is an increase of 344 people in less than a month.

On that same date, 6,273 people were waiting for a liver, and that is 137 more than in April.

On that same date, May 1, there were 1,339 people waiting for a kidney-pancreas transplant, 30 more than in April.

And on that same date, there were 3,599 people waiting for a new heart, 50 more than a month before on April 3.

Mr. President, if we ask our expert on this, our colleague from Tennessee, Dr. Frist, he will tell us these people can be helped. He will tell us these people did not have to die. He will tell us that the technology is there to save them and that what we are lacking is enough organ donations, what we are lacking is enough family members who lose a loved one who are willing, in a time of great tragedy and great hurt, to say, "Yes; yes, I will agree to have my loved one's organs transplanted into someone else so they can live."

The technology is there to save these lives. It is the organs that are missing. That is why all American families need to talk about this issue. It is something we as Americans do not want to talk about. We do not want to talk about death. We do not want to talk about funerals. We do not want to think a tragedy may strike. But it is important that we talk about this before something happens.

I am convinced, and, in fact, the statistics, polls and studies show it, the vast majority of Americans, if they thought they could help someone, would want their organs donated to save someone's life. The problem is that as a people, we do not talk about it; as families, we do not talk about it. So the next of kin, the families, the fathers, the mothers, the brothers, the sisters who have to make this decision do not really know what to do because that issue has never been discussed. That is why the national campaign is to get families to talk about it, because we believe if families do talk about this, they will ultimately make the right decision and lives will be saved.

We need to do everything we can to make sure that this issue does get the attention of all Americans. We need literally to start a conversation about this at the kitchen table of every single family in this country. We need to find creative ways to do this, creative ways to get people's attention.

There is one particular measure that I would like to talk about today that I think will get people's attention. Tomorrow, the citizens stamp advisory committee will meet to review and make recommendations for new postage stamps. Nearly 300,000 Americans have already signed a petition urging this stamp advisory committee to approve a postage stamp honoring organ and tissue donation. I believe that if we put our message on the envelopes of millions of Americans, we will strike an important blow for public awareness of the need for organs.

Here is one example of what the stamp could look like. I am not an artist. I did not draw this. Anybody who knows me knows I did not do this. But there are some creative people in our office who had some ideas, and they put this together. We bring it to the floor only to show what a stamp like this could look like, and the message is pretty basic: "Organ Donation. Share Your Life . . . Share Your Decision." That is the national campaign for people to talk about it before tragedy does strike.

The green ribbon in this stamp symbolizes life. The stamp would send the message that organ donation is a gift of life. This is literally true. The donor shortage in this country is one of the most important problems in health care today and a problem that is not easily solved. I believe the stamp advisory committee should approve this organ donation stamp in the same spirit in which it approved this year's breast cancer awareness stamp.

By approving this stamp, the advisory committee will literally be saving lives. It will prompt exactly the kind of family discussions we have been trying to promote. This postage stamp would save lives and would save lives without major cost or major effort.

The advisory committee should heed the appeals of over 300,000 concerned Americans, including some Members of Congress, to go ahead and approve this stamp. By doing so, the postal advisory committee would send a strong message to all Americans about the lifesaving decision every single family can make.

I thank the Chair, yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING CONVEYANCE OF LANDS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of H.R. 701, and further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 701) to authorize the Secretary of Agriculture to convey lands to the City of Rolla, Missouri.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 701) was deemed read the third time and passed.

RELIEF OF BENCHMARK RAIL GROUP

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 436, H.R. 419.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 419) for the relief of Benchmark Rail Group, Inc.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, and the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 419) was deemed read the third time and passed.

JOINT MEETING OF THE TWO HOUSES

Mr. LOTT. Mr. President, I ask unanimous consent that the President of the Senate be authorized to appoint a committee on the part of the Senate to join with a like committee on the part of the House of Representatives to escort His Excellency Benjamin Netanyahu, Prime Minister of Israel, into the House Chamber for the joint meeting on Wednesday, July 10, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE READ FOR THE FIRST TIME—S. 1936

Mr. LOTT. Mr. President, I understand that S. 1936, introduced today by Senator CRAIG, is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1936) to amend the Nuclear Waste Policy Act of 1982.

Mr. LOTT. I now ask for its second reading, and I object to my own request on behalf of the Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

JUDICIAL NOMINATIONS

Mr. LOTT. Mr. President, with regard to the judicial nominations, I have a unanimous-consent request I will propound. I am sure the distinguished Democratic leader would like to engage in a colloquy. Before I do that, I want to point out what has occurred with regard to these nominations.

Some time ago, when I was still serving as majority whip, I did try to get a unanimous consent to move a block of four nominees to the Judiciary. Objection was heard on that on behalf of, I believe, the Senator from Montana, who had a judge that was not on the list, that he wanted to make sure was considered.

Subsequent to that, I tried a second time to get those four cleared, and an objection was heard from the Senator from Montana because he still was not satisfied with the assurances with regard to his own judge for district court position in Montana. I assured him at the time we would continue to work to try to get clearance on that nominee, that there were some objections, some holds that had been lodged against that nominee, and therefore it could not be included in that group.

Once I was elected majority leader, in fact, I did continue to work on those four and others. On the Friday before the Fourth of July recess, we were able to get, preliminarily, 10 judges cleared. There was some last-minute problem with one of those 10, so we still had a group of nine judges that we had cleared on this side of the aisle, but, again, there was an objection heard on the Democratic side of the aisle.

In an abundance of good effort to try to see if we cannot move some of these nominations where there are not, and, in fact, should not be objections, I have decided now I will try to bring up a judge each day over the next several days to see if we cannot get them cleared. I think it is a legitimate way. I have tried to do them in a group of four. I have tried to do them in a group of nine. Now I will try to do them one-by-one. Some of these judges—three or four—are supported by Republicans. The others are Democratic nominees. I would go back and forth for a while. But, overall, there will be several more that are being actively supported by the Democrats than by the Republicans.

Once again, I am trying to be fair in how we do that. My intent would be to begin today with the nominee from Missouri, and go then, on Wednesday, with a nominee from Louisiana, because this particular nominee is a person that serves in the court system—I guess she may be a supreme court judge in Louisiana—and there is a qualifying deadline between Wednesday and Friday of this week for her to either seek reelection or to know whether she is going to be confirmed by the Senate or not. I am trying to move forward in recognition of that particular problem that she has and within the timeframe. Then we would go down the line.

I have submitted to the Democratic leader a list of nine judges that I would intend to do over this week and next week. And then beyond that, I would continue to work and see basically how things go. If we are getting some of these done, we will continue to try to do them. If we hear objections every day, I do not know what else to do. I have tried a group of four, a group of nine, and I am trying them one at a time. I feel like my hands would be clean, and I do not see how there could be objection to us not moving these judges.

I wanted to lay that predicate and explain what is happening. Some feel that none of these judges should be confirmed. Others, including myself, feel like several of them have been pending for a good long while, and unless there is a serious problem with the education, or qualifications, or ethics, we ought to try to move them. That is what I have been working assiduously to do. I am not doing it just by picking a name out of the hat. I am carefully looking at the judges and finding out if there are any problems, and as we get them cleared we can move down the line. Then I will move to the next judge or judges to see if they are, in fact, qualified.

There is no question that, philosophically, I have problems with a lot of them. I am not using that as a basis or a guide stick. I am trying to take them up in a logical order to try to get the calendar acted on in this regard.

UNANIMOUS-CONSENT REQUEST

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 514, the nomination of Gary Fenner, to be a U.S. district judge for the western district of Missouri.

I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, and that any statements relating to the nomination appear at the appropriate place in the RECORD, that the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

Mr. DASCHLE. Mr. President, reserving the right to object. First, let me commend the majority leader for his effort to try to resolve this impasse. I believe that he has attempted to act in good faith. He and I have had innumerable conversations about this and have tried to find ways in which to address it in a meaningful way and a satisfactory way to both sides.

He mentioned the effort the day we left prior to the July 4 break. Through no fault of his, necessarily, we were left with trying to clear this list while everybody was on airplanes going in about 15 different directions. So it was not our lack of effort or some concerted desire on the part of Democrats to oppose the list. But given the fact that after the Chamber had cleared and people had gotten on airplanes, as we attempted to reach people to see whether we could clear it, it was virtually impossible from a practical point of view.

He mentioned the fact that he has tried to bring up small groups and has found that it is difficult to get an agreement on even a small group, and so he is going to take them individually. Mr. President, the issue is not the size of the group, whether it is one, four, or nine. The issue is, what assurance do those who are not on the list, whether it is 1 of the remaining 22, or 1 of the remaining 19, or 1 of the remaining—in this case it would be 12—that they, too, will have an opportunity to have their judge considered?

So, earlier today, I discussed with the distinguished majority leader whether or not it would be possible at least to lay out a calendar, whereby every judge could be assured that on a given day during this work period that particular nomination would be considered. The distinguished leader is not able to do that this afternoon. So then we talked about whether or not it would be possible to at least have the assurance that all 23 would be considered between now and the August recess. The majority leader again was unable to give me that assurance.

Well, then, he did indicate to me that he would be willing to do the first 17. But I notice on Tuesday, July 16, Mr. Lawrence Kahn of New York, Calendar No. 678, is one of those beyond the first 17. It is in that group that was just passed out of committee in the final six. So if he is not willing to do all 23, but is willing then to do 100 percent of the Republican nominees—and there are only 3 or 4—and leave all of the balance on the Democratic list to be taken up at some uncertain time, with no commitment that we are ultimately going to at least be able to try to deal with these issues between now and the August recess, our colleagues have indicated to me as late as just a few minutes ago that, on that basis, on that limited assurance, they are not satisfied that they are going to be able to address their judgeships as well, and they are not convinced that this is a satisfactory way to go.

I applaud the majority leader for his innovation. I do not think that it is necessarily the fact that they were in small groups that was the problem. So taking them up one-by-one may not solve the matter, so long as we find the uncertainty about what happens after July 19 and we have dealt with the first nine.

So, Mr. President, based upon those concerns and the reservations expressed to me by my colleagues, as I said, just a matter of moments ago, I will have to object to this unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, before we move to the closing script, let me respond to some of the comments made by the distinguished Democratic leader.

First, I will ask a question. You mentioned a Judge Kahn of New York, that he was not on the list. Is that what the Senator said?

Mr. DASCHLE. No. What I said was that the majority leader had indicated to me that he was not prepared to consider at this point the final six judges which were added to the Executive Calendar. Yet, we find on Tuesday, July 16, Calendar No. 678 is one of those judges who were reported out most recently by the Judiciary Committee, and is a component of that final six. He happens to be a Republican. Now, I do not imply by that that the majority leader had special design on just this Republican nominee. But if we are willing to do it for the Republican nominee just reported out of committee, it would seem to me that we ought to do it for the five Democrats as well. That was the issue I attempted to raise.

Mr. LOTT. Mr. President, let me comment because I wanted to clarify that. The problem has been that we had, I think, 16 or 17 judges that had been reported out of the Judiciary Committee, and objections had been heard from any Senators that did not have their judge in that group of 4 or 9. So in order to not have objections, I guess we would have had to have had all 16 or 17 of them cleared that had been reported before June 27. We could not clear them, all 16 or 17 of them, so I thought we would get a block of as many as we could. But we are in a position where any Senator that does not have his cleared is going to object, apparently, to any combination I come up with.

Mr. DASCHLE. Will the distinguished majority leader yield on that point?

Mr. LOTT. Certainly.

Mr. DASCHLE. Because, for the record, I think we ought to see if we can resolve at least our understanding of where both sides are.

We have expressed a desire to work with the majority in terms of putting a list together whereby at least a Senator, if not having cleared the nominee, at least would know that his nominee would come up sometime between now and the August recess.

The distinguished leader will acknowledge that we have talked about at least scheduling for purposes of consideration a given nominee. Everyone recognizes that in order for this system to work, we are going to have to have cooperation on both sides.

Mr. LOTT. Sure.

Mr. DASCHLE. We are not asking today that everybody be cleared. All we are asking is that we have some assurance that every one of the nominees on the Executive Calendar will have the opportunity at least to be considered. Then we will go to the next step at a later date.

Mr. LOTT. If I could continue, Mr. President, the other suggestion was made that all of the so-called Republican nominees are on the list. In fact, I am not all that sure which ones are Republican and which ones are Democrat. I started this thing off thinking that they were all probably supported by Democrats. For instance, I understand that one not on the list is the nominee from Ohio which maybe is at least supported by Senator DEWINE.

So I mean, the intent would be to bring it up later on. But I felt that I gave this list for 2 weeks and I did not have time to give four or five names for the third week. So that is why I stopped. So there is at least one and maybe more that are supported by Republicans. I do not really ask for that. What I try to do is see if there are real holds on it; see if they are legitimate. If they have legitimate concerns, I try to move on and get the others.

Also, if you are ever going to bring these up in such a way that you can bring it up and insist that the Senator or Senators who have objections voice those objections and then be prepared to move them, I really think I need to do that one by one. That is what I am trying to do here. If I bring up all 17, or 16 that were pending before June 27, you can be almost certain that there will be objections heard.

So I do not know what to do. I have tried to do it in groups. I have tried it singly, and I am going to continue to try to do that.

Two other opinions, and then I will yield for other comments.

Seven of these new ones were reported next to the last day, I think, that we were in session on Thursday, the 27th. I have not had time to look at all of those. But I am going to. I plan to do that in relatively short order to see what the prospects are. I am prepared to move on to some of those that are not on this list of nine, and it may be that I will continue to try to do one a day at least for a while and see if there is objection. Conversely, if we begin to get some of them agreed to, we might try another block.

But I am trying to be cooperative. I would like to get as many of these done—I cannot tell you this afternoon that I am going to be able to bring up all 23 of them at all.

One of the problems that we have is we have a lot of work to do; must do work. The Democrats can slow roll us, if they want to. They can stop bills, or they can delay bills, or whatever. But there are a certain number of things that we have to do before we get through this year.

I think, also, I am entitled to be given a little bit of benefit of the doubt for a while. We have been keeping our word to each other. I am telling you that I am working these nominations. I am going to continue to work them. And until I do not do something which I tell you I am going to do—that is one reason I cannot make a commitment to you on the 23 because I am not sure I can keep that commitment.

So I am saying, give me a little time here. Give me a show of good faith. Give me a little trust. I have nine ready to go. I am going to continue to do it for a while. I am going to bring up the Louisiana nominee tomorrow and see if you object to a Democratically supported nominee. Then I am going to bring up the nominee from Colorado, which I presume is supported by a lot of Colorado Democrats because I understand philosophically he is a pretty liberal judge. But he is also supported by Senator BROWN.

Then I am going to go to the West Virginia judge that is supported very aggressively by the distinguished Senator from West Virginia, Senator BYRD.

That will take us through this week, and then sort of see where we are.

If you object to all of them, I will weigh that. If you object to one or two of them and let the other two go, we will kind of assess that.

The objection has already been heard. I will just say to the distinguished Democratic leader that I understand, and I am going to continue to work on it for a while. But you know we have a lot of other things that we need to get done, too.

I will try again and maybe by tomorrow afternoon your folks will have a new way of looking at it, and then we might come back to the Missouri judge at that point.

Mr. DASCHLE. Mr. President, let me emphasis that I want to give the distinguished majority leader plenty of benefit of the doubt, and I want to work with him in good faith. Obviously, he is attempting to work through a number of challenging scheduling questions. I applaud him for making that effort.

To the best of my ability, I intend to work with him as closely as I can. He has indicated that he does not know whether we can get through them all. I hope that he would say, "At least I am going to try." That is all I am asking at this point, that the leader attempt to work with me to try to deal with all 23. If we fail for a lot of reasons, we may fail. But I think my colleagues would like very much to know that at least at some point between now and the August recess, given the fact that we are hoping to cooperate on a whole range of issues—the distinguished leader gave me a two-page, single-spaced list of legislative items that he wishes to bring up between now and the August recess. That is going to take a lot of cooperation on both sides of the aisle for us to get it done.

We have a defense bill that he wants to bring up this week. Hopefully we can work through that.

But the degree to which there is bipartisan cooperation has everything to do with how much cooperation there is on both sides on issues that we both care about. My colleagues care very deeply about this list of judicial nominees.

I have said it before, but in 1992, with the same set of circumstances, even in September, I am told, our colleagues—the majority of my Democratic colleagues—passed out 66 district and circuit court judges—66.

In this session of Congress, so far it is zero. We have not confirmed one judge in this entire session of Congress. So, I will not belabor the point, except to say that so far there has been very little cooperation.

We are on a new watch. I know the majority leader wants to work very closely with us to try to resolve this matter. All I am saying is what we would simply like is his commitment to work with us, at least to take up the 23 and work through them one by one as he has proposed. We are not going to object as long as we know that all 23 at least will be considered.

So I expect to work with the leader, and perhaps tomorrow we can make some more progress. But at this point we have some more work to do.

Mr. LOTT. Mr. President, I do not want to belabor it any further at this point except for one point. I understand that he is suggesting that if we are going to get cooperation on the legislative agenda, they would want cooperation on the judicial nominations. I would submit the reverse also is true. If we get cooperation on the bills that need to be done for the good of the country—the Department of Defense appropriations bill, the foreign operations appropriations bill, the Treasury-Postal Service appropriations bill—then that would probably make it a little easier for me to be able to continue to move some of these things. So it works both ways. If we get cooperation on those bills, I feel a little more inclined to bear down and say we need to move some of these things.

But I want to say again, it is like the legislation: You can only do so much in a day or a week. The same thing is true of this. I can only go through the process of seeing what the problems are and seeing if we can get them cleared in a period of time.

Also, the last day we went out, I was talking with Senators on the telephone, on airplanes, I tried to get a couple of Senators on the same plane through the cockpit, and had staff waiting when they landed to clear the list of 10 that we had. So it is never easy around here. But I am working those, and I can assure the Senator I will continue to work this as long as I feel there is some show of good faith.

But I repeat, I tried four, I tried nine, and I am going to try them one a day for the next 4 days, and we will see where we are. But we can keep talking and see what kind of cooperation we get on the bills, and then you can see what kind of cooperation we get on the judges, and maybe we can go forward together.

ORDERS FOR WEDNESDAY, JULY 10, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m. on Wednesday, July 10; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; and there then be a period for morning business until the hour of 11:30, with the following Senators to speak: Senator BINGAMAN, 10 minutes; Senator FAIRCLOTH, 15 minutes; Senator BURNS, 5 minutes.

I further ask immediately following morning business, the Senate resume the DOD authorization bill as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, all Senators are asked to be in the Senate Chamber tomorrow morning at 9:35 a.m., so we may proceed as a body at 9:40 to the House of Representatives to hear the address by the Prime Minister of Israel.

At 12 noon tomorrow, there will be a series of rollcall votes, with the first vote on passage of the defense authorization bill, to be followed by a vote on cloture on the motion to proceed to the national right-to-work legislation, to be followed by votes on the pending amendments to S. 295, the TEAM Act, as well as final passage of that bill.

Following those votes and a period for morning business, I expect the Senate to begin consideration of the Department of Defense appropriations bill. Additional votes can be expected during Wednesday's session.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. LOTT. If there be no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:15 p.m., adjourned until Wednesday, July 10, 1996, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 9, 1996:

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) LYLE G. BIEN [redacted]

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPLICABLE PROVISIONS OF SECTIONS 618, 624, AND 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

To be colonel

STEPHEN D. CHAIBOTTI [redacted]
LAURENCE C. VLIET [redacted]

To be lieutenant colonel

MICHAEL J. BEGLEY [redacted]
PATRICK W. FLANAGAN, [redacted]
MARK R. FRANZ [redacted]

To be major

MATTHEW J. BUNDY [redacted]
DAVID S. DEVOL [redacted]
JEFFREY W. EGGERS [redacted]
DANIEL J. FLANIFAN [redacted]
BRIAN C. FORD [redacted]
TERENCE J. SPANN [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICER BE APPOINTED IN A GRADE HIGHER THAN THAT INDICATED.

LINE OF THE AIR FORCE

To be captain

JOHN W. WILKINSON [redacted]

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE., TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICER BE APPOINTED IN A HIGHER GRADE THAN THAT INDICATED.

MEDICAL SERVICE CORPS

To be captain

JOHN M. LOPARDI [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. MARINE CORPS IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNTIED STATES CODE:

To be lieutenant colonel

RICHARD L. WEST [redacted]

LIMITED DUTY OFFICER (LDO)

To be major

PAUL P. HARRIS, [redacted]

IN THE NAVY

THE FOLLOWING-NAMED U.S. AIR FORCE ACADEMY GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 541:

ANTHONY L. EVANGELISTA [redacted]
JOE R. FONTES, JR. [redacted]
KATHERINE M. HAYDEN [redacted]
DANIEL J. HOGAN [redacted]
CHRISTOPHER P. KIRBY [redacted]
JOSEPH P. KRIEGER [redacted]
MICHAEL J. RAHM [redacted]
JOHN S. SKINNER [redacted]
ANTHONY W. WALLEY, [redacted]

THE FOLLOWING-NAMED U.S. NAVAL ACADEMY GRADUATE TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LAURA C. MC CLELLAND, [redacted]

EXTENSIONS OF REMARKS

TRIBUTE TO ROBERT C. "BOBBY" DUNCAN

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ROGERS. Mr. Speaker, May 30, 1996, was an important day in the small McCreary hamlet of Silerville. Also called Strunk, the collection of scattered homes and former commercial buildings is located between Toeward and State Line. Robert C. "Bobby" Duncan completed his fiftieth year in the general merchandise business at the corner of Old U.S. 27 and State Rt. 1470. That day, his anniversary passed like most of the previous 15,500 days—closed only on Sunday and Christmas. Local residents stopped to buy gas, milk, bread, and hardware, and to discuss current events.

When Duncan's General Store opened in the spring of 1946, Harry Truman was President. Republican Simeon Willis was the Governor of Kentucky. Highway U.S. 27 was a major north-south route from Florida to Michigan. Young soldiers came home on the Greyhound bus, but often would have to take U.S. 27 north to find work. As the country recovered from World War II, tourists were stopping for gas and refreshments.

Change has been a constant requirement for Duncan's General Store. The building, however, looks remarkably like it did in 1946. The gray, two-story, tin-roofed building with its pot-bellied coal stove has not changed. Change has occurred with the needs of customers. Although Bobby Duncan has never changed locations, advertised or conducted a sale he is a perceptive marketer. He adapted as service stations sprang up to cater to travelers and as Interstate 75 diverted thousands of motorists 30 miles away. When futurists predicted that supermarkets would destroy mom and pop groceries, he shifted his primary product lines. Dry goods from Shaw shoes to Big Ben overalls were replaced by the new consumer products flooding America. Groceries carried out in Campbell soup paper boxes were reduced to make way for hardware and specialty items for mining and logging. Today, convenience items and gas have reemerged along with hard-to-find items. Former State Senator and merchant O.O. Duncan once said, "sooner or later everyone in the county goes to Bobby's store to find items that no one else has."

For three generations children from Strunk, Marsh Creek, Murphy Ridge, and Pine Knot have enjoyed trips to Bobby Duncan's. His endless patience with a 6-year-old customer who has a quarter to spend on mixed candy has ensured that successive generations know the joy of bon bons, rock candy, and orange drops mixed in a small brown paper sack. Nickel RC's and cakes are not available today, but the price was never as important as the considerations and kindness shown to tiny, often barefoot customers.

Adults frequent Duncan's store for many reasons. The store provides a cohesiveness for the community. Sitting on the front porch on the old church pew or on the nail keg next to the warm fire, smelling kerosene fumes or pickled pig's feet, you feel that the world has slowed. The conversations of the current generation of Murphy's, Ball's, Bairds, Trammells, are important. They come to the store to tell their stories, to inquire about their neighbors, or to express their views on political issues. They come to listen and to be heard. Bobby Duncan serves as a tax adviser, building consultant, agronomist, scribe, lawyer, minister, funeral singer, arbitrator, and friend. His services are often more important than his wares.

I don't know how many years Duncan's General Store will survive. A business that sells shoes and saddles, hair pins and horseshoes, Tide and tires, feed and seed, with true personal service is unique in today's world. Congratulations on a successful 50 years, Bobby Duncan.

A TRIBUTE TO LANGDON "DON" OWEN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. MILLER of California. Mr. Speaker, I rise today to pay special tribute to Langdon "Don" Owen, who will be honored at a special event on July 19, 1996, when an endowed fellowship in water science and policy will be established in his name at the University of California, Irvine.

During his 3-plus-year career as one of the premier minds in water resources policy in the State of California, Don utilized every scientific and policy tool available to sort out the complex and often urgent issues in the State's long and troubled water history. Environmental impact studies, cost-benefit analyses, long-term planning, multiple-discipline approaches, creative problem solving, using reclaimed water as barrier to sea water intrusion, building consensus through innovative solutions and persuasion—Don had the capability and the creativity to use all of these scientific techniques and nontraditional methodologies.

Of his many career highlights, three merit particular attention for their foresight and the lessons they offer our great State as we continue to grapple with difficult water decisions: Bay Barrier Investigation, which led to the rejection of a 1954 proposal to close off the San Francisco Bay from the sea; the Water Factory, the landmark advanced wastewater treatment facility which provides reclaimed water for salt water barrier and ground water basin replenishment; and the Santa Ana Watershed Project Authority, which brought three warring water agencies together to create a lasting partnership toward guaranteeing water quality and supply for the region.

I remember Don best as an instrumental participant in the efforts to end the water wars between southern and northern California.

Mr. Speaker, I ask my colleagues to join me in honoring Langdon "Don" Owen, a remarkable man who has made lasting and positive contributions to the California environment and who has taught, and will continue to teach, important lessons in environmental science, creativity, innovation, and cooperation. I can think of no one better suited to represent a fellowship that will educate and empower the next generation of our environmental water scientists that Don Owen. He is truly one of the crown jewels of California, and Orange County and UC Irvine are fortunate to be associated with him.

THE QUEENS BOROUGH PUBLIC LIBRARY—SERVING THE COMMUNITY FOR 100 YEARS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today so that this body may take note of a very special organization in my district—the Queens Borough Public Library. This organization celebrates the anniversary of its founding this year. I wish to congratulate them and offer my voice in support of their tireless efforts to educate and serve the residents of Queens Borough.

As I have told many of you before, Queens is a very special place to me and to those who live there. Its nearly two million residents make up the most ethnically diverse community in the United States. For years, the face of Queens has been the face of the many cultures of the world.

In that vein, the Queens Library system reaches out to this microcosm of the American mosaic and provides not just books, but citizenship education classes, English as a second language [ESL] classes, job training, and access to the information superhighway. In fact, the Queens Library offers over 18,000 programs to the community at large. Sixty-three facilities scattered throughout the borough are wellsprings of learning from which the community benefits.

On top of all this, the Queens Library is adding an international resource center [IRC] to the redesigned Flushing Branch, which will enable it to showcase many of the cultures reflected in the borough population. Using the latest technology, this unique facility will provide cultural background, business information, and educational materials on the varied peoples of the world.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

With its expanded facilities, the Queens Library will be able to host even more high quality exhibitions. For example, last year, it presented an excellent exhibit with support from the National Endowment for the Humanities [NEH] on Lewis Latimer, a 19th-century inventor, and on Korean-style printing with movable metal type—a technique perfected in Asia well before Gutenberg and his printing press.

Many of my colleagues know that I have had a longstanding interest in the Asian region, and therefore, I am delighted Queens is becoming an increasingly recognized center of Asian commerce in the United States. I wholeheartedly applaud the Queens Library for its diligent efforts and foresight in this regard.

For a hundred years, the Queens Library has nurtured the community, supplying its needs for information and community services. As it heads into its next hundred years, I wish them the best, and look forward to the new developments it will surely bring.

IN RECOGNITION OF VICTOR BACELIS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. STARK. Mr. Speaker, I rise today to congratulate Mr. Victor Bacelis on the receipt of the Jefferson Public Service Award, which he received on Wednesday, June 19, 1996. The Jefferson Award was founded in 1972 by Jacqueline Kennedy Onassis and Senator Robert Taft, Jr., and is presented each year by the American Institute for Public Service as part of a celebration of service to America. Mr. Bacelis is a model constituent who received this award as the result of a selfless act which helped a fellow Californian.

Victor's native Mexican village in the Yucatan Peninsula was so poor there were no schools. His family never had much in the way of material luxuries, but was rich in the values of hard work, generosity, and kindness. He was working between 96 and 100 hours a week at three different jobs to support himself and those he cared about. He was mopping the floor in a Fremont McDonalds when he found $600 on the floor. Most people would have kept it and told no one. After all, it was cash, and certainly would have tempted even the most honest person. But Victor did as the law instructed; he reported it. The money remained unclaimed. Victor then made a decision that very few people would make. Even though he was saving to buy a house, he gave the money to charity.

A local family had recently made a public plea for help. Adrian Sandoval, a 22-month-old boy, needed a bone marrow transplant, and his parents could not afford the procedure. Victor was touched by the story of this family, which had already lost one young child to the same rare genetic disease. Mr. Bacelis contributed the cash he had discovered and in doing so, saved a young and innocent life. He says, and I quote, "I couldn't accept what was happening at the time. I would have traded places with that baby, but that's impossible and I had to be a realist and take another form of action. * * * It was not my intention to be recognized as a 'hero,' I just wanted to help. It's part of my obligation as a human to help others."

His involvement in the Sandovals' lives did not end with the $600 contribution. He makes an effort to support transplant patients by recruiting potential bone marrow donors for other children. He volunteers his time to the San Francisco-based Latino Marrow Donor Program. And even as public recognition of his efforts grows, he continues to decline any personal gain. He has been offered money awards, a full scholarship and housing at Stanford University, and even a job with the San Francisco 49'ers, but none of these offers interested him. Instead, he wants everyone who finds value in his actions to become registered donors.

Mr. Speaker, Victor Bacelis has found a cause in which he believes. Through a simple twist of fate, he has taken the opportunity to touch the lives of others more needy than himself. His story restores and reinforces faith in the integrity of the American people. Mr. Speaker, I ask that you and my colleagues join me in recognizing Victor Bacelis for his magnanimous contribution to the lives of transplant patients. I wish him much success in all his future endeavors.

THE CHAPMAN REUNION—A FAMILY TRADITION

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, family reunions are an important part of our personal histories. During the July 5th weekend, the descendants of Lemon and Joanna Chapman gathered in White Hall, MD, for their 22d annual family reunion.

Families are important institutions. They are, so to speak, our proving ground. Our first lessons in life are taught and learned in the family. It is there that we learn to love, dream, respect, disagree, forgive, share, take orders, have faith, along with other life skills. The foundation of the family is there when we need it. The stronger and more stable the foundation/family the safer and more confident we are when we venture.

We often hear about the destruction of the family and how our young people are without family values. Unfortunately, for some, those are valid statements but there are many, many strong and caring family units in our communities. The Chapman family is one of those strong and caring families. I commend the members of this family for recognizing the importance of the family, its values, and its history. As a society, we must do all we can do to build upon the strength of these families to help strengthen the fabric of the Nation.

Mr. Speaker, the Lemon and Joanna Chapman family has produced many fine citizens. I would like to wish them and their friends a healthy, happy, safe and prosperous year until they meet again.

ISADOR BERENSTEIN

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ENGEL. Mr. Speaker, it seems that it is emigrants who epitomize the American ideal of success through hard work. Isador Berenstein was born in Poland and achieved some success there only to see it destroyed by the Nazis. He barely escaped with his life when Dachau was liberated only a day before the Nazis were to kill him. He came to America to start over and made his way to the Arthur Avenue indoor bazaar. There, for the next 40 years, he ran the housewares stand. There are only in America facets to his story; his bargaining in Yiddish-accented Italian with newly emigrated Italian housewives, his reorganizing the market when the city allowed it to deteriorate and his being chosen to lead by the overwhelmingly Italian-American merchants for more than a generation. I have known him for 20 years and have admired his good works and his commitment to the community. His retirement is a loss to all of us.

IN MEMORY OF MOLLY BEATTIE

HON. BLANCHE LAMBERT LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mrs. LINCOLN. Mr. Speaker, I rise today to pay special tribute to an extraordinary woman—Molly Beattie, who recently passed away. Molly was the first woman Director of the Fish and Wildlife Service, and in her short tenure, earned the admiration and respect of lawmakers who work with her on wildlife issues.

I did not always agree with Molly. However, she never failed to listen to the other side of an issue in order to resolve policy disagreements. She was an unfailing and dedicated public servant.

She came to Arkansas to hear my constituents protest her proposed closing of some of our fish hatcheries. She listened, then worked with me and other Members of Congress to establish a commission to examine the health and benefits of America's national fish hatchery system. Her common sense approach will mean that inefficient hatcheries will be closed and efficient facilities will continue generating revenue for the Government.

Molly stepped in again early this year to help me develop legislation that will prevent closure of national wildlife refuges in case of another Government shutdown.

Molly will be sorely missed by her friends and admirers in this body but most of all by the fish and wildlife she was sworn to protect.

She walked her walk and talked her talk and was true to her beliefs. She took her job very seriously setting a new standard for environmental consciousness. I believe that she loved her job and those around her, but was most comfortable in her cabin in the woods. I join my colleagues in honoring Molly Beattie as a thoughtful and dedicated human being whose life on her beloved earth was cut all too short.

TRAGIC LOSS OF LIFE IN SAUDI ARABIA

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. RADANOVICH. Mr. Speaker, on Tuesday, June 26, 1996, 19 young American airmen tragically lost their lives in Saudi Arabia. My sympathetic prayers go out to those families and friends across this grieving Nation whose lives' paths have now been painfully altered in bearing the great weight of so precious a loss. In particular, my deepest regards go to Mr. and Mrs. Leland Haun of Clovis, CA, in my district who lost their dear son, Capt. Timothy Haun, at the young age of 33. May God bless Captain Haun, his family and his memory.

It perhaps goes without saying, that the brave passing of Captain Haun and his Air Force comrades has not been in vain, and that those who viscously perpetrated this outrage epitomize cowardice. Mr. Speaker, the guilty here are hardly deserving of the gift of life they have now so recklessly taken from others so worthy of it. While these terrorists still slither through the cracks and shadows of an unstable region, our quest to uncover them must be relentless because their actions have been a direct affront to the United States, its people, and its overall objective of creating a more secure and lasting peace. They should know that the United States is not intimidated, to the contrary, when brave servicemen die, we are even more resilient.

While our search for justice should be vigilant and our foreign policy unwavering, we should not lose sight of those who have just paid the ultimate sacrifice for their country's ideals. These men have passed in serving a vision tracing back to our Nation's first founding sacrifices at Boston, Concord, and Lexington. They, like their founders before them, have died for the principled tradition of freedom and liberty. They will not be forgotten.

REMEMBERING MOLLIE BEATTIE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. MILLER of California. Mr. Speaker, I am saddened to note today the passing of Mollie H. Beattie, the recently resigned Director of the U.S. Fish and Wildlife Service.

Ms. Beattie was a dedicated, intelligent, and determined administrator of the Service. During her 3-year tenure, she insisted upon basing her agency's actions on two very sound criteria: scientific knowledge and the law.

For that, she was criticized, second guessed, and vilified by some, but treasured and respected by far more. She had one of the toughest, but most important, jobs in Washington, and we will miss her thoughtful leadership.

I would like to share with my colleagues a moving tribute to Director Beattie written by Ted Gup for the Washington Post. I know that all of my colleagues join with me in expressing our deep condolences to her husband, Rick Schwolsky, and the rest of her family and her friends in Vermont, in Washington, and through the country.

[From the Washington Post, July 1, 1996]

WOMAN OF THE WOODS—MOLLIE BEATTIE, A NATURAL AS FISH & WILDLIFE CHIEF

(By Ted Gup)

Her obituary last week was correct in every particular: Her name was Mollie H. Beattie. She was 49, the first woman to head the U.S. Fish and Wildlife Service. As reported, she succumbed to a brain tumor, dying Thursday in a hospital in Townshend, Vt.

Hers appeared to be a short and public life, reduced to milestones of schools attended, positions held, survivors left behind. But obituaries, even more than most news accounts, demonstrate to those who know the subject how stark is the distance between mere accuracy and truth. Mollie, as she was known to one and all, was many things, but never a creature of Washington, never a composite of accomplishments and, most certainly, not a public being.

True, she had allowed herself to be thrust into the center of an intensely public debate, selected to hold aloft the tattered banner of conservation and the Endangered Species Act, which she viewed less as an act of civil legislation than divine ordination. But Mollie's brief and quiet sojourn in Washington—less than three years—left a lasting mark on both the physical landscape of the nation and the political terrain of conservation ethics.

I first met Mollie shortly after she arrived in Washington. She had consented to a series of personal interviews for a profile I was writing. I remember her pageboy haircut, her radiant face, utterly devoid of makeup, and her smart blue suit with brass buttons—a visible concession from someone who otherwise lived in jeans. Later I would speak with her about topics as diverse as tropical forests, endangered species and the National Biological Survey.

No sooner had she arrived than she put the agency on notice that change was in the offing. In the long hallway leading to the director's office, there is a portrait gallery of former directors—then black-and-white photos of middle-aged white men in stiff white shirts, dark jackets and Windsor knots. Mollie chose a color photo of herself in hip waders, holding a pair of field glasses and standing at the edge of the water. Just behind her, on the opposite shore, can be seen a Kodiak bear. It was a statement that needed no elaboration.

Conservationists immediately embraced her appointment as the ultimate victory. She was one of their own. But Mollie shunned the notion of being an eco-evangelist, combining hard science (a degree in forestry from the University of Vermont), a master's in public administration from Harvard, and a child's sense of awe. It would prove to be an irresistible combination for political friend and foe alike.

She came by her love of nature honestly. Her grandmother Harriet Hanna was a self-educated botanist and landscape artist who knew every tree by its Latin name and, like all the girls in the family, was richly eccentric. "Her wackiness intrigued me as a kid," Mollie told me. "She seemed a little freer than everybody else." Mollie recalled that her grandmother would be seen outside in her nightgown at 5 a.m., toting her 4-10 shotgun in search of opossums disturbing her garden. Her home was part animal shelter, part clinic—home to lame deer, birds with broken legs and raccoons that had become dependent on her largess. "I got her ethic that if it moves, feed it," and Mollie.

Mollie's mother, Pat also has a fiercely independent streak and devotion to nature. Pat Beattie never told me how old she was, only that she was "well over 65." She lives in a log cabin among eight acres of sagebrush south of Ketchum, Idaho. She rides horses climbs rocks and drives a Ford pickup. "As I get older, I like the wilds better," she told me years ago.

As a young girl, Mollie would catch mice in the winter and make them a home in an aquarium feeding them hamster food. In spring, when food was more plentiful, she would release them. And always she had a gift for persuading even nonbelievers that nature was worth saving. When she was 8 and on a family vacation in California, she came upon a house sparrow with a broken wing. Against her mother's advice, she persuaded a pilot with United Airlines to allow the bird to ride with him in the cockpit from California to New York where she intended to nurse it back to health. The bird sat on the compass of the DC-7 all the way across the country. The pilot then drove the bird to his home in Putnam County but when he showed it to his wife, the bird keeled over dead. Four decades later, Mollie was still in mourning.

Her mother worried how Mollie would fare in Washington, a place where capitulation often passes for compromise. Her fears were unfounded. Mollie could be tough. Just ask Ralph Wright, former Vermont speaker of the house. "Mollie just didn't take any crap from me," Wright once told me. "She stood up to me when I tried to push her around. She gave it right back. I didn't mess with Mollie anymore." Mollie took a certain pride in standing her ground. She bristled when Wright once suggested she was a daughter of privilege. "I'm as shanty Irish as he is—on both sides!" she boasted.

Still, she was conciliatory by nature, uncomfortable with confrontation, not out of weakness but out of belief that even the human habitat—perhaps especially—was big enough to accommodate all species and manner of ideas. She had a supremely quiet confidence. "I've always worked hard never to allow my lifestyle to rise to the level of my income or my expectations of my career to be one of an endlessly accending trajectory," she told me shortly after assuming office. "I've worked very hard on those two things so I'm always free to go, because I know where my lines are. If you have to put it on the line, you have to put it on the line. There's a place past which it isn't worth it."

Heading the agency was not an easy job for Mollie. She told her sister shortly after arriving that it was a great job—for 10 people. She maintained a dizzying schedule. Once, flying over Iowa, she could not remember if she was flying to the East or West Coast.

A few months after her arrival here I asked her what was the hardest thing about Washington, expecting her to cite the withering assault on conservation issues or the late-night hours in the office. Not Mollie. "My hardest adjustment?" She repeated. "The lack of darkness at night, living in a place that's never quiet. The confinement of it. I'm used to absolutely unadulterated privacy. That's hard. It's a real loss that I can't just wander off into the woods."

Mollie was neither ideologue nor politician. She held to the same positions in her personal life as her public life. Her mother recalls that Mollie shamed her into avoiding the purchase of any colored tissues, warning that the colors were slower to break down in the soil.

Fifteen years ago she let her guard down and admitted she'd gone to forestry school "damn well determined to subvert the system." And she did just that. She helped to elevate the level of national debate while lowering levels of distrust and enmity that characterized much of the conservation issues in the '90s. During her brief watch at the Fish and Wildlife Service, another 15 wildlife refuges were added, more than 100 conservation habitat plans were agreed on between landowners and the government, and the gray wolf was reintroduced into the Northern Rockies. The wolf was one of her two favorite animals, the other being coyotes. "There's something so wily and elusive and mysterious—they almost seem magical, the coyotes."

She knew how to reach out to those with whom she disagreed. A woman—and a nonhunter at that—she presided over an agency long in the sway of the hook-and-bullet crowd. Within days of her arrival she told a gathering, "My father was seriously wounded in a hunting accident, and my uncle still carries a bullet behind his heart." She then went on to talk about the decline in hunting accidents, praising hunter safety. She was one of the boys. She could talk the talk and walk the walk.

She always took the broad view of nature and of man's relationship to it. "I believe there's only one conflict," she told me, "and that's between the short-term and the long-term thinking. In the long term, the economy and the environment are the same thing. If it's unenvironmental it is uneconomical. That is a rule of nature."

Last month legislation was introduced in the House and Senate to name an 8-million-acre wilderness reserve in the Arctic National Wildlife Refuge after her. Not a bad way to be remembered.

Toward the end, friends and family began exchanging "Mollie stories." Steve Wright recalled how five years ago he had passed her on a country road and recognized her license plate—"4STR"—for "forester." He chased her down on his new motorcycle, a 1200cc Harley-Davidson, finally catching up with her at a gas station. Mollie took one look at his cycle, hiked up her skirt, threw one leg over the sissy bar and sped off. She turned around to wave goodbye as she barreled at top speed up Vermont's Route 100. Ten minutes later she returned the bike. Vintage Mollie Beattie.

Mollie's last day of consciousness was Tuesday, a time when closest friends and family gathered at her bedside at the Grace Cottage, part of a tiny village hospital. Present too was Dozer, her big brown mutt with crooked ears and graying muzzle. It was said that the nurses spent as much time feeding Dozer as caring for the patients—again Mollie's talent for getting others to provide for nature. Toward the end, in a moment of solemnity, Mollie was asked if there was anything else she needed. After a second's reflection, a mischievous glint came into her eyes. "Potato chips," she said. The room erupted in laughter.

There was always a sense that the world had come to Mollie's door, and not the other way around. Atop her stunningly understated three-page résumé was her address, a box number on Rural Route No. 3, in Grafton, Vt. She lived a mile from the nearest utility pole in a house of wood she and her husband, Rick Schwolsky, built amid 142 acres of beech, birch and maple—red and sugar—on a gentle south-facing slope. There she kept her bees and shared the honey with an occasional black bear, driving him off only when he took too much.

There was no television in her house, and in the living room hung a painting of a woman standing with her hand on an oak tree. The woman is depicted speaking, but instead of words, oak leaves are coming out of her mouth. The picture was titled "A Woman Who Speaks Trees." It was one of the few possessions that Mollie said really meant anything to her. I can think of no more fitting epitaph. Mollie, too, was "A Woman Who Speaks Trees."

EXPORTS, JOBS AND GROWTH ACT OF 1996

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ROTH. Mr. Speaker, today I have introduced the Exports, Jobs and Growth Act of 1996. Joining me as original cosponsors are Mr. GILMAN, Mr. HAMILTON, Mr. GEJDENSON, Mr. LEACH, Mr. BEREUTER, Mrs. MEYERS, Mr. MANZULLO, Mr. GALLEGLY, Mr. MARTINEZ, Mr. JOHNSTON, and Mr. TORRICELLI.

The Exports, Jobs and Growth Act of 1996 extends the authority for three export assistance agencies: the Overseas Private Investment Corporation [OPIC], the Trade Development Agency [TDA], and the export-related programs of the Department of Commerce's International Trade Administration. These authorities will otherwise expire at the end of this fiscal year. The bill also incorporates several recommendations made during hearings conducted by the International Economic Policy and Trade Subcommittee.

This subcommittee, which I chair, during the last year conducted numerous oversight hearings on export competitiveness. Two of these hearings were specifically on the programs reauthorized in this bill. Testimony was received from both the administration and the U.S. exporting community, with all witnesses strongly endorsing continuation of the agencies' programs. The bill is the result of our findings from these hearings, and reflects the strong bipartisan interest on our committee for promoting U.S. export competitiveness.

The bill also reflects the strong support for reauthorization that has been communicated to the subcommittee over the last month from such groups as the Coalition for Employment through Exports, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Foreign Trade Council, the Small Business Exporters Association, the American Consulting Engineers Council, and the National Independent Energy Producers.

A more detailed description of the programs and the bill's provisions follows:

THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

OPIC began operations in 1971, with start up funds of $106 million. It is a wholly owned U.S. government corporation that provides insurance and financing to U.S. companies investing in overseas markets. OPIC's mandate is to facilitate private sector investment in the developing world, to expand U.S. exports and to advance U.S. foreign and domestic policy goals, within certain statutory parameters and guidelines.

During its 25 years of operations, OPIC has generated $43 billion in U.S. exports to 140 countries, creating 200,000 U.S. jobs.

Significantly, OPIC is financially self-sustaining. Years ago it reimbursed the U.S. Treasury for its initial capitalization. Through its own operations it has built up $2.3 billion in reserves (on deposit at the U.S Treasury) to cover its contingent liabilities.

Each year, OPIC's income from insurance premiums and financing fees covers all its operating costs and any losses, as well as generating funds for the U.S. government. Last year, OPIC generated a net $122 million surplus for the U.S. Treasury.

Testimony from the exporting community was that OPIC's insurance and financing programs are essential to U.S. companies which are seeking to expand into newly emerging markets in Asia, Eastern and Central Europe, Latin America and the Middle East. Private sector risk insurance and financing is largely unavailable for these emerging markets.

The bill reflects recommendations by both the exporting community and the Administration that OPIC continue to expand its level of assistance to U.S. companies. The bill provides that OPIC's programs would gradually rise over the next 4 years.

The bill also corrects a longstanding statutory defect by specifying that OPIC shall operate under U.S. trade policy as well as U.S. foreign policy. In line with this correction, the bill also would remove the statutory requirement that the AID Administrator is Chairman of the OPIC Board.

TRADE AND DEVELOPMENT AGENCY [TDA]

The Trade and Development Agency began operations in 1981. It is an independent agency under the direction of the President that funds engineering and feasibility studies for large capital projects overseas, principally in the energy, transportation, communications, environmental, and industrial sectors.

Over time, TDA has proved that by supporting the initial design studies, the U.S. effectively influences the follow-on procurement decisions toward U.S. companies. As a result, TDA estimates that U.S. companies have obtained $29 in new overseas contracts for every dollar invested in TDA activities since 1981. In FY 1995, TDA funded 430 activities in 72 middle-income and developing nations.

Under the bill, TDA's authority would be extended for two years, specifying that the FY 1997 level would be $40 million, the Administration request.

INTERNATIONAL TRADE ADMINISTRATION EXPORT PROGRAMS

The International Trade Administration's budget for export promotion has been holding steady at just under $240 million. This primarily covers the work of the U.S. and Foreign Commercial Service. The Commercial Service, with a staff of under 1,300 worldwide, states that according to its clients it facilitated an estimated $5.4 billion in 1995 export sales, producing 92,000 new U.S. jobs.

Other programs include the Trade Development office, the International Economic Policy office, and the Secretary's stewardship of the Trade Promotion Coordinating Committee (TPCC). The TPCC, which was created in statute by our committee, has helped bring greater coordination and effectiveness to export promotion.

The bill proposes to reauthorize these activities at the current $240 million level for

FY 1997 and "such sums as are necessary" for FY 1998. As recommended in our hearings, the bill would add a new provision to the TPCC's strategic plan that emphasizes the importance of improving these programs for small business.

A SALUTE TO EUDORA PETTIGREW

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today to commend Dr. L. Eudora Pettigrew, who has just completed 10 years of service as president of the State University of New York College of Old Westbury. Dr. Pettigrew has served with distinction as head of the State University of New York's most diverse and multicultural campus. During her long career in higher education, both as a faculty member and as an administrator, Dr. Pettigrew has earned the respect of students, faculty, and alumni. Prior to her stewardship of SUNY College of Old Westbury, President Pettigrew served as associate provost of the University of Delaware. During her outstanding career, she has also been associated with such distinguished institutions as Michigan State University, Southern Illinois University, and the University of Bridgeport.

President Pettigrew received her doctor of philosophy degree and master's degree from Southern Illinois University. She holds a bachelor of arts degree from West Virginia State College.

While fiscally the past decade has been a difficult one for almost all segments of our society, higher education—particularly public higher education—has endured painful budget reductions which continue to this day. Yet, President Pettigrew, through resourceful and courageous leadership, has successfully guided her campus through these very troubled times. And each spring, in a spectacular and very moving right of passage, SUNY Old Westbury holds a commencement ceremony unmatched on Long Island. Nearly 1,000 men and women of all ages, of remarkably different ethnic religious and racial backgrounds receive their diplomas from President Pettigrew. No where else on Long Island or in SUNY can one witness such a wonderful example of successfully bringing people from a broad spectrum of backgrounds together to learn from and with each other and, ultimately to succeed. Such wonderful diversity lies at the core of the success of the College at Old Westbury and President Pettigrew has played a major role in preserving the College at Old Westbury's very special and unique mission.

International education has been a longstanding interest of Dr. Pettigrew. She has traveled worldwide to participate in conferences and symposia which involve discussions about the expansion of international education programs on campuses throughout the world. Recently she led a delegation of public university presidents from throughout the United States to the People's Republic of China. The chancellor of the State University of New York has appointed her chair of a special Commission on Africa with primary focus on South Africa. She recently led a delegation of SUNY officials to South Africa to explore the possibility of exchange programs with South African universities.

Mr. Speaker, President L. Eudora Pettigrew is an extraordinary educator and dynamic leader who has contributed most significantly to the growth and development of the State University College at Old Westbury over the past decade. She is an educator extraordinaire and I am very pleased to publicly acknowledge her many works on behalf of the citizens of New York State. I call on my colleagues in the House of Representatives to join me in paying tribute to a dedicated educator and extraordinary humanitarian, Dr. L. Eudora Pettigrew.

RATIONING LIFE AND DEATH BY INCOME CLASS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. STARK. Mr. Speaker, once again, Professor Uwe Reinhardt, cuts to the heart of the matter with his June 19, 1996, essay in the Journal of the American Medical Association entitled "Economics."

His short article is reprinted below. It is blunt. Americans have decided to ration health care by income class. The poor will die earlier than the rich. The poor will suffer more. Their children will be doomed to less healthy lives. That's the truth. We try to hide from that truth behind ideologies and high-flown talk of "market-based" health care systems. We pretend to be a Christian nation, but we violate all of Christ's teachings in our health care system, and hide our hypocrisy behind economic jargon about efficiency and competition and free markets.

For a conscience-challenging essay, read on:

ECONOMICS

(By Uwe E. Reinhardt, Ph.D., Princeton University)

Breakthroughs in the sciences often take the form of replacing 1 hitherto held hypothesis with another. In the social sciences, that process tends to be controversial, because hypotheses usually can be tested only on crude, nonexperimental data that tend to be compatible with numerous rival hypotheses (theories). More often than not, the individual social scientist's allegiance to this or that theory is dictated by that individual's personal predilections.[1] A "breakthrough" in the social sciences, therefore, may be nothing more than the triumph of 1 ideology over another.

During the past decade or so, economics experienced such a breakthrough. Certain theories favored by large segments of the profession, the ideology they embodied, and the felicitious jargon they inspired came to dominate the thrust of American health care policy. Goaded in good part by the writings, teaching, and punditry of economists, American politicians increasingly treated health care as just another private consumer good—certainly no different from food, clothes, and shelter—and physicians and hospitals as mere purveyors of that good. Hand in hand with that notion came the proposition that a free market can produce and distribute health care more "efficiently" than can any other imaginable arrangement. Hand in hand with that proposition, in turn, came the social ethic that the quantity and quality of health care received by individuals can properly vary with their ability to pay for that care.

It is imperative to hedge this assertion at the outset. First, by no means all American economists subscribe to this distributive ethic for health care. Second, by no means all American economists play politics thus in the guide of science. Many of them scrupulously apply scientific methods to identify the trade-offs that require moral choice on the part of policy-makers without packaging their own moral values into their analyses.

Scrupulous economists are mindful that the term "efficiency" has a quite technical meaning that severely limits its proper use in practical applications.[2,3] Every freshman in economics, for example, is or ought to be taught that the more efficient of 2 alternative policies is not necessarily more preferred, unless both policies achieve exactly the same outcome. To illustrate, a cost-minimizing (efficient) policy that succeeds in immunizing only, say, 80% of a target population is not necessarily superior to a more wasteful (inefficient) policy that succeeds in immunizing the entire population. Similarly, one cannot meaningfully compare 2 nation's health care systems in terms of their relative efficiency, if these 2 nations pursue different standards of equity across socioeconomic classes.

Srupulous economists know that virtually all benefit-cost analyses performed by economists are highly suspect if the benefits and costs in question do not accrue to the same persons.[4] The explanation is simple: If we measure benefits and costs in dollars, then a dollar of benefit (or cost) accruing to a poor person represents a quite different intensity of pleasure (or pain) than a dollar of benefit or cost accruing to a rich person. Following a dogma first proposed by the British economist Nicholas Kaldor,[5] economists have tried to escape this conundrum with the tenet that, if those who benefit from a social policy gain enough to be able to bribe the losers into accepting that policy, then that policy enhances social welfare even if the bribe never is paid. It is a preposterous sleight of hand.[4] Yet without it, many benefit-cost analyses sold by economists lose their legitimacy.

Economists ought to protest loudly the canard repeated with such distressing frequency during the health system reform debate of 1993 and 1994 that only a "market approach" to health care can avoid "rationing."[6] Every freshman knows that markets are just 1 of many methods of rationing goods and services. Markets do it by price and ability to pay.[7]

Finally, properly trained economists know that when person A derives satisfaction from knowing that individual B consumes a particular commodity (which tends to be true for much of health care), then the prices generated in free markets systematically underestimate the social value of such commodities.[8,9] That important insight is forgotten by economists who model health care simply as just another private consumption good[10] and who would blithely and quite illegitimately impute to, say, a physician visit by a baby from a low-income family a social

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Footnotes at end of article.

value equal to the maximum price the baby's parents would be willing (and able) to pay for that visit.

In short, properly trained and scrupulously practicing economists appreciate that their ability to offer normative pronouncement on health policy is much more limited than seems widely supposed among policymakers. Normative economics seeks to prescribe what "ought" to be done. Because public health policy almost always redistributes economic privilege among members of society, such prescriptions almost always involve moral judgments best left to then political arena.

Economists are at their professional best when they offer purely positive, value-free analysis—for example, when they estimate empirically the responses of physicians, in terms of patients seen or hours worked, to ceilings on their fees or to increases in their malpractice premiums. Economists can also produce useful positive analyses by using their empirical estimates to simulate likely responses to proposed policies—for example, the imposition of a mandate on employers to provide their employees with health insurance.[11] Alas, even here ideology may creep in. During the health system reform debate of 1993 and 1994, for example, the opponents of such a mandate had no trouble finding respected economists who imputed to that mandate large losses in employment. These economists assumed that, over time, the cost of the mandate would be passed to employees through lower take-home pay, and that the supply of labor is highly sensitive to changes in take-home pay. On the other hand, policymakers who favored the employer mandate had no trouble finding equally respectable economists who assumed the supply of labor to be rather insensitive to take-home pay, in which case the mandate would lead to only a modest reduction in employment.[12]

As Victor Fuchs[13] has argued, the school of scrupulous economists did not carry the day during the health system reform debate of 1993 and 1994. That debate may have come across to the media and the laity as merely a giant exercise in accounting. In fact, it was the culmination of a decades-old battle over the proper distributive ethic for American health care. The issue can be crystalized in the following pointed question: To the extent that our health system can make it possible, should the child of, say, a waitress or a gas station attendant have the same chance of avoiding a given illness and, if afflicted by it, of surviving and fully recuperating from it as, say, the child of a corporate executive?

Evidently, the dominant decision makers in this nation have now concluded that our health system can properly offer the executive's child a higher probability of avoiding illness, or of surviving and fully recovering from a given illness, than it offers the child of a gas station attendant or waitress—that our health system can properly be tiered by income class.

That is purely a moral judgment. As such, it is not wrong. But it would have been appropriate, in a democracy, to debate this important question more explicitly than it was. Instead, the proponents of this distributional ethic cloaked their case in the jargon and normative theories willingly supplied, without proper warnings, by the economics profession. Thus, the new ethic was sold to the public by the argument that a "market-based" health system in which individuals are granted "responsibility" for their own health care (and their own health status!), and in which individual "consumers" are "empowered" to exercise "free choice" of the "consumer good" health care, would be more "efficient" (and hence "better") than any alternative system, and that it would obviate the need for "rationing" health care. But to tell an uninsured single mother of several possibly sickly children that she is henceforth empowered to exercise free choice in health care with her meager budget is not necessarily a form of liberation, nor is it efficient in any meaningful sense of that term. It is rationing by income class.

To have one's professional jargon, hypotheses, and embedded ideology dominate in this way may be a triumph of sorts. Readers will judge whether it was a genuine accomplishment.

FOOTNOTES

[1] Nelson R. *The Moon and the Ghetto*. New York, NY: WW Norton & Co Inc; 1977: lt 23.

[2] Bator FM. The simple economics of welfare maximization. *Am Econ Rev*. 1958; 72:351–379.

[3] Reinhardt UE. Reflections on the meaning of efficiency: can efficiency be separated from equity? *Yale Law Policy Rev*. 1992;10:302–315.

[4] Baumol WJ. *Economic Theory and Operations Analysis*. 4th ed. Englewood Cliffs, NJ: Prentice-Hall International Inc; 1977:chap 21.

[5] Kaldor N. Welfare propositions of economists and interpersonal comparisons of utility *Econ J*. September 1939:549–552.

[6] Reinhardt UE. Rationing in health care: what it is, and what it is not. In: Altman EH, Reinhardt UE, eds. *Strategic Choices for a Changing Health System*. Chicago, Ill: Health Administration Press; 1996.

[7] Rosen HS, Katz ML. *Microeconomics*. Homewood, Ill: Richard D Irwin Inc; 1991:15–16.

[8] Kearl JR. *Principles of Microeconomics*. Lexington, Mass: DC Heath & Co; 1993:chap 16, especially p 418.

[9] Friendman LS. *Microeconomic Policy Analysis*. New York, NY: McGraw-Hill International Book Co; 1984:64–70.

[10] Phelps CE. *Health Economics*. New York, NY: Harper Collins Publishers Inc; 1992:chap 4.

[11] Clinton W. *President Clinton's Health Care Reform Proposal and Health Security Act, as Presented to Congress on October 27, 1993*. Chicago, Ill: Commerce Clearing House Inc; 1993.

[12] Krueger AB, Reinhardt UE. The economics of employer versus individual mandates. *Health Aff (Millwood)*. Spring 1994:34–53.

[13] Fuchs VR. Economics, values and health care reform. *An Econ Rev*. 1996;86:1–24.

TRIBUTE TO KABILI TAYARI

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, on Thursday, July 11, Kabili Tayari is being honored for his lifelong commitment to justice. This event is being held at Jersey City State College in Jersey City, NJ.

Kabili Tayari is a true believer of empowerment. Malcolm X's statement, "use any means necessary" comes to mind as I think of Kabili. Although he is a man of many strategies, he has chosen education as his "weapon" of choice in fighting the injustices of our society.

In 1989, New Jersey's Governor appointed him to the Jersey City Board of Education. He has served the board in a number of capacities. He served as chairperson of the legislative committee from 1991 to 1996. He was vice president of the board from 1993 to 1995. On May 2, 1996, he was elected president of the Jersey City Board of Education.

Although Kabili has served the citizens of Jersey City through its board of education, he has also shared his talents with other organizations. They include the Association for Retarded Children, the New Jersey State Conference of NAACP Branches, the Hudson County College Education Opportunity Fund, the Essex County College Education Opportunity Fund, the New Jersey Martin Luther King Commemorative Commission, the Region II National Title I/Chapter 1 Parents Organization, the Parents Council of the Jersey City a.k.a. Citywide Parents Council, and the Jersey City State College; his alma mater. He has held leadership roles in each of these groups that work for the empowerment of our citizens.

Mr. Speaker, I am sure my colleagues will want to join me as I congratulate and thank Kabili Tayari for his dedication and commitment to making life better for so many.

THE NEW YORK EYE SURGERY CENTER

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. ENGEL. Mr. Speaker, the New York Eye Surgery Center is celebrating its 10th anniversary of state-of-the-art medical care in the Bronx. I want to congratulate the center for the medical service it has given to the area over that decade. I also want to congratulate the center for its annual gift of a day of free cataract surgery for those unable to afford the procedure. Last year 20 free surgeries were performed and more are expected to be performed this year. The center also has a day of free eye screenings for glaucoma, cataracts, and diabetes and this year May 17 is the day for free eye care as part of Mission Cataract USA '96. The screenings are free to anyone from the community regardless of need. This state-of-the-art care is also state-of-the-heart care and I congratulate the New York Eye Surgery Center for the great and good work it is doing.

TRIBUTE TO JIM PRUTZMAN

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. HASTERT. Mr. Speaker, I rise today to honor an outstanding citizen of Illinois' 14th Congressional District, Mr. Jim Prutzman of West Chicago.

A Navy veteran of World War II, Jim Prutzman has been a successful businessman in his hometown and has served his community as a past-commander of American Legion Post No. 300 and as a past president of the West Chicago Chamber of Commerce. While these activities alone are worthy of honor, though, I rise today to honor Jim for his decades of work with the West Chicago Fire Department.

Jim Prutzman began his work with the West Chicago Fire Protection District in 1959, as a paid on-call firefighter. In 1971, Jim was appointed to the fire district's board of trustees and elected treasurer. Shortly after his appointment, the West Chicago fire district hired its first full-time firefighters in 1972, which also resulted in the formation of the municipal ambulance service. Jim Prutzman was elected president of the fire district board in 1981, serving in that capacity for the next 14 years, and retired from his duty with the fire district just a few short weeks ago.

In his 37 years with the West Chicago Fire Protection District, the department has grown from a few paid on-call firemen to today's 3 fire stations, 22 full-time employees, 14 on-call firefighters, and 9 paramedics. Jim has been actively involved in that growth, and the people of West Chicago are better protected today because of his efforts.

Mr. Speaker, I ask you and my colleagues to join me in honoring this dedicated man, for his commitment and service to the West Chicago community. I join the citizens of West Chicago in congratulating Jim on his well-deserved retirement from the fire protection district, and wish him all the best for the future.

INTRODUCTION OF LEGISLATION REGARDING THE COUNTRY OF ORIGIN RULES

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation which would retain the country of origin rules in effect on June 30, 1996 for apparel items produced in American Samoa. This legislation is limited in scope, and it will have a limited impact on U.S. trade. It is, however, critical to the economic development of American Samoa.

Mr. Speaker, the American Samoa Government has been pursuing outside investment opportunities for many years. Recently, a garment manufacturing company has begun production in American Samoa—the first significant new outside industry to invest in the territory since the 1960's. The new industry provides jobs for our people, tax revenues for the local government, and secondary revenue for a variety of private sector businesses.

The industry is small by U.S. standards, it employs fewer than 500 local people at this time, but it represents diversification for our economy, and its presence lessens our dependence on the Federal Government. The plant is running smoothly and is ahead of schedule with respect to production levels.

Because this is a new industry for American Samoa, it requires a significant amount of planning and training of the local work force. While our people need time to develop the sewing skills needed to be competitive on a worldwide basis, we are very good at cutting—regularly meeting or exceeding the quantitative standards.

To take advantage of our cutting skills, the existing garment manufacturing company is proposing a three-phase expansion. The expansion plans call for the construction of an enlarged cutting facility where fabric of U.S. origin will be cut, a dye plant in which grey goods or pre-dyed fabric of U.S. origin will be dyed and a knitting facility where yarn of U.S. origin will be knit into fabric.

This will be good for the U.S. textile industry—in American Samoa and on the mainland. We estimate that an additional $5 to $7 million can be generated for the mainland U.S. textile industry if the expansion goes forward as planned. In addition, sewing capacity in American Samoa will increase in order to handle the larger output of material. The total required work force after 3 to 5 years is estimated to be in the range of 2,000 persons.

Mr. Speaker, this is a very small number in U.S. mainland terms, but it is of great significance on an island whose population totals 60,000 people.

It now appears that a recent change in U.S. Customs regulations will jeopardize our infant garment industry and its future growth. As of July 1, 1996, garments produced almost entirely in American Samoa lose their previous Customs treatment even if only a relatively small portion of the production process is performed in a foreign country.

The garment company doing business in American Samoa would like to import United States yarn to American Samoa, knit or weave it in American Samoa, dye it in American Samoa, cut it in American Samoa, use what the plant in American Samoa can sew, ship only the excess out to another country for sewing, bring it back to American Samoa for final assembly and packaging and have the finished goods enter the United States as products of the United States.

This was possible under the old regulations; under the new regulations which took effect on July 1st of this year, this can no longer be done. It does not make good business sense for this company to expand as it is proposing in American Samoa unless this expansion is economically feasible. The legislation I am introducing today, if enacted into law, would grandfather the nascent American Samoa garment industry under the old rules, enabling the industry to operate successfully in American Samoa and allowing the existing company to build a larger production facility and finance an orderly expansion.

I believe that this legislation is reasonable and fair and in the best interest of the U.S. textile industry as a whole and the U.S. territories in particular.

My legislation is limited in scope and will merely preserve the old country of origin rules for garment producers in America Samoa.

My legislation will help other manufacturing companies who may contemplate locating in American Samoa.

This industry is already providing more than 400 new local jobs in American Samoa, and will provide hundreds more if the expansion plans can be implemented. The infant industry and its future growth are at stake.

This is an important test case which will prove whether or not new export industries can be successful in American Samoa. The implications of the success, or failure, of the expansion project are critical for the economic future of the territory.

Mr. Speaker, the experience of the people of American Samoa is a good example of the difficulties the United States territories face in attracting businesses to invest in our economies.

American Samoa's economy has been hampered by our isolation from world markets and world shipping lanes. We have relied on incentives such as the possessions tax credit and the advantages offered under General Note 3(a) of the Harmonized Trade Agreement to help attract the outside investment our economy needs to grow, but those incentives are disappearing.

Over time, the advantages of doing business in the U.S. territories may be outweighed by the emergence of low-cost alternatives engendered by NAFTA and GATT/WTO policies. Countries with lower wage scales, such as Mexico and others in Central America and the Far East, could lure business away from the United States.

Under our analysis, sewing in higher wage countries will continue to be reduced, and there may not be a domestic U.S. sewing industry in ten years. I believe that this legislation will better position the United States to keep as much of the industry in U.S. hands as possible, and I look forward to seeing this bill enacted into law.

SALUTING THE GOODSPEED OPERA

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. GEJDENSON. Mr. Speaker, I rise today to salute yet another achievement of the Goodspeed Opera House and its executive director, Michael Price.

"By Jeeves," a musical by Andrew Lloyd Webber and Alan Ayckborn, will appear at the Norma Terris Theater in Chester, CT in October. The work, inspired by the P.G. Wodehouse stories about Jeeves the butler, will be yet another feather in the cap for the Goodspeed, a theatre dedicated to the development and preservation of musical theatre.

The Goodspeed is the Tony award winning house where "Annie" and "Shenandoah" premiered over 20 years ago. Since that time, the theatre has sent more than a dozen new shows to Broadway, including last year's hit "Swinging on a Star."

The Goodspeed currently maintains two separate houses, the 398 seat main stage in East Haddam, as well as the 200-seat Norma Terris in Chester. The Goodspeed-at-Chester is a unique place developing new musicals and nurturing emerging artists. These artists have a space at Goodspeed where they can develop their work and get ready for commercial audiences without the commercial pressure of Broadway.

Musical theatre is a uniquely American art form. The spaces that Goodspeed provide to artists and theatre patrons alike are an invaluable asset to the cultural life of the United States and eastern Connecticut in particular.

And so I congratulate Mr. Price and everyone else on the "By Jeeves" team. Thank you for your work and the enjoyment you have brought me and thousands of others.

A TRIBUTE TO PALMER VINEYARDS OF AQUEBOGUE, LONG ISLAND

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to Palmer Vineyards of Aquebogue, on Long Island's North Fork, a winery of international renown that is celebrating the 10th anniversary of its first vintage this year. In this decade of excellence, Palmer vineyards has established itself as perhaps the most distinguished winery in what is becoming one of the world's preeminent wine producing regions.

It was in 1983 when Lorraine and Robert Palmer planted the first vines on their 62 acres of farm land along Sound Avenue in Aquebogue and 3 years later, the first vintage was produced. The following year, Palmer Vineyards earned its first award medals in a professional tasting competition. Today, after a decade of unmatched distinction, Palmer wines are enjoyed throughout the world and have become the most widely distributed of Long Island's many celebrated vintages.

In its first decade, Palmer Vineyards has garnered an impressive host of national and international awards in competition against the world's best vintners. These awards include 45 gold medals and six double golds, 115 silver medals and countless bronze citations. Among the top achievers is Palmer's Chardonnay, which has earned double gold medals at the San Francisco National Wine Fair and the New York Wine Classic for 2 consecutive years. Equally impressive is the nine gold medals, including two double golds, that Palmer's 1994 Select Harvest Gewuiztraminer has been awarded.

Palmer Vineyards' phenomenal success is mostly attributable to the superior quality of its wines, but much credit is due to the aggressive and skilled marketing efforts of Robert Palmer and his dedicated staff. Marketed in 23 States, including California, Palmer wines are also available throughout Canada, the United Kingdom, and much of Europe. Palmer's Merlot is served on all of American Airlines' first class transcontinental flights, its Chardonnay was selected as the official wine of the U.S. Golf Open and Palmer Wines are the only Long Island wines available at Disney's Epcot Center.

The prosperity and growth of Palmer Vineyards over the last decade parallel the fortunes of Long Island's entire East End wine country. Many of the world's great wine regions have been producing vintages since the Middle Ages, but the first grape vines were planted on the East End just 24 years ago. Today, the Long Island wine industry has expanded to include 40 vineyards that grow grapes on approximately 1,400 acres. Seventeen of those vineyards also make their own wine, producing 120,000 cases of wine and $15 to $20 million in sales annually. More than 200 full-time workers are employed in Long Island's wine industry.

The East End's success as a wine region is attributable to its ideal growing conditions. The loamy top soil and supporting sandy layer below provide a perfect base from which to grow vines. With an average growing season of 210 days, the Atlantic Ocean's moderating influences provide the East End with near perfect weather for growing grapes. Relatively mild winters help sustain vine growth, while the cool ocean breezes help temper summer's harsh heat.

As impressive as the industry's growth has been, the peripheral benefits of Long Island's still nascent wine industry are just as valuable. Though not as quantifiable, the impact the wineries have on the local tourism trade, the goods and services they purchase from local merchants, and the role the industry plays in marketing Long Island to the world are invaluable to the entire region.

On Sunday, July 14, Robert Palmer and Palmer Vineyards will commemorate its 10th anniversary with a special celebration at the winery's classically designed tasting house, an old English pub that was imported from Britain and rebuilt by Robert Palmer. To mark the event, Palmer will be releasing its special reserve 10th anniversary wine. Specially crafted by winemaker Dan Kleck, the special reserve is a limited production release made from select Chardonnay, Sauvignon Blanc, and Pinot Blanc grapes. Like the many fine Palmer vintages before it, the special reserve is destined to earn the honors and admiration of the judges and public alike.

Here's to the second 10 years of excellent wine at Palmer Vineyards.

IN HONOR OF EDWARD VARLEY FOR HIS 50 YEARS OF SERVICE AS A FIREMAN

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and appreciation that I rise today to express my congratulations to Edward Varley for his 50 years of dedicated service to the Washington, CT, Volunteer Fire Department.

The Washington Volunteer Fire Department was chartered in 1926 and on July 10, 1946, Edward Varley began what was to be the longest service of a volunteer fireman the town of Washington has ever had. As the first member of the fire department to earn this achievement, Mr. Varley deserves our praise and our gratitude for the courage he has displayed, putting his life on the line in situations where the risk was high. Mr. Varley also served his department as fire chief in 1965–1966. The community is forever indebted to him for his outstanding service throughout the last 50 years. The citizens of Washington can rest easier knowing that their homes, businesses, and loved ones are safe thanks to thoughtful neighbors like Edward Varley.

Today, I congratulate Edward Varley for his 50 years of service and I commend him on his dedication to his community.

IN RECOGNITION OF ROBERT L. DEMMONS

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Ms. PELOSI. Mr. Speaker, I rise today to commend Robert L. Demmons for 22 years of dedicated service in the San Francisco Fire Department which culminated in his appointment as chief of the department on January 16, 1996.

The importance of his appointment goes beyond the fact that Chief Demmons is the first African-American to hold this position in San Francisco. What makes his appointment momentous is that Chief Demmons was the tenacious force behind the original complaint that brought about the consent decree which mandates the elimination of discriminatory practices and promotes the integration of minorities and women within the entry-level and promotional ranks of the San Francisco Fire Department. There are only a handful of men and women who challenge a system and are then given the privilege to rectify that process. I have no doubt that under Chief Demmons' leadership, both recruitment and the promotional system will meet or exceed the standards of the consent decree. I commend Mayor Willie Brown on this appointment.

Chief Demmons has devoted himself to improving the personnel practices of the fire department. When he served as the chief of management services, he ran two extraordinary recruitment drives. He also improved the EEOC complaint process which safeguards the rights of employees.

Chief Demmons has received numerous awards for his leadership in the fire department and in the community. One award that I would like to mention was the Meritorious Heroism Award that he received from the department. In 1985 when he was a lieutenant at the 33d Engine Company in Ingleside, he and another member of the department rescued a woman from a burning building and brought her outside to safety.

Mr. Speaker, Chief Demmons has demonstrated his courage both in the field and by his efforts to reform the system. I know that you will join with me in saluting him for the contributions he has made and will continue to make to the citizens of San Francisco.

THE SAFE MEDICATIONS FOR THE ELDERLY ACT [SMEA]

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. PALLONE. Mr. Speaker, each year tens of thousands of preventable health complications arise from inappropriate prescription drug use, costing billions annually. Yesterday, I introduced the Safe Medications for the Elderly Act or SMEA, a bill that seeks to correct this problem of inappropriate prescription drug use.

Over the course of the last year, I have worked on a solution to this problem. In an effort to curb the number of seniors being hospitalized or seriously injured—sometimes leading to death—SMEA shifts the emphasis of pharmaceutical care from pharmacists who need to dispense drugs as rapidly as possible to pharmacists who will sit down with an elderly individual and provide adequate consultations with specific medications.

As health care enters the 21st century, it is time to empower pharmacists and encourage them to play a greater role in health care delivery. Some pharmacists are currently spending the time necessary to improve patient compliance, but many are not.

Senior citizens have special needs that require additional attention when it comes to taking prescription drugs. Pharmacists can be an important component of the health care puzzle making a significant difference in seniors lives.

SMEA provides senior citizens with Medicare coverage for carefully targeted pharmaceutical care services including: vaccine administration, consultation with physicians, and consultation with patients to improve prescription drug compliance. Pharmacists only receive compensation if they achieve results.

Numerous studies have confirmed the problems and high costs associated with inappropriate drug use, especially among senior citizens who are particularly vulnerable due to their higher rate of prescription drug usage for multiple health problems.

Last year, the General Accounting Office [GAO] report that hospitalizations due to inappropriate prescription drug use cost about $20 billion according to FDA estimates. The report added that inappropriate use of prescription drugs is a "potential health problem that is particularly acute for the elderly."

Another study cited in the Archives of Internal Medicine in October 1995, stated that:

> Prescription-drug related problems—often caused by patients not taking their drugs properly—cost an estimated $76.6 billion in medical bills and cause 119,000 deaths a year.

A recent Wall Street Journal article (April 12, 1996, by Frank Bass) reported that a program under the H–E–B Grocery Co. and Nueces County's Memorial Medical Center in south Texas found that "pharmacist counseling can both benefit chronically ill patients and reduce health-care costs." The Wall Street Journal cited an H–E–B spokesman saying that "among the people in the program, emergency-room trips have declined 23 percent, hospital admissions 33 percent, and physicians visits 41 percent."

These are just a few of the studies and stories that exist to illustrate the problems that the elderly encounter with prescription drug misuse and positive benefits of proper pharmacist counseling.

Under the vaccine administration provision, pharmacists would be compensated for administering certain vaccines to elderly individuals This would only apply to States where pharmacists are authorized to provide such services. Typically, States with large rural populations certify pharmacists for vaccine administration, because in many instances, a pharmacist is the most accessible health care provider in a rural community.

SMEA would provide one more opportunity for seniors to receive preventive medicine—a simple vaccine—that can save lives and Medicare dollars. Vaccines have a proven record as a cost savings to the health care system.

The second section of SMEA involves physician consultations. A pharmacist would only be reimbursed when consulting a physician about a senior citizen's prescription drug regimen which resulted in the physician taking action on the pharmacist's advice. In other words, if a pharmacist advises a physician that a particular drug that was prescribed would harm the senior and the physician agreed and wrote a new prescription, then the pharmacist would be reimbursed. Many times physicians are unaware of other drugs being prescribed to patients for other conditions or being human, make mistakes.

Under this provision, a pharmacist would receive reimbursement only in instances that will benefit the health of the patient, but at the discretion of a physician. This provision is narrowly focused to provide the biggest bang for the buck in preventing elderly Medicare beneficiaries from becoming unnecessarily hospitalized or severely injured.

This legislation encourages pharmacists to spend more time reviewing the patient's prescription drug regimen, instead of racing to dispense prescription drugs quicker. Under current pharmacy care, even pharmacists can overlook possible drug prescribing mistakes. SMEA provides more opportunity for adequate review.

The final section of SMEA concerns consultations with a patient. A pharmacist would only be reimbursed when consulting a senior citizen which results in improved compliance with regard to specific drugs for six specific high-risk diseases or when a senior is on a drug regimen that requires four or more drugs.

Here, senior citizens will receive counseling from pharmacists for treatments that necessitate extra concern with compliance. Again, this legislation is carefully constructed to maximize Medicare savings, minimize hospital visits, and improve health care delivery for the elderly.

Pharmacists would be required to do more than just tell a patient to take two tablets a day with meals. SMEA would require pharmacists to do much more to improve patient compliance. Patient consultation sessions would involve increased pharmacist interaction with seniors about drug side effects, proper intake, and better drug regimen management with multiple prescriptions. These are just a few of the additional responsibilities that SMEA would require.

The end result is America's seniors living longer and remaining healthier without undue hospitalization and excessive costs. The elderly win. Medicare wins. And smart health care prevails.

FACING THE FUTURE CHALLENGES OF MANKIND

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention and submit for the RECORD a letter I recently received from Henry Chrystie of Yucaipa, CA, that raises some intriguing ideas and questions relating to the challenges mankind will face in the future. As Congress strives to make wise and prudent decisions to guide our country, Mr. Chrystie's thoughts will give all of us a little more to think about.

> To the powers that be.
>
> Ever since I was 14, in 1927, I have understood that, in my lifetime, men would be on the Moon and Mars, and I knew how it was going to be done. I now understand why. It is because we humans are expanding our population at such a rapid rate that in the future we are going to be hard pressed to provide space and food for ourselves. We will convert sea water, and we will convert the deserts to provide more livable land. We will also get into some real knockdown drag-out fights over who has what. We will wish we had laid the groundwork for the human race to expand outward toward the universe, which is our destiny. This is the massive problem we will be forced to face. If this sounds dire, then show me that I am wrong.
>
> It takes a lot of foresight to be in a position of responsibility, such as a Congressperson. Some of you have it but, unfortunately, some of you do not. You killed the search for extra-terrestrial intelligence even though any mathematician knows that it has to be out there because of the huge numbers that establish that probability. Now you seek to cut off funds, such as to NASA, etc. because you don't seem to understand how important long-range research and planning is.
>
> Are we going to stall around until we are in a real bind, or are we going to continue our long-range research and studies so that we will be able to cope with our needs as they develop? It is up to you, the powers that be, to very carefully consider this problem because the future of the worlds' population is in your hands. I for one, hope you have the brains to make the right decisions.
>
> All I can say to you is—think—very carefully. You must continue to support NASA, Mars Surveyor, Galileo, New Millenium, and related activities.

THE MARCH OF THE LIVING

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mrs. MALONEY. Mr. Speaker, I rise to call the attention of my colleagues to a critical program which I am proud to say is based in my New York City district—The March of the Living.

The March of the Living is a yearly journey in which thousands of Jewish teenagers gather from around the world in Poland and in Israel. During this unforgettable trip, these young people learn first hand about two 20th century events that changed the history of mankind forever—the Holocaust and the creation of the State of Israel.

While in Poland, March participants tour various cities where there had been vibrant Jewish communities before World War II, including Warsaw, Krakow, and Lublin. After seeing communities where Jewish life flourished, the teens are taken to the death camps where these lives were destroyed. The teens participate in a march from Auschwitz to Birkenau on Holocaust Memorial Day, the same day that Members of Congress gather in the Capitol Rotunda to honor the memory of those who were murdered in this genocide. I believe that this "march of the living"—young people retracing the steps of countless innocent victims who marched to their deaths—is one of the most creative and meaningful Holocaust remembrance programs ever enacted.

After showing the world that they will never forget the horrors of the Holocaust, the teenagers travel to Israel, where they visit the magnificent and vibrant Jewish homeland. Created out of the ashes of the Holocaust, the State of Israel stands as a great triumph, not only for the Jewish people, but for the cherished ideals of democracy, compassion, and enlightenment.

Mr. Speaker, the March of the Living has changed the lives of over 20,000 young people. It has proved to be an effective way of teaching the lessons of the past to our next generation of leaders. At this particular moment in time, I would like to join others in the Congress in appealing to the Government of Austria to become involved in this program.

Half a century after the Nazi era, it is in Austria's best interests to show the world that it is committed to Holocaust remembrance and the preservation of Jewish heritage. A few weeks ago, the world was once again saddened to hear former Austrian President Kurt Waldheim's distorted views of World War II and his denial of his own facilitation of war crimes. Waldheim's autobiography, "The Answer," is not the right answer to those who survived the Holocaust and those who lost their loved ones.

In my view, this would be an opportune time for Austria to commit itself to participating in the March for the Living. For this nation to assist such a worthy effort to teach the lessons of the Holocaust would be the best answer anyone could give to Kurt Waldheim's tragic assertions.

Let me conclude, Mr. Speaker, by congratulating the March of the Living on its outstanding work. I want to especially praise my constituent Ernest Goldblum for his tireless efforts on this and many other worthy causes, and to thank him for bringing these important issues to my attention.

H.R. 3675 STAFF RECOGNITION

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. WOLF. Mr. Speaker, I wish to recognize and thank those staff members who supported the Members of this House in the preparation and passage of the fiscal year 1997 Transportation and related agencies appropriations bill, H.R. 3675: The Transportation Appropriations Subcommittee staff: John Blazey, Rich Efford, Stephanie Gupta, and Linda Muir. The Appropriations Committee staff: John Mikel, Dennis Kedzior, Elizabeth Morra, and Ken Marx of the majority staff; and Cheryl Smith of the minority staff. The associate staff to the committee: Lori-Beth Feld Hua of my office, Monica Vegas Kladakis of Majority Whip DELAY's office, Connie Veillette of Mr. REGULA's office, Kevin Fromer of Mr. ROGERS' office, Bill Deere of Mr. LIGHTFOOT's office, Ray Mock and Eric Mondero of Mr. PACKARD's office, Todd Rich and Sean Murphy of Mr. CALLAHAN's office, Steve Carey of Mr. DICKEY's office, Paul Cambon of Chairman LIVINGSTON's office, Kristen Hoeschler of Mr. SABO's office, Jim Jepsen of Mr. DURBIN's office, Christy Cockburn of Mr. COLEMAN's office, Barbara Zylinski-Mizrahi of Mr. FOGLIETTA's office, and Paul Carver of Mr. OBEY's office.

A PROBLEM IN OUR NATION'S SCHOOLS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. TALENT. Mr. Speaker, I rise today to share with my colleagues a thoughtful letter on a problem in our Nation's schools written by David Wagemann, a constituent of mine from St. Louis, MO:

> DEAR CONGRESSMAN TALENT: You visited my home in the summer of 1992, as you were running for your first term in office. I was very impressed with your positions at that time and still am. Your reputation for strong principles, integrity and honesty have inspired me to write this, my first letter, to a congressman.
>
> My concern is not a new one, but I wonder if it has been brought to your attention. The press is flirting with it and it has the potential to become a national scandal. On December 12, 1995, 60 Minutes showed a segment on the problem. I am enclosing newspaper articles from our own Post Dispatch which begins to expose the problem which is that our school districts are becoming drug pushers.
>
> My oldest son Christopher attends the Parkway Northeast Middle School. We moved into the district in 1991, when my son began the third grade at Parkway's McKelvey School. Before that he attended the Woodland Elementary School of the Jennings District.
>
> At Woodland, we discovered that my son was easily distracted, was disruptive in class and had poor social skills with members of his own peer group. I know that my son was a handful, but he was generally not a problem in the home. He is kind and loving. He is very good with animals and children younger than himself. He is very artistic and has even had his work displayed in the Capitol at Jefferson City. I wanted to work with the school to improve his behavior and so became involved with a team consisting of his teachers, administrators, counselors and myself. Chris seemed to flourish at Woodland. Through my association with "our team" I became a Cub Scout Leader, Treasurer and later President of the PTO. Never once during the four years we spent at Woodland did any of the teachers, administrators, or counselors suggest that I medicate my son. Even so, I was raised in the Parkway District and felt that I could improve my children's prospects for the future by moving there.
>
> Within a month, my son's third grade teacher informed me that my son had Attention Deficit Disorder and needed to see his pediatrician for Ritalin.
>
> The pediatrician, who had attended my son since birth, gave me a set of written questions to be answered by myself and another set for this teacher. This is called a Conners Test. My son did not score high enough to be diagnosed with ADD, but the doctor gave me a prescription for Ritalin anyway and instructed me that if it had a positive effect on my son's behavior, he most likely did have ADD.
>
> The drug was to be administered in the morning and at lunch on school days only. I was instructed not to give it to him on weeknights, nor on weekends, nor during the summer break. The supposed purpose of these instructions was to determine when my son would outgrow the need for Ritalin.
>
> The drug did indeed have a profound effect on my son. Within minutes of taking the drug my son would enter a zombie-like state (this descriptive term is borrowed from any number of professional articles.) His disruptive tendencies were gone and he would appear to stare, glassy eyed, into the distance. The teacher reported that the changes she had expected had occurred and that she was pleased with my son's behavior while he was under the influence.
>
> An equally immediate problem manifested itself in our home exhibited by personality disorders while he was not under the influence of the drug. My passive, loving, artistic child became hostile, aggressive and abusive to everyone around him. I have since learned that the medical profession recognizes this behavior as "rebound effect." I recognized it more simply put in the vernacular of my youth as crashing off the drug. I reduced the dosage to half a 5mg tablet, but the effect was the same. We tolerated this medical and educational experiment for a duration of two weeks, after which I permanently discontinued the drug and devoted the whole of my energies to learn all I could about ADD and Ritalin.
>
> If, as I understand, one of the reasons our government exists is to protect its citizens, then what I have been able to discover through simple laymen's research, demands investigation and regulation by our government. In fact, the democratic controlled congress in the 1970's did investigate the use of Ritalin in our schools. They saw the drug induced behavior patterns, but made no discoveries of the improved academics or side effects. Perhaps enough time has passed and a congress with more traditional family values would consider the abusive tactics being used today to medicate our children for behavior modification.
>
> Ritalin is a stimulant medication, or again to use the vernacular of my youth, it is "speed." The historical abuses of speed for recreational and medical purposes is well known to most of my generation. We all know from the highway billboards of the 1980's that "Speed Kills." The federal government recognizes the dangers of Ritalin in particular. It is a felony to possess Ritalin without a prescription. The federal government limits the number of prescriptions a doctor can write for Ritalin, each prescription must be personally issued from a doctor to his patient or guardian. No telephone or mail order prescriptions are allowed. Pharmacists are limited by the amount of Ritalin prescriptions they can fill. Only a licensed pharmacist can dispense Ritalin. Pharmacists must keep Ritalin under lock and key.
>
> The known side effects of stimulant medications are appetite loss, insomnia, headaches, stomachaches, fatigues, staring, irritability, crying, motortics, Tourette's Syndrome, vocaltics, constipation, nervousness, depression, withdrawal, and liver damage.
>
> In my experience, most teachers are not aware of the side effects of Ritalin and when

made aware, can display a degree of concern regarding the worth of the benefits. Still, there are those teachers, administrators, counselors and social workers who are unscrupulous in the efforts to force a parent to medicate the child. Recently my son's special services teacher iterated and reiterated three times in a single conversation that my son's social interaction problems would undoubtedly result in his death before completion of the eighth grade. When asked to elaborate she stated that my son waves his hands in front of other students faces. This same teacher in another conversation threatened to suspend my son for making excuses for keeping a sloppy notebook. Threats of this nature have been common in my past five years at Parkway. I have attended a lecture by Parkway's then Superintendent who is now the Superintendent of the Clayton District, when he highly exposed the use of Ritalin. Administrators have gone behind my back to my son's non-custodial mother in a nearly successful attempt to have him medicated.

There are only two reasons that educators would have for wanting our children to be medicated; (1) that they be afforded the best possible education and (2) that disruptive tendencies be eliminated. The verdict is still out concerning the improved academics of a medicated child. My non-medicated son is typically a B–C student. The verdict concerning behavior enhancement is not in doubt. It has been observed that even non-ADD pre-adolescent behavior is improved with stimulant medications. Could this be the real reason that schools want our children medicated? Didn't we used to medicate institutionalized mental patients for the same reasons? Is a teacher's comfort worth risking the health of our children?

I have employed the services of several clinicians to evaluate my son. Some were even suggested by the schools. Their first choice is always Ritalin despite my concerns. Some even chose to condescend from their lofty pinnacles of knowledge. I wanted to know just what they knew. What I discovered is a scandal of its own. They can describe the symptoms of ADD and ADHD, but have no idea what it is. Since the use of Ritalin is so prevalent you might expect that there is a chemical imbalance in the brain. That's one possibility. Another is an unidentifiable deformity. They have no idea what Ritalin does in the body so they are treating the symptoms of ADD with a symptomatic drug. They can't even determine whether ADD is physiological or psychological. They speculate about its cause. It could be congenital, but then again, it could be caused by head trauma. Consider how it is diagnosed. Different specialists diagnose in different ways, but a prominent method is to prescribe Ritalin and observe behavior changes. There is no MRI, no CAT, and no blood test. Some doctors offer motor tests, psychological evaluations or written self diagnosis. Less is know about ADD and ADHD that AIDS even though they have recognized ADD by one name or another for over 40 years. Recently the theory that ADD is outgrown in adulthood has been abandoned so that several generations can take advantage of stimulant medications.

It is generally accepted that 3–5% of the population had ADD or ADHD. Enclosed you will find a January 10, 1995 article from the Post Dispatch which states that "there are first grade classes in St. Louis County where 30% of the boys are reportedly being treated with Ritalin for attention deficit disorders." Any layman knows that boys are generally more disruptive than girls. If pharmaceutical companies and medical professionals are profiting by wholesale drug induced behavior modification of our children for the comfort of our educators, it is a scandal the like this country has never known. How would the Congress of the 1970's react to such a finding? Perhaps they would impose several restrictions on the dispensation of Ritalin. How would the Congress of today report such a finding? Parents today are not making informed decisions concerning this affair. Who will give us the information we deserve and who will protect us and our children from persecution in the schools we choose not to medicate our children?

Disoveries that need to be made:

School by school, what percentage of our children are being medicated for ADD and ADHD?

Are these percentage growing?

Comparisons need to be made between rural and urban districts, between neighboring urban districts, between public and private schools. What could be causing disparities? Do the schools have policies concerning counseling parents toward the use of stimulant medications? If individual schools exceed the recognized percentages by multiples of 5 or 10 or more; what action should be taken?

What information do parents of ADD and ADHD children have to base decisions regarding treatment? How did they first become aware of ADD and ADHD? What counseling have they received and where did it come from? What kind of cooperation exist between schools and clinicians?

What benefits of Stimulant medications do teachers really see? Improved Academics? Improved behavior? Which is most important to the teacher?

Do parents who choose not to medicate their children feel harassed for their decision?

Ritalin has been commercially available since the fifties. Why can't we establish the long and short term side effects of the drug?

Congressman Talent, your prompt response to this matter is greatly appreciated.

U.S. GOVERNMENT PRINTING OFFICE—A LOYAL FRIEND TO CONGRESS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. FROST. Mr. Speaker, the Appropriations Committee recently recommended that the U.S. Government Printing Office look for additional opportunities to privatize its operations. Already the GPO contracts out between 75 percent and 80 percent of all printing jobs it receives.

The GPO has one of the finest performing procurement operations of any in the U.S. Government, and GPO saves the taxpayers millions of dollars every year through this process.

The only work that continues to be done inhouse at GPO is work that would be very difficult and very expensive to contract out. The GPO performs almost all congressional work inhouse, working closely with the House, and Senate leadership on an hourly basis to ensure that Congress' business can be transacted each day.

What kind of control would we have over contracted printing. Would we get the CONGRESSIONAL RECORD, conference reports, business calendars, and bills on time? The GPO keeps personnel on standby to meet all of Congress' needs and contingencies regardless of the hour of the day or night.

How many contractors could do that? And, at what cost would it be to the Government? The U.S. Government Printing Office charges only its costs to do congressional work. Contractors would charge cost plus a profit.

More than 100 years ago, most congressional printing was contracted out, and it was a disasterous program. Work was late, some of it never got done, and contractors charged outrageous prices.

The GPO was created to put an end to that very expensive and corrupt process. It has been an incredible success and a truly loyal servant to the U.S. Congress.

With the GPO's outstanding record, we need to take a long and hard critical look at proposals to privatize congressional printing.

THE SOCIAL SECURITY TRUST FUNDS NEED OUR HELP NOW

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 9, 1996

Mr. THOMAS. Mr. Speaker, with the recent issuance of the 1996 annual report of the Board of Trustees of the Federal Old-Age, Survivors, and Disability Insurance [OASDI] Trust Funds, it is time to heed the warning that this report provides. The funds will be fully depleted by 2029. In addition to the loss of the trust funds that year, the 2029 annual Social Security tax revenues will only be adequate to cover three-quarters of the amount necessary to pay the OASDI benefits for that year.

If we don't act now, our retirement system that employers and employees have paid into since 1937 may become extinct. Today's young workers already have little faith that they will ever be able to collect Social Security benefits. In fact, in a recent survey, workers indicated that they believe they have a better chance of seeing a UFO than collecting Social Security benefits.

The number of covered workers receiving benefits has grown dramatically but the number of workers paying into the funds to cover each retired worker is shrinking dramatically as well. In 1945, the system had over 1 million recipients with approximately 41.9 workers paying into the fund for each retired worker receiving benefits. In 1995, there were over 43 million recipients with 3.3 beneficiaries supporting each retired worker. By 2070, there will be over 96 million recipients and only 1.8 current workers per each recipient.

Let's look at it from another perspective. In 1945, 2 out of every 100 covered workers were actually Social Security recipients. In 1995, there were 31 recipients for every 100 workers and in 2070, with the baby boomers, it will top off at 55 recipients out of every 100 covered workers. In 75 years, more covered workers will be retired than working. Please keep in mind that 41 years earlier, the fund was depleted and payments to recipients will be coming directly out of Social Security taxes paid in that year with the shortfall being made up with other taxpayer funds. If these funds are covering the Social Security shortfall, that means that less dollars are available for other entitlement spending—including Medicare and Medicaid—and discretionary spending.

The same time that the trust funds are gone and the shortfall is being made up with Federal dollars, Americans are living longer. Retirees will be collecting Social Security benefits for a greater length of time. In 1940, the average male did not even live long enough to collect Social Security benefits—average life expectancy 61.4 years; and females did not collect it for very long—average life expectancy 65.7 years. By 2070, the average man will live 78.4 years and the average women 84.1 years. They will start collecting Social Security retirement at age 67.

Changes to the system need to be made now. Of course, the trustees look for solutions in America's checkbook and tell us that the system can be saved if we increase Social Security taxes approximately 2 percent during 1996.

There is a better approach. My Social Security IRA bill, H.R. 2971, is a modern plan. It incorporates the best of the present Social Security system and also provides the worker with a role in personal retirement planning. The worker's portion of the Social Security tax is placed in a federal insured depository institution of the worker's choice.

If today's average salaried worker pays into the Social Security IRA account for 45 years, upon reaching the future retirement age of 67 years, the worker will have accumulated approximately $172,000 in the account—converted to present dollars and computed using a 3 percent annual rate of return. If these funds are rolled over upon retirement, into an annuity program, the monthly annuity payment to the retiree will be $854. At retirement, the worker will also receive a reduced Social Security monthly annuity. Please note that the present monthly Social Security benefit for the average worker is $886.

The time is ripe for change. The OASDI trust funds are in trouble. Let's not wait until it's too late. We need to make a change now if we want to save the Social Security system. Social Security IRA offers an alternative.